

Manufacturing data disputed

By ASHLEY SMITH Staff Writer

A new publication claims Nashua has lost a staggering 36 percent of its manufacturing jobs over the last two years, but local experts are calling that figure into question.

The 2010 New Hampshire Manufacturers Register, an industrial directory published each year by Manufacturers' News, of Evanston, Ill., claims Hudson has now surpassed Nashua in terms of its manufacturing base, with 5,000 industry jobs compared with the city's 4,845.

City Economic Development Director Tom Galligani said the 36 percent figure doesn't seem consistent with state data tracked by the Economic and Labor Market Information Bureau. The state agency hasn't yet released data for 2009, but 2008 figures show more than 7,500 manufacturing jobs in Nashua, a decline of 9.6 percent from the year before.

If the 36 percent figure is correct, that means Nashua lost some 25 percent of its manufacturing base this year alone.

"There has been a drop, certainly, and that's been the case all over the country," Galligani said. "But a 36 percent drop? I'd like to see the data."

Galligani pointed out that some manufacturing jobs have also come into Nashua in the last two years. Axsys Technologies, a defense manufacturer, doubled the size of its Nashua facility in late 2008 and added 100 employees. Benchmark Electronics recently moved from Hudson to Nashua, he said.

Zenagui Brahim, director of operations of the New Hampshire Manufacturing Partnership, a nonprofit that works with manufacturing companies to help them boost sales and retain or add jobs, also doubts the accuracy of the figures.

"I was very surprised to see that number, so I called Employment Security," Brahim said. "The number that I got from them is around 12 percent."

The state Economic & Labor Market Information Bureau reports Nashua had 11 percent fewer manufacturing jobs in 2008 than in 2006, 7,533 compared with 8,496.

However, it's impossible to draw any direct comparison to the Manufacturers' News figures because the publication's report is based on a different time period – October 2007 to October 2009.

Tom Dubin, president of Manufacturers' News, said he stands by the data. The information is collected by calling every single manufacturer in the company's database to ask how many jobs they've lost or added. The publication, which

publishes annual directories for every state, also finds out if manufacturing companies have closed or new ones have opened.

“Unfortunately, we’re discovering more of the former than the latter right now,” Dubin said.

Dubin said the discrepancy between his figures and the state’s could be explained by different definitions of manufacturing. Manufacturers’ News uses a broad definition of the term that encompasses any company that changes, assembles or manufactures anything besides retail goods. That includes small businesses such as print shops and even bakeries that make wholesale goods, he said.

In a recent interview with New Hampshire Business Review, Manufacturers’ News analyst Jennifer Ratcliff said Nashua’s huge decline is related mostly to just one business leaving the city.

“Nashua lost most of its manufacturing jobs in the 2007-2008 period due to the relocation of the Hewlett Packard facility to Massachusetts,” Ratcliff told the paper.

In 2007, Hewlett Packard announced the closure of its south Nashua campus, relocating the jobs to Massachusetts.

The Manufacturers’ News report said Nashua by far lost the most jobs of any city or town. Keene was a distant second, losing some 6.3 percent of its manufacturing base. The report identified Manchester as the state’s leading manufacturing employer, with nearly 9,500 sector jobs, followed by Hudson, with 5,000 jobs. Keene employed 3,528 and Londonderry 3,400.

The report said New Hampshire as a whole has shed more than 7,000 manufacturing jobs – a drop of 7.5 percent – during the last two years. New Hampshire currently has 2,750 manufacturers employing 86,977 workers, compared with a high of 125,632 industrial workers recorded in 2000, it said.

“As with the entire nation, the recession continues to hit New Hampshire’s core sectors, while the faltering housing market has affected industries such as wood products and building products,” Dubin told New Hampshire Business Review.

Manufacturing has always been a big contributor to New Hampshire’s economy, but the sector has been hard hit nationwide by the trend of companies moving jobs overseas, where manufacturing is cheaper. Nashua is best known for its high-tech manufacturing base.

The New Hampshire Manufacturing Extension Partnership was created to help local manufacturers compete on a global basis. It’s part of a nationwide program created in the 1990s under the U.S. Department of Commerce.

According to Brahim, New Hampshire has the 15th- largest manufacturing base of any state. The industry here has morphed over the years to focus more on technology-based manufacturing, he said.

“Manufacturing is well and alive. It just has changed a bit,” Brahim said.

The NHMEP reports it has helped create or retain 551 manufacturing jobs in the last two years. Companies have reported a \$142 million boost in sales, \$49 million spent on new investment and \$18.8 million in cost savings from the nonprofit’s counseling and advice, Brahim said.

In a sector breakdown, Manufactures’ News said the state’s largest manufacturing sector, industrial machinery and equipment, lost about 11.8 percent of its positions over the two-year period.

Employment in electronics manufacturing, the second-largest sector with 14,051 jobs, declined 6.2 percent, followed by fabricated metal, employing some 7,611, down 13.6 percent.

The transportation subsector lost 21 percent of its jobs over the period. With the bankruptcies of the large automakers, smaller manufacturers down the chain were affected, Ratcliff said.

Paper industry employment fell 19.6 percent, followed by lumber/wood, down 15.2 percent, and textiles/apparel, down 14.1 percent.

Other sector results included in the report are:

n Rubber/plastics, down 9.8 percent.

n Printing/publishing, down 9.7 percent.

n Chemicals, down 9.3 percent.

n Stone/clay/glass, down 5.4 percent.

The one bright spot was in the food products subsector, which actually grew by 2.9 percent since October 2007.

“The expansion of Stonyfield Farms yogurt makers helped to stabilize that sector,” Ratcliff said.

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