

Feb. 10, 2017

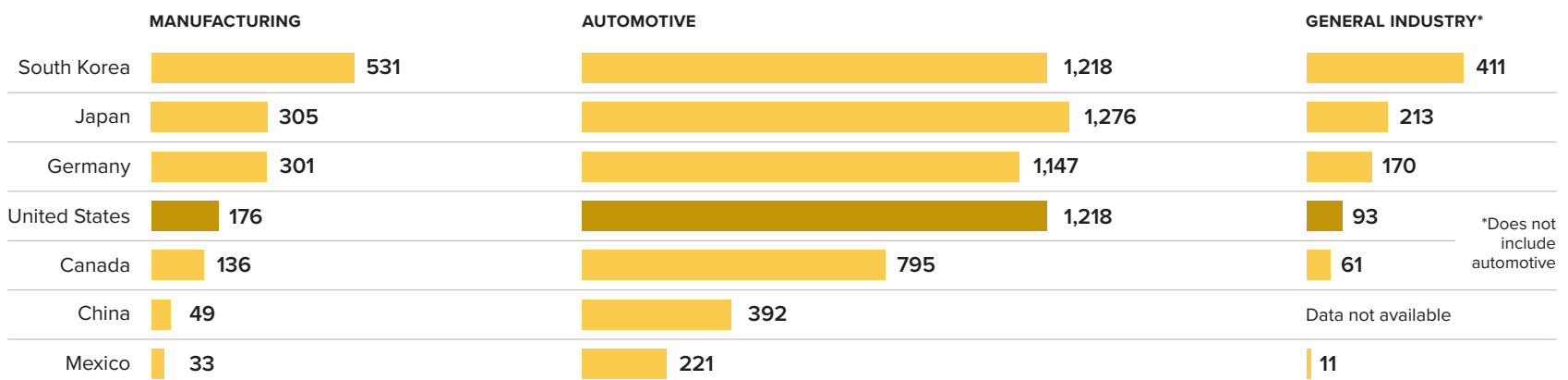
Automation in Manufacturing Likely to Continue Record Growth

Since the recession, the United States and other global leaders in automation have experienced record annual sales of industrial robots, especially in the manufacturing industry. The United States is now the fourth-largest market in the world for industrial robots and is projected to continue breaking annual sales records. “We expect the United States in particular, but North America in general too, to be very strong over the next several years,” said Alex Shikany, director of market analysis with the Robotic Industries Association, the trade group for North American robotics and automation. Shikany attributes the record levels of growth in part to increased investment from small- and mid-sized companies, who see automation as an opportunity to remain competitive — by reducing costs while increasing efficiency and production — in an increasingly global supply chain.

Automotive industry driven by automation

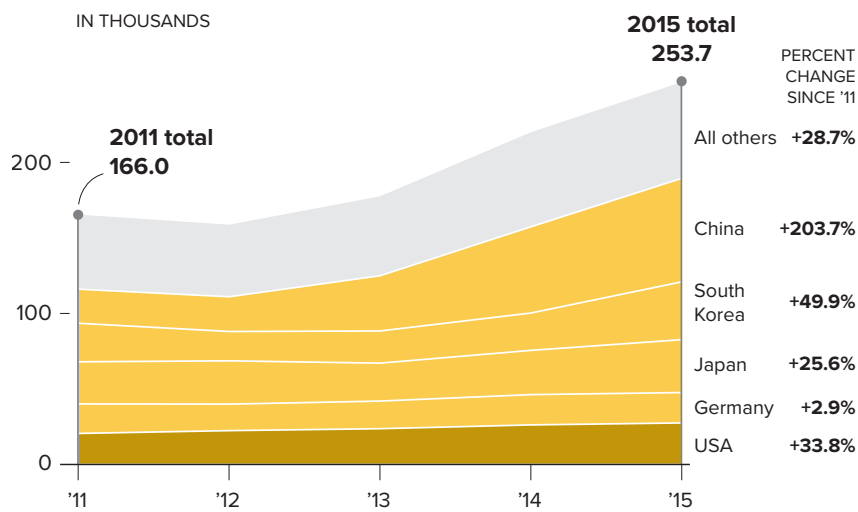
The automotive industry has been the leader in automation globally, especially in North America. While Japan is tops in the world in automotive robot density, the United States shares second place with South Korea. In manufacturing, South Korea outpaces the next closest country by a near 2-to-1 margin and more than three times the density as the United States. The U.S. and China — which has a comparatively low robot density of 49 units per 10,000 employees in manufacturing — could see growth in this sector.

Number of multipurpose industrial robots per 10,000 employees in 2015:



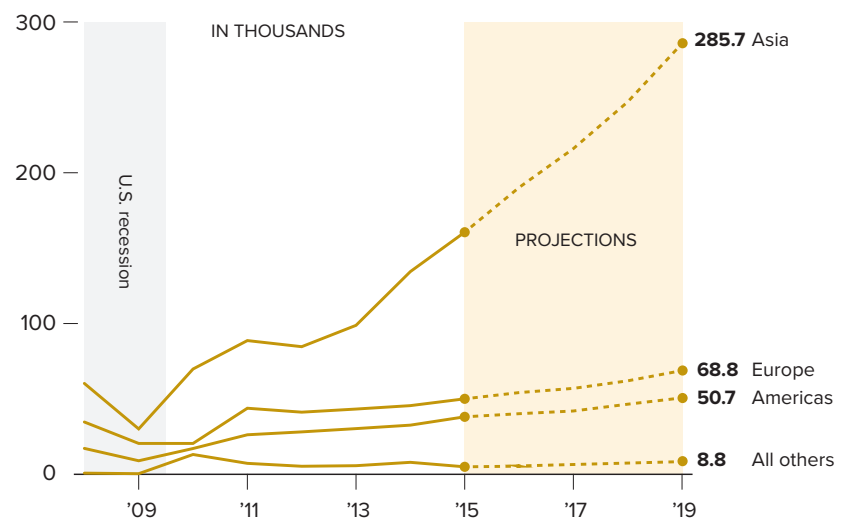
New orders of industrial robots per year

The top five markets account for 75 percent of all annual sales of industrial robots globally. In 2011 and 2012, China and the United States were roughly tied, though China has since surged in sales to become the top market. The U.S. now ranks as the fourth largest market, ahead of Germany.

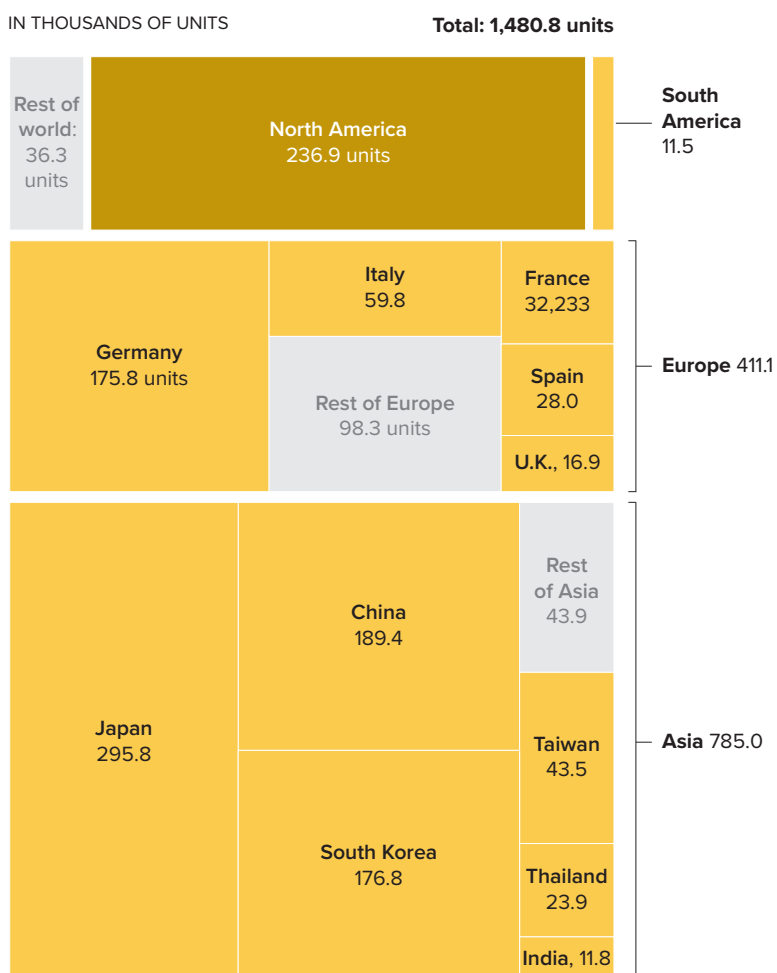


Projected new orders by region, 2008-19

Annual sales of industrial robots are expected to take off in Asia over the next several years, driven mainly by increased demand in China. Annual sales in Asia are expected to reach nearly 300,000 units by 2019, a 78 percent increase over 2015. Europe and the Americas are projected to grow by 37 percent and 33 percent, respectively, over the same period.



Operational stock of industrial robots at year's end, 2014

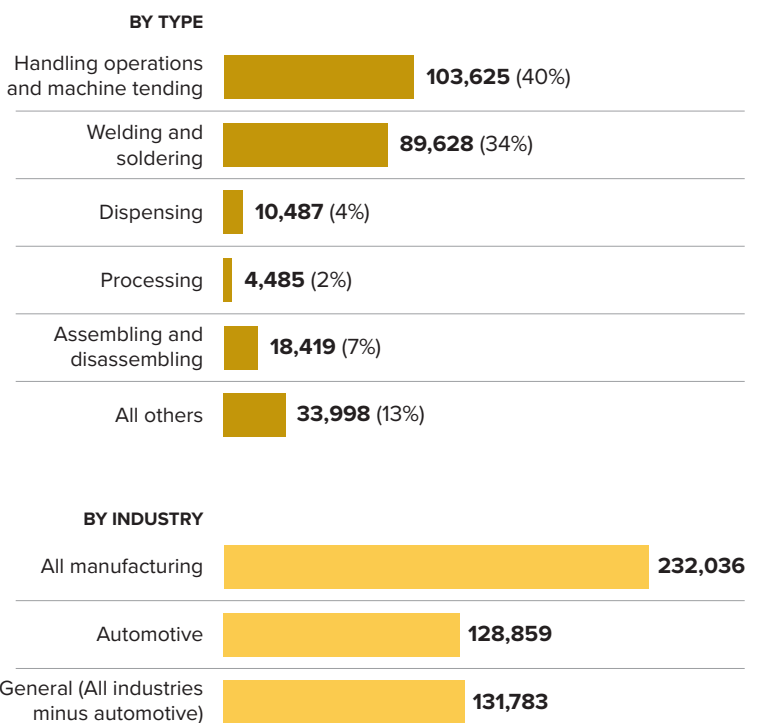


Note: "Asia" includes Australia and New Zealand.

Sources: International Federation of Robotics; Robotic Industries Association; interview with Alexander Shikany, director of market analysis at Robotic Industries Association

Number of operational robots in North America in 2015

Most North American companies use robots for handling or welding and soldering, though other types will increase in popularity as robots become more advanced and are capable of more intricate tasks, such as assembling. Robots have been most widely used in the automotive industry, which Shikany says is likely to continue, though he expects the warehousing and the electrical and electronics industries to invest more in automation in the coming years.



By Janie Boschma, POLITICO Pro DataPoint