

Garrett Tomblin operates equipment in the mine disaster training area of the Running Right Leadership Academy in Julian, Va. STEVE HELBER/AP

Factory output up in June for 2nd month

Could be a boost to economy this year

By Paul Wiseman
Associated Press

WASHINGTON — U.S. factories cranked out more business equipment, home electronics and autos in June, boosting manufacturing output for the second straight month. The gains suggest factories may be starting to recover from a slow start this year.

The Federal Reserve said Tuesday that manufacturing production rose 0.3 percent in June from May. That followed a 0.2 percent gain the previous month. Still, the two consecutive gains barely offset production declines in March and April.

Overall industrial production, which includes factories, mines and utilities, also rose 0.3 percent in June. Mining output increased 0.8 percent, while utility output slid 0.1 percent.

Manufacturing is the most critical component of industrial production. The recent gains are a sign that factories could help the economy grow.

The "report confirms the picture of a moderate recovery in the manufacturing sector," Annalisa Piazza, senior economist at Newedge Strategy, wrote in a research note.

Manufacturers have struggled this year, providing little support to the economy. Their output is up just 1.8 percent over the past 12 months. And factories have cut jobs in each of the past four months, shedding a total of 24,000 since February.

A key reason for the weakness is slower global growth has cut demand for U.S. exports. Europe is still in a recession and China's economy grew from April through June at the slowest pace in more than two decades.