Bright Spots Appear Amid Economic Woes



By Katie Parrish, Editor-in-Chief

MATERIAL-HANDLING EQUIPMENT orders are predicted to grow 2 to 3.5 percent in 2010, according to the latest Material Handling Equipment Manufacturing (MHEM) forecast released in November by the Material Handling Industry of America (MHIA). The forecast, which is reported each quarter by MHIA, looks 12 to 18 months forward to anticipate changes in the material-handling and logistics marketplace.

No doubt about it, it has been a rough year. By year end, the MHEM reported material-handling equipment shipments are expected to have contracted 35 percent, and it is expected to contract another 5.5 percent in 2010. Domestic demand (shipments plus imports less exports) will contract about 35 percent in 2009, and it is expected to be down slightly in 2010. While exports are forecast to decline in 2009, they are expected to return to growth in 2010.

"We are in the middle of a contraction this year, but the worst appears to be over," said Hal Vandiver, MHIA executive vice president of business development. "The decline in new orders is now forecast to slow slightly in the last quarter of 2009 and hold the total year decline to 35 to 38 percent. We now believe that growth in the 2 to 3.5 percent range is possible in 2010."

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The return to normalcy will be slow coming, yet there have been some industry bright spots.

While this bit of information seems to be good news, the return to normalcy will be slow coming. Companies are still closing production facilities due to sharp drops in demand in material-handling equipment and low utilization rates, and workers continue to be laid off, albeit at a slower rate than the beginning of 2009.

But there have been some industry bright spots. Product offerings continue to keep pace with previous years. One recent example is R&M Materials Handling, Springfield, Ohio, has made its HoistMonitor option available on its RX and QX Quick Delivery offering. The HoistMonitor Select supervises and records key data that allows for efficient planning and scheduling of maintenance, inspections, and repairs. The data can be accessed from the Hoist-Monitor, which is located in the hoist electrical panel, or a keypad display in the pendant station with HoistMonitor Plus.

Overhead crane companies are also exploring business opportunities in emerging markets. North American Industries, Woburn, Mass., reported it has been selected by agro-industrial company Pantaleon S.A. to provide a new overhead crane system in Central America. The job requires components for a 40-ton double-girder bridge crane that can be used in the installation of a new turbine, as well as in support of an additional condensates turbine that will be put into production in the near future.

Last month I mentioned that small shipyards are receiving an influx of funds from the stimulus funds to make improvements; 70 grants totaling \$98 million will be used for the upgrades. Those shipyards receiving funds reported they will be spending more than \$34 million on new lifting equipment, including overhead cranes.

Finally, *Industrial Lift and Hoist* is learning of new companies entering the material-handling

industry. Elephant Lifting Products LLC, Gonzales, La., will have the Elephant product line, including manual chain hoists, electric chain hoists, and lever hoists and the Grippa line of clamps and trolleys in stock by mid-December. Several

of its product offerings will be unique to the U.S. market, including KIIOP chain hoist with standard overload protection, the C21 chain hoist for the power plant industry, and the Y-III Series lever hoists with overload protection.

The economic downturn will eventually pass, and when it does, companies will emerge leaner and stronger than before. Until then, we can look to the industry's predicted growth in 2010 and today's few bright areas to pull us through.

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