

Material Handling Industry of America
Economic Brief
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Material Handling Equipment Manufacturing

Segment Brief

MHIA Staff



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Material Handling Equipment Manufacturing (MHEM)



Contents

- 4 Introduction
- 6 Market Overview – Domestic
- 7 Market Overview – Imports and Exports
- 8 Economic Cycles Industrial Sectors
- 9 MHEM and Economic Cycles
- 11 Updates and Forecast

Introduction to Material Handling Equipment Manufacturing (MHEM)



The Material Handling Equipment Manufacturing (MHEM) series serves as a good proxy for the equipment based market in the Material Handling and Logistics Industry.

Material Handling Equipment Manufacturing includes:

- NAICS 333921 Elevators and Moving Stairways
- NAICS 333922 Conveyors and Conveying Equipment
- NAICS 333923 Overhead Traveling Cranes, Hoists, and Monorail Systems
- NAICS 333924 Industrial Trucks, Tractors, Mobile Straddle Carriers and Stacker Machinery

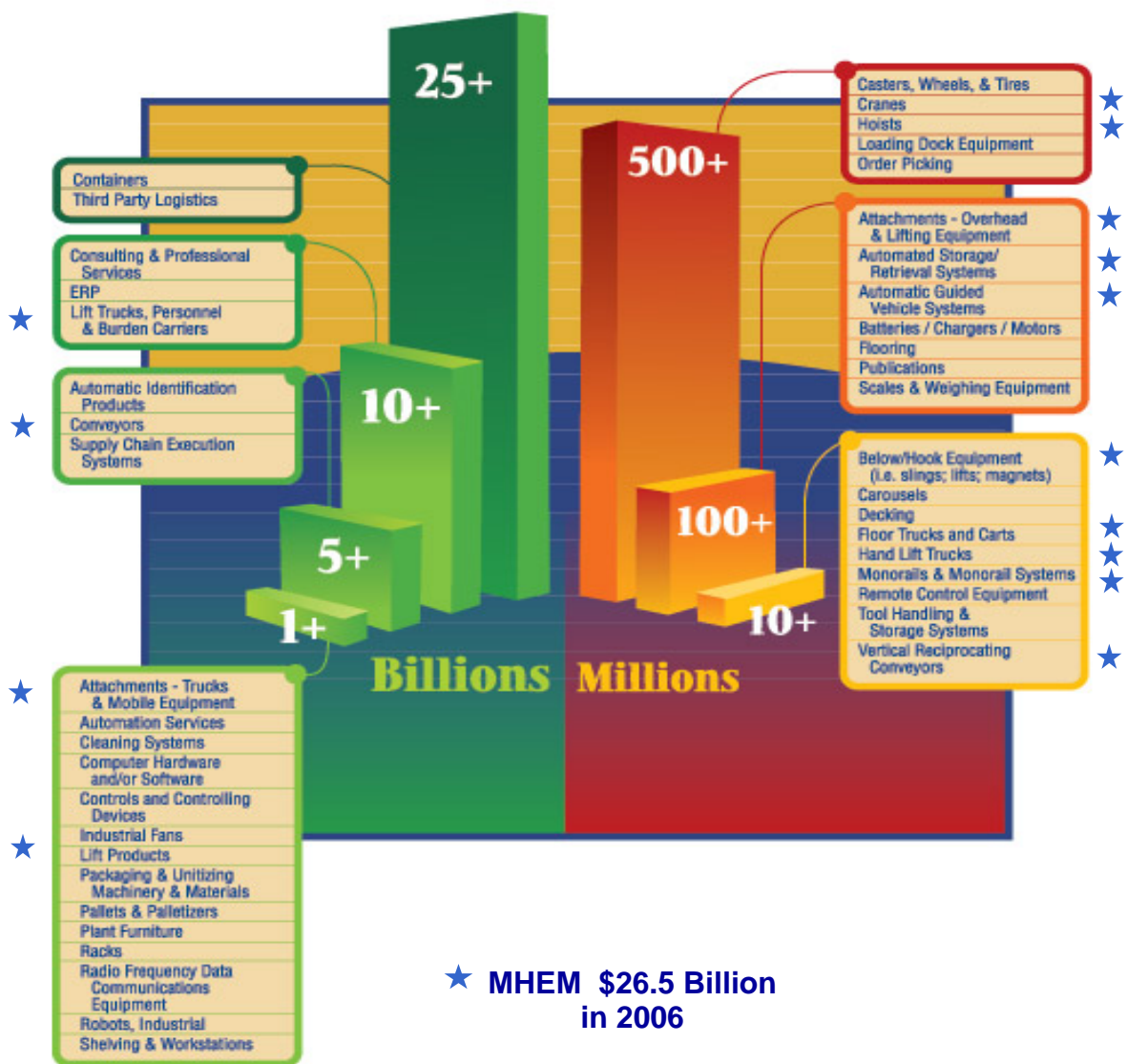
Data is collected and reported monthly by the U.S. Bureau of Census according to the North American Industry Classification System (NAICS).

The following graphic identifies MHEM segments among others of the Material Handling and Logistics Industry.

Material Handling and Logistics Industry



\$156 Billion Market*



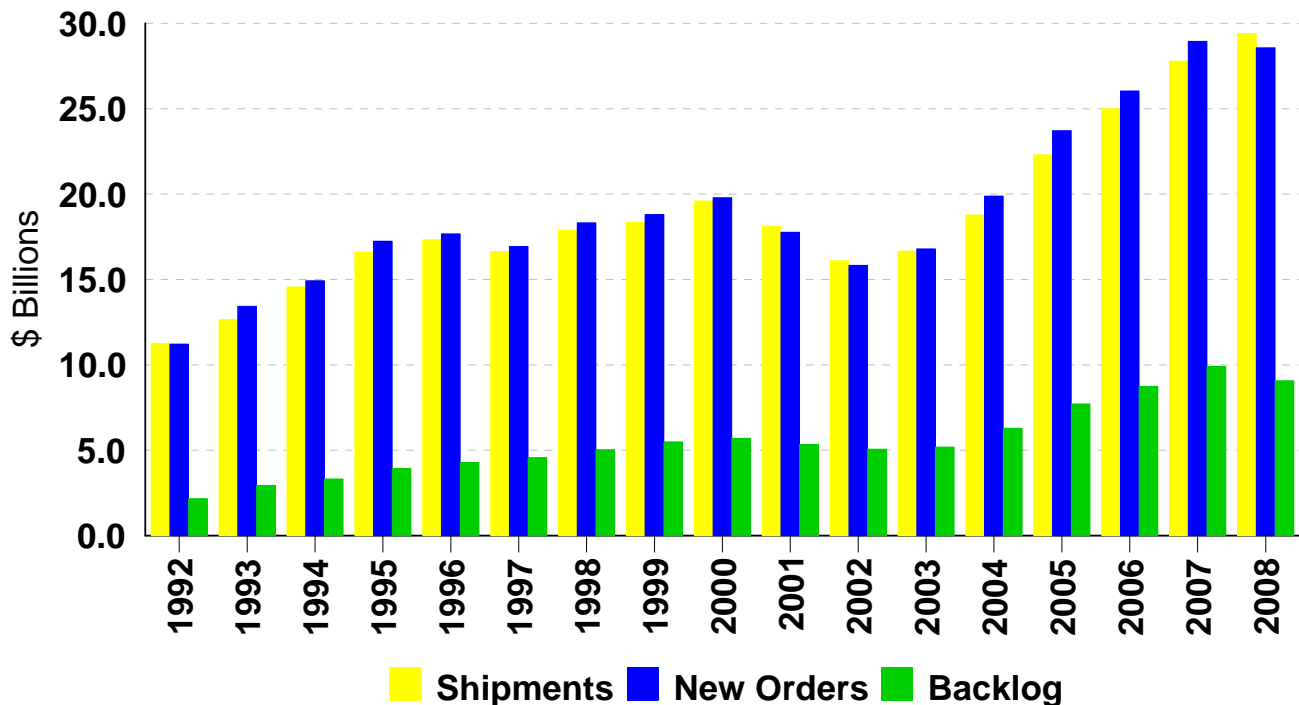
MHEM Market Overview



For the full year 2008 (final, revised):

- New Orders for 2008 declined 1.3% from 2007 to close at \$28.6 Billion.
- Shipments grew 5.8% in 2008 to close at \$29.4 Billion.
- Unfilled Orders contracted 8.4% in 2008 versus 2007 finishing at \$9.3 Billion extending Shipments' growth. Unfilled Orders represent the equivalent of 4.1 months of Shipments.

U.S. Domestic Production



Note: Shipments, New Orders, and Backlog shown at Annual Rates
Source: USDOC

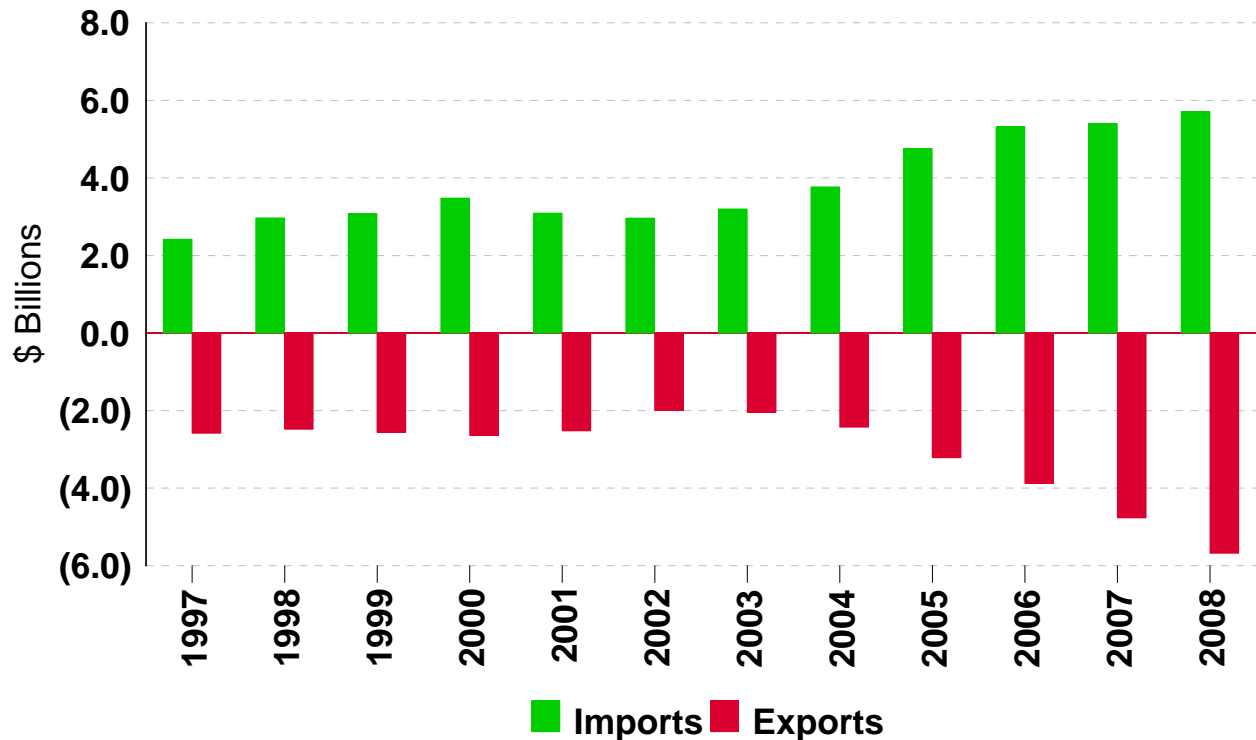
MHEM Market Overview



For the full year 2008 (final, revised):

- Imports increased 5.8% in 2008 over 2007.
- Exports grew 19.1%.
- The Net Trade Value (Imports minus Exports) was negligible for the year, meaning that Imports and Exports were almost equal for the first time in a decade.
- Total US Domestic Demand (Shipments less Exports plus Imports) for 2008 finished at \$29.4 Billion, growing 3.6% over 2007.

Imports and Exports



Source: USITC

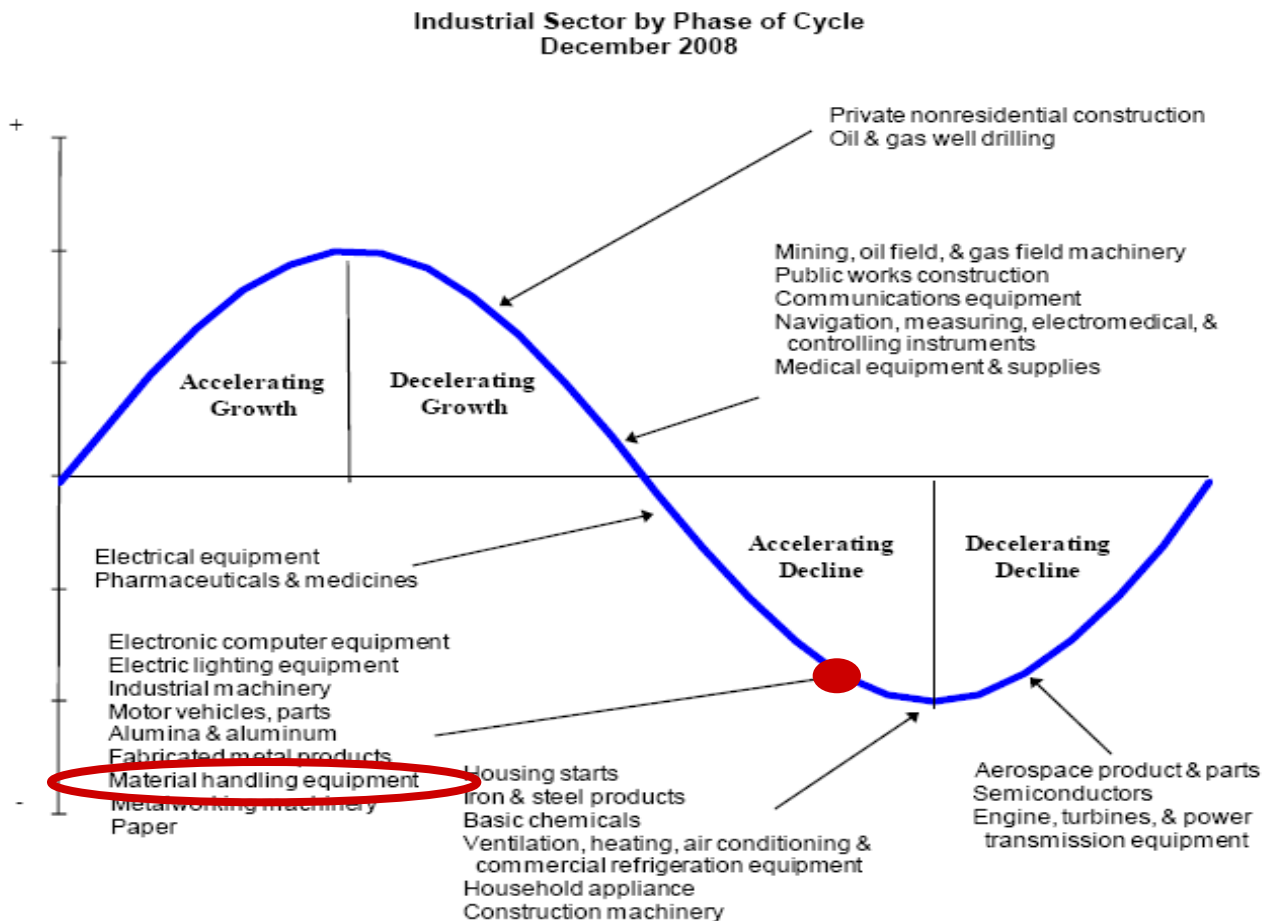
Economic Cycles Industrial Sectors



Charting annual data is useful for a market overview; it is also very useful to view this data on a rate of change basis to better illustrate cyclical activity.

For comparison purposes, the next chart was prepared by the Manufacturing Alliance – MAPI which illustrates the phases of a model business cycle and indicates the position within the cycle for twenty eight different industrial sectors based on the year-over-year change in the three month moving average of new orders.

Note that MHEM is in the “Accelerating Decline” phase.



MHEM and Economic Cycles

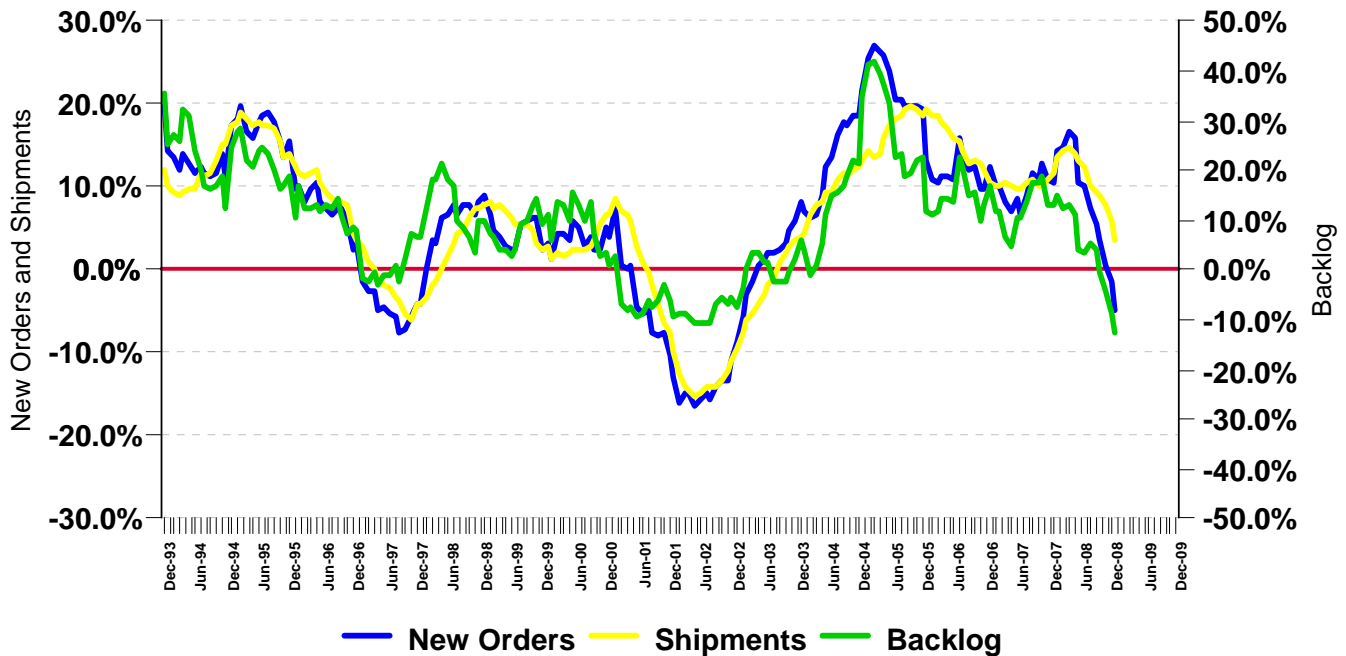


This chart reveals the annual rate of change for domestic new orders, shipments, and backlog illustrating the position of these components of MHEM in the current economic cycle.

It is important to note that value *above Zero* indicates *growth* (increasing at an increasing or decreasing rate) while any value *less than Zero* indicates *contraction* (decreasing at an increasing or decreasing rate).

The data represents year-over-year change in the twelve month moving total (in most cases) for the business activity indicated.

**U.S. Domestic Production
Annual Rate of Change**



Source: USDOC

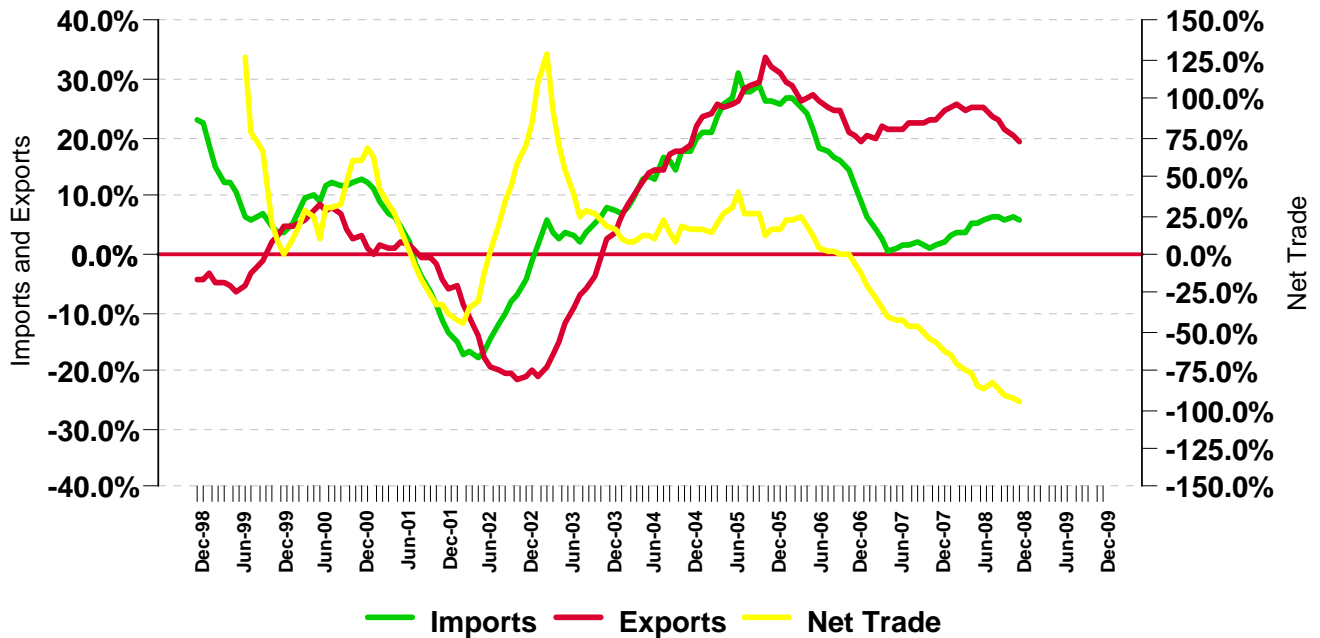
MHEM and Economic Cycles



This chart illustrates the annual rate of change for imports, exports and net trade balance illustrating the position of these components of MHEM in the current economic cycle.

Again, it is important to note that value above **Zero** indicates growth (increasing at an increasing or decreasing rate) while any value less than **Zero** indicates contraction (decreasing at an increasing or decreasing rate).

Imports and Exports
Annual Rate of Change



Source: USITC

MHEM Updates and Forecast



Additional Resources

MHIA provides detailed historical time series data for all series included in the MHEM at <http://www.mhia.org> in the Research section under Market Analysis.

MHEM Forecasts

MHIA also releases a comprehensive forecast of Material Handling Equipment Manufacturing each quarter that looks 18 to 24 months forward to anticipate changes in the Material Handling and Logistics marketplace.

The sixty-one page forecast includes the content presented in this Brief, plus the following:

- MHEM Segment History Detail (Annually)
- Economic Cycle Analysis
- Leading Indicator Analysis
- Global Insight Forecast
- Capital Spending Summary
- Economic Commentary and Forecasts
- MHEM Forecast – Domestic, Imports, Exports, Consumption
- MHEM Segment Forecast (Annually)

The MHEM Forecast is available to Members of MHIA for no charge and to Non-members for \$195.00 by placing an order through our Material Handling Online Bookstore on the homepage of <http://www.mhia.org>.