

NEWS RELEASE

The Cutting Tool Market Report



a joint statistical program
AMT and USCTI

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August 2020 U.S. Cutting Tool Orders Down 0.2% from July 2020

August 2020 U.S. cutting tool consumption totaled \$136.1 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 0.2 percent from July's \$136.3 million and down 33.5 percent when compared with the \$204.7 million reported for August 2019. With a year-to-date total of \$1.3 billion, 2020 is down 23.4 percent when compared with August 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, "Sales of cutting tools declined more than might have been anticipated through the summer months. However, in light of the reports of flattening growth in both manufacturing and the broader economy, these statistics are not entirely surprising."

"Cutting tool orders continue to remain soft in August 2020 but appear to have found a bottom. Orders of \$136M were only -0.2% below July orders of \$136.3M but were still -33.5% below August 2019. Year-to-date orders remain weak at down -23.4%. The weakness is a continuation of the order decline that began in the spring of 2019, impacted by inventory liquidation, and exacerbated by the Covid-19 pandemic which virtually shut down the U.S. economy," commented Eli Lustgarten, President of ESL Consultants. He later added, "The good news is that U.S. manufacturing has now undergone over four months of improvement with the ISM PMI over 50

(more)

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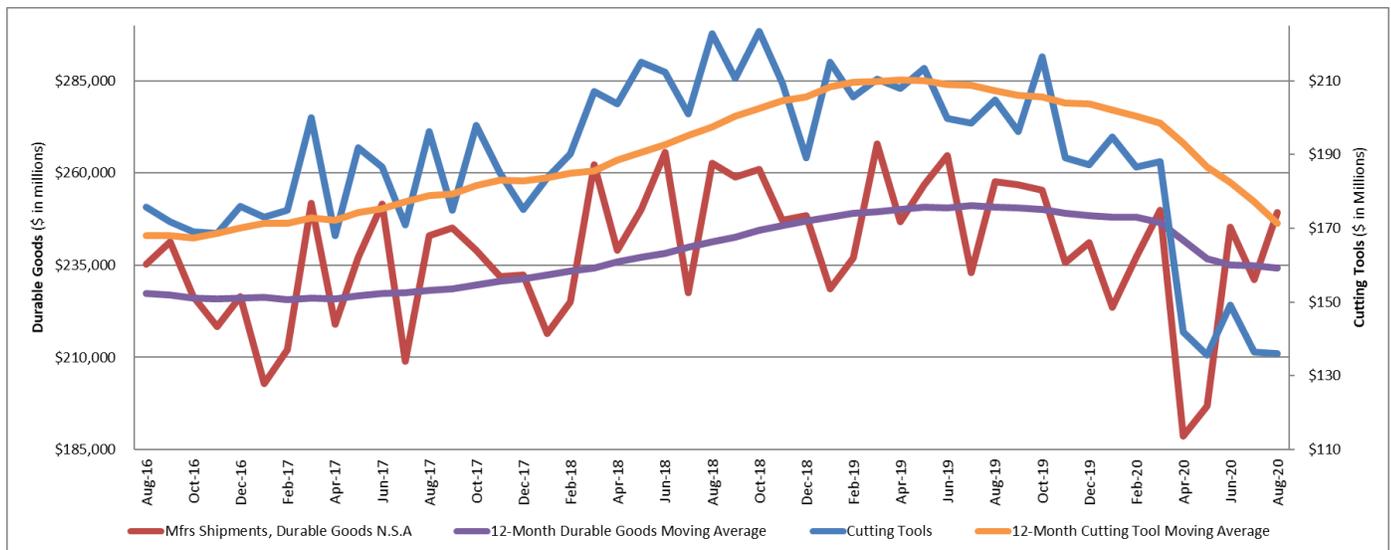
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(Sept 2020 was 55.4) with the recovery led by automotive (largest buyer of cutting tools), appliances, electrical, and general manufacturing. Any improvement in demand will likely be moderate and volatile near-term reflecting the ongoing severe weakness in key markets such as aerospace and energy as well as uncertainty of the strength of economic growth after the big U.S. GDP rebound in Q3 2020.”

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.

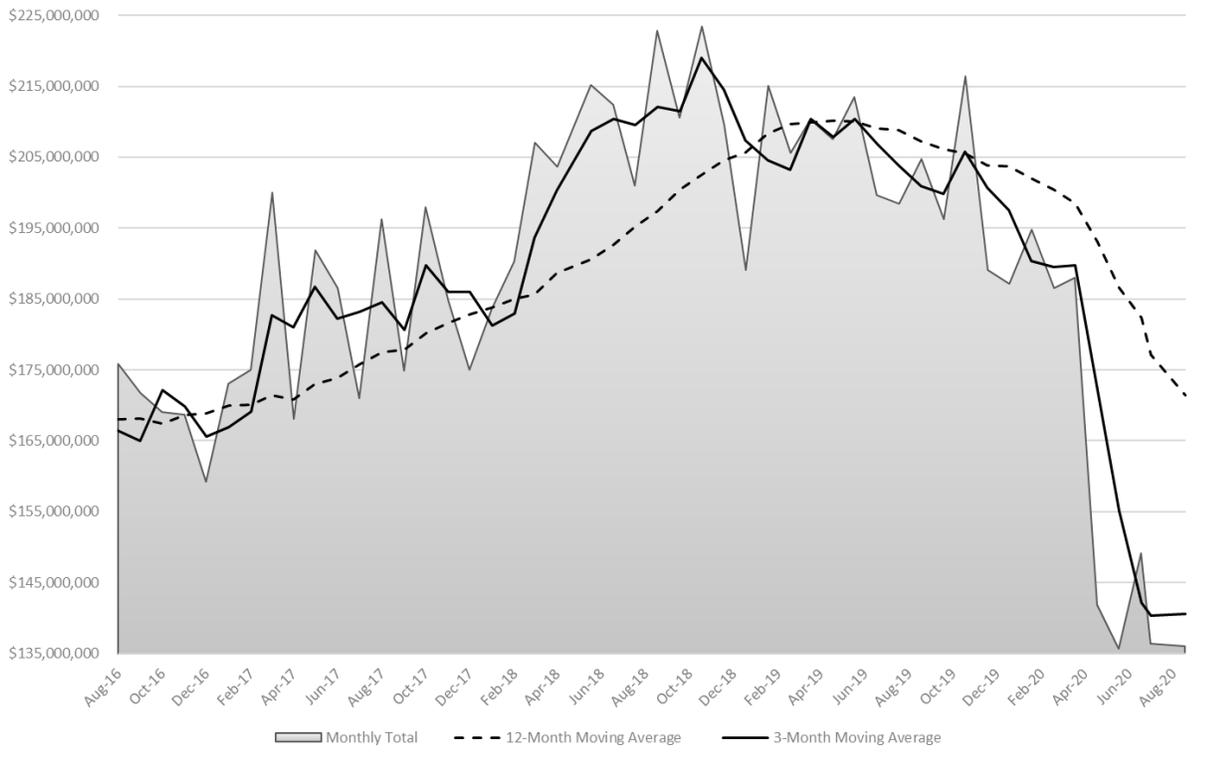
The graph below includes the 12-month moving average for the durable goods shipments and cutting tool orders. These values are calculated by taking the average of the most recent 12 months and plotting them over time.





Monthly U.S. Cutting Tool Orders

August 2016 Through August 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.