

**MACHINE TOOL ORDERS ARE STABLE IN THE THIRD QUARTER 2018 (+0.2%)
DOWNTURN IN THE DOMESTIC MARKET (-15.3%); GOOD PERFORMANCE ABROAD (+6.8%).**

Massimo Carboniero, President of UCIMU-SISTEMI PER PRODURRE: *"If the SMEs are at the centre of the economic agenda, as the Italian Government authorities affirm, then the Italian Budget Plan should include an update of depreciation coefficients for machinery, the confirmation of the 50% tax credit on the incremental value of investments made by the enterprises in R&D, as well as Professional Education and Training 4.0".*

There is stability regarding the index of machine tool orders in the third quarter of 2018, as processed by Studies Dept. & Business Culture of UCIMU-SISTEMI PER PRODURRE: **it grew by 0.2%** compared with the same period of the previous year. The absolute value of the index was 109.2 (base of 2010= 100).

The orders collected in the foreign market highlighted a positive trend: they increased by 6.8% versus the period July-September 2017, with an absolute value of the index amounting to 122.4.

On the contrary, there is a decrease in the orders collected in the domestic market, where the index went down by 15.3% compared with the third quarter of 2017, with an absolute value of 56.

"The downturn of the orders collected in the domestic market – stated **Massimo Carboniero**, President of UCIMU-SISTEMI PER PRODURRE – shows a certain slowdown of investments in new technologies by Italian users, but this result should not mislead us. The outcome registered in the period July-September 2018 is compared with a record-breaking quarter: it is difficult to do better than we had done last year".

"What we can say – continued the President of UCIMU – is that the collection of orders in Italy is still achieving satisfactory performances at present. The confirmation comes from the results obtained at 31.BI-MU/SFORTEC INDUSTRY, the machine tool sector's exhibition that closed in Milan two weeks ago and that turned out to be a great success in terms of visitors and of established contacts. A large number of our customers waited for BI-MU to define their investment plans, determining, at least partially, a resizing in the order collection in the reference quarter".

"Without considering the latest data - added **Carboniero** – however, what worries Italian manufacturers, and, on closer view, the whole Italian manufacturing industry, is the uncertainty about the incentive provisions included in the Italian Budget Plan 2019, which is likely to be without important measures to support the growth, especially of the SMEs that make up the framework of our industrial system".

The results of the survey, conducted by Fondazione UCIMU-Eumetra and presented last June, show that more than 50% of the metalworking and mechanical engineering enterprises did not make any investments over the last one and a half year. Mostly the smallest enterprises did not take part in the renewal process or even in the digital upgrade of machinery and factories.

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"We welcome the proposal – added the President of UCIMU – to include a system of **Hyper-Depreciation** coefficients in classes, in favour of the SMEs: a higher coefficient for small investments, decreasing as the value of new purchases increases".

"A positive element is also the confirmation about the re-financing of the **New Sabatini Law**. Even if amended compared with its first version, since 1965 it has been allowing the SMEs, which often have low capitalisation, to pay for their investments in new technology thanks to the results of their business activity".

"On the contrary, **the replacement of Super-Depreciation – which is thus eliminated - with the introduction of a "MINI IRES" (reduced Corporate Income Tax) at 15%** to encourage the investments in new manufacturing technologies, **is not enough to guarantee a continuous activity of machinery upgrade in the Italian factories, if this is not accompanied with a review of depreciation coefficients, now dating back to 1988.** The world has changed and so have the needs of manufacturers; the obsolescence time of goods with high technological content are shorter and shorter, so we can no longer consider the coefficients defined 30 years as up-to-date".

“With reference to the **tax credit** for investments in **Research & Development**, we ask the Government to keep it at 50% as it is currently, in order to ensure the maximum push of companies towards innovation, an activity that more than others may guarantee competitiveness to the product offering of the sector”.

“Finally - concluded **Massimo Carboniero** – we urgently need a system of incentives for **Professional Training and Education 4.0**. Besides the 40% tax credit, as it is presently established until the end of this year, it should also include a reimbursement of costs for professional trainers, which is usually the heaviest expense for small- and mid-sized enterprises. Also thanks to the Industry 4.0 Plan, we surely have better performing and upgraded factories than we had some years ago. However, now we must have our staff trained in order to use this technological upgrade in the best way.”

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