

NEWS RELEASE

The Cutting Tool Market Report



a joint statistical program
AMT and USCTI

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U.S. Cutting Tool Consumption Up 3.2 Percent In June

June 2019 U.S. cutting tool consumption totaled \$198.9 million according to the United States 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 down 6.8 percent from May's \$213.4 million and down 6.3 percent when compared with the \$212.4 million reported for June 2018. With a year-to-date total of \$1.25 billion, 2019 is up 3.2 percent when compared with 2018.

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.

“With over a 6% drop in volume from both May’s report and June 2018 report, we are starting to see the market soften. While some of the softening is due to seasonality, the balance of the decrease reflects the European economies that have been slowing for a few months, while the U.S. economy shows signs of slowing slightly. These two factors combined with the overhanging cloud of potential trade wars may keep pressuring the market through the end of 2019. It is important to note that YTD 2019 remains 3.2% higher than YTD 2018 which supports the overall market strength in the 1st half of 2019,” said Phil Kurtz, President of USCTI.

According to Chris Kaiser, President and CEO of Big Kaiser Precision Tooling, “After a great start into 2019, it looks like cutting tools are on a downward trend following the lead of metal cutting machine tool orders. It’s not necessarily a surprising development, since several industry segments and markets, like oil and gas, aerospace and the automotive sector are struggling at the moment. This all seems

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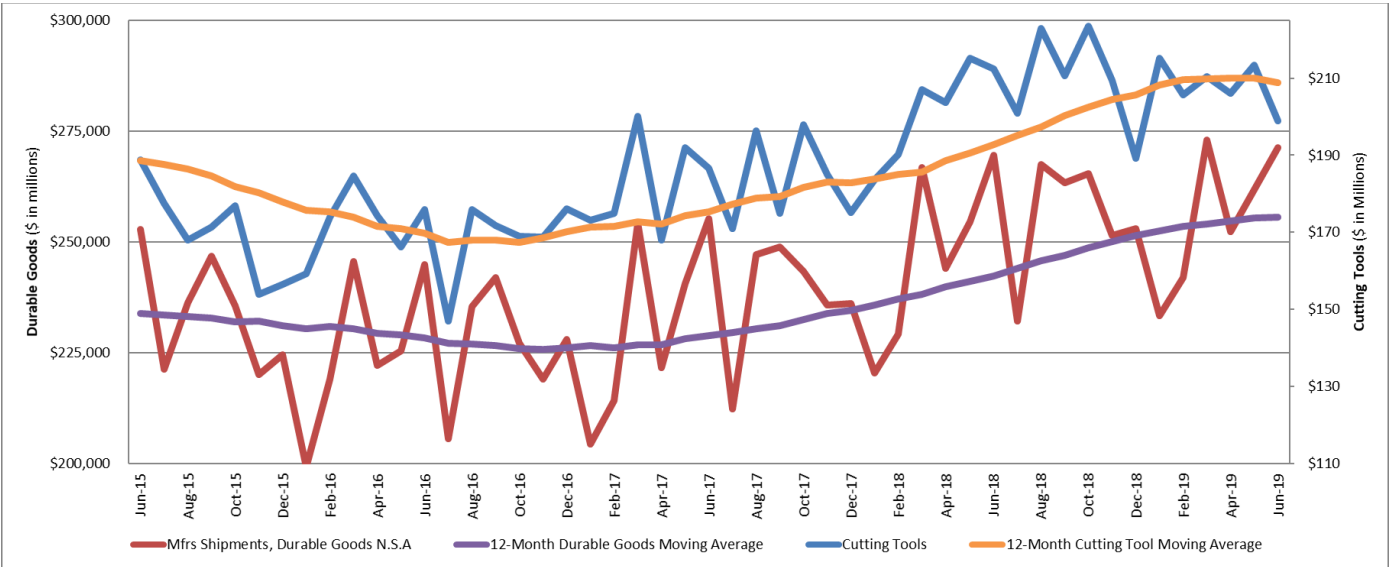
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congruent with developments in certain European countries too, like Germany. The trend for us seemed to improve going into July. I imagine we'll go through some roller-coaster months going forward for the next 12 months. This development reminds us a little of the 2015/16 timeframe.”

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.

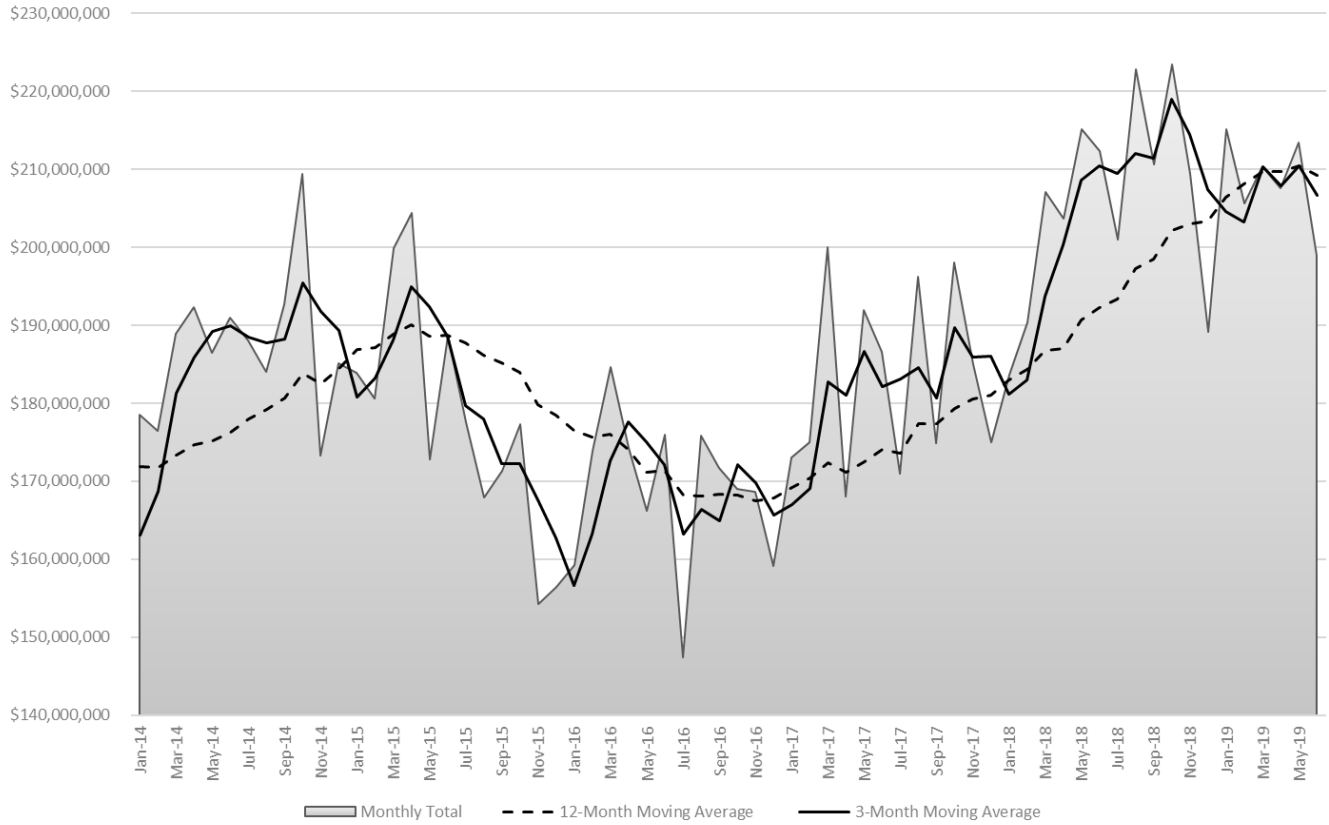


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Monthly U.S. Cutting Tool Orders

January 2014 Through May 2019



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