



PRECISION ENGINEERING

MARKET CONDITIONS SURVEY: RESULTS

Q3 2015

Columbia Metals has completed its first survey of market conditions in the UK precision engineering sector. The survey has revealed that precision engineering companies expect sales turnover to **increase** in the next 12 months despite an **increasingly competitive** market environment. Levels of investment and full-time staff numbers are expected to remain **broadly unchanged**.

In summary, over the next 12 months:

- Only 18% of companies expect sales to fall
- 65% believe the market will become more competitive
- 60% of companies are unlikely to change current levels of investment expenditure

“The declines in the oil price and copper price since the start of this year have unsettled the industry and have had a negative impact on demand”, says David Stephenson, Managing Director of Columbia Metals. “However, despite some serious concerns over the severity of current market conditions, the majority of precision engineers still expect business volumes to remain stable or increase. This is testament to the resilience and diversification of the sector.”

The full results of the survey are shown overleaf.

About Columbia Metals

Columbia Metals (www.columbiametals.com) is a leading stockholder of copper and nickel alloys, stainless steel and titanium, supplying precision manufacturers in a wide range of industries. The company stocks almost 100 alloy grades in round bar, hexagon, sheet, plate, tube and square and offers immediate delivery worldwide from its three warehouses in the UK.

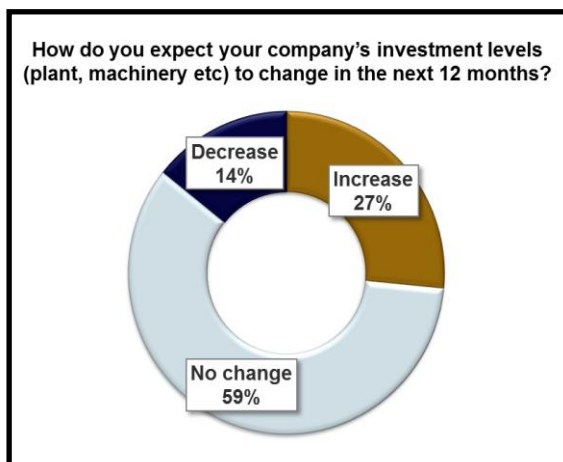
About this survey

Columbia Metals contacted precision engineering companies in September 2015 with a survey on current market conditions in the sector. Participants in the survey were principally precision engineering machinists in the aerospace, defence, marine, motorsport and oil & gas industries.

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Participants' Comments

"The current oil price is the influencing factor within our business. Until the oil price begins to climb investment in the future will be unsettled."

"[The current market environment is the] worst in 20 years."

"[The] current market for engineering shops traditionally serving the oil and gas industry has seen the biggest decline in the last 15 years or more. The closure of local power stations has not helped matters and as a company we are having to take general engineering work rather than precision work at a much reduced hourly rate."

"Currently the engineering market is dead on its feet."

"The government needs to offer manufacturing businesses tax and employment incentives for there to be any sort of sustainable future."

"Our bank... has been unhelpful, taking advantage of low interest money from government, and failed to lend it to small and medium enterprises [as] it was intended."

"[We] expect... increase in volume late 2016."