

**ORDERS OF MACHINE TOOLS: STRONG DOWNTURN IN THE FOURTH QUARTER 2019 (-16%)  
FOREIGN ORDERS (-13.8%). DOMESTIC ORDERS (-21.2%).**

*On an annual basis, in 2019, machine tool orders went down by 17.9% versus 2018.*

Even in the last quarter 2019, the collection of machine tool orders highlighted a negative sign. In particular, **in the fourth quarter 2019, the UCIMU index of machine tool orders registered a 16% downturn** compared with the same period of the previous year. The absolute value of the index was 105.5 (base 100 in 2015).

The overall outcome was affected both by the negative performance of the domestic market and by the weakness of foreign demand.

In particular, **the collection of orders in the domestic market showed a 21.2% fall compared with the fourth quarter of 2018**. The absolute value of the index was 172, thus still positive despite the reduction.

**On the foreign front, orders went down by 13.8%** compared with the period October-December 2018. The absolute value of the index stood at 91.5.

**On an annual basis, the total index recorded a 17.9% decrease** compared with the previous year. The result was due to the drop recorded in the domestic (-23.9%) and in the foreign markets (-15.4%).

“The downturn registered in the fourth quarter 2019 – affirmed **Massimo Carboniero**, President of UCIMU-SISTEMI PER PRODURRE – confirms our expectations, showing a situation of progressive lowering of the propensity to invest, both by the domestic and by the foreign markets”.

“On the domestic front – commented the President of UCIMU-SISTEMI PER PRODURRE – the index of the orders collected in Italy in 2019 reported a progressive reduction. This figure proves that the Italian consumption of production system is going back to the normal values that are typical of our market. After all, we could not expect Italian demand to maintain the pace of growth we had experienced in the three-year period 2016-2018”.

“This said, we should prevent a new freeze on investment, which would actually take our manufacturing industry back to years ago, nullifying the good results obtained thanks to the “Industry 4.0” Plan, with the risk of interrupting the ongoing process of technological transformation in our Italian industry”.

The latest survey of 2014 conducted by UCIMU on the total number of machines in operation in Italy had evidenced a very dangerous ageing of the production systems installed in our manufacturing facilities. In a ten-year period, from 2005 to 2014, the factories of our country had innovated very little and thus the average age of machines had turned out to be the worst ever, i.e. almost 13 years.

“If the tools for competitiveness implemented by the “Industry 4.0” Plan have surely given a good contribution to recover that obsolescence - stated **Massimo Carboniero** – we cannot certainly believe that everything is solved. Also because, in the meantime, our foreign competitors keep on investing and we must take them in due consideration if we want to preserve the competitiveness of the Italian manufacturing industry”.

“In this regard, we think that the new measures of tax credit included in the Budget Law 2020, in place of Super- and Hyper-Depreciation - are technically suited to support the upgrade of machines and equipment and the transformation of the Italian industry from a digital point of view. What is not appropriate is their applicability period, which is always 12 months”.

“For this reason - added **Massimo Carboniero** - we ask the Government authorities to think about a new **three-year innovation plan** right away, **capable of supporting the investments in production technologies and having tax credit with differentiated rates as key measure**. Only in this way, with a mid/long-term plan, the enterprises can really plan their investments and the actions to be undertaken carefully, to continue the process of transformation and upgrade of the Italian manufacturing industry, which has started, but it is certainly not accomplished”.

“On the foreign front – went on **Carboniero** – the situation is very complicated, as there are different factors contributing to the uncertainty of the mid/short-term scenario: the general economic and political instability of many areas in the world; the evident difficulty of Germany, struggling to start up again, burdened by the big question in the automotive sector regarding the development of electric vehicles; the sanctions concerning exports to important end markets for the enterprises working in manufacturing sectors, first of all Russia and Iran; the slowdown of China and the protectionist behaviour of some important countries, such as the United States”.

“While waiting for a clearer situation, the Italian machine tool manufacturers, who have always been very flexible and quick in reorganising their sales in the areas characterised by the most dynamic demand, are currently focusing specific attention on two continuously developing areas: the ASEAN countries and India. Involved in a rapid and significant process of industrial and infrastructural development, these areas have no appropriate local industry of automation and production systems. Therefore, to support their pace of development, they should acquire state-of-the-art technologies from abroad. The *Made in Italy* of the sector is a valid response to this need”.

“Besides the Asian countries, UCIMU-SISTEMI PER PRODURRE is devoting more and more attention to the sub-Saharan African countries, where a coordinated action of several manufacturing sectors would be useful according to the logic of the production chain. The project should be developed with the support of the Ministry of Foreign Affairs and International Cooperation, which, based on positive past experiences, should support and coordinate the creation of an educational hub intended to train local technicians in using Italian machinery and technologies, thus contributing to the development of production in those countries”.

“Certainly, this is not enough. We need a policy with broader international scope, which is essential for an exporting, manufacturing country, such as Italy. In this connection, we ask the Government authorities for an immediate, substantial structural plan of actions, capable of supporting the foreign activity of our SMEs in a concrete way”.

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