

**SECOND QUARTER OF 2019: MACHINE TOOL ORDERS DECREASE (-31.4%)
DOMESTIC ORDERS (-43%); FOREIGN ORDERS (-28.5%)**

In the second quarter of 2019, the UCIMU index of machine tool orders highlighted a 31.4% downturn compared with the same period of the previous year. The absolute value of the index reached 74.6 (basis 100 in 2015). The global result was due to the strong decrease registered in the collection of **orders, both in the domestic and in the foreign markets.**

In particular, the orders collected by the manufacturers in the domestic market showed a 43% fall compared with the period April-June 2018. The absolute value of the index amounted to 84.4, but, on a half-year basis, the absolute index is much higher, i.e. 106.8.

Even on the **foreign front, the Italian manufacturers reported a remarkable reduction in their orders, down by 28.5%** compared with the second quarter of 2018. The absolute value of the index was 68.8, but, on a half-year basis, the index is higher, equal to 96.6.

Massimo Carboniero, President of UCIMU-SISTEMI PER PRODURRE, stated: "The outcome of this quarter causes concern among the Italian machine tool manufacturers, who had already experienced a certain cooling down of demand. Indeed, if the reduction in the collection of orders in the domestic market was to be taken into account, considering the record-breaking figures achieved in 2017 and in the first part of 2018, the expectations related to the trend of foreign markets were certainly different".

"The drop in domestic orders – pointed out **Massimo Carboniero** – proves that the Italian market, after the positive shock caused by the provisions 4.0, is returning to its normal dimensions. However, even if we expected a pace change, this normalisation process turned out to be particularly abrupt in the first months of the year, also due to the lack of clarity regarding the applicability of the measures for competitiveness that the Government should have put at the disposal of the SMEs right away".

"Only now, with the recent approval of the Growth Decree, which actually re-established Super-Depreciation, again accompanying it with Hyper-Depreciation, - continued the President of UCIMU-SISTEMI PER PRODURRE - the Italian manufacturing enterprises have a clear schedule of the provisions at their disposal to define their investments in new machines in the best way. Therefore, we expect that the index of the third quarter will be positively influenced by the reactivation of this measure, which represents the most appropriate instrument to foster the technological upgrade that the Italian manufacturing industry still needs".

"In this connection, - affirmed the President of UCIMU-SISTEMI PER PRODURRE – 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, an **overall Package for the Enterprise Growth** should be implemented, which should become structural, 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 the investments in Research & Development and to Super- and Hyper-Depreciation** for the investments in new machinery, software and automation, thus creating a long-term, global plan".

"Complementary to the issue of innovation is the topic of professional education and training 4.0, for which we ask that the applicability of the provision for the **tax credit** be extended to 2020 and reviewed in such a way as to include the cost of external trainers, the most onerous expense item for the SMEs, in the calculation of tax credit.

"On the foreign front - added **Massimo Carboniero** – the collection of data concerning the index processed by the Economic Studies Department & Business Culture of UCIMU shows signs that may worry those who, like the machine tool manufacturers, deliver more than 50% of their products abroad".

"The atmosphere of political instability, the unrest all over Europe, the fears connected with the worsening of the trade conflict between the United States and China, as well as the decreased imports from Germany, our first market of destination, frozen mainly by the big questions concerning the automotive sector, involved in the changes linked to the spread of electric motors: these are some of the factors that make it more difficult to sell production systems

worldwide, whose purchasing process is normally thought out for a long time and facilitated if there is a general geopolitical stability in the context”.

“In this period of weakness, it is necessary to push on with all internationalisation instruments at the enterprises’ disposal. 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**. However, it is important 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)”.

“Moreover, - stressed the President of UCIMU-SISTEMI PER PRODURRE - **for the Italian exhibitions of international relevance**, we share the content of 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. Nevertheless, **in a logic of a wider internationalisation of the exhibitions held in Italy, we think that the “reward” should be mainly addressed to the investments made by our SMEs to promote abroad their participation in these events**”.

“While appreciating these first signs of attention by the Government authorities to the very important issue of internationalisation, - concluded **Massimo Carboniero** – however, we believe that these measures are not enough, especially considering the period of economic slowdown involving the whole world marketplace. In this regard, we ask the Government authorities for an immediate, comprehensive, structural plan of actions, capable of concretely supporting the activities of our SMEs abroad”.

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