Daily Journal • Daily Messenger Saturday, April 25, 2009

Durable goods fall less than expected

MARTIN CRUTSINGER
Associated Press

WASHINGTON — Demand for big-ticket manufactured goods fell less than expected in March, raising hopes that the long slide in manufacturing is nearing an end.

The Commerce Department said Friday that orders for durable goods dropped 0.8 percent last month, about half the 1.5 percent decline that economists expected. A rise in orders for commercial and military aircraft helped cushion weakness elsewhere.

The small drop followed a 2.1 percent increase in orders in February. That was the first gain after six monthly declines.

While February's results were revised down from an earlier estimate of a 3.5 percent gain, that rise in orders followed by only a small drop in March show some faint signs of life in manufacturing.

Still, economists cautioned the best that can be expected is that industrial production stabilizes. They do not expect a rebound from the current low levels anytime soon given all the problems facing the economy.

U.S. manufacturers have been hurt by a steep drop in demand at home and from major overseas markets, which face their own recessions.

Demand for transportation products fell 1.4 percent in March, reflecting a continued slide in orders for motor vehicles, which fell 1.7 percent.

That weakness was offset somewhat by increases of 4.4 percent in demand for commercial aircraft and 4.7 percent in orders for military aircraft. Even with the increase in orders for commercial aircraft, they remain sharply lower than a year ago as the global recession has depressed demand worldwide.

Excluding transportation, orders fell 0.6 percent last month, just half of the 1.2 percent decline that had been expected.

