

PRESS RELEASE



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September confirms improving trend for mechanical engineering firms

UK mechanical engineering continues on its improving trend according to the Engineering and Machinery Alliance's (EAMA) September Business Monitor. This closed out the third quarter with radical gains in sector enquiry levels for UK and for export business. While the improvement on enquiries was evenly spread across the various subsectors, the same didn't apply to orders, where the upturn was shallower.

Nonetheless, business confidence in the sector is high according to EAMA chairman Martin Walder: "Following the natural fall-off that occurs every summer there are promising business opportunities reported pretty much across all subsectors. In the first six months of the year we saw a good improvement come through in the second quarter, after a disappointing start to the year. Business development over Q3 seems to have been pretty neutral overall so that confidence has continued to grow as UK business, particularly related to aerospace, automotive, oil and gas, medical and food continue to perform well. There's even some pick up expected in near EU markets."

The Monitor shows there's still a corps of companies looking to take on new workers, but the numbers have thinned a bit over the last 12 months, averaging one in six or seven firms now, compared with one in five a year ago.

Martin Walder again: "Mechanical engineering is very export oriented. The sector continues to diversify its markets. Last year, mechanical engineering exports totalled £29 billion, shipped to 212 markets. The top ten nations took £16 billions' worth of our exports, but perhaps against expectation there were only two EU member states amongst those top ten destinations, Germany (£2.7 billion) and France (£1.7 billion). Of course Europe is very important to our sector and as the economy and the general outlook there has improved we have seen demand coming back, so that for example Italy and The Netherlands were also in the top ten markets in the first half this year, when after a relatively unexciting first quarter, exports improved in the April to June period so that by the end of the second half sector exports had exceeded 2012's first six months performance."

According to the EAMA Monitor investment activity weakened in September with 57% saying they were holding off for the moment. Nonetheless the running three-month Q3 average of 40% saying they or their customers are investing in all areas of the business confirms a strengthening trend over the year (Q1 23%, Q2 35% on that measure).

Commenting on the reasons behind these apparently contrary views Martin Walder said: "Companies are generally confident about the future, but they don't want to expose their firms to any unnecessary risks. They've got through five tough years, in many cases adapting their business plans. They want to see stable, concerted economic growth on which they can depend and build further before they invest more broadly. Government isn't able to control all the economic mood music, but it would have a greater chance of strengthening manufacturers' particularly SME owner-managers' confidence, if it promotes the longer term economic direction more consistently across all aspects of government policy reference infrastructure, energy, transport and manufacturing."

(data attached)

The Monitor

Notes to editors:

1. EAMA's 11 trade associations represent 1,400 firms
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 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 |
| 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 |

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 |
| 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 |

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 |
| 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 |

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 |
| 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 |

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 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 |
| 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 |