

**UCIMU-SISTEMI PER PRODURRE: AFTER THE COLLAPSE OF 2020,
THE ITALIAN MACHINE TOOL, ROBOT AND AUTOMATION INDUSTRY ENVISAGES
A RECOVERY ALREADY IN 2021.**

The pandemic that broke out almost one year ago strongly affected the results of the Italian industry of the sector, which registered double-digit decreases for all main economic indicators in 2020. However, the trend of the year 2021 should be completely different and, even if the ground lost over the last twelve months cannot be fully recovered, the forecasts are really positive.

This is in brief what was reported by **Barbara Colombo**, president of UCIMU-SISTEMI PER PRODURRE, the Italian machine tools, robots and automation systems manufacturers' association, during the usual end-of-year press conference.

As highlighted by the **preliminary year's data** processed by the Studies Dept. & Business Culture of UCIMU-SISTEMI PER PRODURRE, in 2020, **production** dropped to **4,970 million euro**, showing a **23.7% fall** compared with the previous year.

The outcome was due to **the reduction in the deliveries by Italian manufacturers on the domestic market, decreased by 28.2% to 2,090 million euro**, as well as to the **negative trend of exports, fallen by 20% to 2,880 million euro**.

Based on the ISTAT data processing by UCIMU, in the first nine months of the year (latest available survey), the export downturn of machine tools only was strong and generalised. The sales to the United States, first destination market for the *Made in Italy* products of the sector, went down to 229 million euro (-21.4%). The other main destination countries were Germany, 185 million euro (-31.2%); China, 162 million euro (-28.2%); France, 115 million euro (-34.3%) and Poland 92 million euro (-30.8%).

The health emergency had an even stronger impact on the domestic market. In 2020, machine tool, robot and automation **consumption in Italy fell by 30.3% to 3,385 million euro**, penalising both the deliveries of Italian manufacturers and imports, decreased by 33.4% to 1,295 million euro.

The significant reduction of domestic machine tool consumption determined an increase in the export/production ratio, changing from 55.3% in 2019 to 57.9% in 2020.

On the contrary, the year 2021 should have a completely different trend for the Italian machine tool, robot and automation manufacturing industry, bringing about a recovery of business activities.

According to the forecasts developed by the Studies Dept. & Business Culture of UCIMU, **production should grow to 5,795 million euro (+16.6% versus 2020), driven by the recovery of exports, which should amount to 3,220 million euro (+11.8%), and by the increase in the deliveries of Italian manufacturers on the domestic market, which should go up to 2,575 million euro (+23.2%).**

Consumption should regain its dynamism, registering a 23.3% upturn and reaching 4,175 million euro. Imports will also start to grow, attaining 1,600 million euro, corresponding to 23.6% more than in the previous year. The export/production ratio will return to 55.6% due to the balancing of Italian manufacturers' activity between domestic and foreign markets.

Barbara Colombo, president of UCIMU-SISTEMI PER PRODURRE, commented: "What happened in 2020 has deeply affected the expectations of the Italian industry of the sector, which experienced a particularly difficult situation last spring and, starting from July, reported some feeble, positive signs of market recovery, also confirmed in the autumn months".

"We are certainly far away from coming back to the pre-emergency activity level, but the forecasts for 2021 are positive and raise hopes for the near future. The availability and gradual dissemination of vaccines will significantly contribute to the activity recovery also abroad, while facilitating a return to a normal mobility of people, necessary for the business of our enterprises that have always been engaged in foreign markets.

The movement impossibility of goods and people, as well as the almost total absence of trade fairs, have severely tested our work. However - added **Barbara Colombo** – 2021 will be the year of **EMO MILANO 2021**, which will take place in Italy again after six years and after the success of the 2015 edition. It will be hosted at fieramilano from 4 to 9 October and will actually be the first international exhibition after one year and a half. Also for this reason, we believe that EMO MILANO, which has always acted as a multiplier of machine tool demand, will have an even more boosting effect on the investments in production systems and technologies 4.0”.

“Moreover, on the domestic front – continued the president of UCIMU-SISTEMI PER PRODURRE – the industry of the sector will start again to work at high pace, supported also by the incentive measures of the **Transition Plan 4.0** included in the Budget Law 2021.”

“With the confirmation of the Transition Plan 4.0, the Government authorities demonstrated that they have well understood the value of this programme, also because they provided for the strengthening of the measures included in the Plan, increasing deduction rates and maximum limit of expenditure and extending the applicability until the end of 2022. This said, the plan is certainly perfectible”.

“In particular, while appreciating the extension of the measure validity until 2022, we think that a two-year period is still too short to ensure its full efficacy. As already repeatedly mentioned, it would be necessary to transform the tax credit for investments in both traditional and interconnected/4.0 machinery into structural measures or at least extend it to five years, in order to really enable the enterprises to properly plan their investments over time”.

“With reference to the choice of the provisions at the enterprises’ disposal - continued **Barbara Colombo** –we think that tax credit is the most appropriate measure, because of its simple use and possibility of application also for the enterprises that have no profits. Nevertheless, we would have preferred that the plan could envisage a double possibility, including, besides tax credit, the already known provisions of Super- and Hyper-Depreciation, (which guarantee a tax benefit similar to that of tax credit), so that the companies could be free to choose the most appropriate measure for their situation”.

“We are very satisfied with the decision of the Government authorities to include also the cost for trainers in the calculation of the tax credit on professional training, - as we kept asking for a long time - besides the cost for the hours that the employees spend in update activity. The cost for the teacher is undoubtedly the heaviest expense for carrying out this activity, especially for the SMEs. This measure will not only stimulate the enterprises to start professional education and training, but it will incentivise them to choose the most qualified teachers”.

“Apart from these adjustment observations - concluded **Barbara Colombo** - **the Transition Plan 4.0 shows a big gap that, in our opinion, must be filled as soon as possible**. To be a real plan of industrial policy, it should consider not only the aspects regarding process and product innovation. Indeed, there is another issue, which is also important for the development of the manufacturing industry in Italy and the maintenance of competitiveness in comparison with foreign competitors: **growth in size**. In this new, competitive international scenario, the strengthening of companies, also through mergers and/or takeovers, becomes a necessity that cannot be deferred. The difficulty in carrying out these operations is not only psychological, as mentioned time ago, but, on the contrary, it is also related to the value that should be paid for the surplus values resulting from mergers or takeovers. In order to incentivise these operations, the economic results of mergers and/or takeovers must be made neutral in relation to taxation”.

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