

Precision Machining Industry NAICS 332721 Fast Facts

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The PMPA serves the precision machining industry by providing information, resources and networking opportunities. But just what is this “precision machining industry?”

In Washington, D.C., this industry is known as NAICS 332721: Precision Machining. “This U.S. industry comprises establishments known as precision turned manufacturers primarily engaged in machining precision products of all materials on a job or order basis. Generally, precision turned product jobs are large-volume using machines such as automatic screw machines, rotary transfer machines, computer numerically controlled (CNC) lathes or turning centers.”

This list covers much of the technology employed, but we are starting to see water jet, as well as laser machines in our production shops. Some additive manufacturing technology is also on people’s minds, if not yet in actual commercial operation.

CNC mills, machining centers and Swiss-style machines are growing in importance in our shops. Our companies are often called job shops, and while some have their own product lines, most shops produce component parts for other companies.

In 2012, the markets most heavily served by our industry as a percentage of our sales were automotive and light truck, fluid power, aerospace, medical, heavy truck, and electronic connectors and components.

You will find precision machined parts in your home in appliances, small electrics, HVAC and other modern technologies. But what else do we know about this industry?



Number of establishments. Precision Machining is a subcategory of manufacturing, a component industry of fabricated metals and a stand-alone industry under NAICS 3327: Machine shops, turned product, screw, nut and bolt manufacturing.

According to the 2010 U.S. Census, there were 23,202 establishments under NAICS 3327. The precision machining industry was made up of 3,124 establishments. Precision machining establishments are approximately 13.5 percent of all the shops in the NAICS 3327: Machine shops, turned product, screw, nut and bolt manufacturing category.

Number of employees. According to the 2010 U.S. Census Survey of Manufacturers, 78,070 people were employed in our industry. The 2010 County Business Pattern Report puts the number at 78,749. If you are working in our industry, now you know that you are one out of about 80,000 people. This is up slightly from the 2006 data, which showed 76,640 employees in our industry, a difference of 2,109 people, or up about 3 percent. Not bad considering the depth of the recession we just came through.

Value added. Our industry is unique in that we subtract material from raw bar stock to produce finished, precision-engineered components of less mass. This subtraction of material to meet the customer’s design is called “value added.” Value added was reported to be \$8,394,159,000 (\$8.4 billion), which is roughly 63 percent of our industry’s \$13,314,415,000 (\$13.3 billion) total value of shipments.

Increased production. In 2005, the dollar value of industry shipments was reported to be \$9,791,795,000 (\$9.8 billion). Five years later, it was \$13,314,415,000 (\$13.3 billion). In those five years, our shipments were up \$3,522,620,000 (\$3.5 billion), or about 36 percent.

While you may have heard about the “lost decade” because of the recession, the facts are pretty clear. The precision machining industry has grown its number of shops, employees and sales, as well as its ability to serve its customers.

If you need high volumes of highly engineered, high-precision components, on-time and in-specification, chances are pretty good a precision machined products company, like one of the members we serve, will have you covered.