

NEWS



FROM THE RODNEY HUNT COMPANY

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The Rodney Hunt Newsletter

This is the first issue of our in-house quarterly newsletter. We plan to focus on events taking place in the sales and marketing areas of the company with additional space devoted to other important Rodney Hunt activities and programs.

The purpose of the newsletter is to give us all a better understanding of how our products are being used and to keep us aware of the happenings in our various markets. The newsletter is intended to give a picture of what Rodney Hunt has done and where we hope to be in the future.

Everyone at Rodney Hunt plays an important part in furnishing products to our customers around the world. We hope that this newsletter will give us all a better idea of the importance of our individual responsibilities.

This is your publication. In the interest of keeping our entire staff abreast of company news, we encourage your input about topics for the newsletter to cover. Please feel free to let us know about what is going on in your department. Let's keep the lines of communication open.

Rodney Hunt Coping Well with the Recession

At Rodney Hunt, 1980 was a record year for incoming orders despite the recession that has persisted for more than 10 months. There was substantial growth in the fabricated gate area, a relatively new business for us, and export orders were more than double what they were last year.

Because we are involved in several businesses, the recession has affected us in several different ways. In the municipal Water Control business, the recession has not been a problem. However, the government's move to fight inflation has resulted in less Federal money being funneled into programs using our products. This has caused a decrease in our opportunities to offer quotes on sluice gates and slide gates. Fortunately, this drop-off in the domestic market has been offset by a considerable increase in the export market. As the dollar decreases in value, Rodney Hunt products become more competitive overseas and, subsequently, the international aspect of our business has increased significantly in the last year.

In the Industrial Roll Division the recession has had a substantial impact. In June the number of quotes dropped to about half of what it was in previous months and it has remained at that level. However, we've had a large manufacturing backlog so this drop in orders has not seriously affected our level of roll production. We hope that recovery will take place soon and that new orders will begin to come in as the manufacturing backlog decreases.

Many of our customers in the Custom Casting area are machine tool manufacturers who are not being hurt by the recession and in turn are still placing significant orders with us. The auto industry has kept most of our casting customers busy making components for the new machines needed to produce smaller, more efficient cars. Other areas of the Custom Casting market, however, are flat, and as a result, the number of new incoming orders is down. For the entire U.S. foundry business, shipments of cast iron are about half of what they were in 1979.

Largest Order in History from Persian Gulf City

The largest order in the history of the company was entered in 1980 by the Water Control Equipment Division. The order is for 103 large cast iron sluice gates, including 64 84" x 90" gates and 29 stainless steel weirs.

The equipment will be used for a saltwater intake at the new industrial city of Jubail, Saudi Arabia, currently under construction on the Persian Gulf. Jubail will be a center of commerce and is only one of the oil-rich country's many large construction projects.

The new city's fresh water requirements will be considerable. Plans are for this intake to channel saltwater from the Persian Gulf which will be processed by desalinization units to



Trucks fully loaded with wall thimbles on their way to New York, the first stop before shipment to Jubail, Saudi Arabia.

provide drinkable water for city residents. Much of the water will also be used for condenser cooling in power plants and as process water for industrial purposes. Because of the especially high salt content in Persian Gulf water, careful consideration must be given to the choice of non-corrosive

materials used in the construction of the equipment.

Over the past two years, the Water Control Equipment Division has moved aggressively into the export market. During 1980, nearly one-quarter of the orders received by the Division were for installations outside the U.S.