

Prepared July 2009
(for the period ending 06/30/2009)

Overall Survey Results
Results by Industry Segment
Results by Geographic Region
Member Comments by Industry Segment



National Tooling & Machining Association

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July, 2009

Dear NTMA Member:

As a result of the continuing downturn in the manufacturing sector of the U.S. economy, business conditions deteriorated even further for NTMA member companies during the first six months of the year according to the June 2009 NTMA Business Conditions Report. The NTMA Report covers the first half of 2009 and is a geographical “snapshot” of business trends and conditions in the special tooling and machining industry.

Only 22% of member companies reported business conditions as good, very good, or excellent for the first half of 2009 – down from 42% for the second half of 2008 and 70% for the first half of 2008. And 60% of survey respondents projected business conditions will either remain the same or decrease during the second half of this year. However, on the upside, some respondents expressed a degree of optimism for the next six months – 40% of respondents projected business conditions to increase during the second half – up from only 24% that reported such optimism in December, 2008.

Other downward indicators were as follows:

- Future Work on Books (Average) – 11.1 weeks down from 13.3 weeks in December, 2008
- Average Workweek per Skilled Employee – 39.7 hours down from 43.5 hours in December, 2008

And finally, those NTMA members that participated in the June, 2009 survey reported an **11.2 percent decline in employment** from December, 2008 levels. Unemployment levels in the special tooling and machining industry appear to be in line with national levels.

Thanks to the 324 NTMA member companies (22% of membership) that participated in the June 2009 NTMA Business Conditions Report.

Sincerely,

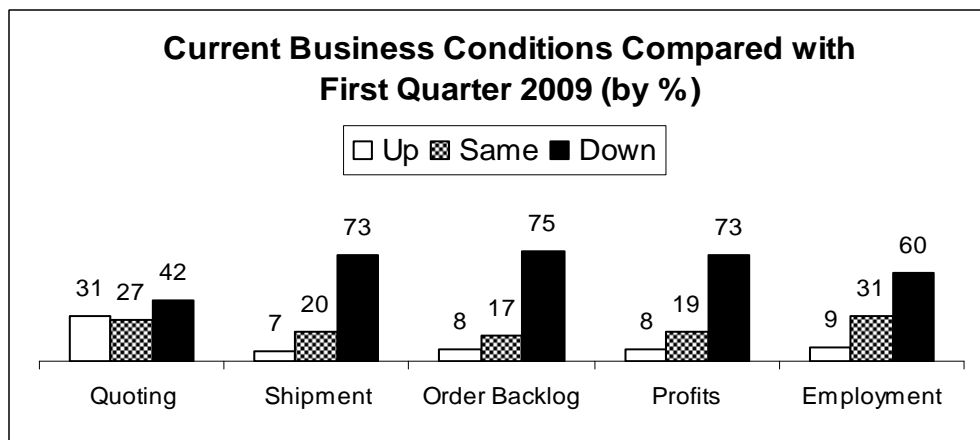
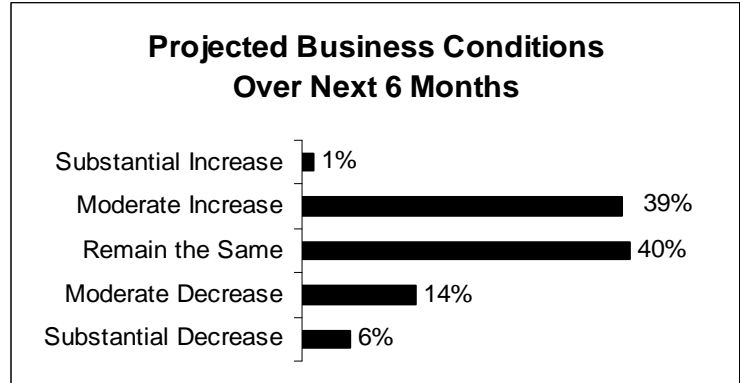
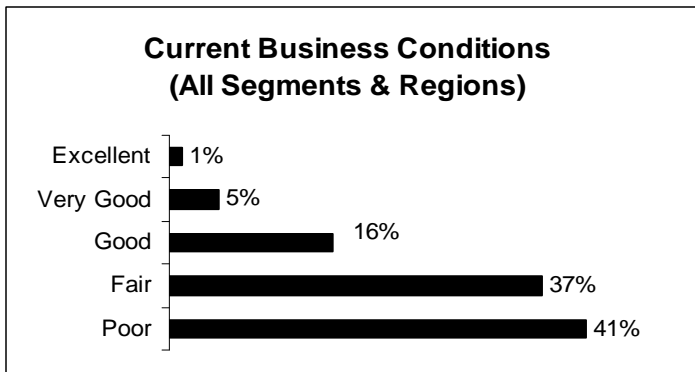
A handwritten signature in black ink, appearing to read 'Thomas H. Garcia', written over a horizontal line.

Thomas H. Garcia
Director, Business Development



June 2009 NTMA Business Conditions Report

The June 30, 2009 reports from 324 NTMA member companies (22% of total membership).



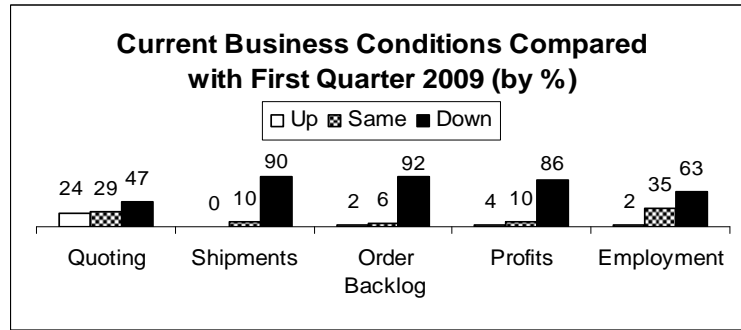
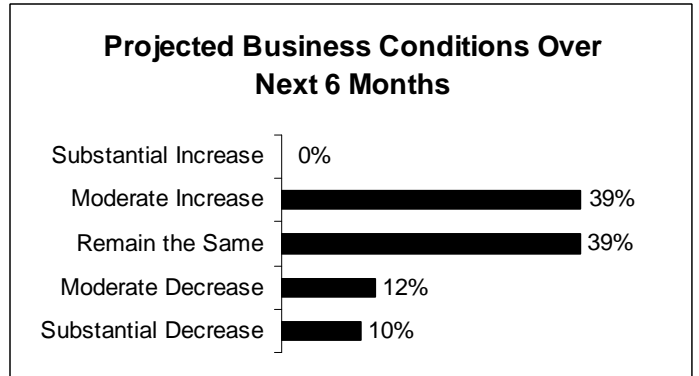
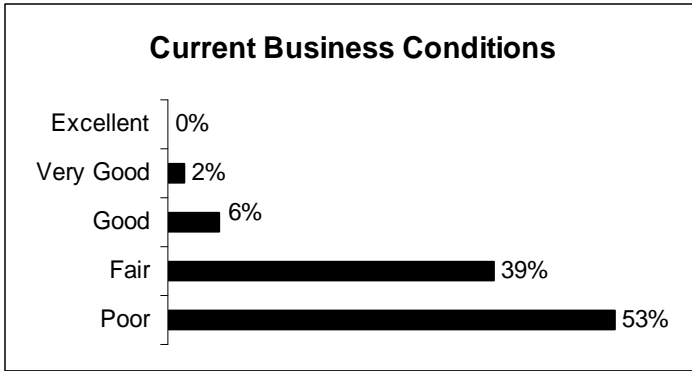
Future Work on Books (Average): 11.1 Weeks

Current Average Workweek Per Skilled Employee (hours per week): 39.7

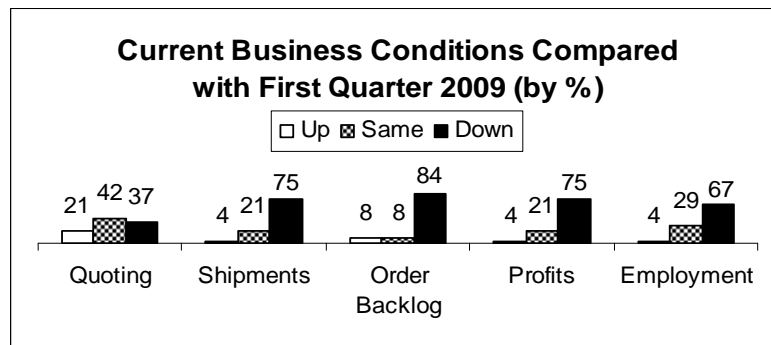
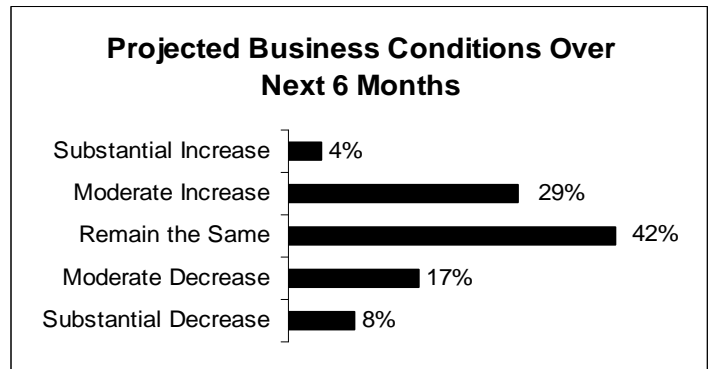
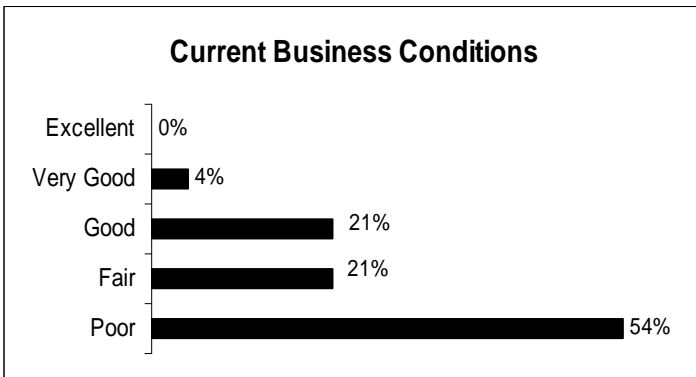
Total number of employees as of December 31, 2008 = 15,495

Total number of employees as of June 30, 2009 = 13,764

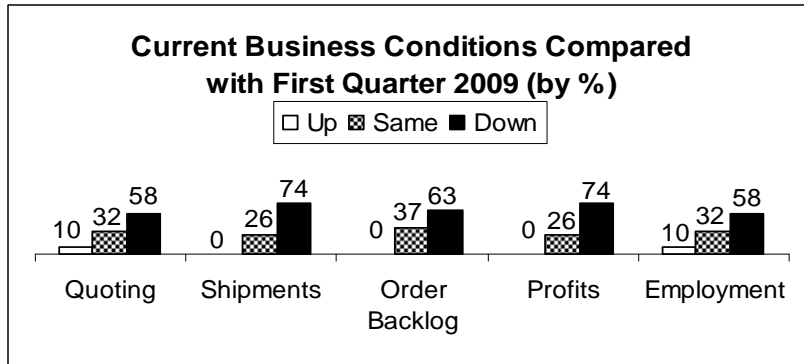
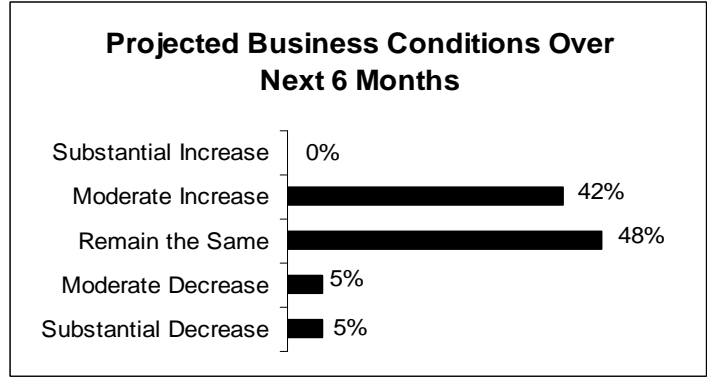
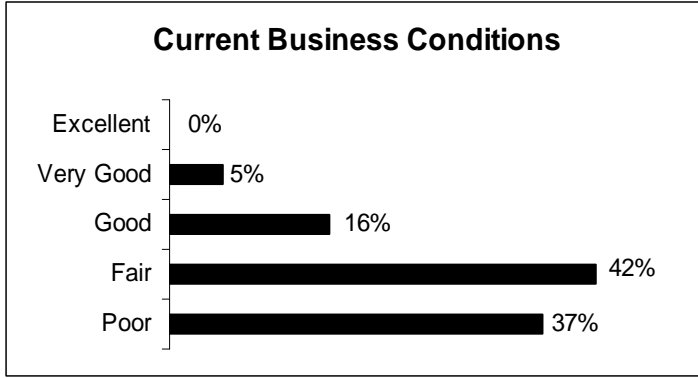
BUSINESS CONDITIONS (By Industry Segment)
TOOLS, DIES & FIXTURES
(49 responses)



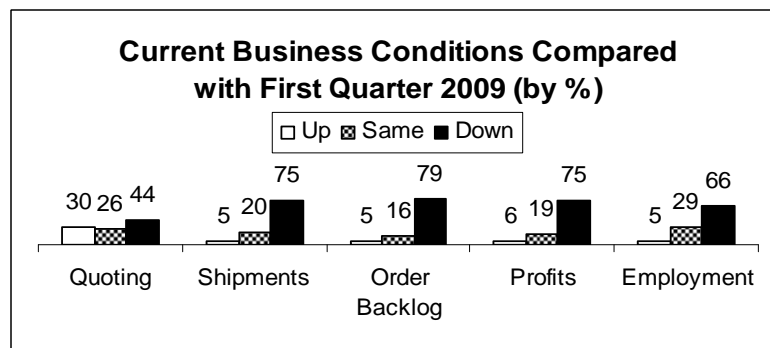
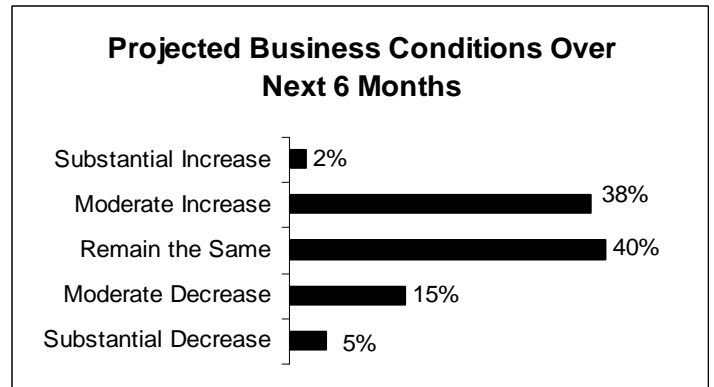
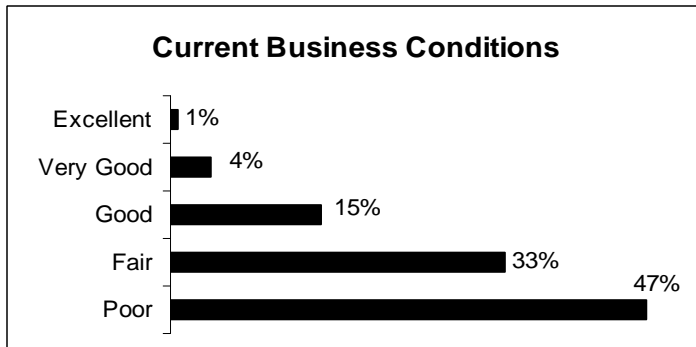
MOLDS
(24 responses)



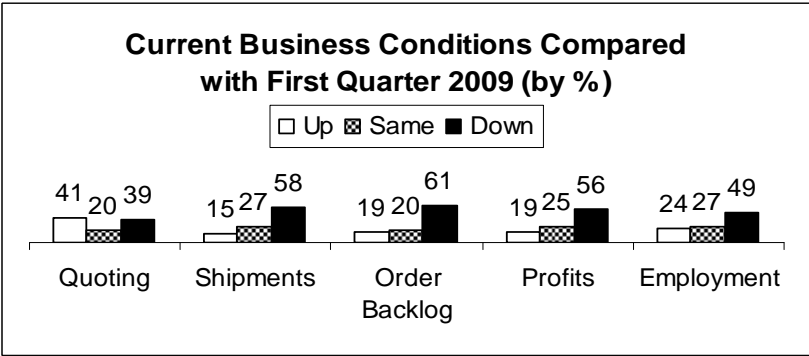
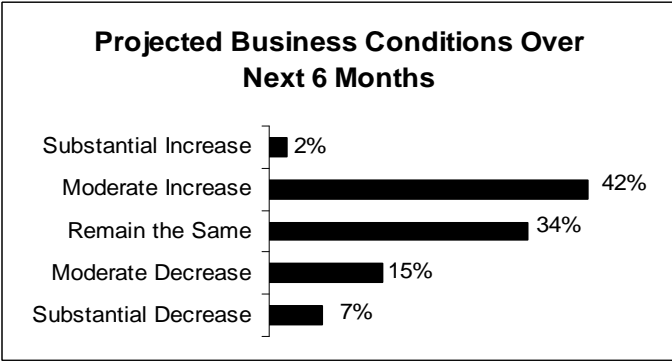
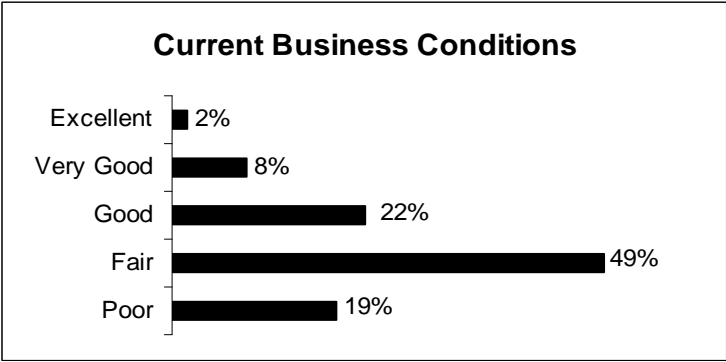
SPECIAL MACHINES
(19 responses)



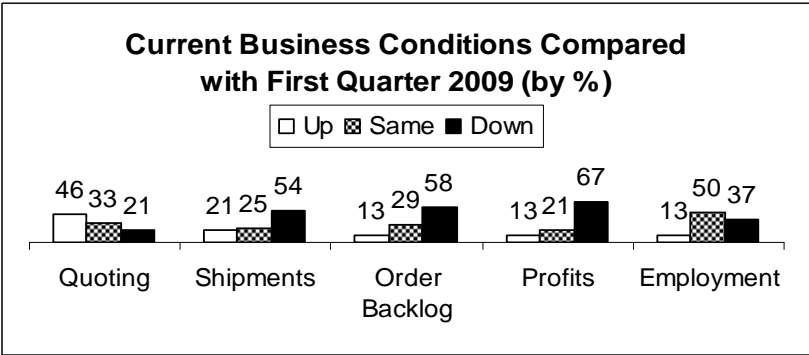
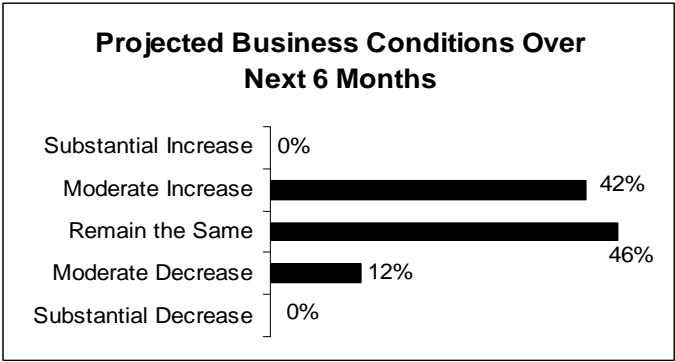
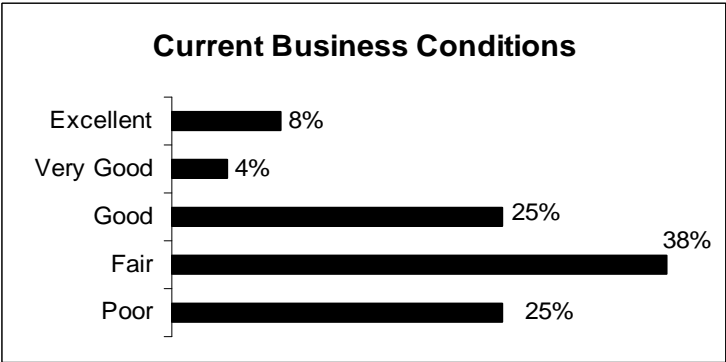
PRECISION MACHINING (excluding Aerospace)
(149 responses)



AEROSPACE MACHINING & FABRICATION
(59 responses)

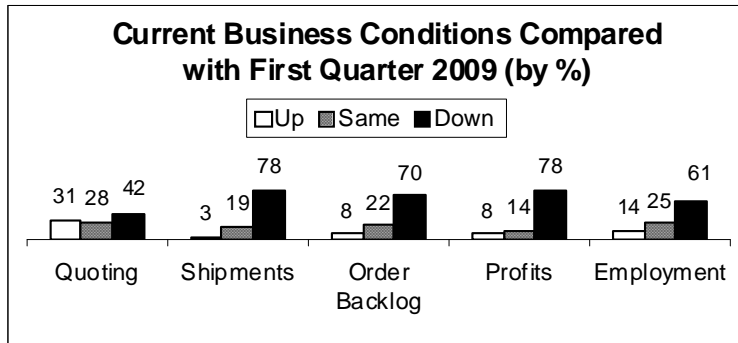
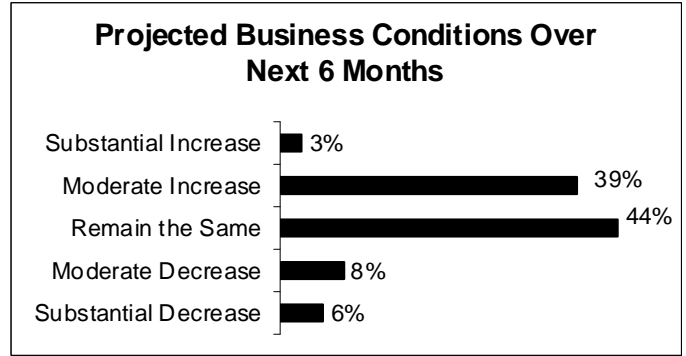
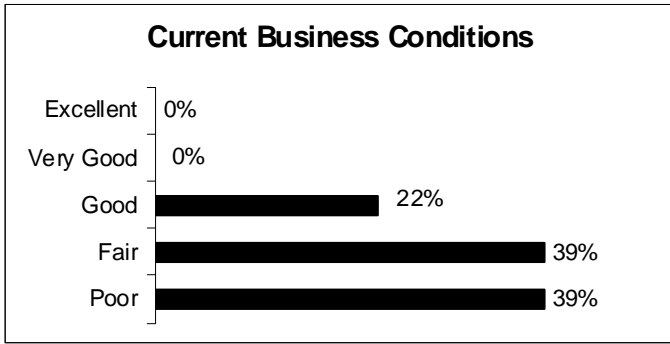


METAL FABRICATION & STAMPING
(24 responses)

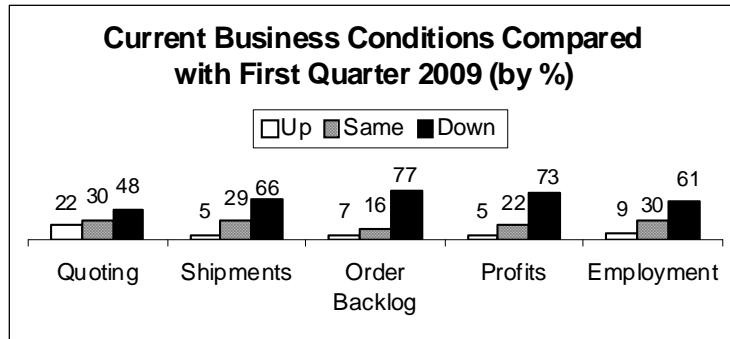
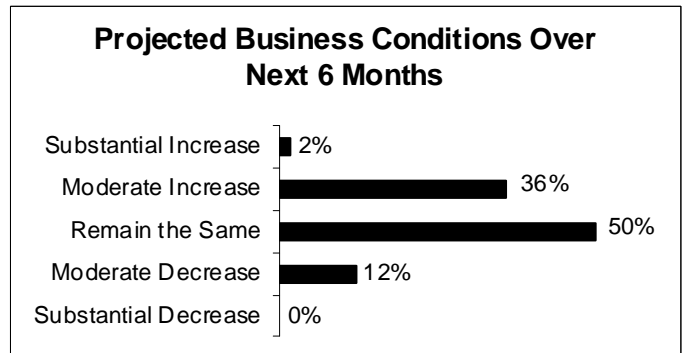
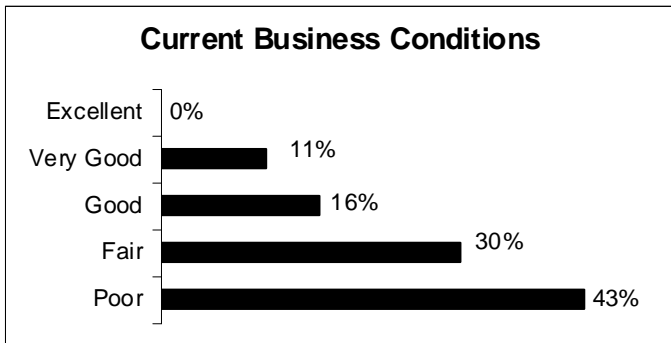


BUSINESS CONDITIONS (By Geographic Region)

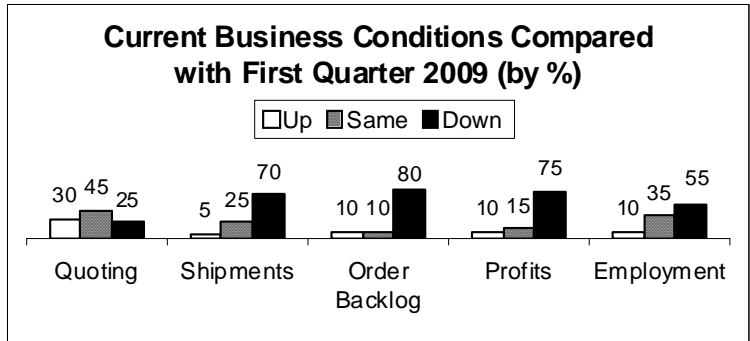
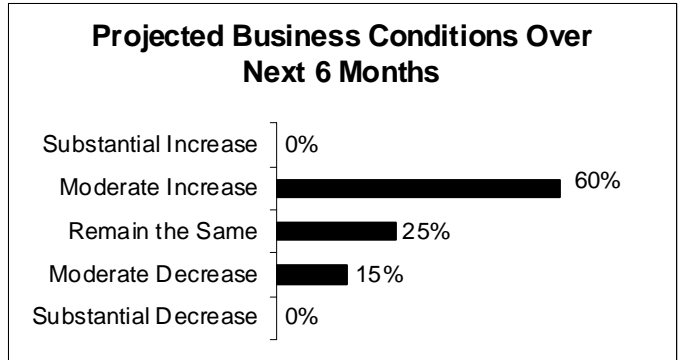
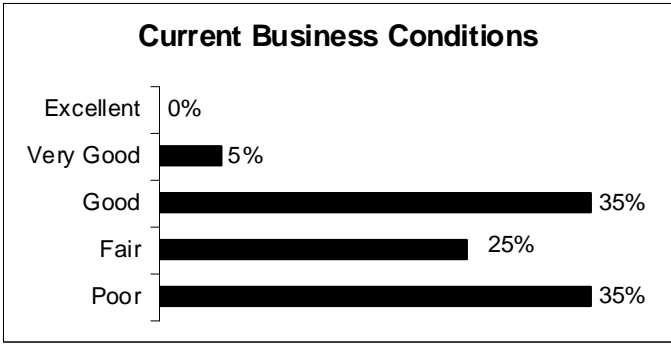
**NEW ENGLAND (ME, VT, RI, NH, MA, CT)
(36 responses)**



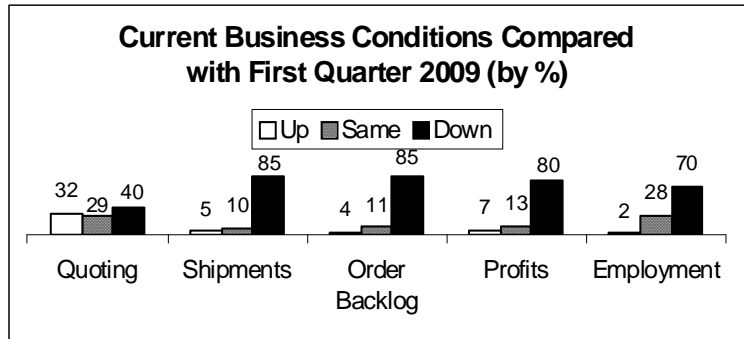
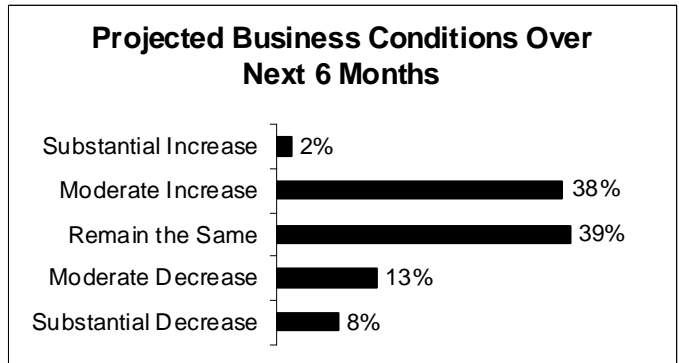
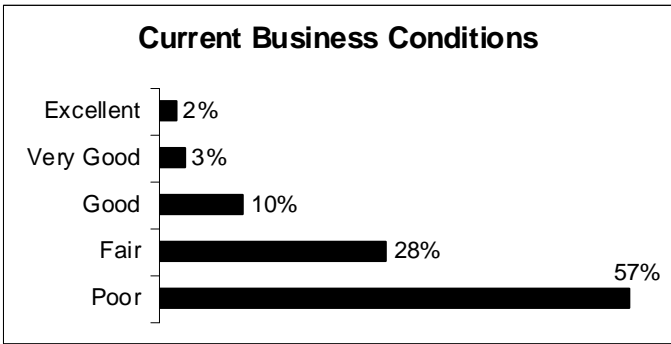
**NORTHEASTERN CENTRAL (DC, NY, PA, NJ, DE, MD, WV, VA)
(56 responses)**



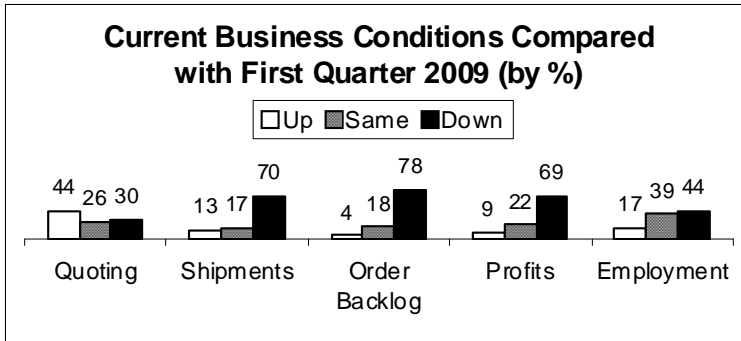
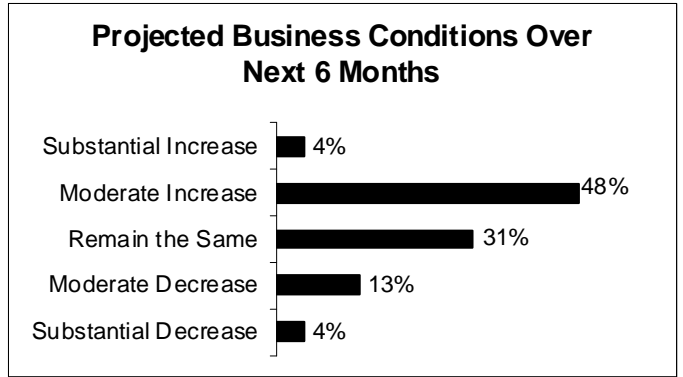
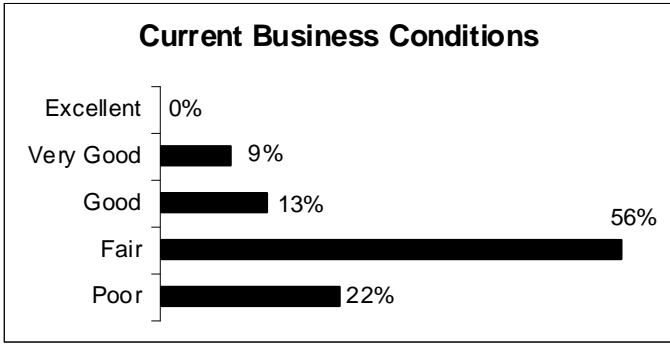
SOUTHEASTERN (FL, KY, NC, SC, TN, GA, AL, MS)
(20 responses)



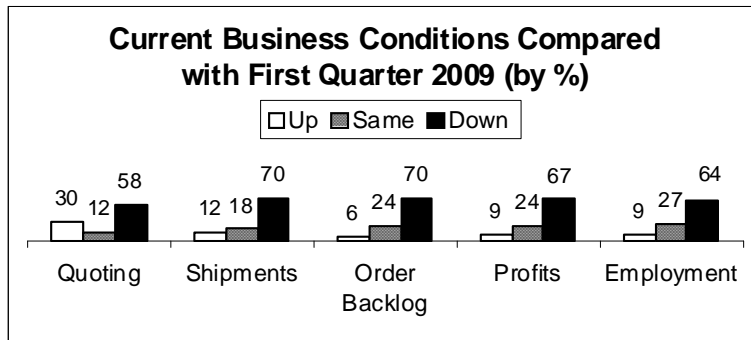
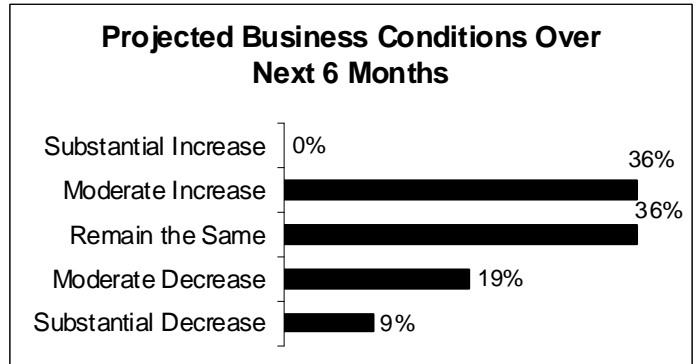
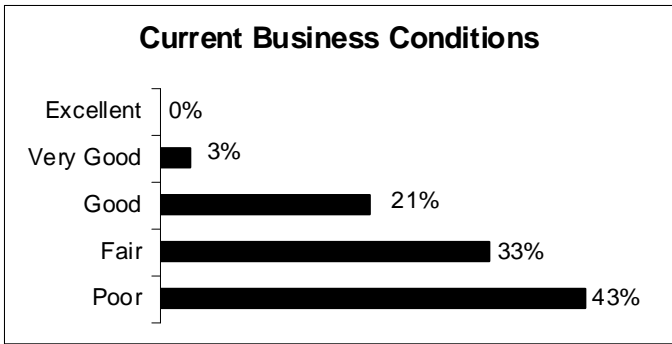
NORTH CENTRAL (OH, MI, IL, IN, WI)
(98 responses)



CENTRAL (IA, MO, NE, KS, MN)
(23 responses)



CENTRAL SOUTHWEST (AR, LA, OK, TX, NM, CO)
(33 responses)



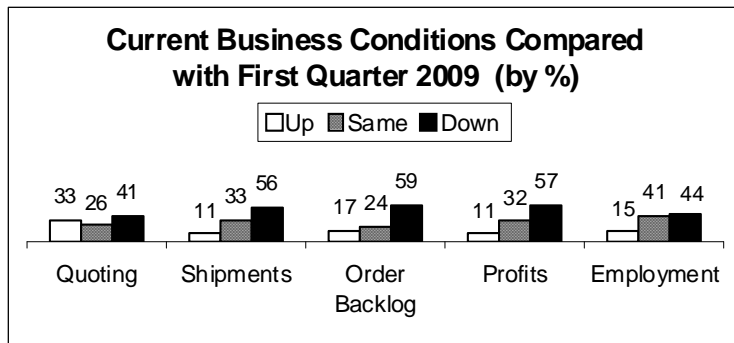
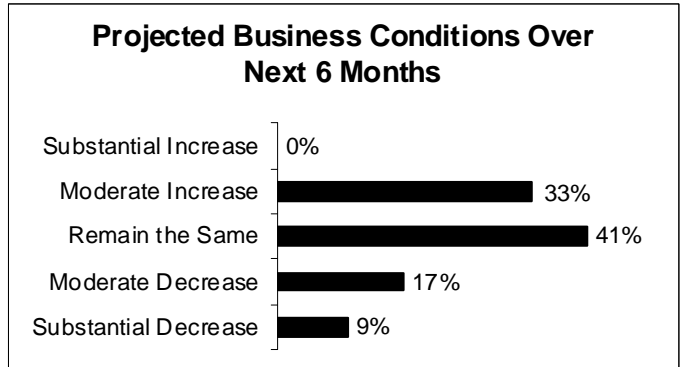
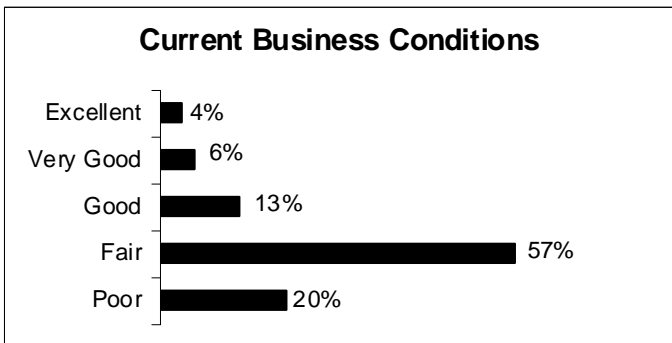
CENTRAL NORTHWEST (ND, SD, MT, WY)
(1 response)

Current Business Conditions: Fair
Projected Business Conditions Over Next 6 Months: Moderate Increase

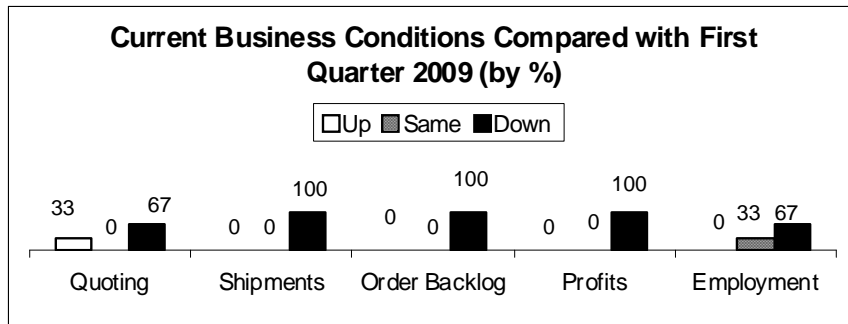
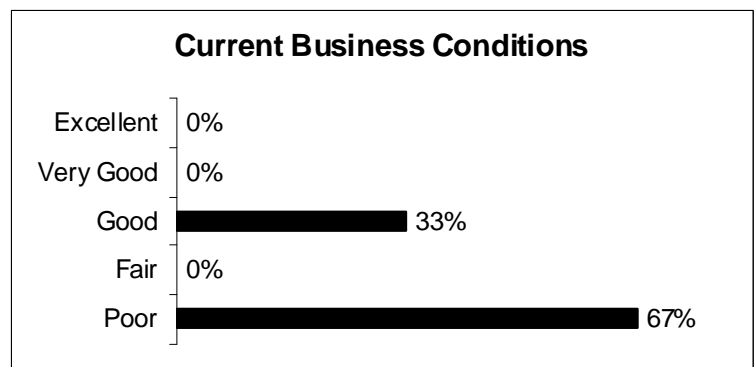
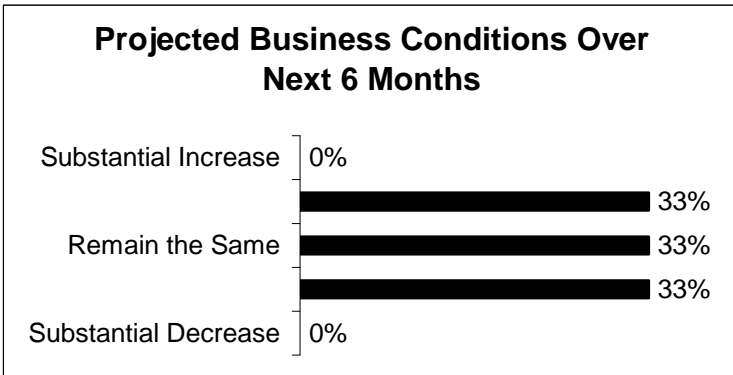
Current Business Conditions Compared with Third Quarter 2008:

Quoting: Same
Shipments: Down
Order Backlog: Down
Profits: Down
Employment: Down

GREATER PACIFIC SOUTHWEST (CA, NV, AZ, UT)
(54 responses)



GREATER PACIFIC NORTHWEST (ID, WA, OR)
(3 responses)



MEMBER COMMENTS
(By Industry Sector)

Aerospace Machining & Fabrication

Shorter backlog than usual at this time of year. (Central, 56 Employees)

Although current customers are buying less, we are actively looking for and finding customers that use to work with failed companies. (Greater Pacific Southwest, 17 Employees)

It's bad...
(Greater Pacific Southwest, 10 Employees)

Look for upswing in 2010. Seems like new opportunities exist, but new starts are slow to develop.
(Greater Pacific Southwest, 44 Employees)

Substantial increase in revenues possible due to acquisition(s).
(Greater Pacific Southwest, 54 Employees)

Honeywell is a lousy customer.
(New England, 84 Employees)

Most contracts are mutli-year some at 3-years and some at 5-years. (New England, 67 Employees)

We can feel some softening in both our aerospace and ground turbine segments. We aren't seeing much in the way of new opportunities.
(New England, 62 Employees)

We had a dramatic slowdown in the first quarter. Orders have now firmed up at about 33% off 2008. We are seeing signs that 2010 may be much better. (New England, 45 Employees)

Backlog is high primarily due to schedule push outs. So even with good backlog shipments are weak. (North Central, 44 Employees)

We don't see much of any recovery.
(North Central, 43 Employees)

We The People Save this Country and Republic! (North Central, 22 Employees)

Government contracts running out 4 years in house.
(Northeastern Central, 12 Employees)

One customer with a large 8-10 week project; other than that conditions are poor. (Northeastern Central, 34 Employees)

Metal Fabrication & Stamping

Business in general is looking up. Customers are taking advantage of the markets and driving cost reductions and extended payment terms.
(Central Southwest, 122 Employees)

Work is slow.
(Central Southwest, 15 Employees)

Keeping machines busy, but can't see past 2 weeks.
(Greater Pacific Northwest, 9 Employees)

We have found two market segments that seem to be counter cyclical and are growing during the recession.
(Greater Pacific Southwest, 48 Employees)

We keep plugging away, hopefully something good will happen soon. (New England, 14 Employees)

Tough market -- extremely hard to make any margin of profit. (North Central, 240 Employees)

Molds

The worst I have seen in 36 years.
(Central, 50 Employees)

Business is off and it just is not anything we have done to create this. Companies are not investing in new tooling and new projects. Very bad outlook. (Central Southwest, 19 Employees)

Automotive work very, very slow -- no work!!
(North Central, 71 Employees)

Had a slight pick-up in business the last two weeks and expect several quoted jobs to become orders in the next month. (North Central, 22 Employees)

Near term is BAD.
(North Central, 57 Employees)

Things seem to be breaking loose.
(North Central, 18 Employees)

Precision Machining (excluding Aerospace)

Every customer is slow.
(Central, 7 Employees)

Business is very slow.
(Central Southwest, 65 Employees)

Business is almost at a stand still. Very discouraging.
(Central Southwest, 22 Employees)

Energy customers significantly down and not expected to improved for next 6-12 months. Other durable goods customers expected to improve next 3-6 months.
(Central Southwest, 19 Employees)

Customers are not paying
(Greater Pacific Southwest, 6 Employees)

How far is down?
(Greater Pacific Southwest, 3 Employees)

It's really hard to be patient!
(Greater Pacific Southwest, 45 Employees)

Orders are coming in bunches with no lead time. It appears that there is little inventory in the supply chain either for customers or vendors.
(New England, 7 Employees)

Probably will not survive the current climate.
(New England, 3 Employees)

The worst I've ever seen. I do not see where any new manufacturing is coming from. This country has moved most manufacturing off shore.
(New England, 4.5 Employees)

Tough -- no planning no optimism out there.
(New England, 53 Employees)

Backlog down 1/3 from normal and still shrinking.
(North Central, 39 Employees)

Badly need national cabinet level attention for manufacturing with some attention to reduce unfair trade policies of "developing" nations.
(North Central, 22 Employees)

Considerable increase in quotes and orders. We expect work to pick up more after Labor Day. Cash extremely tight! (North Central, 60 Employees)

The Government is trying to put all small companies out of business. We are a family company – 43 years. Someone please help. (North Central, 210 Employees)

Some special projects ramping up in the next two months.
(North Central, 10 Employees)

The orders we are getting are urgent and smaller with downward price pressure.
(North Central, 5 Employees)

This administration, tax and fear is killing manufacturers. I'm so angry at the corruption and what has happened to our great country...
(North Central, 5 Employees)

This economy will have to speed up.
(North Central, 8 Employees)

Times are great and going to get even better!
(North Central, 14 Employees)

We are a Lean Machining shop and do contract machining. We have seen a few signs of a pick up and have picked up new customers and market share. (North Central, 23 Employees)

We have been sold out by our elected officials; its time for term limits for Senators & Representatives. Phase out government pension programs. (North Central, 5 Employees)

While slow, our sales and backlog are stable.
(North Central, 20 Employees)

Work remains low, prospects are few.
(North Central, 14 Employees)

Worst economic climate seen by this 55 year old company with a diverse customer/industry base. And more government mandates ahead? Heaven help us all!
(North Central, 9 Employees)

Business appears to be steady for us.
(Northeastern Central, 85 Employees)

Current business mix is primarily defense related and programs appear strong. Additionally energy business is stable with long term opportunities.
(Northeastern Central, 112 Employees)

Customers do not order until they absolutely need it and then want it now!
(Northeastern Central, 24 Employees)

Due to our order backlog, primarily from military and defense customers, we remain stable through this year and into 2010. We continue to diversify.
(Northeastern Central, 47 Employees)

Lots of RFQs. Not many orders. The competition pricing below cost.
(Northeastern Central, 60 Employees)

My hope is that we are at or near the bottom and will see an upswing as we move thru the 3rd & 4th quarters.
(Northeastern Central, 17 Employees)

Our government does not want small business to stay in business. They only care about those who steal from the poor. Look at who they always help!
(Northeastern Central, 15 Employees)

Slowed considerably since last year.
(Northeastern Central, 23 Employees)

These are the worst business conditions we have seen in 33 years. We do not see any changes in sight.
(Northeastern Central, 30 Employees)

Unlike most shops our size in our area we're holding our own.
(Northeastern Central, 35 Employees)

We are upgrading to AS9100 to attract those requirements. We still believe if we can survive the next five years, we'll be in a good position 15yrs.
(Northeastern Central, 5 Employees)

We got busy at the end of May. We are hiring now and anticipate a strong second half of the year. (Northeastern Central, 13 Employees)

Per current administration, we're headed for disaster !!
(Southeastern, 24 Employees)

This is the worst economic situation we have seen in 30 years of machining. If our company was not debt-free, we would not be able to survive. (Southeastern, 12 Employees)

Special Machines

Obama is destroying the economy. Work to get this man and these freaking Democrats out of office. Capitalism not government works.
(Central, 5 Employees)

Worst I've seen business in 44 years.
(New England, 30 Employees)

Business is really bad.
(North Central, 1 Employees)

It's a sad state of affairs out here.
(North Central, 63 Employees)

Worst it's been since I've been in business. If conditions deteriorate any more, I'll be toast.
(North Central, 9 Employees)

Overseas opportunities have increased dramatically.
(Northeastern Central, 41 Employees)

This is the worse it has been in my 24 years in business. I have never feared for the loss of my business like this. It could be too little too late.
(Northeastern Central, 21 Employees)

Tools, Dies & Fixtures

Working 40 hour work weeks; have worked two 32-hour work weeks since Jan.
(Central Southwest, 77 Employees)

I hope we survive this.
(Greater Pacific Southwest, 11 Employees)

Not much work. Customers leaving the country, no loans with good credit. Tough business conditions with little relief in sight.
(Greater Pacific Southwest, 5 Employees)

In my opinion, the small tool die and precision machining market is in freefall. My average customer is only working 32 hours; work is way off! (New England, 10 Employees)

What profit? I'm not sure what the future holds, we are seeing a major drop in quotes.
(North Central, 9 Employees)

Cap and Trade is a concern.
(North Central, 7 Employees)

Extremely slow. Must get additional work to keep doors open.
(North Central, 20 Employees)

If the current manufacturing economy does not improve, there will be continued loss of small manufacturing companies. (North Central, 28 Employees)

Seriously doubt that we will be able to sustain our business. (North Central, 3 Employees)

This is the absolute worst that we have seen in our 56 years of business. The manufacturers of America have bailed on the small companies.
(North Central, 9 Employees)

We see a very moderate increase in business.
(North Central, 31 Employees)

Work remains slow; we have seen a slight increase in quoting but it hasn't resulted in any new business yet. We are cautiously optimistic for the future.
(North Central, 70 Employees)

No end in site for any pick up.
(Northeastern Central, 2 Employees)

The work is highly competitive, loyalty is down, you have to fight for every job.
(Northeastern Central, 35 Employees)