



Franklin County area manufacturers see reasons for optimism

By **MARCUS RAUHUT** Staff writer

The area's largest manufacturers continued to see slower sales in their latest quarter, but some said there are indicators that give them reason to be optimistic.

"Tough market conditions continue in the sector, but there are some positive signs indicating that the decline in demand may have bottomed out," said Olof Persson, president and CEO of Volvo Construction Equipment, which operates a plant in Shippensburg.

Persson said the company is not expecting a "substantial recovery." Volvo said the Chinese stimulus funding helped boost construction spending in Asia, but other markets remained weak.

Manitowoc, Franklin County's third-largest employer, also saw a decline in third-quarter crane sales. Crane backlog is down from last year, but the company has seen stabilization in the form of net positive order flow.

The company said that trend started in March, continued to increase over the next six months, and is expected to continue into the fourth quarter and the first quarter of next year.

Oshkosh Corp.'s aerial access equipment segment, JLG Industries, McConnellsburg, and its fire and emergency division, which includes Jerr-Dan of Greencastle, saw lower fourth-quarter sales.

Access equipment sales decreased nearly 60 percent from the third quarter because of substantially weaker global demand and tight credit markets. Sales of new access equipment in North American and European, African and Middle Eastern regions each declined about 80 percent, compared with the prior year's third quarter.

Towing and recovery equipment sales were also down because a drop in consumer spending and limitations on available financing for customers as a result of the tight credit markets.

Tyco Electronics, which recently announced plans to bring work from a Virginia plant to Waynesboro, saw a 25 percent drop in overall sales from last year's fourth quarter, but a slight uptick when compared to the third quarter of 2009.

"Our fourth quarter was a strong finish to a challenging year," said Tyco Electronics CEO Tom Lynch.

Lynch said he expects sales to be flat or up slightly in the first quarter of 2010 because of strengthening of the company's electronic components segment.

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of Chambersburg, said quarterly sales and net income are down from last year, but President and CEO Carl Christenson said the company is "cautiously optimistic that conditions in several end markets that we serve are gradually improving."

Fourth quarter sales at Johnson Control's building efficiency unit, which includes a facility in Waynesboro, were down because of an overall slowdown in construction spending and customers putting off discretionary maintenance and retrofit projects. The company said in a news release that it is bidding on roughly 3,300 projects, worth approximately \$2.7 billion, that are linked to the American Recovery and Reinvestment Act stimulus package.

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