

Manufacturers Expanded In April

CHRISTOPHER S. RUGABER, AP Economics Writer

WASHINGTON (AP) — U.S. manufacturing grew faster in April than in March as exports picked up and factories accelerated hiring.

The higher reading adds to other evidence that manufacturers are expanding steadily after a sluggish start to the year. Solid factory output will likely boost economic growth in the coming months.

The Institute for Supply Management said Thursday that its manufacturing index rose to 54.9 from 53.7 in March. Any reading above 50 indicates expansion.

A gauge of hiring within the index jumped to 54.7 from 51.1 in March, a sign that factories added many more jobs in April. The government's jobs report for April will be released Friday.

Manufacturers are benefiting from increased spending by consumers and businesses. Americans are buying more at retail stores and purchasing more cars after harsh winter weather had kept shoppers at home in January and February.

Factories are also shipping more goods overseas. A measure of export orders rose to 57 in April from 55.5 in March.

Still, slower growth in China, the world's second-largest economy, could slow demand for U.S. exports in coming months. China's manufacturing sector barely grew in April, according to a government report. A private survey found that factories in that country shrank in April for a fourth straight month.

The ISM's evidence of rising U.S. manufacturing coincides with reports that show economic growth is picking up this spring after a brutal winter. The economy barely expanded in the first three months of this year, growing at a scant 0.1 percent annual rate.

But Americans stepped up their spending in March at the fastest pace in 4½ years, a government report showed Thursday. Auto sales also picked up that month. And surveys have shown that Americans are more confident in the economy than they were during the bleak winter.

Greater spending should spur more factory production. Factories cranked out more furniture, clothes, chemicals and aircraft in March, according to a Federal Reserve report this month. Manufacturing output rose 0.5 percent after a 1.4 percent surge in February.

And orders for U.S. manufactured goods jumped in March for a second straight month, a government report said last week. Those increases had followed declines

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in December and January.

That suggests that businesses are spending more. Excluding volatile orders for aircraft, defense equipment and other items, demand for core capital goods jumped 2.2 percent in March after falling in February. Orders for core capital goods are considered a barometer of business investment plans.

Last year, U.S. factories grew at a strong pace as home and auto sales rose. The ISM's index regularly topped 56 in the second half of the year.

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