

NIMA

North Idaho Manufacturers' Association

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Covering:

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Idaho,
Latah,
Lewis,
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Manning Applied Technologies

Dr. Christopher Manning is the owner and operator of Manning Applied Technologies located at 419 South Main Street in Troy, Idaho.

Manning Applied Technologies is a Research and Development Company that has developed several devices including a handheld FT-IR Spectrometer for Chemical Agent Detection. This device is small, light and has optimal power efficiency. It has dual a use application for bioagent detection and identification as well as chemical agent detection and identification. It also has personal desktop availability for engineers and scientists, plus embedded robotic capabilities.

Another product developed at Manning Applied Technologies is the Optimal



FT-IR spectrometric detection for early warning of biological warfare agents. This product has multiple use field applications in biology, geology and agriculture.

Christopher has made use of SBIR and STTR grants in the development of these products. The major markets for these

products are NASA, the Navy and Department of Defense.

Although these products general use would be for military purposes there could also be some industrial uses like measuring moisture in wood, wood species and or medical application to measure blood sugar. They also manufacture a device used in determining the strength of different plastics by stretching plastic product samples.

Christopher indicated that if one of the research products were able to go to production that expansion space was available in Troy. He said that he does not have a problem getting qualified people, as the University of Idaho is an excellent resource.

The one concern Christopher has is that the majority of the people graduating from the University of Idaho and Washington State University are leaving this area because we do not have employers that can provide them with research jobs to remain here. He said that Idaho just doesn't seem to be getting a very big piece of the federal research pie! Montana receives six times more federal research dollars than Idaho. Additional dollars would promote growth of local research development. He would like to see north central Idaho and southeastern Washington research promoted in order to keep the best and brightest here.

If you are interested in finding out more about Manning Applied Technologies their website is www.appl-tech.com

Skills USA Competition

On March 5th over 100 students from eight local high schools came together for a Skills USA Competition (once called Vocational and Industrial Clubs of America). The competition was held at Lewis-Clark State College and the Lewiston High School. Harold Nevill, Engineering & Industrial Systems Program Manager of the Idaho Division of Professional-Technical Education is

working to restart a program that he believes will re-energize youth toward seeing manufacturing as a future. The competition included precision machining, CNC milling, technical drafting, and welding as well as transportation, information systems/media, and leadership competitions.

NIMA would like to say a special thank you to our manufacturers that donated their time to make this competition a success: Tony Maiorana, Jetco; Dave Howell, Howell CNC; Stephen Burgman, Hotwire Direct; Andy Wilson, Clearwater Hydraulics; Ryan Root, Schweitzer Engineering; and Bruce Larson, of Renaissance.

Small- To Mid-Sized Manufacturers Are Not Looking Overseas For Growth, According to Survey

Small- to mid-sized manufacturing companies are not taking advantage of burgeoning growth opportunities that exist in overseas markets, according to RSM McGladrey, the Minneapolis, Minn.-based accounting and tax firm. Only 26 percent of the 1,031 CEOs and CFOs surveyed by the firm said they are relying on exports for growth. That low number "is discouraging," says Tom Murphy, Executive Vice President of RSM McGladrey's Manufacturing and Wholesale Distribution Practice. "People have to start thinking outside of the box."

Most companies (55 percent) are depending upon introducing new products as a means to grow their companies, followed by increasing brand recognition, adding new services and expanding their sales forces.

Small- and medium-sized manufacturers are not enthusiastically responding to globalization, RSM McGladrey found in its survey of CEOs and CFOs. "Most view the global economy as more of a challenge than an opportunity," says the firm. Adds Murphy: "Given the access to foreign market that free trade provides, it is surprising that survey respondents do not see the urgency of exporting or supplying to the major multinational companies. They are leaving a lot of business on the table." Exporting would also help shield them from a downturn in their home market.

Half of the survey participants said they don't expect any revenue growth from exports and only about 25 percent said that globalization helped them lower costs. A little more than 40 percent said globalization forced them to lower the prices of their products.

Companies are also not taking advantage of tax credits and other government programs for manufacturers. Less than ten percent of those surveyed are participating in any single program, and less than ten percent use state incentive programs, even though there are many that are available. Only 65 percent of manufacturers use state and local tax

credits, and 64 percent take advantage of the domestic manufacturers' deduction. Another 61 percent use the R&D tax credit, while only 38 percent use international tax incentives. The survey found that 58 percent of small- and medium-sized manufacturers believe their company is "thriving and growing," while only four percent say they are "declining." But there are headwinds.

Health care costs are increasing and 65 percent of the companies are passing these cost increases onto their employees, resulting in less take-home pay and a workforce that is growing more disillusioned says Murphy. "As competition for employees' heats up, employees are changing companies because of [better] health care plans."

There are as many as one million vacancies in the manufacturing sector, and finding good workers in an economy with a four point six percent unemployment rate is becoming more difficult.

Energy costs are also beginning to impact companies, particularly those in the chemicals, metal fabrication and plastics industries. U.S. corporate income taxes remain higher than in 29 other OECD countries; regulations remain burdensome; and litigation costs, which account for almost three percent of the U.S. economy, are sapping resources. Mid-sized companies are getting squeezed.

"There are a lot of advocates for small guys and the big guys," Murphy told MTN. "But nobody is advocating for the companies in the middle. Somebody has got to start speaking up on their behalf." Murphy was recently in Washington DC meeting with policy makers to implore them to get serious about policies aimed at improving the environment for U.S. manufacturing. "We're saying we have the data; now we have to put our heads up, speak out and get the government to take actions to give us relief on structural costs."

New Handbook Has Latest Data About Sector's Strengths and Challenges

WASHINGTON, D.C., Oct. 4, 2006 – The manufacturing sector – more than any other – is driving the current U.S. economic recovery but faces unprecedented challenges, according to *The Facts About Modern Manufacturing*, released today by the National Association of Manufacturers and The Manufacturing Institute. The 7th edition of this comprehensive resource sponsored by Toyota Motor North America, spotlights the latest U.S. government statistics, NAM economic analysis and corporate success stories about manufacturing in America. It is available at www.nam.org/facts.

“The Facts book sets the record straight about manufacturing’s central role in the U.S. economy,” said NAM President John Engler. “It is an essential resource for anyone interested in the future of manufacturing in America – from policymakers and the media to educators and political candidates who need to know how manufacturing supports their state’s economy and how they can support manufacturing.

“Manufacturing output in America is at the highest level in U.S. history and continues to support our economy,” Engler said. “At the same time, manufacturers in the United States face unprecedented challenges -- from rising energy and health care costs and increased global competition to a serious shortage of skilled production workers, scientists and engineers that will intensify as the baby boom generation retires.”

“The Facts book documents how manufacturing drives economic growth, productivity and innovation in America,” added Jerry Jasinowski, president of The Manufacturing Institute (the research and education arm of the NAM). “Manufacturing provides great benefits to the U.S. economy and our quality of life -- and offers a broad range of high-paying, interesting jobs with average annual compensation of nearly \$65,000 for young people with the right skills and education,” he said.

“Some mistakenly believe manufacturing in the United States is in decline because of the continuing evolution of global sourcing and competition. In fact, U.S. manufacturing is vibrant, robust and contributes greatly to the dynamic American economy,” added Dennis Cuneo, Senior Vice President at Toyota Motor North America.

The Facts book highlights six manufacturing pillars that support today’s U.S. economy:

Manufacturing made the **highest contribution** (15 percent) of all sectors to **real Gross Domestic Product (GDP) growth** between 2001 and today.

Manufacturing is the engine of American technology development and innovation, responsible for more than 70 percent of private sector R&D.

Manufacturing’s high productivity rate – which determines real wage and benefit compensation – increased by more than 50 percent over the past decade and was far higher than for services.

Manufactured goods make up more than 60 percent of U.S. exports, helping to pay for U.S. imports. While agricultural exports amount to about \$50 billion a year, manufacturers export that much each month.

Manufacturing wages and benefits are approximately 25 percent higher than in non-manufacturing jobs.

Manufacturing has a greater multiplier effect on the rest of the economy than does any other sector; each manufacturing dollar generates an additional \$1.37 in economic activity.

“Even with these strengths, there are many challenges facing manufacturers in America,” Engler said. “Structural non-wage costs such as taxes and regulations are more than 30 percent higher than for our major trading partners. The underlying pressures that make it difficult to manufacture in the United States should be a top priority for policymakers and anyone running for office during this election cycle,” he concluded.

The National Association of Manufacturers is the nation’s largest industrial trade association. The Manufacturing Institute is the research and education arm of the NAM.