

# Manufacturing Technology 2012!



IMTS Webinar  
February 9, 2012

# Today's Agenda

- Manufacturing is Alive & Well in America
- U.S. Outlook
- What's the Picture Overseas

# MANUFACTURING NOW

December 2010

**Wanted: energy savings**

Energy costs are rising. Time to look at industrial production in a new light. Efficiency is the name of the game.

Potential of climate change  
Interview with Yo de Boer

The fifth dimension  
Cyberspace security takes on center stage

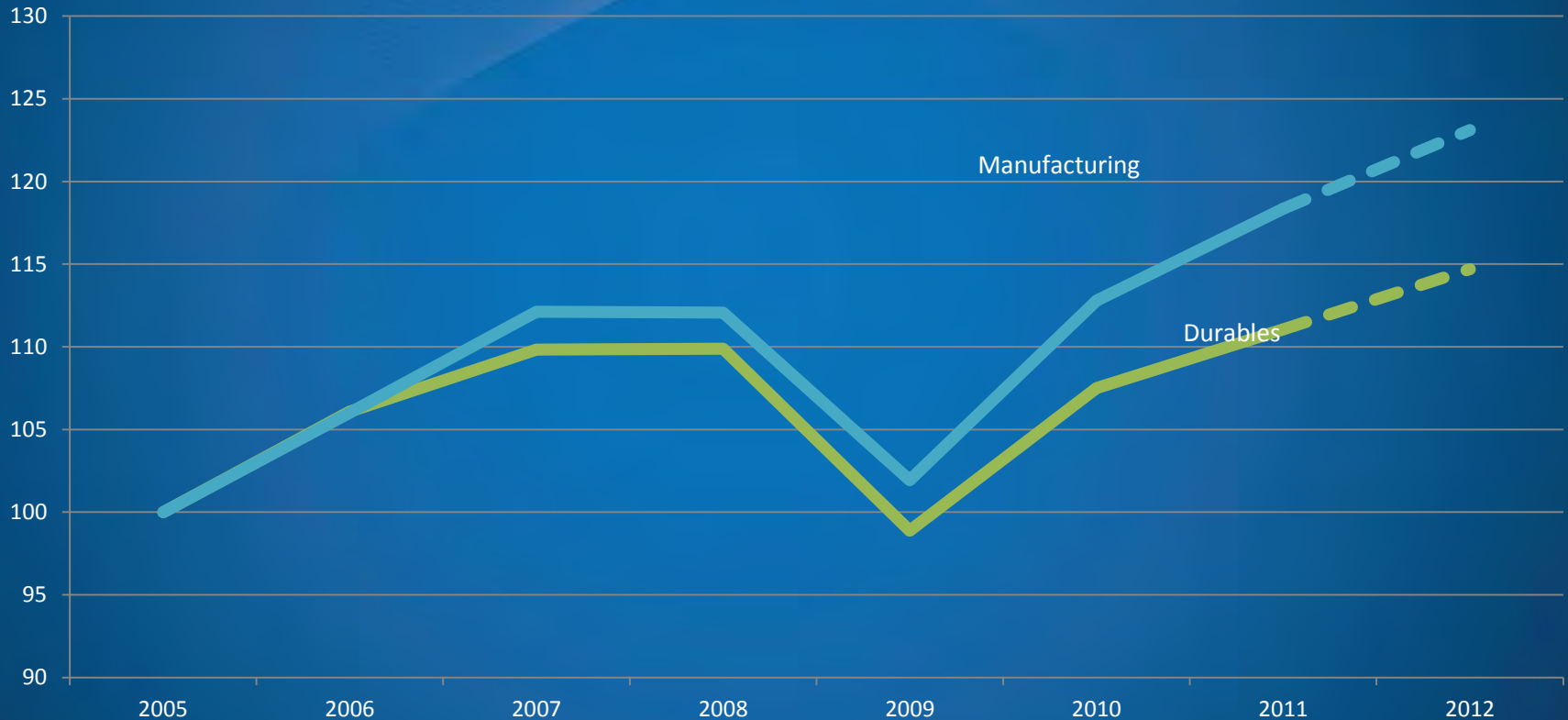
Russia reinvents itself  
Modernization efforts to invigorate domestic industry

**KPMG**  
cutting through complexity™



# Global Manufacturing in a Slow Burn

Global Value Added Index  
2005 = 100

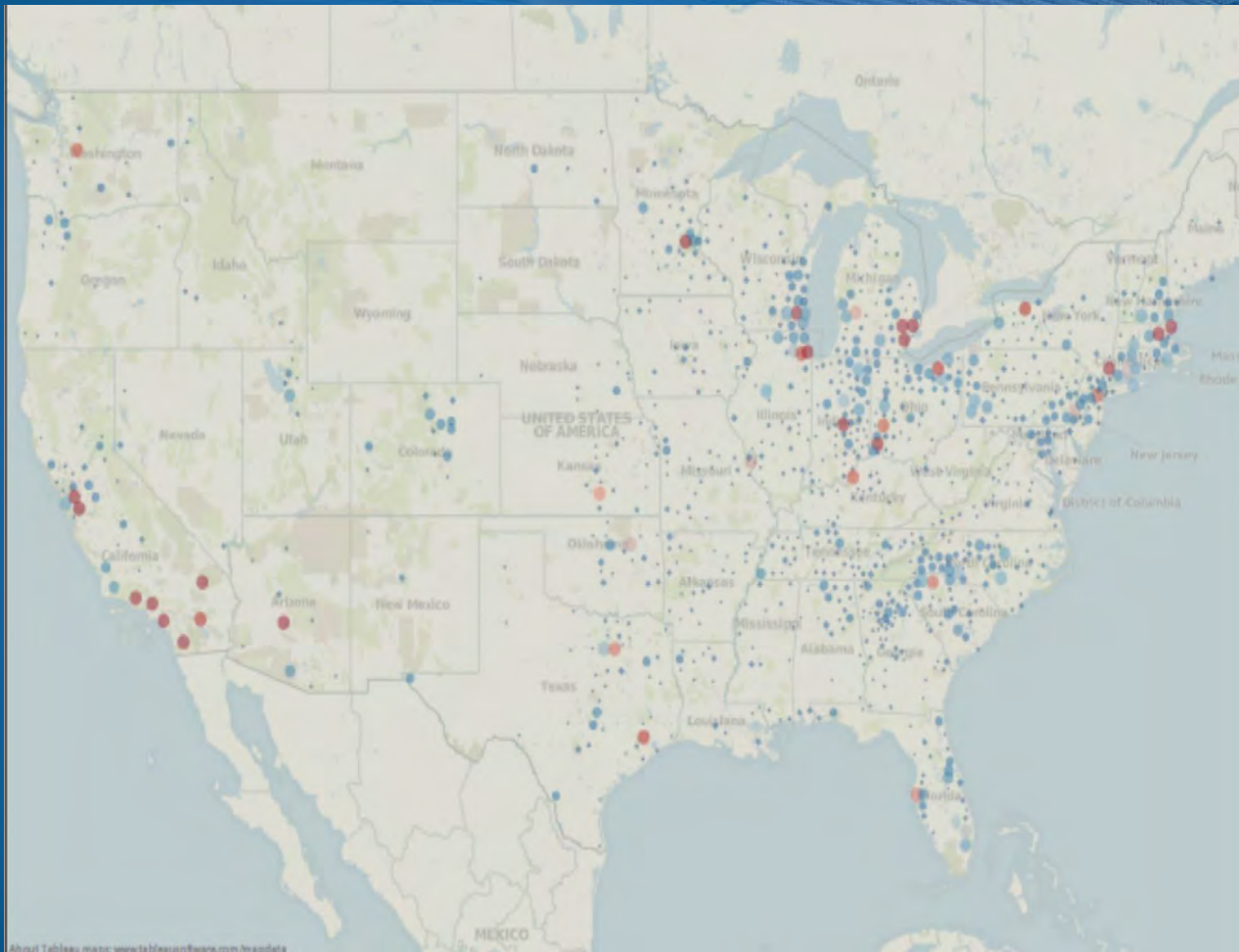


Oxford Economics

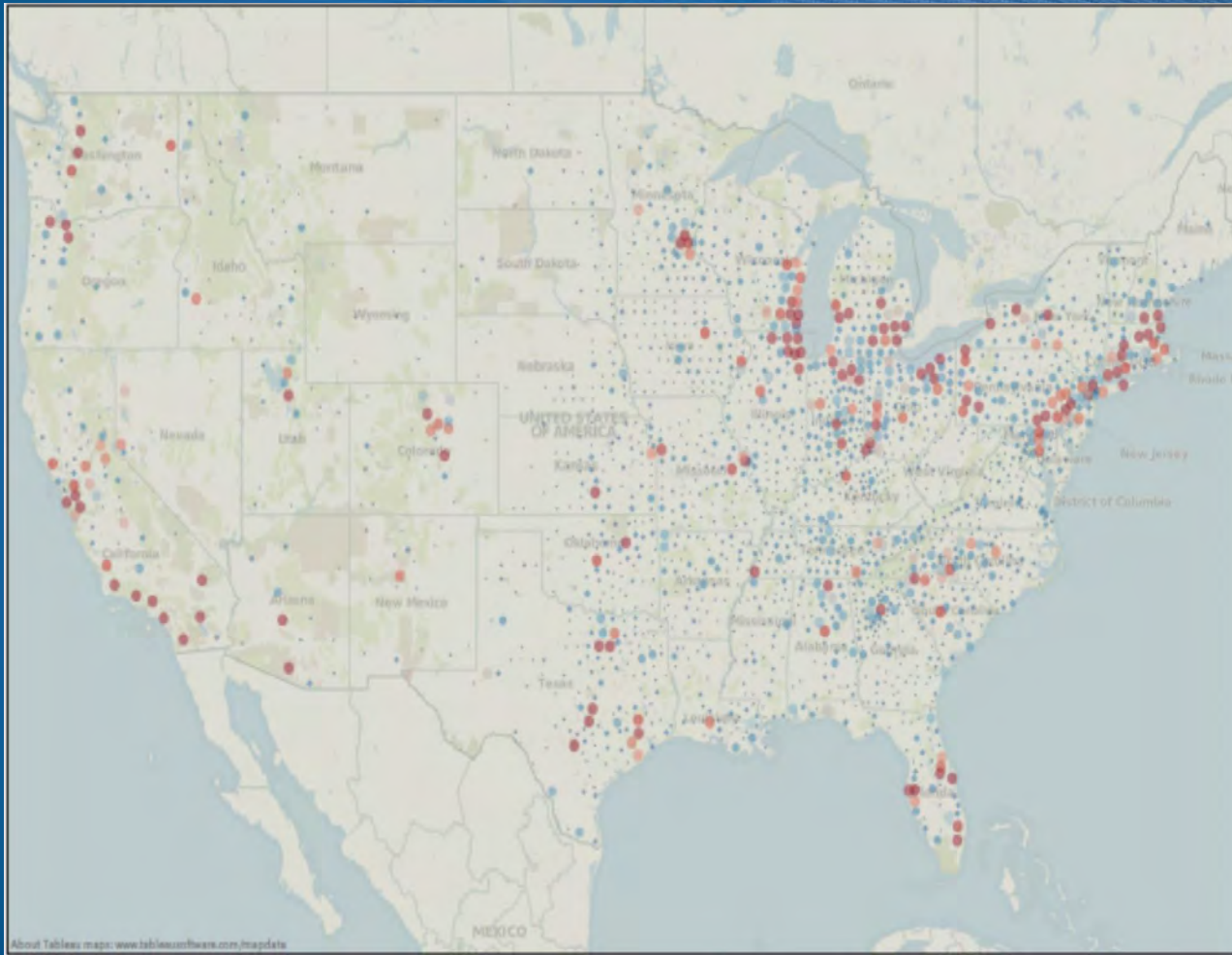
# Manufacturing on the Move



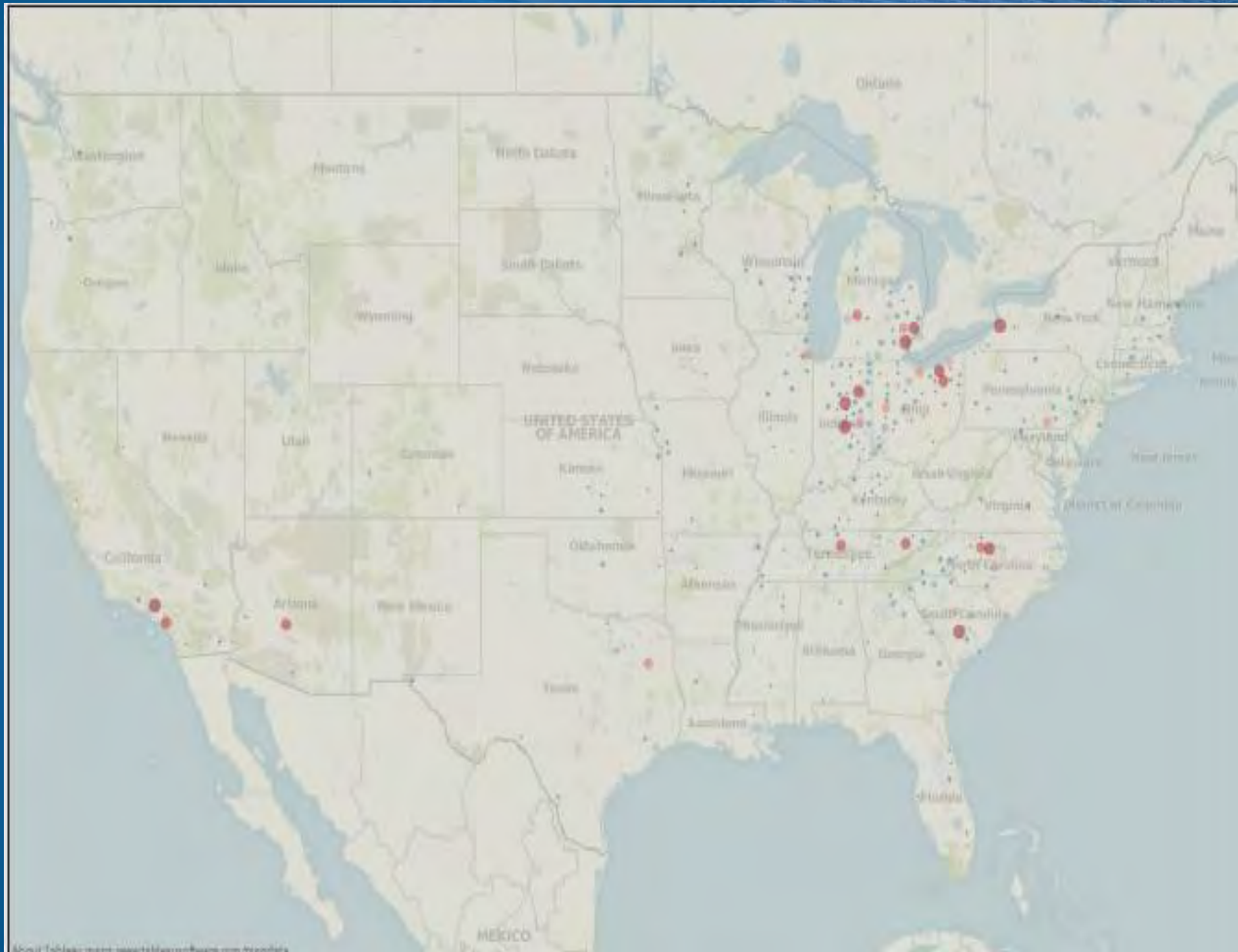
# Key Customer Industries – 1999



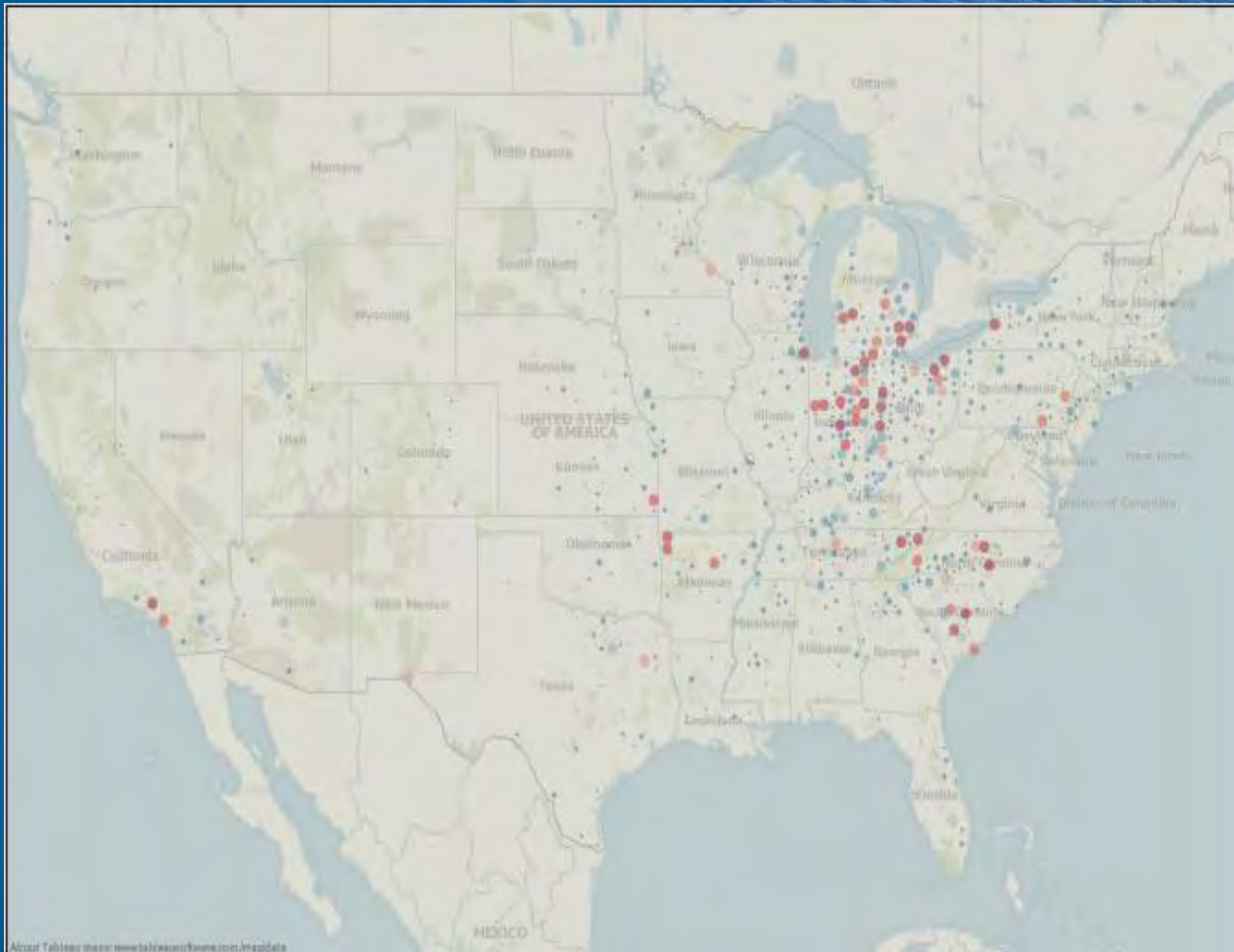
# Key Customer Industries – Population



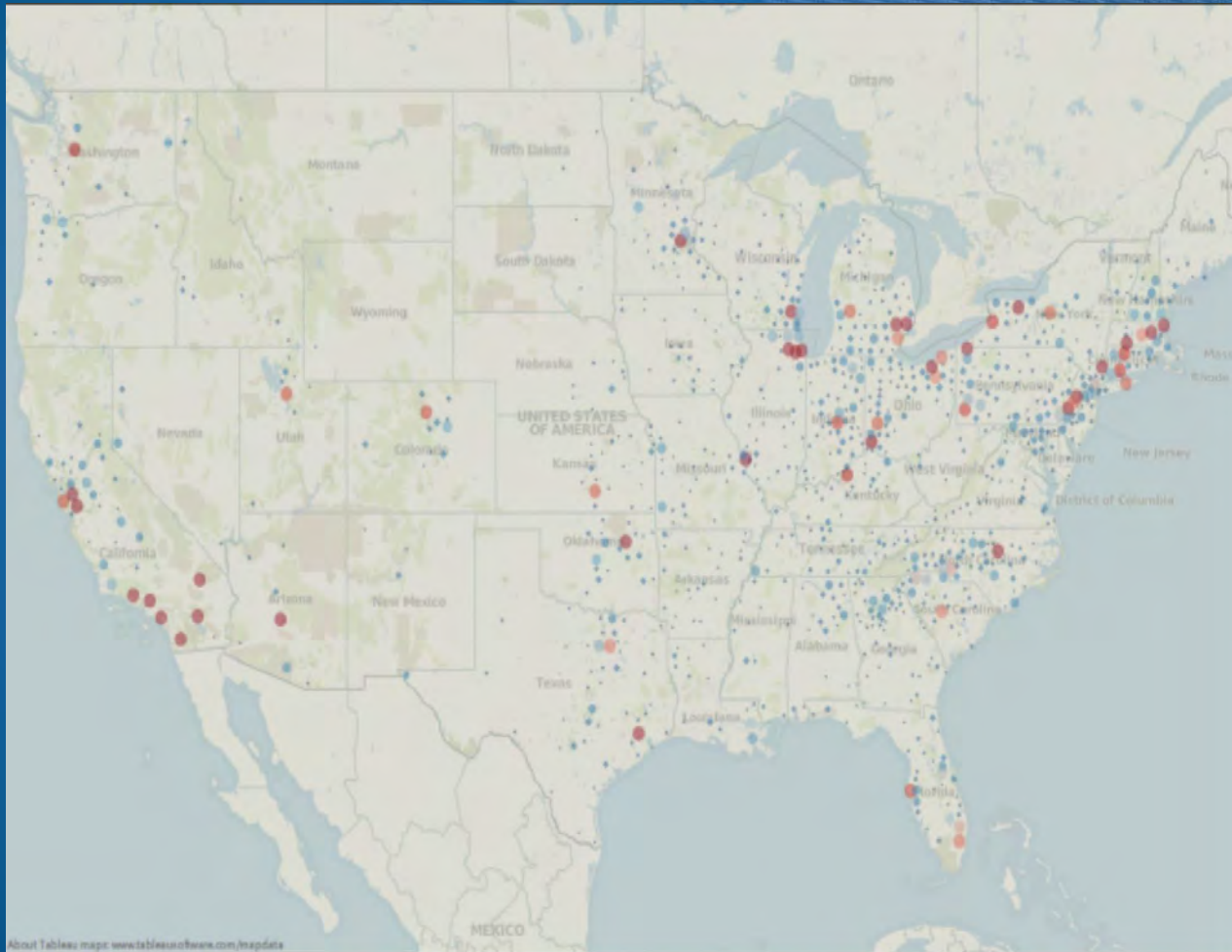
# Auto Sector – 1999



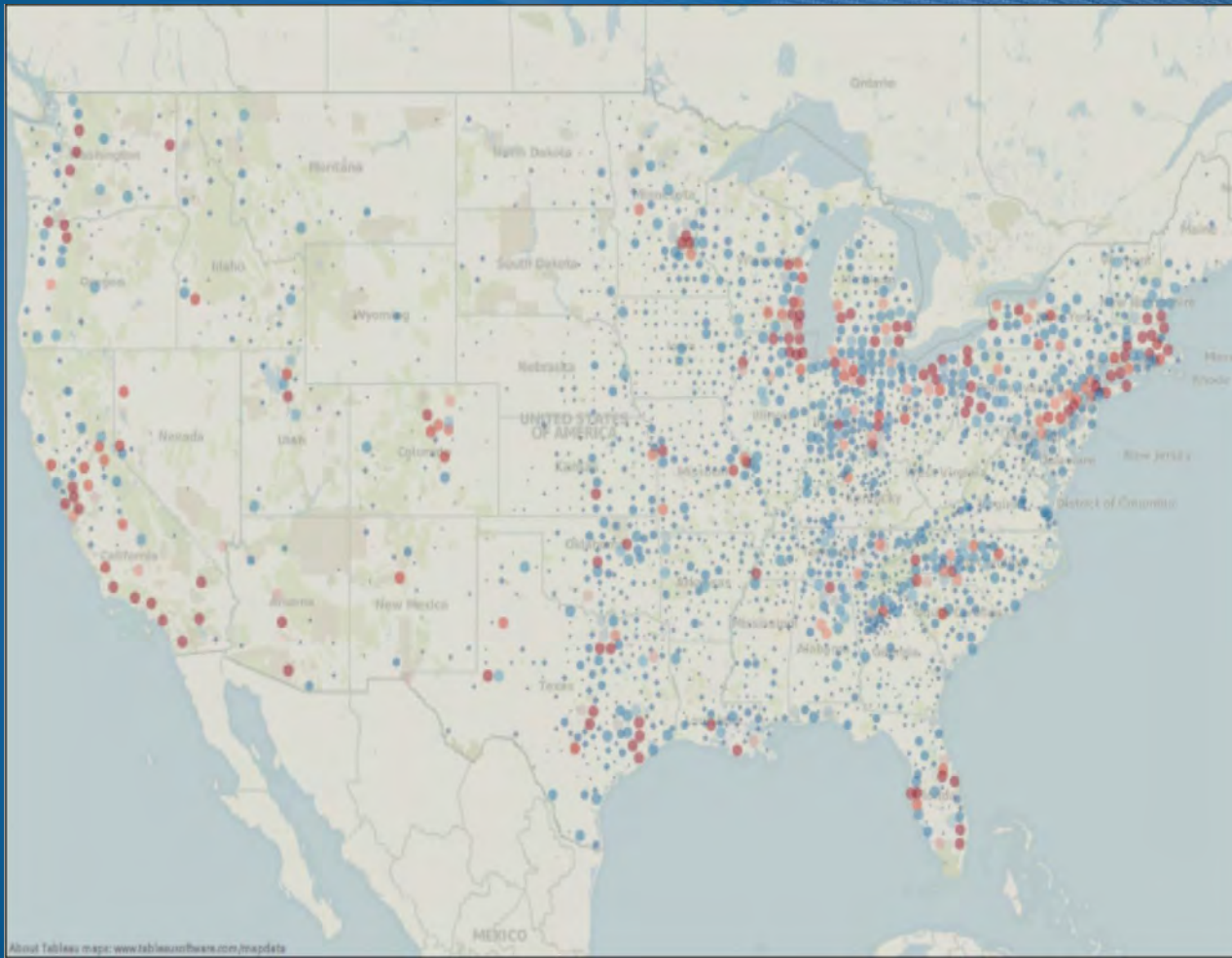
# Auto Sector



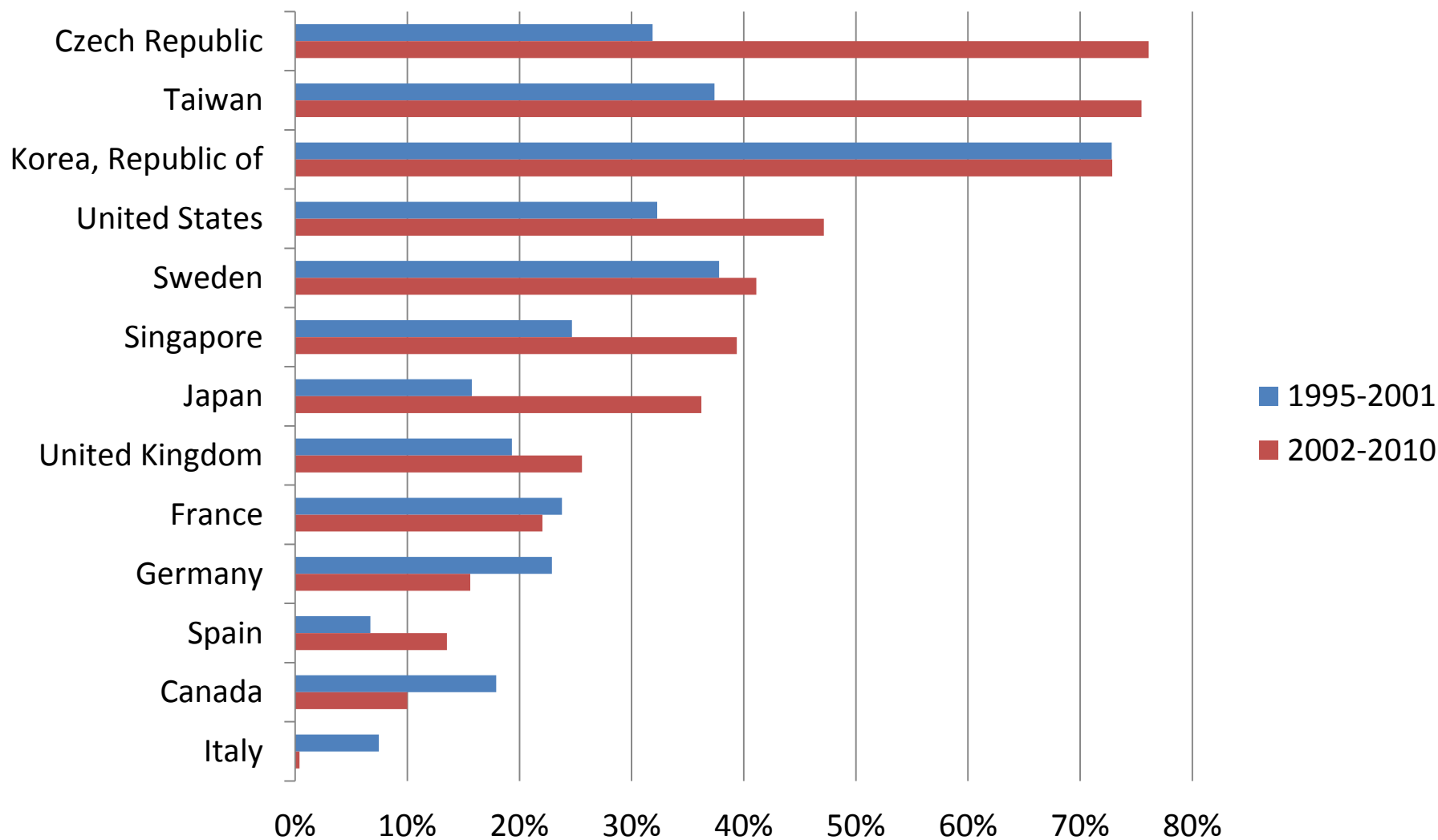
# Job Shops – 1999



# Job Shops



# Manufacturing Productivity – Output per hour, %



# Manufacturing: Powering the Recovery

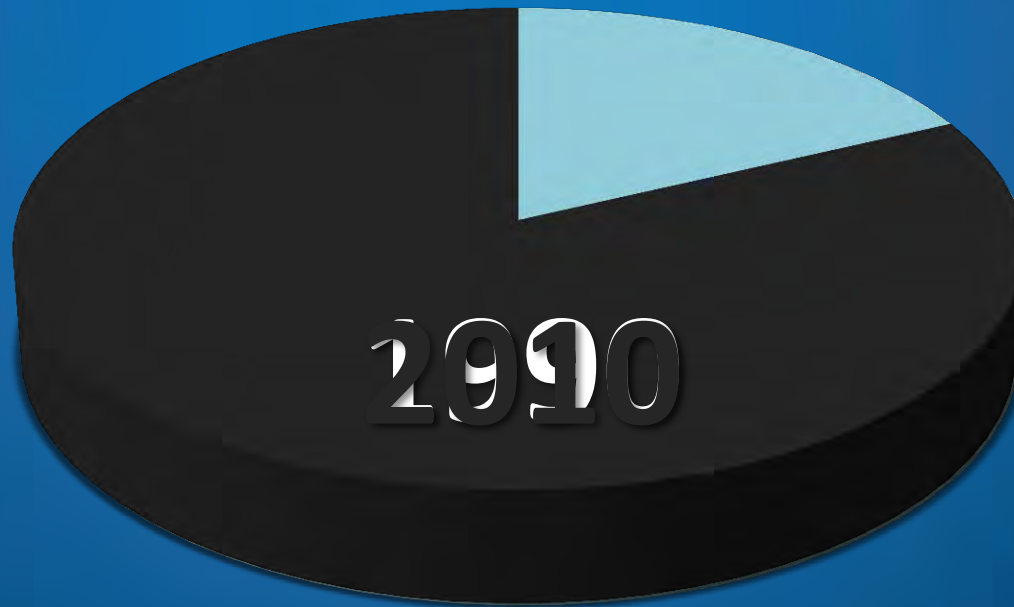
Percentage Point Contributions to Real GDP Growth

Services

82%

Goods

18%



# Top Reasons for the Nation to Re-shore

- Brings jobs back to the United States
- Helps balance U.S., state and local budgets
- Motivates recruits to enter the skilled manufacturing workforce
- Strengthens the defense industrial base



*Harry Moser*  
[www.reshorenow.org](http://www.reshorenow.org)



# Top Reasons for Companies to Re-shore

- Reduces total cost of ownership
- Improves quality and consistency of inputs
- Reduces pipeline and surge inventory impact on just-in-time operations
- Clusters manufacturing near R&D facilities, enhancing innovation
- Reduces intellectual property and regulatory compliance risk
- Eliminates the waste and instability caused by offshoring
- Strengthens companies' ability to respond quickly to customers' demands

# Commodities Out of Equation

## Selected Commodities Prices



Oxford Economics

Zinc Aluminum Copper Iron Nickel Raw Materials Price Index

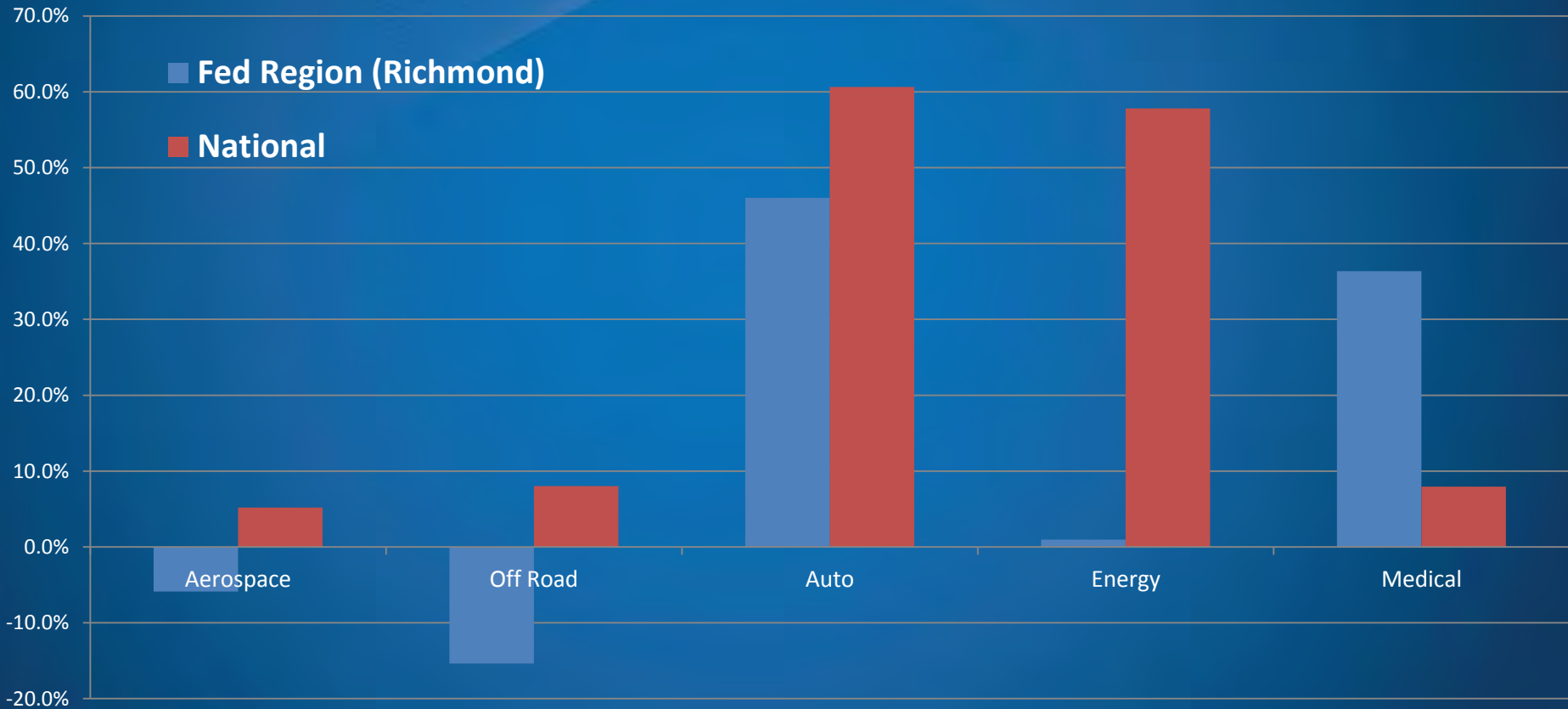
# Corporate Cash Piles Still Growing

## U.S. Corporate cash holdings and investment



# Orders by Industry

Machine Tool Orders by Industry  
Percent Change 2011\* vs. 2010



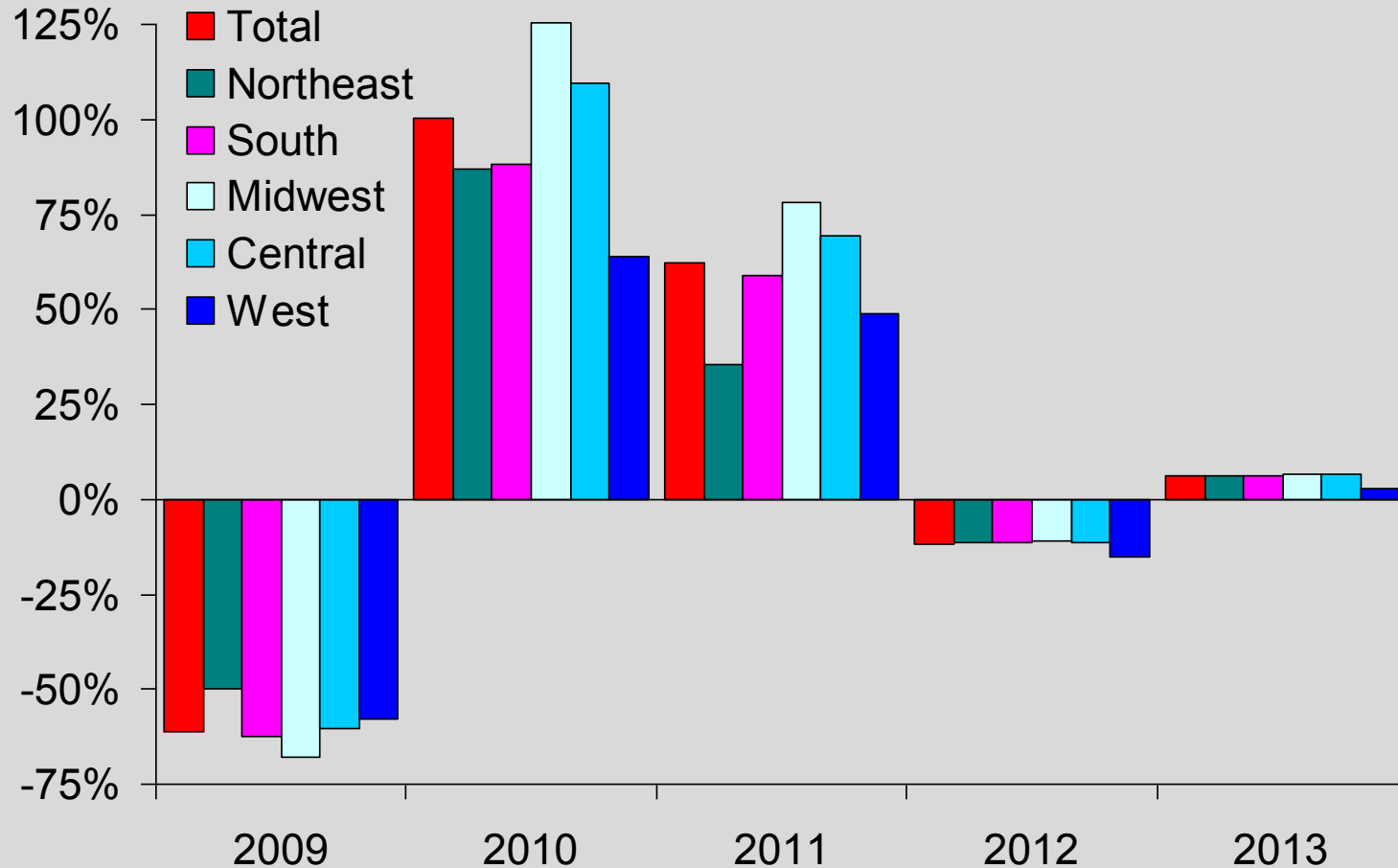
# Contraction in 2012 after Hot 2011

## US Machine Tool Order Forecasts (Annual percent changes)

	2009	2010	2011e	2012f	2013f
<b>Cutting tools</b>	-61.2	100.3	62.2	-11.7	6.2
<b>Forming tools</b>	-52.8	15.7	115.2	-7.6	4.7
<b>All machine tools</b>	<b>-60.3</b>	<b>88.9</b>	<b>66.6</b>	<b>-11.2</b>	<b>6.0</b>

Source: AMT/Oxford Economics

# Growth in value of orders for cutting machines by region



Source: Oxford Economics

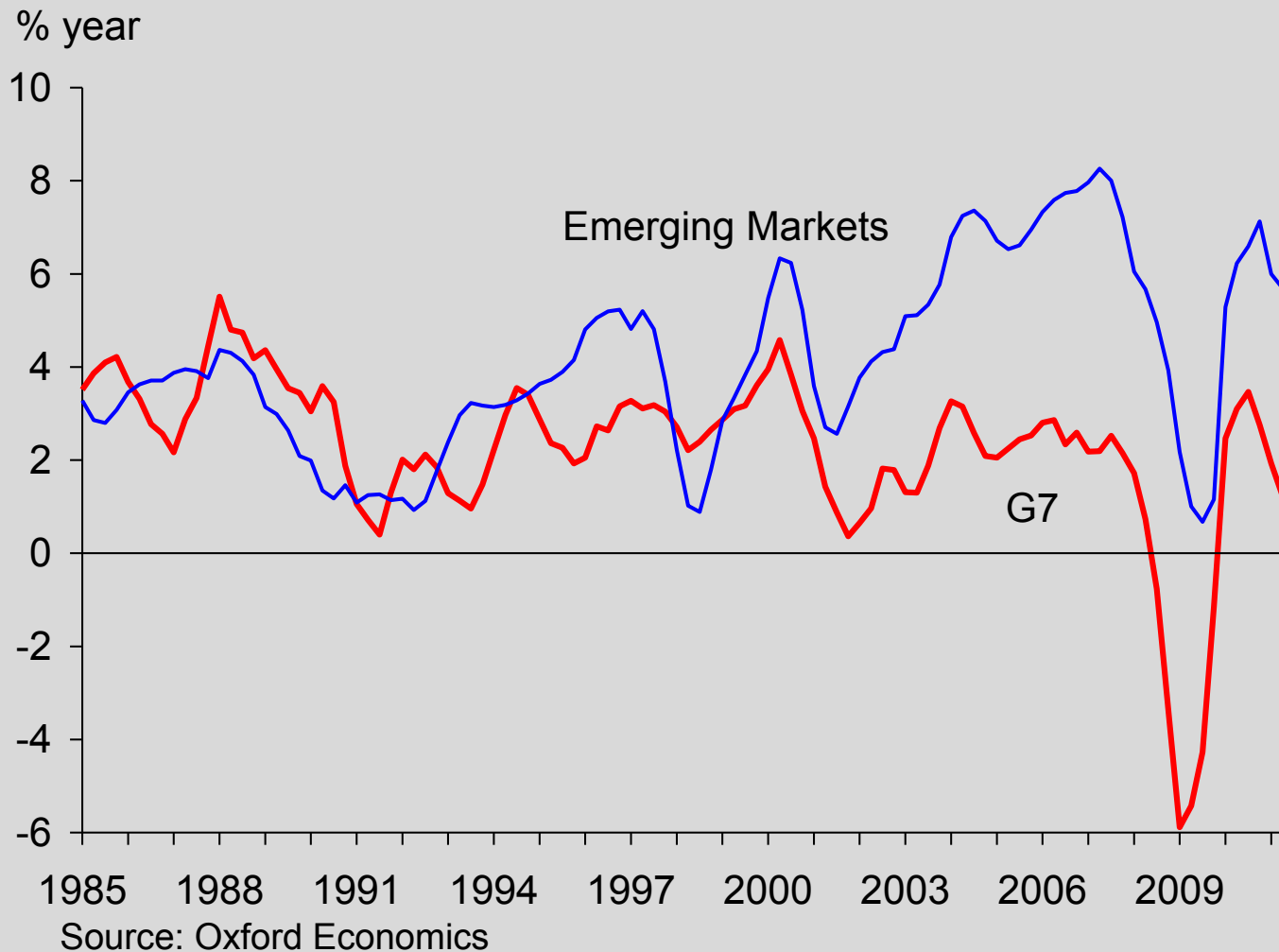
# New Plant & Equipment

and

# Expansions

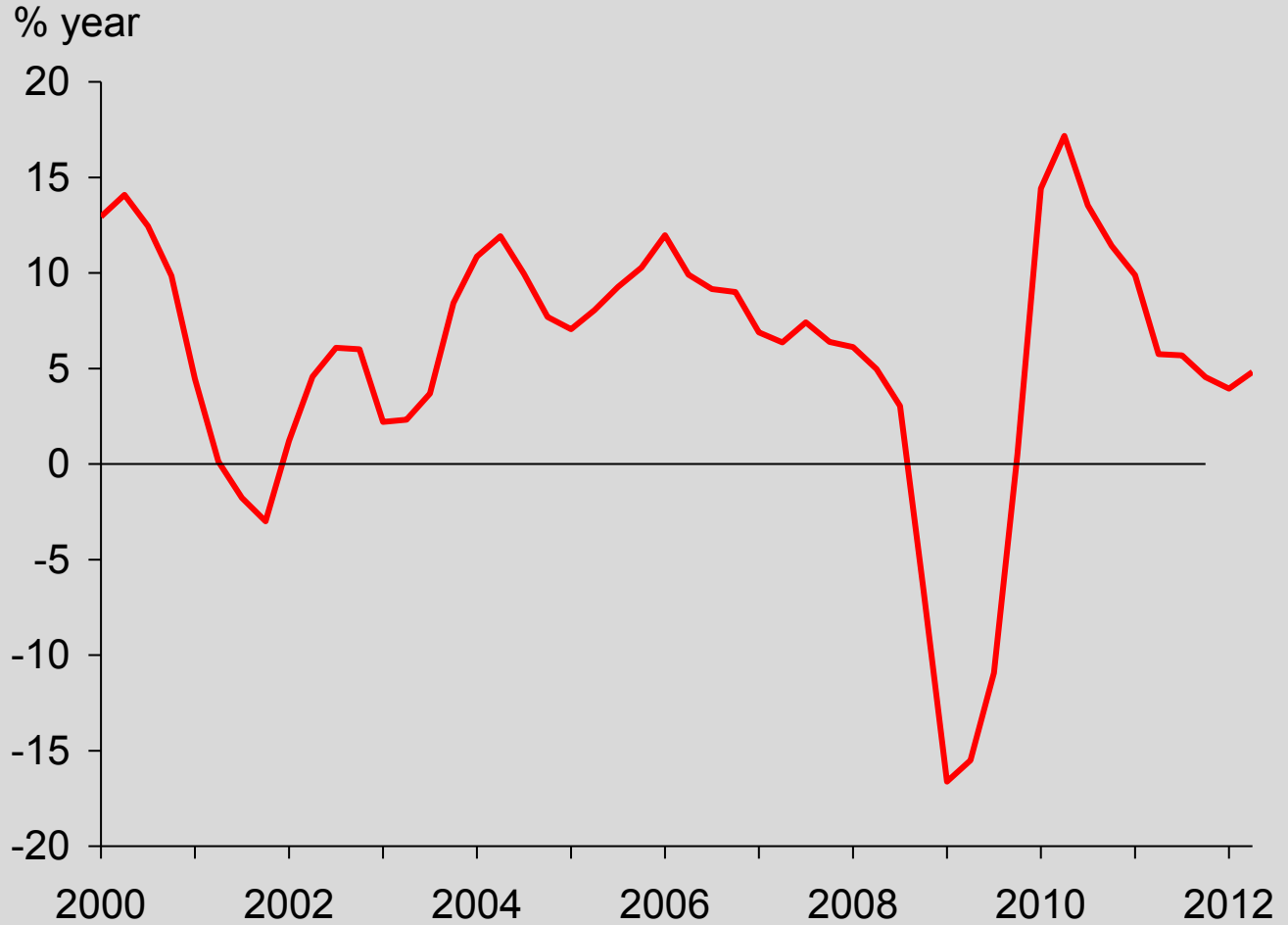
# \$Billions

# G7 & Emerging Markets: GDP growth



# World Trade Growth Down Sharply...

## World: Trade index



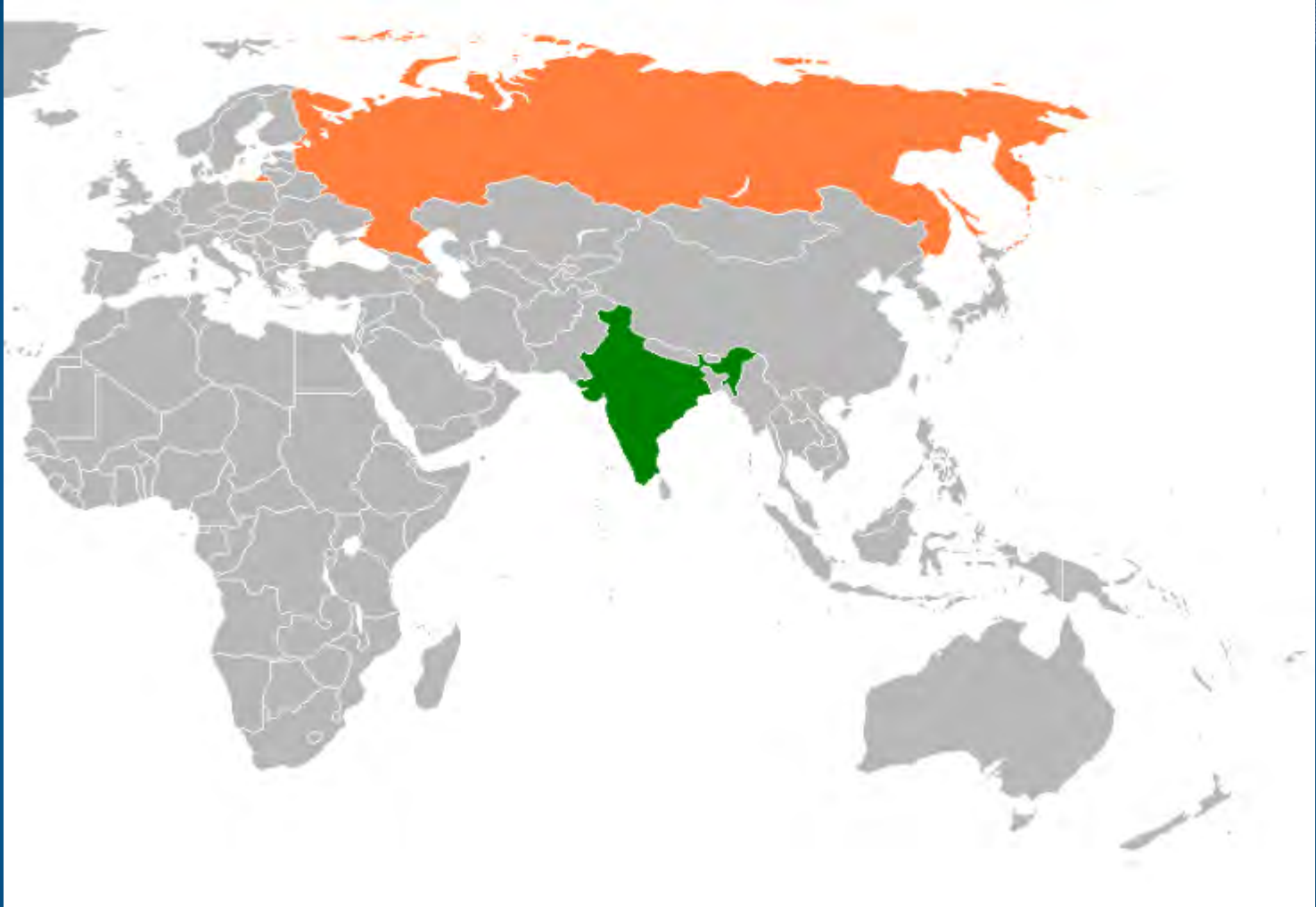
Source: Oxford Economics



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