

**THIRD QUARTER 2019: ORDERS OF MACHINE TOOLS DECREASE (-18.6%)
DOMESTIC ORDERS (-19.3%); FOREIGN ORDERS (-14%)**

In the third quarter 2019, the UCIMU index showed an 18.6% fall compared with the same period of the previous year. The absolute value of the index was 69 (basis 100 in 2015). The overall outcome was due to the negative trend registered **both in the domestic and in the foreign markets**.

In particular, the orders collected by the manufacturers in the domestic market highlighted a 19.3% downturn compared with the period July-September 2018.

Even on the foreign front, the manufacturers registered a considerable reduction in their orders, down by 14% versus the third quarter 2018.

Massimo Carboniero, President of UCIMU-SISTEMI PER PRODURRE, stated: "Unfortunately, 2019 has confirmed to be a year of contraction for the Italian manufacturers of machine tools, robots and automation systems, who experienced a drop both in the domestic and in the foreign markets. The entrepreneurs of the sector are worried especially about the complexity of the international context, which translates to a partial freezing of investments in production systems in many markets, including Italy".

"The trade conflict between the two economic powers, (the United States and China), the recession of driving sectors for the manufacturing industry, (principally the automotive), and the outbreaks of war in hot spots of the world make the activity of the manufacturing enterprises particularly complicated and the future decidedly uncertain".

In this scenario, already complex in itself, the Italian industrial system risks being even more penalised by the still undecided attitude of the Government authorities, engaged with the definition of the Budget Law 2020 and with the allocation of the (scarce) resources available".

"Now more than ever, our country needs a plan that can support the investments and development of the manufacturing industry, which is also the real "activator" of employment. In this connection, the reduction of tax wedge to the benefit of employees is appreciable, provided that it has an appropriate economic coverage. However, this is not enough. With specific reference to machine tools – went on **Massimo Carboniero** – we outlined a sort of **short list of the measures that should absolutely be implemented, so that the year 2020 can mark the beginning of a new, positive cycle, as already confirmed by the positive results regarding the collection of applications to exhibit at the 32th edition of BI-MU, scheduled to take place from 14 to 17 October 2020**".

"With the aim of encouraging the continuation of modernisation and transformation within Italian factories, even from a digital point of view, essential to ensure the improvement of the country's competitiveness, an **overall Package of provisions for the Enterprise Growth** should be implemented. This Package should be structural and free of the annual expectations and uncertainties connected with the possible re-confirmation of each measure included in the plan."

"The Package for the Enterprise Growth should include all tax benefits related to Research & Development and to Super- and Hyper-Depreciation for the investments in new machinery, software and automation, and for the technologies related to environmental issues".

"In particular, if on one hand, Hyper-Depreciation should last at least three years, on the other hand, Super-Depreciation should be accompanied by a revision of the depreciation coefficients that are currently dating back to 1988 and thus no longer appropriate for the market requirements".

"Complementary to this, a programme of professional education and training 4.0 should be planned also for 2020, which can allow staff updating according to the new requirements of digitalised factories. Currently, tax credit is calculated only on the costs of the personnel involved in professional education and training for the refresher hours attended. On the contrary, we ask to review tax credit in such a way as to include the cost of teachers and trainers, the most onerous expense item especially for a SME".

“This said - added **Massimo Carboniero** – exactly as they did when the provisions 4.0 were launched, the Government authorities should work out a wide communication plan to inform the enterprises on the contents and opportunities deriving from the use of these provisions. The feeling is that a large number of enterprises do not presently have a clear idea of the tools at their disposal to support their investments in new technologies. It is necessary to intervene as soon as possible in this regard, in order to re-establish an atmosphere of new confidence among the operators of the manufacturing industry, an essential basis for a recovery of investments”.

“On the foreign front – observed **Massimo Carboniero** – the situation is more complicated, due to the context of general economic and political instability. For this reason, we require targeted measures to facilitate the internationalisation of our SMEs, especially in the most far-away countries”.

“With reference to the **tax credit for the Italian enterprises taking part in international exhibitions held abroad**, for the year 2020, we ask to define which exhibitions held in extra-EU countries should be considered for the tax relief, identifying them with the help of the professional associations in order not to waste the limited resources available.”

“At the same time, we hope that appropriate resources will be allocated to the ICE-Italian Trade Agency’s project of foreign buyers’ Incoming with regard to international trade shows taking place in Italy, with the purpose of encouraging the contact of Italian SMEs with qualified foreign operators coming from the countries with the most interesting development prospects”.

“After all - concluded **Massimo Carboniero** – also following on from the success achieved by the networks of enterprises created to support the promotion of the sector’s *Made in Italy* in several world areas characterised by a particularly dynamic demand - we ask the Government authorities to plan a **special action to support the creation of enterprise networks for the study and analysis of specific areas or sectors of destination**. Preparatory to the definition of the trade activity, the projects concerning the study and analysis of a particular market are often onerous and thus difficult to bear for a SME. In this connection, an enterprise network certainly represents a valid solution to this need”.

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