

**IN THE THIRD QUARTER MACHINE TOOL ORDERS DECREASED (-19.9%)
DOMESTIC ORDERS (-45.1%); FOREIGN ORDERS (-1.7%)**

In the third quarter 2023, the index of machine tool orders compiled by the Economic Studies Department & Business Culture Centre of UCIMU-SISTEMI PER PRODURRE highlighted a **19.9% drop compared to the period July-September 2022**. The absolute value of the index was 63.7 (base year 2015=100).

The outcome was due to the reduction in order intake, which manufacturers reported both in foreign and domestic markets.

In particular, the orders collected from abroad recorded a 1.7% decrease compared to the same period last year. The absolute value of the index stood at 96.2.

On the domestic front, orders fell by 45.1% to an absolute value of 24.

Barbara Colombo, president of UCIMU-SISTEMI PER PRODURRE, stated: "The data compiled by the Economic Studies Department & Business Culture Centre confirm the negative trend that we have been observing since the beginning of the year, which has been determined by a number of different factors".

"With specific reference to the domestic market, the decline in the collection of new orders is not unexpected and corresponds to a general downturn in demand after the boom registered over the last few years. That said, the digital transition process that the Italian manufacturing industry is currently undergoing still needs to be completed, also in light of the new European directives on sustainability and green manufacturing".

"The transformation of our industry is there for all to see, but it is not evenly distributed among large, medium and small-sized industries and is certainly not completed. As this transition represents one of the main factors of competitiveness for Italy's economic system, which has the manufacturing industry as its cornerstone, it is necessary to support it through appropriate measures".

"We are aware - continued **Barbara Colombo** - that there are limited economic resources and an extremely difficult context, but now, more than ever, policies for development are needed. For this reason, we welcome the decision to include, in the draft for the 2024 Budget Package, the re-financing of the Sabatini Law and the incentives for enterprises that return to produce in Italy, as well as tax cuts for citizens and companies".

"However, we think it essential to strengthen the measures for competitiveness that should be included in Plan 5.0, which unfortunately is still on stand-by. In this connection, we trust in a prompt action by our Government representatives at EU level, so that the EU Commission can grant the release of a part of the resources for the RepowerEU Plan to be allocated to our country for implementing the measures included in this Plan".

"In addition to an increase in the current tax credit rates for investments in new production technologies 4.0, as already urged by the world of industry, the Plan should include a structural, **modular system of tax incentives that could be combined and cumulated and should reward more those who invest in new machines, whereby digitalisation also enables sustainability**. In essence, the proposal submitted to the Government authorities some days ago by Confindustria and 10 trade associations, including UCIMU, envisages, in addition to the tax credit for investments in technologies 4.0, also a tax credit at a higher rate for innovation projects aimed at twin transition or digital sustainability".

"Indeed, we believe that the Plan, updated on the basis of this new system, can be the most suitable instrument to ensure that all companies can have a development appropriate to their paths: pushing those that are already ahead in their digitalisation process to work on sustainability as well, without leaving behind the companies that have just approached the issue of interconnection of systems and machines".

"On the foreign front - said **Barbara Colombo** - order intake was substantially stationary, thus confirming the long-term performance that shows a more regular trend with regard to orders obtained by manufacturers abroad, compared to that of orders collected on the domestic market, where the incentives available over the years have brought about strong demand fluctuations".

“In particular, Italian manufacturers have always had the United States as an extraordinary partner, which currently is the first export destination area. The dynamism of North American demand, which we expect to remain as it is in the coming months, has substantially counterbalanced the weakness of Asian and European demands”.

“Now, we hope that Europe and especially Germany will return to work as in the past or even more, considering that the re-shoring phenomenon can benefit Italian manufacturers that are already present in German value chains”.

“Unfortunately, however, a strong instability has derived from the conflict in the Middle East, which can trigger new tensions even in the rest of the world, where, amongst other things, the danger of Islamic terrorism has suddenly reappeared. This risks further increasing market uncertainty. Therefore, special attention must be dedicated to more distant areas, starting with Asia, where market presence is much more complex for the Italian companies of the sector that are mostly SMEs”.

“For this reason – concluded President **Barbara Colombo** - UCIMU is committed to the implementation of new initiatives to support the internationalisation activities of enterprises. Among these, two business networks: ITC India that has already been working for eleven years; and the newly established network IMT in Vietnam, launched last September and created with the aim of facilitating the penetration of the network companies into a country that represents the gateway to the whole South-East Asian region”.

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