

*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

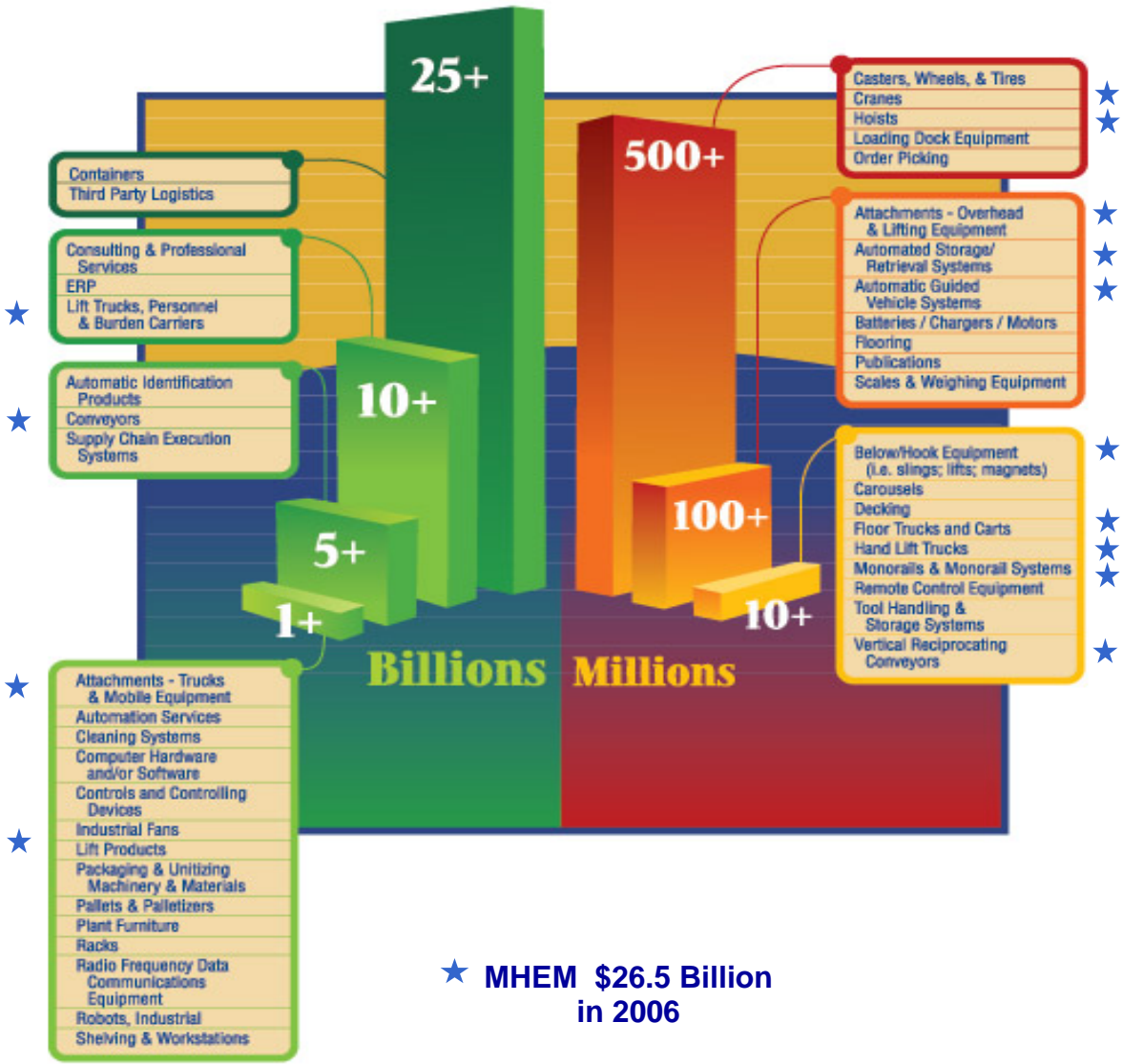
Data is collected and reported monthly by the U.S. Bureau of Census according to the North American Industry Classification System (NAICS).

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

Material Handling and Logistics Industry



\$156 Billion Market*



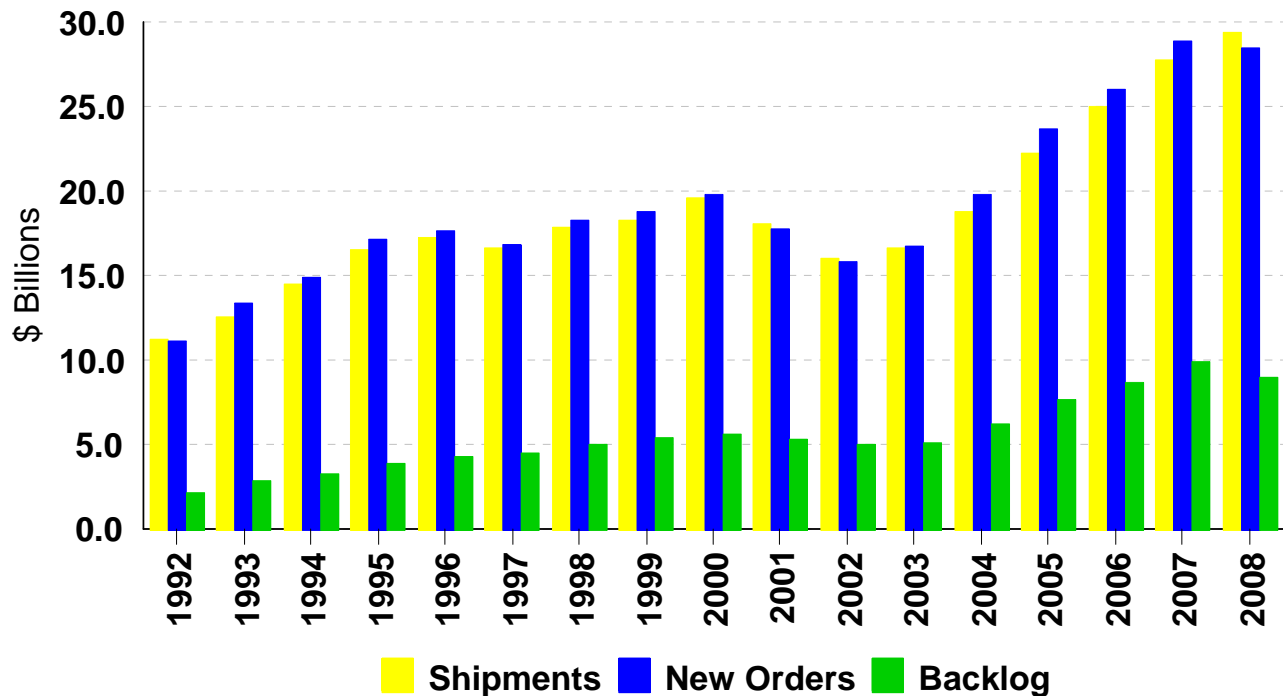
MHEM Market Overview



2009 vs. 2008 First Three Quarters:

- New Orders for 2009 declined 42.0% compared to the first three quarters of 2008 to close at \$13.2 Billion.
- Shipments over the same period declined 37.0% to close at \$14.4 Billion.
- Unfilled Orders contracted 20.0% in the first three quarters of 2009 versus the first three quarters of 2008 finishing at \$7.9 Billion. Unfilled Orders represented the equivalent of 5.1 months of Shipments.

U.S. Domestic Production



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

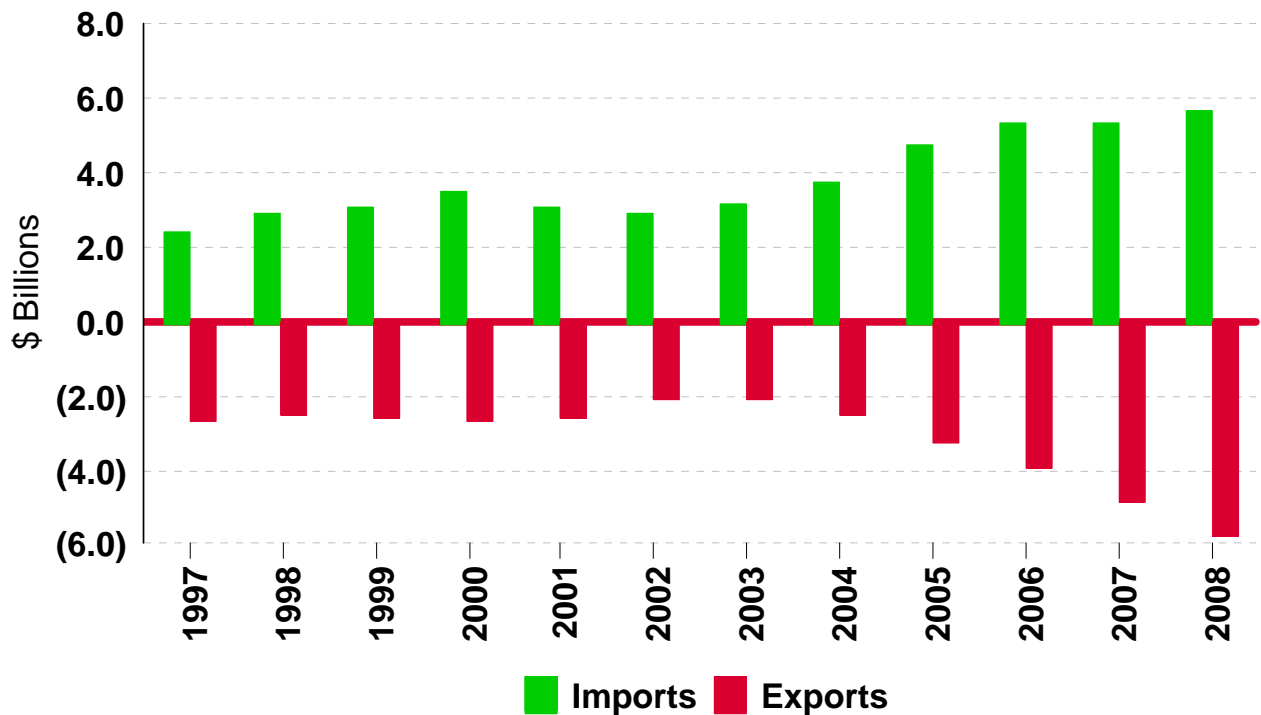
MHEM Market Overview



2009 vs. 2008 First Three Quarters:

- Imports contracted 54.0% compared in the first three quarters of 2009 over 2008.
- Exports contracted 54.1%.
- The Net Trade Value (Imports minus Exports) was negligible for the first three quarters of 2009 meaning Imports and Exports were almost equal which was the case for the full year 2008.
- Total US Domestic Demand (Shipments less Exports plus Imports) for the first three quarters of 2009 contracted 36.9% compared to the first three quarters of 2008.

Imports and Exports



Source: USITC

Economic Cycles Industrial Sectors



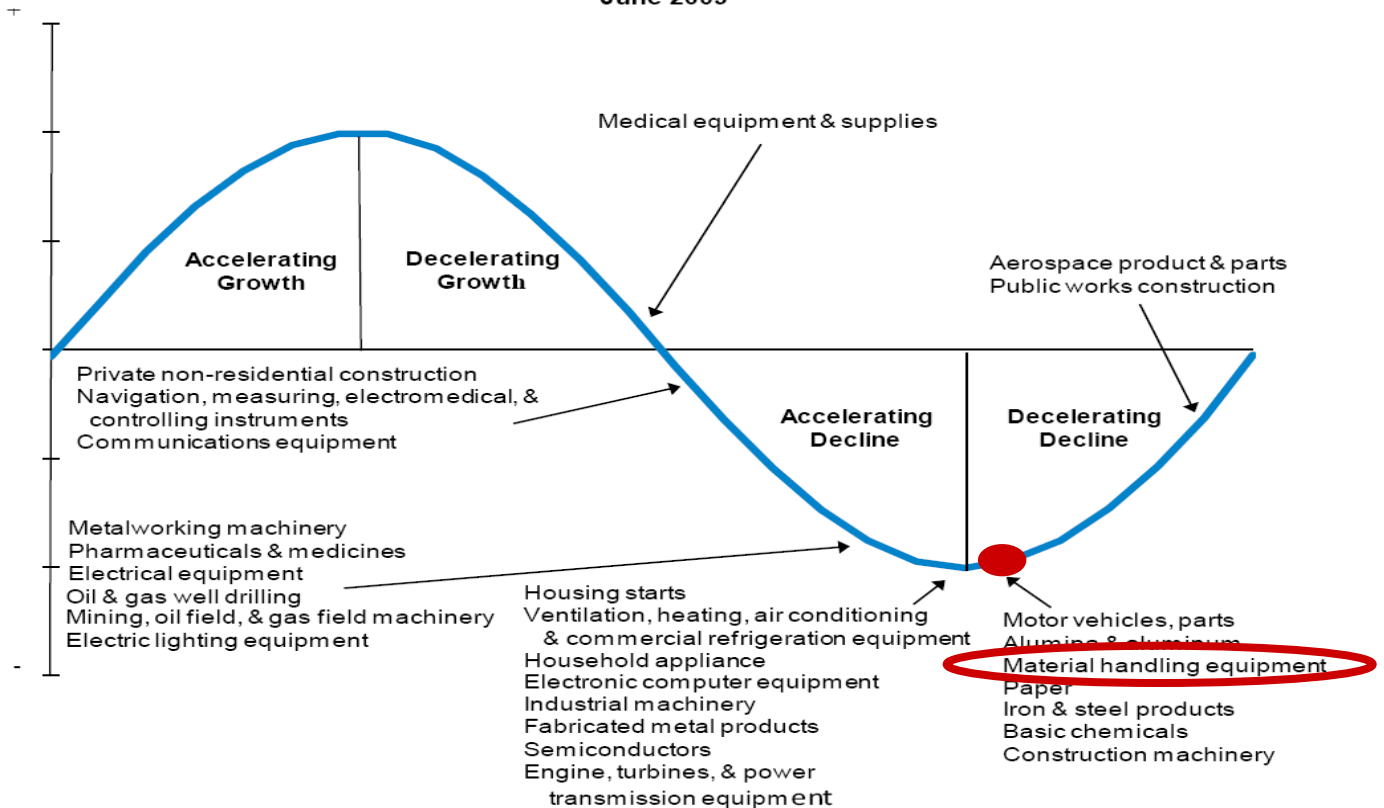
Charting annual data is useful for a market overview; it is also very useful to view this data on a rate of change basis to better illustrate cyclical activity.

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 now in the “Decelerating Decline” phase.

Manufacturers Alliance - MAPI

Industrial Sector by Phase of Cycle
June 2009



MHEM and Economic Cycles

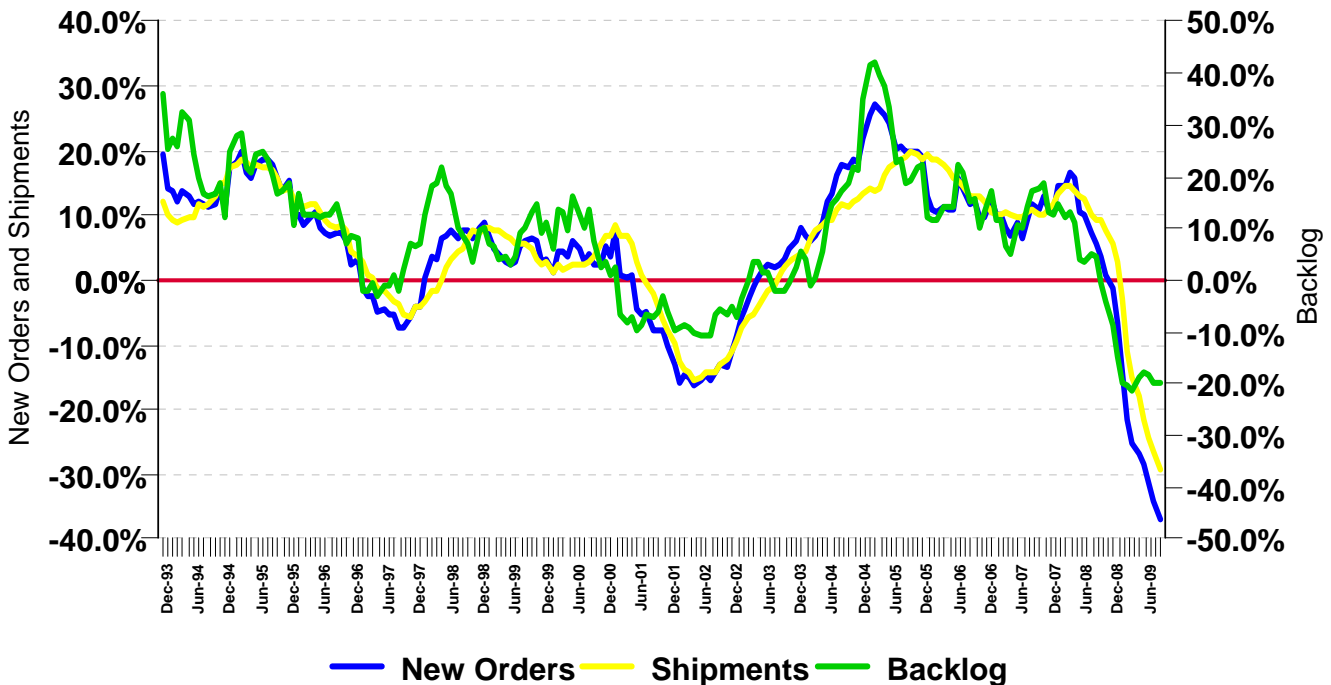


This chart reveals the annual rate of change for domestic new orders, shipments, and backlog illustrating the position of these components of MHEM in the current economic cycle.

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

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).

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



Source: USDOC

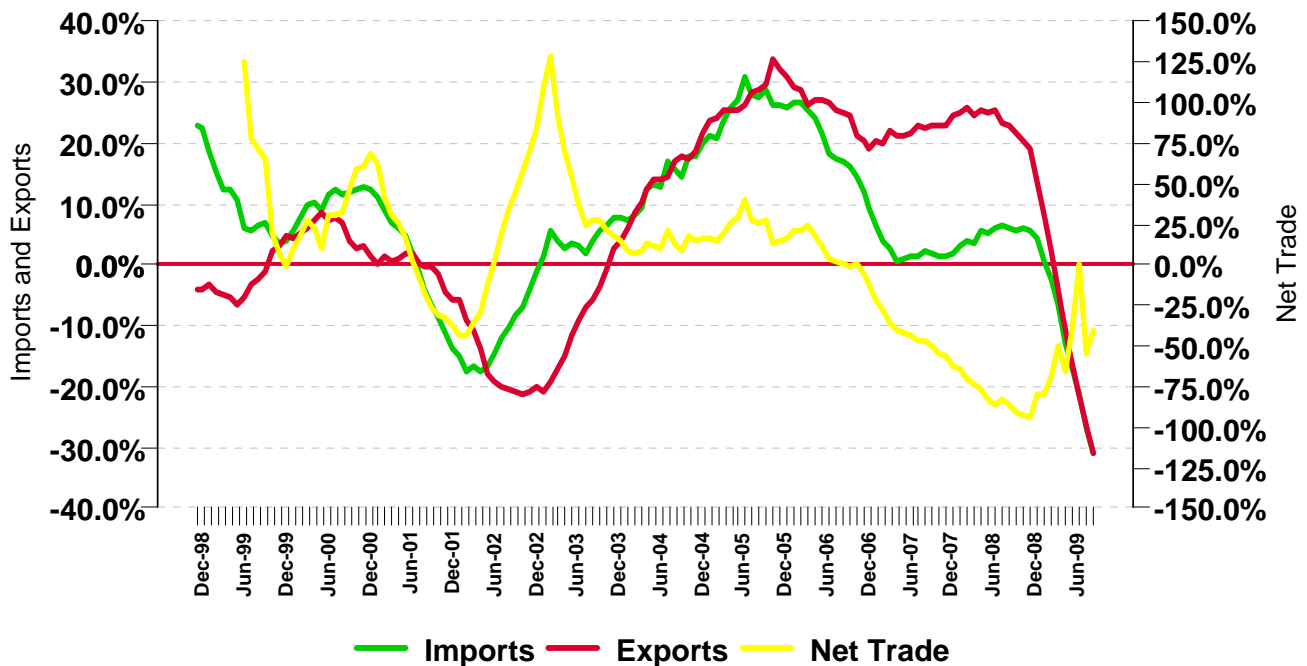
MHEM and Economic Cycles



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 fifty-seven 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>.