

Sherie Mir works on an assembly line at Generac Power Systems, Inc., one of the largest makers of residential generators in the country, in Whitewater, Wis. AP

US manufacturing output rose in Nov.

Factories steadily turning out cars, wood products, appliances

By Martin Crutsinger
Associated Press

WASHINGTON — U.S. factories rebounded in November from Superstorm Sandy, boosting production of cars, equipment and appliances. But after factoring out the impact from the storm, the broader trend in manufacturing remained weak.

The Federal Reserve said Friday that factory output increased 1.1 percent in November from October. That offset a 1 percent decline in the previous, which was blamed on the storm.

Auto production jumped 4.5 percent last month, the first increase since July. Production of primary metals, wood products, electrical equipment and appliances all showed gains.

Total industrial output at factories, mines and utilities rose also rose 1.1 percent last month, after a 0.7 percent decline in October.

Still, economists cautioned that the rebound in manufacturing was almost entirely related to Sandy.

Sal Guatieri, senior economist at BMO Capital Markets, noted that when averaging data over October and November, industrial output and manufacturing both were up just 2.1 percent over the past year — less than half the growth rate from the start of the year.

"Looking beyond Sandy's impact, U.S. manufacturers continue to plod ahead," Guatieri said.

Many companies have delayed purchases of machinery and equipment this year because of uncertainty surrounding taxes and government spending. They are also worried about a slowdown in global growth that has weighed on U.S. exports.

"The global slowdown will prevent a strong recovery" in manufacturing, predicted Paul Dales, senior economist at Capital Economics.

U.S. manufacturing activity shrank in November to the slowest pace since July 2009, according to a closely watched index of manufacturing activity compiled by the Institute for Supply Management.