

# **PRESS RELEASE**



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## **Monthly business and job opportunities continue on a generally positive trend** Mechanical Engineering Business Monitor for June 2011

The Engineering and Machinery Alliance's June Business Monitor continues to report improving business for UK mechanical engineering firms. The balance on inquiry levels jumped back to the stronger performances seen earlier in the year on both UK and export business. The same applied to export orders.

The UK order balance however was a bit softer than May's strong outcome, although two fifths of companies still reported order levels ahead of last month.

The twelve-month comparison shows 60% of firms reporting monthly orders up, 20% reporting no change and 20% say order levels are down compared with June 2010.

Martin Walder, EAMA chairman: "Looking behind the figures, the three-month average balances for inquiry and order levels are now running below the first quarter's. For example, in the second quarter the average balance for UK orders is 9 points lower than in the first quarter (+18 compared with +27). Exporters' balances are also down in the second quarter, 8 points lower than the January to March period (+18 compared with +26). We expect this month on month trend to carry through into the third quarter and then to pick up again in the fourth.

"In the year on year monthly comparison nearly three-quarters of firms said in June 2010 they had increased their orders by an average of 29% on June 2009. This year, 60% report monthly business up by an average of some 25%. And 20% say their June order levels fell compared with 2010 by an average of some 20%. The main reasons given for the decline in orders were the successful trade shows held earlier in 2010 that weren't staged this year.

"The positive jobs trend companies have been reporting since February continued in June with a very strong balance of +34 as almost two-fifths indicate they are taking on people.

"Reported investment performance continues to surprise with nearly half (48%) saying they are investing in all areas (up from 36% in May). It looks as though many of the firms that were training and developing their people are now investing across the business. But there are still over a quarter thinking about investing, developing plans but not committing to them now, despite relatively high confidence levels.

"Access to finance remains a problem. Despite a modest improvement in the availability of working capital the overall balances remain in negative territory. Where companies are finding it easier, the improvements seem to be down to the specific company rather than related to particular sectors."

*(Monitor data attached)*

### Notes to editors:

EAMA's 12 trade associations represent 1,700 firms: Agricultural Engineers Association, -- British Automation and Robot Association -- British Paper Machinery Suppliers Association -- British Plastics Federation -- British Turned Part Manufacturers Association -- Confederation of British Metalforming -- Gauge and Toolmakers Association -- Manufacturing Technologies Association -- Polymer Machinery Manufacturers and Distributors Association -- Printing Industry Confederation -- Processing and Packaging Machinery Association -- UK Industrial Vision Association

### 1 Prospects/Inquiries

Month	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
January 2009	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
July	33	14	48	55	19	31	+14	-- 17
August	28	13	36	51	36	36	-- 8	-- 23
September	46	33	38	55	16	12	+30	+21
October	41	37	42	42	17	21	+24	+16
November	52	33	37	50	11	17	+41	+16
January 2010	58	42	33	49	9	9	+49	+33
February	50	52	41	37	9	11	+41	+41
March	58	38	38	55	4	7	+54	+31
April	44	36	46	52	10	12	+34	+24
May	43	26	44	66	13	8	+30	+18
June	49	33	37	55	14	12	+35	+21
July	36	30	47	57	17	13	+15	+13
August	31	31	42	53	27	16	+4	+15
September	43	41	40	40	17	19	+26	+22
October	40	31	47	60	13	9	+27	+22
November	44	41	46	52	10	7	+34	+34
January 2011	49	43	38	50	13	7	+36	+36
February	50	42	39	49	11	9	+39	+33
March	38	40	47	48	15	12	+23	+28
April	44	35	43	52	13	13	+31	+22
May	31	36	56	46	14	18	+17	+18
<b>June</b>	<b>43</b>	<b>34</b>	<b>41</b>	<b>56</b>	<b>15</b>	<b>10</b>	<b>+28</b>	<b>+24</b>

## 2 Order intake

Month	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
January 2009	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
July	37	22	26	42	37	36	0	-- 14
August	33	22	23	41	44	37	-- 11	-- 15
September	51	34	26	43	23	23	+28	+11
October	40	23	43	56	17	21	+23	+2
November	34	22	39	44	27	34	+7	-12
January 2010	47	47	30	39	23	14	+24	+33
February	45	42	35	44	20	14	+25	+28
March	54	41	29	41	17	18	+37	+23
April	49	31	30	49	21	20	+28	+11
May	39	23	32	55	29	22	+10	+1
June	46	29	33	48	21	23	+25	+6
July	34	40	39	40	27	20	+7	+20
August	22	25	44	48	34	27	-12	-2
September	38	35	38	39	24	26	+14	+9
October	38	28	34	54	28	18	+10	+10
November	43	34	31	46	26	20	+17	+14
January 2011	57	45	22	42	21	13	+36	+32
February	46	47	29	32	25	21	+21	+26
March	41	38	43	43	16	19	+25	+19
April	39	36	35	45	26	19	+13	+17
May	40	35	46	46	14	19	+26	+16
June	<b>38</b>	<b>39</b>	<b>38</b>	<b>46</b>	<b>23</b>	<b>16</b>	<b>+16</b>	<b>+22</b>

## 3 Jobs in the UK

Month	UP	SAME	DOWN	UP – DOWN
January 2009	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
July	12	61	27	-15
August	8	70	22	-14
September	11	75	14	-3
October	19	56	25	-6
November	9	80	11	-2
January 2010	15	75	10	+5
February	18	65	17	+1
March	18	75	7	+11
April	19	73	8	+11
May	20	73	6	+14
June	20	72	8	+12
July	25	67	8	+17
August	28	65	7	+21
September	21	68	11	+10
October	21	71	8	+13
November	21	69	10	+11
January 2011	27	64	8	+19
February	32	64	4	+28
March	31	61	8	+23
April	50	48	2	+48
May	28	69	3	+25
June	<b>37</b>	<b>60</b>	<b>3</b>	<b>+34</b>

#### 4 Investment Activity

Month	Investment stopped	Plans deferred	Developing projects	Investing in all areas	Investing in staff	Other
January 2009	10	28	40	6	8	8
February	27	31	17	4	17	4
March	31	22	25	10	6	6
April	28	28	32	5	2	5
May	22	28	35	6	4	6
June	25	34	22	9	9	1
July	22	30	35	6	4	3
August	30	19	26	11	5	9
September	12	22	30	20	12	4
October	25	17	29	8	17	4
November	10	27	30	3	25	5
January 2010	11	13	32	17	22	5
February	13	19	26	13	19	10
March	3	18	32	13	22	12
April	9	14	31	7	25	14
May	12	12	31	17	14	14
June	11	6	35	22	20	6
July	2	14	21	51	4	8
August	8	6	36	34	10	6
September	7	9	39	26	15	4
October	9	2	37	27	17	8
November	4	11	31	34	13	7
January 2011	8	6	29	43	12	2
February	2	5	41	32	9	11
March	7	8	26	33	15	11
April	2	8	26	46	12	6
May	6	8	23	36	19	8
<b>June</b>	<b>7</b>	<b>9</b>	<b>26</b>	<b>48</b>	<b>6</b>	<b>4</b>

**Notes:**

- choice of statements in full:
  1. All investment activity stopped
  2. Investment plans deferred
  3. Developing projects but not committing to them
  4. Investing in all areas of the business
  5. Investing in staff development and training but not capital investment
  6. Other investment

### 5 Capital Availability 2009-2011

Month	More Difficult		About the same		Easier		Difficult / easier Balance	
	<i>Working</i>	<i>Investment</i>	<i>Working</i>	<i>Investment</i>	<i>Working</i>	<i>Investment</i>	<i>Working</i>	<i>Investment</i>
January 2009	48	58	52	42	0	0	-48	-58
February	39	40	61	60	0	0	-39	-40
March	37	41	61	59	2	0	-35	-41
April	41	36	59	64	0	0	-41	-36
May	22	24	76	76	2	0	-20	-24
June	25	33	75	66	0	1	-25	-32
July	22	23	78	77	0	0	-22	-23
August	33	30	63	68	4	2	-29	-28
September	14	21	79	76	7	3	-7	-18
October	25	21	69	75	6	4	-19	-17
November	18	25	80	73	2	2	-16	-23
January 2010	14	23	80	74	6	3	-8	-20
February	9	8	88	89	3	3	-6	-5
March	12	10	82	90	6	0	-6	-10
April	9	10	83	88	8	2	-1	-8
May	18	16	73	73	9	11	-9	-5
June	15	17	81	74	4	9	-11	-8
July	8	12	76	72	16	16	+8	+4
August	11	11	87	89	2	0	-9	-11
September	11	13	84	84	5	3	-6	-10
October	17	13	75	84	8	3	-9	-10
November	17	16	76	80	7	4	-10	-12
January 2011	18	18	74	70	8	12	-10	-6
February	9	12	78	76	13	12	+4	0
March	8	6	84	82	8	12	0	+6
April	9	6	79	80	12	14	+3	+8
May	16	14	81	84	3	2	-13	-12
June	11	14	81	83	8	3	-3	-11