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A statistical program by AMT

AMT CONTACT
KRISTIN BARTSCHI
DIRECTOR, MARKETING & COMMUNICATIONS
703-827-5267 | kbartschi@AMTonline.org

U.S. MANUFACTURING TECHNOLOGY ORDERS

Press Release

FOR IMMEDIATE RELEASE
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September 2024 Manufacturing Technology Orders Jump as IMTS Returns to Chicago

McLean, Va. (November 11, 2024) — Orders of manufacturing technology, measured by the U.S. Manufacturing Technology Orders (USMTO) report published by AMT – The Association For Manufacturing Technology, totaled $450.6 million in September 2024. These orders for metalworking machinery increased 24% from August 2024 and increased 14.6% over September 2023 orders. Year-to-date orders reached $3.35 billion, a decline of 7.7% compared to the first three quarters of 2023.

Orders in September 2024 were at the highest level of the year and 5.1% above an average September. While this may be a good sign for an industry looking to find bottom after nearly three years of decline, the optimism comes with a major caveat, as orders were 9.1% lower than in an average IMTS September. Orders tend to peak for the year in September of even years, when IMTS – The International Manufacturing Technology Show, the largest manufacturing trade show in the Western Hemisphere, is held in Chicago. However, this year's lower-than-average order level may be due to many show attendees planning for longer investment timelines.

- **Contract machine shops**, the largest customer segment for manufacturing technology orders, increased their orders to the highest level since March 2023. These job shops are a major bellwether for the wider industry, as sudden demand from this segment indicates that OEMs are increasing orders from them to meet additional needs on capacity. This demand, if it remains elevated, would typically lead to later investments across customer industries.
- The **aerospace sector** pulled back orders by nearly a third from August 2023. This comes as no surprise because the Boeing machinist strike caused major disruptions to the industry's output beginning in the latter half of September 2024. Since the strike lasted for the entirety of October 2024, we can expect a similar drop-off in orders in next month's report. Throughout the strike, new orders from airlines continued to roll in, and with the strike ending in November, the industry is positioned to finish the year with additional investments should capacity utilization quickly return to its pre-strike level.
- Orders from the **automotive sector** have lagged for most of 2024. This changed in September, when manufacturers of automotive transmissions increased orders to their highest level since August 2023. This investment is not surprising, as automakers have been reassessing their outlook for the electric vehicle market throughout much of the year.

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Through most of 2024, manufacturers hesitated to invest in manufacturing technology due to concerns over heightened interest rates and November's U.S. presidential election. In September, the Federal Reserve cut rates after a year of its "higher for longer" monetary strategy to reduce inflation. We may not see the effects of this development until the October 2024 data is released; and the effects of a further rate cut, as well as the effects of the presidential election, may not be seen until the November data is released.

While these political and economic events may prove consequential to buying decisions, another major factor that could spur additional investment in the remaining few months of 2024 is the next step in the phase-out of the bonus depreciation allowance from the Tax Cut and Jobs Act of 2017. While investments in capital equipment are subject to 60% additional depreciation in 2024, that bonus will decrease to 40% in 2025. As the gap in orders between 2023 and 2024 have narrowed over the last two months, the reduction in headwinds puts the manufacturing technology industry in position to end the year strong.

AMT - THE ASSOCIATION FOR MANUFACTURING TECHNOLOGY
7901 JONES BRANCH DRIVE, SUITE 900, MCLEAN, VA 22102
703-893-2900 | AMTONLINE.ORG

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The United States Manufacturing Technology Orders (USMTO) Report is based on the totals of actual data reported by companies participating in the USMTO program. This report, compiled by AMT – The Association For Manufacturing Technology, provides regional and national U.S. orders data of domestic and imported machine tools and related equipment. Analysis of manufacturing technology orders provides a reliable leading economic indicator as manufacturing industries invest in capital metalworking equipment to increase capacity and improve productivity. USMTO.com.

AMT – The Association For Manufacturing Technology represents U.S.-based providers 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, Virginia, 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. AMTonline.org.

IMTS – The International Manufacturing Technology Show is where the creators, builders, sellers, and drivers of manufacturing technology come to connect and be inspired. Attendees discover advanced manufacturing solutions that include innovations in CNC machining, automation, robotics, additive, software, inspection, and transformative digital technologies that drive our future forward. Powered by AMT – The Association For Manufacturing Technology, IMTS is the largest manufacturing technology show and marketplace in the Western Hemisphere. With more than 1.2 million square feet of exhibit space, the show attracts visitors from more than 110 countries. IMTS 2024 had 89,020 registrants, featured 1,737 exhibiting companies, and included a Student Summit that attracted 14,713 visitors. Be the change at IMTS 2026, Sept. 14-20, 2026. Inspiring the Extraordinary. IMTS.com.

(USMTO data is also available at www.AMTonline.org.)

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