

# NEWS RELEASE

The Cutting Tool Market Report



a joint statistical program  
AMT and USCTI

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## June 2020 U.S. Cutting Tool Orders Up 10.1% from May 2020

June 2020 U.S. cutting tool consumption totaled \$150.6 million, according to the U.S. Cutting Tool Institute (USCTI) and AMT – The Association For Manufacturing Technology. This total, as reported by companies participating in the Cutting Tool Market Report collaboration, was up 10.1 percent from May's \$136.8 million and down 24.6 percent when compared with the \$199.7 million reported for June 2019. With a year-to-date total of \$1 billion, 2020 is down 19.7 percent when compared with June 2019.

These numbers and all data in this report are based on the totals reported by the companies participating in the CTMR program. The totals here represent the majority of the U.S. market for cutting tools.

According to Bret Tayne, President of USCTI, “Consistent with recent reports on other industrial activity, the cutting tool industry rebounded somewhat in June. We still have a long way to go to return to activity levels that preceded the pandemic shutdown, but we appear to be headed in the right direction.”

Costikyan Jarvis, President of Jarvis Cutting Tools, added the following:

*The June figures of the Cutting Tool Market Report provide some hope that the worst of the contraction is behind us. With all the challenges that we faced, having a June number that is both a 10% improvement over May and a 5% improvement over April is a good sign. We should also take comfort that some of the initial July indicators show continued growth. The*

(more)

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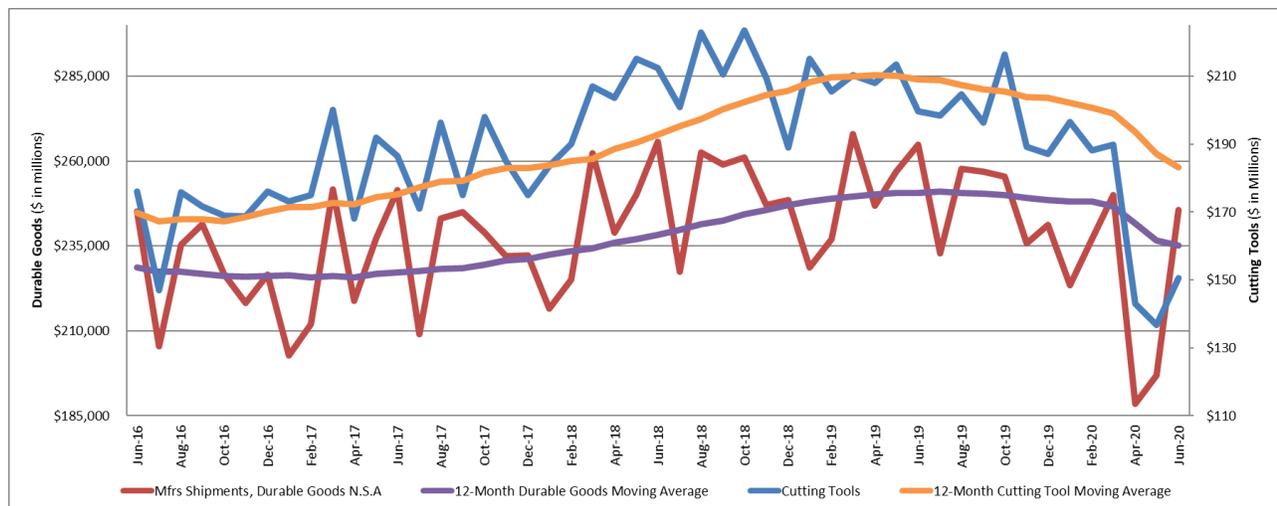
July PMI showed an expansion number of 54.2, the unemployment rate showed a further reduction, and the latest estimate of the Atlanta Fed's GDPNow is a 20.5% growth.

In this recession, both automotive and commercial aerospace industries, the two largest users of cutting tools, stopped producing for many weeks. In previous recessions, production has never gone down to zero; the implications of this are not yet understood. These industries have supply chains that are international and complex, and it is unclear if their supply chains have fully recovered. In addition to a drop in demand, customers are also talking about seeing significant de-inventorying in the supply chain. It will take several more months for everyone to understand both the shape of the recovery and how these industries adjust to the post-COVID world.

The Cutting Tool Market Report is jointly compiled by AMT and USCTI, two trade associations representing the development, production, and distribution of cutting tool technology and products. It provides a monthly statement on U.S. manufacturers' consumption of the primary consumable in the manufacturing process – the cutting tool. Analysis of cutting tool consumption is a leading indicator of both upturns and downturns in U.S. manufacturing activity, as it is a true measure of actual production levels.

Historical data for the Cutting Tool Market Report is available dating back to January 2012. This collaboration of AMT and USCTI is the first step in the two associations working together to promote and support U.S.-based manufacturers of cutting tool technology.

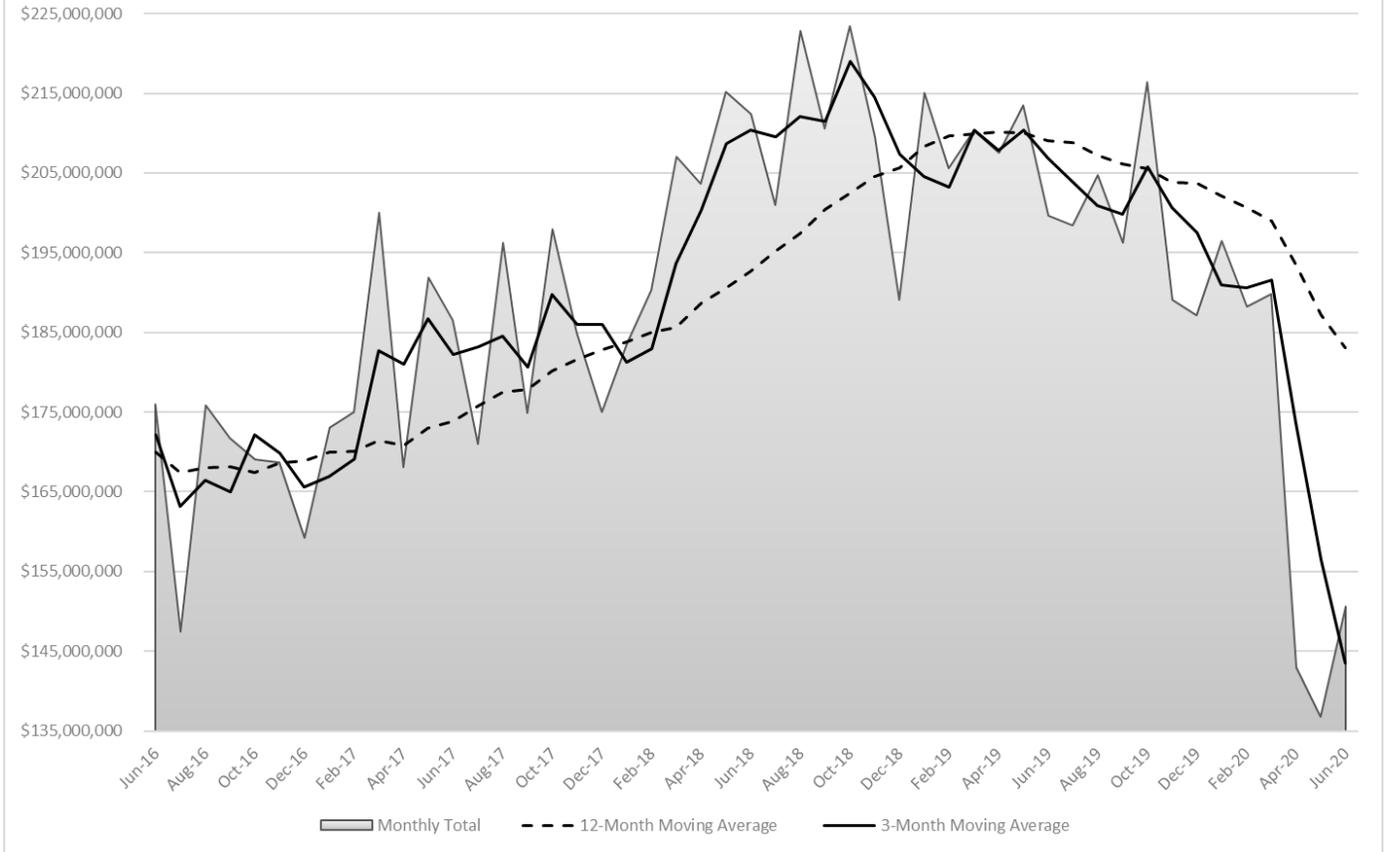
The graph below includes the 12-month moving average for the durable goods shipments and cutting tool orders. These values are calculated by taking the average of the most recent 12 months and plotting them over time.





# Monthly U.S. Cutting Tool Orders

June 2016 Through June 2020



(CTMR data is also available at [www.AMToonline.org](http://www.AMToonline.org).)

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AMT – The Association For Manufacturing Technology represents U.S.-based builders and distributors of manufacturing technology – the advanced machinery, devices, and digital equipment that U.S. manufacturing relies on to be productive, innovative, and competitive. Located in McLean, VA, near the nation’s capital, AMT acts as the industry’s voice to speed the pace of innovation, increase global competitiveness and develop manufacturing’s advanced workforce of tomorrow. With extensive expertise in industry data and intelligence, as well as a full complement of international business operations, AMT offers its members an unparalleled level of support. AMT also produces IMTS – The International Manufacturing Technology Show, the premier manufacturing technology event in North America. The CTPG report is compiled by AMT and all data in the report is based on the totals of actual data reported by companies participating in the CTPG program.



The United States Cutting Tool Institute (USCTI) was formed in 1988 and resulted from a merger of two national associations representing the cutting tool manufacturing industry. The Institute works to represent, promote, and expand the U.S. cutting tool industry and to promote the benefits of buying American-made cutting tools manufactured by its members. Membership includes North American manufacturers and/or remanufacturers of cutting tools, as well as tool surface treatment providers. Members, which number over 70, belong to ten product divisions: Carbide Tooling, Drill & Reamer, Metal Cutting Saw Blades, Milling Cutter, Polycrystalline Diamond & Polycrystalline Cubic Born Nitride, Substrate Materials, Surface Coating, Tap & Die, Tool Holder and All Other Tooling. A wide range of activities include a comprehensive statistics program, human resources surveys, development of product specifications and standards, and semi-annual meetings to share ideas and receive information on key industry trends.