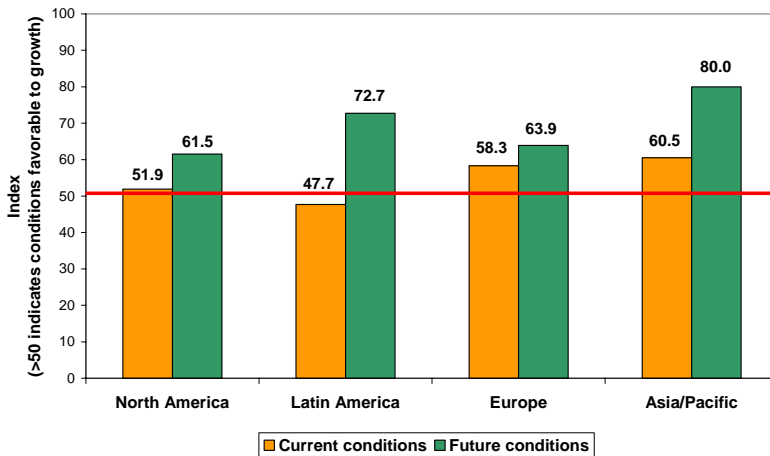


# October 2009 NEMA Electroindustry Business Confidence Index

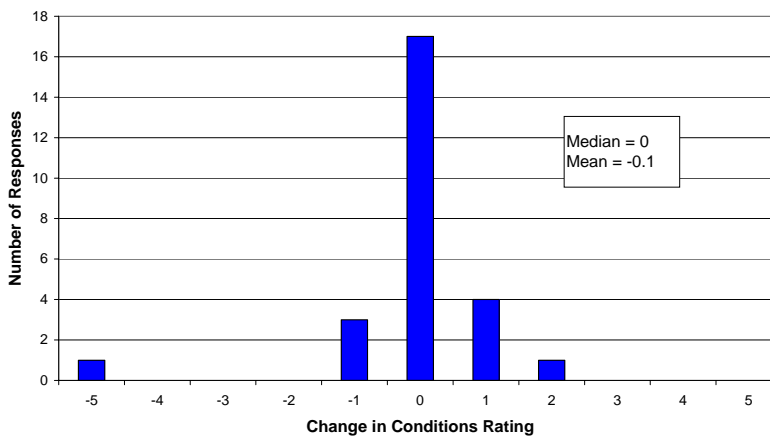
October 28, 2009

## North American Business Conditions Readings Retreat Modestly in October

**Electroindustry Business Confidence Index:  
October 2009**



**North American Current Conditions Magnitude:  
October 2009**



Results from NEMA's October business confidence survey shed light on the tentative and tepid nature of the emerging electroindustry recovery. The Electroindustry Business Confidence Index (EBCI) for current North American conditions lost ground in October for the first time in four months, falling 6.7 points. Nonetheless, at 51.9, the index managed to breach the critical 50-point threshold for the third straight month, suggesting at least a modest improvement in industry conditions relative to September.

Highlighting the volatile nature of the nascent turnaround, though, the survey's monthly measure of the intensity of change in business conditions delivered a contradictory message, dipping to -0.1 in October from +0.1 in

NOTE: North America includes Canada and the United States. Latin America includes Mexico, Central America, and South America.

September. Intensity of change in business conditions is reported on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).

The EBCI for future North American conditions also slipped in October, declining 7.4 points to 61.5. While a sizable proportion of industry leaders continue to expect further improvement in the business environment during the next six months, anecdotal comments suggest that the degree of improvement is largely seen as limited.

**SURVEY RESULTS:**

<b>Region</b>	<b>Current Conditions</b> (Compared to Previous Month)	<b>Conditions Six Months From Now</b> (Compared to Current Conditions)
North America	51.9	61.5
Latin America	47.7	72.7
Europe	58.3	63.9
Asia/Pacific	60.5	80.0

Number of Respondents =26

Values reflect the percentage of respondents expecting "Better" conditions, plus one-half of the percentage of respondents expecting "Unchanged" conditions.

A score of 50 or higher suggests conditions appropriate to expansion of the electroindustry sector.

## **EBCI CONSTRUCTION DESCRIPTION:**

The EBCI indexes are based on the results of a monthly survey of senior managers at NEMA member companies and are designed to gauge the business confidence of the electroindustry in key world regions.

The survey contains the following questions:

1. How would you rate current economic conditions in the following regions, as they affect your business, compared to the previous month?
  - a. Using the following scale, please describe the magnitude of change in economic conditions in North America this month compared to economic conditions last month? [Scale structured as follows: 5 (improved significantly), 4, 3, 2, 1, 0 (stayed the same), -1, -2, -3, -4, -5 (deteriorated significantly)]
2. How do you expect economic conditions in the following regions, as they affect your business, to have changed six months from now?

Respondents are asked to indicate whether conditions are better, worse or unchanged (or not available if their respective company does not do business in a particular region). The four regions are North America (Canada and the United States), Latin America (Mexico, Central America, and South America), Europe, and Asia/Pacific. The survey also provides space for respondents to comment on current conditions. These comments are included below the table containing the index levels.

The index value is the percentage of respondents expecting “Better” conditions, plus one-half of the percentage of respondents expecting “Unchanged” conditions, which follows the methodology used by the Institute for Supply Management (formerly the National Association of Purchasing Management) in the construction of their manufacturing index.

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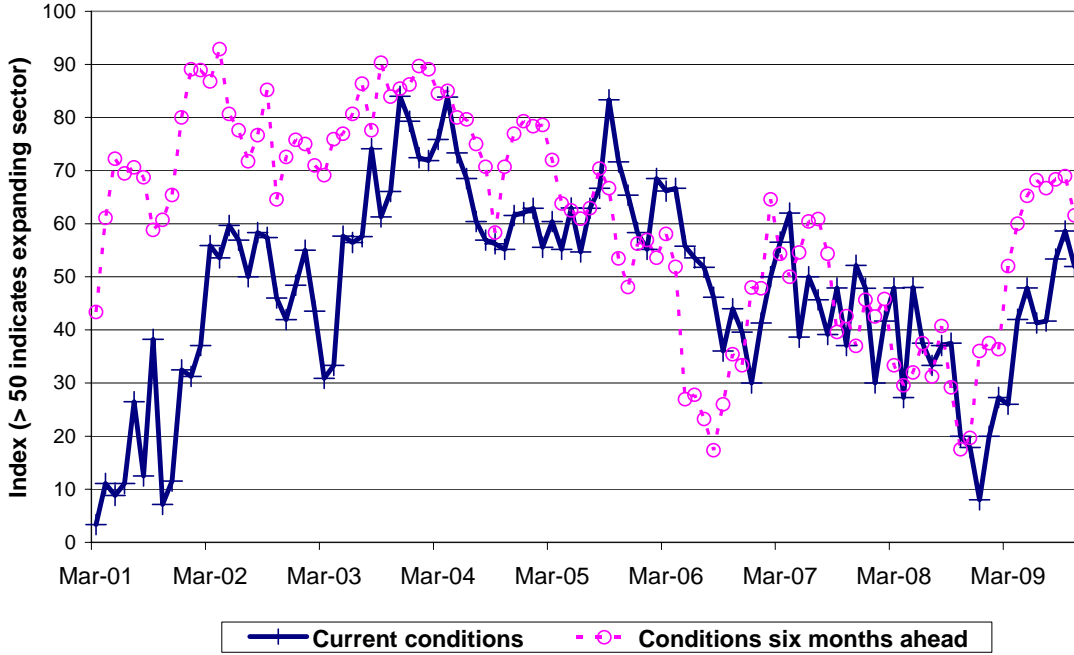
Based on popular demand for up-to-date data and forward-looking analysis of the electroindustry and the economic fundamentals that drive it, NEMA/BIS offers a subscription-based, regularly updated compendium of the information that industry professionals and executives most often request. The *Electroindustry Economic Outlook* is the preferred source for timely, comprehensive coverage of the economic trends and events shaping the U.S. electroindustry.

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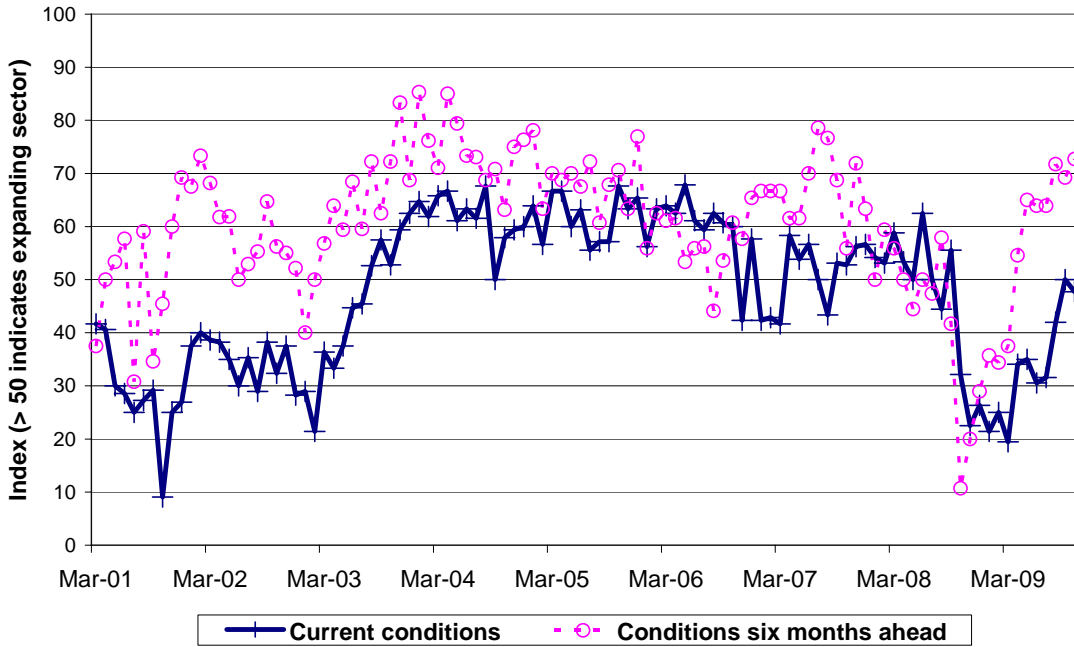
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## Appendix: Time Series Charts

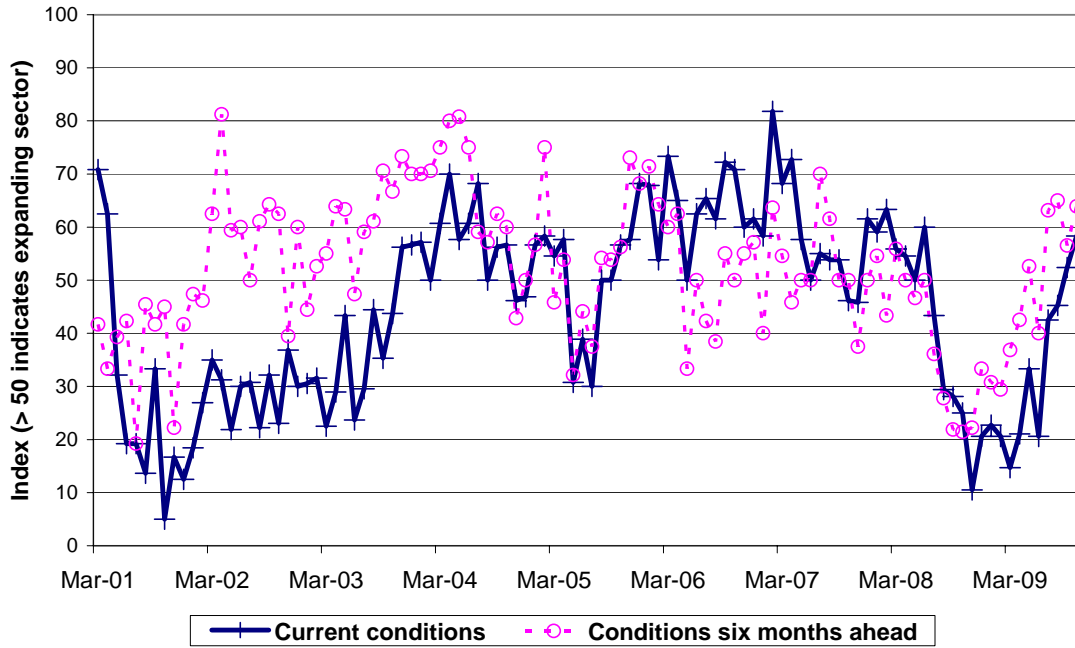
### Business Conditions: North America



### Business Conditions: Latin America



### Business Confidence: Europe



### Business Confidence: Asia/Pacific

