

UCIMU MEETING: A RECORD-BREAKING 2018 FOR THE ITALIAN MACHINE TOOL, ROBOT AND AUTOMATION MANUFACTURING INDUSTRY. STATIONARY TREND EXPECTED FOR 2019.

Massimo Carboniero, President of UCIMU-SISTEMI PER PRODURRE, stated: "The 2018 results of the Italian industry of the sector are, by far, the best ever achieved, with double-digit increases for almost all main economic indicators: on the other hand, the forecasts for 2019 show a substantially stationary situation.

"We ask the Government authorities to abandon the "logic of intermittency" and immediately make available a structural Package of Provisions concerning 4.0, so that the SMEs can plan their medium/long-term investments".

Cinisello Balsamo, 25 June 2019. The 2018 results of the Italian machine tool, robot and automation manufacturing industry are, by far, the best ever achieved: double-digit increases were registered with regard to almost all main economic indicators, thus extending the largely positive trend started in 2014.

Ranking fourth among manufacturing countries, the Italian industry of the sector confirmed its third place among exporting countries, also strengthening its fifth place in the consumption ranking, as a testimony to the dynamism of domestic demand that took advantage of the incentive provisions for competitiveness (Industry 4.0/Enterprise 4.0).

On the other hand, the forecasts for 2019 show a setback, for the first time after 5 years, mainly due to a situation of uncertainty and instability, both in the domestic and in the foreign markets.

This is in brief the framework described by President Massimo Carboniero, this morning, during the annual members' meeting of UCIMU-SISTEMI PER PRODURRE, which was also attended by the President of Confindustria (Italian Industrial Federation), **Vincenzo Boccia** and by **Marco Fortis**, economist and Vice-President of Fondazione Edison.

THE FINAL RESULTS OF 2018

According to the final data processed by the Economic Studies Department & Business Culture of UCIMU, in **2018, the output of machine tools, robots and automation systems reached 6,775 million euro, reporting an 11.3% upturn versus 2017.** The outcome was due both to the positive trend of **manufacturers' deliveries in the domestic market, up by 15.2% to 3,112 million euro,** and to **exports, which attained 3,663 million euro, growing by over eight percentage points** compared with the previous year.

In 2018, the main markets of destination for the Italian product offering of the sector were Germany (394 million euro +15.1%), the United States (354 million euro, +11.5%), China (341 million euro, -0.4%), Poland (229 million euro +41.7%), France (227 million euro, +6.7%), Spain (144 million euro, +7.9%), Russia (100 million euro, +11.9%) and Turkey (90 million euro, +2.6%).

The result of **consumption** was very positive: **for the fourth consecutive year, it recorded a double-digit growth, totalling 5,164 million euro, i.e. 15.7% more** versus 2017.

THE FORECASTS FOR 2019

The trend of the Italian industry of the sector **will remain more or less stationary in 2019**, as highlighted by the forecast data processed by the Economic Studies Department & Business Culture of UCIMU. In particular, **production should slow down its growth, increasing by 3.6% to 7,020 million euro;** exports should reach the value of **3,900 million euro, i.e. 6.5% more** compared with 2018. The export/output ratio is expected to grow to 55.6%.

Even **consumption** should be slower and attain **5,220 million euro (+1.1%), thus remaining on the same level as in 2018;** the same trend will be experienced with regard to the **manufacturers' deliveries in the domestic market (3,120 million euro, +0.3%)** and **imports (2,100 million euro, +2.3%).**

“After all, - commented the President of UCIMU, **Massimo Carboniero** - considering the context and the quick evolution of the international political and economic scenario – we could already be satisfied, if these forecasts were really confirmed at the year’s end, as the situation is quite complicated, much more complicated than some months ago”.

COMMENTS AND PROPOSALS OF INDUSTRIAL POLICY

Package of Provisions with regard to 4.0

“With **Industry 4.0** – pointed out **Massimo Carboniero** – the authorities started the **most important plan of industrial policy** that has been implemented in Italy from the post-war period to the present day. **Super- and Hyper-Depreciation**, the pillars of this programme, gave good results, fostering the replacement of obsolete machinery and encouraging the enterprises to interconnect their machines and systems thanks to the digital technologies with which they are equipped.”

“Now, we need a **further turning point**. Indeed, the content of these provisions fully meets the needs for competitiveness development and growth of enterprises, and in particular of the SMEs, which make up the framework of our industrial system. However, what is **to be changed is the procedure by which all these provisions are made available**”.

“We ask the Government to abandon the **“logic of intermittency”** by which to date the applicability of all measures in favour of the enterprises has been defined, as in the specific case of Industry 4.0 Plan, with Super- and Hyper-Depreciation. In order to grow, the Italian enterprises need a clear and defined picture concerning the medium/long-term measures. Only in this way, they will be able to plan their investments and the actions to be undertaken. Therefore, we ask for a **change of approach** and the creation of a **Package of Provisions with regard to 4.0, which may be structural, free of the annual expectations and uncertainties connected with the possible re-confirmation of each measure included in the Plan, as experienced up to today**. In detail, in response to the requirement for supporting the continuous product and process innovation of Italian enterprises, we ask the authorities to provide us with a **single, structural document** including all **tax benefits related to the investments in Research & Development and to Super- and Hyper-Depreciation for the investments in new machinery**, thus outlining a **long-term, global project**”.

Professional education and training 4.0 and young people

“New technologies bring new work, new tasks, new roles, new jobs and thus competences that are and will more and more be multidisciplinary. For this reason, - went on the President of UCIMU - with regard to professional education and training 4.0, we ask the authorities to review the provision for the **tax credit** related to professional education and training and most of all, to extend its applicability even in 2020. Currently, the tax credit is applied only to the work cost of the employees involved in professional education and training, for the hours of refresher courses. The most considerable part of a company’s education and training expenses is the **cost of trainers**: this expense item should also be included in the calculation of tax credit, as it usually makes up the most onerous component for small- and mid-sized companies. Unlike the provisions for competitiveness (Package of Provisions with regard to 4.0), we think that the measures related to **professional education and training 4.0** should be managed and implemented according to a **planning defined year by year**, in line with the relevant needs of the Italian industry, because the organisational transformation of enterprises, activated by the digital revolution, has just started”.

“A separate discussion should concern **the young**, whom we should be able to offer appropriate job and professional growth opportunities. Despite a youth unemployment rate of over 30%, machine tool manufacturers have great difficulty in finding appropriate professional figures, such as experts in mechatronics, electronics, IT and production technologies. Unfortunately, there is still a reduced number of young people that choose these school courses, specifically conceived for the jobs related to the world of automation and precision mechanics. Actually, **technical high schools** also offer **very interesting professional education, training and job opportunities**. Without forgetting that they are an excellent basis for the continuation of studies with the **ITS, the High technical-technological Training Schools**, proposing two-year courses after the high-school diploma to prepare the so-called **Super-Experts**. And with regard to the ITS schools, we also ask the Government to work and increase the number of these schools, especially **in the areas with higher industrial concentration**”.

Incentives for employment growth

“To incentivise the enterprises to hire new staff, besides a **reduction of the so-called tax wedge**, to the benefit of our employees’ pay-packet, we suggest that a provision should be introduced out **for the young, which can allow the enterprises’ tax exemption for three years with regard to the newly hired people under the age of 30 years.**”

Internationalisation and exhibitions

“**Internationalisation** should be implemented through all channels and instruments at our disposal, starting from the **trade shows** that represent the most effective marketing tool for us.

Therefore, – added Massimo Carboniero - we welcome the decision of the Government authorities to establish a **tax credit for the Italian enterprises that take part in international exhibitions held abroad**, in particular in non-EU countries. Nevertheless, it is necessary **to identify the leading events**, with the help of the entrepreneurial organisations, in order not to waste the available resources that are really not so large (only 5 million euro)”.

“On the other hand, we ask to consider the introduction of **measures to encourage the “domestic” internationalisation of Italian SMEs**. In this connection, we think it useful to provide for an **increase in the resources, destined** by the Ministry of Economic Development and ICE-Italian Trade Agency **for inviting foreign operators** to the international trade shows held in our country, thus granting more contacts, even foreign ones, to the exhibiting SMEs”.

“In addition, **for the Italian exhibitions of international importance**, we welcome the amendment included in the Growth Decree regarding the **30% Tax Credit** that covers the out-of-pocket and promotion costs related to the enterprises’ participation in trade shows. However, **in a logic of a wider internationalisation of the exhibitions held in Italy, we think that the “reward” should be addressed to the investments made by our SMEs to promote their participation in these trade shows abroad**”.

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