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Increase follows steep March drop

By Martin Crutsinger
Associated Press

WASHINGTON — Orders to factories rose modestly in April as manufacturers rebounded from a weak March performance.

Factory orders rose 1 percent in April compared with March, when orders had dropped a sharp 4.7 percent, the Commerce Department said Wednesday. The big swing reflected volatility in commercial aircraft orders, which were down sharply in March but surged 53.3 percent in April.

In a hopeful sign, orders in a category viewed as a proxy for business investment spending posted a 1.2 percent rise following a 1.1 percent gain in March. This category had fallen 4.8 percent in February.

More spending by businesses could ease fears that manufacturing will be a drag on the economy later this year. April's increase pushed orders to $474 billion, 1.7 percent higher than a year ago.

Orders for long-lasting goods ranging from computers to battleships rose 3.5 percent in April compared with March following a 5.9 percent decline in March. Orders for nondurable products such as paper, chemicals and food fell 1 percent in April after a 3.5 percent March decline. The decline in nondurable products primarily reflected falling energy prices.

In the durable goods area, orders for transportation products were up 8.4 percent, reflecting gains not only in demand for commercial aircraft but also motor vehicles and cars and defense aircraft. Excluding transportation, orders would have edged down 0.1 percent in April, a better showing than March, when orders excluding transportation fell 2.8 percent.

Factories had been seeing fewer orders at the start of the year, in part because slower global growth had reduced demand for U.S. exports. Economists had also worried that across-the-board federal spending cuts and higher taxes might prompt businesses to cut back on orders.