

CECIMO PRESS RELEASE

Stable economic outlook for European Machine Tool Producers

Tampere, 18 June 2024 – During its General Assembly held in Tampere, Finland, CECIMO, the European Association of Manufacturing Technologies, reported a resilient performance for the European machine tool sector in 2023. Political and economic uncertainties at the end of the year resulted in a short-term fall in order intake in 2024, however an improvement in key economic indicators and falling inflation means that orders are expected to increase in the second half of the year.

Economic situation and outlook

The previous year has been characterized by mixed divergent trends. European MT builders **increased its production levels of 7% in 2023** compared to 2022. As a matter of fact, strong production momentum was maintained throughout the year reaching around **€27.2 billion** in 2023, maintaining a **share of around 33%** of the global MT output. In addition, European MT builders total MT **exports increased by around 23%** in the last quarter of 2023 compared to the previous quarter, while **imports in Europe improved by around 5%** in the same period. The US and China remained the two main export destinations for European MT producers in 2023, with the US in the first place. Japan, China, and Taiwan remained the top three MT supplying markets for the CECIMO countries. These positive developments have been balanced by unfavourable factors. For example, consumption levels in CECIMO countries declined by 1.8% during the entire 2023. Moreover, the orders for Q4 2023 have been **16% lower** compared to the same period in 2022.

“The European machine tool industry has shown remarkable strength,” commented **Francois Duval, CECIMO President**. “Our resilience shows the industry's ability to adapt and thrive in changing circumstances.”

In 2024 **consumption levels in CECIMO countries are estimated to decline by 1.8%**. In addition, preliminary statistics concerning CECIMO production levels reveal how **CECIMO output will decline by 5%** in comparison to 2023. To exacerbate the situation, the negative impact of geopolitical tensions, supply-chain disruptions, weakening global demand and market volatility impacted the sector severely which experienced a **shortfall in orders of 20%** down compared to the same period last year, in the **first quarter of 2024**. However, preliminary indicators suggest a more **favourable outlook in the upcoming period**. As a matter of fact, the easing supply-side pressures, improved economic factors, higher confidence, reduced risk of gas shortages and lower inflation rates suggest a moderate recovery through the rest of the year.

This optimistic view is also enhanced by the fact that the **Global Purchase Manager's Index** has been **over** the threshold of **50 index points** since January 2024, underlying a positive trajectory. Moreover, the expectation is that the European Central Bank will continue to cut interest rates in the upcoming period which is a further source for boosting the recovery. Furthermore, consumption levels in CECIMO countries are expected to grow by **6.3% in 2025** and World consumption is expected to increase by 8.6% that year opening a **window of opportunity for European MT builders**. This scenario illustrates how the upcoming months will be crucial for our European manufacturers which will be determined by an increase in orders.

During the Economic Committee meeting, the **Chairman of the Economic Committee, Marcus Burton**, commented on the outlook for new orders in the Q1 2024 *“Despite the foreseen downturn in new orders throughout the first period of 2024, there is a prevailing expectation of a **robust growth in orders in Q4 2024**. This recovery is expected to be driven by better economic conditions and by an upturn in consumption levels”*.

The **Head Economist Penna Urrila from the Confederation of Finnish Industries** commented: “Even though inflation is slowly easing together with interest rates and monetary policy, in the long run the risks that can impact negatively the European recovery are related to the new geopolitical reality and the climate change”.

The future EU leaders should take bold steps to boost economic growth expectations, relaunch the EU economy, and ensure a prosperous future for the European machine tool sector amidst the geopolitical challenges and uncertainties linked to the US presidential elections. By addressing these issues proactively, the EU can foster a stable and thriving industrial environment.

This event was sponsored by [Beckhoff](#), [Fanuc](#) and [Fagor Automation](#).

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About CECIMO:

CECIMO is the European Association of Manufacturing Technologies. With a primary focus on machine tools and additive technologies, we bring together 15 national associations of machine tool builders, which represent approximately 1500 industrial enterprises in Europe (EU + UK+ EFTA + Türkiye), over 80% of which are SMEs. CECIMO covers 97% of the total machine tool production in Europe and about 1/3 worldwide. It accounts for approximately 150,000 employees and a turnover of around 27.2 billion euros in 2023.

**CECIMO8 Total orders index is a combined domestic and foreign orders index of eight major CECIMO MT producers (Germany, Italy, Switzerland, Spain, Austria, France, the United Kingdom and the Czech Republic), weighted by 2015 production levels.*