



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

**CQ NEWS**

**January 2005**

## WELCOME FROM THE PRESIDENT



The year 2004 is now part of history. During the year, we saw some recovery in demand in most CELIMO countries, but most of us are still well below what would be seen as a "good level" of business. Let's hope that the new year will be better for all of us.

Last year witnessed much suffering, with many people killed in Africa and in Iraq. Then, the catastrophe in Asia on Boxing Day hit so many people, both locals and tourists from all over the world. The number who have died may never be known precisely and many more have been injured; on top of this, millions have been made homeless and businesses have been destroyed. This is a terrible reminder that we can't control nature.

In this respect I think that we should just be happy that we can run our businesses in peace here in Europe. While our experiences lead us to think that business is varying between normal and bad, we need only to look around the world to see that, in reality, we are living a good life here in Europe.

We apologise for missing an issue of CQ news at the end of last year. As you will know, Simon Brown has left the MTA and in the hand-over of the CELIMO Secretariat, the opportunity to publish CQ news was missed.

The work of the Secretariat is being handled at the moment by the MTA Statistician, Geoff Noon.

CELIMO Members will know him from his work on the Trends Survey and the annual Economic Report which is produced for the Council meeting each Summer.

In the near future, we expect to have some news for you about who will be taking on the permanent role of the CELIMO Secretary-General and we will inform the CELIMO Members as soon as it has been confirmed.

This edition of CQ News includes a brief report on the International Meeting which I participated in during IMTS in Chicago last year. There is also a summary of the CELIMO Tooling Group meeting held last November in Italy and the discussions of the Executive Board at their meeting in December.

In conclusion, I send my kind regards to everybody and take this opportunity to wish you a belated Happy New Year for 2005.

## CELIMO TOOLING GROUP

The annual meeting of the CELIMO Tooling Group took place at the premises of D'Andrea in Milan, Italy on 12<sup>th</sup> November 2004.

The Meeting was chaired by Mr Hans Peter Jost of Walter Meier AG from Switzerland. There were 20 delegates from 12 of the 13 CELIMO member countries and the delegates who were new to the meeting introduced themselves.

There were some common themes in the various reports.

- Exhibitions appear to be on everyone's agenda with very differing views from one market to another;
- The higher cost of steel will cause an increase in the price of tooling;

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- Many of the CELIMO countries were experiencing a loss of their manufacturing base, to Eastern Europe, Asia and/or the Far East. It was suggested that production in Europe is limited to high-tech, innovative or high productivity jobs;
- The level of activity in 2004 was better than in 2003 and most of the delegates were looking positively towards 2005. Their businesses had survived and they now looked forward to being in a position to take full advantage of the recovery, perhaps even making a little profit on the way.

The meeting also had a presentation from the host company, given by Mr A D'Andrea and Mr S Bassanetti. They outlined their activities and explained how the company had developed since it was founded in 1952. There was a shop tour which showed a well organized, smooth manufacturing process, with geometry checks taking place in an immaculately clean factory hall.

Thanks were expressed to Mr D'Andrea for hosting the meeting and to ASCOMUT who undertook much of the organisation.

## **INTERNATIONAL MEETINGS**

### **IMTS**

The President reports on his visit to IMTS2004 which was held in Chicago from September 8<sup>th</sup> to 15<sup>th</sup>.

There was a good feeling throughout the exhibition halls; this was not because the machine tools business is at a peak level, but because there was a clear upturn from a 4 year long decline in the market to growth of more than 40%.

There were 1,277 exhibitors, compared to 1,354 in 2002 and many of those who took the risk to exhibit were happy with the result. Overall, the number of visitors (86,232) was at about the same level as 2002, but the quality of visitors was good and many machines were purchased from the show.

AMTDA arranged an International Meeting with 46 participants representing 21 countries.

Mr Ralph Nappi, AMTDA President, had invited speakers from JMTDA (Japan), CELIMO, AMT (USA) and CMTDA (Canada).

In Japan, investment in machine tools has remained at a very low level over the past 10 years, but now everybody, not only those companies who are exporting to China, are buying new machinery.

I gave a presentation on behalf of CELIMO reporting on the machine tool market in 2003 and a summary of the trends in the first half of 2004 for the CELIMO area.

In the USA, the situation has also improved and the market recovery seems to be speeding up even more. One reason is a special tax relief for investments which are taken into use before the end of 2004. This could mean that the upturn has only a short term effect, but the re-election of Mr Bush means that this tax relief will probably be extended.

CMTDA was established in Canada in 1942 and today has 75 members. Machine Tool sales is largely dependant on what is happening in the US market. In the first half of 2004, there was an increase in order intake of around 15%.

CECIMO reported a big variation among their member states - some are doing better, some are doing worse than the previous year. The VDW (Germany) reported that order intake in the first six months of 2004 was 20% up from the year before and in particular sales to the USA had increased by more than 50%. Far East countries such as India and Taiwan reported increases of between 30% and 35%.

The conclusion is that the market is better everywhere else than in our markets, although even we have seen some improvement.

### **JIMTOF**

The President also visited JIMTOF; there were 147,000 visitors, with 520 exhibitors on 45,000m<sup>2</sup> of space.

He noted that few of the exhibitors were non-Japanese and those were mainly in specialist areas.

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It was clear that JIMTOF is becoming more like a national exhibition compared to 10-15 years ago.

The market in Japan is overheating with order intake increasing rapidly and this will be reflected in longer delivery times for machines in Europe during 2005; this may restrict the ability of CELIMO members selling Japanese machines to increase their turnover this year.

The change of climate is driven by a good situation for sales of LCD and Plasma Displays, the Car Industry, Tool & Die making and in Construction Machinery. Japanese manufacturers have been investing abroad, but now they are starting to invest in Japan again.

### **CELIMO EXECUTIVE BOARD MEETING, DECEMBER 2004**

The latest board meeting had a wide ranging agenda. Reports were received on the two investigations set up following the Council meeting in the Summer.

The first of these look at the services were considered most important by the CELIMO members. The results indicated that Statistics, contact with CECIMO and the web-site with its links to the individual associations were most important. It was also felt that CELIMO should publicise itself better and as part of this we are planning to introduce a brief press release announcing the results of our trends survey each quarter.

The other investigation looked at how our Associations calculate their membership fees. There are a range of methods used and it was not felt that this pointed to a way in which the CELIMO membership fee structure might be updated. There does not appear to be a logical method at the moment and any changes would result in "winners and losers" which makes this difficult to propose.

The Treasurer's Financial Report showed that CELIMO is on course to come in slightly under budget for 2004. There were also reports on the meeting of the Tooling Group and the President's visit to IMTS which we have covered earlier in this issue of CQ news.

Finally, 2005 is an EMO year, so there will be a new edition of the CELIMO Directory during the year. Once again, we will be accepting adverts to help offset the cost of the publication. There will also be an International Meeting during EMO, probably on the Saturday.

### **CELIMO COUNCIL MEETING - BIARRITZ, 3<sup>rd</sup> JUNE 2005**

This year's Council meeting will be held in France in the beautiful town of Biarritz.

The Executive Board will finalise the programme at its next meeting and booking forms will then be issued to delegates. In the meantime, delegates are asked to put the date in their diary - we look forward to meeting you in Biarritz.

### **STATISTICS - Trends Survey**

The Quarterly Trends survey for the 3<sup>rd</sup> quarter of 2004 was completed and we are currently collecting the data for the survey covering the final period of the year. Secretariats are reminded to get their returns back to the CELIMO offices quickly please, so that we can publish the results.

If approved by the Board at its March meeting, we will issue a Press Release each quarter highlighting the results of the Trends Survey. The Secretariat would like to hear of trade magazines in each country to whom this should be sent. We need to know the title, the editors name and e-mail address and, if possible, how often the magazine is published.

### **CELIMO WEBSITE**

Our web-site continues to attract a good number of hits, with the links to the individual associations the most popular page.

Please make sure you let us know if we need to make any changes to the information about your country on the CELIMO web-site; the address is [www.celimo.com](http://www.celimo.com) - please check it out now.

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## **ASSOCIATION PROFILE**

### **VIMAG, THE NETHERLANDS**

Vimag is the Dutch Association for distributors of machine tools and tooling.

It has 65 members who may be independent distributors, mostly with exclusive foreign agencies or the national Dutch sales branch of larger foreign manufacturers.

To become a member of Vimag the applicant company has to be of good standing and reputation and to have been established for at least two years.

Vimag organises at least two informal meetings per annum where members discuss market developments and other point of common interest, like exhibitions, human resource management, pensions and business trends.

One of the most interesting activities of Vimag is the monthly order intake registration, in which a majority of its members participate. Since order intake is the most forward looking tool for monitoring trends in the industry, the Dutch Ministry of Economic Affairs and other trend watchers such as universities take great interest in Vimag's order registration. Vimag enthusiastically participates in the CELIMO Trends Survey since the European machine tool market is considered of extreme interest for such a small country.

Together with FTC, Vimag has taken the initiative to develop a highly specialised modular training course for CNC mechatronics engineers. Since the metal working industry demands service on a very high professional level, the Vimag board decided to allocate considerable funds to develop a training programme that gives service engineers a broad, but relevant base of knowledge on which manufacturers can base their highly specialised product trainings. This winter the first 12 engineers have embarked on this training.

A further training for "in house engineers" or "first aid engineers" will be developed next year.

The objective is to train one person per CNC machine tool site for maintenance, simple front line repairs and much better diagnosis and communication with the professional service agencies.

Every second year almost all Vimag members participate in the biannual national machine tool exhibition Techni Show. Vimag members hold almost all of the important positions in the FTC board; this is the Federation of Exhibitors that deals with the organisers of Techni Show. Of the 300 exhibitors, 180 are members of FTC, however Vimag members cover about 80% of the exhibition area.

In 2004, Techni Show drew more than 55,000 visitors on an exhibition area of just over 25,000 square meters. Vimag and FTC are endeavouring to merge in early 2005 so that the Techni Show in 2006 will be organised under the colours of Vimag.

Recently Techni Show has been held at the same time and at the same well known Utrecht fair ground as ESEF, the exhibition for the national association of industrial contractors. This combination of exhibitions gives the Dutch industry the opportunity to make purchasing decisions under one roof.

At this time both Vimag and Techni Show operate independent web portals. The intention is to combine and improve these portals in 2005, together with those of other associations in industrial technology.

The web-site, [www.techni-showonline.nl](http://www.techni-showonline.nl) drew over 90,000 visits in 2004 and expects far over 100,000 visits once the mergers have taken effect.

Vimag and its member companies have a number of exclusive yellow pages in Techni Show Magazine. With a circulation of 11,500 copies, 8 times per year, this is the most successful metal working magazine in the Netherlands.

The secretariats of both Vimag and FTC are held by Mr Peter Hecker who works from the FME/CWM head office in Zoetermeer.

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