

U.S. manufacturing sector contracts in November

WASHINGTON, Dec. 3 (Xinhua) -- The U.S. manufacturing sector contracted in November after two consecutive monthly increases, a troubling sign for the economic recovery, a leading industry survey showed on Monday.

The U.S. Institute of Supply Management (ISM) said the manufacturing index, also known as the purchasing managers index (PMI), dropped from the estimated 51.7 percent in October to 49.5 percent in November, the lowest level since July 2009.

A reading above 50 percent indicates that the manufacturing sector is generally expanding, while a reading below 50 percent indicates contraction.

The new orders index registered 50.3 percent for the month, a decrease of 3.9 percentage points from October, indicating slower growth in new orders.

Of the 18 manufacturing industries, only 6 reported growth last month, including petroleum and coal products, and electrical equipment. Eleven industries reported contraction, including primary metals, wood products and machinery, said the ISM.

Manufacturing has been a bright spot in output and employment since the recession ended in June 2009. But the sector has shown signs of weakening in recent months.

The Federal Reserve said in its latest national economic performance survey that the manufacturing sector had weakened since previous report.