BUSINESS

Factory orders up 0.7% in May

Manufacturing has slowed slightly

By Martin Crutsinger
Associated Press

WASHINGTON — Companies placed more orders with U.S. factories in May from April, demanding more computers, machinery and other equipment that signal investment plans.

The increase is a welcome sign after two months of declining factory orders.

Still, factory orders are down from the start of the year.

And more recent data show manufacturing activity shrank in June for the first time in three years, adding to worries that weaker global growth is weighing on the U.S. economy.

"The demand for manufactured goods is recovering moderately and irregularly, but that recovery has been relatively weak relative to the magnitude of the previous declines," said Steven Wood, chief economist at Insight Economics.

Factory orders increased 0.7 percent in May from April, the Commerce Department said Tuesday.

Core capital goods, which include machinery and computers, rose 2.1 percent. That's better than the 1.6 percent estimated in a preliminary report a week ago and shows companies still are making investment plans.

Overall factory orders increased to $469 billion.



Earl Kluft, who manufactures mattresses, secures a load at his factory in Rancho Cucamonga, Calif., in early May. The Commerce Department reported Tuesday that factory orders increased 0.7 percent in May. AP