

# 2014 CAPITAL SPENDING SURVEY & FORECAST



# GARDNER RESEARCH

According to the 2014 Metalworking Capital Spending Survey by Gardner Research, U.S. metalworking facilities will spend \$7.442 billion, an increase of almost 19% over 2013, on new metalcutting equipment next year.



## \$7.442 Billion

Forecasted spending in 2014 on new metalcutting equipment

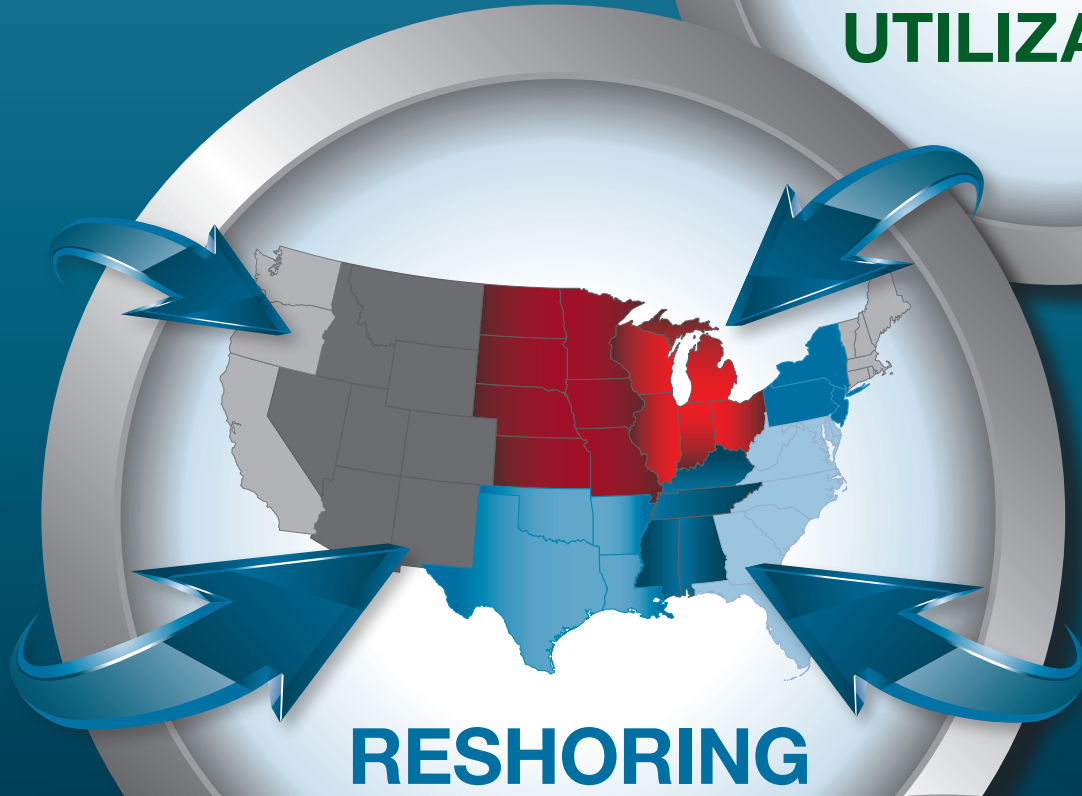


\* 2012 and 2013 are estimates based on trends in machine tool orders from USMTO and other data. \*\* 2014 is based on responses to the 2014 Capital Spending Survey and Forecast.

## Why The Increase?

# 77%

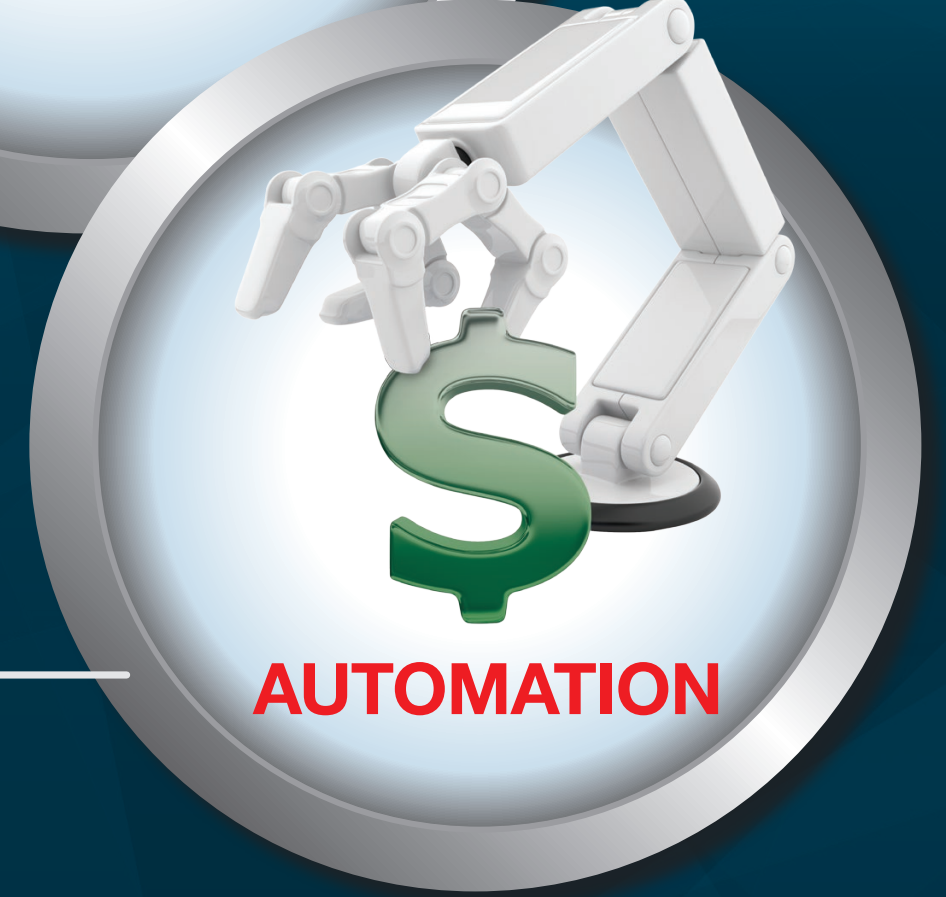
CAPACITY UTILIZATION



### RESHORING

**Reshoring** - This is still a significant trend in U.S. manufacturing. The U.S. has seen its labor costs fall compared to many other countries. Energy is relatively inexpensive in the U.S. And, there is a trend in manufacturing around the world to make your product in the market where you are going to sell it.

**Automation** - Automation was one of the most talked about subjects during the forecasting season in the fall of 2013. Whether it is robotics, pallet changers or bar feeders, automating the plant is critical to maintaining productivity.

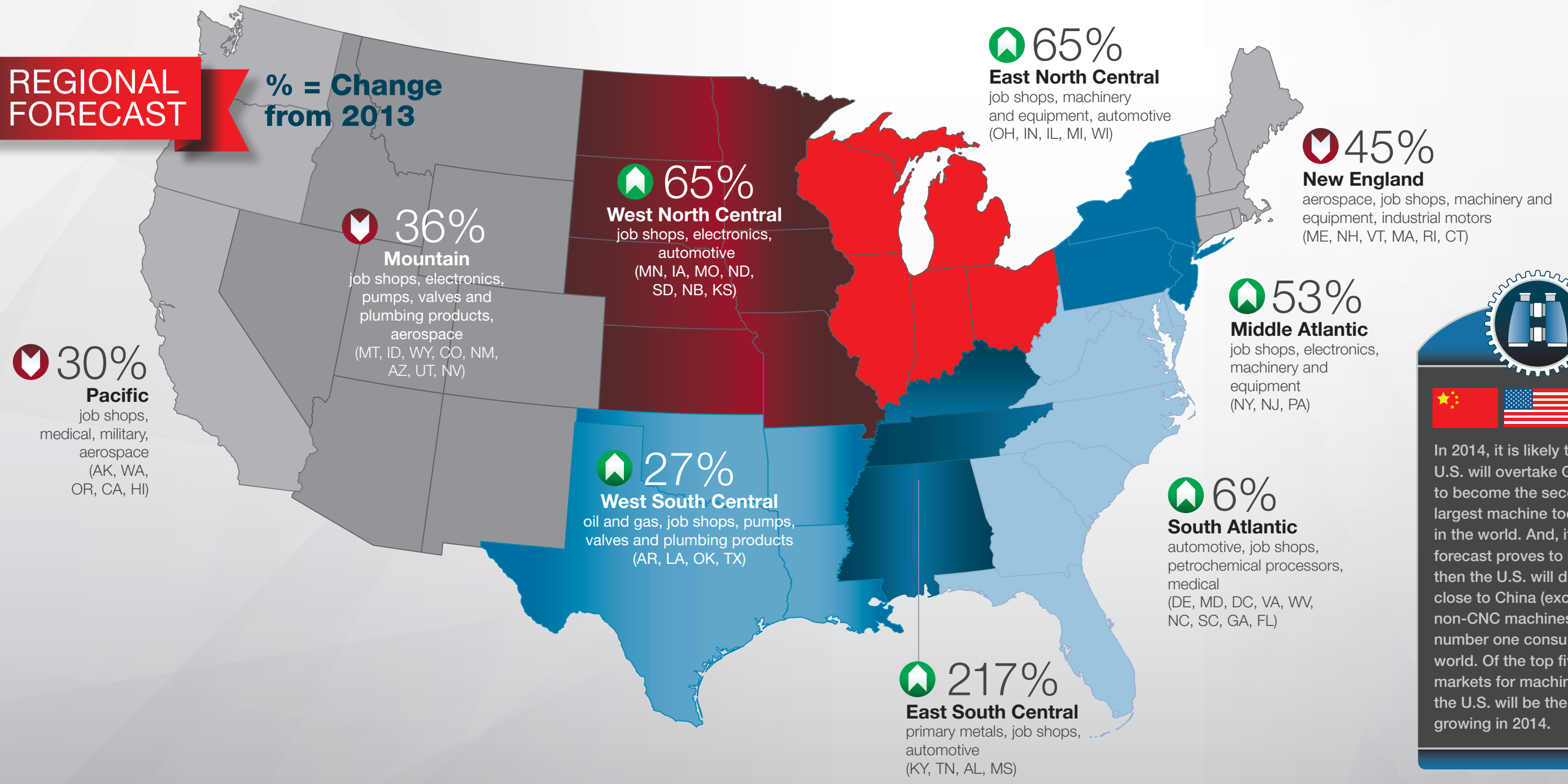


### AUTOMATION

**Capacity Utilization** - Capacity utilization has remained relatively strong throughout 2013. Based on data from our business index, it looks like capacity utilization will increase at a faster rate in 2014. This should lead to stronger machine tool sales.

## REGIONAL FORECAST

% = Change from 2013



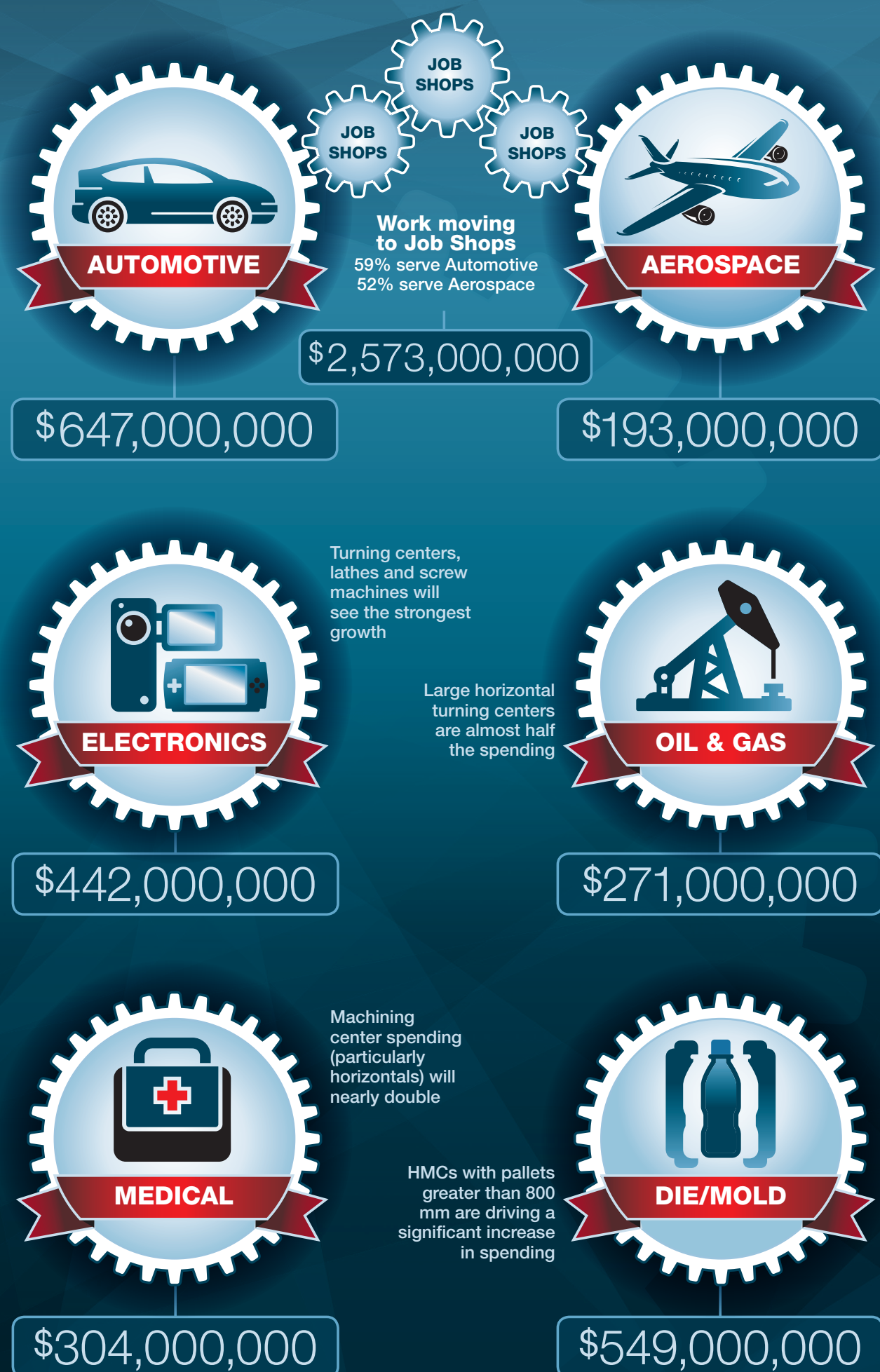
In 2014, it is likely that the U.S. will overtake Germany to become the second largest machine tool market in the world. And, if this forecast proves to be correct, then the U.S. will draw fairly close to China (excluding non-CNC machines) as the number one consumer in the world. Of the top five world markets for machine tools, the U.S. will be the fastest growing in 2014.

## PLANT SIZE

% of 2014 Projected Spending



## 2014 Capital Spending Forecast by KEY END MARKETS



## 2014 Capital Spending Forecast by EQUIPMENT TYPE

