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CONVEYOR EQUIPMENT MANUFACTURERS ASSOCIATION

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Fall - Winter, 2002

FRED BARNES TO GIVE KEYNOTE ADDRESS AT ANNUAL MEETING



Beltway Boys, will be the keynote speaker at CEMA's 70th Annual Meeting, March 15-19, 2003, at the Marco Island Marriott Hotel, Marco Island, Florida.

Mr. Barnes is a graduate of the University of Virginia and was a Neiman Fellow at Harvard University. He offers an insider's look at the presidency and Congress. With over 20 years of reporting on Washington politics, his analysis and predictions are among the most on-target of anyone covering Washington.

He founded The Weekly Standard, with William Kristol and John Podhoretz, after serving for ten years as senior editor and White House correspondent for The New Republic. A chief correspondent for PBS's National Desk series, he provides regular political commentary for CBS This Morning, moderates Issues In The News for Voice of America, and looks behind the trends and impulses of the media on his weekly radio show What's The Story? National broadcast appearances include

President Lee Schomberg announced that Fred Barnes, executive editor of The Weekly Standard and co-host of the FOX News Channel's The

Nightline, Meet the Press, Face the Nation, Fox News Sunday, and The Newshour with Jim Lehrer.

The Annual Meeting will kick-off with a Board of Directors meeting and a get acquainted reception and dinner on Saturday, March 15.

The Annual CEMA Golf Tournament will be held on Sunday morning, March 16. Also held on Sunday morning will be the annual 5K run/walk.

CEMA committee meetings, along with the general business session will take place on Monday, March 17. The keynote address open to all members, guests, and spouses is scheduled for 10:30 a.m. The session should adjourn by 12:00 noon.

On Tuesday, March 18, CEMA section meetings will be held, followed that evening with a reception and CEMA's Annual Banquet.

The 70th Annual Meeting will adjourn by 11 a.m. on Wednesday, March 19, following a Board of Directors meeting.

More information will be sent along with the initial meeting mailing which should arrive in late December.



Fred Sytsma (Frost Inc.), Jim Krempa (CSC Industries), CEMA President, Lee Schomberg (Paragon Technologies), and Clyde Tobin (Saginaw Products) discuss the prospects for industrial recovery while at the Fall Meeting.

CONVEYOR INDUSTRY AT A STANDSTILL

CEMA expects flat to minor increase of 5%

over 2002 numbers.

By Lee Schomberg

2002 was a year like most of us have not seen for sometime. A tough economy, excess capacity and shrinking capital budgets were issues that affected us during the past 12 months. CEMA member companies were no different.

CEMA is made up of 17 different product sections, or areas of principal product interest. It currently has approximately 100 member companies. With such a broad cross section, you would expect to get a wide variety of opinions regarding the prospects for the next 12 months. The forecasts for 2003 may vary because of the prospect of events such as war with Iraq, terrorism, a whipsawed stock market, accounting scandals, declining consumer confidence and bankruptcies. We know the potential risks are varied and plentiful.

First Half 2003

The consensus, however, seems to be the same across the board. 2002 was a rough year with many of CEMA's member companies 15% to 30% off from their 2001 numbers. The first and possibly the second quarter of 2003 will

be much the same as the last quarter of 2002, keeping sales at depressed levels. There will be signs of optimism as the unemployment rate decreases, consumer confidence increases, and the number of qualified inquiries rebounds.

Second Half 2003

During the second half of the year, we should see a gradual up-trend in activity. Whether or not that happens early enough in the second half to have a material effect on the bottom line for 2003 is questionable. This all equates to a 2003 forecast of a flat to minor increase of 5% in business over 2002.

Certain sectors of the economy will deviate from this trend, but many companies still have no incentive to expand. Hopefully, the worst is behind us and we can look forward to an improvement in business for all.

Lee Schomberg, vice president of marketing at Ermanco, a Paragon Technologies brand, is the 2003 president of the Conveyor Equipment Manufacturers Association.

CONVEYOR INDUSTRY LOOKS FOR RECOVERY IN 2003

CEMA Public Relations Committee Fall Meeting Press Release

The Conveyor Equipment Manufacturers Association (CEMA) reports that through the second quarter, booked and billed sales remained down year over year for the conveyor industry as they were for most industries in early 2002. Booked sales are estimated at \$2.2 billion, and shipments are estimated at \$2.6 billion through the second quarter. Shipments outpaced booked orders by 14%, which is less than the 20% reported for the previous year according to Lee Schomberg, CEMA President, who announced

the results at the Association's fall meeting in Chicago in September.

While bookings for tow conveyors increased significantly, bookings and shipments in all unit categories (unit handling conveyors-light to medium, unit handling conveyors-heavy duty, trolley-light duty, trolley-heavy duty, tow conveyors, unit components and conveyor chain) were down on average 38% and 35% respectively for the same period year over year. Bookings and shipments for bulk conveyor accessories continued to increase by 39% and 34% respectively over the same period in 2001, and bookings for bulk systems saw an increase of 48%. Bookings for screw conveyor and bulk components were down only slightly. Billings for screw conveyors stayed about the same through the second quarter as they were in 2001. Billings for bulk components were down slightly, but billings for bulk systems and bulk equipment were down 45% on average.

Founded in 1933, CEMA is the North American association of leading conveyor equipment manufacturers. CEMA tracks seven classes of unit handling equipment and five classes of bulk handling equipment.

The executives representing CEMA member companies who attended the fall meeting were optimistic that a recovery in the conveyor industry would occur in 2003.

CEMA also makes available to both member and nonmember companies, safety labels for all types of conveyor equipment as well as useful technical information and manuals. For further information on CEMA or its member companies, or to order safety labels or technical information, visit our web site at <http://www.cemanet.org>.

CEMA MEMBER COMPANY NEWS

Continental Conveyor & Equipment Company has announced that **C.E. (Ed) Bryant, Jr.**, president and CEO will retire on December 31, 2002 and will continue as a consultant to the company. *He has been a long-term active member and supporter of CEMA and has served on the CEMA Board of Directors as well as CEMA's President in 1993. CEMA appreciates his long service to the association and wishes Ed a long, contented, and happy retirement.* **Robert W. Hale**, former president of Joy Global's F&H Mining Equipment Division, will succeed Mr. Bryant.

NEW MEMBER COMPANIES

As of December 1, CEMA's membership stands at 96, with 89 Manufacturing Members and 7 Technical Members.

New Manufacturing Members

JAGAMEX., S.A. of Cuautitlan, Izcalli, Mexico, joined CEMA on July 1, 2002 as our second Mexican manufacturing member company.

They manufacture Bulk Belt Conveyor Components. Their Official Representative is Gabriel Ramirez Nuñez, their General Manager, and their Alternate Representative is Daniel Ramirez Nuñez, their Administrative Manager.

Rick Archer of **Arch Environmental Equipment, Inc.** sponsored their membership.

Assinck, Limited of Markham, Ontario, Canada joined CEMA on September 15, 2002 as our third Canadian manufacturing member company.

They manufacture Bulk Handling Systems, Components, and Accessories. Their Official Representative is Joe Boccabella, and their Alternate Representative is Bryan Burkart.

Warren Chandler of **Stephens-Adamson** sponsored their membership.

We warmly welcome all of these new members and hope that their participation in CEMA meetings and activities will bring CEMA the benefit it seeks and will bring these companies the benefits they seek, and more. We also sincerely thank their sponsors for guiding these new members to our association.

COMPANY NEWS

Promotions and Transitions

Alvey, an **FKI Logistex** company, has promoted **Tom Roberts** to director, field operations and has promoted **William Harton** to senior vice president, sales and field operations. Mr. Harton will be responsible for the entire Alvey sales organization including field and systems sales teams.

Fenner Dunlop Americas, parent of member company, **Scandura Conveyor Belting**, has appointed **Dr. Robert C. Haley** as president. He will be responsible for both the Scandura and Georgia Duck subsidiaries.

FKI Logistex has appointed **George King** as director of sales, major accounts, for **FKI Logistex Automation Division**, and **Stephen Legg**, president of **FKI Logistex Real Time Solutions**.

HK Systems has announced that **Larry Frey** has joined HK Systems as senior vice president, unit

handling systems (UHS) sales and **Mike Johnson** has been promoted to senior vice president UHS operations. **Tom Thomas** has been promoted to vice president, UHS system sales and **Todd Semersheim** has been promoted to vice president, customer service for material handling systems.

KWS Manufacturing has announced the appointment of **Bill Porterfield** as vice president of sales and marketing.

Paragon Technologies appointed **Tony Rotondo** as director of sales for the **S.I. Systems** brand.

The Multitech Group, Inc. has appointed **Roy Giffedder** as manager of field services and **Doug Brown** as manager of integration services.

Acquisitions and Transformations

Lewco Inc. has purchased the **LAHR Conveyor** product line, popular in the metalworking industry.

LubeCon changed its name to **Castrol Industrial North America** on November 1, 2002. The LubeCon product brand will continue without a name change.

Martin Engineering has entered into an agreement with its Indonesia distributor, PT

CEMA ENGINEERING CONFERENCE

At the Fall Meeting, the CEMA Board of Directors elected to suspend the Administration and Operations Managers Conference indefinitely until the membership decides whether it wants it to continue and whether it will support it in the future.

The CEMA Engineering Conference will meet convene at the LaPlaya Beach Resort, Naples, Florida from Sunday through Wednesday, May 18-21, 2003.

This year's speaker program will be on Project Management and we are attempting to arrange continuing education credits for the presentation.

CEMA Standards News

ANSI has approved **CEMA Standard 102 "Conveyor Terms and Definitions"** as an **ANSI/CEMA Standard 102-2002** with and approval date of October 14, 2002. The standard must be reviewed and either reaffirmed, or revised every five years. Any suggested additions or modifications should be submitted to CEMA headquarters.

UPCOMING CEMA MEETINGS

Annual Meeting

March 15-19, 2003
Marco Island Marriott
Marco Island, Florida

Engineering Conference

May 18-21, 2003
LaPlaya Beach Resort
Naples, Florida

Fall Meeting

September 18-19, 2003
O'Hare Hilton Hotel
Chicago, Illinois

CEMA Member Company News ... Continued

Suprabakti Mandiri, to form a new joint venture to manufacture and distribute Martin Products in the ASEAN Nations.

Siemens Dematic has completed its acquisition of Birmingham, Alabama-based **Automation Technologies Industries**. The acquisition provides Siemens Dematic additional assembly and manufacturing technologies. ATI's core technologies are pallet handling systems and printed circuit board assemblies.

Van Gorp Corporation, a new corporation created by former Emerson employees **Ron Arkema** and **Joe Canfield**, purchased the **Van Gorp / Emerson Power Transmission** conveyor pulley operations in Pella Iowa. The transaction was complete on September 30, 2002. The new company's Pella facility is ISO certified and will continue the long tradition by supplying high quality CEMA class and engineered designed conveyor pulleys and other conveyor components to the bulk material and unit handling industries.

Van Gorp Corporation and **Emerson Power Transmission** are now two distinct CEMA member companies.

Awards and Certifications

Dearborn Mid-West Conveyor Company president, **Wes Paisley**, announced that the company has earned the ISO 14001 certification, demonstrating the company's commitment to contributing to a cleaner environment. He also announced that it was named to the Michigan Governor's list of Clean Corporate Citizens.

J Richard Industries, a Portec Group International Company, has recently been certified and registered to QS 9000 and ISO 9002.

The Multitech Group, Inc. has received the Blue Chip Enterprise Award.



John Spano (Rexnord Corporation), Fred Thimmel (Bryant Products), Fred Bachert (Rockwell Automation-Power Systems), and Neil McLean (Can-Am Chains) enjoy meeting and networking at the CEMA Fall Meeting.



Rick Baer (Greenberry Industrial), Ralph and Shawn Jones (Industrial Screw Conveyors, and Jim Smothers (Continental Conv. & Equip Co.) get ready for the Fall Meeting banquet.



Rick Burgermeister (Falk Corporation), John Winkelman (FLEXCO), Todd Swinderman (Martin Engineering) and John Muelenberg (FLEXCO) explain the workings of a CEMA meeting to first time attendee Helene Acock (FLEXCO).