PTDA’s Industry Research Reports Decline in Late 2019; Forecast Growth to Return in Late 2020

Chicago, Ill.—March 16, 2020—The fourth quarter 2019 Sales History & Outlook Report (SHOR) released by the Power Transmission Distributors Association (PTDA) indicates the PTDA Total Sales Index declined in late 2019 for both distributors and manufacturers. However, the year as a whole came in 1.7% higher than 2018 for PTDA manufacturers and 1.2% higher for PTDA distributors. Trends in broad measures of the US economy, such as US Wholesale Trade of Durable Goods and US Nondefense Capital Goods New Orders (excluding aircraft), suggest that decline in the PTDA Total Sales Index is driven by trends in the US macroeconomy. Leading indicators suggest business cycle rise in the industrial sector will begin during the second half of the year. The forecasts indicate that 2021 is expected to be a stronger year than 2020 or 2022.

The 4Q2019 PTDA Business Index came in below 50.0, indicating that more respondents reported lower activity in the fourth quarter of 2019 relative to the third quarter. The below-50.0 PTDA Business Index reading is consistent with the ISM’s U.S. Purchasing Managers Index (PMI) being below 50 for the same time period. The overall trend indicates business cycle decline ahead for PTDA member sales.

PTDA members participating in SHOR receive the results and forecasts through 2022 at no charge after the close of the calendar quarter. For more specifics on the forecast for power transmission/motion control sales through distribution as well as forecasts for manufacturer sales, purchase the 4Q2019 SHOR at ptda.org/SHOR.

The PTDA Business Index is modeled after the widely respected PMI and tracks change in business activity, new orders, employment, supplier deliveries, inventories, prices and backlog in the PT/MC industry to arrive at an overall index. The entire 4Q2019 PTDA Business Index report is available through PTDA’s website at ptda.org/Index.

The Power Transmission Distributors Association is the leading global association for the industrial power transmission/motion control (PT/MC) distribution channel. Headquartered in Chicago, PTDA represents power transmission/motion control distribution firms that generate more than $16 billion in sales and span over 2,700 locations. PTDA members also include manufacturers that supply the PT/MC industry.

PTDA is dedicated to providing exceptional networking, targeted education, relevant information and leading-edge business tools to help distributors and manufacturers meet marketplace demands competitively and profitably. For more information, call +1.312.516.2100, visit ptda.org or follow on LinkedIn or Twitter at @PTDAorg.

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