

PRESS RELEASE



Rupert Hodges, Alliance Secretary, Office: 020 7298 6450; Mobile: 07939 722 447

Immediate Release Thursday 22 December 2011

UK business orders holding up better than exports
Mechanical Engineering Business Monitor for November 2011

After a period of relatively weak but not unexpected results over the summer and early autumn, mechanical engineering firms say that orders from UK businesses are holding up better than orders from abroad as many overseas firms face up to the uncertainties surrounding the euro.

Martin Walder, EAMA chairman: "According to EAMA's monthly Business Monitor UK order intake has improved month on month with 45% of firms saying their order levels are up.

"Things aren't so positive on the export side, which isn't surprising given the uncertainties aired daily in the media, but it is a cause for concern given that in the UK we have to raise our export performance very substantially to realign our balance of trade and particularly encourage SMEs either to export more, or if they don't do it already then persuade them to export for the first time."

This month the EAMA Monitor also compares orders with November 2010. Overall:

- 55% say business is up, 14% at the same level as a year ago and 31% down.
- The average across all respondents is a company increase of some 10 to 15%.
- This masks big variations according to subsector from +23% to -5% and of course even more extreme variances on a company basis (from +300% to -68%)

This month there is a significant increase in the number of firms saying they are going to need fewer people, as a result the balance between companies needing more people and those needing fewer shrank to +4%, indicating that there are only a few more companies recruiting than letting people go in the sector at the moment.

Martin Walder again: "One of the stats that has featured quite strongly in the Monitor over the last 18 months has been the double digit positive balance on jobs. Of course this is a lagging indicator. It could easily come back again. In the meantime, it is vital that anyone who comes onto the employment market with engineering sector skills is made aware of the relevant recruitment support available through the Talent Retention Solution database. For employees and SMEs it's free of charge. There's a modest annual fee for large companies to recruit from it.

"Another potentially important indicator in the Monitor is the fact that this month so few firms say they have had difficulty with access to finance. There are even quite a few saying that things are getting better. We don't know whether the absence of comment is simply because companies, wearied of trying, have given up or whether we really are beginning to turn a corner. With well over a quarter of firms indicating they are developing investment plans, ease of access to finance will remain a determining priority for ambitious companies. And this month's figures are the most positive we've had on finance since April this year. That could be a good omen for 2012."

(ends)
(data attached)

Notes to editors:

1. 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
2. The Talent Retention Solution (TRS) is an industry led project that has been set up at the request of the Secretary of State for Business Innovation & Skills (BIS) to facilitate the redeployment and retention of Advanced Manufacturing and Engineering (AME) skills throughout the UK.

The Monitor

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
June	43	34	41	56	15	10	+28	+24
July	34	28	43	51	23	21	+11	+7
August	22	20	37	36	41	44	-19	-24
September	31	19	43	54	26	27	+5	-8
October	34	21	49	59	17	20	+17	+1
November	29	22	55	64	16	14	+13	+8

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	38	39	38	46	23	16	+16	+22
July	45	29	26	44	29	27	+16	+2
August	26	24	29	32	45	44	-19	-20
September	49	31	24	40	27	29	+22	+2
October	36	29	32	43	32	28	+4	+1
November	45	30	23	36	32	34	+13	-4

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	37	60	3	+34
July	28	66	6	+22
August	29	57	14	+15
September	32	58	10	+22
October	24	68	8	+16
November	24	56	20	+4

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
June	7	9	26	48	6	4
July	4	11	26	39	16	4
August	2	12	25	40	19	2
September	5	12	27	36	14	6
October	10	8	31	29	12	10
November	5	14	29	36	2	14

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

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	-6
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	-8
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
July	6	12	86	83	8	5	+2	-5
August	9	9	87	87	4	4	-5	-5
September	7	14	80	79	13	7	+6	-7
October	10	12	80	83	10	5	0	-7
November	2	5	88	88	10	7	+8	+2