

NEWS RELEASE

The Cutting Tool Market Report



a joint statistical program
AMT and USCTI

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February 2020 U.S. Cutting Tool Orders Down 4.2% from January

February 2020 U.S. cutting tool consumption totaled \$188.2 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 down 4.2 percent from January's \$196.5 million and down 8.5 percent when compared with the \$205.6 million reported for February 2019. With a year-to-date total of \$384.7 million, 2020 is down 8.5 percent when compared with 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, “The most recently released February cutting tool statistics reflect the modest slowing we began to see in the latter part of 2019. But these numbers precede the effects of the COVID-19 fallout. I suspect we have all experienced a much steeper drop over the past several weeks. Buckle your seat belts!”

“Following a year of consolidation in 2019, cutting tool shipments are set to face a challenging 2020. The 8.5% year-over-year decline in cutting tool shipments in February is slightly worse than the 2.4% year-over-year drop in total durable goods shipments. With the economy facing a coronavirus-induced recession, the outlook through the summer will be challenging. A stronger dollar, reduced international demand and higher corporate spreads will likely add to the sectoral headwinds. However, a gradual relaxation of lockdown measures in the latter part of 2020, along with unprecedented fiscal and monetary policy stimulus should help progressively support activity in 2021,” said Greg Daco, Chief U.S. Economist for Oxford Economics USA.

(more)

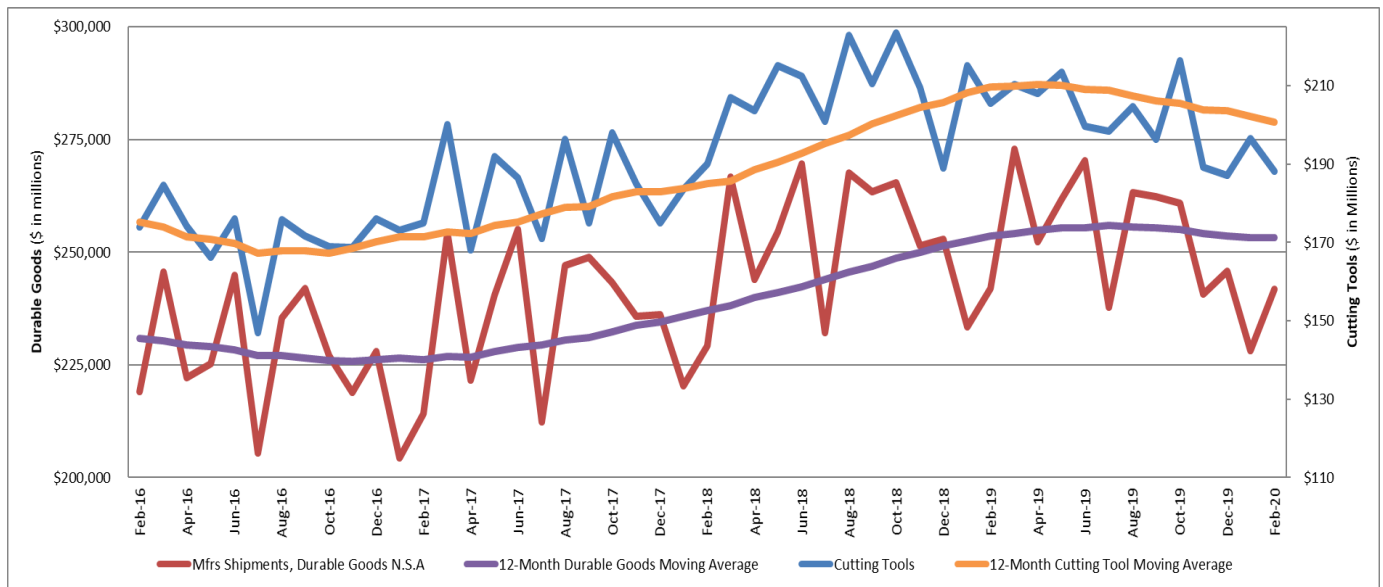
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The Cutting Tool Market Report is jointly compiled by AMT and USCTI, two trade associations representing the development, production, and distribution of cutting tool technology and products. It provides a monthly statement on U.S. manufacturers' consumption 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.

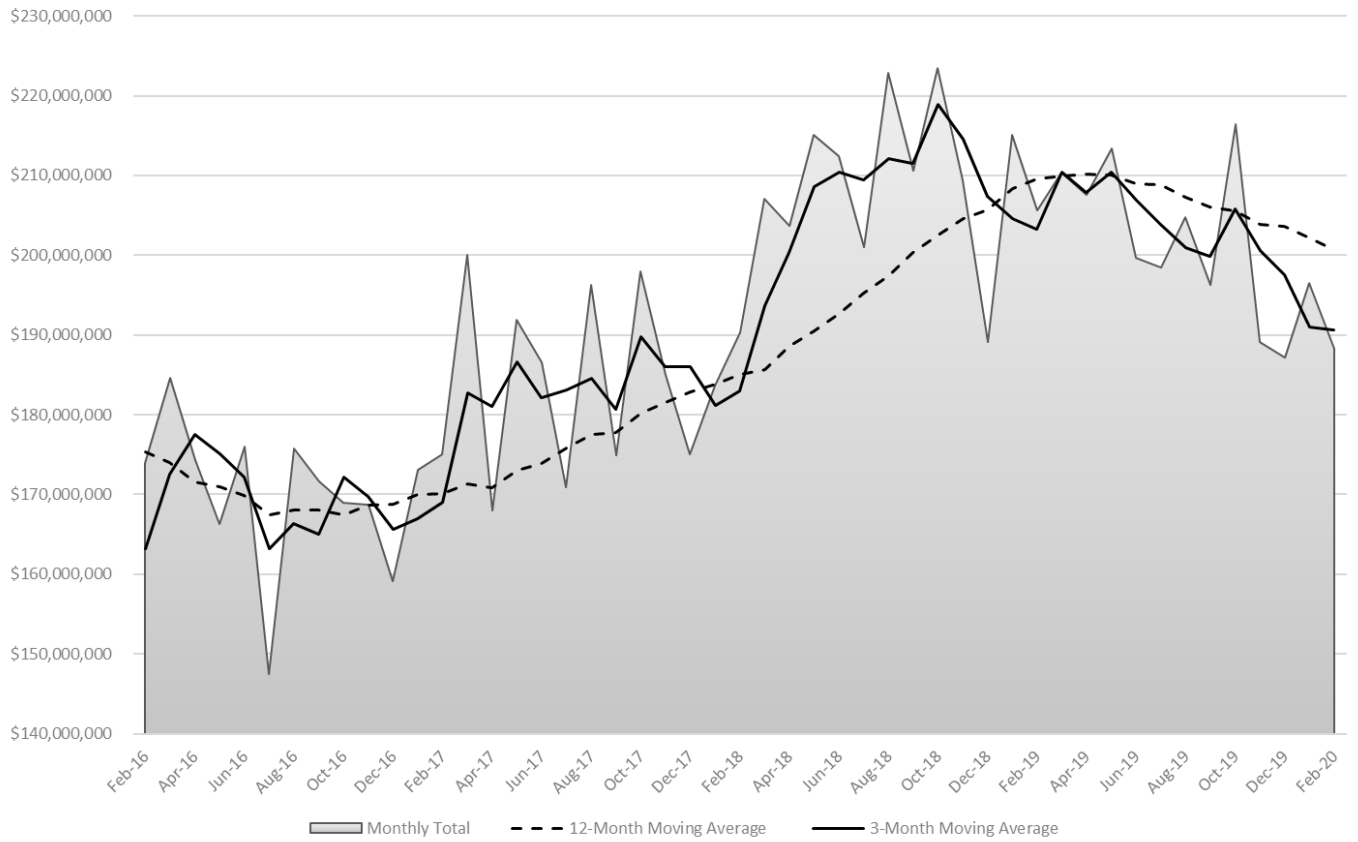
The graph below includes the 12-month moving average for the durable goods shipments and cutting tool orders. These values are calculated by taking the average of the most recent 12 months and plotting them over time.





Monthly U.S. Cutting Tool Orders

February 2016 Through February 2020



(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.