

# *Manufacturing Barometer*

Business outlook report  
October 2014

**Special topic:**

*Triggers to growth*



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# *Quarterly highlights*





### ***Optimism about the US and world economy's prospects mixed***

Optimism about the US economy's 12-month prospects among the industrial manufacturing panel was moderately high, but off 8 points from the prior quarter to 57 percent, and also a bit lower than a year ago (60 percent). Panelists selling internationally were notably less sanguine about the world economy's 12-month prospects, off another 8 points to 30 percent—a year ago, it was 10 points higher, at 40 percent. And own-company international sales did not quite retain their momentum. In 3Q 2014, a high percentage believe the US economy was growing (78 percent), while less than one-in-four believe the world economy was growing (23 percent).

### ***Own company revenue growth shows solid continuity***

A 5.6 percent pace for own company revenue growth over the next 12 months is planned by industrial manufacturers. This is above the prior quarter's 5.2 percent and notably higher than a year ago (4.2 percent). Looking ahead, 86 percent expect positive revenue growth, up 9 points quarter-to-quarter, and only 6 percent forecast either zero or negative growth. In the face of international "uncertainties," own company international sales did not quite maintain the upbeat pace, continuing with a 30 percent prospective revenue contribution, off 2 points, among those selling abroad. Note that the calendar year 2014 pace of own-company revenue was notably below 12-month forecasts— 4.6 percent versus 5.6 percent, a point lower.

### ***International sales show a slight drop in contribution***

In 3Q 2014, those selling abroad reported a slight increase in international sales: 15 percent higher and 7 percent lower for a net 8 percent increasers. Most — 78 percent — stayed the same. However, a slight drop in contributions to total revenues is anticipated over the next 12 months, dipping from 32 percent to 30 percent— the same level it was a year ago, when optimism toward the world economy was at a similar level (57 percent versus 60 percent a year ago).

### ***New hiring plans are up slightly***

New hiring plans were up slightly quarter-to-quarter. Fifty-two percent are planning net additions to their workforces over the next 12 months (up 4 points), while 9 percent are planning net reductions (up 2 points). The remaining 39 percent will stay about the same. Overall, a net 0.4 percent increase is planned for the next 12 months, similar to the past 3 quarters. However, some additional workforce growth (not reflected here) is indicated through acquisition.

### ***But... CapEx spending pullback indicated***

CapEx spending plans were disappointing after last quarter's bullish expectations. Fewer now plan major new investments of capital: 36 percent, down 16 points from the prior quarter's recent high of 52 percent, and off 12 points from last year's 48 percent. Levels of spending remained reasonably high, at 5.7 percent of sales. Operational spending increases remained strong, cited by 69 percent (off 6 points). New product or service introductions continued to lead the way at 43 percent, followed by R&D (36 percent), IT (29 percent), and geographic expansion (19 percent). Planned M&A activity drifted lower, off 12 points to 26 percent from its prior quarter recent high of 38 percent; but a year ago, it was a lower 22 percent. On the debit side, there are more net new closings and reduced facilities abroad than those expanding — 12 percent and 9 percent, respectively.

### ***Headwinds to potential growth continue***

On the barrier to growth side, legislative/regulatory pressures lead the way, up another 12 points to 59 percent. Concern about lack of demand over the next 12 months remained in second place, cited by 43 percent. Rising headwinds this quarter were taxation policies (31 percent) and, at a much lower level, higher interest rates (14 percent). Concern about oil/energy prices was off 6 points to 22 percent. Lack of qualified workers remains about the same, at 26 percent.

### ***Gross margins higher; concern about profitability lower***

Gross margins in 3Q2014 were higher, as both costs and prices remained at consistent, moderately high levels. Concern about profitability over the next 12 months was lower, off 5 points to 22 percent — yet above the low of 15 percent from a year ago.

A quarter-over-quarter comparison of key indicators shows the business outlook for the next 12 months and how the views of the panel have changed each quarter (see chart 1.1). The pages that follow provide a detailed look at each question for the past five quarterly surveys.



### Important triggers to own-company growth

Clearly, the top own-company potential trigger to increased investment and growth over the next year or two was found to be **lower costs of raw materials**, cited by 51 percent as major. Overall, 70 percent view it as either a major or moderate growth trigger.

The second most important trigger to growth is **new products or service innovations**, cited by 43 percent as major, and 60 percent as either a major or moderate growth trigger.

**Market expansion in the US and fewer government regulations in industry** were cited as major growth triggers by one-in-four of industrial manufacturers (26 percent each), with two-thirds citing each as major or moderate growth triggers (68 percent and 64 percent).

**Increased availability of capital to middle-sized businesses** also came through well as a growth trigger, cited by 25 percent as major, although its overall level was cited by less than a majority (47 percent).

Of the two healthcare impacts tested, **fewer healthcare regulations** came through as the stronger growth trigger than **healthcare costs lower or stabilized** – cited as major by 23 percent and 11 percent, respectively (overall, by 51 percent and 45 percent, respectively).

**Market expansion abroad** was cited as a major growth trigger by 19 percent, and 49 percent viewed it as a major or moderate growth trigger.

Rounding out the top ten growth triggers were **costs of energy reduced** (13 percent major, 45 percent overall); and **strategic alliances or joint ventures** (11 percent major, 43 percent overall).

### Major triggers to US economic growth

Thinking about the US economy as a whole, the number one trigger to greater demand and growth of the US economy over the next year or two would be a **US manufacturing resurgence** (including 3D design, robotics, etc.), cited by 59 percent as a major trigger. Overall, 83 percent viewed it as either a major or moderate trigger to US economic growth.

Greater **CapEx spending among public and private businesses** was next, along with **revival of the US housing market**, cited by 49 percent and 47 percent respectively, as major US economic triggers. Overall, 79 percent and 89 percent viewed these as either major or moderate triggers.

Also rated as strong growth triggers for the US economy were **increased middle-class income, spending, and new hiring**, and **reduced uncertainty about global markets (China, India, Western Europe)**, cited by 47 percent and 43 percent as major triggers. Overall, 89 percent cited the former either major or moderate growth triggers, as did 79 percent for reduced global uncertainty.

**Less government regulation in industry** was cited as a major growth trigger by 43 percent, along with **lower healthcare costs/fewer regulations**, 40 percent. Overall, 81 percent and 78 percent cited these areas as either major or moderate growth triggers.

Rounding out the top ten were **infrastructure spending by government and industry** (34 percent major, 81 percent overall); **stabilization of international “troublespots”** (26 percent major, 62 percent overall); **increased development of all forms of US energy, including pipelines** (28 percent major, 77 percent overall); and **taxation: lower corporate taxes** (26 percent major, 59 percent overall).



**Chart 1.1 Key indicators for the business outlook**

A quarter-over-quarter comparison of the survey's key indicators shows how the 12-month outlook has changed each quarter. The change column indicates the movement of opinion of those surveyed over the past two quarters.

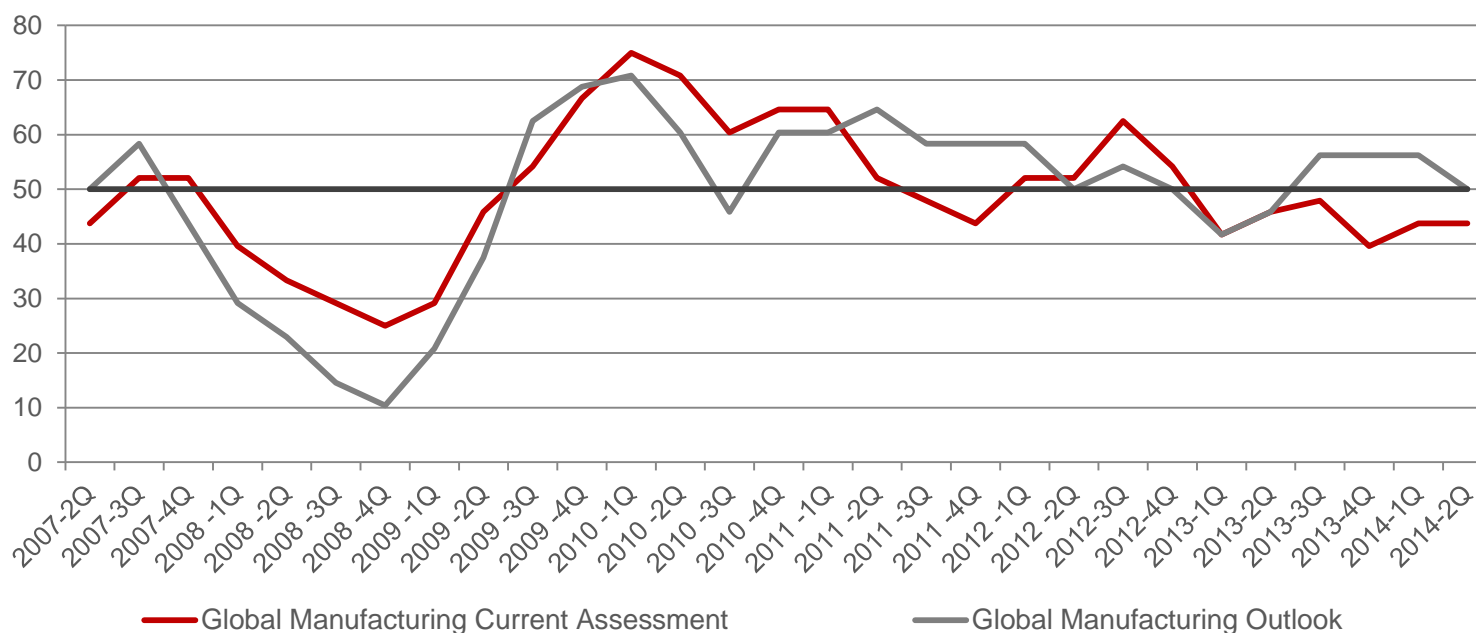
## Business outlook, next 12 months among industrial manufacturers

	2013		2014		Change		Page
	3Q '13	4Q '13	1Q '14	2Q '14	3Q '14	2Q'14–3Q'14	
Optimistic about US economy	60%	68%	71%	65%	57%	↓	8
Optimistic about world economy	40%	47%	41%	38%	30%	↓	9
Expect positive revenue growth	82%	85%	82%	77%	86%	↑	17
Average growth rate expected	4.2%	5.4%	5.3%	5.2%	5.6%	↑	17
Planning major new investments	48%	43%	39%	52%	36%	↓	19
New investments as a % of sales	6.5%	4.8%	5.4%	5.7%	5.7%	=	19
Planning to hire	58%	60%	56%	48%	52%	↑	18
New workers as a % of workforce (net)	0.7%	0.5%	0.4%	0.5%	0.4%	=	18
Expected barriers to growth:							
• Legislative/regulatory pressures	58%	47%	38%	47%	59%	↑	20
• Lack of demand	45%	42%	44%	42%	43%	=	20
• Taxation policies	22%	22%	23%	25%	31%	↑	20
• Lack of qualified workers	22%	20%	28%	25%	26%	=	20
• Oil/energy prices	28%	25%	26%	28%	22%	↓	20
• Decreasing profitability	15%	20%	28%	27%	22%	↓	20
• Competition from foreign markets	32%	27%	25%	28%	21%	↓	20
• Capital constraints	20%	17%	28%	17%	16%	=	20
• Monetary exchange rate	13%	12%	18%	15%	14%	=	20
• Higher interest rates	13%	5%	8%	3%	14%	↑	20
• Pressure for increased wages	8%	10%	12%	7%	7%	=	20



The manufacturing current assessment index stayed in-line with second quarter results, while the manufacturing outlook index declined slightly. As both indices are calculated using a four-quarter moving average, these results can be partially explained by the strong third quarter 2013 *Barometer* results that were included in the second, but not third, quarter 2014 indices.

Besides this methodological driver, executives continued their relative optimism toward the US economy during this quarter. The spread of executives who believe that the US economy is growing (over those who believe the global economy is growing) reached a new high. In fact, more than three times more respondents believe that the US economy grew during the most recent quarter than believe the world economy grew. In addition, the percentages of respondents who are optimistic about the US economy over the next 12 months were almost double those who were optimistic over the global economy.





Most outlook index constituents weakened this quarter, though both the percentage expecting positive revenue growth and the percentage planning to add new workers increased. This may be related to recent strength in pricing and margins, as more companies believe that they can profitably absorb these additional costs. However, while pricing and margins have improved recently, they are basically in-line with post-recession averages. We also note that capital and operational spending plans are both down and remain below longer-term historical averages.

So if manufacturers are relatively optimistic about the US economy, why haven't they increased hiring or investment in a sustained way? Global economic risks appear to be one reason, as judged by the differences in sentiment toward the US and global economies. However, another answer may lie outside of the survey responses that make up these two indices. Other data from this quarter's *Barometer* report indicate that more executives are seeing legislative/regulatory pressures and taxation policies as barriers to growth. There is some tendency for concern over these issues to grow prior to domestic elections, as these events introduce some uncertainty into future legislative and regulatory efforts. Given this historical tendency, it seems likely that moving past the November US elections could help give executives the increased confidence needed to boost spending.

### ***Background/methodology***

PwC has surveyed global manufacturing executives since 2003 with the results published in our *Manufacturing Barometer* publication. The responses to these survey questions have been used to measure the sentiment of manufacturers by creating current assessment and outlook indices. The Global Manufacturing Current Assessment Index measures current trends in pricing, margins, employment, and capital expenditures, while the Global Manufacturing Outlook Index measures expectations for revenue, employment, operational spending, and capital expenditures. These results are calculated as a four-quarter moving average of diffusion indices which measure the degree to which their equal-weighted components move in the same direction at the same time. The indices are scaled between 1 and 100 with above 50 indicating more positive sentiment and below 50 indicating more negative sentiment.



# *Economic views*



## View of the US economy, this quarter



## View of the US economy, next 12 months

### Which best describes your view of the US economy this quarter?

In third-quarter 2014, 78 percent of US industrial manufacturers surveyed believed the US economy was growing, up 10 points from the prior quarter's 68 percent. Two percent believed it was declining, and 20 percent saw no change from second-quarter 2014.

### Looking at the next 12 months, how do you feel about the prospects for the US economy?

Looking ahead, 57 percent of respondents expressed optimism about the 12-month outlook for the US economy, off 8 points from the prior quarter's 65 percent. Seven percent were pessimistic (up 7 points), while 36 percent were uncertain. A year ago, 60 percent were optimistic (3 points higher).

Chart 2.1 View of the US economy, this quarter

Industrial manufacturers

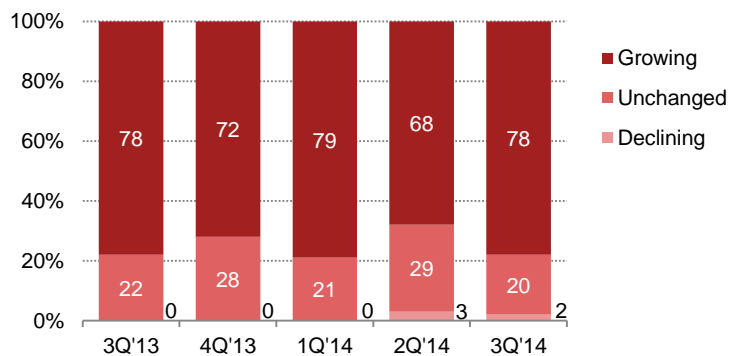
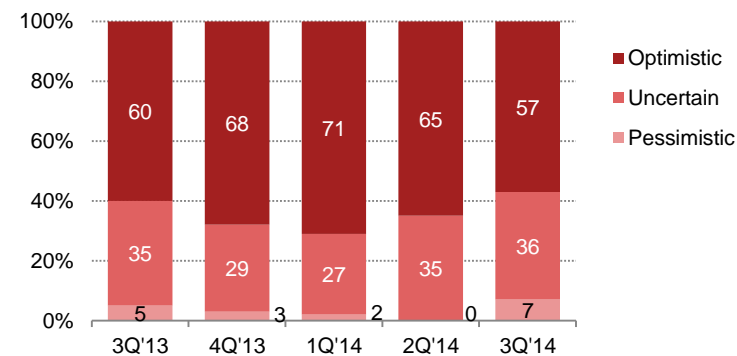


Chart 2.2 View of the US economy, next 12 months

Industrial manufacturers



Note: In 3Q 2014 total respondents = 58

## View of the world economy, this quarter



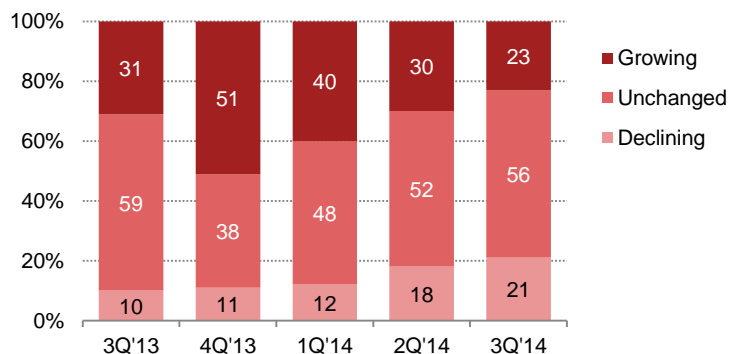
## View of the world economy, next 12 months

### Which best describes your view of the world economy this quarter (international marketers only)?

In third-quarter 2014, 23 percent of the panelists marketing abroad viewed the world economy as growing, a decrease of 7 points from the prior quarter's 30 percent. Twenty-one percent believed it was declining (up 3 points from the prior quarter). Fifty-six percent said they saw no change.

Chart 2.3 View of the world economy, this quarter

Industrial manufacturers

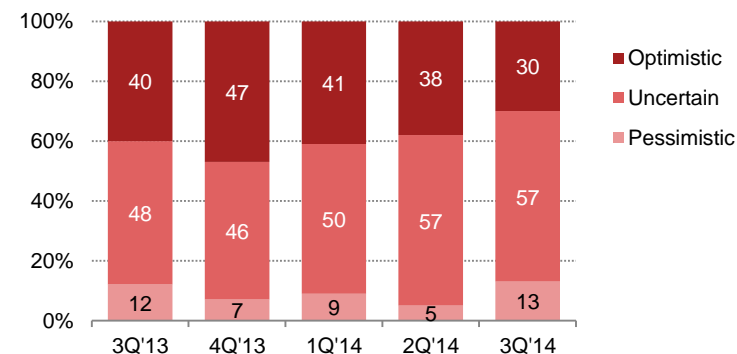


### Looking at the next 12 months, how do you feel about the prospects for the world economy (international marketers only)?

Looking ahead, 30 percent of US-based industrial manufacturers who market abroad are optimistic about the prospects for the world economy over the next 12 months, off 8 points from the prior quarter's 38 percent. Thirteen percent are pessimistic (up 8 points), while 57 percent are uncertain. A year ago, 40 percent were optimistic, 10 points higher.

Chart 2.4 View of the world economy, next 12 months

Industrial manufacturers



Note: In 3Q 2014 those marketing abroad = 53

# *Company performance*



## Company revenue growth, calendar year



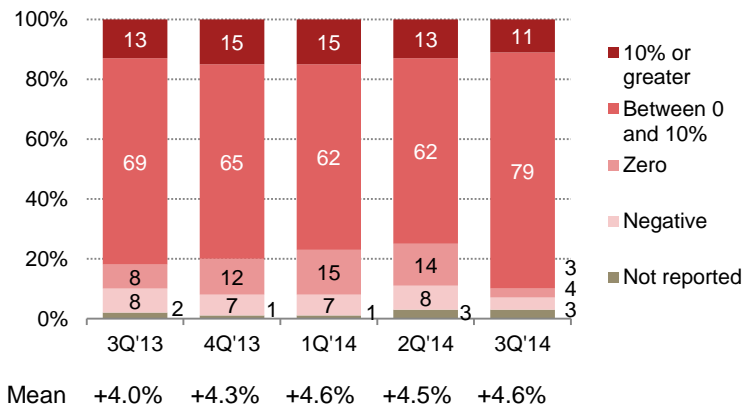
## Industry growth, calendar year

### What is your company's estimated revenue growth rate for the calendar year?

The composite average growth estimate for own-company revenue in the calendar year 2014 was at 4.6 percent, similar to the 4.5 percent in the second quarter for calendar year 2014. Ninety percent of respondents said they expect positive own-company growth, with 11 percent expecting double-digit growth and 79 percent single-digit growth. Four percent were on the negative side, while 3 percent expected zero growth, and 3 percent were not reported.

Chart 3.1 Company revenue growth, calendar year

Industrial manufacturers

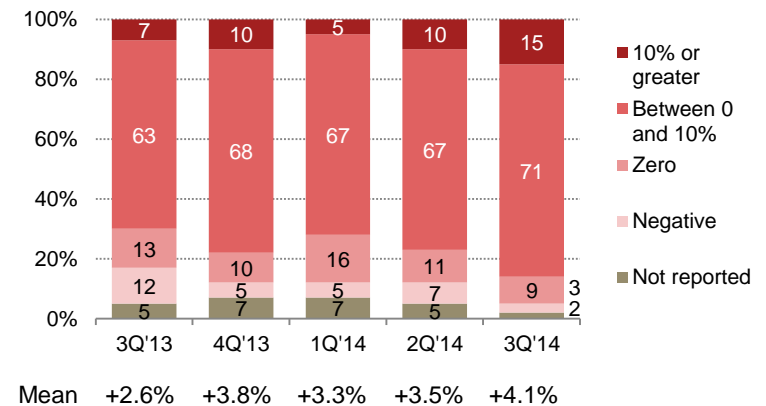


### What is your industry's estimated growth rate for the calendar year?

Estimated industry growth rate for calendar-year 2014 was at 4.1 percent, higher than the second quarter's 3.5 percent and the 2.6 percent a year ago. Eighty-six percent of panelists reported positive industry growth for 2014 – 15 percent double-digit growth and 71 percent single-digit growth. Three percent were on the negative side and 9 percent expected zero growth for this year. Two percent were not reported.

Chart 3.2 Industry growth, calendar year

Industrial manufacturers



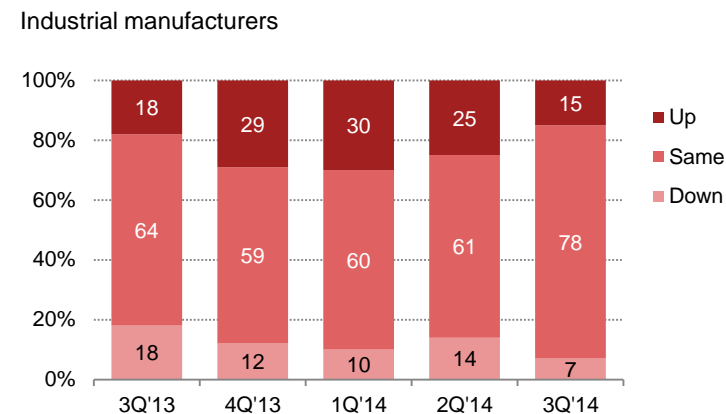
Note: In 3Q 2014 total respondents = 58



### *Are international sales up, down, or the same compared with three months ago (international marketers only)?*

US-based industrial manufacturers that sell abroad reported only a limited positive movement in international revenue in third-quarter 2014, with 15 percent reporting an increase in sales (off 10 points), and 7 percent reporting a decrease (7 points fewer) or a net 8 percent increasers (3 points lower than the previous quarter). The remaining 78 percent said sales stayed about the same quarter to quarter.

**Chart 3.3 International sales**



Note: In 3Q 2014 those marketing abroad = 53

## Changes in gross margins

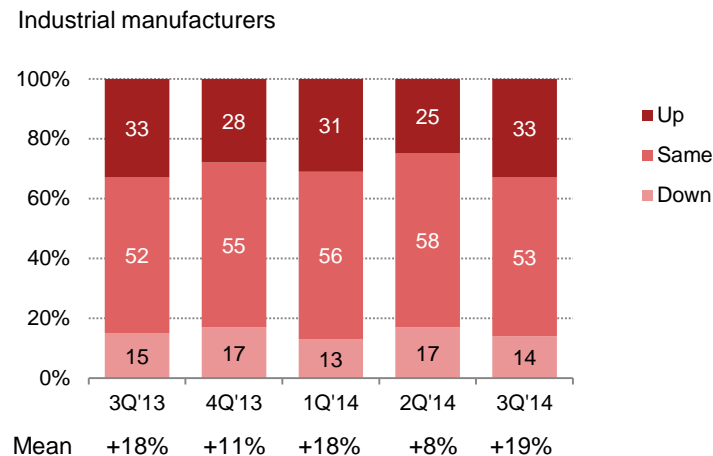


## Changes in costs and prices

### Are gross margins up, down, or the same compared with three months ago?

In third-quarter 2014, gross margins were higher again. They were higher for 33 percent of panelists (up 8 points) and lower for 14 percent (off 3 points), for a net plus 19 percent, 11 points higher than the prior quarter's plus 8 percent. Fifty-three percent stayed about the same.

Chart 3.4 Changes in gross margins

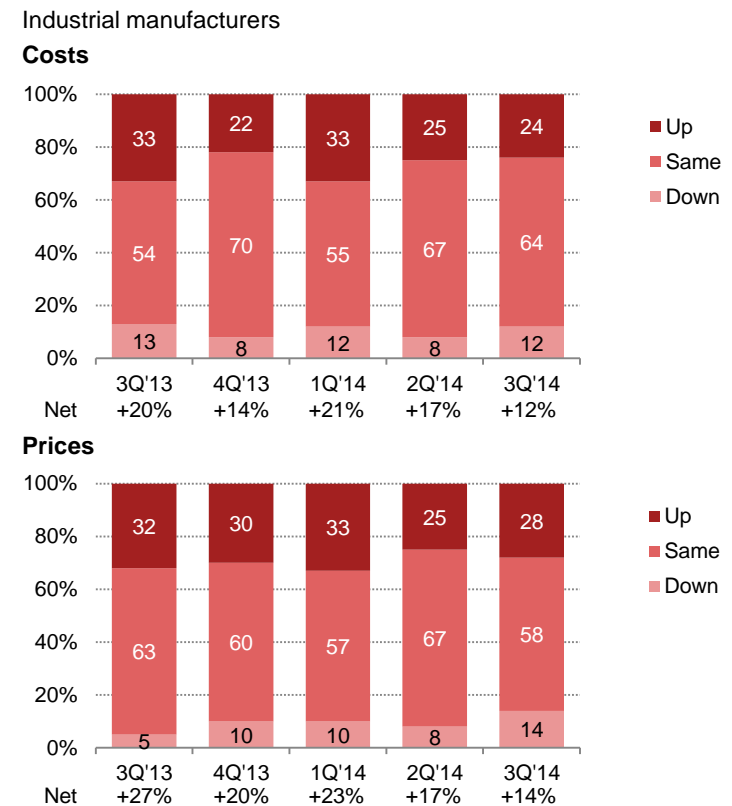


Note: In 3Q 2014 total respondents = 58

### Are costs up, down, or the same compared with three months ago? Prices?

In third-quarter 2014, costs and prices remained high. Twenty-four percent of US-based industrial manufacturers reported higher costs (off 1 point), and 12 percent reported lower costs (up 4 points), for a net plus 12 percent higher, 5 points below the prior quarter's 17 percent. On the price side, 28 percent raised prices (up 3 points) and 14 percent lowered them (up 6 points), for a net plus 14 percent reporting higher prices (3 points lower than the prior quarter).

Chart 3.5 Changes in costs and prices



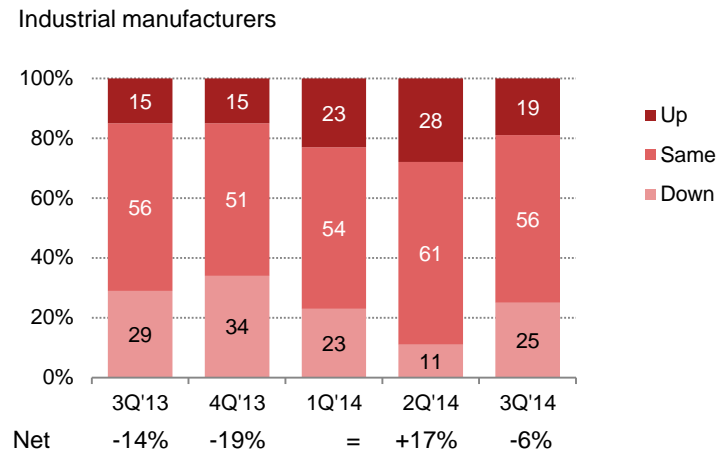
## Inventory movement



*Are finished inventories as a percentage of sales up, down, or the same compared with three months ago?*

Inventories as a percentage of sales grew for 19 percent of US-based industrial manufacturers in the third quarter, 9 points lower than the prior quarter. Levels were down for 25 percent (up 14 points), indicating flat inventory growth in third-quarter 2014 after notably higher inventories in the second quarter of 2014.

**Chart 3.6 Inventory movement**



Note: In 3Q 2014 total respondents = 58



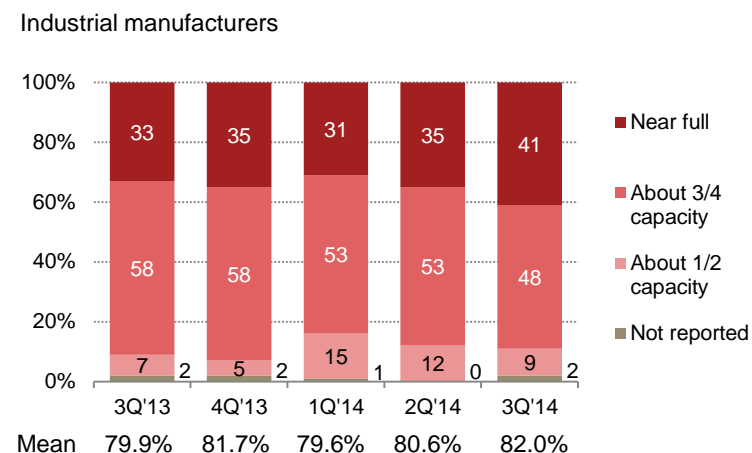
## Level of operating capacity



### What is your organization's current operating capacity?

Operating capacity is an estimate of the current level of permanent staffing and operations compared with what is needed for full-capacity output. In the third quarter, the mean rose 1.4 points to 82.0 percent of capacity, above the previous quarter's 80.6 percent, with 41 percent of industrial manufacturers surveyed claiming to be at or near full capacity (up 6 points).

Chart 3.7 Level of operating capacity



Note: In 3Q 2014 total respondents = 58

# *Business outlook, next 12 months*



## Revenue growth, next 12 months

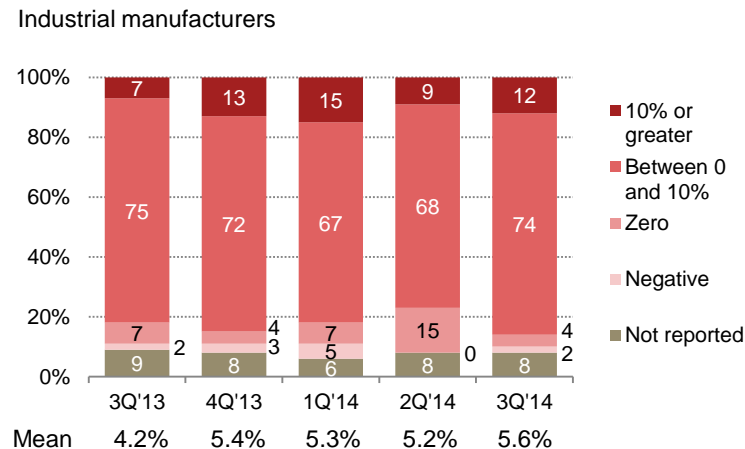


## International sales, next 12 months

### What is your organization's estimated revenue growth rate for the next 12 months?

The projected average revenue growth rate over the next 12 months among panelists rose to 5.6 percent, above the prior quarter's 5.2 percent and much higher than a year ago (4.2 percent). Eighty-six percent expect positive revenue growth for their own companies, with 12 percent forecasting double-digit growth and 74 percent forecasting single-digit growth. Two percent forecast negative growth, 4 percent forecast zero growth, and 8 percent were not reported.

Chart 4.1 Revenue growth, next 12 months

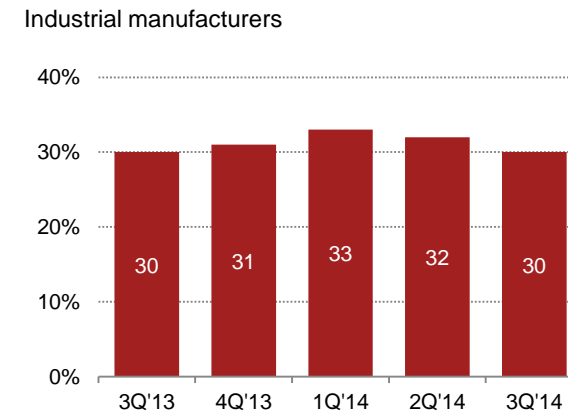


Note: In 3Q 2014 total respondents = 58

### What percentage of your business's total revenue over the next 12 months do you expect to be derived from international sales (international marketers only)?

Of respondents selling abroad, the projected contribution of international sales to total revenue over the next 12 months dropped slightly to 30 percent, off 2 points quarter-to-quarter, but the same 30 percent level as a year ago.

Chart 4.2 International sales, next 12 months



Note: In 3Q 2014 those marketing abroad = 53

## Percent planning to hire

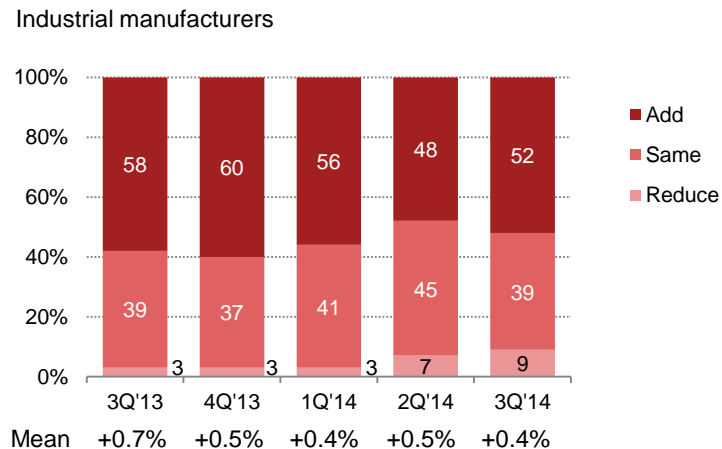


## Percent planning to hire by type of employee

### Do you plan to add or reduce the number of full-time equivalent employees over the next 12 months?

The majority of industrial manufacturers, 52 percent, plan to add employees to their workforce over the next 12 months, up 4 points from the second-quarter 2014 estimates, but 6 points below a year ago (58 percent). Nine percent plan to reduce the number of full-time equivalent employees (up 2 points), and 39 percent will stay about the same. Total net workforce projection was 0.4 percent, similar to last quarter's plus 0.5 percent but below last year's 0.7 percent, indicating continued moderate hiring among these industrial manufacturing firms.

**Chart 4.3 Percent planning to hire**



Note: In 3Q 2014 total respondents = 58

### What types of employees do you plan to add over the next 12 months?

Among the 52 percent of respondents planning to hire within the next 12 months, the most sought-after employees will be skilled labor (33 percent), along with production workers (26 percent), and professionals/technicians (26 percent). Limited white collar support and sales/marketing hiring is planned.

**Chart 4.4 Percent planning to hire by type of employee**

Industrial manufacturers		3Q '13	4Q '13	1Q '14	2Q '14	3Q '14
Planning to hire (net)		58%	60%	56%	48%	52%
• Skilled labor		35%	42%	33%	32%	33%
• Production workers		30%	28%	30%	27%	26%
• Professionals/technicians		35%	30%	28%	20%	26%
• White collar support		17%	13%	20%	8%	10%
• Sales/marketing		7%	12%	15%	8%	7%

## Percent planning major new investments of capital

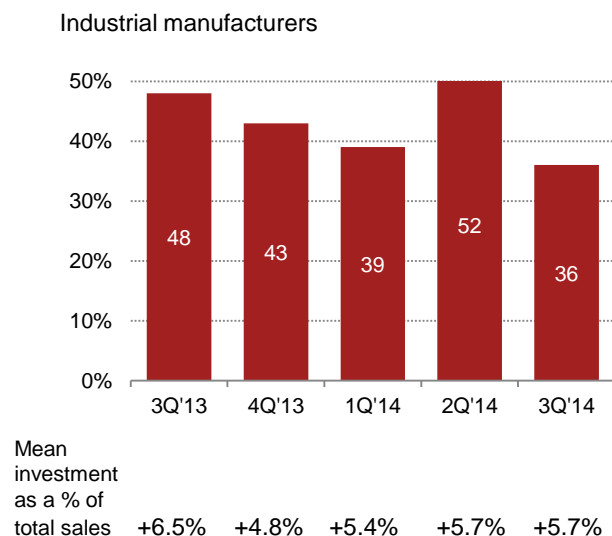


## Percent planning to increase operational spending

**Are you actively planning any major new investments of capital over the next 12 months? If so, what percentage of total sales do you expect to invest?**

Overall, 36 percent of US industrial products manufacturers surveyed plan major new investments of capital during the next 12 months, off 16 points from the prior quarter's recent high of 52 percent, and below last year's 48 percent. The mean investment as a percentage of total sales was a moderate 5.7 percent, the same as last quarter's 5.7 percent. These findings indicate a pullback in number of panelist firms planning CapEx spending among these panelist businesses.

**Chart 4.5 Percent planning major new investments of capital**



Note: In 3Q 2014 total respondents = 58

**Over the next 12 months, where do you expect to increase spending?**

Looking ahead over the next 12 months, operational spending remained reasonably high: 69 percent of respondents plan to increase operational spending, off 6 points quarter-to-quarter. Leading increased expenditures were new product or service introductions (43 percent), research and development (36 percent, off 9 points), and information technology (29 percent). Plans for geographic expansion dropped to 19 percent. Business acquisition dropped 11 points 16 percent. Marketing and sales promotion rose a bit to 9 percent.

**Chart 4.6 Percent planning to increase operational spending**

Industrial manufacturers	3Q '13	4Q '13	1Q '14	2Q '14	3Q '14
Percent planning to increase spending (net)	78%	73%	75%	75%	69%
• New product or service introduction	55%	45%	44%	43%	43%
• Research and development	38%	37%	34%	45%	36%
• Information technology	35%	32%	38%	33%	29%
• Geographic expansion	23%	18%	21%	22%	19%
• Facilities expansion	30%	23%	21%	20%	17%
• Business acquisition	15%	17%	21%	27%	16%
• Marketing and sales promotion	15%	13%	13%	5%	9%
• Advertising	8%	2%	3%	5%	2%
• Internet commerce	2%	2%	2%	2%	2%

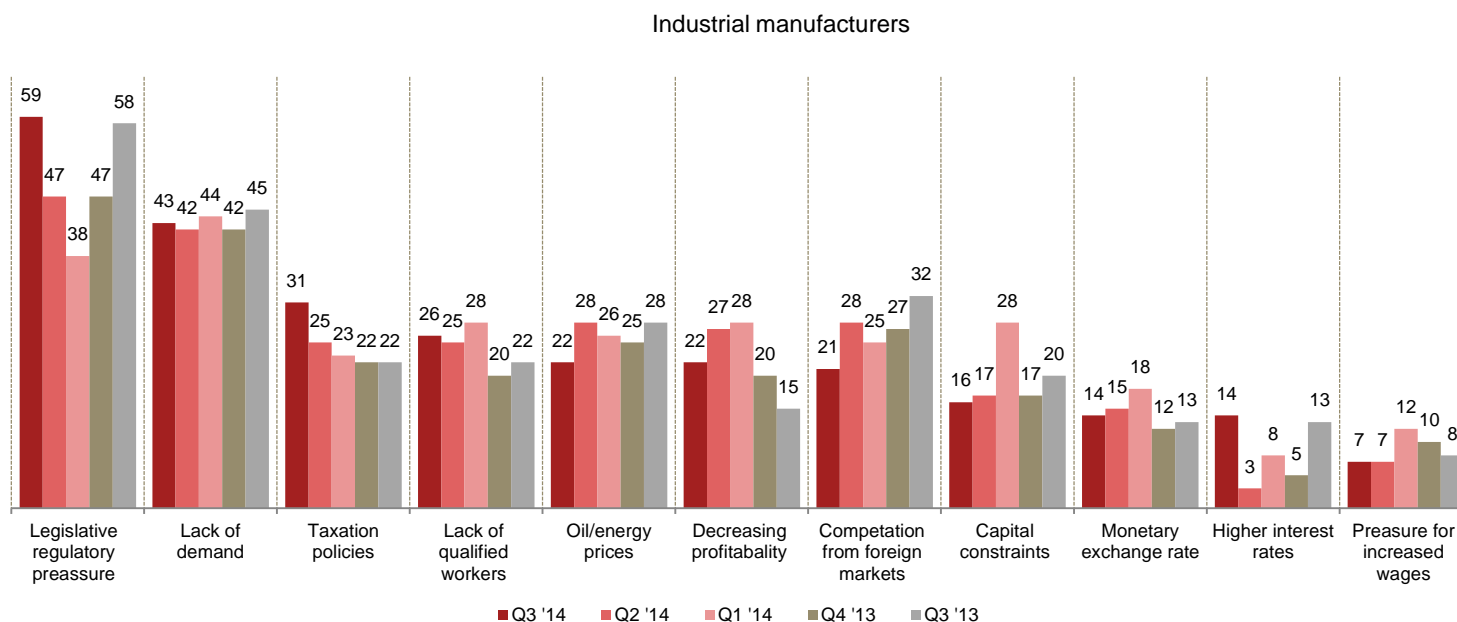
## Expected barriers to business growth



*Over the next 12 months, will any of the following represent barriers to business growth?*

Legislative/regulatory pressures rose another 12 points to 59 percent and is the leading potential barrier to growth over the next 12 months. Lack of demand remained high at 43 percent. Lack of qualified workers was at 26 percent, and taxation policies was up 6 points to 31 percent. Declining this quarter was decreasing profitability, off 5 points to 22 percent, and concern about oil/energy prices was off 6 points to 22 percent. At a lower level, concern about higher interest rates rose to 14 percent.

**Chart 4.7 Expected barriers to business growth**



Note: In 3Q 2014 total respondents = 58



### *Over the next 12 months, do you expect to participate in any of the following new business initiatives?*

Notably fewer panelists are planning M&A activity over the next 12 months, off 12 points to 26 percent. Most of these, 19 percent, are looking at purchasing another business, while 7 percent plan to sell part or all of their own business. Plans for expansion to new markets abroad remained limited at 14 percent. New strategic alliances were cited by 21 percent, and new joint ventures are planned by 21 percent. On the debit side, reductions abroad were reported by a net 12 percent, with closing/reduction of facilities abroad cited by 9 percent, and reduced activity by 9 percent. There are more net closing and reducing facilities abroad than those expanding – 12 percent and 9 percent, respectively.

**Chart 4.8 Plans for M&A and other business initiatives**

#### **Industrial manufacturers**

	3Q '13	4Q '13	1Q '14	2Q '14	3Q '14
New business initiatives (net)	58%	47%	53%	47%	48%
• M&A activities (net)	22%	23%	28%	38%	26%
• Purchase another business	17%	20%	25%	35%	19%
• Sell part/all own business	8%	8%	7%	8%	7%
• Equity carve-out/spin-off	3%	5%	3%	3%	4%
• New strategic alliance	27%	22%	23%	17%	21%
• New joint venture	33%	13%	12%	15%	21%
• Expand to new markets abroad	18%	20%	18%	12%	14%
• New facilities abroad	8%	8%	13%	10%	9%
• Close/reduce facilities abroad	8%	10%	8%	8%	9%
• Reduce activity in markets abroad	5%	5%	7%	3%	9%

Note: In 3Q 2014 total respondents = 58

*Special topic:*  
*Triggers to growth*





## Triggers to growth: Own-company growth



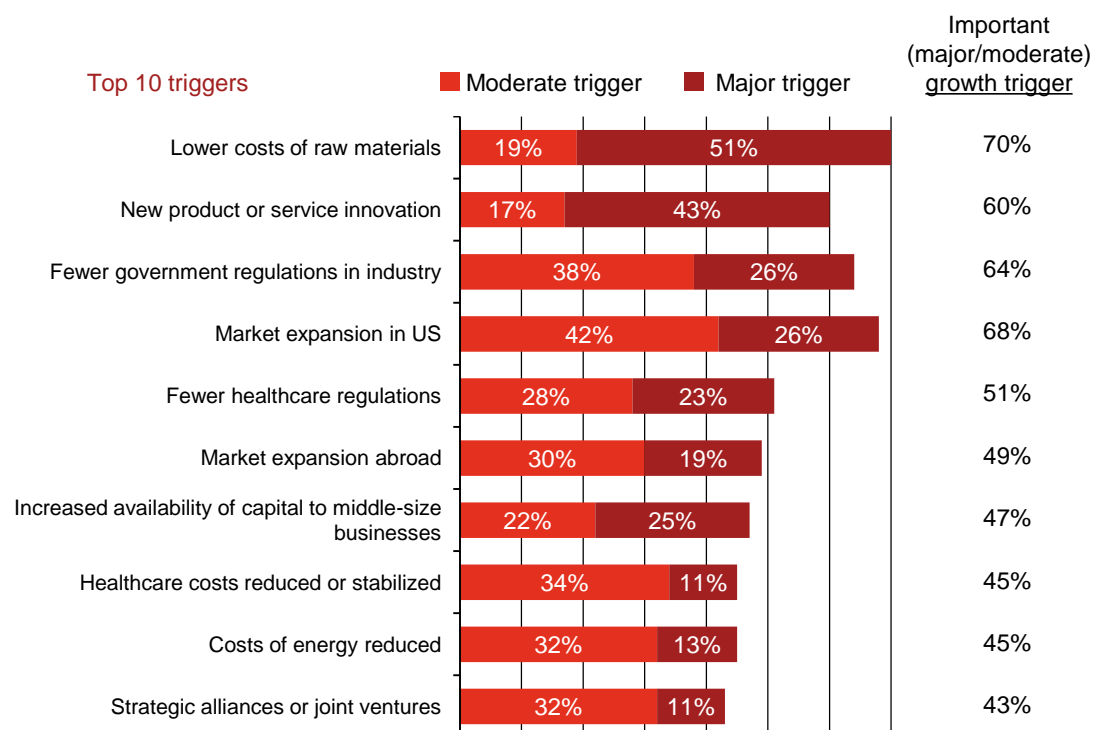
*To what extent do you believe the following factors – if they occur – are likely to trigger your own company's increased investments and growth over the next 1-2 years?*

In sum, five own-company growth triggers came through in double-digits as the top 1-2 triggers likely to have the greatest impact on increased investments and growth of these US industrial manufacturing companies over the next year or two. These are:

Lower costs of raw materials	38%
New product or service innovations	28%
Fewer government regulations in industry	26%
Market expansion in the US	15%
Tax reform, lower corporate taxes	11%

While **tax reform, lower corporate taxes** was not a top 10 growth trigger (with 11 percent citing it as a major growth trigger and 17 percent as moderate, or 28 percent overall), it appears to be significant among those rating it a major trigger.

Chart 5.1 Top 10 triggers to own-company growth



Note: In 3Q 2014 total respondents = 58

## Triggers to growth: US economic growth

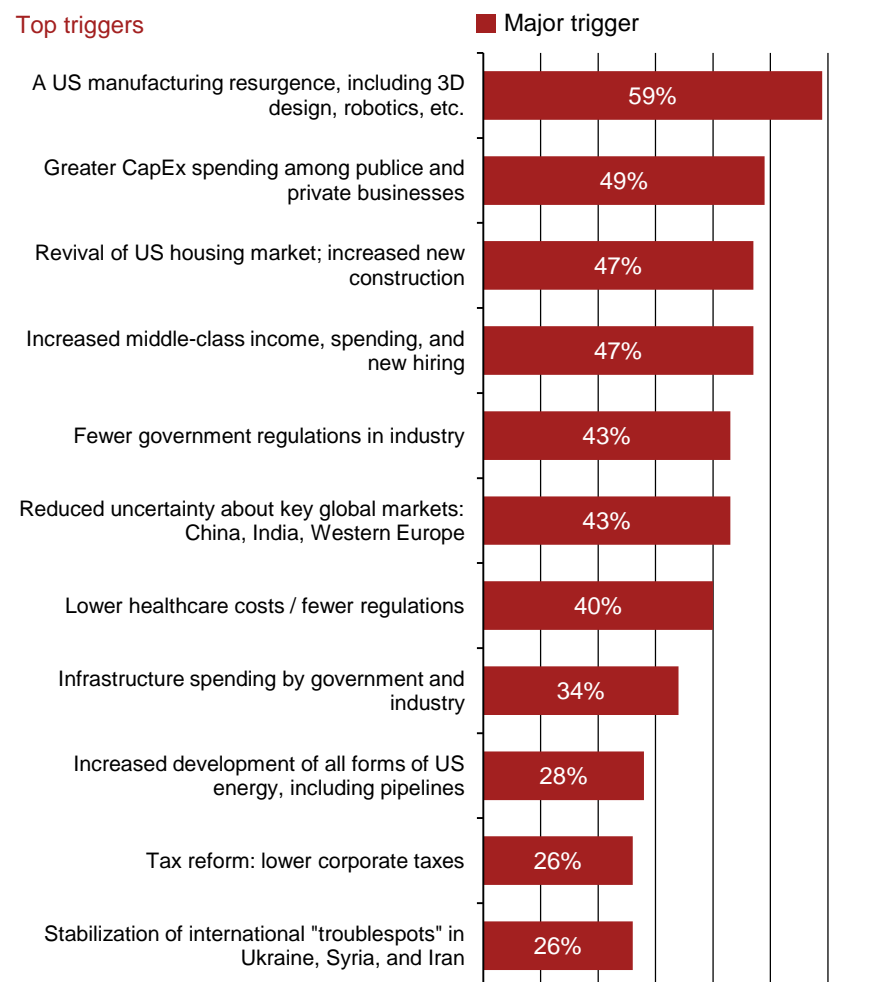


*Thinking about the US economy as a whole, to what extent do you believe the following factors – if they occur – are likely to trigger greater demand and growth in the US economy over the next 1-2 years?*

In sum, eight US economy growth triggers came through in double-digits as most likely to lead to greater demand and growth in the US economy over the next year or two. Presumably, overall US economic growth will trigger growth among all US industrial manufacturers.

A US manufacturing resurgence	34%
Increased middle class income, spending and new hiring	23%
Greater CapEx spending by public and private businesses	19%
Revival of US housing market	19%
Fewer government regulations in industry	19%
Infrastructure spending by government and industry	17%
Reduced uncertainty about global markets	13%
Increased development of all types of energy, including pipelines	13%

Chart 5.2 Important triggers to US economic growth



Note: In 3Q 2014 total respondents = 58



Chart 6.6

## Demographics

Who	Senior executives of US-based industrial manufacturing organizations
Interview dates	June 30, 2014 to September 18, 2014
	Industrial manufacturers (58)
Average number of employees at location	7,766
Average business unit revenue	\$3.10 billion
Average enterprise revenue	\$8.62 billion
Market capitalization	\$9.79 billion
Industry sectors	Products 100% Manufacturing 100%

## Methodology

PwC's *Manufacturing Barometer* is a quarterly telephone survey conducted by the independent research firm BSI Global Research Inc. Our regular survey panel consists of senior executives from a geographically balanced sample of large companies in the United States. Ninety-five percent of the panelists hold titles such as president, CEO, CFO, VP of finance, treasurer, controller, internal audit director, or other related title.

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## About the research:

The Manufacturing Barometer is one in a series of quarterly business outlook surveys from PwC. The survey provides a view on the 12-month outlook for revenue growth, new investments, new hiring plans, emerging business barriers and more. In addition to the business outlook, we hear from our panelists about special issues they face as the business climate changes. Results of the quarterly business outlook surveys and special issue surveys are available at *www.barometersurveys.com*.

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