

Material Handling Equipment Manufacturing

Segment Brief

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Material Handling Equipment Manufacturing (MHEM)

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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).

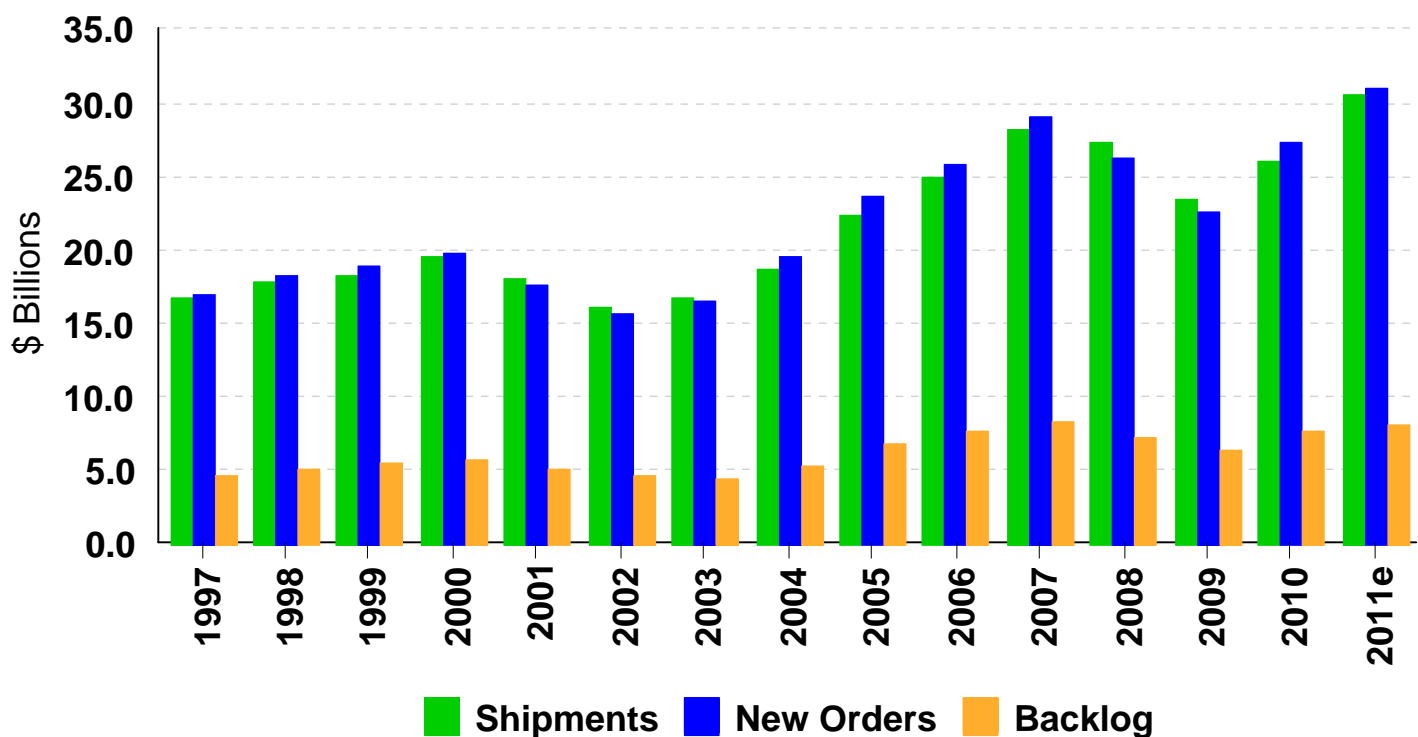
The following graphic identifies MHEM segments among others of the Material Handling and Logistics Industry.

Market Overview

Material Handling Equipment Manufacturing

- New Orders for the year ending December, 2011 grew 15.2% over the same period in 2010; Shipments grew 17.1%.
- Unfilled Orders grew 11.2% and represented the equivalent of 3.2 months' of Shipments.

U.S. Domestic Production



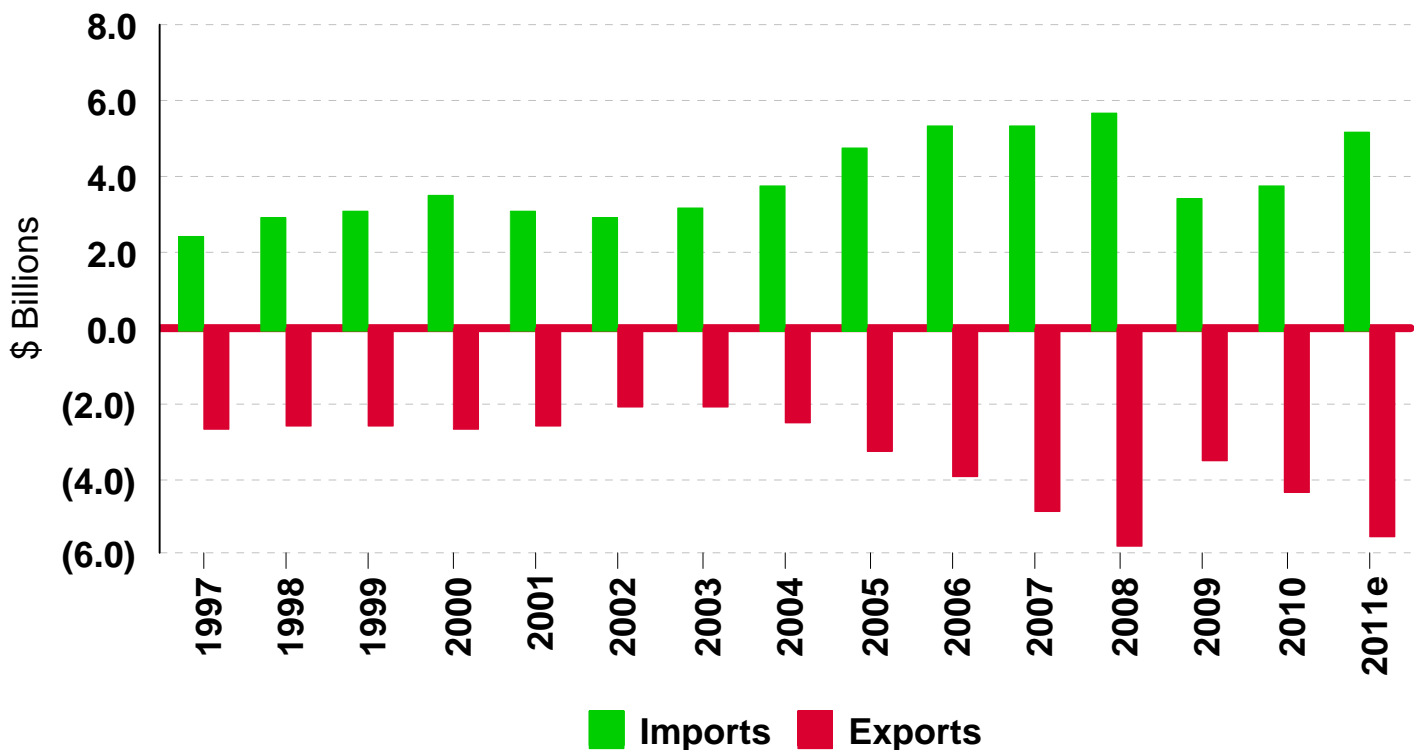
Note: Shipments, New Orders, and Backlog shown at Annual Rates
Source: USDOC

Market Overview

Material Handling Equipment Manufacturing

- Imports grew 37.0%, while Exports expanded 27.0%.
- The Net Trade Value (Imports minus Exports) shifted to a Net Exporting position.
- Total US Domestic Demand (Shipments less Exports plus Imports) grew 18.4% compared to the same period in 2010.

Imports and Exports



Source: USITC

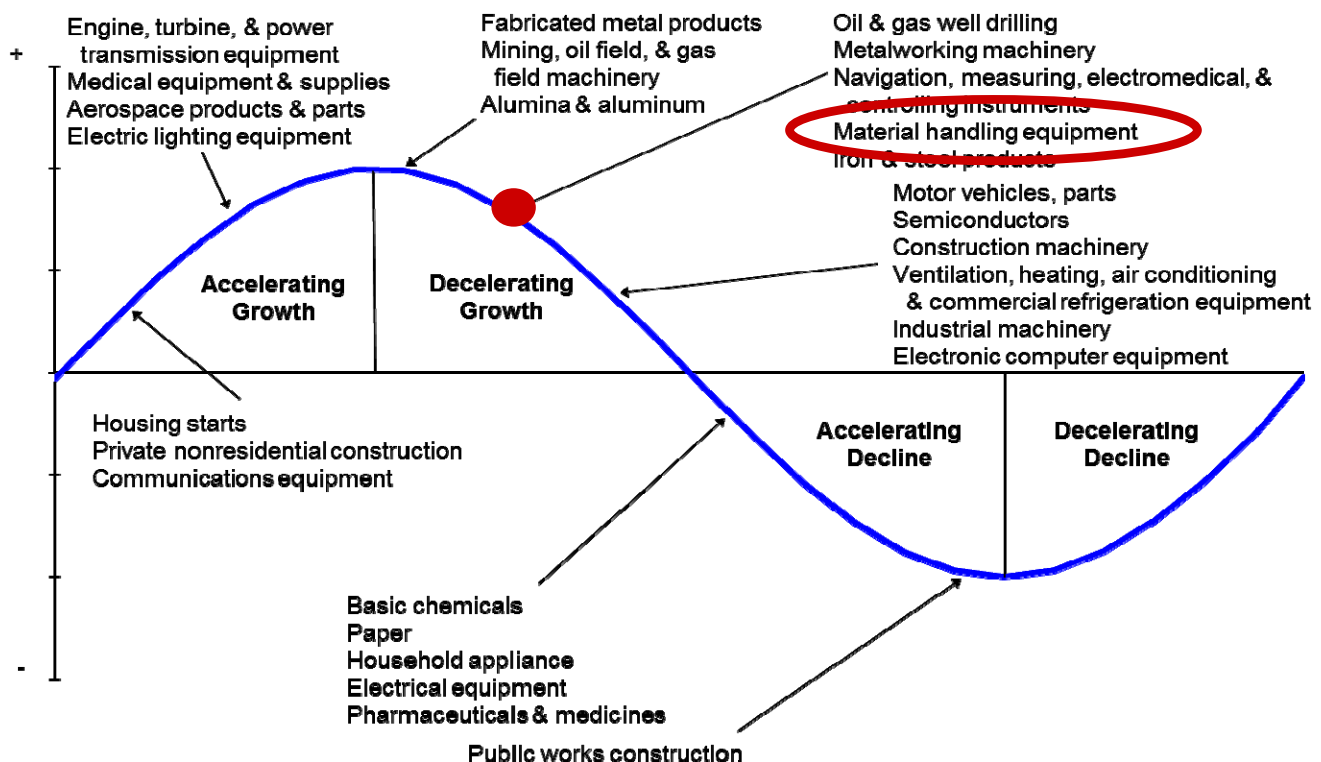
Economic Cycles Industrial Sectors

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 Growth” phase; but, still growing.

**Manufacturers Alliance – MAPI December, 2011
Industrial Sector by Phase of Cycle**



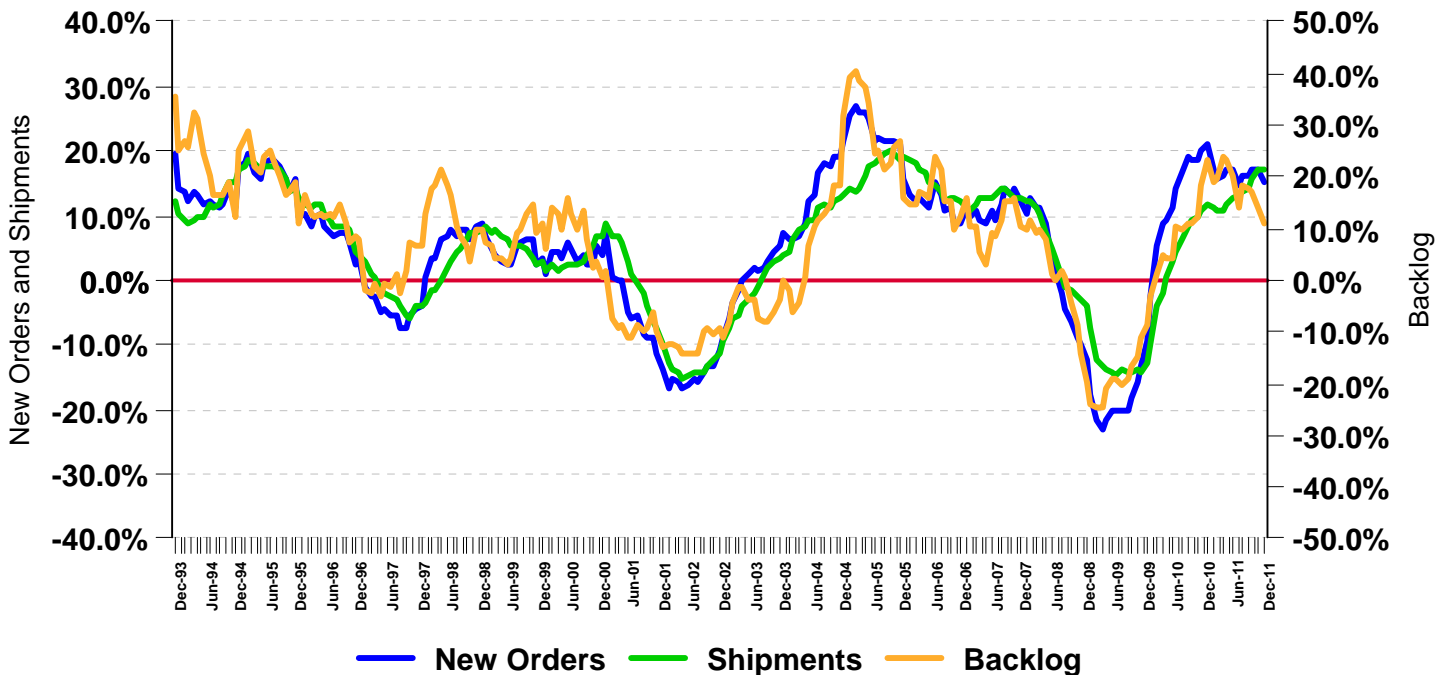
MHEM and Economic Cycles

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**



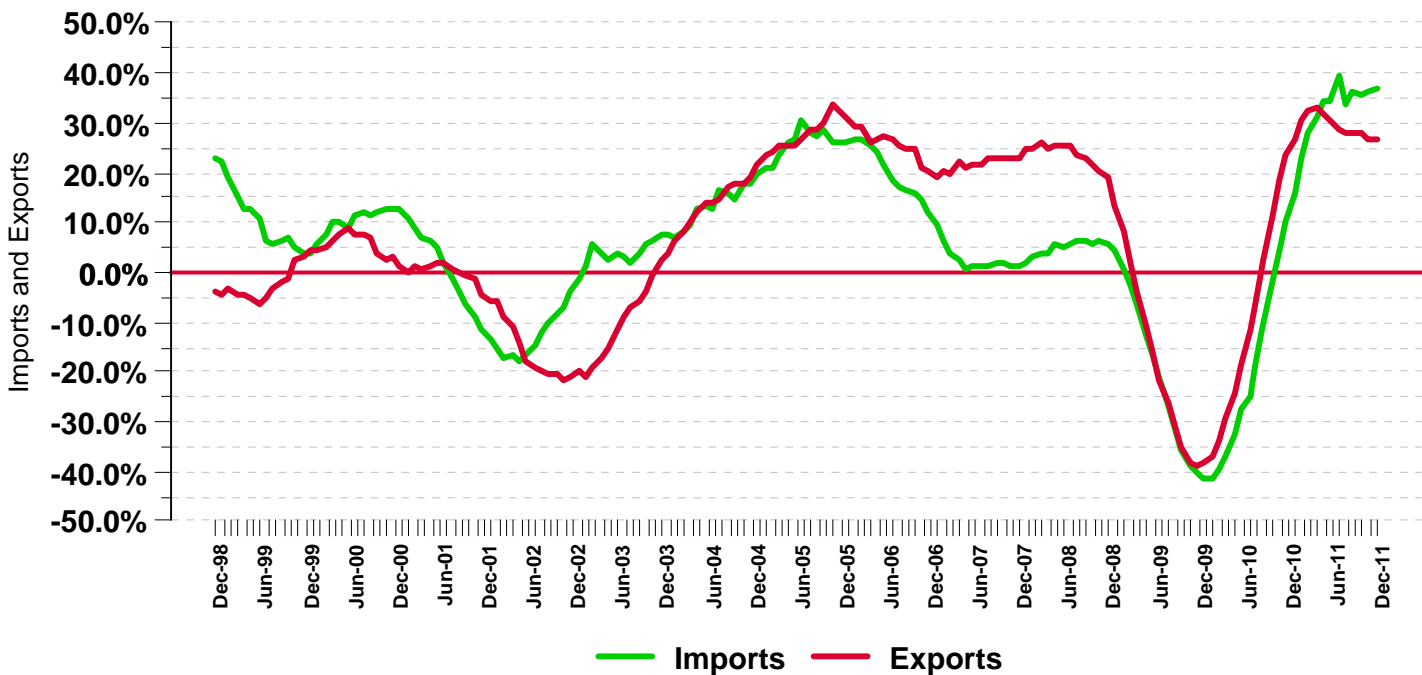
Source: USDOC

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 Learning Center 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 50+ 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>.