

**MACHINE TOOL ORDERS / STABILITY IN THE FOURTH QUARTER 2018 (-0.2%)
GOOD PERFORMANCES ABROAD (+2.4%). SLOWDOWN IN THE DOMESTIC MARKET (-6.3%).**

On a yearly basis, in 2018 machine tool orders remained stable versus 2017 (-0.8%)

The UCIMU index with regard to machine tool orders is stationary: in the fourth quarter of 2018, it stood at -0.2% compared with the same period of the previous year. The absolute value of the index was 161.6 (base 100 in 2010).

The overall outcome was due to the **positive performance of foreign orders and to the decrease in the orders collected by the Italian manufacturers in the domestic market, which is however still dynamic.**

In particular, foreign orders grew by 2.4% compared with the period October-December 2017. The absolute value of the index was 141.7.

On the domestic front, on the contrary, Italian machine tool manufacturers registered a 6.3% downturn in the collection of orders, compared with the fourth quarter of 2017. The absolute value of the index amounted to 267.4: **it is the best result ever achieved (compared with the same quarter), excluding the record of the fourth quarter of 2017.**

If it is clear that we are experiencing a slowdown phase, however it is important to consider the jump of Italian machine tool consumption over the last few years. Considering a representative sample of enterprises belonging to the sector (derived from the panel regarding the data collection for the index), in the fourth quarter of 2011, the average value of orders collected in the domestic market by each enterprise of the sample amounted to 1.7 million euro. In 2016, it was 2.5 million euro, whereas in 2018, it stood at 6.1 million, much more than the double compared with two years ago.

On a yearly basis, the total index is confirmed around the level of 2017 **(-0.8%). Foreign orders increased by 5.2%. Domestic orders** recorded an **11.5% decrease.**

Massimo Carboniero, President of UCIMU-SISTEMI PER PRODURRE, the Italian machine tools, robots and automation systems manufacturers' association, commented: "The data of the fourth quarter 2018 are confirming the feeling and the expectations we already had: the year that has just ended was really positive for the Italian manufacturers, who achieved good results both in Italy and abroad".

"The data concerning Italy, and thus the minus sign regarding the last quarter of 2018 and the whole year, should be analysed very carefully: there is no doubt that the collection of orders in the domestic market was weaker than in 2017 and that, consequently, there is a certain slowdown, but we couldn't expect anything different".

"The fall - continued **Massimo Carboniero** - is the consequence of a series of factors that should be properly weighed up. In the first place, because the data concerning the fourth quarter of 2018 are compared with that of the record achieved in 2017. In the second place, because the end of the year coincided with a general atmosphere of uncertainty due to the confused management of the economic issues related to the Budget Law. Certainly, the alternating declarations and indications by the Government authorities concerning the measures that would be included in the Financial Plan 2019 did not help those who had to make investments. In these cases, they usually prefer to suspend their purchase decisions awaiting a clearer framework".

"With reference to the provisions included in the Budget Law 2019, there is surely a positive confirmation with regard to Hyper-Depreciation, in a new version that is favouring the SMEs, with a higher deduction rate for small investments and decreasing as the value of new purchase increases. On the contrary, the elimination of Super-Depreciation is very disadvantageous".

"With the elimination of Super-Depreciation - pointed out the President of UCIMU-SISTEMI PER PRODURRE - there is the risk of excluding an important part of our SMEs from the right and proper update and modernisation process, as the MINI IRES (reduced Corporate Income Tax) does not certainly ensure the same fiscal benefits and, on the contrary, it creates problems of application and more bureaucracy. Yet, these are enterprises that really need to modernise

their plants. We cannot afford not to support them; for this reason, we ask the Government authorities to reconsider the adoption of this important measure”.

“After all, with a view to the future, the positive trend of orders in the foreign markets is an encouraging indication for Italian manufacturers that have proven to be able to work well despite the rather difficult international framework. The slowdown of the automotive sector and the partial closing of some markets involved in complicated, geopolitical issues – as, for example, in the case of Russia and Iran – did not negatively interfere with the activity in foreign markets, which grew uninterruptedly for the whole year 2018”.

“Also in consideration of the expected slowdown of the domestic market, – stated **Carboniero** – which should however be confirmed in 2019 on similar levels as in 2018, it is necessary to establish measures that may encourage and stimulate the enterprises to work more and more with foreign users”.

“In our sector, an important part of the internationalisation activity consists in the participation in international exhibitions organised in the most dynamic markets. Nevertheless, the growing success of new fair events makes this activity particularly onerous for the SMEs. Therefore, we are asking that a system of incentives be introduced for the participation of Italian enterprises in foreign trade shows, in order to encourage the attendance of a growing number of “Made in Italy” representatives to these events”.

“Actually, some Italian companies take part only in the international exhibitions that are held in Italy, as their promotion budget cannot cover their participation in foreign events. For many of them the attendance to these trade shows is the only opportunity to meet foreign operators and thus present their product offering in the international market. Therefore, the task of the organisers is to develop complete and interesting events in terms of product display, presented topics and know-how, which should be capable of attracting operators from all over the world”.

“In the development of this activity, the fair operators, such as the companies of the UCIMU Group, may always rely on the support of our national economic system, which we ask today to consider an increase in the resources that should be used for the development of initiatives conceived to make our Italian trade shows more attractive. These initiatives may incentivise, first of all, the incoming missions of qualified foreign buyers, but also events dedicated to them, promotional campaigns specially created in the countries of greatest interest and events aimed at highlighting the culture and excellence of our country”.

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