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For immediate release

The European machine tool production now driven by European consumption

BRUSSELS, 5 December 2014 – During the General Assembly that took place in Brussels on 4 December 2014, CECIMO confirmed:

- **The European machine tool production stabilised in 2014;**
- **Purchases of European machine tools in Europe, forecasted to increase of 8% in 2014, are now the main drivers of production.**

The European machine tool production records a modest increase, from 22.7 in 2013 to 22.8 billion euro in 2014. This moderate growth is explained by the slowing expansion of emerging markets and developed countries' fragile recovery. However, by providing high-end, precise and productive machines, the sector maintains its share, 39%, in global production.

Global developments have also had an influence on the European machine tool exports in 2014, including China's transition towards a more consumption based economy, the extreme weather conditions in the United States and the crisis in Crimea. In consequence, **CECIMO's exports show a small decline to 17.9 billion euro this year.** Since the global economic growth forecasts are weak, so is the European machine tool exports' growth potential.

During the last three years, CECIMO's machine tool production growth was clearly export driven. This year, we are seeing an important shift as the main driver becomes the **European machine tool consumption, which recorded an increase of 7% to reach 13.4 billion euro in 2014.** However, Europe's economic conditions have considerably cooled during the year, and the outlook for 2015 reflects this.

The growing demand for machine tools has also increased CECIMO's imports. In 2014, European machine tool imports rise 5% to 8.4 billion euro. Comparing the imports with the exports, the **European machine tool industry creates highly positive trade balance, 9.5 billion euro in 2014.**

The new orders intake had a positive start of the year, but now clearly shows a decline in machine tool demand in Europe. In the second quarter of 2014, CECIMO domestic orders index declined 7% compared to the previous quarter. *"The business sentiment in Europe is fragile and we are cautious about further growth prospects of the European machine tool market,"* explained Dr Frank Brinken, the Chairman of CECIMO Economic Committee and a member of the Board of Directors, Starrag Holding Group. *"European machine tool sales to Russia have turned into steep decline in the light of the imposed EU sanctions. A prolonged standstill in trade can harm irreversibly the long term relationships between European suppliers and customers in Russia, the third biggest market for European machine tools shipped outside Europe. Russian customers however continue procuring machine tools now from CECIMO competitors in Japan, Taiwan, Korea and Brazil who are not affected by the EU sanctions."*

About CECIMO

CECIMO is the European Association of the Machine Tool Industries. We bring together 15 national Associations of machine tool builders, which represent approximately 1500 industrial enterprises in Europe*, over 80% of which are SMEs. CECIMO covers 98% of total Machine Tool production in Europe and about 39% worldwide. It accounts for almost 150,000 employees and a turnover of nearly €23 billion in 2013. Approximately 80% of CECIMO production is shipped abroad, whereas more than half of it is exported outside Europe*. For more information visit www.cecimo.eu

*Europe = EU + EFTA + Turkey

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