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The European machine tools share of the global production is increasing Trade shows offer good prospects

BRUSSELS, 12 November 2013 – During the General Assembly that took place in Vienna on 9 November 2013, CECIMO's Economic Committee confirmed:

- **The European machine tool production estimated to reach to 22.3 billion euros in 2013;**
- **The successful EMO Hannover 2013 and the upcoming EMTE-EASTPO 2014 machine tool exhibition in Shanghai offer good prospects for the sector;**
- **Energy-efficiency, the skills challenge facing the industry and the negotiations on a Transatlantic Trade and Investment Partnership are high up on the priority list.**

Economic situation

Low business confidence in advanced economies and slowing growth in emerging markets influence the global machine tool production. However, the return of economic growth in the EU in the second quarter of 2013 gives the European machine tool sector reason for cautious optimism. CECIMO forecasts that **the growth of production will stabilise and reach to 22.3 billion euro in 2013.**

European machine tools are a globally successful and increasing their share of the world machine tool production. **CECIMO estimates a slight increase in its share of global production from 32% in 2012 to 34% in 2013.**

Despite gradual economic recovery, the investment in production facilities remains subdued in Europe. **CECIMO's consumption recorded 12.3 billion euro in 2012 and, for 2013, we estimate the machine tool consumption to flatten out and find a growth path next year.** The slightly improving domestic order intake in the second quarter of 2013 supports this outlook.

The record level of 18.8 billion euro machine tool shipments in 2012 reflects the outstanding export performance of the industry. But slowing growth in European machine tool sector's most important emerging markets influences the forecasts for 2013. **The exports are estimated to record 18.3 billion euro in 2013 which is the second best result of all times.**

EMO Hannover 2013 and EMTE-EASTPO 2014

The success of EMO Hannover 2013, taking place from 16 to 21 September 2013, proves the leading position of European machine tool industry globally. **The six-day exhibition under slogan "Intelligence in production" attracted a total of just under 145,000 trade visitors from over 100 different nations.** "EMO Hannover 2013 showed once again the innovativeness and versatility of machine tool sector. The exhibition provided 2,100 exhibitors from 43 different countries with an excellent possibility to showcase their products," commented Frank Brinken, Chairman of CECIMO Economic Committee and CEO of Starrag Group. However, the exhibition meant even more for the sector: according to a visitor survey, one out of five visitors reported placing an order at the show and the same proportion intended to finalize purchases after the event

The machine tool market has greatly widened during the last decade, and newly industrialised countries have shifted the market's focal points. To provide the European machine tool industry with a platform to

EMTE | EASTPO
Machine Tool Exhibition
SHANGHAI 14-17 JULY 2014



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target Asian markets, the **EMTE-EASTPO Machine Tool Exhibition will be held in Shanghai at the Shanghai New International Expo Centre from 14 to 17 July 2014.** "European machine tool producers are very interested in a high quality exhibition to better reach potential Asian customers," affirmed Mr Jean Camille Uring, the next President of CECIMO and Executive Board Member of Fives Group.

Policy priorities of the sector

Ageing population combined with demands of the 21st century manufacturing creates a skills shortage that is a growing threat to the development of the European machine tool sector. Martin Kapp, the president of CECIMO explains: "Machine tool builders have difficulties to find skilled people to make the sophisticated products that they manufacture every day. The complexity of modern manufacturing increases demand for both technical and transversal skills that, unfortunately, current education systems are incapable of delivering." Therefore, the **CECIMO's** Manifesto on Skills and its Roadmap & Action Plan on Skills **call for coordinated action across the EU and urges to boost industry-government-university collaboration to increase the human capital essential for the future of the European machine tool industry.**

Energy efficiency is also high up on CECIMO's priority list. The European Commission's Ecodesign Directive provides the industry with consistent EU-wide rules to improve environmental performance of energy related products and to prevent disparate national legislations to become obstacles to the intra-EU trade. CECIMO and the Directive's vision of sustainability and competitiveness are absolutely compatible but, considering that the machine tool sector is comprised of about 400 categories of products and 2000 models with distinct technical features, the one-size-fits-all approach to regulation offered by the Directive would be ineffective and hamper the competitiveness of the sector. A sector-led methodology to implement the Directive would thus be best to generate benefits for the whole industry and, in this regard, CECIMO and its Member Associations have proposed a flexible and cost-effective Self-Regulatory-Initiative as an alternative to binding mandatory measures imposed by the EU.

Last but not least, because the European machine tool industry exports to about 200 different countries, free and fair trade is crucial for the development of the sector. Therefore **CECIMO welcomes the launch of negotiations on a Transatlantic Trade and Investment Partnership (TTIP) with its second most important export market, the United States of America.** The international trade agreements in force have minimised the role of tariffs in bilateral trade of industrial goods. Therefore this TTIP has to tackle the remaining non-tariff barriers. "While tariff rates are low, technical barriers may constitute a serious impediment to enter the market. Removing those obstacles of trade can generate increased trade flows and revenues at both company as well as national level," concludes Filip Geerts, the Director General of CECIMO.

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 one third worldwide. It accounts for almost 150,000 employees and a turnover of nearly €22 billion in 2012. More than three quarters of CECIMO production is shipped abroad, whereas half of it is exported outside Europe*. For more information visit www.cecimo.eu

*Europe = EU + EFTA + Turkey

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