

**Prepared February 2011**  
(for the period ending 12/31/2010)

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



## *National Tooling & Machining Association*

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<http://www.ntma.org>

March 2011

Business conditions for NTMA member companies continued to show improvement through the end of 2010 and an increased feeling of optimism is welcomed as manufacturers plan for a productive and increased level of business for 2011.

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

Of our reporting companies, 74% reported business conditions as good, very good, or excellent for the second half of 2010 – up from 65% for the first half of 2010 and significantly higher than the same period a year prior.

96% of survey respondents projected business conditions will either remain the same or improve during the first half of this year, with a majority indicating a moderate increase in business; a more confident assessment than provided in our last report.

In nearly every region and industry segment, our manufacturers are seeing improved business conditions and growing confidence for the year. Quoting, Shipping, Order Backlog, Profits, and Employment have all increased over the prior reporting period and are expected to stay the same or increase through the next quarter.

Other business condition indicators were as follows:

- Future Work on Books (Average) – 13 weeks; down slightly from 14 weeks in June, 2010
- Average Workweek per Skilled Employee – 44.3 hours; up from 43.8 hours in June 2010
- Number of Employees (% Change) - 5% improvement from June 2010 levels.

For comparison purposes, the Institute for Supply management also reported improved business conditions in manufacturing during the second half of 2010 and in February the manufacturing index continued its rapid growth as the PMI registered 61.4 percent, an increase of 0.6 percentage point when compared to January's reading of 60.8 percent. This is also the highest PMI reading since May 2004 when the index also registered 61.4 percent.

A special thanks to the 258 NTMA member companies (20% of membership) that participated in the December 2010 NTMA Business Conditions Report.

Sincerely,

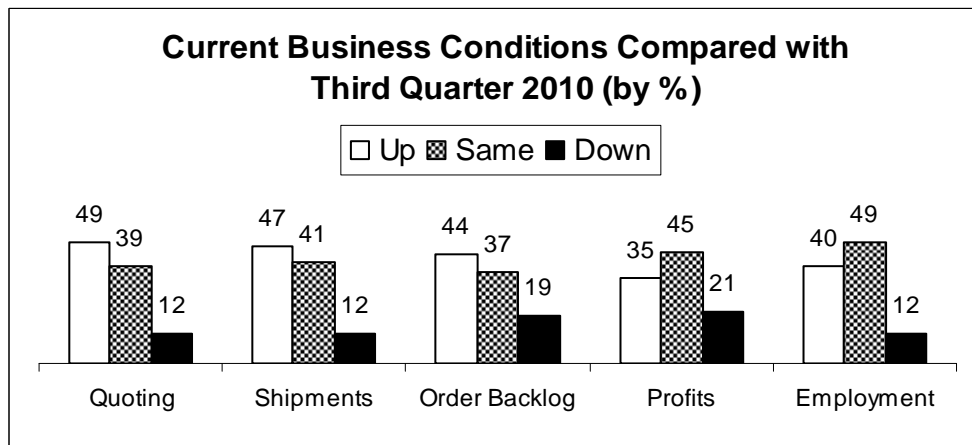
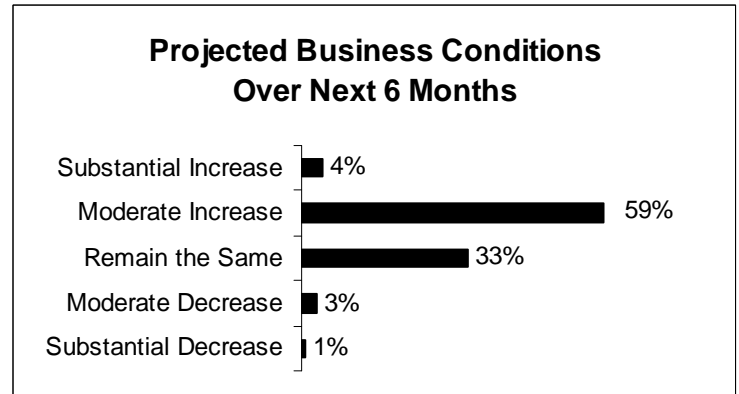
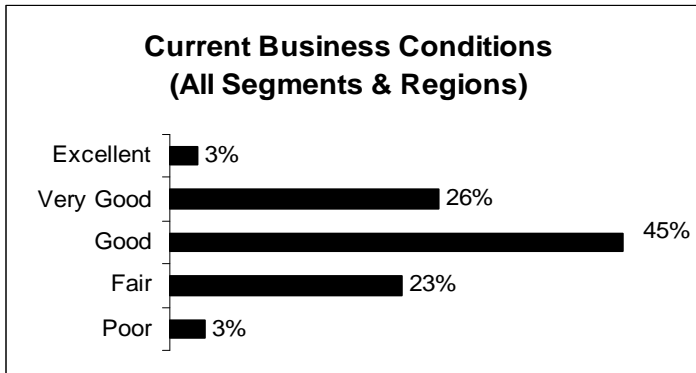
A handwritten signature in blue ink that reads "Rob Akers".

Rob Akers  
Chief Operating Officer



# December 2010 NTMA Business Conditions Report

The December 31, 2010 reports from 258 NTMA member companies (20% of total membership).



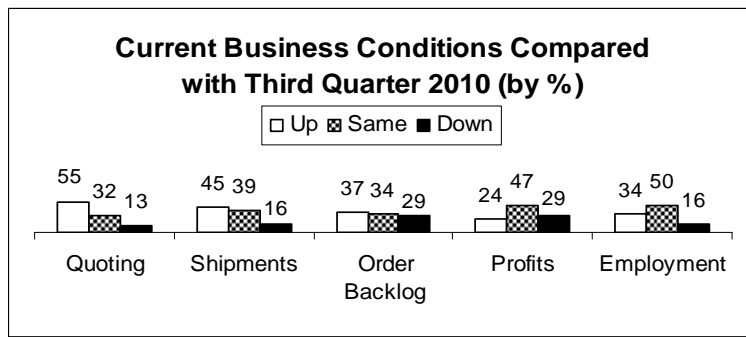
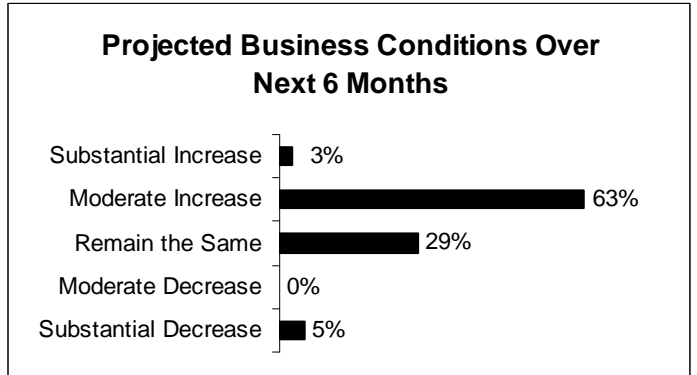
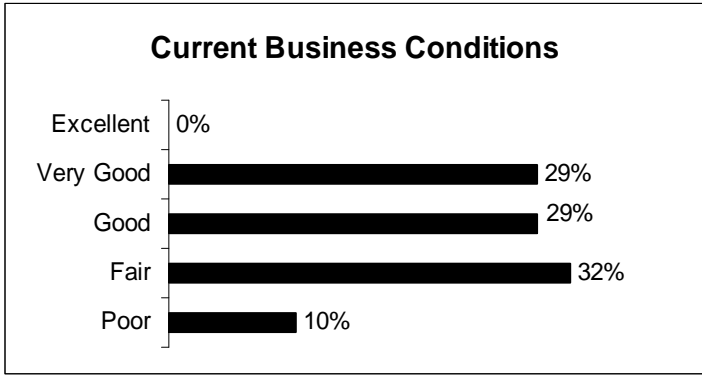
**Future Work on Books (Average): 13 weeks**

**Current Average Workweek Per Skilled Employee (hours per week): 44.3**

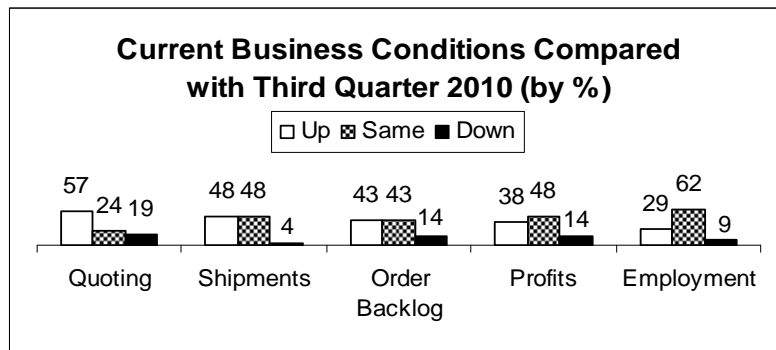
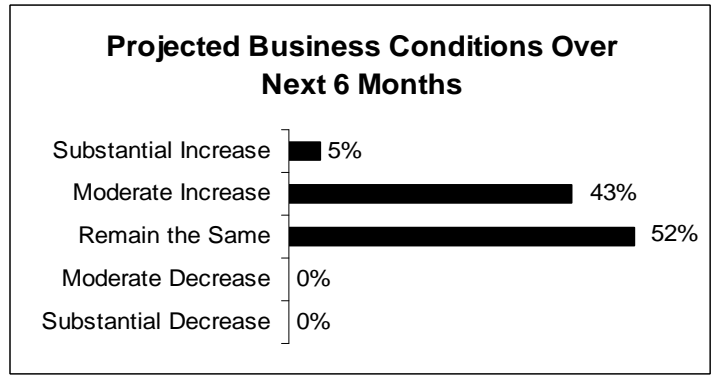
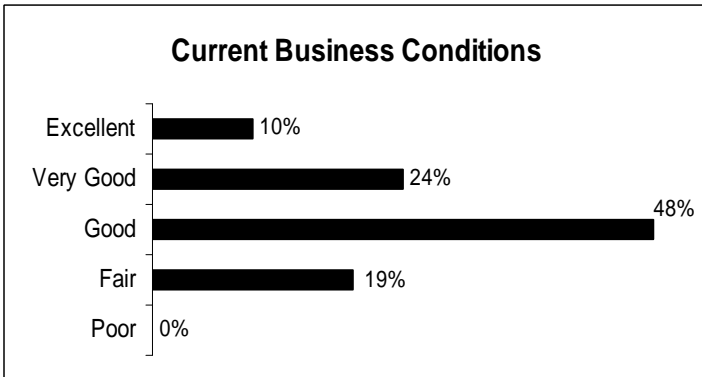
**Total number of employees as of June 30, 2010 = 14,144**

**Total number of employees as of December 31, 2010 = 14,777**

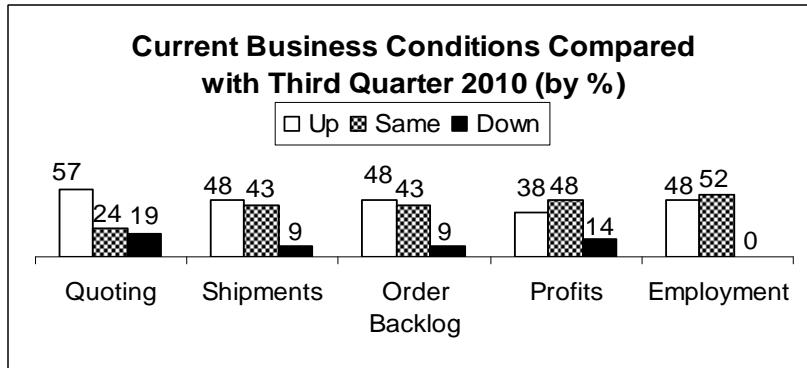
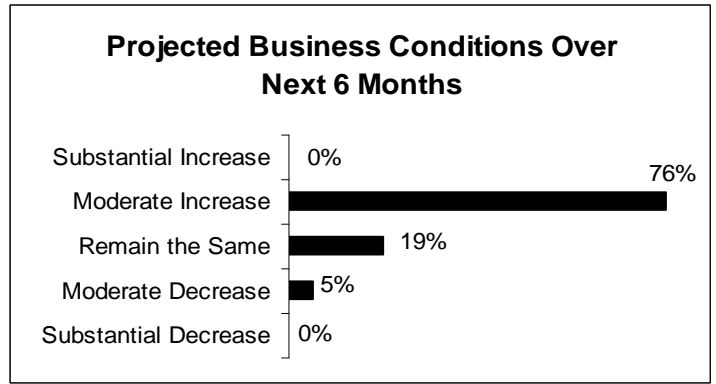
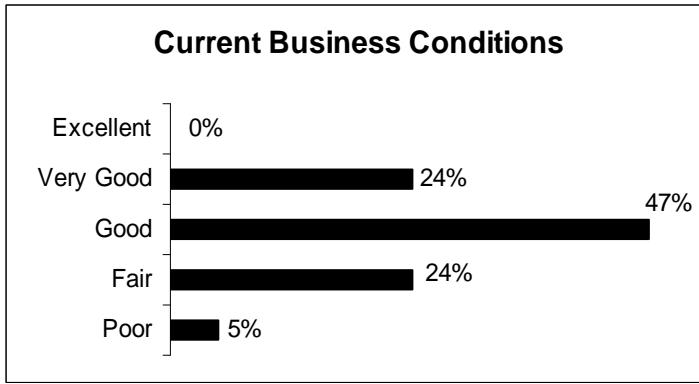
**BUSINESS CONDITIONS (By Industry Segment)**  
**TOOLS, DIES & FIXTURES**  
**(38 responses)**



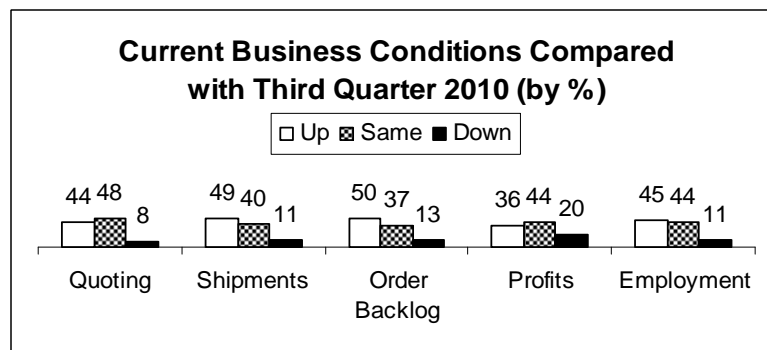
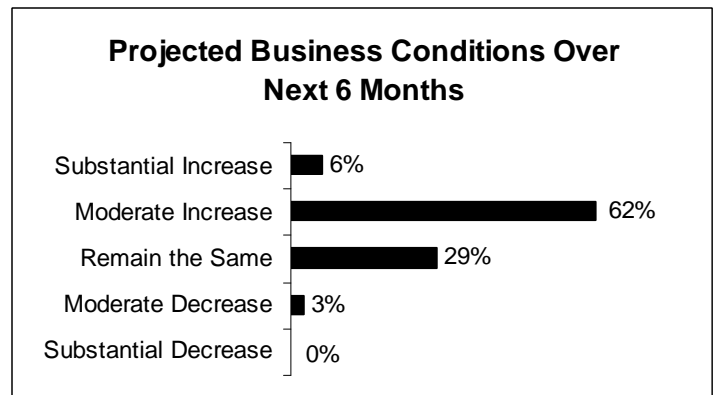
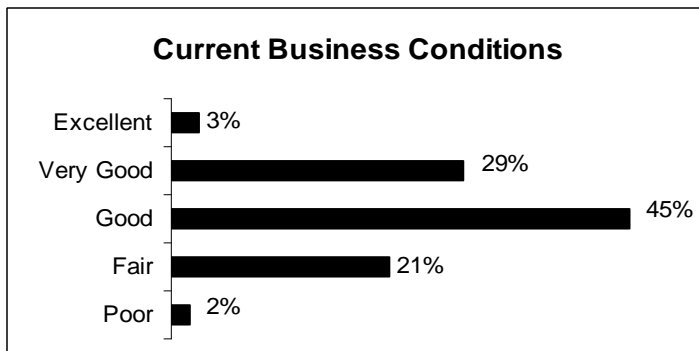
**MOLDS**  
**(21 responses)**



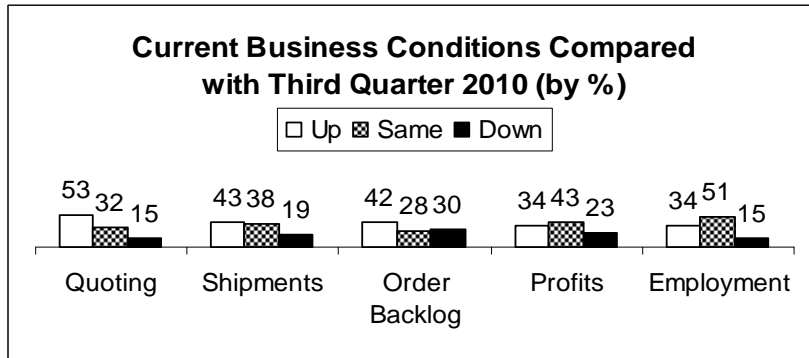
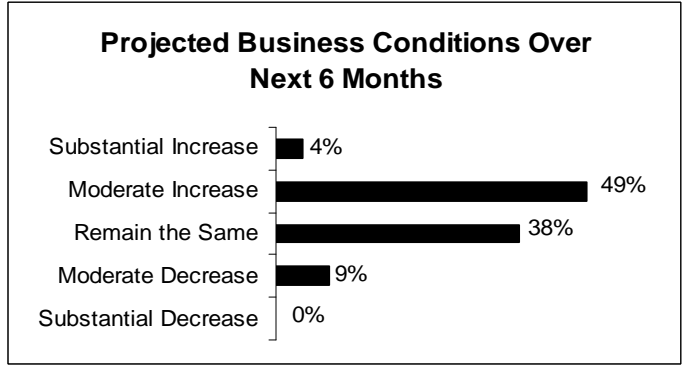
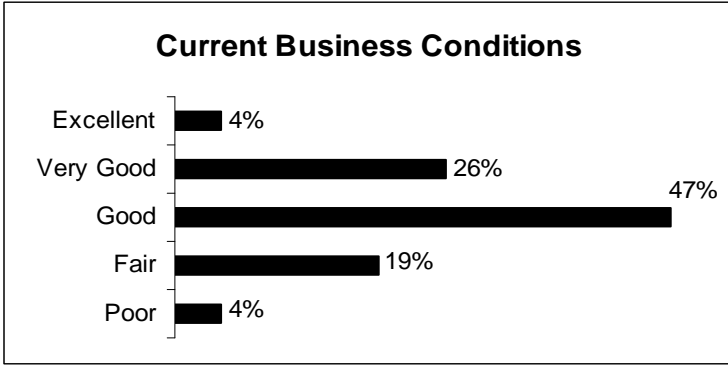
**SPECIAL MACHINES**  
(21 responses)



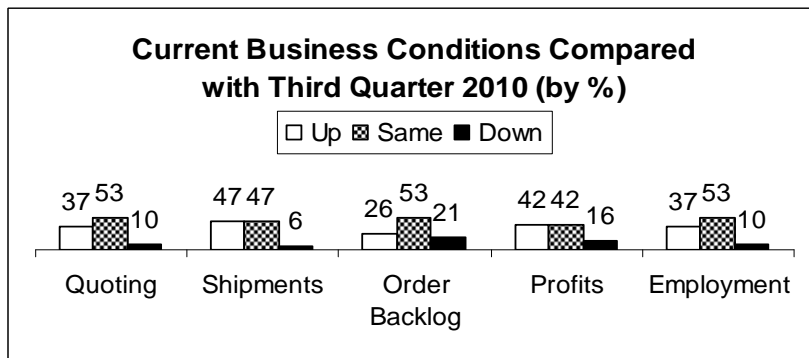
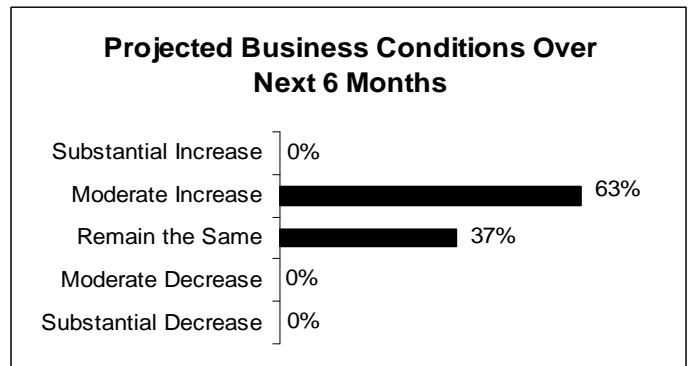
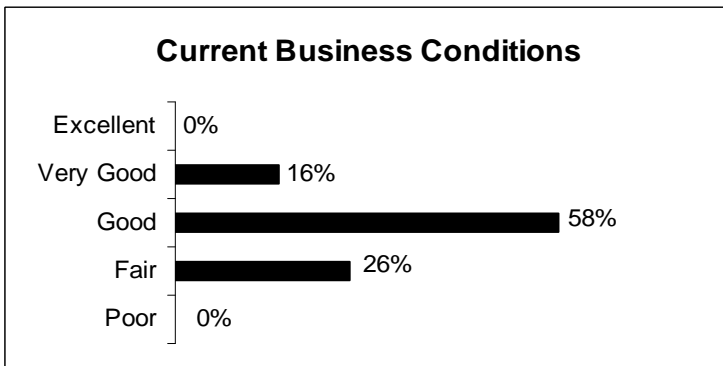
**PRECISION MACHINING (excluding Aerospace)**  
(112 responses)



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

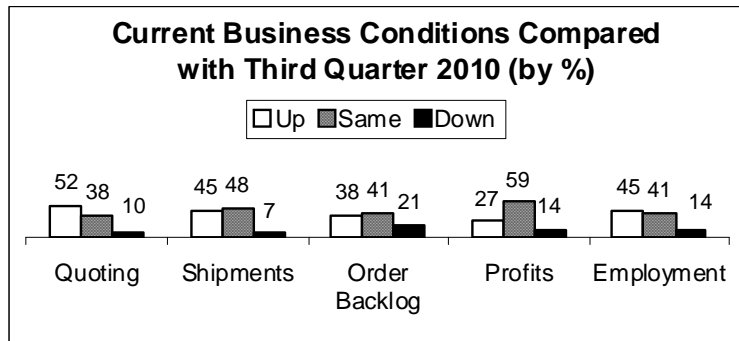
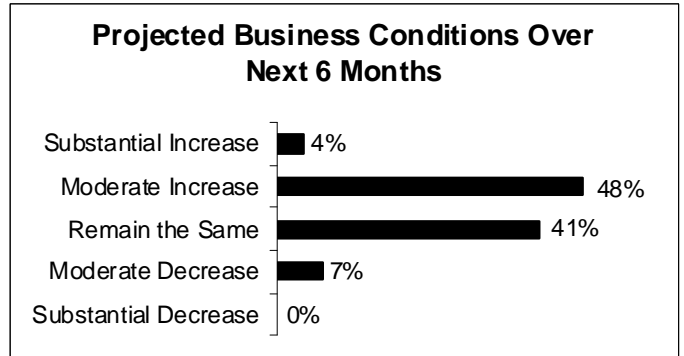
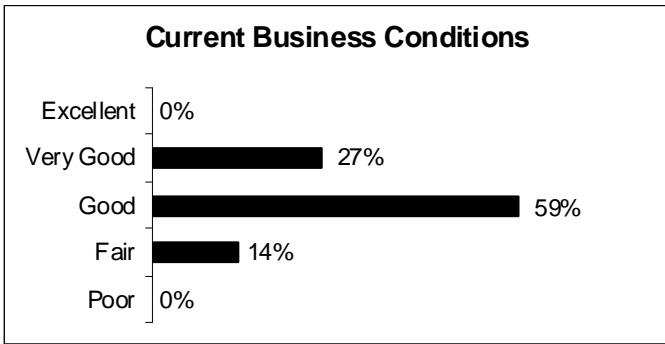


**METAL FABRICATION & STAMPING**  
(19 responses)

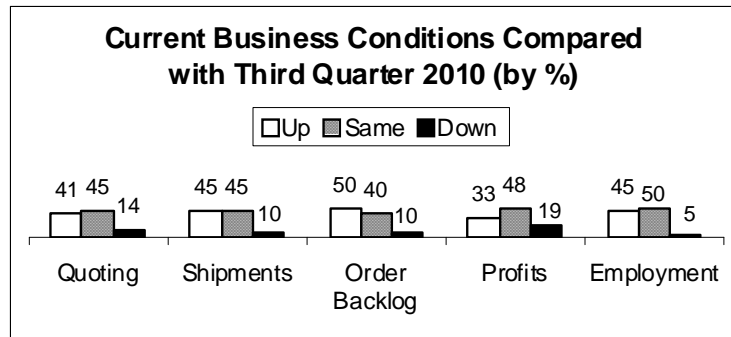
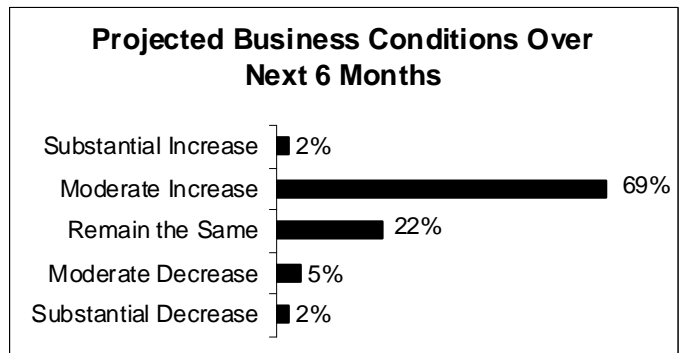
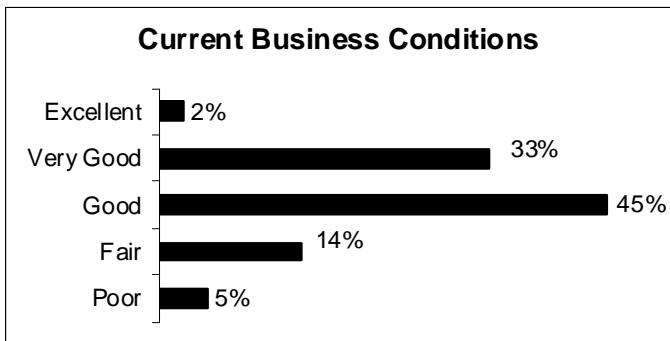


**BUSINESS CONDITIONS (By Geographic Region)**

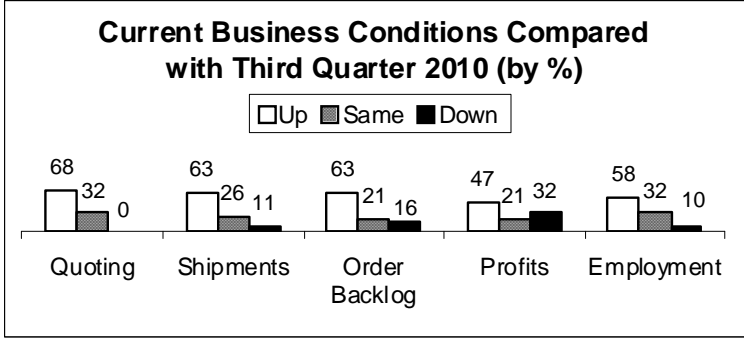
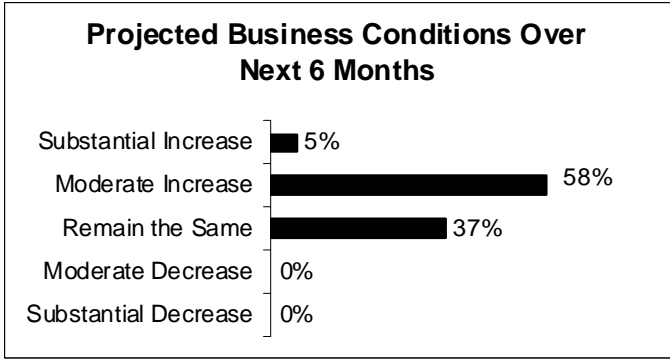
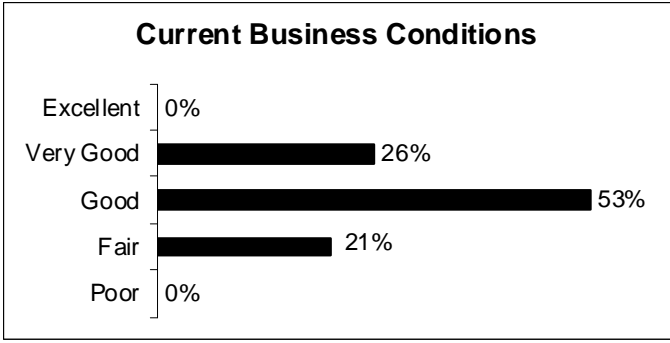
**NEW ENGLAND (ME, VT, RI, NH, MA, CT)  
(29 responses)**



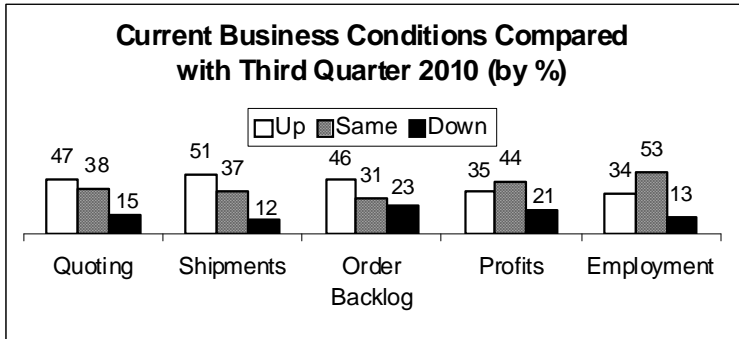
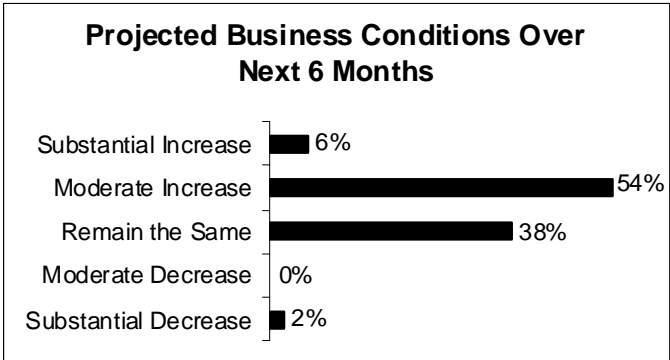
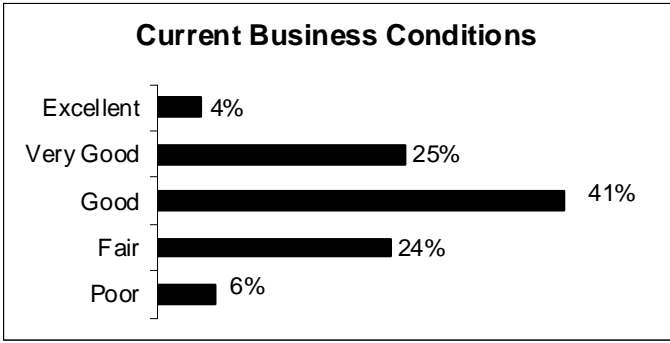
**NORTHEASTERN CENTRAL (DC, NY, PA, NJ, DE, MD, WV, VA)  
(42 responses)**



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

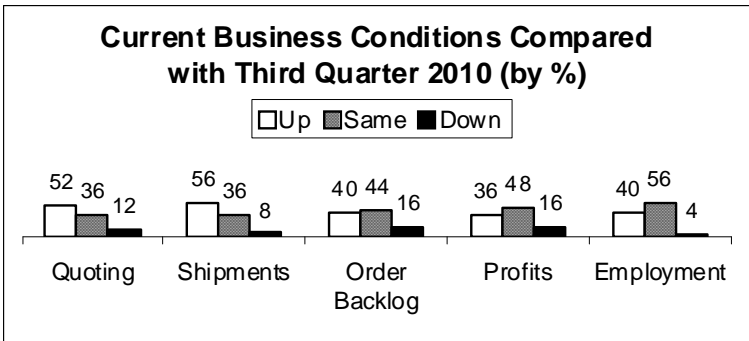
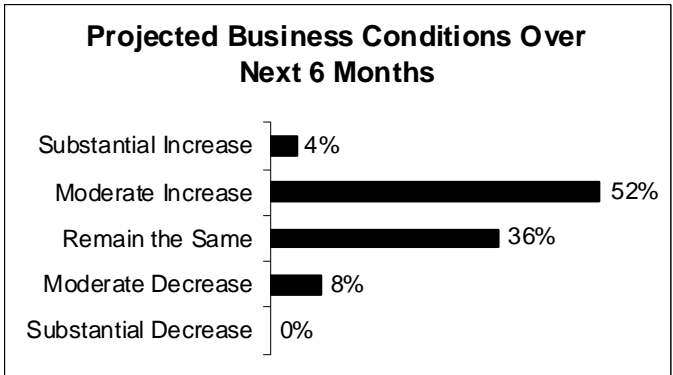
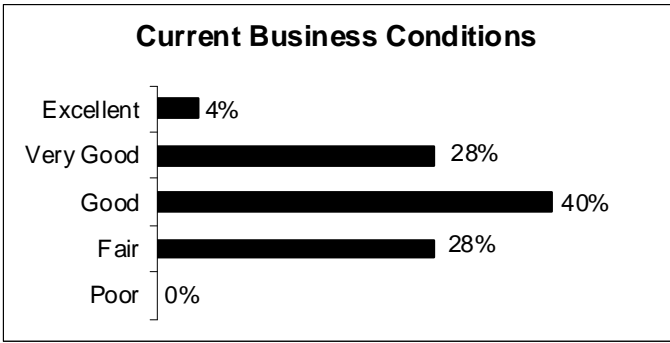


**NORTH CENTRAL (OH, MI, IL, IN, WI)**  
**(68 responses)**

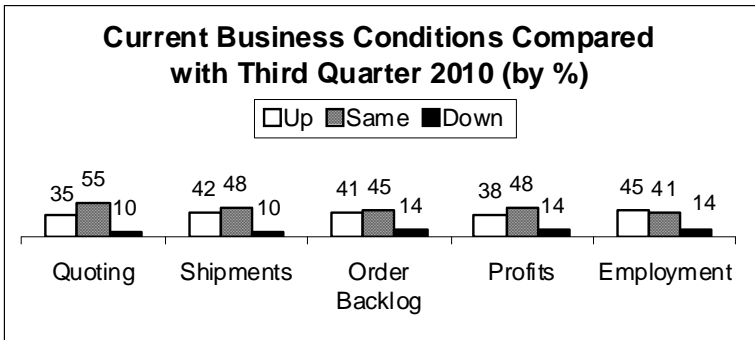
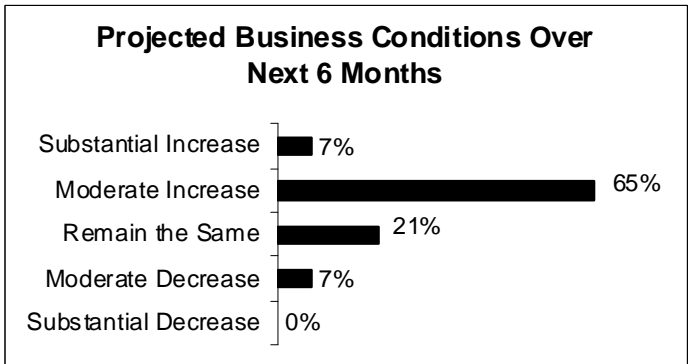
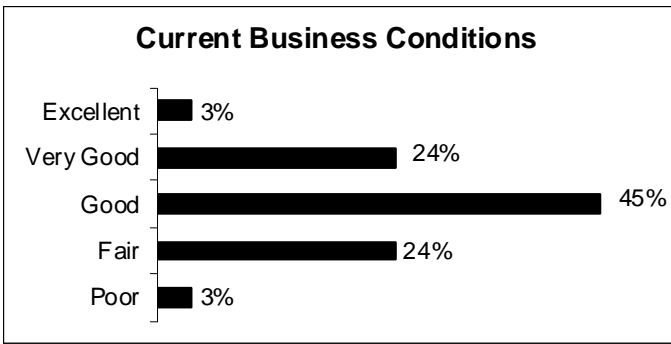




**CENTRAL (IA, MO, NE, KS, MN)**  
**(25 responses)**



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



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

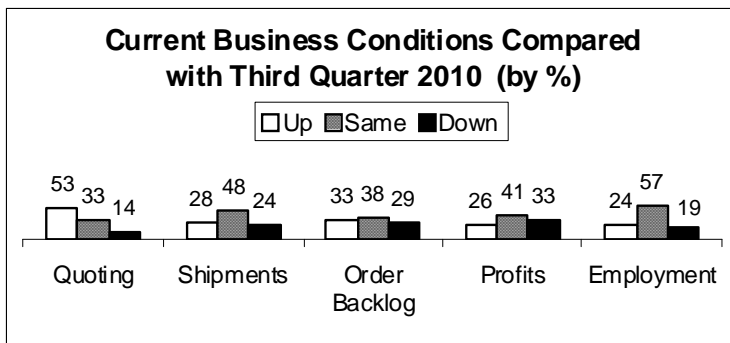
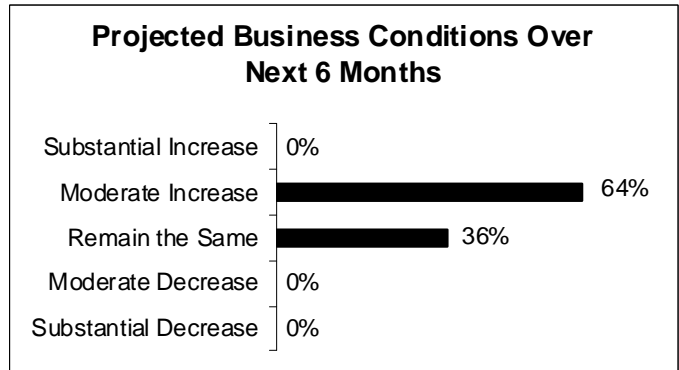
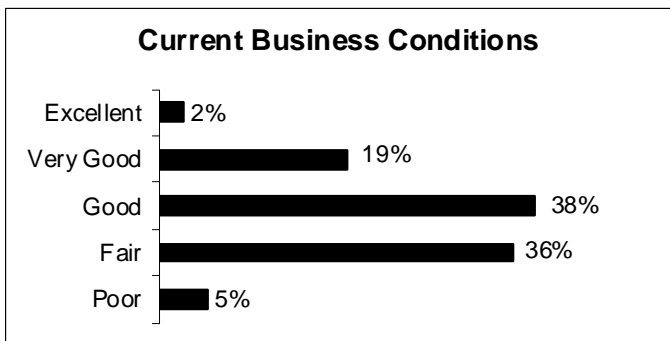
**Current Business Conditions: Very Good/Good**

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

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

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

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



**GREATER PACIFIC NORTHWEST (ID, WA, OR)**  
**(2 Responses)**

**Current Business Conditions: Very Good/Good**

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

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

<b>Quoting:</b>	<b>Up</b>
<b>Shipments:</b>	<b>Up</b>
<b>Order Backlog:</b>	<b>Up/Same</b>
<b>Profits:</b>	<b>Up</b>
<b>Employment:</b>	<b>UP/Same</b>

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

**Aerospace Machining & Fabrication**

4th quarter was strong. 2011 has promise, but also risk. (New England; 60 Employees)

Business is booming; however, skilled labor is holding us back. (Greater Pacific Southwest; 73 Employees)

It's very tough, people are working very cheap and paying very slow. (Greater Pacific Southwest; 15 Employees)

Looking to experience a flat 2011.... New Sales generation will be our goal !! (Greater Pacific Southwest; 46 Employees)

Major aerospace customers have LTAs in place that have increased in quantities over past 12 months by an average of around 15%. (Greater Pacific Southwest; 28 Employees)

Our lead times have dropped. Everybody is looking for a quick turn around on small lots of parts. No 'production.' (Greater Pacific Southwest; 15 Employees)

Things are much better, but still far from anywhere near to what things were in 2008, but they are improving. (North Central; 42 Employees)

Very much a buyers market yet. Can be busy if you want to work for minimum profit or cost. Still down about 35 percent from 07-08 time frame. (Central; 18 Employees)

We do 95% military aerospace work (Central; 37 Employees)

**Metal Fabrication & Stamping**

Seems like a slight increase over last year. (Central Southwest; 15 Employees)

Work load varies by customer, blanket orders in some cases are in place for the ye. (North Central; 30 Employees)

**Molds**

Job Order Placement seems to have an upwards trend! (Greater Pacific Southwest; 101 Employees)

Most shops in this area have good work loads. (North Central; 85 Employees)

**Precision Machining (excluding Aerospace)**

2010 was 36% better than 2009 but still 25% under 2008 (Central; 49 Employees)

Better than 2009; blessed to still be here. (Southeastern; 12 Employees)

Business has increased, thank God. (Southeastern; 10 Employees)

Business conditions seem to be getting better for some of our customers, but several of them still have weaker requirements. Uncertainty still exists. (Southeastern; 22 Employees)

Each quarter of 2010 was better than the previous quarter. The first quarter of 2011 looks strong and the remainder of the year looks strong. (Northeastern Central; 35 Employees)

Hard to find skilled cnc personel. (North Central; 230 Employees)

Having a hard time hiring skilled machinists  
(North Central; 20 Employees)

I have only submitted numbers for our machine shop. I also have a foundry and heat treat shop at the same location. business is looking up company wide. (Greater Pacific Southwest; 11 Employees)

I will train my own but it would sure be nice to be compensated by some grant that does not require months of paperwork and negotiation to receive. (Central Southwest; 7 Employees)

Increased turnover means our employment is down until we can find replacements. Good replacements are very hard to find right now. (Greater Pacific Southwest; 28 Employees)

Large companies are NOT spending \$.  
(Northeastern Central; 19 Employees)

Looking forward to all manufacturing to return to the United States! (Northeastern Central; 85 Employees)

Looking to add additional employees.  
Employee count down due to major customer hiring several of our employees not due to economics. (Central Southwest; 23 Employees)

Military contracts will get us through this year. Commercial customers are demanding up to 20% price decreases. Medical costs have increased up to 30%. (Northeastern Central; 105 Employees)

Only thing holding us back is lack of skilled workers. (Northeastern Central; 37 Employees)

Our business remains strong and the future looks bright. (Northeastern Central; 116 Employees)

Our business, a precision grinding service, never has much backlog but business demand seems to always be there. (Greater Pacific Southwest; 7 Employees)

Pricing remains very competitive and even the best customers to not pay within terms.  
(Northeastern Central; 76 Employees)

Slow down due to holidays expect it to pick back up toward middle of January (Central Southwest; 7 Employees)

Starting to see old customers getting busy.  
(Northeastern Central; 34 Employees)

Still cannot find enough skilled, wanting to work employees. (North Central; 65 Employees)

Washington DC must give industry predictable, industry friendly policy then get the hell out of the way! (Central Southwest; 34 Employees)

We currently are booked through June on some of our work centers. This has happened in the past few weeks and was unexpected. (Central; 14 Employees)

We don't do production work so we try not to carry a backlog. (Central Southwest; 31 Employees)

We saw the increase during 2010 now we hope to maintain. (Greater Pacific Southwest; 420 Employees)

We still are at only 80% of 2007 numbers.  
(Northeastern Central; 44 Employees)

We still need more work. Do you have any contacts looking for machine time?  
Doug Fox, Fox Engineering LLC  
[www.foxengineeringllc.com](http://www.foxengineeringllc.com) 763-689-0810  
(Central; 7 Employees)

### **Special Machines**

Have seen a tapering off of capital and maintenance spending by our customers during the last 3 months. (North Central; 42 Employees)

Optimistic for 2011 but actual pickup in activity/quoting/orders has not yet materialized - business conditions are steady but have yet to accelerate. (Northeastern Central; 65 Employees)

Year ended up nicely. Not as good as 2007/8 yet but after 2009 I'll take it. Happy New Years and thank you for buying American. (Northeastern Central; 7 Employees)

Slowly improving sales volume. Profitability remains weak. Still well below 2007. (North Central; 34 Employees)

The U,S. government is assaulting the manufacturing business with regulations. Unless we can push back and tie down the EPA, OSHA, HHS etc. (Central; 7 Employees)

We are seeing a definite increase in the semiconductor area. We have millions of dollars on quote for DOD that are supposed to be placed this Q1. (Greater Pacific Southwest; 30 Employees)

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

A little slow right now but typical for January. (North Central; 74 Employees)

Customers seeking 8 - 10 quotes instead of 3. Extremely tight to non-existent margins to get work. (North Central; 18 Employees)

General outlook is good. (North Central; 9 Employees)

Simple God-given principle that we've overlooked; Proverbs 22:7 the rich rule over the poor and the borrower is slave to the lender. (Greater Pacific Southwest; 10 Employees)

Still the same old stuff. It's hard to make a profit. I don't see this improving. Everybody is looking for something for nothing. (New England; 16 Employees)

We are one of the few survivors, but we won't be if the USA does nothing to stop the rape of the manufacturing and skilled jobs from this country. (North Central; 25 Employees)

We have tried many new contacts but no one ready to open the door. (Northeastern Central; 2 Employees)