BUSINESS



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May factory output rises 0.1%

Comes after two months of decline

By Martin Crutsinger
Associated Press

WASHINGTON — U.S. factories barely increased their output in May after two months of declines, a sign that manufacturing is providing little support for the economy.

The Federal Reserve said Friday that factory production rose just 0.1 percent in May from April. Output fell 0.4 percent in April and 0.3 percent in March.

Factories produced more autos, computers and wood products last month, offsetting declines in the production of primary metals such as steel and furniture.

Manufacturing output has risen just 1.7 percent in the past 12 months.

"Manufacturers are still struggling to cope with the ongoing weakness of global demand," said Paul Dales, senior U.S. economist at Capital Economics.

Overall industrial production was flat in May after a 0.4 percent drop in April. Utility output, which is heavily influenced by the weather, fell 1.8 percent after a 3.2 percent April drop. Mining output rose 0.7 percent after a 1.1 percent increase in April.

Manufacturing, the most critical component of industrial production, has struggled this year. Factories have been held back by weak economies overseas that are buying fewer U.S.-made goods.

The decline has held back hiring. Factories have slashed jobs in each of the past three months. And the Institute for Supply Management's manufacturing index fell in May.