# Manufacturing Rallies For 16th Straight Month Of Growth

The Associated Press

WASHINGTON (AP) — The manufacturing sector likely grew in November for the 16th straight month, though at a slightly slower pace than the previous month.

Still, the continued expansion of manufacturing is a good sign for the economy. The factory sector led the nation out of recession late last year, but many economists have feared that its growth would end when companies finish replenishing their stockpiles of goods.

Retailers and many other businesses cut their inventories sharply in the recession, and restocking warehouses and store shelves has been a significant contributor to economic growth. A key question for manufacturers is whether consumer spending will be sufficient to stoke future factory output once companies have finished rebuilding their inventories.

Economists will look closely at the Institute for Supply Management's report, due Wednesday at 10 a.m. EST, for answers to that question.

The ISM's index of manufacturing activity is forecast to dip to 56.5 for November, from 56.9 in October, according to Thomson Reuters. A reading above 50 indicates that the sector is growing.

There are signs that consumers are picking up their spending, fueling demand for autos, computers and othermanufactured goods. Consumer spending rose by 0.4 percent in October, the Commerce Department said last week, up from 0.3 percent in September.

In addition, a weaker dollar, which makes U.S. goods cheaper overseas, is likely to boost export orders. The ISM report measures whether export orders are increasing.

The ISM's manufacturing index rose to 60.4 in April, the highest level since June 2004. The index had bottomed out at 32.5 in December 2008, the lowest since June 1980.

The ISM surveys purchasing managers at about 350 companies around the country to compile the index.

One sign of the improving health of the U.S. manufacturing sector: General Motors and Chrysler, which both filed for bankruptcy protection last year and recovered with the help of billions of taxpayer dollars, said Tuesday they are hiring again.

Both are planning to add 1,000 engineers and researchers. GM said it will hire the

new workers over the next two years, while Chrysler said it will do so in the next four months.

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