CECIMO PRESS RELEASE
Brussels, 7th March 2011

CECIMO expects a double-digit growth in production in 2011; Europe's Machine Tool Market enters into robust sustainable growth phase

The recent decline in machine tool production in Europe hit bottom in 2010. Strong growth in order intake indicates that the industry will continue its strong recovery over the current year, 2011.

In 2010, CECIMO production output reached 16.6 bn € which is about 1% lower than in 2009. External sales continued to be the driver; almost three quarters of the last year's production was exported. Overall, CECIMO exports remained stable in 2010 at 12.3 bn €, which is a testimony to Europe's leading technology position for the manufacturing sector and a cornerstone for successful economic development.

The apparent consumption of machine tools within Europe continued to decline for the second year. The size of the European market contracted last year by another 6% against 2009 to 9.8 bn €. Imports declined by 7% to 5.4 bn €.

""2010 clearly saw the rock-bottom of the decline in machine tool production, following the record high of 2008. 2011 will bring a double digit growth in the European Machine Tool production"', Frank Brinken, Chairman of CECIMO's Economic Committee predicts. "*Although we have been experiencing very strong growth in bookings over the previous three quarters, we are still a few years away from the production peak of 2008, before the bubble burst. It will take some time before this is reflected in the production numbers",* he adds.

The European machine tool industry needs more access to growing markets

"Europe's machine tool production in 2010 amounts to one third of the world's output, while a year earlier CECIMO members accounted for 43%. This clearly and strongly demonstrates the dynamic development in the Asian markets", Frank Brinken, Chairman of CECIMO's Economic Committee stressed.

Europe's lower market share in the Machine Tool market becomes apparent in the total export figures. For the first time, Europe's share in the world's exports dropped below 50% compared with 62% in 2009.

The major winners are manufacturers from highly developed Asian countries experiencing extremely sluggish domestic markets for the third year in a row. As a consequence, European builders saw their Asian counterparts aggressively buying market shares overseas by lowering prices abroad despite their currency exchange rates going in the opposite direction.

CECIMO - European Association of the Machine Tool Industries
Avenue Louise 66 B-1050 Brussels
T +32 2 502 70 90 F +32 2 502 60 82
information@cecimo.eu
www.cecimo.eu

"The global machine tool market is poised to grow and may reach a new peak in 2013, but the main growth is outside Europe, mainly in China and continental Asia. This brings a humongous challenge, not only for our industry, but also for Europe as a whole. We need to secure our share in this growth", Frank Brinken stressed.

"Our Asian competitors are not only massively increasing export sales at the expense of their profitability, but they are also enjoying low refinancing costs. This suggests a broad-based government endorsed approach towards securing market share in the surging regional markets. Europe absolutely needs to act before it is too late.", Frank Brinken urged.

CECIMO calls on the EU to sharpen the focus of its market access strategy on opening up markets in Asia and to fight, on all fronts, the anti-competitive practices which harm European exports. European machine tool builders need a global playing field and a rules-based international trade system to fully tap growth in external markets and to recover their lost market share.

# # #

Notes to editors: 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 more than 97% of total Machine Tool production in Europe and more than one third worldwide. It accounts for almost 150,000 employees and a turnover of nearly €17 Billion in 2010. In 2010 about three quarters of the production in CECIMO countries was shipped abroad, more than half of which was exported outside Europe*.

*Europe = EU + EFTA + Turkey

For further media enquiries: Filip Geerts, Director General,
Tel: +32 2 502 70 90 / Email: *filip.geerts@cecimo.eu*