

AMERICAN MOLD BUILDERS ASSOCIATION

Moldbuilding – Where Manufacturing Begins

Who Are We? The AMBA is a group of mold manufacturers of the United States. We develop, design, and build molds that are used to make plastic parts for every industry including automotive; aerospace; food and beverage packaging; medical devices and medical diagnostic equipment; toys, recreational and sporting goods; industrial equipment; cosmetics and personal care. Molds are critical to every industry in which plastics have become a critical material for lighter weight, higher productivity, reduced costs-to-manufacture, and greater energy efficiency. The productivity of a manufacturing system often depends on the molds that are built for that system, and American-made molds are among the most innovative, efficient molds in the world.

There are approximately 2,500 mold manufacturing companies in the U.S., most of them small to mid-sized, privately-held enterprises with sales of less than \$20 million. Every state has mold manufacturing companies, but the majority are located in the Midwest and Eastern seaboard, where there is a heavy concentration of manufacturing. We are critical to the success of global corporations that are 100 times the size of our businesses. Yet, they could not be successful without our creativity, technical expertise and talented employees.

Current Issues Moldbuilders face:

- 1. Unfair Competition from Low-Cost Countries:** As small manufacturers, it is increasingly important for moldbuilders to have a level playing field upon which to compete with manufacturers in low-cost countries (LLCs). Many large OEMs have already taken most – if not all – of their manufacturing offshore to places such as China, Singapore, Malaysia, and India, resulting in the erosion of our customer base – they buy molds in the countries in which they have established manufacturing. To stop job losses, and the further erosion of U.S. manufacturing and our customer base, America must:
 - a.** Eliminate tax disadvantages that undermine competitiveness of U.S. producers at home and abroad, or that discourage investment in America;
 - b.** Combat the illegal mercantilist practice of prolonged currency misalignment, including passing legislation to make it actionable under U.S. trade law;
 - c.** Aggressively enforce U.S. laws to halt foreign illegal trade activities such as dumping, subsidization, and intellectual property theft;
 - d.** Ensure “Buy American” provisions in the recently passed stimulus are vigorously enforced;
 - e.** Promote American interests by requiring full reciprocity, fairness, and transparency in all U.S. trade agreements.
- 2. Skilled Employee Shortage & Aging Workforce:** Wrong perceptions of the manufacturing environment and lack of knowledge about opportunities and high pay, combined with lack of support from career counselors in high schools – those who can best influence students on career choices and direct them into trade schools and apprenticeship programs, are creating a skilled worker shortage in America. We expect the government to do its part to promote higher levels of math and science in our high schools, and direct those students with an interest in mechanical skills, computer skills, and creativity, into the manufacturing trades to support manufacturing in the U.S. ***Did you know . . . A student who has completed two years at a trade school and apprenticeship program for mold making can earn upward of \$65,000 annually?***
- 3. Lack of Access to Credit:** Machine tools, equipment and software required to design and manufacture molds can cost from \$25,000 to \$1 million. We need access to credit to help capitalize our businesses. The moldbuilding process is also a lengthy process, and receiving payment in full after the completion of a mold can take several months, forcing moldbuilders to rely on their line of credit. Access to credit is crucial for us to win new business from large OEMs and help us maintain our competitive edge.
- 4. Rising Healthcare Costs:** The AMBA supports reform that is truly reform which will allow businesses greater access to more affordable healthcare plans for themselves and their employees; provide for access to healthcare coverage in spite of “pre-existing conditions”, and that does not penalize employers through taxes, government mandates, and income taxes on small businesses. We promote Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) as responsible, affordable healthcare options for our employees.
- 5. Rising Tax Burdens:** Small manufacturers in the U.S. are at a distinct disadvantage when it comes to taxation. We have one of the highest corporate tax rates in the world, which puts us in a negatively competitive position. While other countries such as China are subsidizing their manufacturing companies, our government penalizes business owners with increasingly higher taxes. Raising taxes on the “wealthy” (top 2%) is not a solution to paying down the ballooning deficit, because that will impact many small businesses that operate as S-Corps. Let’s separate Donald Trump from the ABC Mold Company owner. Reducing the corporate tax rate will incentivize large Corporations to expand their operations and keep work – and the jobs that go with it – in the USA.