

**Prepared July 2010**  
(for the period ending 6/30/2010)

**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 2010

Business conditions for NTMA member companies continue to rebound through the first half of 2010 and, while optimism still lingers, data indicates a well paced recovery throughout the remainder of this year.

This NTMA Report covers the first half of 2010 and is a geographical “snapshot” of business trends and conditions in the precision machining and special tooling and industry.

65% of member companies reported business conditions as good, very good, or excellent for the first half of 2010 – up from 38% reported for the second half of 2009 and up significantly from the 22% reported for the first half of 2009.

90% of survey respondents projected business conditions will either remain the same or increase during the second half of this year, which mirrors the projections reported at the end of 2009.

Additionally, more optimism is being communicated by our members as a majority of respondents indicated current business conditions, as they relate to Quoting, Shipments, Order Backlog, Profits, and Employment had improved compared to the first quarter of 2010.

Other business condition indicators were as follows:

- Future Work on Books (Average) – 14.0 weeks; down slightly from 15.1 weeks in December, 2009 and up from the 11.1 weeks in June 2009.
- Average Workweek per Skilled Employee – 43.8 hours; up from 41.5 hours in December 2009 and 39.7 in June 2009.
- Number of Employees (% Change) - 40% improvement from December 2009 levels.

For comparison purposes, the Institute for Supply management continues to report improved conditions in manufacturing, with June marking the 11<sup>th</sup> consecutive month that the Purchasing Managers Index registered over 50; an indication that business is generally expanding.

Sincerely,

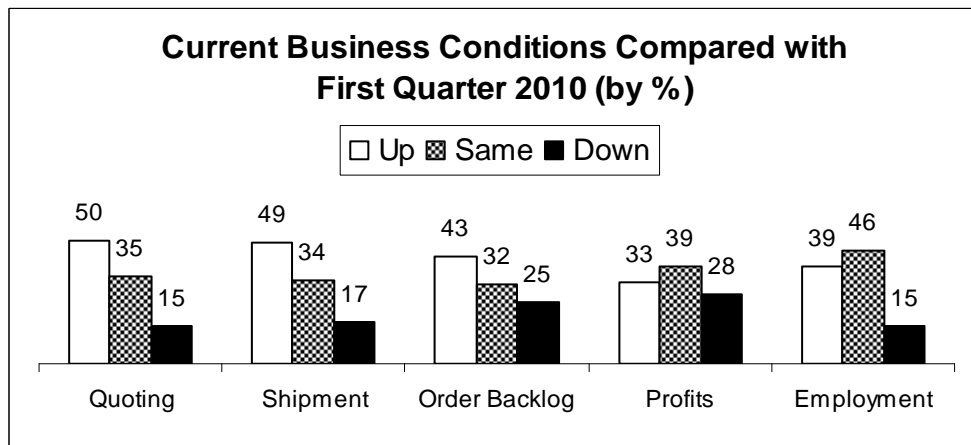
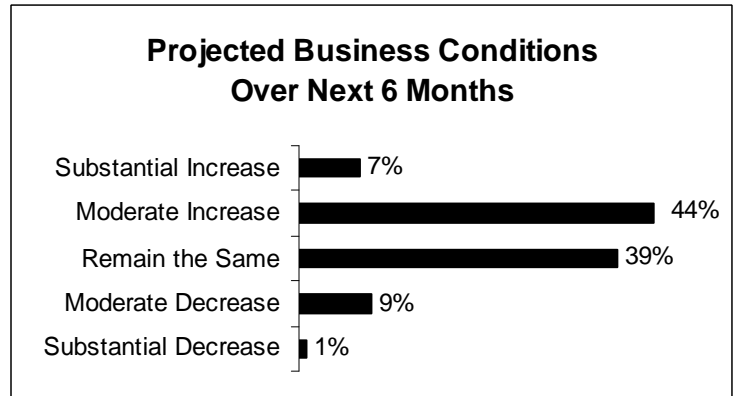
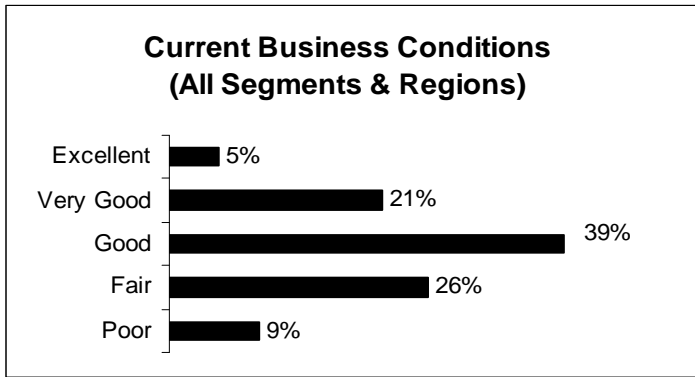
A handwritten signature in blue ink that reads "Rob Akers".

Rob Akers  
Chief Operating Officer



# June 2010 NTMA Business Conditions Report

The June 30, 2010 reports from 281 NTMA member companies (22% of total membership).



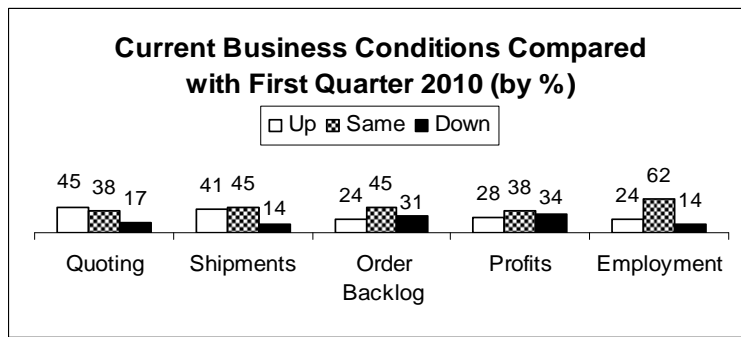
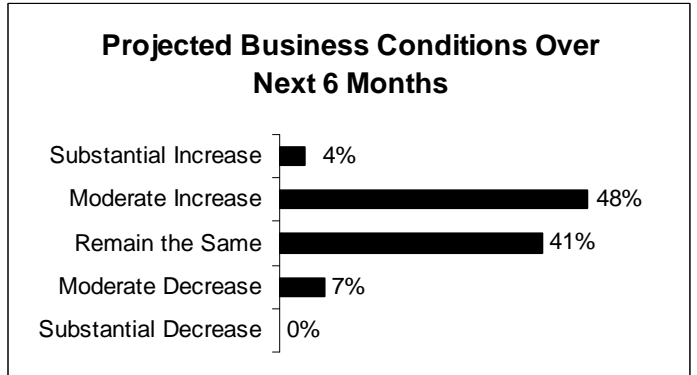
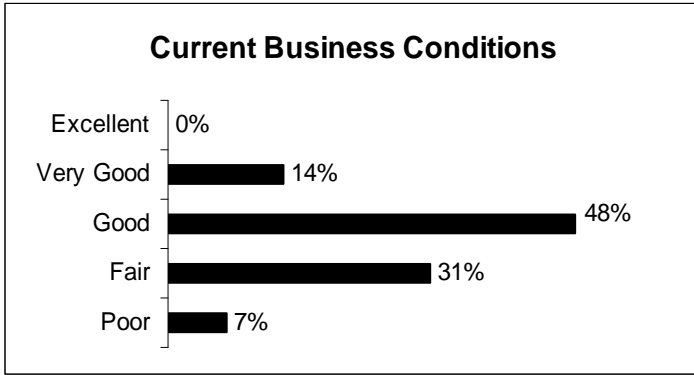
**Future Work on Books (Average): 14 weeks**

**Current Average Workweek Per Skilled Employee (hours per week): 43.8**

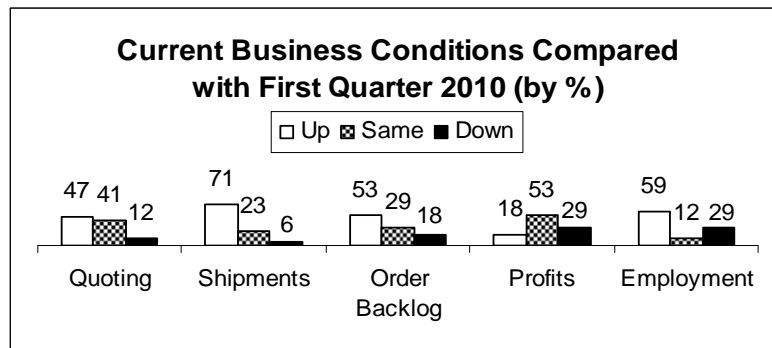
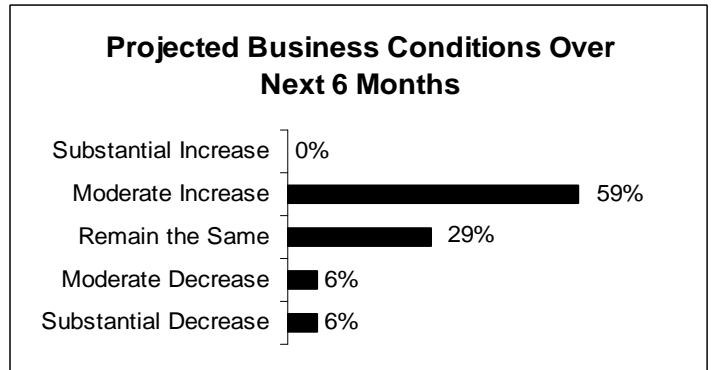
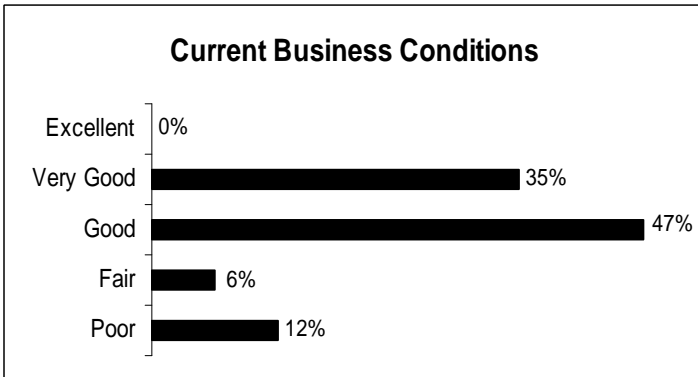
**Total number of employees as of December 31, 2009 = 12,384**

**Total number of employees as of June 30, 2010 = 17,440**

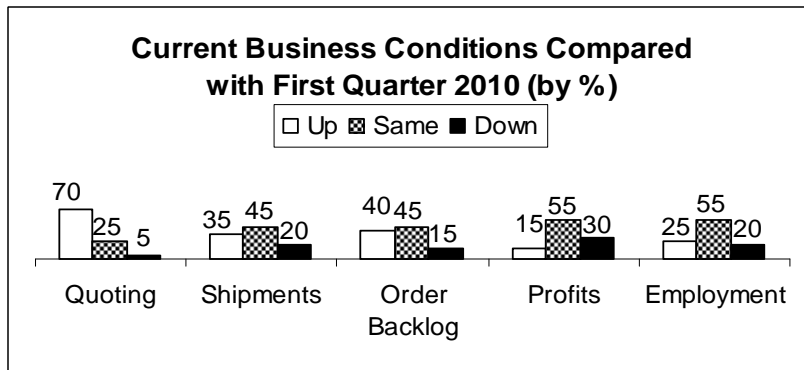
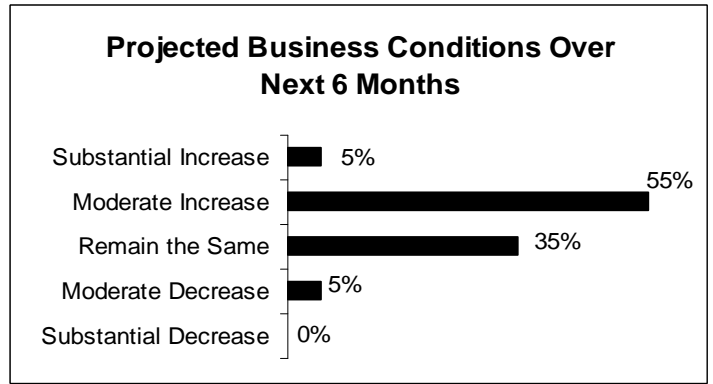
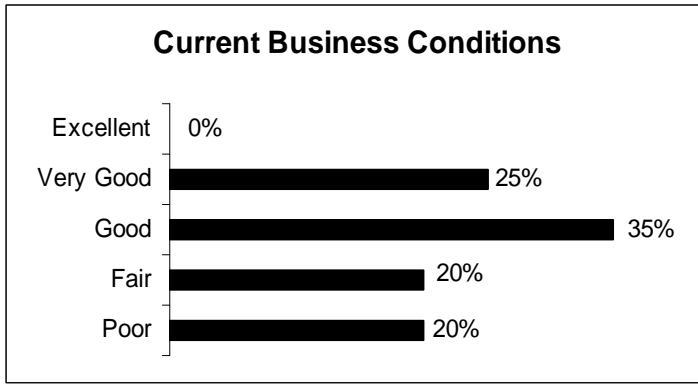
**BUSINESS CONDITIONS (By Industry Segment)**  
**TOOLS, DIES & FIXTURES**  
**(29 responses)**



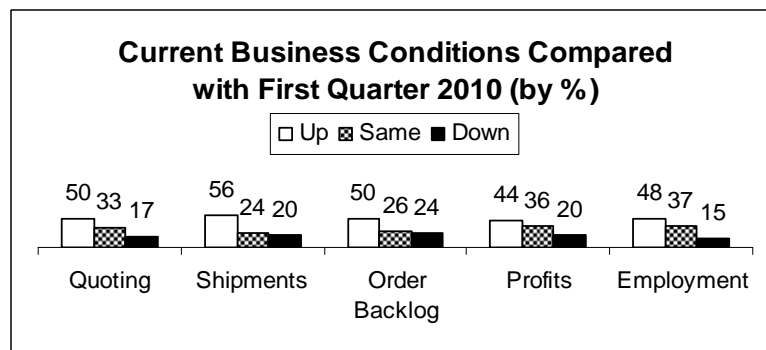
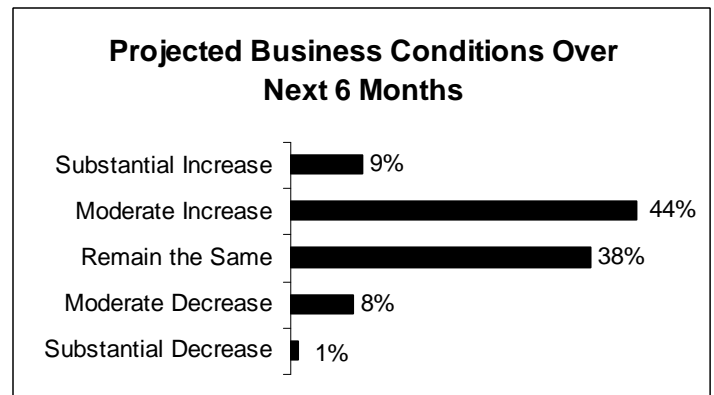
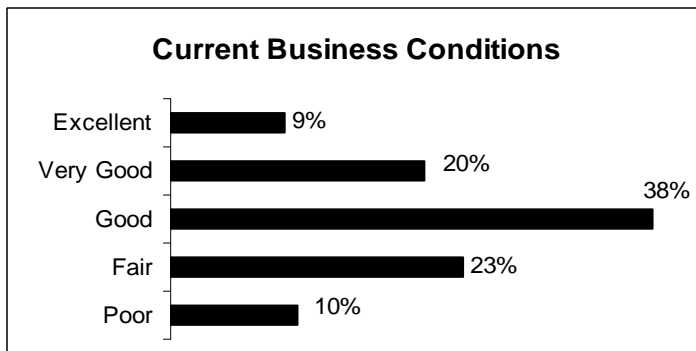
**MOLDS**  
**(17 responses)**



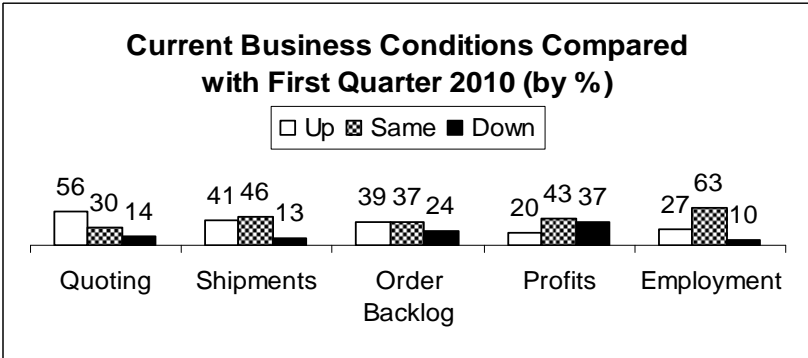
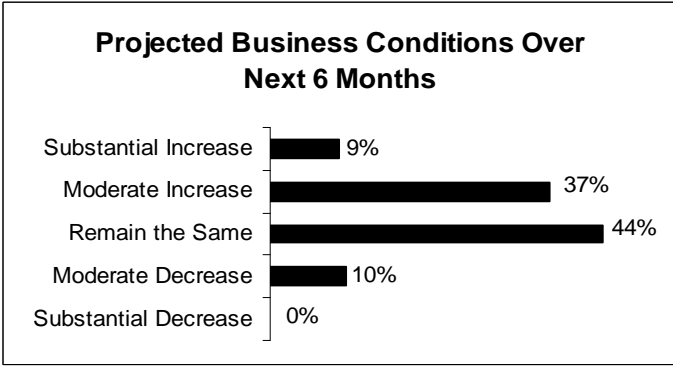
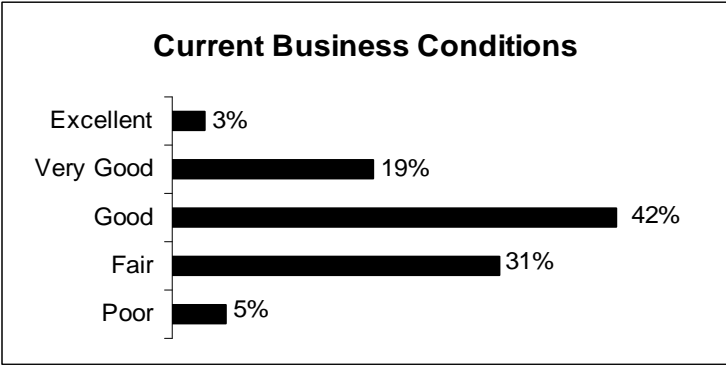
**SPECIAL MACHINES**  
(20 responses)



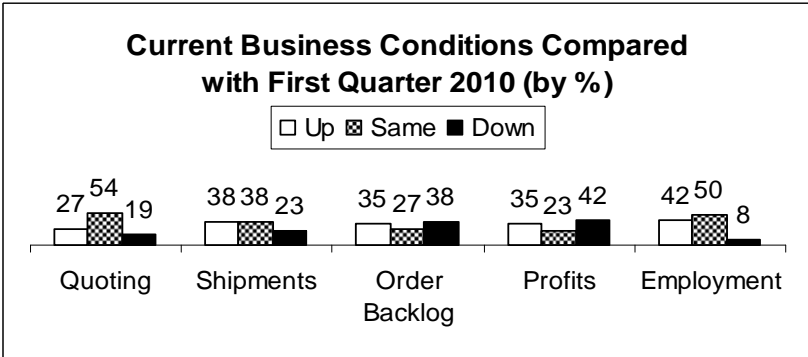
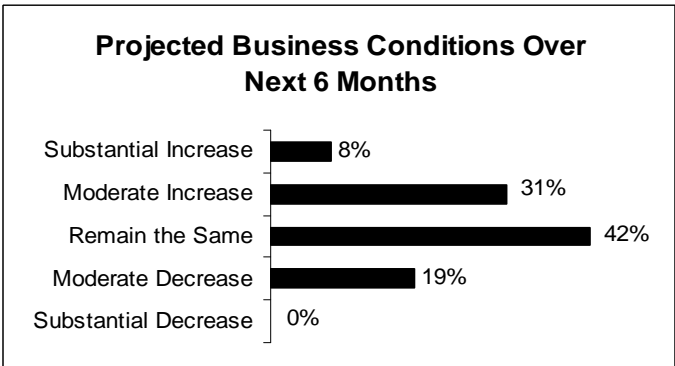
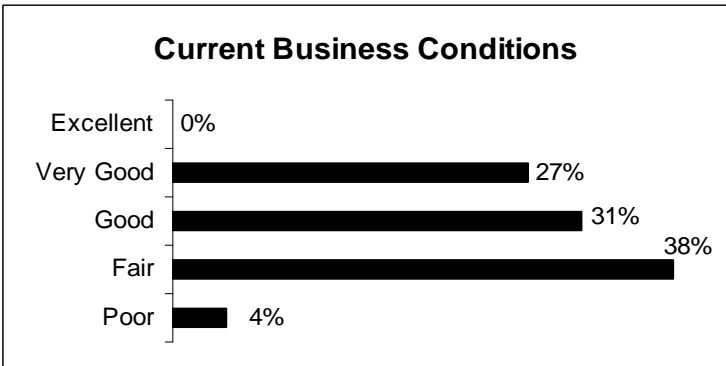
**PRECISION MACHINING (excluding Aerospace)**  
(130 responses)



**AEROSPACE MACHINING & FABRICATION**  
(59 responses)

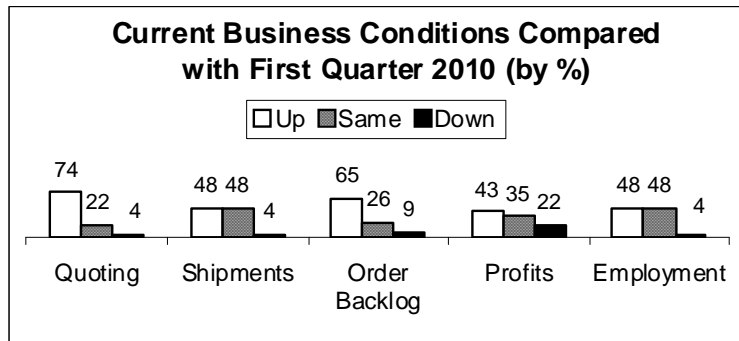
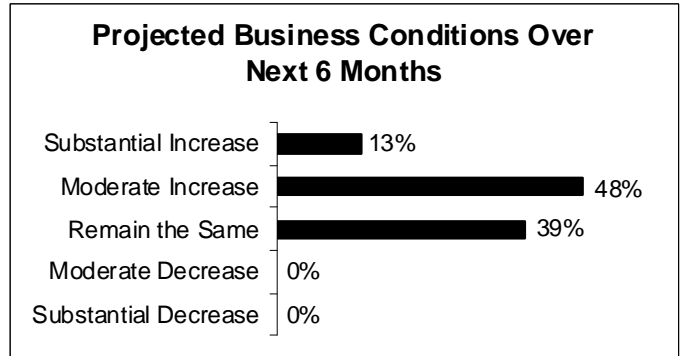
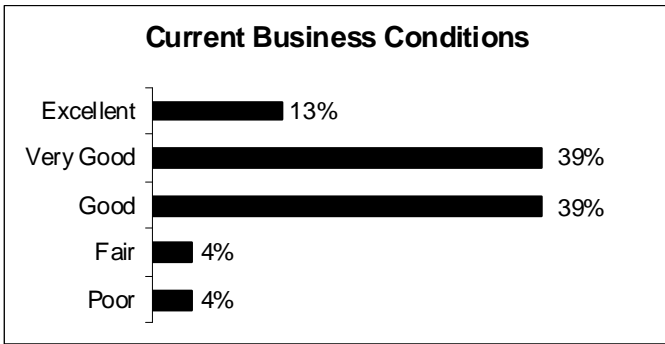


**METAL FABRICATION & STAMPING**  
(26 responses)

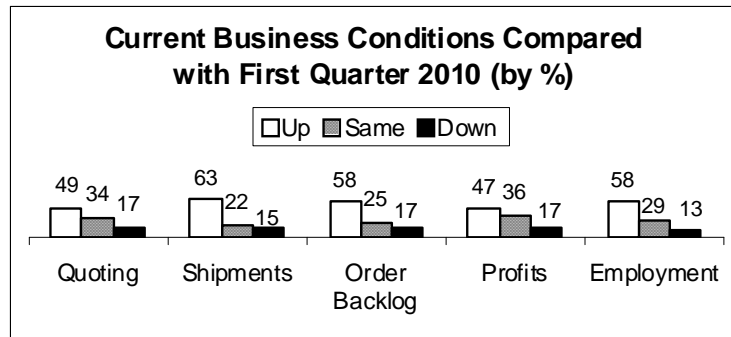
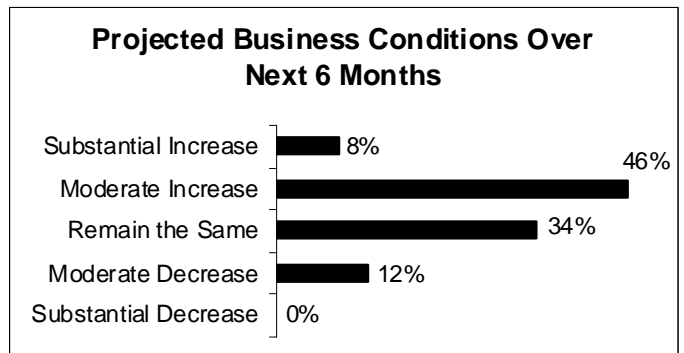
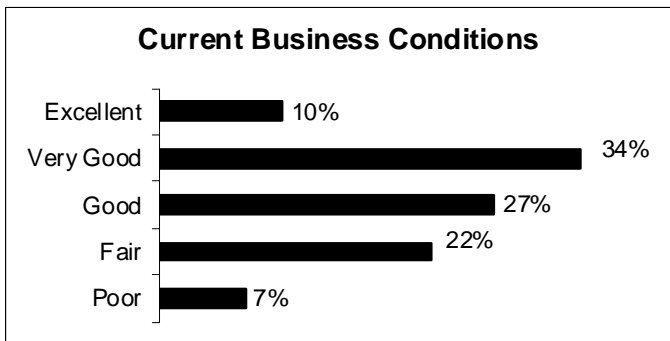


**BUSINESS CONDITIONS (By Geographic Region)**

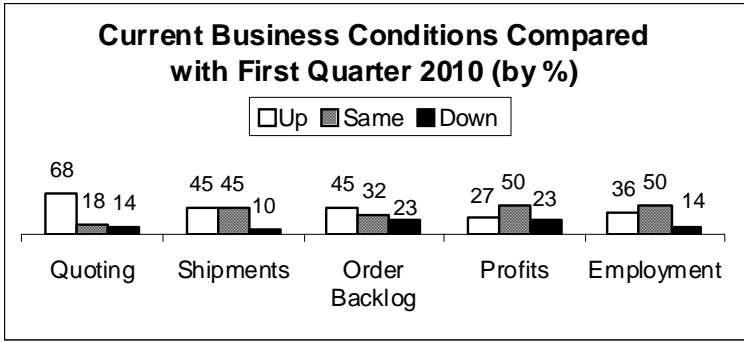
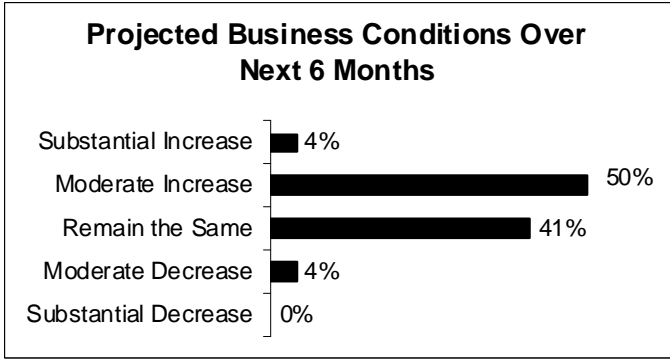
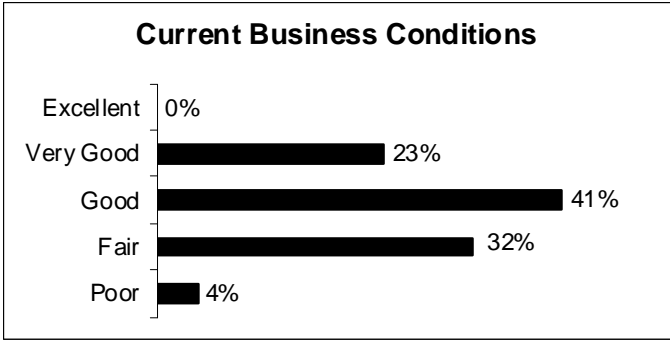
**NEW ENGLAND (ME, VT, RI, NH, MA, CT)  
(23 responses)**



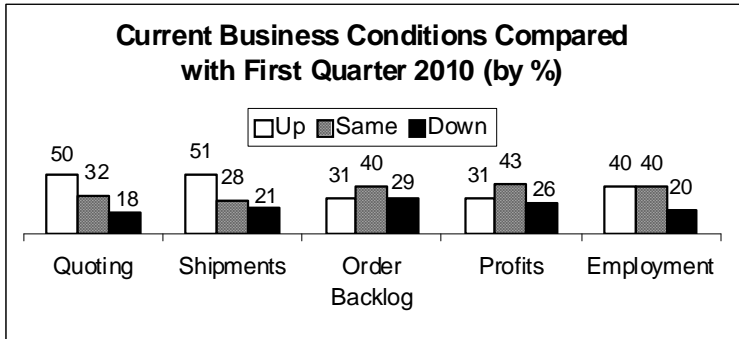
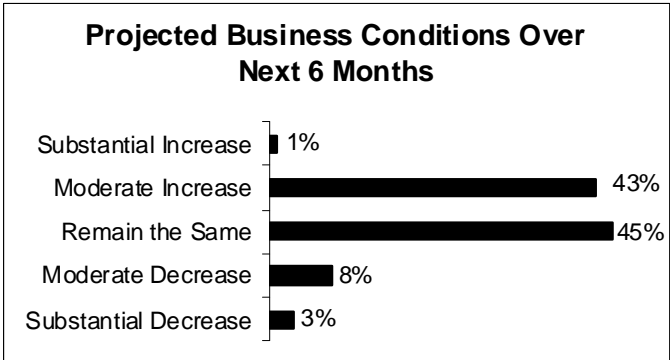
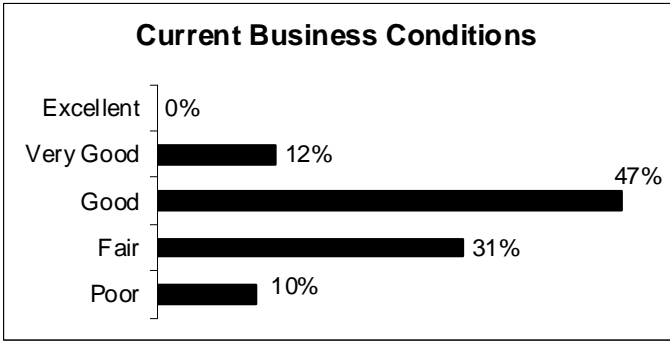
**NORTHEASTERN CENTRAL (DC, NY, PA, NJ, DE, MD, WV, VA)  
(59 responses)**



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

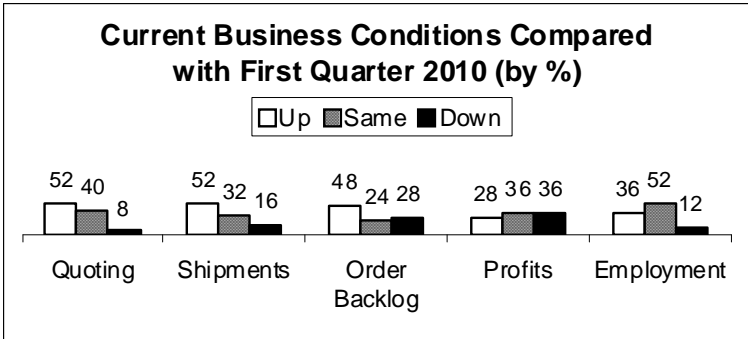
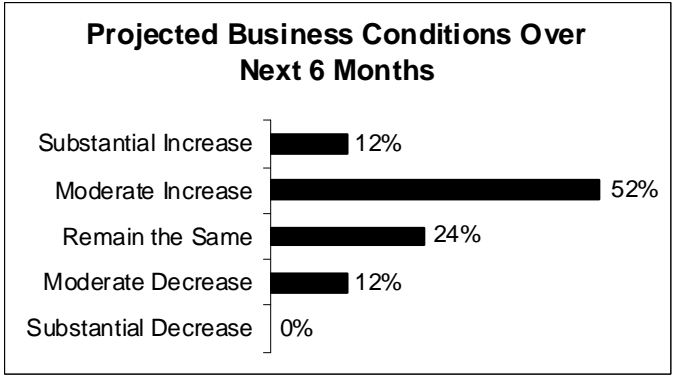
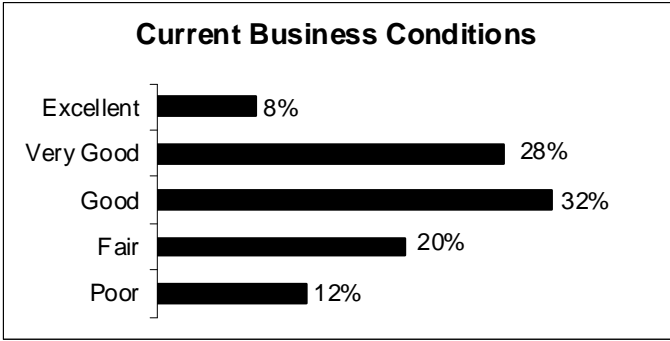


**NORTH CENTRAL (OH, MI, IL, IN, WI)**  
**(72 responses)**

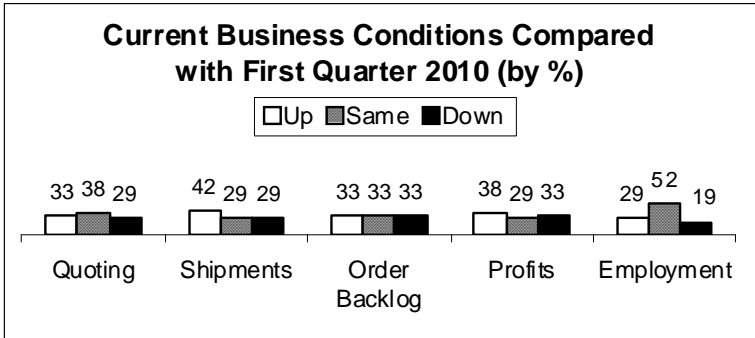
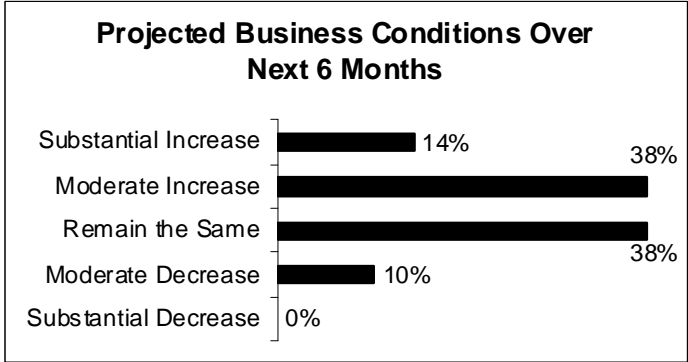
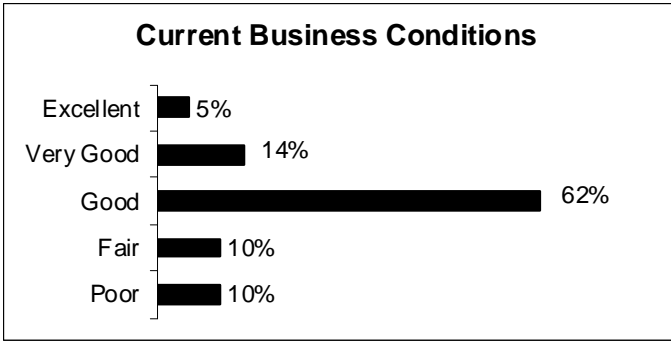




**CENTRAL (IA, MO, NE, KS, MN)**  
**(25 responses)**



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



**CENTRAL NORTHWEST (ND, SD, MT, WY)**  
(2 response)

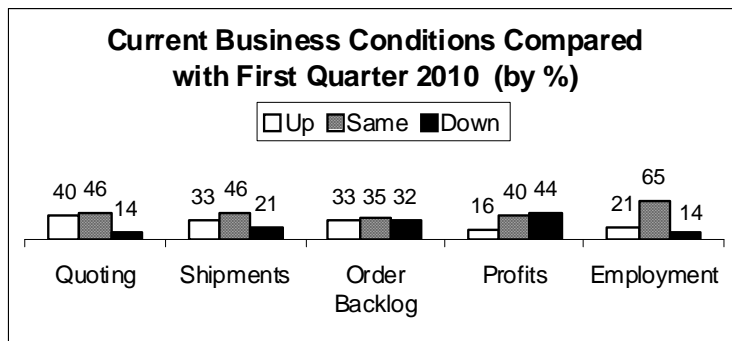
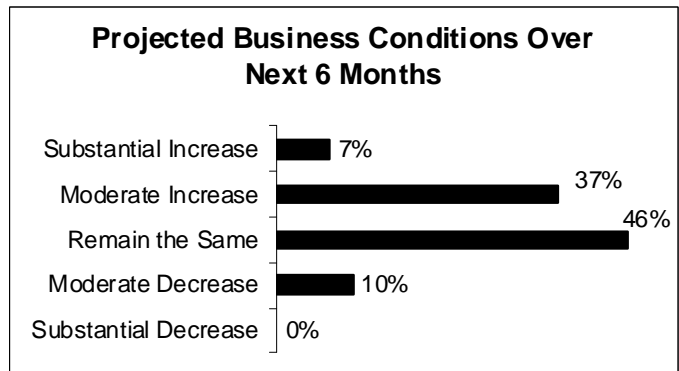
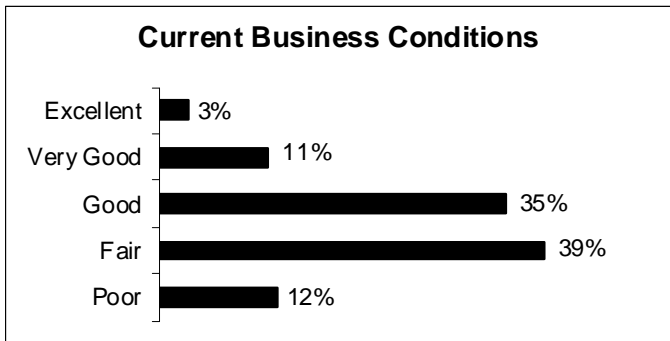
**Current Business Conditions: Good**

**Projected Business Conditions Over Next 6 Months: Moderate to Substantial Increase**

**Current Business Conditions Compared with First Quarter 2010:**

Quoting: Same  
 Shipments: Up  
 Order Backlog: Up  
 Profits: Up  
 Employment: UP

**GREATER PACIFIC SOUTHWEST (CA, NV, AZ, UT)**  
(57 responses)



**GREATER PACIFIC NORTHWEST (ID, WA, OR) – No responses received.**

**MEMBER COMMENTS**  
**(By Industry Sector)**

**Aerospace Machining & Fabrication**

Working more for less. Aircraft is steady, others are flat (Greater Pacific Southwest; 14 Employees)

We happened to hit a couple of good projects we've been working on for over a year - margins are way down. (Greater Pacific Southwest; 30 Employees)

Only tough work available for decent money. All easy work is REALLY cheap (Greater Pacific Southwest; 16 Employees)

Never give up. (North Central; 26 Employees)

Lead times are very challenging and prices very tight. (New England; 50 Employees)

Largest buyers market ever experienced. Buyers always wanting prices reduced making it tough to make profit. (Central; 18 Employees)

I am not optimistic about any recovery in the near future. Although we are staging a sales campaign, we are really bracing for the worst. (Northeastern Central; 4 Employees)

Get rid of Obama. (Northeastern Central; 30 Employees)

Expenses, including labor, are rising. (New England; 75 Employees)

Cash flow slow (Greater Pacific Southwest; 29 Employees)

**Metal Fabrication & Stamping**

It's strange out there. Everything comes in waves. A lot of quotes then flat. A bunch of work then flat. There's work though!! (New England; 15 Employees)

I see more and more manufacturing move outside of the U.S. U.S. manufacturers are not being protected or promoted. (Greater Pacific Southwest; 45 Employees)

Busy (Northeastern Central; 29 Employees)

2nd/3rd tier automotive now represents 50% of our backlog. We are aggressively seeking work from all other commodities to have a better balance. (North Central; 185 Employees)

**Molds**

Very Bad (North Central; 50 Employees)

Our main customer has had ongoing quality problems with non-U.S. sources, so we get more work based on them being able to run molds "out of the box". (North Central; 8 Employees)

Let's promote China more so they can take more of our work. Who is going to buy these products when we are all out of work? (North Central; 15 Employees)

Cautious optimism. (Northeastern Central; 17 Employees)

**Precision Machining (excluding Aerospace)**

While the last three months have shown an increased new order pattern, we still don't have the confidence that it will continue. Double dip recession. (Northeastern Central; 67 Employees)

We're very fortunate; recovered dramatically from where we were 6 months ago. (Northeastern Central; 69 Employees)

We saw business pick up at the turn of the year. Our normal booking was around 14k and now see that doubled. Most of this business came from existing customers. (New England; 9 Employees)

We need a complete overhaul in Washington. Keep capitalism alive. (North Central; 20 Employees)

We are up 30% vs 2009; but more relevant, June was the first month to beat both 2009 and 2008! (North Central; 22 Employees)

Waiting to see what happens to us on healthcare, but tax policy means no significant capital spending. (Greater Pacific Southwest; 31 Employees)

Very SLOW! (Northeastern Central; 21 Employees)

Very little profit. (Greater Pacific Southwest; 7 Employees)

Very busy (Central; 16 Employees)

Things are improving but we're still not where we were a couple of years ago. (Northeastern Central; 32 Employees)

Things are better, however, future too uncertain to guess. (Central; 7 Employees)

Still waiting for the turn. (Greater Pacific Southwest; 4540 Employees)

Slow recovery. (Central; 47 Employees)

Skilled labor shortage. (Central Southwest; 40 Employees)

Roller coaster this year – one great month, then next month terrible. (Southeastern; 14 Employees)

Our business remains strong due to the niche market we serve. (Northeastern Central; 129 Employees)

Orders jumped in March/April and haven't slowed down since. (Northeastern Central; 38 Employees)

Orders coming in with short lead times and smaller quantities. (North Central; 16 Employees)

No large projects be released. Everyone is so uncertain of the future! (Northeastern Central; 19 Employees)

No consistency in market. (Central Southwest; 9 Employees)

Material availability is a HUGE issue. Can't make parts because we can't get material. (Central Southwest; 26 Employees)

Machining and exotic fabrication. We have one huge project scheduled to kick off in about 30 days and use 50% cap. until 6/11. (Central Southwest; 35 Employees)

Lousy (Greater Pacific Southwest; 7 Employees)

Help. (Central; 5 Employees)

Extremely weak. Customer going to 6 - 8 sources for quotes, then playing one against another. (North Central; 19 Employees)

Everything seems to be picking up in this area. Thank God. (Southeastern; 10 Employees)

During 2009 our business was off about 60%; during 2010 our business is off about 15-20%, a considerable improvement but we're not quite back to normal (Northeastern Central; 7 Employees)

Difficult finding workers (Northeastern Central; 12 Employees)

Defense sector still strong. Aerospace business lousy and customers demanding more. Vendor managed inventory, charge backs for del/quality 90 day pay. (New England; 85 Employees)

Cautiously optimistic (Northeastern Central; 21 Employees)

Cannot say what next quarter will be.  
(Northeastern Central; 26 Employees)

Cannot find machinists. (Northeastern Central;  
52 Employees)

Business right hard to judge as it seems to be in  
cycles. Right now we are busy but have seen it  
come to a halt quickly. (Central Southwest; 5  
Employees)

Business is very slow (Greater Pacific  
Southwest; 14 Employees)

All areas up but it's still spotty. Everyone is  
trying to get a read on the economy. Money is  
still hard to come by. Banks are very tight.  
(North Central; 68 Employees)

### **Special Machines**

We have seen improved conditions from the  
historic low of 2009 but business has not  
returned to the pre-crash levels. (North Central;  
35 Employees)

Primary concern is customer insolvency; still  
have some customers way past due because of  
financial hangover from '09. Banks still jittery.  
(North Central; 75 Employees)

Our long term Customer base is extremely  
cautious and pessimistic. I see the lack of  
positive economic news and a lack of  
confidence. (Central Southwest; 9 Employees)

Increase in activity in all customer segments  
(North Central; 44 Employees)

### **Tools, Dies & Fixtures**

Work is very challenging and margins are tight.  
Cash flow and slow pay continue to be  
challenging. (North Central; 30 Employees)

We've got a couple good jobs in house at this  
point but overall, it still sucks out there. Too  
many companies out of work or on short hours.  
(New England; 9 Employees)

Much improved over 2009, looks good thru 3rd  
quarter, still feels soft. All predictions I have  
heard are for another downturn 1st or 2nd qtr  
next year. (North Central; 83 Employees)

Just set an all time record sales for 12 months.  
Now if we can just keep it going; of course only  
time will tell. (North Central; 53 Employees)

Component costs continue to increase and  
customers continue to use competition to beat  
our price down. All reducing our profit margin.  
(Central; 26 Employees)

Compensation for new work is down, material  
costs are up, lead times are shortened, payment  
receipt is extended. Harder than ever to survive.  
(North Central; 8 Employees)