



**Comité Européen de Liaison des Importeurs de Machine-Outils
European Liaison Committee of Machine Tool Importers**

CQ NEWS

August 2004

WELCOME FROM THE PRESIDENT



It gives me great pleasure, as the President of CELIMO, to introduce this latest issue of CQ News, which I hope you will find to be both interesting and informative.

As I said in my speech at the Council meeting in Helsinki, it would appear that, generally, the machine tool sector, worldwide, is now experiencing increased levels of business, following the very bad situation that the industry had experienced over the past two-three years.

However, there are concerns that both the increasing price of oil and steel will have an adverse effect on these increasing levels of business and that these, combined with the ever growing problem of manufacturing moving to lower cost areas, such as Eastern Europe, China and India, could combine to stifle the recovery.

The general overall increases in business levels present their own problems for European machine tool distributors and agents, one of which is the lengthening delivery times, particularly for machines made in the Far East. It is always the case - feast or famine!

CELIMO can only flourish and develop with the active input and support of the 13 national associations and, again, I would encourage them all to promote CELIMO and its services/activities to their individual member companies and the

manufacturers and users in their respective countries.

As you will see later in this edition of CQ News, the 2004 meeting of the CELIMO Tooling Group will be taking place, in Milan, in mid November and, again, I would encourage national associations to send as many delegates as possible to this interesting and informative meeting.

IMTS in Chicago will soon be upon us and I will be attending the exhibition to represent CELIMO at a number of meetings and events. Again, later in this edition, you will see details of the International meeting being organised by AMTDA during the exhibition in Chicago. I would actively encourage those of you who plan to visit the exhibition to attend the meeting on 9 September as this will be an ideal opportunity to meet with both industry and trade association representatives from around the world.

Finally, I cannot finish this issue of CQ News without mentioning the departure of Simon Brown, our Secretary General. Simon has been an excellent Secretary General of CELIMO for a good number of years supporting firstly Arthur Mitchell, then Michael Legg and, lastly, myself, during our terms of Presidency.

With the active support of MTA and, in particular, Geoff Noon, their statistician, Simon has provided a very supportive and professional Secretariat and I, personally, would like to thank him for his support for me and to wish him every success in his new career. MTA have agreed to continue to operate the CELIMO Secretariat until the next Council meeting in France in June 2005 at which it will be decided how the Secretariat should operate in the future.

Secretariat Office

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CELIMO COUNCIL MEETING - HELSINKI

On 3/4/5 June 2004, the Finnish Association hosted the Annual CELIMO Council meeting, an Executive Board meeting and a meeting of the Secretary Generals of the CELIMO national associations. The event was extremely well organised by the Finnish Association and delegates from all 13 national associations thoroughly enjoyed the three days in Helsinki which, fortunately, were blessed with beautiful weather. As an added bonus, many of the delegates and their wives took part in a day visit to Tallinn, in Estonia which, for many, was their first time in this new EU-member country.

The discussions at the three meetings were most positive and it was generally felt that CELIMO was continuing to provide a range of positive initiatives and information for the national associations and, through them, their individual member companies.

However, some concerns were expressed about the future of CELIMO and how it can best serve the interests of the national associations and their member companies. Consequently, it was agreed that the Executive Board should look carefully at the services/activities provided by CELIMO in order to prepare recommendations to the Council.

At the Executive Board meeting, it was agreed that an investigation should take place in respect of the future fee structure for CELIMO as it was felt that the structure should adequately reflect the size of the individual national associations and the changes that have taken place, over the years, in the sector. It was also agreed to recommend to the Council that, although CELIMO's finances are in good health, there should be an increase in the annual fees for 2005 to reflect the increasing cost base.

The next meeting of the Executive Board will be held in Zurich on 3 December 2004.

At the Council Meeting, each national delegation reported on the current and anticipated business situation in their respective countries. Generally, the reports were more positive than those given at the Council meeting in Naples in May 2003 and, in most cases, an increased level of business was anticipated for the remainder of 2004 and into 2005.

With regard to the composition of the Executive Board, the Council unanimously accepted the nomination of Mr. Albrecht Stegemann, from Germany, to replace Mr. Gerd Mager who was retiring from the Executive Board.

Additionally, Mr. Guiseppe Gatti, from Italy, was re-elected to the Executive Board, following his 6-year term of office and Mr. Hanspeter Jost, of Switzerland, was encouraged to consider joining the Executive Board, as Chairman of the CELIMO Tooling Group. **Subsequent to the meeting, Mr. Jost advised the President that he would join the Executive Board.**

The main features of the meeting were the presentations by Mr. Jarmo Hyvonen, Managing Director of Fastems Oy, Chairman of the CELIMO Technical Committee and Chairman of the Machine Tool Branch Group of the Technology Industries of Finland and Mr. Jorma Taijonlahti, Vice President, R&D, of Finnpower Oy.

Both presentations were extremely interesting and covered a range of topics, particularly the relationships between the manufacturers and their agents/distributors.

At the meeting of the Secretary Generals, the main items of discussion related to the encouragement of a greater level of participation, in CELIMO activities, by the national associations and, consequently, their member companies.

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The next CELIMO Council meeting will be hosted by the French association, in Biarritz, on 3 June 2005.

TOOLING GROUP

The next meeting of the CELIMO Tooling Group will be held in Milan on 12 November 2004 at the premises of D'Andrea and with the cooperation of ASCOMUT.

Details of this meeting have already been circulated to all national associations who were encouraged to send delegates to this interesting and informative meeting.

STATISTICS

CELIMO Market Survey

The results of the 2004 CELIMO Market Survey were made available to all national delegations at the the Council Meeting in Helsinki. In addition, following the meeting, the figures were updated and circulated to all the national associations.

Trends Survey

The CELIMO Quarterly Trends Survey was started at the beginning of 2001 and has proved to be most successful, with a large majority of national associations now participating on a regular basis.

The results of the survey are providing the participating associations with a good indication of how the business trends in their individual countries are comparing with their other European neighbours.

The results for the second quarter of 2004 have just been issued rather late, due to Summer vacations. When the questionnaire for the third quarter of 2004 is issued in October, the national associations are requested to respond as quickly as possible in order that the results can be issued without too much delay.

CELIMO WEBSITE

The updated CELIMO website (www.celimo.com) has been in operation since the beginning of 2002 and provides the outside world with information on CELIMO and its various activities.

The national associations are encouraged to view this website and to comment upon the information currently available.

IMTS

The American Machine Tool Distributors Association (AMTDA) will be hosting an International meeting of machine tool associations (both manufacturers and importers) from around the world on Thursday, 9 September, during the IMTS show in Chicago.

It is planned that this meeting will follow the same format as that organised by CELIMO during the EMO exhibition in Milan and there will be brief presentations by trade association representatives from Japan, Europe and USA, followed by an open discussion on matters of interest and concern to all delegates.

Details of this meeting have been circulated to all the CELIMO national associations, asking them to encourage their members to attend, if they would be in Chicago on 9 September.

ASSOCIATION PROFILE

Teknisen Kaupan Liitto – Finnish machine tool association

Teknisen Kaupan Liitto or TKL is the largest technical wholesale organisation in Finland. It has over 280 companies as its members. The member companies make business in raw materials, investment goods and industrial supplies. The members include companies that market products such as steels, chemicals, industrial supplies, machine tools, earthmovers, building machines, electrical components, car equipment etc. The

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Association also includes trading houses and companies involved mainly with projects abroad. In 2003, the net sales of the member companies were approximately 5 billion €. The association employs nine people

TKL's operation is divided into 22 sections. Sections are the central operating organs that deal with important questions affecting each business branch. Machine Tools – section is one of those sections. There are several sections, that deal with machinery e.g. Woodworking machinery, Power machines, Industrial trucks and so on.

Machine tools - section

The number of the companies dealing with machine tools in Finland is about 40 companies. Half of them are small companies having only few employees and partly because of that they have not become members of the association. It is only the biggest companies, who are members of the association and its machine tool section. There are some machine tool distributors, which are members of the association, but not members of the machine tool section. These companies feel that machine tool business is not their main business and stay therefore outside the machine tool section activities. Altogether, the machine tool section has today 14 members (<http://www.tkl.fi/jaostot.php?jaos=Metallintyöstökonejaosto&lang=en>). Their sales cover over 70 % of the Finnish machine tool market and they employ approximately 200 people.

Machine tool section operates as an independent association within TKL. It has its own targets and yearly action plans, budgets and membership fees. Annual general meeting elects the president and vice-president of the section and approves the plan of action and the budget.

In practice, sections' operations include among other things following activities:

- Monthly meetings, where the actual market situation and future business trends are discussed and analysed
- Collection of the data of machine tools sales both monthly and quarterly. The monthly statistics

covers only the quantity of received orders of the key machine tools. The quarterly statistics include detailed information of each product group both in quantity and in value. It also includes the amount of the stock of the machine tools in the end of quarter.

- Collection of the data of the service charges and their development
- Collection of the data of the machine tool business profitability.
- Maintaining "General conditions for the sale of machine tools and other machinery" called TLY 04.
- Taking part to the work of the Advisory Committee for Safety and Health at Work, which is the Finnish organisation preparing Finnish opinion as to the development of the EU-legislation concerning machinery.

Machine tool section is also active in co-operation with exhibition organizers and takes part to the work of the exhibition board of FinnTec, which is the main machine tool exhibition in Finland. This work includes organizing a joint stand for members at exhibition. At the moment there is also a co-operation project going on with Finnish metal industry organisation as to the establishing new opportunities to young people to school themselves as CNC-servicemen, of which we will have a big shortage of in the near future because of retirement.

Furthermore, TKL have certain services to its members. They have possibility to have help from lawyers specialized in agreements, trade, labour law, taxation etc. In addition, help of an environment consult is available. Members can yearly take part to several seminars, information briefings and benchmarking groups.

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