

PRESS RELEASE



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Mechanical Engineering Business Monitor for June

UK business off the bottom, but exporters still stuck

In June, mechanical engineering companies saw UK business lift off the bottom of the recession both for inquiries and orders. Meanwhile overseas business remains in negative territory according to the exporters who made up 82% of the sample.

Compared with June a year ago, three-quarters said business this June was down by 20-75%, 15% reported no change and 10% said sales were up.

Since January the Business Monitor has been recording net declines both in UK and in overseas business. This month is the first time the Monitor has had more companies reporting increases in any of the categories, with UK inquiries showing + 10% and UK orders + 6% over falls.

However, on the export side there are still more losers than gainers. Although the difference has narrowed by two-thirds, the Monitor is still at – 8% on inquiries and – 13% on orders.

The proportion of firms reporting greater difficulties in obtaining working and investment capital ticked up again with a quarter finding working capital more difficult to come by and a third investment finance.

A fifth of companies report fewer job opportunities and there is little change in investment activity.

So the picture this month is mixed: 39% of firms reported UK business up; 32% of exporters said orders from overseas were lower; 33% say it is more difficult to come by investment finance.

The most active customer sectors were said to be: food (32%), automotive (26%), medical (13%) and aerospace (10%); the least active customers were reported as automotive (60%), construction (17%), chemicals (9%) and aerospace (9%).

The nine trade associations in the Engineering and Machinery Alliance represent 1,300 mostly mechanical engineering SMEs.

(more)

Notes to editors:

The monthly survey was conducted week commencing Monday 29 June across a panel of 85 companies compared with a month ago.

1 Prospects/Inquiries	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
January	15	13	24	47	61	40	-- 46	-- 27
February	22	23	38	54	40	23	-- 18	0
March	28	22	33	50	39	28	-- 11	-- 6
April	31	28	26	28	43	44	-- 12	-- 16
May	24	12	47	50	29	38	-- 1	-- 26
June	33	19	44	54	23	27	+ 10	--8

2 Order intake	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
January	18	20	20	32	62	48	-- 44	-- 28
February	18	21	31	29	51	50	-- 33	-- 29
March	11	18	28	42	61	40	-- 50	-- 22
April	21	30	23	33	56	37	-- 37	-- 7
May	20	5	35	46	45	49	-- 25	-- 44
June	39	19	28	49	33	32	+ 6	-- 13

3 Jobs in the UK	UP	SAME	DOWN	UP -- DOWN
January	9	59	32	--23
February	0	67	33	-- 33
March	0	74	26	-- 26
April	2	65	33	-- 31
May	8	66	26	-- 18
June	8	71	21	-- 13

4 Investment	Jan	Feb	March	April	May*	June
All investment activity stopped	10	27	31	28	22	25
Investment plans deferred	28	31	22	28	28	34
Developing projects, but not committing	40	17	25	32	35	22
Investing in all areas of the business	6	4	10	5	6	9
Investing in staff development and training	8	17	6	2	4	9
Other	8	4	6	5	6	1

* Note: Total over 100% due to rounding

5 Capital availability	More Difficult		About the same		Easier	
	Working	Investment	Working	Investment	Working	Investment
January	48	58	52	42	0	0
February	39	40	61	60	0	0
March	37	41	61	59	2	0
April	41	36	59	64	0	0
May	22	24	76	76	2	0
June	25	33	75	66	0	1