

NEWS RELEASE

The Cutting Tool Market Report



a joint statistical program
AMT and USCTI

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For Release: June 8th, 2016

U.S. Cutting Tool YTD Consumption down 10.3% in April

April U.S. cutting tool consumption totaled \$173.64 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 (CTMR) collaboration, was down 5.7% from March's \$184.08 million and down 15.0% when compared with the total of \$204.34 million reported for April 2015. With a year-to-date total of \$689.76 million, 2016 was down 10.3% when compared with 2015.

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

Steve Stokey, President of USCTI, states “The cutting tool numbers continue to be negative in scenarios - month over month, year over year and year to date. While there is not much good news on the horizon as we head into the typically soft summer months of the business cycle, there is some optimism with the PMI moving over 50, but there is definitely a sense of caution as we move into the next 90 days.”

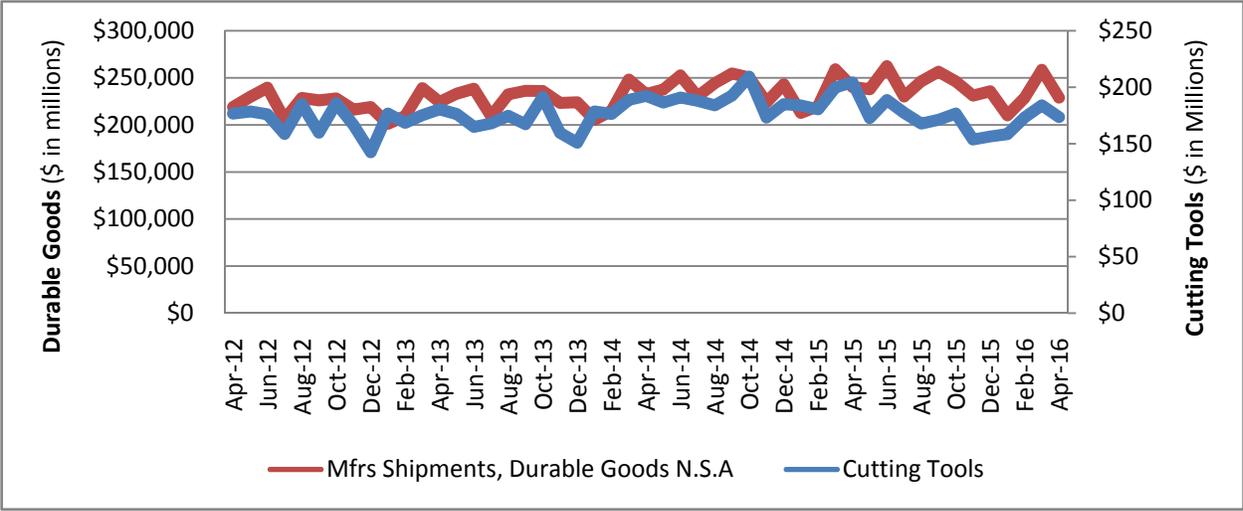
Although the slower summer months are ahead, there are positive factors to keep in mind while looking forward to the coming months. “The cutting tool sector took a step backwards in April after showing some modest improvements over the last few months. Demand levels continue to reflect a movement to stabilization in a generally weak environment for manufacturing. This reflects the sluggish global economic

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growth with minimal gains in U.S. industrial production, the strong dollar, weak agriculture, oil and gas activity, and the rising election uncertainty,” according to Eli Lustgarten, Senior Vice President at Longbow Securities. “Current headwinds are likely to continue in the near term with some added pressure from relatively flat automotive demand, material weakening in heavy truck production and ongoing significant weakness in coal mining. Despite talks of a possible interest rate increase from the Fed, we expect some modest improvement in the second half of 2016 as U.S. economic growth drives robust consumer spending and housing activity.”

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.



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(CTMR data is also available at www.AMTonline.org.)



AMT 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 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.