Material Handling Industry of America
Economic Brief
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Material Handling Equipment Manufacturing

Segment Brief

MHIA Staff

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Material Handling Equipment Manufacturing (MHEM)

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Introduction to Material Handling Equipment Manufacturing (MHEM)

The Material Handling Equipment Manufacturing (MHEM) series serves as a good proxy for the equipment based market in the Material Handling and Logistics Industry.

Material Handling Equipment Manufacturing includes:

- NAICS 333921 Elevators and Moving Stairways
- NAICS 333922 Conveyors and Conveying Equipment
- NAICS 333923 Overhead Traveling Cranes, Hoists, and Monorail Systems
- NAICS 333924 Industrial Trucks, Tractors, Mobile Straddle Carriers and Stacker Machinery

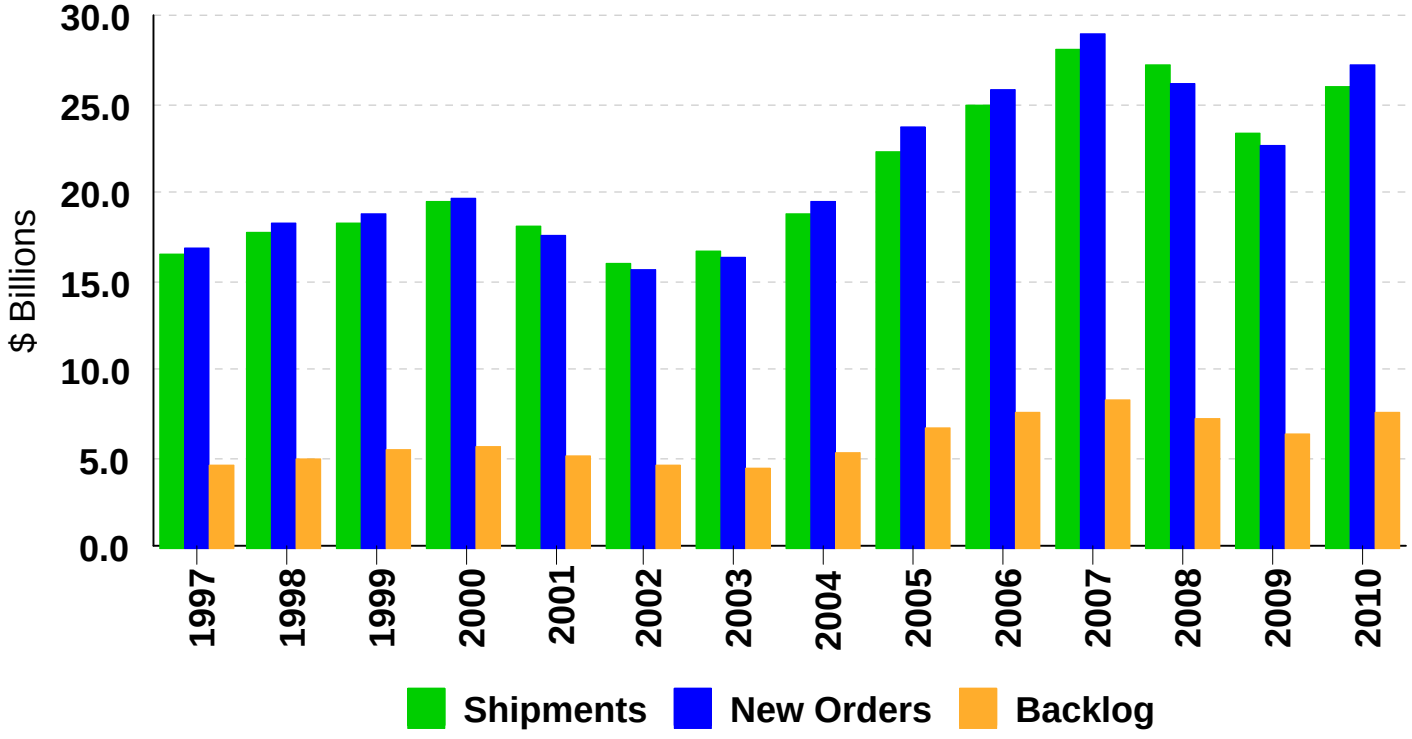
Data is collected and reported monthly by the U.S. Bureau of Census according to the North American Industry Classification System (NAICS).

The following graphic identifies MHEM segments among others of the Material Handling and Logistics Industry.

Market Overview
Material Handling Equipment Manufacturing

- New Orders for the year ending December, 2010 grew 20.1% over the same period in 2009; Shipments grew 10.9%.
- Unfilled Orders grew 20.1% and represented the equivalent of 3.4 months' of Shipments.

U.S. Domestic Production



Note: Shipments, New Orders, and Backlog shown at Annual Rates
Source: USDOC

Market Overview
Material Handling Equipment Manufacturing

- Imports grew 10.3%, while Exports expanded 23.3%.
- The Net Trade Value (Imports minus Exports) shifted to a Net Exporting position.
- Total US Domestic Demand (Shipments less Exports plus Imports) grew 9.0% compared to the same period in 2009.

Imports and Exports

Source: USITC

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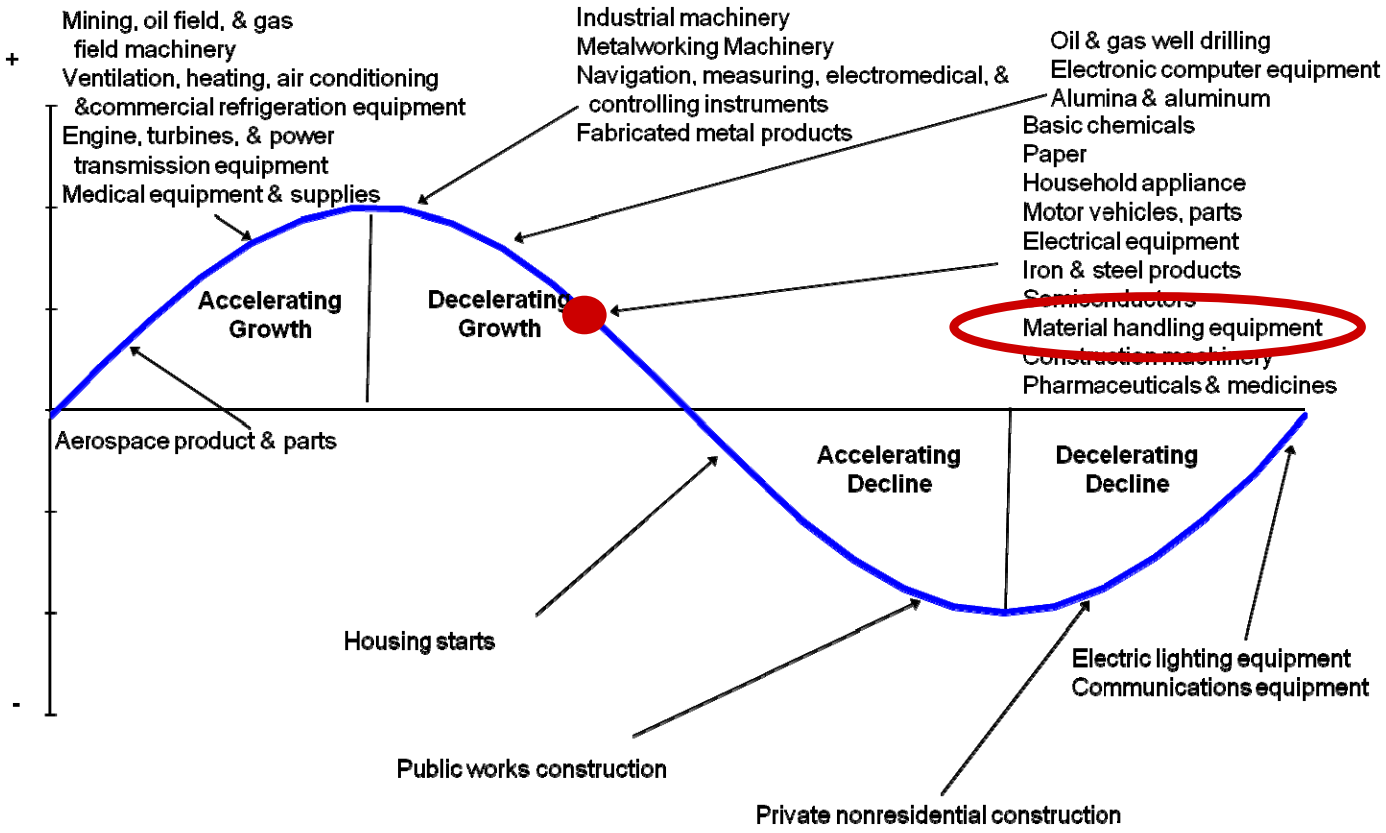
Economic Cycles
Industrial Sectors

Charting annual data is useful for a market overview; it is also very useful to view this data on a rate of change basis to better illustrate cyclical activity.

For comparison purposes, the next chart was prepared by the Manufacturing Alliance – MAPI which illustrates the phases of a model business cycle and indicates the position within the cycle for twenty eight different industrial sectors based on the year-over-year change in the three month moving average of new orders.

Note that MHEM is now in the "Decelerating Growth" phase.

Manufacturers Alliance – MAPI June, 2011
Industrial Sector by Phase of Cycle

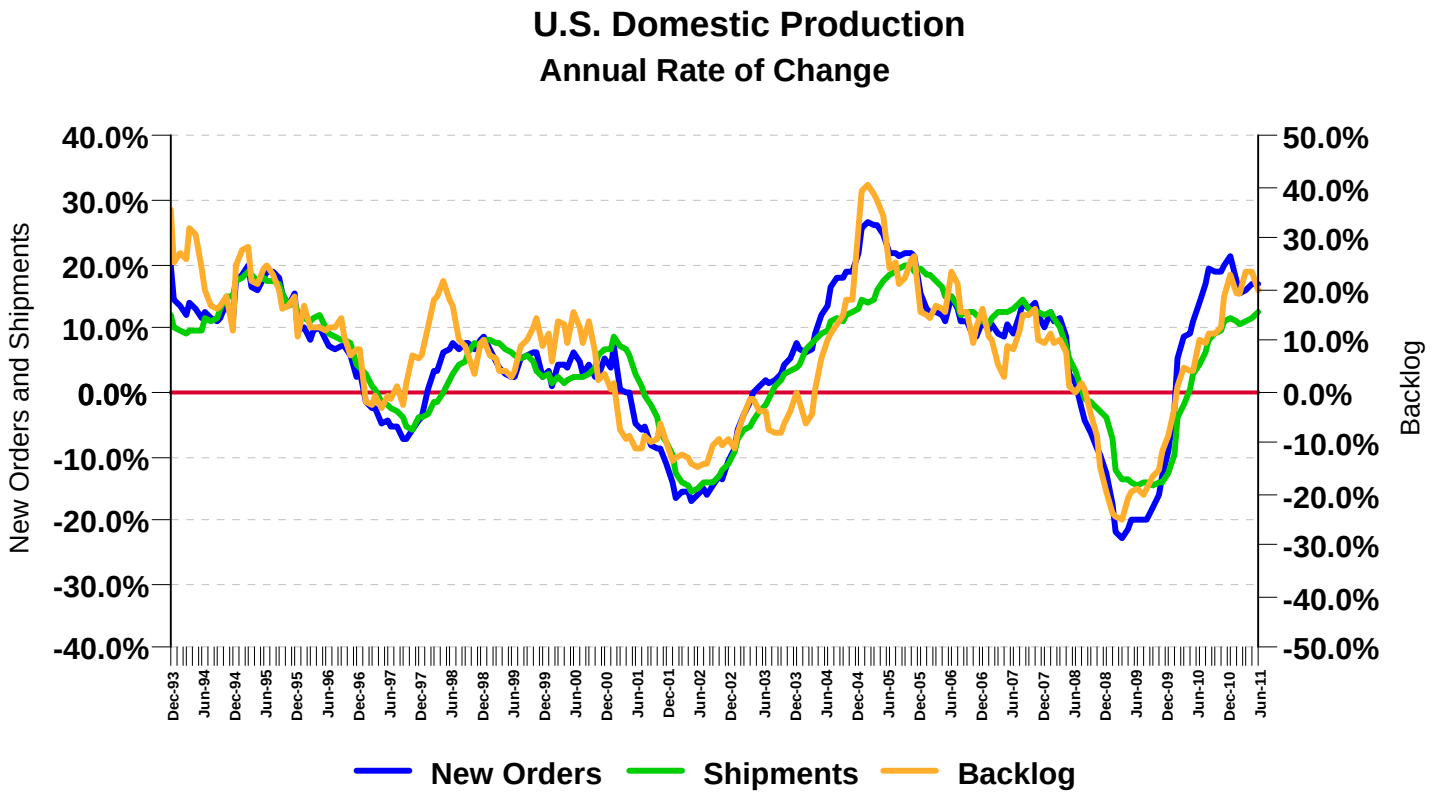


MHEM and Economic Cycles

This chart reveals the annual rate of change for domestic new orders, shipments, and backlog illustrating the position of these components of MHEM in the current economic cycle.

The data represents year-over-year change in the twelve month moving total (in most cases) for the business activity indicated.

It is important to note that value *above* Zero indicates *growth* (increasing at an increasing or decreasing rate) while any value *less than* Zero indicates *contraction* (decreasing at an increasing or decreasing rate).

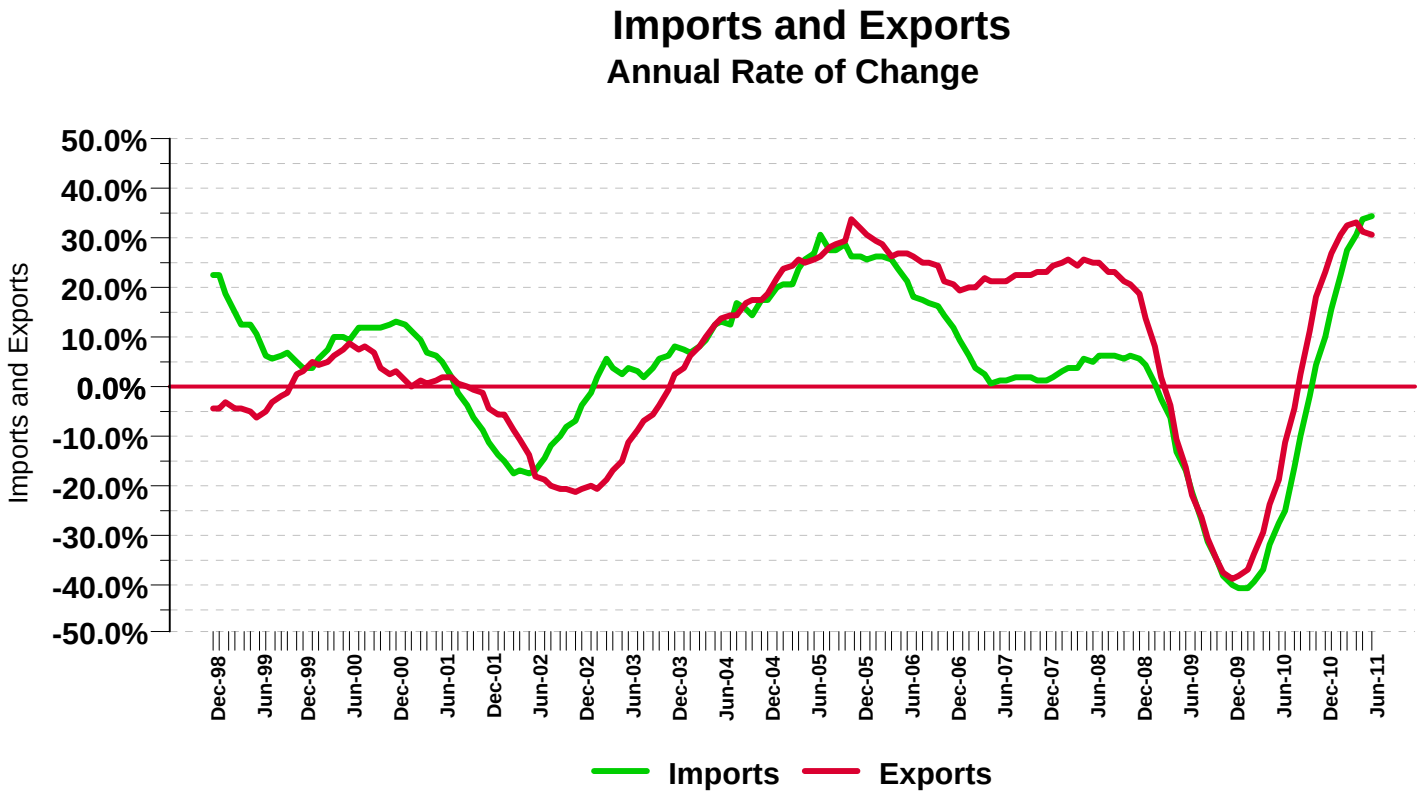


Source: USDOC

MHEM and Economic Cycles

This chart illustrates the annual rate of change for imports, exports and net trade balance illustrating the position of these components of MHEM in the current economic cycle.

Again, it is important to note that value above Zero indicates growth (increasing at an increasing or decreasing rate) while any value less than Zero indicates contraction (decreasing at an increasing or decreasing rate).



Source: USITC

MHEM Updates and Forecast

Additional Resources

MHIA provides detailed historical time series data for all series included in the MHEM at http://www.mhia.org in the Learning Center under Market Analysis.

MHEM Forecasts

MHIA also releases a comprehensive forecast of Material Handling Equipment Manufacturing each quarter that looks 18 to 24 months forward to anticipate changes in the Material Handling and Logistics marketplace.

The 50+ page forecast includes the content presented in this Brief, plus the following:

- MHEM Segment History Detail (Annually)
- Economic Cycle Analysis
- Leading Indicator Analysis
- Global Insight Forecast
- Capital Spending Summary
- Economic Commentary and Forecasts
- MHEM Forecast – Domestic, Imports, Exports, Consumption
- MHEM Segment Forecast (Annually)

The MHEM Forecast is available to Members of MHIA for no charge and to Non-members for $195.00 by placing an order through our Material Handling Online Bookstore on the homepage of http://www.mhia.org.