

UCIMU: IN THE FIRST QUARTER 2024, A DOWNTURN IN THE ORDERS OF MACHINE TOOLS (-18.9%)

Barbara Colombo, president of UCIMU: "Waiting for the new measures penalises the domestic market: implementing decrees on Transition 5.0 and clarity on Transition 4.0 now "

In the first quarter 2024, the index of machine tool orders, elaborated by the Economic Studies Department & Business Culture Centre of UCIMU-SISTEMI PER PRODURRE, highlighted an **18.9% downturn over the period January-March 2023**. The absolute value of the index was 77.9 (base year 2021=100).

The negative outcome was due to the reduction in the orders received by Italian manufacturers, both in the domestic and foreign markets.

In particular, **the orders collected overseas were down by 18.5%** compared to the same period of the previous year. The absolute value of the index stood at 91.

On the domestic front, orders marked a drop of 19.4% over the first quarter of 2023, for an absolute value of 55.1.

Barbara Colombo, president of UCIMU stated: "The year 2024 has thus started with a negative sign for Italian machine tool manufacturers and, although this is a confirmation of what we were expecting, we must now overcome the impasse, giving the market a clear sign of reassurance and stability, a fundamental condition for those who have to invest in state-of-the-art machines".

"On the foreign front, after a positive 2023 - continued **Barbara Colombo** – in this first part of the year, the order intake abroad shows a rather cautious start, weighed down by the risk of tensions expanding beyond the Israeli-Palestinian area and the prolonged conflict between Russia and Ukraine. But even the uncertainties regarding the energy transition and the direction that Europe will take after the June elections are certainly weighing heavily".

"That said, with regard to exports, our expectations for the current year are positive: we expect a moderate pace for our business in the United States and an increase in the sales to some European countries and to countries that are starting to rise in the ranking of destination areas for the *Made in Italy* of the sector, such as Turkey, Mexico and India. Also for this reason, UCIMU initiated the first steps to create a new network of companies in Mexico, which is experiencing intense manufacturing development, closely linked to the US economy".

"On the other hand, a different evaluation concerns the domestic market, whose demand" - stressed **Barbara Colombo** – "has been on stand-by for several (too many) months, waiting for the new measures of competitiveness to become operational. We manufacturers keep on receiving requests for quotations from our customers, even for important projects, but these remain on hold, because there is no certainty about the incentives that will be made available by the Government".

"The current situation incredibly remains more nebulous than even a month and a half ago, when the legislative decree was presented with the Transition 5.0 framework. In this regard, to date no implementing decrees have been issued, whereas, as for Transition 4.0, the change to the rules "along the way" for accessing the measure risks blocking domestic demand irreparably".

"As soon as possible, the Government – continued **Barbara Colombo** – must settle this issue that is crucial for the development of the Italian manufacturing sector, so that companies can finalise the necessary investments in production technology. After all, the growing number of applications from Italian and foreign exhibitors to exhibit at 34.BI-MU, scheduled to take place at fieraMilano Rho next October, is a testimony to the trust in the market placed by the companies of the sector".

"**For the 5.0 measures**, time is really beginning to run out. The use of the measure, which is intended to reward investments that combine digitalisation and energy saving, is in fact limited in time. In compliance with the deadlines set forth by the NRRP (National Recovery and Resilience Plan), in order to be able to take advantage of the 5.0 benefits, the deadline for the delivery of goods is 31 December 2025. **This means that the rules of engagement, i.e. the implementing decrees, to take advantage of these measures must be available very soon, otherwise such a heavy time compression between the time of order and the time of delivery will force us to forego a substantial part of the market demands.** Do we really want to risk all this?".

“On the other hand, **for the 4.0, the market was moderately destabilised by the Government’s decision to include the obligation of prior notice with regard to the value of investment to be made and the allocation breakdown of annual instalments for the related tax credit**, based on what is also provided by Transition 5.0”.

“Although we understand the need of the State General Accounting Office to have, in advance, a timely picture of the economic resources needed to cover the procurement operations made under 4.0, it is also true that **changing the “rules of the game” in the process creates great distrust among those who are considering the opportunity of making new investments**. For this reason, we ask the authorities to take immediate action to explain all these aspects. We are confident – concluded the president of UCIMU – that the clarity and speed with which the Government will account for the details that are still missing will allow Italian demand for new production technologies to restart with a lot of impetus.

Cinisello Balsamo, 22 April 2024

Contact:

Claudia Mastrogiuseppe, External Relations and Press Office Manager, +39 0226255.299, +39 3482618701 press@ucimu.it

Massimo Civello, External Relations and Press Office +39 0226255.266, +39 3487812176 press2@ucimu.it

Filippo Laonigro, Technical Press Office, +39 0226255.225, technical.press@ucimu.it