

A PAUSE THAT Refreshes?

When you go to IMTS, you expect to see hoopla. The mass of machines and bodies gathered in one place should create an unmistakable level of energy and enthusiasm. IMTS 2000 seemed uncharacteristically quiet . . .

. . . In fact, it seemed to me that many of the exhibitors were just going through the motions. Sure, they shined up their best machines. They put on their show faces and wore their show suits. They had fresh brochures, new signs and impressive displays. Superficially, it was the same as any other IMTS. But as I walked around the Gear Pavilion and spoke with the exhibitors, it became clear that something was missing.

For the exhibitors, that something was the throng of buyers who usually come to IMTS. Many of these exhibitors spend hundreds of thousands of dollars to be at IMTS, and if they're not making sales, or at least generating good leads, it's easy to see why their level of enthusiasm might be down. Many gamely said that although the numbers were down, the quality of attendees was high. They put their best spin on the situation, but you could read in their faces how they really felt.

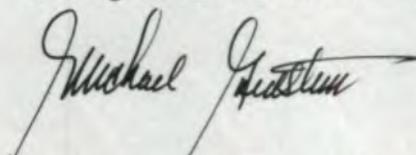
The scenario at IMTS is currently being played out at the national level. Industry in America seems to be in pause mode, as if we're taking a collective breath, waiting to see what's around the corner. A brief pause is typical around IMTS time, as manufacturers scale back their spending to see what technologies will be introduced at the show. The uncertainty in the world economy isn't helping, either. Although the U.S. economy seems to be continuing its steady growth, the strong U.S. Dollar is probably hurting overseas sales and contributing to dropping import prices. Add to these factors the political uncertainties of this big election year and you can begin to understand the lack of excitement at IMTS.

Well, IMTS is over, and soon the presidential election will be too. From what I've been hearing and reading lately, the economy may be ready for a new round of capital spending that should help boost the gear industry and the manufacturing sector in general.

For example, economist Dr. Mike Bradley, whose column is featured in the AGMA News Digest, recently wrote that we may have reason to be positive about the outlook for the gear industry in 2001. According to Bradley, the overall economy saw a shift from consumer spending to capital goods spending in the first half of the year, with capital goods spending increasing in each of the months from March through June. This growth in capital goods spending, although slim, came at a time when the Federal Reserve was inching up interest rates. If the manufacturing sector can continue to withstand these increases, and if recent data on industrial production are any indication, the gear industry could see a positive 2001, Bradley says.

I, for one, am not going to worry about what I saw at IMTS. Even though the show lacked its usual energy and enthusiasm, there's no reason to panic. Like the rest of the manufacturing sector, we've got to wait and see what happens next. With any luck, some of the indicators we're seeing now will gain momentum and make 2001 a very strong year for the gear industry.

Who knows? By the time Gear Expo rolls around next October, we may even see smiles returning to the faces of the machine tool vendors.



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