



**Marlin Steel Wire Products**  
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## Parts suppliers can't meet manufacturers' demand

By [Paul Davidson](#), USA TODAY 4/9/10

The manufacturing rebound has been so robust that many factories are struggling to keep up with demand because of bottlenecks in the supply chain.

That's slowing the broader economic recovery and job growth, some economists say.

Employers added 290,000 jobs last month, the Labor Department said Friday, far more than expected. After slashing 2 million jobs in the recession, manufacturers have been among the most active hirers, boosting payrolls by 44,000 in April and 101,000 since December.

But the snags likely prevented factories from adding thousands more jobs, says [Sung Won Sohn](#), economics professor at California State University's Smith School.

Manufacturers and their suppliers closed plants, cut staff and slashed inventories in the downturn to reduce costs. Now, some it isn't so easy to ramp back up quickly. Others hesitate to hire workers or buy equipment despite the growing demand, because they fear it won't last.

"Companies are not convinced how real (the recovery) is," says Tom Murphy of [RSM McGladrey](#), a consulting firm.

Sohn says supply-demand mismatches are pronounced, "because the financial crisis was pretty bad, and no one expected this kind of a rebound." Bottlenecks are slowing production and raising prices. Some affected:

- Vermeer has not been able to meet all the demand from farmers, municipalities and utilities for its tractors, mowers, tree cutters and other products, says Vermeer executive [David Corbin](#).

While the Pella, Iowa, firm is well-positioned, he says, its suppliers can't churn out all the tires, hydraulic pumps and other parts it needs. Sales are up 20% over 2009, and the firm has hired 32 workers this year. If not for the shortages, he estimates 20 more employees would have been added. "We've got some dealers and customers waiting for products," he says. Shortages are driving up its tire costs 20%.

- [Baltimore's Marlin Steel Wire](#), which makes [metal baskets](#) that manufacturers use to carry their widgets on assembly lines, recently got a rush order to make 7,500 baskets in two weeks for an [entertainment company's product](#). Marlin planned to have 20 employees work overtime this past weekend, [President Drew Greenblatt](#) says. But the plans were scuttled because the entertainment firm's supplier can't provide an electronic part.

[http://www.usatoday.com/money/economy/2010-05-10-manufacturing10\\_ST\\_N.htm](http://www.usatoday.com/money/economy/2010-05-10-manufacturing10_ST_N.htm)