

## SMALL INCREASE IN US INDUSTRIAL PRODUCTION



The economy saw a small increase in industrial production in the United States even during this tough world economy. With the increase, economist are looking favorably at the country not falling into another recession. After a rough month during August, United States industrial production of computers and automobiles made a slight increase during the month of September. Output at utilities, factories, and mines increased by 0.2%. Likewise, factory productions, which contains 75% of the total production, grew for the third consecutive month, according to the figures given by the Federal Reserve in today's report. The industrial production report gives hope to manufacturers around the United States. Capacity utilization, the way to measure the amount of plant in use, increased to 77.4% this month. Oil drilling and all mining productions increased by 0.8%. The Institute for Supply Management's factory increased to 51.6 during September. Production of business equipment increased 1%, and output of motor vehicles increased 0.7%. Automobile manufacturing has supported factories through its period of slow growth from supply chain disruptions caused by Japan's natural disasters. During September, automobile sales rose to an annual rate that was seasonally adjusted to 13 million. This exceeded the median forecast projected by economist in April. General Motor Co. sales increased 20% from September 2010 to September 2011. GM Vice President of US Sales, Dan Johnson said that according to the economic data, "all point to a slow-growth scenario, not a double dip." Business investments and emerging markets have boosted the demand within the States while Japan continues to recover from the tsunami and earthquake that struck earlier this year. Companies like Alcoa Inc and General Motors Company are getting a lift because of this. Also, the European debt crisis are also lifting the production of factories as the region's debt crisis continues to linger. Globally, many companies are working hard to look past the swinging stock market and the European debt crisis. Alcoa, the largest producer of aluminum in the United States, expects global demands to recover despite the shaky world economy. Alcoa's President and Chief Executive Officer stated, "We've seen strength in many of our markets despite the sharp slowdown in Europe that hurt our sequential results, and I'm more concerned about the lack of confidence than about market fundamentals. It almost looks like the world is worrying itself into another recession that shouldn't be allowed to happen." David Kelley, the chief market strategist at JPMorgan Funds in New York, believes that the recent positive reports have shifted America's fears of a recession. In an interview during "In the Loop" with Betty Liu on Bloomberg Television, he says, "You can't scare America into a recession right now. The data have been quite good in the last few weeks." He forecasts that the economy has grown at a 2% annual rate during the third quarter, and may have gone as high as 3%.

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