

Worldwide Business Conditions
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The ISTMA member country tool and die associations presented the most recent Business Conditions Reports' on June 9, 2007 at the ISTMA-World Members' Assembly in Joensuu, Finland. Timeliness ranges from December '06 to 1st Quarter of 2007.

Reports on Business Conditions:

1. Africa:

- a. South Africa:
 - Tool and die demand >0.6 billion Euro/year
 - 20% supplied locally

2. Americas:

- a. Argentina:
 - hours/week = 49
 - 88% rate business Good or Very Good
 - optimistic
- b. Canada:
 - strong in resources and mining
 - soft in machining and tool making
 - hurt by the high Canadian \$
 - hours/week = 41
 - Backlog = 9.6 weeks
- c. U.S.:
 - Agie Charmilles Indexes:
 - Machining Business Activity Index = 67 (50 is no change)
 - Medical Device Sector strongest, recovering after period of downturn.
 - Financial Liquidity Index in April '07 = 526. Strongest on record.
 - 100 is the average of the decade of the 1990s.
 - NTMA:
 - Aerospace and defense strong.
 - Molds and dies less strong
 - Overall down slightly from 7/06 to 12/06
 - Hours/week = 46.5
 - Severe shortage of machinists. Most recent NTMA/Agie Charmilles survey showed 10% job vacancies.
 - Backlog 14 weeks
 - Generally optimistic

3. Asia:

- a. Australia:
 - Business mostly Fair (worse than Good)
 - Hrs./week = 41.7
- b. China:
 - Tooling, die and mold:
 - Exports +44% of which molds are 80%
 - Total higher than \$1 billion
 - Imports 7%
 - Total production \$7-8 billion
- c. India:
 - Booming
 - Telecom and automotive strong
 - Tooling:
 - Huge imports
 - Still locally busy
 - Growing as 2nd or 3rd source to large companies
 - Training a lot of machinists
- d. Japan:
 - Tooling:
 - 80% of shops are small
 - \$14 billion production excluding captive tooling
 - Government is supporting the industry
 - Small companies import cheaper dies and molds from China.

4. Europe:

- a. Czech Republic:
 - all measures are up
 - output +12%
 - employment +2%
- b. Estonia:
 - Inflation up due to tight labor market
 - Tooling:
 - Busy
 - Compensation up 40-50% 2005 to 2007 to average \$1,300/month
 - Average work week 44 hours
 - Backlog = 10 weeks
 - 10% growth/year
 - 85% export: Sweden, Germany, Finland, Norway, Denmark
 - No corporate income tax
- c. Finland:
 - Manufacturing is at full capacity - best in history
 - Tool & Die - good not great

d. France:

- GDP +2%
- Exports +3%
- Mechanical Industry +5.8%
- Automotive leaving France

e. Germany:

- Tool and Die Industry
 - 5,000 companies
 - 807 <20 employees
- 4.1 billion Euro output
- Export to: U.S., Switz, Czech
- 4/07 YTD vs. 4/06 YTD
 - Shipment +4.5%
 - Orders +14%
- Overall excellent because:
 - invested a lot
 - R & D
 - Better organization

f. Italy:

- GDP down
- Inflation 1.5%
- Industrial Production +1%
- Tool & Die +6%

g. Latvia:

- Inflation 7%

h. Portugal:

- Molds: 90% export, 65% automotive
- Terms are an issue.
- Exports +13%
 - 72% to EU, generally: France, Germany, Spain, U.S.

i. Russia:

- Mold market is booming.

j. Slovenia:

- Economy +5.1%
- Primarily export
- Shortage of skilled employees

k. Spain:

- Manufacturing recovering
- Construction down
- Tooling:
 - Orders up
 - Investment up

- Exchange rate hurting
- Trade with China increasing
- Wages high
- HSM and rapid prototyping up
- Cannot find young workers

l. Switzerland:

- Mechanical/electrical engineering industry: +17%
- Die Mold:
 - Exports 1Q07 87.4M Euro –(approximately 73% of production):
to Germany, Italy, Austria, France, China, U.S.
 - Minus 10.8% vs. 1Q06
 - Outlook: favorable
 - 510 companies

m. Turkey:

- Imports 60% of tooling consumption
- EDM shop rate approx. 25 Euro/hour
- Strong growth in automotive and white goods

n. UK:

- GDP +2.9%
- Currency too strong
- Aerospace very strong, but skill and capacity shortage
- Capital spending up.
- Toolmaking: suffering
- Bringing molding inhouse
- Dental device demand strong
- Microsurgery strong