

Metal Bulletin

Metalforming firms expect short-term stability: PMA

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Metalforming companies expect business conditions to remain steady during the next three months, according to the Precision Metalforming Association's (PMA) latest business conditions report.

Fifty percent of the respondents said general economic activity will remain the same over the next three months, while 19 percent anticipate conditions will improve and 31 percent predict a decline.

Current daily shipment levels remain steady and most expect orders to remain virtually unchanged.

The number of metalforming companies with a portion of their workforce on short time or layoff rose to 19 percent in March from 16 percent in February.

"Uncertainty over general economic conditions exacerbated by sharp first-quarter cutbacks in housing starts, reduced production volumes for autos and light trucks and slowing orders for durable goods have impacted many metalforming companies in the first quarter of 2008," William E. Gaskin, president of the PMA, said. "This is reflected in their cautious outlook for the next three months."

"However, based on reports from PMA members," he said, "the weak dollar is supporting export growth so domestic manufacturing may be stronger than the U.S. media would have us think."

He added that while some companies report significant cutbacks, most report stable shipment levels and expect that orders will improve modestly in the second quarter.

"They are concerned about sharp increases in raw material prices and whether they will be successful in recovering added costs from their customers," he said.

The PMA sampled 143 metalforming companies in the United States and Canada for the report, which is published monthly.

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