



European Trade Association for Machine Tools, Tooling and Technologies

CQ NEWS

November 2005

WELCOME FROM THE PRESIDENT



At first I have to apologize for having such a long time between this and previous issue of CQ News. As a result of many coincidences this text did not come out in August as planned, but please be sure that the next issue will only take a couple of months.

In June we had the pleasure of spending a few days on the beautiful Atlantic coast of France when the French Association SYMAP hosted the CELIMO Annual Council in an unforgettable beach hotel, Hotel du Palais, in Biarritz. On behalf of all participants I wish once more to thank our French colleagues for giving us this unforgettable time and experience.

The Council itself went well and many important issues were discussed and decided. The name of CELIMO will remain the same but we will now refer to ourselves as distributors rather than importers. Participation was lively active and we had delegations from all the CELIMO countries.

Last year after the Council in Helsinki there was some optimism about the business situation, but with a fear of longer delivery times. Now we know that for CELIMO as a whole we managed to

stop the decrease. There was not much improvement in turnover, but at least the year had a positive sign and in some, mainly non-Euro countries, the statistics are showing significant improvement in the market. The fear of extending delivery times also came true. This can be one of the reasons that statistics, which are based on deliveries are showing worse figures than the equivalent data for order intake would. The increase in production and export figures in most machine tool manufacturing countries shows that the manufacturers had much better times than the machine tool dealers, but in many cases this was driven by demand from outside Europe.

I can't speak about other countries, but in Finland we feel clearly that the price level from dealers to customers has fallen but from manufacturers towards dealers it is increasing, directly or indirectly in terms of additional charges or more responsibilities. The margins are getting smaller and the public tenders where final contract price is given to all who quoted, works efficiently to this direction.

This means that we will have to be more efficient, better trained and more aware of all the costs related to every project from inquiry until the end of the warranty period. We can easily spend our tiny profit in compensating between the different views about the division of costs between the manufacturer and the customer. A fair contract between dealers and manufacturers is a vital item. We in CELIMO have our own sample contracts, but these are so old that they will need to

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be updated. This work has already begun and the updated sample contracts will be made available for all our member associations as soon as they are ready. It is wishful thinking to use them as binding documents but they can work as guidelines for negotiations with manufacturers.

The site for Annual Council in Biarritz was chosen by the French Association to commemorate the fact that it was 40 years ago when the first meeting between some major machine tool dealers from several European countries took place, leading to the formation of CELIMO some years later. CELIMO was then needed as a source of information and for learning about what was happening in the other European Machine Tool markets. Today, 40 years later, we all are still in need of same things. Our Annual Council give us a good opportunity to get this information and to learn about the experiences of other countries and colleagues, so I hope that we would see an increasing number of delegates to participate in the future. The Executive Board has three meetings each year and is the best forum to bring more up to date information to our member associations; we have at least one active Board Member from all the major CELIMO areas.

You have now all been informed that CELIMO Secretariat was moved from MTA, London to our German member association FDM in Bonn. You have also been informed and given the contact names and numbers. I'm sure that German Association and Mr. Kurt Radermacher as the new Secretary will serve us well. In this instance I wish to thank MTA and Mr. Geoff Noon for the great job they have performed as the CELIMO Secretariat. Geoff will continue prepare our statistics. He has one hope for all of us: Please give him promptly the figures of you country, without the need of several reminders.

This year the most important event for CELIMO was the International Meeting at

EMO in Hanover. Nearly 100 participants coming from 18 countries all over the world attended the meeting (cf. below). The report from Machine Tools Trade in CELIMO countries was showing that market is slowly improving in most our countries. Lets hope that this trend will continue and spread out to all our countries.

On this occasion I would like to thank the Board members who stepped down from their posts in Biarritz. Mr. Mike Legg served CELIMO for many years, and as my predecessor gave me most valuable advice. Mr. Christian Jester did an excellent job as our Treasurer for nearly 10 years. He has promised to take care of the CELIMO Web Site even after his resignation from the Board.

I would like to welcome to the Board the new members, Mr. Alain Chamberlain from France and Mr. Bob Hunt from UK. We now also have a new Vice-President, Mr Cuneyt Okcu from Turkey. He has been a Board Member for several years and knows CELIMO well.

Finally I would like to wish you all a lot of success for the remaining time of the year.

CELIMO COUNCIL MEETING - Biarritz

On 2/3/4 June 2005, the French 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 French Association and delegates from all 13 national associations thoroughly enjoyed the three days in Biarritz which, fortunately, were blessed with beautiful weather.

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.

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The Executive Board Meeting was mainly engaged in the preparation of the new print of the CELIMO Directory 2005/6, the preparations of the International Meeting at the EMO and the preparation of the Council Meeting, in particular the elections/composition of the Executive Board and the changes to the CELIMO Statutes. It was agreed to recommend to the Council that two of the current CELIMO Statutes should be amended in order to overcome the current problem of attracting new members on to the Board. They also agreed to recommend to the Council Meeting that the subtitle of CELIMO "European Liaison Committee of Machine Tool Importers" should be changed to refer us as distributors rather than importers. The minutes of the meeting have been circulated to all the national associations.

The next meeting of the Executive Board will be held in Bonn on 28th November 2005.

At the Council Meeting, each national delegation reported on the current and anticipated business situation in their respective countries. It was a mixed set of trends with an overall trend for the CELIMO area with a small increase on a low level, with the exception of Turkey and Sweden, which had an extraordinary good development in 2004 and 2005.

The Council said farewell to those who stepped down from their posts in Biarritz, especially to the Immediate Past President, Mr. Michael Legg, who served CELIMO for many years and to Mr. Christian Jester, who did an excellent job as our Treasurer for nearly 10 Years. As his successor the Council welcomed Mr. Alain Chamberlain from France and Mr. Bob Hunt the new Board member from the United Kingdom and in particular Mr. Cuneyt Okcu from Turkey as the new Vice-President of CELIMO.

The Council agreed the suggested changes to CELIMO Statutes; in particular to the new subtitle of CELIMO

"European Trade Association for Machine Tools, Tooling and Technologies".

Very interesting was the presentation of the economic figures of CECIMO. They have been circulated to all national associations.

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.

The meeting discussed a number of CELIMO initiatives and activities and agreed that these should be developed for the benefit of member companies.

The next CELIMO Council meeting will be hosted by the Danish Association, in Copenhagen, on 25/26 May 2006.

EMO

The huge EMO exhibition was held in Hanover from 14.-21. September where CELIMO was represented at the information stand of the German association FDM.

A copy of the new 2005/6 CELIMO Directory was circulated at the exhibition and additional copies were made available at the FDM booth.

On Saturday, 17. September, CELIMO again hosted an international meeting and lunch reception for representatives of machine tool manufacturer and importer associations from around the world together with industry representatives from many individual companies.

Over 90 people coming from 18 countries from all over the world attended the event and heard presentations from Mr. Ralph Nappi, President of AMTDA, Mr. Hiroaki Shoji, Executive Director of JMTDA and Mr. Geoff Noon, MTA Statistician. These presentations were accompanied by brief reports on the current and future business

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situation of the respective countries. The presentations have already been circulated to all national associations.

The meeting was a full success and gave the participants the unique opportunity to obtain comprehensive information on the machine tool markets of Asia, the USA and the CELIMO countries.

CELIMO TOOLING GROUP

The CELIMO Tooling Group met in Stratford-upon-Avon on 28th October 2005 and was hosted by the Seco Tools Ltd at Alcester. Representatives from 11 national associations attended the meeting that was chaired by Mr. Hans-Peter Jost of Switzerland, the Chairman of the Tooling Group.

The meeting received a presentation on the Seco Company and discussed the economic situation in each country and a range of other matters. One of the most important items was the election of Mr. Richard Boske from the Netherlands as the new chairman of the Tooling Group and successor of Mr. Jost. Notes of the meeting are available from your national associations.

The Danish Association presented the results for a very interesting investigation concerning exhibitions. (*You'll find it at the end of this CQ News.*)

It was agreed that the next meeting would be in Istanbul/Turkey on October, 20th 2006.

STATISTICS

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

The results of the survey are providing participating associations with a good indication of how the business trends, in

their individual countries, are comparing with their European neighbours.

The results of the CELIMO Trends Survey for the 2nd quarter of 2005 were already issued and made available to those Associations who participate. They showed for the 2nd quarter of 2005 a reduction in the overall level of business compared to the 1st quarter of the year. However there was a mixed set of trends with some countries recording a small increase, but lower demand in Italy, Sweden and the UK, meant that the overall trend for the CELIMO area was negative.

The respondents expect the level of business in the 3^d quarter to fall again, although as this period covers the holiday season across Europe, this is not a surprise. Again, some countries reported that they expected an increase in business, while in others; the negative economic situation is exaggerating the normal seasonal trend.

If the expectations for the 3^d quarter come true, there will have been three consecutive quarters of reductions in the level of business. The level of demand across the CELIMO area will be back to where it was at the start of 2004.

The questionnaire covering the 3rd quarter of 2005 and the outlook for the 4th quarter of 2005 was already issued and member associations are encouraged to respond as quickly as possible in order that the results can be issued in the near future.

ASSOCIATION PROFILE

Over the past few years, it has been agreed that profiles and/or activities of individual national associations should be highlighted in editions of CQ News.

Thus you can find a profile of the Swiss association – VSMWH. We hope that the inclusion of such articles will encourage other national associations to provide contributions for future issues of the CQ News. As discussed in Biarritz the next will

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probably come from Denmark and Sweden.

VSMWH

Verband des Schweizerischen Maschinen- und Werkzeughandels (VSMWH)

Association des Négociants Suisses en Machines et Outils (ANSMO)

The VSMWH/ANSMO is the association of the great majority of the Swiss companies dealing with machine tools, woodworking machines and the corresponding tools.

Most of the machines and tools are imported from all over the world, but many members of our association represent also Swiss manufacturers for the domestic market.

The VSMWH/ANSMO has been founded in 1921. Its purpose is to further the interests of the machine and tool trade for the metal- and woodworking industry, to fight against unfair competition and to promote in general sound business.

The VSMWH/ANSMO is divided in two groups:

The metal group with approx. 130 members and
the wood group with approx. 60 members.

Hence the organisation has the following structure:

General Assembly
Central executive board
METAL-Group Assembly - WOOD-Group Assembly
Board of the METAL-Group - Board of the WOOD-Group

The main activities and the main services provided to the members are:

To establish sample-documents, both in German and French, such as sales contracts, general conditions of delivery,

after-sales service rates, sole-agency contracts.

To organise every 4 months a market survey regarding sales, orders received, unfilled orders and business outlook, thus enabling each member to analyse his own position in the market.

To provide the members yearly with the figures of imports into Switzerland of machine tools and woodworking machines, stating values and origin.

To establish – each group separately – the rates to be applied for after-sales services and to provide the members with the referring calculation.

To delegate representatives into the organisation of the PRODEX and HOLZ, shows to be held regularly in Basel, in order to defend the interests of our exposing members.

To hold the General Assembly every March of the year and the two Group Assemblies every November of the year. These assemblies offer the opportunity to the members to get personally acquainted with each other and to exchange business experience.

To supply members, customers, manufacturers and who ever be interested with ample information and latest news by a detailed Internet website www.vsmwh.ch containing also the useful links to the members websites.

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DANISH INVESTIGATION REGARDING THE BEHAVIOUR OF EXHIBITION VISITORS

8 organisations of suppliers of technical products arranged an extensive investigation regarding the behaviour of exhibition visitors. Very interesting is the outcome of the reply to "what source do you use when looking for new products or developments".

Source	Preference of this source	Use in future		
		More	less	unchanged
Internet	83 %	79 %	0 %	20 %
Technical magazines	64 %	8 %	10 %	81 %
Domestic exhibition	46 %	8 %	4 %	84 %
Foreign exhibitions	37 %	23 %	2 %	70 %
In-house-exhibitions	14 %	26 %	2 %	70 %
Road-shows (demo van)	3 %	17 %	0 %	79 %
Sales engineers	47 %	16 %	7 %	75 %
Visit to relevant suppliers	44 %	22 %	5 %	71 %
Seminars + conferences	30 %	20 %	4 %	72 %

What is your motivation of going to exhibitions?

Answer: To learn about new products, new technology, latest developments. To contact suppliers.

What is most important?

Answer: To get best information by competent technicians. Not to be confronted with old products but only new developments.

Was your expectation fulfilled?

Answer: 3 % yes, 40 % no, Rest so/so

How about the expenses to visit exhibitions in the future?

Answer: 60 % unchanged, 25 % less money

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