

CECIMO PRESS RELEASE

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FOR IMMEDIATE RELEASE**CECIMO exports at record – €18.8 billion in 2012
Machine tool production estimated to stabilize in 2013**

BRUSSELS, 5 June 2013 – During the General Assembly that took place in Villasimius on 4 June 2013, CECIMO's Economic Committee confirmed:

- In 2013 the production of machine tools is forecasted to reach a level similar to the one of 2012, when the European machine tool sector produced machines in value of €22.2 billion.
- European machine tool producers are becoming increasingly dependent on exports in 2013. CECIMO estimates the demand to be stable for machine tools in Europe for 2013
- Restoring growth of domestic consumption will be vital for securing that future innovations continue to come out of Europe.

The European machine tool production grew 6% in 2012, increasing to €22.2 billion. Taking into account global economic developments, **the growth of production is estimated to stabilise and forecasted to reach €22.5 billion in 2013**. This outlook is supported by the 15% increase in orders' intake in the last quarter of 2012 compared to the third quarter of 2012, which resulted in a modestly positive beginning for the current year.

European machine tools are demanded and shipped all over the world. **CECIMO's exports reached €18.8 billion in 2012, which is 9% up from the previous record established in 2008.** European machine tools are highly competitive on global markets and contribute to the European trade with a positive balance of €10.5 billion.

The deteriorating business confidence in Europe leaves its marks on machine tool consumption. **European machine tool consumption contracted about 2% in 2012 compared to the previous year.**

The machine tool sector has, since the crisis in 2008-2009, suffered of the tightening credit availability and increasingly restricted access to financial resources. The economic uncertainty suppresses investment activity of companies and, at the same time, the financial institutions apply lending criteria that exclude small and medium sized machine tool enterprises from their portfolios, because of the highly cyclical nature of their performance. **The seriously limited access to credit plays an important role in contracting domestic demand. It places machine tool sector under high pressure.**

The sluggish consumption in Europe is becoming a worrying trend for European machine tool builders, despite the market success that they enjoy in emerging markets. The export-output ratio hit 100%, especially in some southern European countries, last year. **Export operations imply generally higher costs for manufacturers, thus over-dependence on exports create high pressure on profit margins.** “A dull domestic market leads, moreover, to the rupture of vital links between suppliers and their traditional customers, disrupting the

innovation cycle. Innovation in the machine tool industry thrives in a strong eco-system in which producers interact closely with customers. SMEs who are the major drive of innovation and who rely heavily on the European market are particularly affected" affirms Martin Kapp, the President of CECIMO. Therefore, restoring growth in domestic consumption will be vital for securing that future innovations continue to come out of Europe.

CECIMO, therefore, welcomes the strong focus placed on the production equipment industry by the European Commission in its latest Communication on Industrial policy. **The Commission has identified "advanced manufacturing technologies for clean production" among one of the six priority areas which will drive growth in Europe.** The newly created Task Force on Advanced Manufacturing expresses its full commitment to work on measures which facilitate the transfer of advanced production technologies into the European manufacturing industry. CECIMO is fully supportive of mobilizing EU funding instruments and European Investment Bank loans to help customers upgrade their production lines to the latest technology level. Such kind of modernisation will help sky-rocket productivity and resource-efficiency in user sectors whilst stimulating innovation in the machine tool industry.

*"In the manufacturing industry, the most straight-forward way to cope with fierce global competition is to **facilitate the promotion and diffusion of new production technologies towards industrial users.** High gains in productivity, resource and energy-efficiency offered by the machine tool industry will play a major role enabling the transition to a world-competitive low-carbon industry in Europe."* declared Filip Geerts, Director General of CECIMO.

Statements relating to the future:

This press release contains statements relating to the future, which are based on current evaluations of the management regarding future developments. Such statements are subject to risks and uncertainties relating to factors that are beyond CECIMO's ability to control or estimate precisely, such as the future market environment and economic conditions. Should these conditions or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results expressed in, or implied by, these statements. CECIMO disclaims any intention or special obligation to update any forward-looking statements to reflect any change in events or developments occurring after the reporting period. Forward-looking statements must not be understood as a guarantee or assurance of future developments or events contained therein.

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 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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For further media enquiries:

Contact person: Filip Geerts, Director General
 Tel +32 2 502 70 90 / Fax +32 2 502 60 82
filip.geerts@cecimo.eu