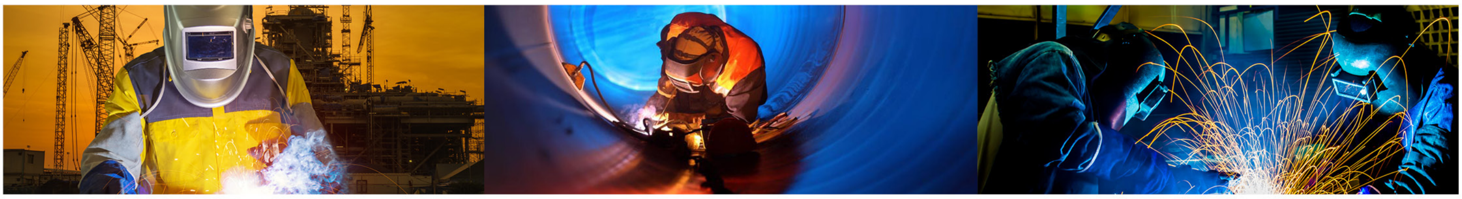

WeldingWorld

Order books remained weak as decade closed

A survey of 289 manufacturers found that total order books remained weak, while export order books worsened compared to November. Both total and export order books remain below their long-run averages.

Output volumes in the three months to December fell at the quickest rate since the financial crisis (Sep 2009), with output expanding in only six out of 17 sub-sectors.

The headline fall in output was primarily driven by the motor vehicles sub-sector, chiming with the recent weakness in the global car sales. Meanwhile, the main positive contributor to output volumes was the electronic engineering sub-sector, alongside a boost from aerospace output.

Looking ahead, firms anticipate that output volumes will fall at a slower pace in the first quarter of 2020.

Manufacturers reported that stocks of finished goods rose further above “adequate” levels from November.

Additionally, firms expect output prices to pick up somewhat in the next three months.

Key findings

- 13% of manufacturers reported total orders books to be above normal while 41% reported as below normal, giving a balance of (-28%). This remains below the long-run average (-13%)
- 7% of firms said their export order books were above normal while 42% said they were below normal, giving a balance of -35%, remaining below their long-run average (-17%).
- 23% of businesses said that the volume of the output over the past three months was up, while 39% said it was down, giving a balance of -16% - the lowest balance since September 2009 (-19%).
- Manufacturers anticipate that output volumes will fall at a slower pace in the three months to March (-7%).
- Average selling prices for the coming three months (+6%) are expected to pick-up somewhat.
- 29% of firms said their present stocks of finished goods were more than adequate, whilst 5% said they were less than adequate, giving a balance of +24% - above the long-run average of +13%.