

# PRESS RELEASE



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

**Immediate Release Wednesday 26 November 2014**

**Mixed business performance in October after summer weakness**  
UK order levels sustained, export orders down

The mechanical engineering sector reported sustained UK business demand in October in terms both of enquiry levels and orders. Export performance on the other hand was weaker with around a third of firms reporting falls in the number of enquiries and orders placed according to the Engineering and Machinery Alliance's (EAMA) monthly Business Monitor.

Martin Walder, EAMA chairman: "October has been a difficult month to read. First, the pattern across the different subsectors wasn't uniform. Some sectors continued to report order levels holding up well in the UK and overseas, for example in capital manufacturing plant. But there were also others with some signs of softness creeping back in. For example this month it was noticeable in the sub-contract areas that tend to act as a safety-valve for the sector taking on extra work and where the order pipeline is usually quite short term and can therefore be quite erratic even over a two or three week period. That seems to have been the case this month.

"Then coincidentally there was also some softness reflected in the job expectations. This benchmark dipped just negative. This is well within the realms of statistical error at negative two. So we concluded it is likely a minor correction after what has been a bullish set of numbers stretching back to January 2010.

"There were signs of increased caution in the way some companies reported investment activity, with an increased focus on training and developing employees rather than capital investment and a small increase in the size of the group saying they had stopped all investment activity (from 9% to 16%).

"October also produced mixed results on access to finance with working capital maintaining the recent more positive trend and investment finance dipping negative for the first time since April. At the moment we expect to finish the year with a positive final quarter in this area.

"Finally, confidence was one of the clearer indicators about future expectations with a +10 balance and anecdotally firms are looking to 2015 in the belief that more stable times will see business demand firm up for larger orders."

*(ends - data attached)*

## Notes to editors:

1. EAMA's 11 trade associations represent 1,600 firms: Agricultural Engineers Association, -- British Automation and Robot Association -- British Fluid Power Association -- British Paper Machinery Suppliers Association -- British Plastics Federation -- British Turned Part Manufacturers Association -- Gauge and Toolmakers Association -- Manufacturing Technologies Association -- Printing Industry Confederation -- Processing and Packaging Machinery Association -- UK Industrial Vision Association
2. There's no December Monitor as the business period for many firms is only a three-week span.
3. The Monitor records the proportion of firms in each category, not the number of enquiries, orders etc

### 1 Prospects/enquiries

Month	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
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
January 2012	33	26	49	55	18	19	+15	+7
February	43	33	48	56	9	11	+34	+26
March	42	22	50	68	8	10	+34	+12
April	33	25	46	51	21	24	+12	+1
May	33	24	47	43	20	33	+13	-9
June	25	20	45	54	30	26	-5	-6
July	24	17	52	52	24	31	0	-14
August	29	17	41	43	30	40	-1	-23
September	31	26	45	50	24	24	+7	+2
October	39	23	45	56	16	21	+23	+2
November	31	28	42	48	27	24	+4	+4
January 2013	39	25	43	60	18	15	+21	+10
February	39	38	41	44	20	18	+19	+20
March	27	26	56	61	17	13	+10	+13
April	35	30	46	58	19	12	+16	+18
May	38	26	45	57	16	17	+22	+9
June	29	25	55	67	16	8	+13	+17
July	42	38	44	57	14	5	+28	+33
August	26	9	45	54	29	37	-3	-28
September	53	31	36	54	11	15	+42	+16
<b>October</b>	<b>47</b>	<b>33</b>	<b>41</b>	<b>56</b>	<b>12</b>	<b>11</b>	<b>+35</b>	<b>+21</b>
November	38	28	51	58	11	13	+27	+15
January 2014	51	38	39	53	10	9	+41	+29
February	38	34	53	56	9	10	+29	+24
March	52	38	36	54	12	8	+40	+30
April	46	53	44	39	10	8	+36	+45
May	42	34	41	54	17	12	+25	+22
June	34	24	52	54	14	22	+20	+2
July	35	31	50	50	15	19	+20	+12
August	21	20	50	58	29	22	-8	-2
September	46	37	43	51	11	12	+35	+25
<b>October</b>	<b>37</b>	<b>25</b>	<b>47</b>	<b>46</b>	<b>16</b>	<b>29</b>	<b>+21</b>	<b>-4</b>

## 2 Order intake

Month	UP		SAME		DOWN		UP/DOWN Difference	
	UK	Export	UK	Export	UK	Export	UK	Export
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
January 2012	42	40	34	44	24	16	+18	+24
February	40	35	35	39	25	26	+15	+9
March	44	35	35	42	21	23	+23	+12
April	24	21	43	43	33	36	-9	-15
May	42	26	37	34	21	40	+21	-14
June	24	24	24	43	52	33	-28	-9
July	30	31	39	38	31	31	-1	0
August	23	10	33	43	44	47	-21	-37
September	31	29	32	29	38	42	-7	-13
October	34	15	47	50	19	35	+15	-20
November	28	35	26	37	47	28	-19	+7
January 2013	44	30	29	38	27	32	+17	-2
February	37	35	23	47	40	18	-3	+17
March	44	37	36	40	20	23	+24	+14
April	45	33	29	38	26	29	+19	+4
May	40	25	32	46	28	29	+12	-4
June	34	35	35	43	31	22	+3	+13
July	38	33	38	43	24	24	+14	+9
August	22	22	32	38	46	40	-24	-18
September	40	28	29	48	31	24	+9	+4
<b>October</b>	<b>48</b>	<b>30</b>	<b>30</b>	<b>45</b>	<b>22</b>	<b>25</b>	<b>+26</b>	<b>+5</b>
November	30	26	46	45	24	28	+6	-2
January 2014	53	40	26	45	21	15	+32	+25
February	33	35	40	37	27	28	+6	+7
March	45	38	33	37	22	25	+23	+13
April	30	39	42	43	28	18	+2	+21
May	42	26	29	49	29	25	+13	+1
June	44	30	36	42	20	28	+24	+2
July	32	32	40	40	28	28	+4	+4
August	25	9	28	46	48	45	-20	-36
September	41	39	35	41	24	20	+17	+19
<b>October</b>	<b>42</b>	<b>30</b>	<b>31</b>	<b>34</b>	<b>27</b>	<b>36</b>	<b>+15</b>	<b>-6</b>

### 3 Jobs in the UK

Month	UP	SAME	DOWN	UP – DOWN
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
January 2012	29	63	8	+21
February	18	68	14	+4
March	34	62	4	+30
April	35	61	4	+31
May	20	69	11	+9
June	23	64	13	+10
July	34	61	5	+29
August	31	60	9	+22
September	19	71	10	+9
October	22	62	16	+6
November	25	56	19	+6
January 2013	6	81	13	-7
February	24	66	10	+14
March	14	82	4	+10
April	17	75	8	+9
May	18	75	7	+11
June	17	75	8	+9
July	33	60	7	+26
August	20	70	10	+10
September	16	77	7	+9
<b>October</b>	<b>32</b>	<b>66</b>	<b>2</b>	<b>+30</b>
November	15	85	0	+15
January 2014	27	70	3	+24
February	33	61	6	+27
March	23	68	9	+14
April	18	76	6	+12
May	26	72	2	+24
June	38	57	5	+33
July	44	53	3	+41
August	24	67	9	+15
September	34	63	3	+31
<b>October</b>	<b>12</b>	<b>74</b>	<b>14</b>	<b>-2</b>

#### 4 Investment Activity

Month	Investment stopped	Plans deferred	Developing projects	Investing in all areas	Investing in staff	Other
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
January 2012	3	14	26	42	9	6
February	4	4	32	45	11	4
March	2	14	39	32	7	6
April	8	12	37	31	8	4
May	4	15	36	30	13	2
June	13	14	29	27	14	3
July	9	13	27	39	5	7
August	3	15	41	23	12	6
September	13	4	46	25	4	8
October	5	13	40	24	13	5
November	17	8	31	29	9	6
January 2013	14	17	41	14	10	4
February	6	6	34	23	25	6
March	2	9	42	33	7	7
April	0	11	33	35	11	10
May	0	5	43	34	9	9
June	6	3	37	37	11	6
July	3	7	33	40	13	4
August	10	3	32	45	7	3
September	0	7	50	36	7	0
<b>October</b>	<b>0</b>	<b>6</b>	<b>47</b>	<b>33</b>	<b>6</b>	<b>8</b>
November	0	6	41	44	6	3
January 2014	5	0	37	47	3	8
February	0	14	33	39	6	8
March	6	6	35	41	6	6
April	6	6	18	46	18	6
May	5	5	28	46	16	0
June	7	3	28	47	9	6
July	6	0	38	44	12	0
August	5	0	47	38	5	5
September	9	0	44	38	3	6
<b>October</b>	<b>16</b>	<b>6</b>	<b>31</b>	<b>25</b>	<b>19</b>	<b>3</b>

**Notes: choice of statements in full:**

- All investment activity stopped
- Investment plans deferred
- Developing projects but not committing to them
- Investing in all areas of the business
- Investing in staff development and training but not capital investment
- Other

## 5 Capital Availability

Month	More Difficult		About the same		Easier		Difficult / easier Balance	
	Working	Investment	Working	Investment	Working	Investment	Working	Investment
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
January 2012	21	27	68	70	11	3	-10	-24
February	10	9	90	91	0	0	-10	-9
March	11	10	83	86	6	4	-5	-6
April	17	13	75	85	8	2	-9	-11
May	17	18	78	78	5	4	-12	-14
June	16	16	80	79	4	5	-12	-11
July	11	7	87	87	2	6	-9	-1
August	9	13	87	87	4	0	-5	-13
September	13	9	81	89	6	2	-7	-7
October	13	8	82	92	5	0	-8	-8
November	14	10	82	84	4	6	-10	-4
January 2013	21	18	75	75	4	7	-17	-11
February	11	11	78	81	11	8	0	-3
March	11	16	84	84	5	0	-6	-16
April	17	15	77	83	6	2	-9	-13
May	5	8	90	92	5	0	0	-8
June	8	6	86	83	6	11	-2	+5
July	3	0	90	93	7	7	+4	+7
August	9	13	82	87	9	0	0	-13
September	7	7	90	84	3	7	-4	0
<b>October</b>	<b>5</b>	<b>5</b>	<b>95</b>	<b>92</b>	<b>0</b>	<b>3</b>	<b>-5</b>	<b>-2</b>
November	6	3	91	91	3	6	-3	+3
January 2014	8	3	73	86	19	11	+11	+8
February	11	6	81	88	8	6	-3	0
March	6	6	82	88	12	6	+6	0
April	9	3	76	82	15	15	+6	+12
May	15	15	72	75	13	10	-2	-5
June	3	6	72	72	25	22	+22	+16
July	3	3	78	87	19	10	+16	+7
August	14	0	86	90	0	10	-14	+10
September	6	3	86	89	9	9	+3	+6
<b>October</b>	<b>0</b>	<b>12</b>	<b>88</b>	<b>82</b>	<b>12</b>	<b>6</b>	<b>+12</b>	<b>-6</b>

**Monthly change in confidence (%)**

<b>2010</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>
<b>Up</b>	37	46	62	29	25	42	32	24	44	28	42
<b>Same</b>	53	40	38	50	63	50	50	61	47	61	51
<b>Down</b>	10	14	0	21	12	8	18	15	9	11	7
<b>Balance</b>	<b>+27</b>	<b>+32</b>	<b>+62</b>	<b>+8</b>	<b>+13</b>	<b>+34</b>	<b>+14</b>	<b>+9</b>	<b>+35</b>	<b>+17</b>	<b>+35</b>
<b>2011</b>											
<b>Up</b>	46	45	48	14	23	39	24	18	28	15	19
<b>Same</b>	48	53	46	51	58	56	50	58	60	70	70
<b>Down</b>	6	2	6	35	19	5	26	24	12	15	11
<b>Balance</b>	<b>+40</b>	<b>+43</b>	<b>+42</b>	<b>-21</b>	<b>+4</b>	<b>+34</b>	<b>-2</b>	<b>-6</b>	<b>+16</b>	<b>0</b>	<b>+8</b>
<b>2012</b>											
<b>Up</b>	32	43	32	22	16	11	16	18	25	31	20
<b>Same</b>	62	49	66	62	64	60	51	58	56	53	71
<b>Down</b>	6	8	2	16	20	29	33	24	19	16	9
<b>Balance</b>	<b>+26</b>	<b>+35</b>	<b>+30</b>	<b>+6</b>	<b>-4</b>	<b>-18</b>	<b>-17</b>	<b>-6</b>	<b>+6</b>	<b>+15</b>	<b>+11</b>
<b>2013</b>											
<b>Up</b>	28	15	10	22	31	25	38	23	46	<b>33</b>	<b>23</b>
<b>Same</b>	56	65	72	60	60	61	56	67	42	<b>54</b>	<b>68</b>
<b>Down</b>	12	20	18	18	9	14	6	10	12	<b>13</b>	<b>9</b>
<b>Balance</b>	<b>+16</b>	<b>-5</b>	<b>-8</b>	<b>+4</b>	<b>+22</b>	<b>+11</b>	<b>+32</b>	<b>+13</b>	<b>+34</b>	<b>+20</b>	<b>+14</b>
<b>2014</b>											
<b>Up</b>	46	38	31	31	38	35	27	15	31	32	
<b>Same</b>	45	57	61	58	48	55	62	62	59	46	
<b>Down</b>	9	3	8	11	14	10	11	23	10	22	
<b>Balance</b>	<b>+37</b>	<b>+35</b>	<b>+23</b>	<b>+20</b>	<b>+24</b>	<b>+25</b>	<b>+16</b>	<b>-8</b>	<b>+21</b>	<b>+10</b>	