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Where manufacturing begins

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The European machine tool sector books strong results in 2015

BRUSSELS, 4 December 2015 – The CECIMO General Assembly that took place in Brussels on 3 December 2015 confirmed:

- **The European machine tool production will record 23.3 billion euros in 2015, increasing by 2% from the year before;**
- **The machine tool consumption in Europe will be growing 4% this year to 14.2 billion euros;**
- **The conceptual framework of the Ecodesign Directive is unsuitable, not feasible and not desirable for complex industrial goods.**
- **CECIMO will be the voice of additive manufacturing in Europe.**

Economic situation and outlook

The European machine tool industry, exporting over 40% of its production outside the EU, depends heavily on the global economic outlook. Therefore, the global growth's downgrades, especially in emerging markets, had a restricting effect on the machine tool output's forecast. On the other hand, strong business sentiment in Europe supports investment and makes up for the external markets' contraction. Consequently, **the European machine tool production is estimated to grow 2% to 23.6 billion euro in 2015, and the** strong domestic demand supports growth expectations for 2016 as well.

After a 10%-growth in 2014, the European machine tool consumption is forecasted to continue expanding this year but at lower levels. **The consumption is expected to increase of 4% to 14.2 billion euro in 2015.** The order intake supports the steady growth in machine tool demand, even though the economic dynamics in the third quarter have slowed down. In the second quarter of 2015, the CECIMO domestic orders' index increased by 6% in comparison with the same quarter last year. We forecast the European machine tool consumption to record growth of over 3.5% annually for the next four years.

The domestic consumption drives CECIMO imports. The weak euro makes importing machines more expensive, but we still expect imports to grow this year thanks to the European industry's demand. CECIMO estimates the machine tool imports to increase by 4% to 9.2 billion euros in 2015.

The declining growth rates in China as well as the recession in key emerging countries burden the global economy and, as such, the global economic development will remain volatile. Nevertheless, **CECIMO expects the exports to expand by 3% to 18.7 billion euro in 2015.** *“CECIMO exports to almost 200 different countries. In the key machine tool consuming markets, we are a leading supplier of manufacturing solutions which proves that our machines are not only the most competitive but also very often irreplaceable. Nonetheless, we need a level playing field and an effective EU trade policy,”* explained Dr Frank Brinken, the Chairman of CECIMO Economic Committee and Vice-Chairman of Starrag Holding AG.

Policy priorities

The European machine tool industry's worldwide hallmark is efficient production, i.e. achieving the highest productivity with a minimum use of energy and other resources. Enhancing production efficiency on a continuous basis has become an everyday core commitment for both our industry and our customers.

For this reason, the machine tool industry has been supporting all efforts to translate the Ecodesign Directive's (2009/125/EC) objectives into results. Nevertheless, the Ecodesign Directive has so far focused on serial products and consumer goods. In practice, this raises many questions and reveals many contradictions that could potentially create problems for us as many of our products are unique, custom-made and built to respond to our customers' specific demands.

All this considered, the European machine tool industry still proposed a self-regulation measure as permitted by the Ecodesign Directive. However, **we have serious concerns about the implementation of such a measure in our sector, being heterogeneous and heavily faceted, and exporting such a big portion of its production.** *"The difficulties include achieving the expected market coverage, which would require the inclusion of non-European machine tool builders and importers. Because there are no sanctions foreseen for not joining the self-regulation measure and a lack of market surveillance, this condition is a significant obstacle to the creation of a successful initiative,"* highlighted Mr Jean Camille Uring, the President of CECIMO and Executive Board Member of Fives Group. He concluded: *"Complex industrial products in a complex sector need an adapted approach."*

CECIMO ensures the development of additive manufacturing (AM) to industrial scale and its seamless integration into the production environment. To that aim, CECIMO established a specific section dedicated to AM to promote and support the creation of favourable framework conditions. It will be active on a number of fronts: technology, markets, regulatory and advocacy. **CECIMO will establish a dialogue between industry and the EU decision-makers to explain the regulatory and policy-related challenges facing AM's development AM.** AM is a multidisciplinary area requiring cross-sectorial and cross-disciplinary cooperation. Therefore, the CECIMO AM section remains a platform open to all relevant and interested stakeholders. *"European policy-makers must build a European strategy for AM that goes further than research funding to accelerate its market uptake, including standardization, finance, awareness raising, skills, IPR, liability as well qualification and certification procedures,"* explained 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 the total machine tool production in Europe and about 39% worldwide. About 40% of CECIMO's production is shipped outside the EU. It accounts for over 150,000 employees and a turnover of €23 billion euro in 2014. For more information, visit www.cecimo.eu

*Europe = EU + EFTA + Turkey

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