

PRESS RELEASE



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Mechanical Engineering Business Monitor for May

May inquiry levels still good but order intake levels soften further

The marked change over the first quarter has now started to flat-line. While UK and export inquiry levels were sustained at a good increasing rate in May (balance +30% and + 18%), order intake softened appreciably (the balance is only +10% and + 1% on UK and exports respectively). Over 70% of UK suppliers and exporters reported order intake at least maintained at last month's level or higher.

Martin Walder, EAMA chairman: "Mechanical engineering business has continued to improve but the big pick-up in inquiries and order intake is now slowing, reflecting more normal business conditions on the one hand and something of a pause in investment decision making on the other. Has the Budget given manufacturers any really compelling reasons to include the UK when planning their long term strategic investments to expand their productive capacity? Some of the answers to that question will emerge over the next couple of quarters."

(ends)

Notes to editors:

Business Monitor for May 2010 (100 responses)

Change on previous month % responses (exporters 60% of sample)

Note: No December survey due to holiday period and other seasonal business interruptions

1 Prospects/Inquiries	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
January 2009	15	13	24	47	61	40	-46	-27
June	33	19	44	54	23	27	+10	-8
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

2 Order intake	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
January 2009	18	20	20	32	62	48	-44	-28
June	39	19	28	49	33	32	+6	-13
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

3 Jobs in the UK	UP	SAME	DOWN	UP – DOWN
January 2009	9	59	32	-23
June	8	71	21	-13
September	11	75	14	-3
October	19	56	25	-6
November	9	80	11	-2

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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

4 Investment	Investment stopped	Plans deferred	Developing projects	Investing in all areas	Investing in staff	Other
January 2009	10	28	40	6	8	8
June	25	34	22	9	9	1
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

Note:

- * over 100% due to rounding
- 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 capital investment
 6. Other

5 Capital availability	More Difficult		About the same		Easier	
	Working	Investment	Working	Investment	Working	Investment
January 2009	48	58	52	42	0	0
June	25	33	75	66	0	1
September	14	21	79	76	7	3
October	25	21	69	75	6	4
November	18	25	80	73	2	2
January 2010	14	23	80	74	6	3
February	9	8	88	89	3	3
March	12	10	82	90	6	0
April	9	10	83	88	8	2
May	18	16	73	73	9	11