

Machine Tools

The Newsletter of the Canadian Machine Tool Distributors' Association

Machine Tool Orders

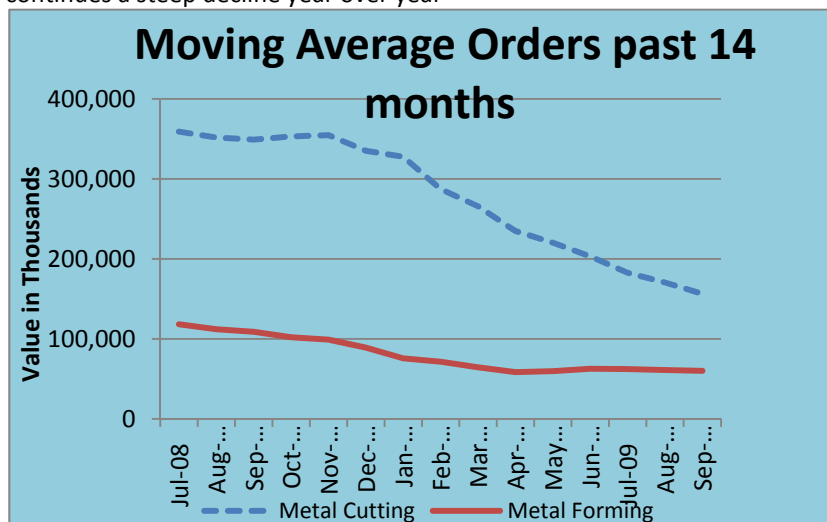
The recession takes hold



President's Message

John Manley
Machine Tool Systems Inc.

Machine tool orders have fallen dramatically in the first 9 months of the year when compared to the same period last year. CNC metal cutting is down by 65%, manual metal cutting down by 32%, CNC metal forming down by 45% and manual metal forming down by 30%. Metal forming machinery fared somewhat better than chip making and the moving average order chart shows orders for fabricating machinery relatively steady whilst metal cutting continues a steep decline year over year



Average order size for CNC metal cutting machines are, horizontal spindle lathes \$110,000, vertical spindle lathes \$208,000, multitasking lathes \$285,000, VMC < 40" \$98,000, VMC > 40" \$260,000, VMC with 5 or more axis \$332,000, HMC up to 4 axis 376,000, HMC more than 4 axis \$909,000, milling machines \$67,000, horizontal boring mills \$715,000, vertical boring mills \$1,090,000, EDM wire \$138,000, EDM sinker \$131,000, grinders \$113,000, CMM's \$129,000, saws \$31,000 and other machines \$203,000. The average order size for conventional machines was \$16,000.

Average order size for CNC metal forming machines are, press brakes \$129,000, shears \$57,000, turret punches \$535,000, single end punches \$1,070,000, profile cutting laser \$513,000, profile cutting plasma \$90,000, profile cutting water jet \$220,000, other lasers \$1,427,000, tube benders \$110,000, and other \$203,000. The average order size for conventional metal forming machines was \$13,000.

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2009 is coming to a close and will most likely be remembered as the most challenging year in the machine tool industry's history. CMTDA's sales statistics are reflective of a difficult year for everyone in the industry. Hopefully the worst is behind us and the strong have survived. Capital preservation is a term that seemed to bounce around a lot in the past year

There is no question that 2009 represented a year of dramatic change, including

- Obama supported a protectionist policy heavily impacting Canadian Manufacturers, particularly infrastructure which feed our domestic steel and concrete sectors.
- The Canadian dollar hovered close to par again impacting exports to our largest trading partner
- Lehman's Brothers downfall anniversary passed on September 14th
- The bankruptcy of GM and Chrysler
- Honeywell downgrades its forecast for business jet demand to a measured recovery in 2012
- DMG develops a cooperation with Mori Seiki of Japan

Thankfully the dramatic pace of change appears to be calming. In the end, the phenomenal level of thinning over the past 12 months was a wakeup call, as the previous decade had run out of control with unprecedented expansion. A correction was due.

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Presidents Message

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No one was willing to admit it. No one expected the magnitude or pace. Fortunately, it appears as though the pent up demand has finally caught up with the supply chain, yielding limited sector specific orders. The result appears to be a cautious optimism for increased machine tool orders in the near term.

Though we've all experienced some challenges, we have had positive developments for the CMTDA...

The CMTDA spring boat cruise was a great success with record numbers!

The Canadian Manufacturing Technology Show was substantially smaller than the past but the SME made great efforts to improve the experience with innovative engagements such as Linda Hasenfratz, Linamar's CEO, as the keynote speaker. CMTS 2011 will hopefully experience increased participation with continued innovations, but will require dramatically increased marketing to restore customer confidence in the show.

2009 has also been a year of very positive change for the CMTDA as we continue to focus on being a nationwide, value-added association for our membership. Some of our initiatives follow:

- The CMTDA statistics module has now been launched <http://www.cmtda.com/pagefiles/login.asp>;
- Historical records have also been added, allowing current and cumulative data by product and region to be displayed graphically. The displays are by units and dollars separately, with more features to follow, based upon CMTDA member requests;
- Going forward, our Board has unanimously voted to have our board reflect our coast to coast membership by requiring at least a single board member from Eastern and Western Canada.

Our goal is to have each of these members head up local chapters of the CMTDA that better reflect local issues back to our entire association. On this note we are pleased to welcome Paul Krainer from Thomas Skinner & Son Ltd. <http://www.thomasskinner.com> to our board;

- One of the many skills Paul will bring to the CMTDA is his historical and ongoing commitment to the Canadian Skills Competition. The CMTDA was a proud sponsor of both the Canadian Skills and World Skills Competitions in 2009;
- Lastly, we are committed to developing a technical seminar series across on a regional/industry specific basis for 2010. Our first event is tentatively scheduled for Q2, 2010.

As 2010 approaches, I look forward to an uptick in capital expenditures and perhaps we will all celebrate our survival of some very tough times.

As we enter year end and a well deserved holiday season, best wishes to you, your employees and families as well as our valued suppliers and clients.

Skills Canada Update

2009 was a busy year for Skills Canada, hosts of both the Canadian Skills Competition in Charlottetown, PEI and the World Skills Competition in Calgary, Alberta.

CMTDA was pleased to present cheques for \$300.00 each to the provincial winners who competed in the Charlottetown CNC machining competition as follows. Luke Moore, Alberta, Michael Kleywegt, British Columbia, Kim Fidler, Manitoba, Pierre-Luc Boudreau, New Brunswick, Corey Graves, Nova Scotia, Erik Rayoff, Ontario, Christian Richard, PEI and Benoit Gagnon-Cyr of Quebec. Luke Moore of Alberta placed first, Michael Kleywegt of BC placed second and Benoit Gagnon-Cyr from Quebec placed third.

The World Skills Competition in Alberta featured competitors from around the world and CMTDA was proud to award cheques in the amount of \$2,500.00 each to the Canadian representatives in the CNC turning and CNC milling competitions.



Karl Loos from Whitehorse, Yukon represented Canada in the CNC milling competition and placed 11th overall. Karl a student at Northern Alberta Institute of Technology in Edmonton is following in his father's footsteps, he owns a local machine shop in Whitehorse.



Guillaume Grenier from St. Lambert in Quebec represented Canada in the CNC turning competition and placed 9th overall, receiving a medal of excellence for achieving a score of over 500 points. Guillaume graduated from the Centre Professionnelle de L'envolee in numerical control and mould making. He currently works as a mould specialist.

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Skills Canada Update continued from page 2

Competing in the World Skills Competition can be likened to competing in the Olympics and requires dedication and countless hours of training to prepare for a gruelling three or four day competition. Peter Turton recently had the opportunity to hear a presentation by the gold medal winner in the cabinet making competition at this year's World Skills Event. In preparation for the competition he spent three days per week in training and for the final three months spent six days per week, 8-10 hours per day to hone his skills. He also travelled around Canada being tutored by some of the best cabinet makers in the country. He was lucky to have the support of Humber College where he is a student as well as other sponsors

2009 Annual General Meeting

The 67th Annual General Meeting of the CMTDA took place on November 19th at the Country Club in Woodbridge. Eighty five members and guests were registered for the event.

Speakers included Paul Krainer our newest board member from Western Canada, Rob Cattle the president of CTMA and Michael Thibedeau of The Canadian Wind Energy Association. Michael gave the members an interesting presentation on the status of wind energy in Canada and then discussed the various components that make up a modern wind turbine and the potential for manufacturers in Canada to participate in this growing industry.

On conclusion of the meeting there was a cocktail reception courtesy of Canadian Industrial Publishing and Canadian Metalworking Magazine which was followed by an excellent meal of beef tenderloin and salmon. We extend our thanks to the staff of the Country Club for their impeccable service.

CMTS 2009 Update

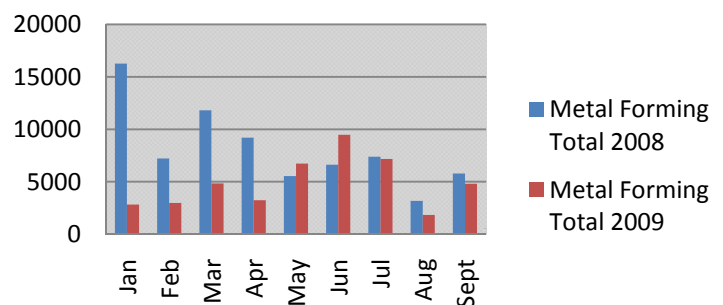
The CMTS show concluded on October 22nd 2009. While the show was smaller than in previous years it was relatively well attended with approximately 5800 registered visitors. There were 36 CMTDA members and associate members who exhibited. The general feeling was that while the numbers of visitors was down the quality of the people in attendance was good. Several companies reported receiving orders at the show. Linda Hasenfratz the CEO of Linamar was the keynote speaker at the show opening and gave an interesting presentation on how Linamar was coping with the global recession and preparing for the inevitable recovery. Linamar's traditional reliance on the automotive industry is being reduced as they diversify into green energy, materials handling and other markets.

Linda was upbeat about the future of the company and predicted that the automotive industry would recover in the next year or so but that the supplier base would be reduced as companies consolidate.

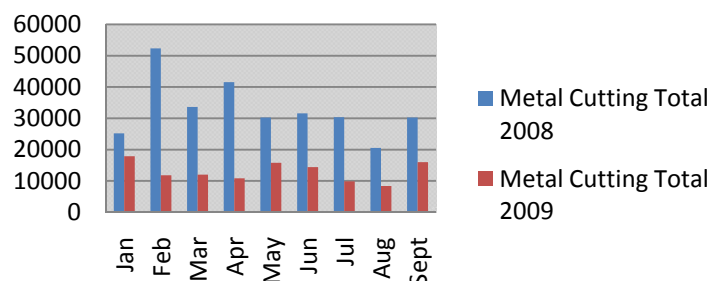
Finally she commented that machine tool distributors should not hold their collective breath waiting orders from Linamar any time soon

Machine Tool Orders

Metal Forming Totals - Year over Year 9
Month Comparison \$thousands



Metal Cutting Totals - Year Over Year 9
Month Comparison \$thousands



CMTDA Board of Directors

President.....John Manley, Machine Tool Systems Inc.
Past President.....Brian Donnelly, Ferro Technique Ltd.
Director..... Frank Haydar, Elliott-Matsuura Canada Inc.
Director..... Juergen Moeglich, MAG IAS Canada Inc.
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Director..... Bill Mara, Emec Machine Tools Inc.
Director..... Les Barsony, Single Source Technologies
Director..... Eike Huebner, DMG Canada Inc.
Director..... Paul Krainer, Thomas Skinner & Son Ltd.

The CMTDA's Purpose and Objectives

The Canadian Machine Tool Distributors Association was founded in 1942 as a trade association dedicated to the marketing of machine tools and services in Canada through distributorship companies.

Its aims are:

- To promote friendly business relations among its members.
- To provide means whereby challenges affecting the industry can be readily discussed and to co-operate, as a group, to further the interests of the industry by all desirable and lawful means.
- To stimulate growth in the use of machine tools
- To promote advances in machine tool technologies
- To assist clients in finding distributors to supply machine tools
- To collect and disseminate statistics on market capacity and other pertinent matters.
- To exchange information among members for the purpose of reducing distribution costs and eliminating waste and duplication of efforts.
- To enable the members, as a group, to discuss with the government, if need be, tariff concerns and other issues relating to machine tools.
- To promote and sponsor machining skills development for youth Canada-wide.

How To Join

Any individual, partnership, firm, company or corporation may be elected to membership in the CMTDA by an affirmative vote of not less than 2/3 majority of the current directors of the Corporation. A regular member is one which maintains an office or other recognized place of business, represents at least one recognized manufacturer of machine tools on an exclusive basis in a designated territory, carries its own accounts, is established and actively engaged in the distribution of machine tools in Canada for at least one year at the time of application, does at least 51% of its business in new machinery and provides monthly orders booked data in the format set out by the Corporation. Contact the CMTDA at 2102 Glenhampton Road, Oakville ON L6M 3X1. Phone 905-469-8561 or fax 905-469-9479.

CMTDA

600 Machine Tools
A.M.T. Machine Tools Ltd.
A.W. Miller Technical Sales Canada
Acme Saw Ltd.
Advanced Fabricating Machinery Inc.
Akhurst Machinery Ltd.
All Fabrication Machinery Ltd.
ATS Systems
Barer Engineering Co.
BLUM LMT Inc.
Cahmac International Machinery Inc.
Canadian Hardinge Machine Tools
Canadian Industrial Publishing
Canadian Measurement-Metrology Inc.
Canadian Metalworking Capital North Corporation
Chipblaster Inc.
CLE Leasing Enterprise Ltd.
CML Machinery Inc.
DMG Canada Inc.
Edge Production Supplies Ltd.
Elite Machinery Limited
Elliott Matsuura (Canada) Inc.
Ellison Machinery Company
EMEC Machine Tools Inc.
Empire Machinery & Tools Ltd.
Enable Capital Corporation
Fagor Automation Canada
Ferric Machinery
Ferro Technique Ltd.
Finn-Power Canada Ltd.
Forward Precision Tools and Machinery
Gross Machinery Group
Haco Canada Ltd.
Hartford Technology Ltd.
H.H. Roberts Machinery Ltd.
Hurco Companies
Huron Canada Inc.
Ian Jones Sales Ltd.
Industrial Machinery Exchange Inc.

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Iscar Tools Inc.
ITN Logistics Group
K&K Productivity Solutions
LaMarche Machinery Inc.
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MAG Canada
Mazak Corp. Canada
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SMTCL Canada Inc.
Spark & Co. Inc.
SparQuetec Inc.
Stan-Canada Inc.
Team Machine Tools Inc.
Thomas Skinner & Son Ltd.
Toshiba Machine Co. Canada Ltd.
TOS Trade Canada
Trumpf Canada
Ultra Machine Sales Ltd.
Upton & Sullivan Co.Ltd.
Westway Machinery Ltd.
William M. Brennan Co. (1978) Ltd.
Zoller Inc.



Canadian Machine Tool
Distributors' Association
www.cmtda.com