Wholesale stockpiles on rise

While slight, figure increases for fourth straight month, Commerce Department says

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WASHINGTON — Wholesalers increased their stockpiles only slightly in July after three monthly declines, while their sales barely rose. The tepid gains add to worries about slower economic growth in the July-September quarter.

The Commerce Department said Wednesday that wholesale stockpiles rose just 0.1 percent in July from June. That followed a 0.3 percent decline in June.

Sales rose 0.1 percent in July, the smallest gain since December. Still, that's the fourth straight month that sales have risen.

Some economists had thought that wholesalers would ramp up their stockpiles in July after cutting them from April through July.

The smaller increase could weigh on economic growth in the third quarter. More restocking boosts factory production, driving overall growth.

The economy grew at a 2.5 percent annual rate in the April-June quarter. Restocking by all businesses added 0.6 percentage points to growth in the second quarter, although the gain was driven by retailers, manufacturers and farmers.

Many economists believe growth is slowing in the July-September quarter to an annual rate of 2.3 percent, although a handful of July data suggest the figure could be weaker.

In addition to the sluggish restocking, businesses cut spending on long-lasting manufactured goods, new-home sales plunged and consumers barely increased their spending.