NAM MANUFACTURERS' OUTLOOK SURVEY
FOURTH QUARTER 2017

December 11, 2017

Percentage of Respondents Positive in Their Own Company's Outlook	NAM Manufacturing Outlook Index
94.6% *(September: 89.8%)* Small Manufacturers: **91.5%** *(September: 85.1%)* Medium-Sized Manufacturers: **95.7%** *(Sept.: 89.8%)* Large Manufacturers: **94.5%** *(September: 94.9%)*	**63.9** *(September: 60.7 – revised)* **Expected Growth Rate for SALES Over the Next 12 Months** **↑ 5.2%** *(September: ↑ 4.5%)*
Expected Growth Rate for PRODUCTION Over the Next 12 Months **↑ 5.0%** *(September: ↑ 4.5%)*	**Expected Growth Rate for EXPORTS Over the Next 12 Months** **↑ 1.4%** *(September: ↑ 1.3%)*
Expected Growth Rate for CAPITAL INVESTMENTS Over the Next 12 Months **↑ 3.4%** *(September: ↑ 2.7%)*	**Expected Growth Rate for PRICES Over the Next 12 Months** **↑ 1.9%** *(September: ↑ 1.8%)*
Expected Growth Rate for FULL-TIME EMPLOYMENT Over the Next 12 Months **↑ 2.6%** *(September: ↑ 2.2%)*	**Expected Growth Rate for INVENTORIES Over the Next 12 Months** **↑ 1.4%** *(September: ↑ 1.0%)*
Expected Growth Rate for EMPLOYEE WAGES Over the Next 12 Months **↑ 2.2%** *(September: ↑ 2.2%)*	**Expected Growth Rate for HEALTH INSURANCE COSTS Over the Next 12 Months** **↑ 8.4%** *(September: ↑ 8.3%)*

"Do you think the United States is headed in the right direction, or is our country on the wrong track?"
RIGHT TRACK: 58.7%   WRONG TRACK: 14.6%   UNSURE: 26.7%
(September: Right Track: 46.4%, Wrong Track: 21.4%, Unsure: 32.2%)

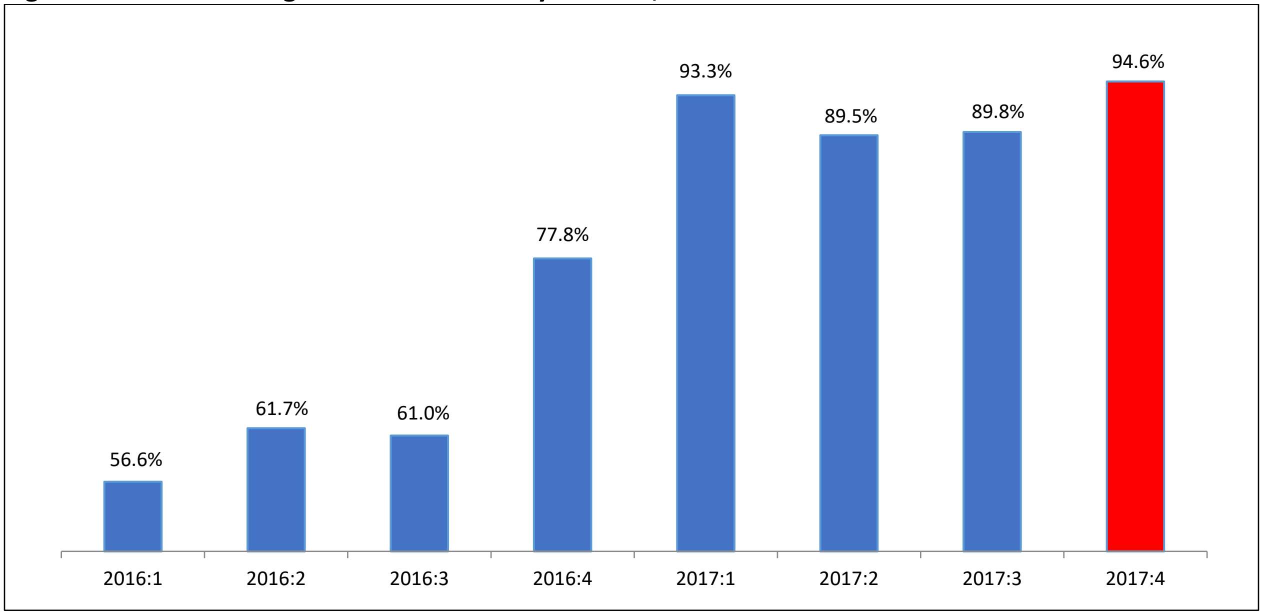
Summary

In the latest Manufacturers' Outlook Survey from the National Association of Manufacturers (NAM), manufacturers' optimism has risen to unprecedented heights, driven by their belief that the progress the White House and Congress have made on enacting bold, comprehensive tax reform shows that leaders in Washington are finally embracing policies to help manufacturers in the United States successfully compete in the global marketplace. With 94.6 percent of respondents saying they are positive about their own company's outlook (Figure 1), this quarter's optimism level is the highest in the survey's 20-year history. Optimism has been at historically high levels throughout the year, averaging 91.8 percent in the four quarters of 2017, up from a 64.3 percent average in 2016.

Failure to enact tax reform would have serious ramifications for American manufacturers, as nearly 60 percent said they would lose opportunities to grow their business and more than 20 percent said they would be unable to expand their facilities and hire new workers. An overwhelming two-thirds of manufacturers would consider a vote against tax reform as a vote against their business.

NATIONAL ASSOCIATION OF Manufacturers

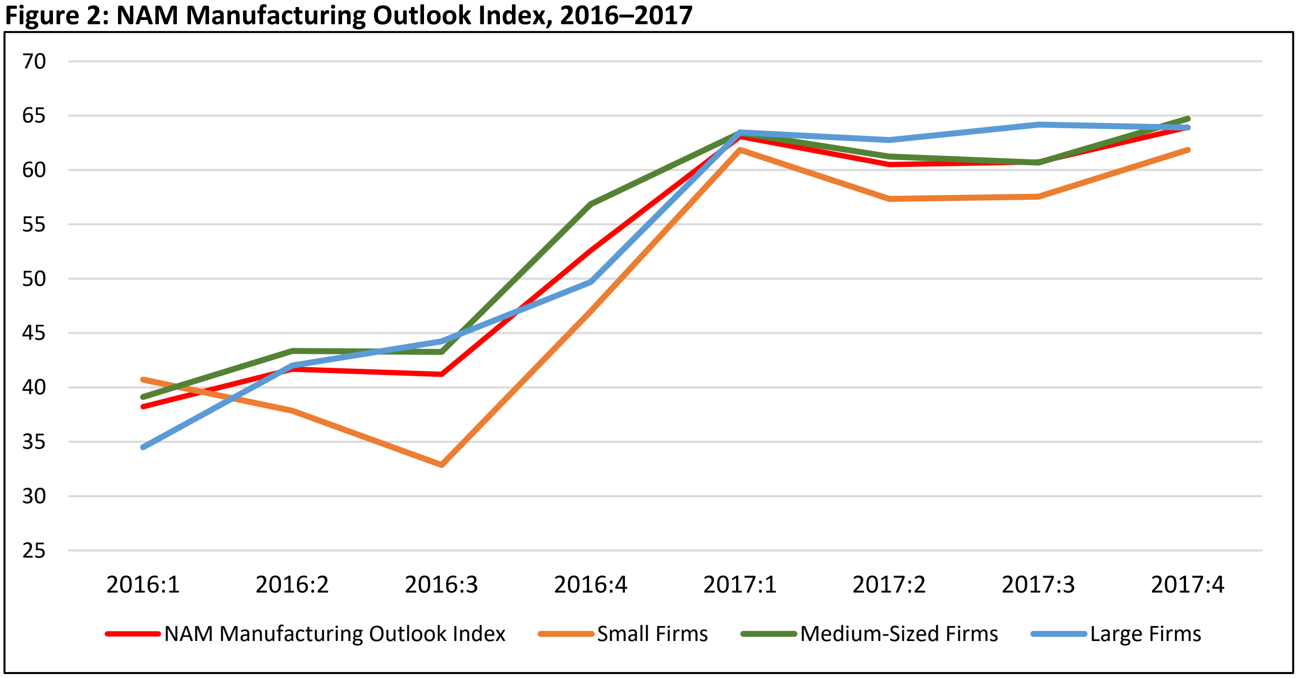
Figure 1: Manufacturing Business Outlook by Quarter, 2016–2017



Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive

The NAM Manufacturing Outlook Index also jumped to a new record high, rising from 60.7 in the previous quarter to 63.9 this time (Figure 2). Numbers greater than 60 indicate strong levels of optimism, with the percentage positive in their outlook more than one standard deviation from the historical average (74.0 percent positive). It was the fifth straight quarter where the outlook exceeded that average.

Figure 2: NAM Manufacturing Outlook Index, 2016–2017

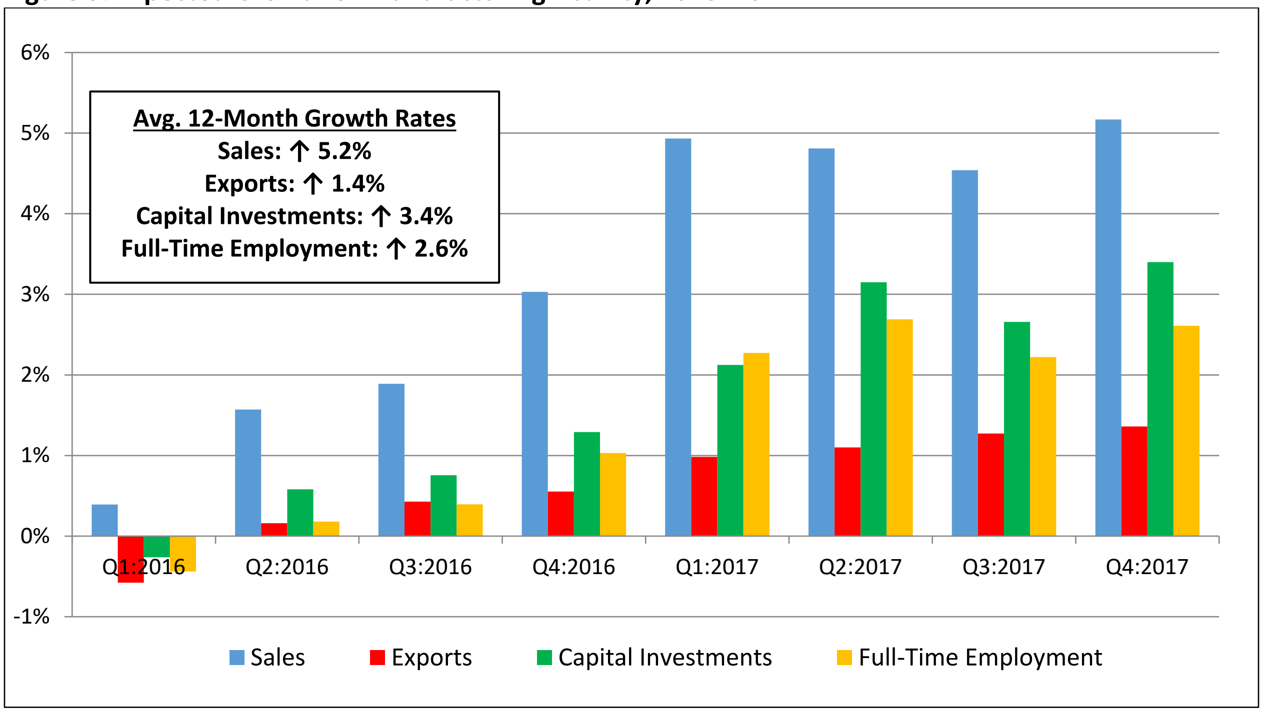


Source: National Association of Manufacturers

Manufacturing Activity on the Upswing

After nearly a decade of economic disruptions, slow growth and policy disappointments, the survey has shown tremendous improvement in the health of the manufacturing sector since the 2016 election (Figure 3). Manufacturers have reported a robust turnaround in activity over the past 12 months, and they are very upbeat in their assessment of demand and output moving forward. Manufacturers are cautiously optimistic that many of the policies they have long sought, such as pro-growth tax reform, a major infrastructure package and regulatory relief, might finally become reality.

Figure 3: Expected Growth of Manufacturing Activity, 2016–2017



Note: Expected growth rates are annual averages.

Both sales and capital spending are anticipated to increase over the next 12 months at the fastest rates since mid-2011, and employment continues to trend strongly upward.

- Respondents predict sales growth of 5.2 percent over the next year, up from 4.5 percent in the previous release.
- More than 56 percent say their sales will rise by at least 5.0 percent over the next 12 months.
- Capital investments are anticipated to grow 3.4 percent over the next 12 months, up from 2.7 percent in September, reflecting business leaders' increased confidence in the future.
- Just more than 38 percent of respondents predict capital expenditures will rise by at least 5 percent, with 21.3 percent predicting an increase of more than 10 percent.
- Full-time employment is expected to rise 2.6 percent over the next year, up from 2.2 percent in the previous survey. This is just shy of the 2.7 percent pace recorded in June, which was the fastest rate in the survey's history.
- Nearly 62 percent of manufacturers anticipate an increase in employment over the next year, with 22.8 percent predicting a jump of at least 5 percent.

Reordering of Business Challenges

Manufacturers' three highest business challenges remain the same: attracting and retaining a quality workforce, rising health care and insurance costs and an unfavorable business climate (e.g., taxes and regulations) (Figure 4). What has changed is that in all of the surveys up to this year, an unfavorable business climate often appeared near the top of the list; now it is a distant third. The new order reflects manufacturers' recognition that a dramatic change in the policymaking environment has occurred in Washington since the 2016 election.

Figure 4: Primary Current Business Challenges, Fourth Quarter 2017

Note: Respondents were able to check more than one response; therefore, responses exceed 100 percent.

The inability to attract and retain a quality workforce is the top business challenge, cited by 72.9 percent of respondents. This continues to be one of the most cited issues for manufacturers, especially as the labor market has tightened significantly.

Next is rising health care and insurance costs, mentioned by 72.3 percent of manufacturers. Costs are anticipated to increase 8.4 percent over the next year, up marginally from 8.3 percent in the previous survey. The majority of manufacturers—75.7 percent—expect their premiums to increase by at least 5.0 percent on average next year, with 39.1 percent predicting costs to rise by at least 10 percent.

An unfavorable business climate came in third, where it has been in every survey so far in 2017, cited by 48.0 percent of respondents. Prior to this year, that issue regularly vied for first place on the list with health care costs, never falling below 70 percent. The likely reason for this significant drop is manufacturers' belief that the administration will continue to provide regulatory relief and lawmakers will push tax reform forward. That said, several respondents expressed frustration with the slow pace of tax reform and other pro-growth initiatives.

Other highlights in the underlying data include the following:

- Mirroring the sales figures, production is anticipated to jump 5.0 percent over the next year. That question was only added two years ago, and it was the best reading in that time frame.

- Export expectations once again rose in the latest data. Respondents predict 1.4 percent growth in exports over the next 12 months, up from 1.3 percent in the previous survey and the highest rate since the second quarter of 2014. Just more than 41 percent anticipate exports increasing over the next year, with 56.2 percent forecasting exports to be flat.
- Pricing pressures have accelerated modestly with prices for a company's overall product line predicted to rise 1.9 percent over the coming 12 months, up from 1.8 percent last time. This was the briskest pace for prices since the third quarter of 2014.
- Manufacturers expect their inventories to grow 1.4 percent over the next 12 months, which is the fourth consecutive increase after seven straight quarters of declines, the fastest pace in 19 years. More than 38.0 percent anticipate higher inventory stocks, with 49.5 percent predicting no change. This is consistent with the pickup in activity seen in other measures.

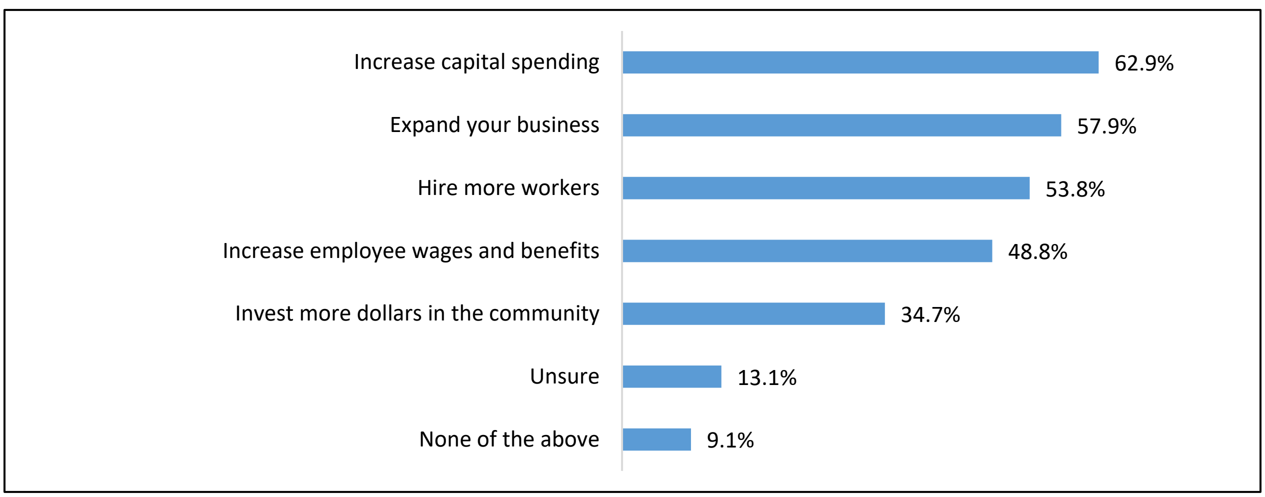
Special Questions

Enacting Comprehensive Business Tax Reform

Manufacturers are optimistic about the chance that long-sought-after comprehensive business tax reform will be enacted into law. Just more than three-quarters of respondents said they supported the current tax proposals being debated in Congress, with 16.4 percent unsure.

In general, the survey results and comments indicate that a simpler, modern tax code would help manufacturers be more competitive in the global marketplace. Nearly 63 percent said comprehensive business tax reform would encourage their company to increase capital spending and more than half would expand their business (57.9 percent) and hire more workers (53.8 percent), while a significant proportion would increase employee wages and benefits (48.8 percent) and invest more in the community (34.7 percent) (Figure 5).

Figure 5: If Comprehensive Business Tax Reform Is Enacted, Would It Make Your Company More Likely to Do Any of the Following?



Note: Respondents were able to check more than one response; therefore, responses exceed 100 percent.

However, politicians should take note: two-thirds of manufacturers said they would consider a vote against tax reform as a vote against their business. If tax reform fails, manufacturers and their workers will suffer: 57.5 percent said that not passing tax reform would mean they would lose opportunities to grow their business, and just more than 20 percent felt that failure would translate into hiring fewer workers and/or not expanding their facilities.

Assessing Regulatory Paperwork Burdens

Manufacturers have long complained about the amount of paperwork they need to fill out to comply with regulations. The NAM asked respondents how much time they and their compliance manager spent on paperwork each week to comply with regulations. On average, respondents spent 4.9 hours per week completing such paperwork, while 23 percent said they devoted more than 10 hours per week filling out paperwork to comply with regulations.

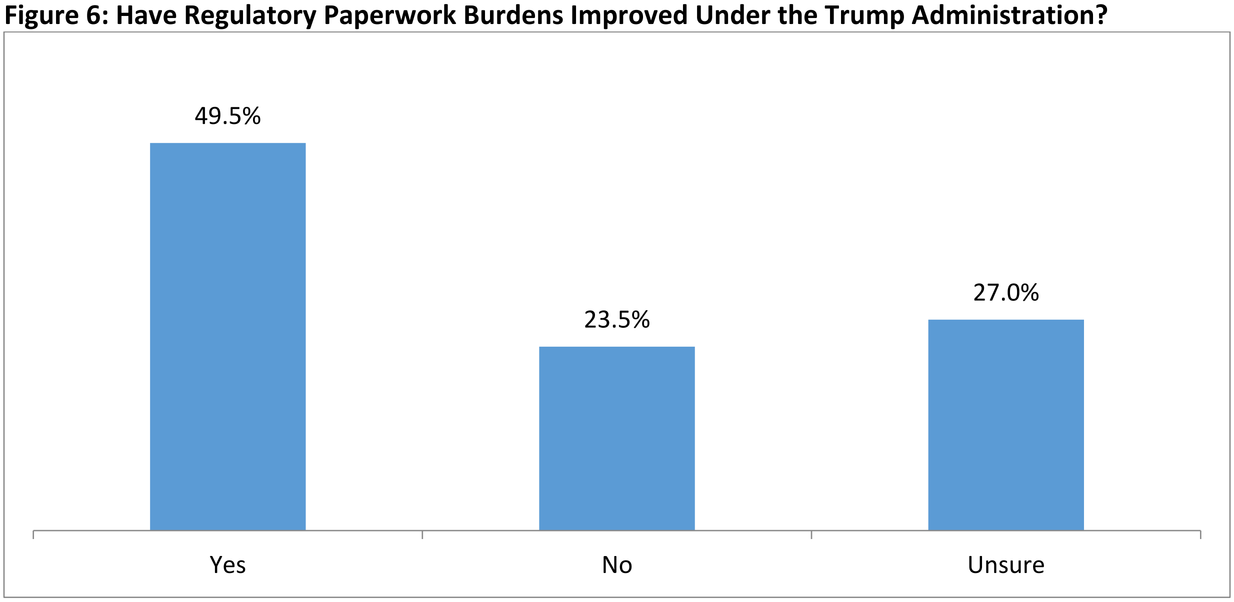
Distrust and frustration with regulatory agencies is significant: 40.9 percent believe regulatory agencies are primarily concerned with issuing fines. Almost the same percentage—39.8 percent—said those agencies are primarily focused on ensuring compliance. Only 5 percent feel agencies seek to work with firms to reduce risks.

Along those lines, three-quarters of respondents agreed that smart regulations help level the playing field, with just 6.3 percent disagreeing. Two-thirds of manufacturers have seen opportunities to simplify red tape or streamline regulatory processes that federal agencies have not pursued, while only 2.5 percent said they have not.

On the positive side, more than 40 percent agreed or strongly agreed they had enough guidance on how to comply with regulations, with 28.3 percent either disagreeing or strongly disagreeing. Twenty-seven percent neither agreed or disagreed with the statement that they had enough guidance, and 4.1 percent were unsure. To complete these forms, 52.9 percent said they needed to hire a law firm or similar outside professional help to keep up to date on paperwork requirements and compliance; one-third did not.

Almost one-half of manufacturers completing the survey said that paperwork burdens had improved in the first year of the Trump administration (Figure 6), with 23.5 percent suggesting they had not. At the same time, 27.0 percent were unsure.

Figure 6: Have Regulatory Paperwork Burdens Improved Under the Trump Administration?



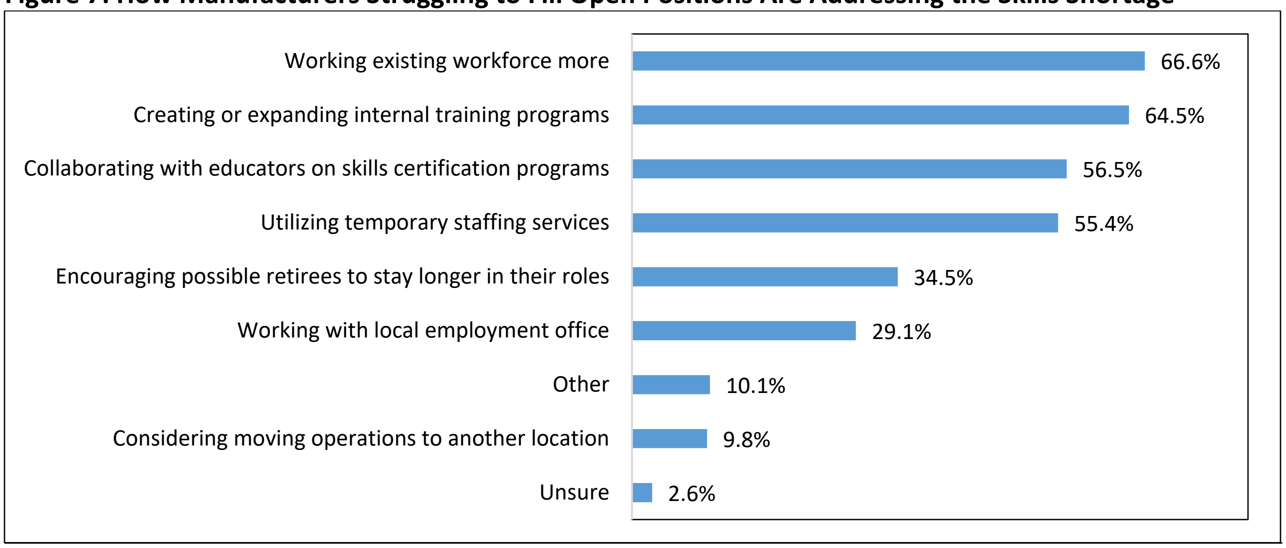
Addressing Workforce Challenges

As noted earlier, manufacturers cited the inability to attract and retain a quality workforce as their top challenge. We wanted to dive deeper into that topic because it has long been an important issue for the NAM, especially for The Manufacturing Institute. In this survey, 79.8 percent of respondents said they have unfilled positions within their company that they are struggling to fill with qualified applicants.

Unfortunately, 34.4 percent of respondents said their company had been unable to take on new business and had lost revenue opportunities because of the inability to attract and retain workers, showing that the skills gap creates real and tangible losses for many companies. However, 52.1 percent said they had not lost business or revenue from their workforce challenges.

In trying to address their skills shortage, two-thirds of manufacturers were working their existing workforce more, with 64.5 percent creating or expanding internal training programs (Figure 7). They were also addressing their workforce challenges by collaborating with educators on skills certification programs (56.5 percent), utilizing temporary staffing services (55.4 percent), encouraging possible retirees to stay longer in their roles (34.5 percent) and working with the local employment office (29.1 percent). For those respondents offering other solutions, examples included using a headhunter, modifying their approaches to recruiting (such as increased usage of social media) and using temporary help. In addition, roughly 10 percent have considered moving to another location to address their workforce needs.

Figure 7: How Manufacturers Struggling to Fill Open Positions Are Addressing the Skills Shortage



Note: Respondents were able to check more than one response; therefore, responses exceed 100 percent.

Note

This survey has been conducted quarterly since 1997, with the NAM's membership submitting this quarter's responses from November 16 to 30. In total, 662 manufacturers from all parts of the country, in a wide variety of manufacturing sectors and in varying size classifications responded this quarter. Aggregated survey responses appear below. The next survey is scheduled for March 2018.

Comments on Primary Challenges Facing Manufacturers

Respondents were given the opportunity to submit other challenges affecting their business aside from the choices given in the survey question. Here is a sample of the comments that respondents offered:

- "Continue to feel pricing pressure from China." *(Other/orthopedic soft goods manufacturing)*
- "Despite the strengthening economy, we're still facing pricing pressure and cost-reduction requests from our customers." *(Fabricated metal products)*
- "Dumped steel products from Asia, including China, Taiwan, Singapore, Vietnam and South Korea. This continues to be a major problem." *(Fabricated metal products)*
- "Hoping exchange rate improvement will spur more export business for us." *(Other/recreational boat building)*
- "Impact from low-cost country manufacturers that seem to be able to sell into the U.S. markets at unrealistic low prices." *(Other/electro-mechanical power transmission products)*
- "Increased transportation costs." *(Chemicals)*
- "Lack of available entry-level laborers." *(Wood products)*
- "The lack of young people willing to learn skilled job and take on three-to-four-year apprenticeships. Finding electricians, machinists, mechanics and printing press operators is a problem. We need more vocational training in the high schools." *(Other/specifically tin can manufacturing)*
- "Manufacturing still has a very negative perception, making it difficult to attract talent when our schools, and many parents, steer kids away from a manufacturing career." *(Fabricated metal products)*
- "Need to pass tax reform and fix health care." *(Machinery)*
- "Non-tariff trade barriers overseas." *(Machinery)*
- "Possible trade wars with other countries as we export more than 80 percent of our products. Backing out of TPP also did not help in this process." *(Machinery)*
- "Regulatory environment is still challenging, but much improved under the Trump administration." *(Electrical equipment and appliances)*
- "Sequestration—Budget Control Act spending caps—and the continued reliance on continuing resolutions in funding [the Department of Defense]." *(Fabricated metal products)*
- "Skilled people are impossible to find!" *(Fabricated metal products)*
- "The future will depend on the success of U.S. tax reform, which I believe is urgently needed to make the USA competitive again in manufacturing and wealth." (*Other/engineering and architectural services for high-technology manufacturers)*
- "There is cautious optimism with our customers. They want to increase business but are very slow in making a commitment to do so due to uncertainty." *(Machinery)*
- "There is a shortage of available trucking in the United States." *(Nonmetallic mineral products)*
- "Uncertain trade policy." *(Computer and electronic products)*
- "Uncertainty in the economy and unwillingness to make major spends." *(Wood products)*
- "Upskilling costs. Need grant support." *(Other/precision optical components manufacturing)*

Survey Responses

1. How would you characterize the business outlook for your firm right now?
    a. Very positive – 34.2%
    b. Somewhat positive – 60.4%
    c. Somewhat negative – 4.5%
    d. Very negative – 0.9%

    Percentage that is either somewhat or very positive in their outlook = 94.6%

2. Over the next year, what do you expect to happen with your company's overall sales?
    a. Increase more than 10 percent – 17.4%
    b. Increase 5 to 10 percent – 39.0%
    c. Increase up to 5 percent – 28.9%
    d. Stay about the same – 11.2%
    e. Decrease up to 5 percent – 1.7%
    f. Decrease 5 to 10 percent – 0.9%
    g. Decrease more than 10 percent – 1.1%

    Average expected increase in sales consistent with these responses = 5.2%

3. Over the next year, what do you expect to happen with your company's overall production levels?
    a. Increase more than 10 percent – 17.8%
    b. Increase 5 to 10 percent – 35.2%
    c. Increase up to 5 percent – 30.7%
    d. Stay about the same – 12.3%
    e. Decrease up to 5 percent – 2.7%
    f. Decrease 5 to 10 percent – 0.8%
    g. Decrease more than 10 percent – 0.6%

    Average expected increase in production consistent with these responses = 5.0%

4. Over the next year, what do you expect to happen with the level of exports from your company?
    a. Increase more than 5 percent – 14.6%
    b. Increase 3 to 5 percent – 13.3%
    c. Increase up to 3 percent – 13.3%
    d. Stay about the same – 56.2%
    e. Decrease up to 3 percent – 0.6%
    f. Decrease 3 to 5 percent – 1.2%
    g. Decrease more than 5 percent – 0.8%

    Average expected increase in exports consistent with these responses = 1.4%

5. Over the next year, what do you expect to happen with prices on your company's overall product line?
    a. Increase more than 10 percent – 1.7%
    b. Increase 5 to 10 percent – 8.7%
    c. Increase up to 5 percent – 50.0%
    d. Stay about the same – 34.5%
    e. Decrease up to 5 percent – 4.9%
    f. Decrease 5 to 10 percent – 0.3%
    g. Decrease more than 10 percent – none

    Average expected increase in prices consistent with these responses = 1.9%

6. Over the next year, what are your company's capital investment plans?
    a. Increase more than 10 percent – 21.3%
    b. Increase 5 to 10 percent – 17.2%
    c. Increase up to 5 percent – 17.2%
    d. Stay about the same – 37.3%
    e. Decrease up to 5 percent – 2.9%
    f. Decrease 5 to 10 percent – 1.2%
    g. Decrease more than 10 percent – 2.9%

    Average expected increase in capital investments consistent with these responses = 3.4%

7. Over the next year, what are your inventory plans?
    a. Increase more than 10 percent – 4.1%
    b. Increase 5 to 10 percent – 12.1%
    c. Increase up to 5 percent – 22.0%
    d. Stay about the same – 49.5%
    e. Decrease up to 5 percent – 9.0%
    f. Decrease 5 to 10 percent – 1.7%
    g. Decrease more than 10 percent – 1.7%

    Average expected increase in inventories consistent with these responses = 1.4%

8. Over the next year, what do you expect in terms of full-time employment in your company?
    a. Increase more than 10 percent – 6.2%
    b. Increase 5 to 10 percent – 16.6%
    c. Increase up to 5 percent – 39.0%
    d. Stay about the same – 33.0%
    e. Decrease up to 5 percent – 3.5%
    f. Decrease 5 to 10 percent – 1.1%
    g. Decrease more than 10 percent – 0.6%

    Average expected increase in full-time employment consistent with these responses = 2.6%

9. Over the next year, what do you expect to happen to employee wages (excluding nonwage compensation, such as benefits) in your company?
    a. Increase more than 5 percent – 3.8%
    b. Increase 3 to 5 percent – 27.7%
    c. Increase up to 3 percent – 59.3%
    d. Stay about the same – 9.0%
    e. Decrease up to 3 percent – none
    f. Decrease 3 to 5 percent – 0.2%
    g. Decrease more than 5 percent – 0.2%

    Average expected increase in employee wages consistent with these responses = 2.2%

10. Over the next year, what do you expect to happen to health insurance costs for your company?
    a. Increase 15.0 percent or more – 15.6%
    b. Increase 10.0 to 14.9 percent – 23.5%
    c. Increase 5.0 to 9.9 percent – 36.6%
    d. Increase less than 5.0 percent – 16.2%
    e. No change – 4.7%
    f. Decrease less than 5.0 percent – 0.9%
    g. Decrease 5.0 percent or more – 0.8%
    h. Uncertain – 1.8%

    Average expected increase in health insurance costs consistent with these responses = 8.4%

11. Do you think the United States is headed in the right direction, or is our country on the wrong track?
    a. Right direction – 58.7%
    b. Wrong track – 14.6%
    c. Unsure – 26.7%

12. What are the biggest challenges you are facing right now? (Check all that apply.)
    a. Weaker domestic economy and sales for our products to U.S. customers – 19.8%
    b. Weaker global growth and slower export sales – 8.8%
    c. Strengthened U.S. dollar relative to other currencies – 16.2%
    d. Challenges with access to capital or other forms of financing – 4.2%
    e. Unfavorable business climate (e.g., taxes, regulations) – 48.0%
    f. Increased raw material costs – 42.4%
    g. Rising health care/insurance costs – 72.3%
    h. Attracting and retaining a quality workforce – 72.9%

13. What is your company's primary industrial classification?
    a. Chemicals – 5.3%
    b. Computer and electronic products – 2.3%
    c. Electrical equipment and appliances – 4.1%
    d. Fabricated metal products – 33.2%
    e. Food manufacturing – 2.7%
    f. Furniture and related products – 1.5%
    g. Machinery – 10.9%
    h. Nonmetallic mineral products – 2.0%
    i. Paper and paper products – 2.7%
    j. Petroleum and coal products – 0.3%
    k. Plastics and rubber products – 7.9%
    l. Primary metals – 3.6%
    m. Transportation equipment – 2.9%
    n. Wood products – 2.3%
    o. Other – 18.4%

14. What is your firm size (e.g., the parent company, not your establishment)?
    a. Fewer than 50 employees – 21.1%
    b. 50 to 499 employees – 56.8%
    c. 500 or more employees – 22.1%

SPECIAL QUESTIONS

Enacting Comprehensive Business Tax Reform

15. Do you support the current proposals being debated in Congress for comprehensive business tax reform?
    a. Yes – 75.3%
    b. No – 8.4%
    c. Unsure – 16.4%

16. If comprehensive business tax reform is enacted, potentially making your company more competitive globally, would it make your company more likely to do any of the following? (Check all that apply.)
    a. Expand your business – 57.9%
    b. Hire more workers – 53.8%
    c. Increase employee wages and benefits – 48.8%
    d. Increase capital spending – 62.9%
    e. Invest more dollars in the community – 34.7%
    f. None of the above – 9.1%
    g. Unsure – 13.1%

17. If comprehensive business tax reform is not enacted, what will be the consequences to your business? (Check all that apply.)
    a. I'll be unable to hire new workers – 20.7%
    b. I'll be unable to expand my facility – 22.9%
    c. I will lose opportunities to grow my business – 57.5%
    d. There will be no impact to my business – 17.0%
    e. Unsure – 22.1%

18. Do you consider a vote against tax reform by your representative or senator in Congress as a vote against your business?
    a. Yes – 67.6%
    b. No – 18.2%
    c. Unsure – 14.3%

Assessing Regulatory Paperwork Burdens

19. How much time do you or your compliance manager spend on paperwork each week to comply with regulations?
    a. 0–2 hours – 17.1%
    b. 3–4 hours – 19.1%
    c. 5–6 hours – 11.1%
    d. 7–8 hours – 9.4%
    e. 9–10 hours – 4.9%
    f. More than 10 hours – 23.0%
    g. Unsure – 15.4%

    Average time spent on paperwork each week to comply with regulations = 4.9 hours

20. I believe I have enough guidance on how to comply with all of the regulations that my company is required to follow.
    a. Strongly agree – 4.8%
    b. Agree – 35.8%
    c. Neither agree nor disagree – 27.0%
    d. Disagree – 19.7%
    e. Strongly disagree – 8.6%
    f. Unsure – 4.1%

21. I believe regulatory agencies are primarily concerned with:
    a. Issuing fines – 40.9%
    b. Ensuring compliance – 39.8%
    c. Working with me to reduce risk – 5.0%
    d. Unsure – 14.4%

22. I believe that smart regulations are necessary to ensure a level playing field.
    a. Strongly agree – 31.5%
    b. Agree – 44.4%
    c. Neither agree nor disagree – 15.8%
    d. Disagree – 4.9%
    e. Strongly disagree – 1.4%
    f. Unsure – 2.0%

23. I have seen opportunities to simplify red tape or streamline regulatory processes that federal agencies have not pursued.
    a. Strongly agree – 26.1%
    b. Agree – 41.1%
    c. Neither agree nor disagree – 20.7%
    d. Disagree – 1.9%
    e. Strongly disagree – 0.6%
    f. Unsure – 9.6%

24. Have these burdens improved under the Trump administration?
    a. Yes – 49.5%
    b. No – 23.5%
    c. Unsure – 27.0%

25. I need to hire a law firm or similar outside professional help simply to keep up and comply with paperwork requirements.
    a. True – 52.9%
    b. False – 33.3%
    c. Unsure – 13.8%

Addressing Workforce Challenges

26. Do you have unfilled positions within your company for which you are struggling to find qualified applicants?
    a. Yes – 79.8%
    b. No – 18.3%
    c. Uncertain – 1.9%

    If yes, how are you addressing the skills shortage? (Check all that apply.)
    a. Working existing workforce more – 66.6%
    b. Creating or expanding internal training programs – 64.5%
    c. Encouraging possible retirees to stay longer in their roles – 34.5%
    d. Collaborating with educational institutions on skills certification programs – 56.5%
    e. Utilizing temporary staffing services – 55.4%
    f. Working with local employment office – 29.1%
    g. Considering moving operations to another location – 9.8%
    h. Other – 10.1%
    i. Unsure – 2.6%

27. Because of my company's inability to attract and retain workers, we have been unable to take on new business and have lost revenue opportunities.
    a. True – 34.4%
    b. False – 52.1%
    c. Unsure – 13.5%