

THE GOOD, THE BAD ^{AND SCARY} ~~THE UGLY~~ OF MACHINE TOOL CONSUMPTION WORLDWIDE



The Good: USA consumption increase up 19% from 2011 was much better than any of the top 20 consuming countries and #2 in the world in total consumption. Also good is that the next best in the top 10 consuming countries only increased 2% and most of the countries in the top 10 dropped significantly.

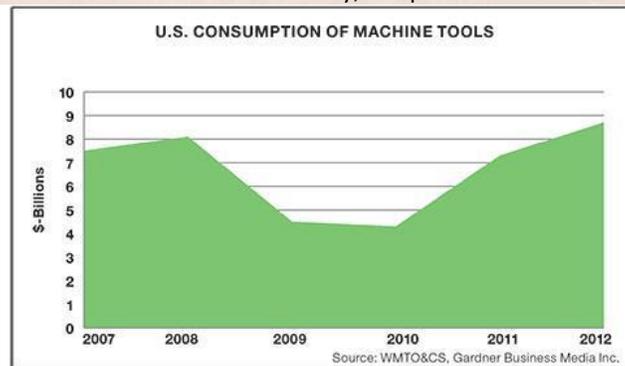
The Bad and Scary: Even though it dropped for the first time in several years, China

Still consumes more than the top 9 countries put together. **The Hope:** the USA compared to most of the large consuming countries has demographics on its side which history has proven is the best economic indicator, while countries like china and Japan face a huge challenge in this regard. We have also seen a continued shift in manufacturing in the USA towards technology that flattens the effect of wage differences in competing with lower paid countries.

American Factories Continue to Gain in New Machine Tools

Excerpt taken from Modern Machine Shop Magazine, April 2013, by Joe Joblonowski, Contributor Editor

After the recession hit, metalworking plants in the United States cut back dramatically on upgrading their equipment. The volume of new installations dropped by more than 45 percent in a single year and continued declining into 2010. The recovery that started two years ago has continued into 2012, according to the latest annual survey of machine tool consumption. In fact, in a year in which most other manufacturing nations appear to have leveled off in installing improved equipment, the United States grew its new installations by a respectable 19 percent to \$8.7 billion. The figures come from the latest annual *World machine Tool Output & Consumption Survey*, conducted by the research department of Gardner Business Media Inc., the publisher of Modern Machine Shop magazine. The study collects data from the 28 countries that produce virtually all the world's machine tools and companies them in both local currencies and in U.S. dollars. The 2012 rise in American consumption came from both a 7-percent gain in domestic output and nearly a 30-percent boot in imports. Consumption in any country is measured by taking its shipments, adding imports and subtracting exports. Unlike statistics on orders for future delivery, it represents the value of new machinery actually installed.



Listed below are the top 10 consumers (Value of Machine Tools Installed, 2012 est.) in order by GROWTH CHANGE %.

USA #1 IN GROWTH CHANGE

	COUNTRY	CHANGE*	CONSUMPTION \$
1.	United States	19%	8,722.5
2.	India	2%	2,286.1
3.	Germany	0%	6,400.2
4.	Mexico	0%	c1,360.9
5.	Japan	1%	7,462.8
6.	China	-1%	38,510.2
7.	Taiwan	-7%	1,844.0
8.	Korea, Rep of	-11%	4,646.0
9.	Italy	-15%	2,172.0
10.	Brazil	-22%	1,867.2

*=change from 2011 measured in reporting currency

c=circa; rough estimate from fragmentary reports

Source: Gardner Business Media, Inc.

