2017 CAPITAL SPENDING SURVEY

MACHINE TOOLS EXECUTIVE SUMMARY

PRESENTED ANNUALLY BY

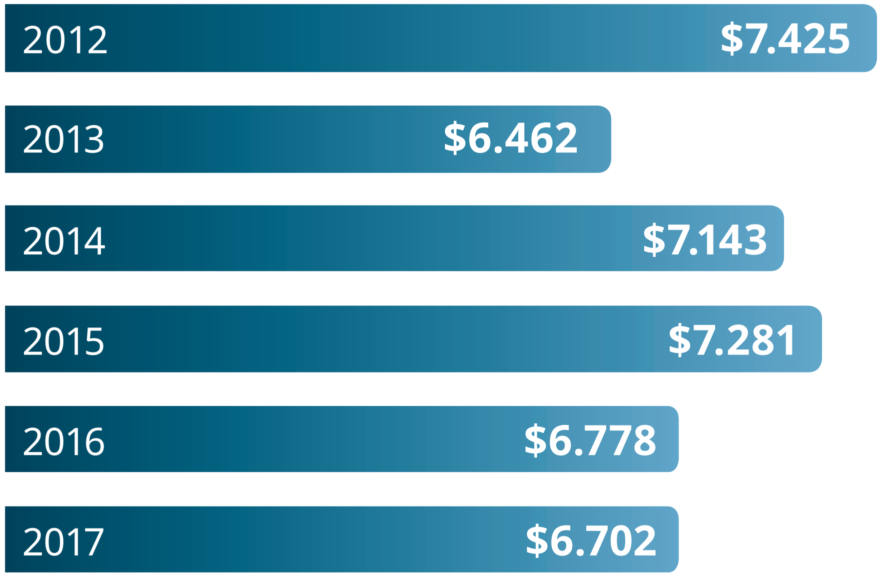
GARDNER BUSINESS INTELLIGENCE

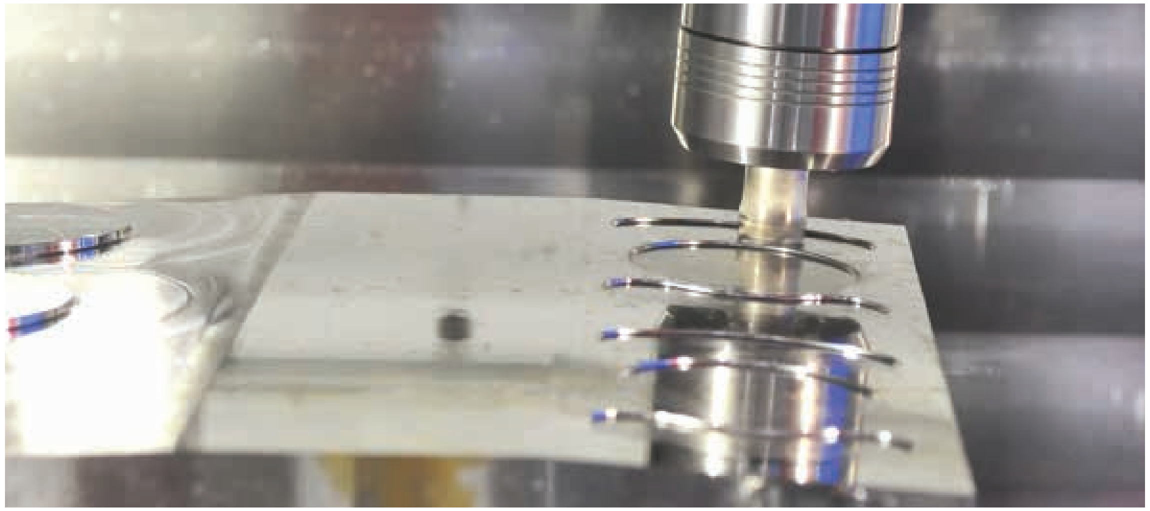
www.gardnerweb.com

$6.702 Billion

According to the 2017 Metalworking Capital Spending Survey by Gardner Business Intelligence, U.S. metalworking facilities will spend $6.7 billion on new metalcutting equipment, a decrease of 1% compared to our latest estimate for 2016.

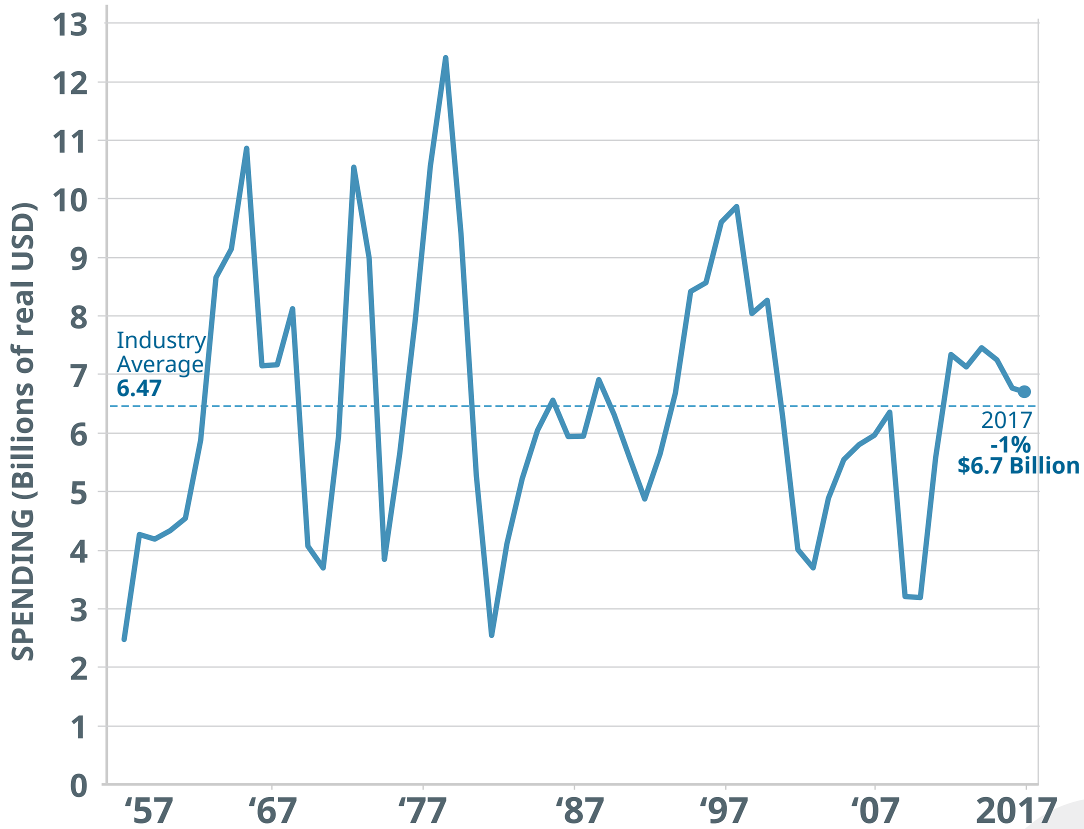
Machine Tool Spending

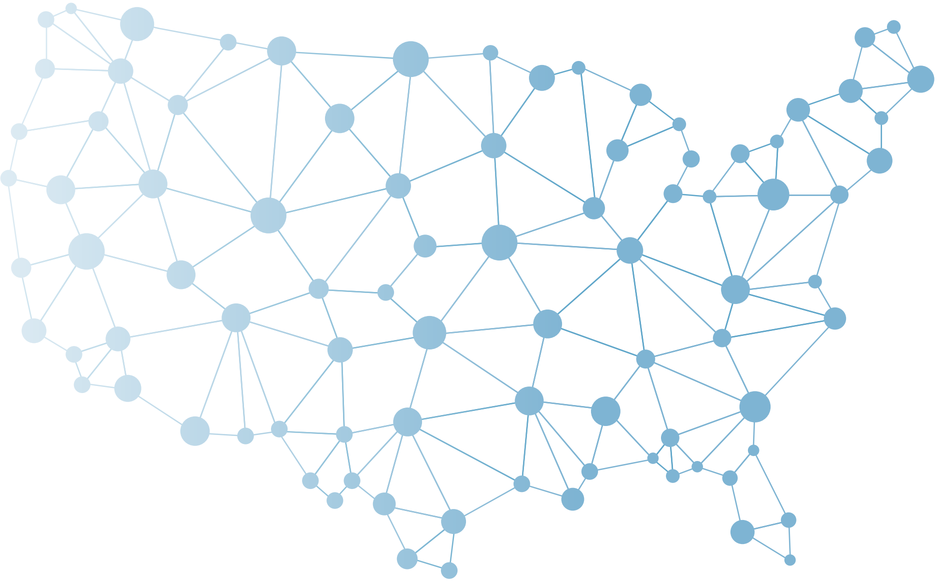




Capital equipment spending projected to be above average in 2017 equals a competitive market.

MACHINE TOOLS





GROWTH BY REGION

Region	2017 Spending	Change %
North Central-East	$1,955,543,450	+61%
North Central-West	$1,527,398,633	-18%
Northeast	$1,213,430,532	-9%
West	$881,975,639	-21%
Southeast	$590,639,836	+39%
South Central	$532,781,193	+37%
Grand Total	$6,701,769,282	-1%

North-Central - East
IN, KY, MI, OH, TN

North Central - West
IA, IL, KS, MN, MO, ND, NE, SD, WI

Northeast
CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT, WV

Southeast
AL, DC, FL, GA, MS, NC, SC, VA

South Central
AR, LA, NM, OK, TX

West
AK, AZ, CA, CO, HI, ID, NV, OR, UT, WA, WY

PLANT SIZE

Plant Size (Number Of Employees)	2017 Spending	Change %
1-19	$1,145,361,430	+15%
20-49	$746,366,621	-9%
50-99	$862,858,771	-7%
100-249	$1,560,810,846	+6%
250+	$2,386,371,613	-7%
Grand Total	$6,701,769,282	-1

Industries*	2017 Spending	% Change
Job Shops	$2,210,024,253	+77%
Automotive	$804,264,149	-2%
Machinery	$590,770,587	-35%
Aerospace	$485,228,092	-23%
Primary Metals	$395,803,158	+210%
Forming/Fabricating	$332,120,102	-28%
Electronics	$235,888,216	-28%
Medical	$196,309,677	-21%
Non-Manufacturing	$195,726,474	+16%
Off-Road/Construction	$167,769,088	+66%
Other Manufacturing	$148,345,183	-53%
Pumps/Valves/Plumbing	$142,548,375	+17%
Ship Building	$142,085,897	+3,033%
Military	$132,378,322	+101%
Motors/Hydraulics/ Mechanicals	$105,849,687	-80%
Oil/Gas/Mining	$101,828,823	+47%
Grand Total	$6,386,940,083	+4%

*only industries with > $100 million in projected spending

Machine Type	2017 Spending	% Change
MACHINING CENTERS		
HMC-400-800 mm Pallet	$1,037,973,310	+123%
HMC-<400 mm Pallet	$215,775,182	-40%
HMC->800 mm Pallet	$316,504,247	+58%
VMC-<20 in. Y	$662,965,521	-2%
VMC->20 in. Y	$906,286,177	+8%
LATHES		
Lathe-<10 in. Chuck	$493,929,065	+7%
Lathe->10 in. Chuck	$425,610,423	+19%
Lathe-Manual	$26,394,177	-79%
Lathe-Vertical	$7,911,702	-76%
Multi-Spindle Cam	$12,388,069	-43%
Multi-Spindle CNC	$55,087,754	+121%
GRINDING		
Grinder, Centerless	$68,102,305	+42%
Grinder, Creep Feed	$33,084,103	+1,546
Grinder, Cylindrical	$67,282,283	-61%
Grinder-Flat/Surface	$137,221,742	+24%
Grinder-ID/OD	$66,403,590	-13%
Grinder-Internal	$39,863,254	+13%
Grinder-Other	$106,244,700	-52%
TURNING CENTERS		
TC-<10 in. Chuck	$99,221,972	+6%
TC->10 in. chuck	$53,249,421	-3%
TC-Vertical	$29,530,125	+130%
SCREW MACHINES		
Single-Spindle Cam	$109,230	-98%
Single-Spindle CNC	$20,116,553	+627%
Swiss-Type Automatic	$20,761,633	-38%
Swiss-Type CNC	$43,880,700	-63%
EDM		
EDM, Ram	$55,056,805	+75%
EDM, Small Hole	$7,627,978	+1%
EDM, Wire	$138,858,046	-1%
OTHER		
Boring Machines	$114,536,534	-9%
Broaches	$53,845,623	+61%
Drills	$546,264,947	+465%
Gearcutting	$101,857,091	-83%
Laser Cutters	$397,560,686	-52%
Rotary Transfers	$7,535,282	-88%
Saws	$155,867,125	-26%
Transfer/Special Purpose	$144,656,203	+53%
Waterjets	$32,205,723	+103%
Grand Total	$6,701,769,282	-1%

MACHINE TOOLS EXECUTIVE SUMMARY

Methodology

The Gardner Business Intelligence 2017 Capital Spending Survey for machine tools was sent to 28,000 subscribers of *Modern Machine Shop, Production Machining, Moldmaking Technology* and *Automotive Design & Production* magazines. Surveys were mailed in mid-July, and the survey period was closed in mid-August. Respondents were asked to answer detailed questions about their budgeted spending on machine tools, testing equipment, software and more. The responses are projected across the metalworking industry based on plant size. The survey has an error factor of +/- $1,000,000 at a 95% confidence level for the total machine tool spending projection.

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