



American Gear Manufacturers Association



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Strong outlook for gear market recovery in 2021, 2022

With recent administration changes, trade/tariff regulations, unpredictable tax laws, and the slow return from the COVID-19 pandemic, many of our members and companies in the power transmission industry are cautious about their budgets. It is difficult to predict what will happen the remainder of this year and next, but through the extensive research from our Gear Market Report and the numbers presented by our experts at IHS Markit (Scott Hazelton, director, U.S. Industry Consulting; John Mothersole, director, Pricing and Purchasing; and Tom Runiewicz, associate director, U.S. Industry Economics), the gear industry has a potentially bright recovery.

THE U.S. ECONOMY: THE GOOD

Pandemic relief measures of 2020 that included the recent \$1.9 trillion American Recovery Plan (ARP), stimulus checks, unemployment programs, unrestricted aid to local governments, and numerous tax credits for pandemic-affected industries have influenced the ability for consumers to spend. Couple that with higher vaccination rates, increase in home values, the rise in GDP, and crude oil prices for the U.S., it is likely that we will see a good start to recovery in this second quarter.

THINGS TO WATCH

The forecast that Gear Market Report holders received did not yet incorporate the American Jobs Plan, which proposes to spend \$2.2 trillion on infrastructure and social spending paid for more than 15 years by higher corporate taxes. In addition, higher personal taxes will be seen over time to compensate for the generous relief programs.

Commodity prices are also rising and, as you might already see in the news, inflation of goods will be unavoidable this summer. This is a true demonstration of the supply-chain bottleneck many of our gear manufacturers and suppliers are experiencing firsthand. Although this does provide a predicament for pricing, most industries are expected to meet demand efficiently.

HOW AGMA CAN HELP

Firstly, this article just shared a small glimpse into the vast information the Gear Market Report offers. It is the only report specifically researched for the gear industry and gives a great overview of what to

expect each quarter for your business. Not only does it break down the different sectors, but it gives an incredible overview of how the current U.S. economy standings will affect your bottom line. It prepares our members to look ahead, and that is what AGMA is there for — to be the periscope for the power transmission industry. Visit: www.agma.org for information on how to sign up to receive this quarterly report.

Secondly, we are one of the few B2B industry tradeshowshs happening this year, and we are doing it in person. The Motion + Power

AGMA US Gear Outlook, April 2021

Other key US indicators

Key indicators	2020	2021	2022	2023
Industrial production	-6.7	6.5	4.4	2.2
Payroll employment	-5.7	3.1	3.1	1.5
Consumer Price Index	1.2	2.4	1.5	1.8
Core CPI	1.7	1.7	2.0	2.2
Brent crude oil price (USD/barrel)	41.8	65.9	63.5	61.7
Federal funds rate (%)	0.38	0.07	0.08	0.10
10-year Treasury yield (%)	0.89	1.64	1.92	2.02

Source: IHS Markit

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AGMA US Gear Outlook, April 2021

Commodity prices creating cost pressures in supply chains



Source: IHS Markit

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Why the surge?

- On the demand-side:
 - Strong growth in mainland China
 - Generous government stimulus
 - Weaker US\$
 - Vaccine optimism
- On the supply-side:
 - Disruptions and bottlenecks in supply chains

Technology Expo is September 14-16 in St. Louis, Missouri. The numbers show the demand is there — now all you have to do is meet your customers face-to-face and show them your products. Do not miss out on this unique timing for getting your sales team on the show floor to capitalize on the growing need for machines and supplies. Whether you are a buyer or an exhibitor, we have the space for you. Visit: motionpowerexpo.com to become and exhibitor or attendee.

Upcoming Education



Steels for Gear Applications

June 29-30, 2021*

Gain a basic understanding of steel and its properties. Learn to make use of steel properties in an application and understand the potential that different steel and heat treatment options can offer. Explore how performance of the material depends on how the steel is produced.

This course is IACET accredited and worth 0.6 CEUs.

*Deadline to sign up is June 22, 2021.

Fundamentals of Gear Design & Analysis (In Person)

July 20-22, 2021*

Gain a solid and fundamental understanding of gear geometry, types and arrangements, and design principles. Starting with the basic definitions of gears, conjugate motion, and the Laws of Gearing, learn the tools needed to understand the inter-relation and coordinated

motion operating within gear pairs and multi-gear trains. Basic gear system design process and gear measurement and inspection techniques also will be explained.

This course is IACET accredited and worth 1.7 CEUs.

*This course is taught at Ranken Technical College. A shuttle bus is available each day to transport students to and from the hotel. Class will be 8 a.m.-5 p.m. each day.

Upcoming Webinars

Harness the Power of Machine Data

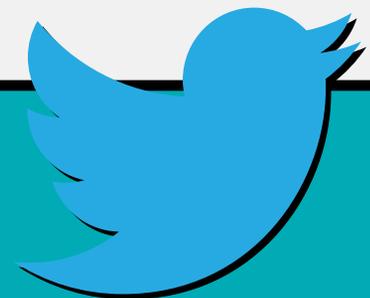
July 7, 2021 | 1-2 p.m.

AGMA Members: Free / Non-member: \$29

It is estimated that 60 percent of global manufacturing companies will use connected device data for analysis this year. Data is transfor-



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mative. Understanding all the various factors that can be measured on your machine tools can help you drive profitability. Just think, if you knew your real down-time, what actions would you take? How can you drive optimization? Graham understands this space and will provide you with case studies and tools that will help you better understand and use your data more effectively.

When Discussing Electric Vehicles You Must Talk About the Consumers

August 4, 2021 | 1-2 p.m.

AGMA Members: Free / Non-member: \$29

We continue to discuss the paradigm shift in automotive manufacturing. The future is uncertain. In order to have a comprehensive picture, one must include the consumers. Escalent's EVForward™

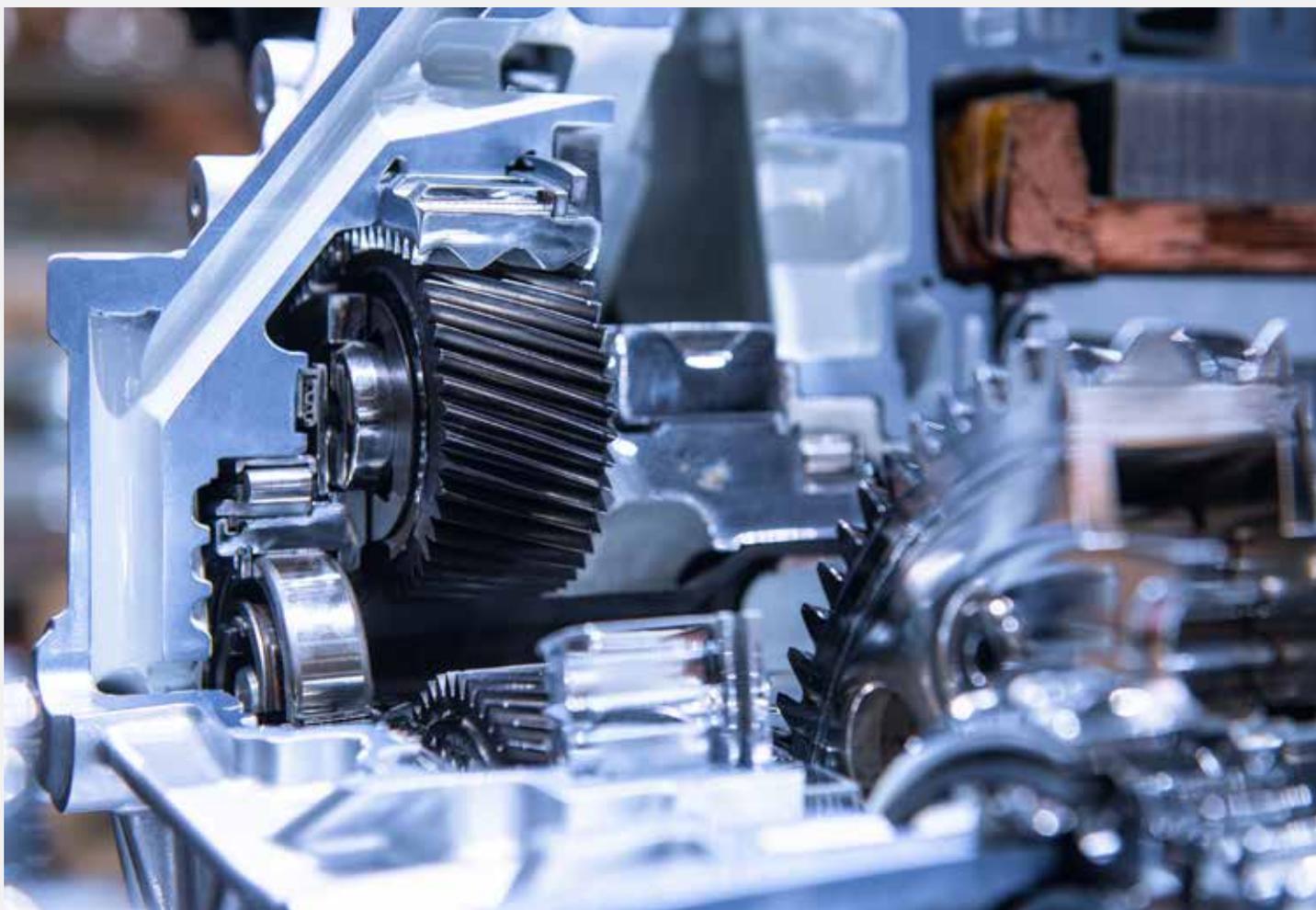
is the largest EV study of the next generation of EV buyers. Mike Dovorany and his team talked with 10,000 new vehicle buyers. Come and listen to what they discovered from this research as we work to move forward in this space.

AGMA's Emerging Technology Efforts – What's Next?

September 1, 2021 | 1-2 p.m.

AGMA Members: Free / Non-member: \$29

The goal of the AGMA Emerging Technology committees is to Identify, investigate, and inform AGMA members of Emerging Technologies that may disrupt or significantly affect the power transmission industry. As we enter our fourth year of work in this space, join us for an overview of what we have accomplished and a roadmap of where we hope to go next.



AGMA has over 1,000 Twitter followers! Join the conversation @agma

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CALENDAR OF EVENTS

Whether you're looking for technical education, networking opportunities, or a way for your voice to be heard in the standards process, AGMA has something to offer you. If you would like more information on any of the following events, visit www.agma.org or send an email to events@agma.org.

JUNE

- June 18 — 3D Printing Committee Meeting — [WebEx](#)
- June 24 — Wormgear Committee Meeting — [WebEx](#)
- June 29 — Lubrication Committee Meeting — [WebEx](#)
- June 29 — Robotics & Automation Committee Meeting — [WebEx](#)
- June 29-30 — Steels Course — [WebEx](#)

JULY

- July 1 — Market Intelligence Committee Meeting — [WebEx](#)
- July 7 — Emerging Technology Webinar — [Zoom](#)
- July 13 — Metallurgy & Materials Committee — [WebEx](#)
- July 14 — Powder Metal Committee Meeting — [WebEx](#)
- July 15 — Nomenclature Committee Meeting — [WebEx](#)
- July 20 — Fundamentals of Gear Design & Analysis Course — [St. Louis, Missouri](#)
- July 29 — Gear Accuracy Committee — [WebEx](#)

AUGUST

- August 4 — Lubrication Committee Meeting — [WebEx](#)
- August 10-11 — Basic Gear Inspection for Operators Course — [Chicago, Illinois](#)
- August 12 — Plastics Committee Meeting — [WebEx](#)
- August 17 — AGMA Board of Directors Meeting — [Alexandria, Virginia](#)



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