



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

CQ NEWS

March 2007

WELCOME FROM THE PRESIDENT



After a long delay, for which we apologize, we are pleased to present CQ news again. We are planning to issue CQ news 3 times each year; it will be published after our Board Meetings so that

board can create a link between itself and the members.

Today, business in Europe is increasing. This trend has been going on for the past two years and hopefully it will carry on.

Our secretariat has moved back to the MTA in the UK. With this move we hope we will be more active. Mr. Geoff Noon, who has been providing our statistics will be the Secretary- General; we are all sure that he will do a great job for CELIMO.

At our Board meeting in December, we decided to have a new and modern web-site. The idea came from our Board Member Mr. Bob Hunt and he has worked hard to prepare a report that was considered at the February meeting. We all thank him very much for his work and look forward to being able to introduce our new web-site later in the year.

At our Board Meeting in Brussels we had a discussion with Mr René Groothedde, the Secretary-General of CECIMO. He gave us a presentation for CECIMO and we have started a discussion on how the two organisations can work together. We have identified a range of issues which we have in common and in the next meeting we will develop the subjects for possible corporation. I think this move will be very positive for European Manufacturing Industry, Machine Tool Manufacturers and distributors.

As usual we will be hosting an International event in EMO. Over the years our international meeting has become more interesting each time.

We have visited the IMTS and JIMTOF shows in 2006. Both shows were very busy and I gave a presentation about the European Machine Tool Industry during a meeting organised by our friends from the AMTDA during IMTS.

The 2006 meeting of the Tooling Group took place in Istanbul, Turkey. The morning session included a tour of the new ISCAR special cutting tool design and manufacturing centre and included an overview of the Company. During the afternoon, Mr Albrecht Stegemann gave a talk on the tooling market and tooling production of the world. The presentation reflected his experience of many years in tooling market. We are all thankful to him for his presentation and many years of work for the tooling industry.

Our council meeting this year is in Brussels on Friday 1st June. I hope the attendance will be high and we will have chance to discuss and find better ways for CELIMO and manufacturing industry of Europe.

CELIMO COUNCIL MEETING - BRUSSELS, 1st JUNE 2007

We are returning to Belgium this year for our Annual Council Meeting. The Belgian Association, INEMO, have put together an interesting programme for us. The business element of the Council meeting will take place in the morning and to ensure that we have enough time for this, we have changed the schedule slightly from previous years. The outline of this is as follows:

Thursday 31st May

1430 to 1715: Board Meeting
1700 to 1800: Secretary-General's meeting
2000: Welcome Dinner

Friday 1st June

0900-1230: Council meeting (business)
1300-1400: Lunch at the European Parliament
1430-1630: Presentation by UNICE Secretary-General on "How competitive is European Industry"
1900: Gala Dinner at the Atomium
1000: Partners Sightseeing Programme in Brussels, including lunch

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Saturday 2nd June

0930: Tour of Brugge

1300: Closing Lunch

1600: Return to Brussels (or Airport)

Further details and a booking form are being circulated with this issue of CQ News - please book quickly!

CELIMO TOOLING GROUP

The 2006 meeting of the Tooling Group took place at Iscar in Istanbul, Turkey. The morning session included a tour of the new ISCAR special cutting tool design and manufacturing centre. This included an overview of the company.

Mr Albrecht Stegemann gave a talk on the main countries supplying cutting tools and their relative merits. His main points were:

- South Korea is still a major producer and likely to continue;
- South Africa is a large producer for the local industry and could be an exporter in future;
- India has many carbide companies with a manufacturing facility and they too could start an export offensive soon;
- China has seen lots of investment and there are 418 factories manufacturing carbide and 1500 factories producing carbide tooling - a comment was made that this is enough capacity to supply standard tooling the whole world;
- USA is also seeing major re-development.

The delegates presented an overview of the economic situation in their countries; because of the time lag in preparing this report we have not included this in this edition of CQ news, but the meeting report is available on request from the Secretariat.

For future meetings it was suggested that the economic situation reports be standardised so that an overview can be compiled.

It was also suggested that delegates could be asked to prepare a short presentation on a topic of their choice; this could be a development in their own country (political, economic, etc) or some aspect of technology or new products, although they should all have some relevance to the cutting tool business.

Finally, there was some discussion on the WEEE Directive currently passing through the European Parliament in Brussels.

The 2008 group meeting will be held in Norway on Friday 26th October; the usual tour will also be arranged for the morning of Saturday 27th October.

Full details will be issued in the Summer, but in the meantime, please put the date in your diary.

EUROPEAN LEGISLATION

We have identified some important topics; this is an update on the current situation:

- **Revised Machinery Directive:** Perhaps the most important part of the revision is that there is no transition period between old and new. This means that until the deadline, existing documentation has to be used, but as soon as the point of introduction for the new rules is reached, it will have to be replaced instantaneously by the new paperwork. Other changes in the revised version of the Directive concern the extent of manual intervention allowed (the standards which support the Machinery Directive have been revised in light of this change) and the languages in which the documents have to be made available.
- **Low Voltage Directive:** The Commission is working on a modernisation of this directive and has produced a discussion paper; however, not much is happening with this for the time being. There is one important change however - the Directive has been given a new reference number which means that all existing paperwork needs to be changed!
- **REACH:** The new EU regulation on chemicals will come into force in 1st June 2007. Perhaps most importantly for CELIMO members, it requires chemical producers to register all chemical substances produced or imported above a total quantity of 1 tonne per year. This is a wide ranging regulation and a huge effort is going into interpreting the guidelines.
- **Electromagnetic Compatibility (EMC):** The deadline for incorporating this directive into national law passed on 20 January 2007. There is also a revision to clarify certain issues, but there is still a debate about the definition of an "installation"; this is important for machine tools, which can be defined as an installation and thereby exempted from the requirement for EC testing.
- **Metric Units:** Current legislation says that, from 20 December 2009, it will be illegal to use non-metric units on labeling. The European Commission is seeking views on whether this should be amended to allow the current situation (which allows dual labeling with metric and non-metric units) to continue. If the legislation is not amended, suppliers will have to provide different items for metric and non-metric markets, thereby increasing costs.

Details of web-links on these various topics are available from the Secretariat.

WORLD CUTTING TOOL CONFERENCE

The 4th World Cutting Tool Conference is taking place in San Sebastian, Spain. The dates are Wednesday 16th to Saturday 19th May 2007.

The working sessions include:

- o Developments in the aircraft and automotive industries and their impact on cutting tools;
- o Modern financing tools to support small and medium sized companies;
- o Marketing and Distribution
- o Macro-economic developments and how they affect the cutting tools industry;
- o Nanotechnology - the challenge for cutting tools.

Details of this event are available on the web-site at www.wctc.es or you can contact the Secretariat (e-mail: celimo@mta.org.uk) and we will forward the key documents.

INTERNATIONAL MEETINGS

IMTS

The President attended the international meeting organised by AMTDA during IMTS and gave a presentation of the situation of the European Machine Tool industry.

There were also presentations on the US and Japanese markets, with comments being added by participants at the meeting from a range of countries, although the number of attendees was slightly disappointing.

The exhibition was well attended and there was a very positive feeling about the business situation.

JIMTOF

Mr Olkkonen visited JIMTOF on his own behalf. As this comes soon after IMTS, there is no formal gathering of associations, but he had informal discussions with the JMTDA. Business in the last 2½ years has been good in Japan after a bad decade. Mr Olkkonen also noted that this was a shorter exhibition than in the past, but with 150,000 visitors, it was very busy.

CELIMO EXECUTIVE BOARD MEETING, FEBRUARY 2007

At its February meeting the Board discussed a range of issues including:

- o The accounts for 2006 and budget for 2007 and 2008
- o The CELIMO web-site; special thanks were expressed to Mr Jester for all his work on this over the years.
- o The outline for CQ news - the Secretariat is proposing that, despite the title, this will be issued 3 times per year to follow shortly after each Board meeting (the Board will act as the editorial panel for CQ News).

- o The arrangements for the 2007 Council meeting.
- o The plans for the International meeting during EMO; this will be held on Thursday 20th September and take the usual format of a late morning meeting followed by an informal lunch to allow an opportunity to meet and discuss with colleagues from around the world.

The Board also met with Mr Rene Groothedde, Secretary General of CECIMO to explore issues of common interest between the manufacturers and importers/distributors organisations.

The Board had identified some areas of common interest between the manufacturers and the distributors/importers and Mr Groothedde added to these. The combined list includes:

- o Product Liability
- o Legislation
- o Skill Shortages
- o Standards & Regulation
- o Globalisation
- o Health & Safety
- o Education at all levels
- o Image of the Industry/Sector

This was a very positive discussion and the Board will, at its next meeting, be considering how we can move this forward.

WORLD MACHINE TOOL SURVEY

Each year, the US based newsletter METALWORKING Insiders' Report compiles a survey of machine tool output and consumption; it also includes details of imports and exports. If you don't receive a copy of this, you can find the details at www.gardnerweb.com/consump/survey.html

China remains the world's largest market for machine tools and, not surprisingly, is also the largest importer. In the CELIMO area, the largest importer remains Germany (4th overall in the survey), followed by Italy (6th), France (8th), Turkey (9th) and the UK (10th). Not all CELIMO countries are covered by the survey because it is based mainly on countries with significant machine tool production.

The fastest growth of machine tool imports among the CELIMO countries in the survey, measured in the local currency, were the UK (+18%) and Germany (+16%); however, data for Turkey is reported in US\$ and they recorded an increase of +20% in machine tool imports valued in this currency.

CELIMO DIRECTORY

We will be preparing a new edition of the CELIMO Directory to be ready for distribution at the EMO Exhibition in Hannover in September.

A message for the Secretariats - When we send the request for information to you in the near future, please ensure that you get these back to us as quickly as possible. Also, we are looking to your support again in gathering the advertising for the Directory - please support CELIMO in this either by placing an advert or encouraging exhibition organisers in your country to do so.

ASSOCIATION PROFILE - AUSTRIA

The Austrian Federal Economic Chamber (WKÖ – Wirtschaftskammer Österreich) coordinates and represents the interests of the Austrian business community on a national and international level. Within the Austrian Economic Chambers' system it functions as the national umbrella organisation for the 9 regional Chambers (one in each of Austria's federal regions) and 110 trade associations for different industries. Regional Chambers and associations have local offices to provide services in close proximity to members.

Membership is compulsory and includes all Austrian companies in operation. The resultant membership, some 300,000 businesses draws from a diverse selection of business areas such as trade and craft, commerce, industry, transportation, tourism, services industries, finance and insurance.

Main tasks and activities:

- o **Representation of membership interests** at all levels of government. By law governments are obliged to consult with Chambers on legislative projects and important regulation. In many laws a provision is made to involve Chambers in decisions-making and administrative procedures.
- o **Information and advisory services to members:** Typical issues include taxation, labour law, vocational training, industry-specific legislation, industry-wide advertising and marketing research.
- o **Collective bargaining with unions:** Trade associations engage in negotiations with their respective sectoral countrywide union.
- o **Economic Promotion and Development** as well as **training and consulting** are mainly organised by specialised department in each region (WIFI, Wirtschaftsfoerderungsinstitut).
- o **Austrian Trade - Business Support and Promotions of International Trade** is provided by a specialised department at a national level (AWÖ - AUSSENWIRTSCHAFT ÖSTERREICH), 70 field offices around the world and a network of specialised experts within all regional Chambers.

Public Law (Wirtschaftskammergesetz) provides a legal foundation for Austrian Federal Economic Chambers, supplying the legal framework for all Chambers, their co-operation, mandatory membership, and rules for setting membership fees.

Although established by public law the Federal Economic Chambers are exclusively business driven.

Every 5 years entrepreneurs elect officers and representatives for the trade associations and Chamber (amounting to a total of more than 10,000 officers) from their own ranks. In these elections free associations of entrepreneurs field their candidate to compete for the leadership of the Chambers and individual trade associations. Some of these entrepreneurial associations are affiliated with political parties while others are independent platforms.

The Austrian Federal Economic Chamber is financially self-sufficient with around 85% of expenditure covered by member contributions and further 15% by revenues from marketable sales. This factor, combined with organisational management through democratic self-government, makes us fully independent from public authorities.

Austrian Trade: In Austria the promotion of foreign trade constitutes, by law, one major part of the activities of the Economic Chamber. The immense importance of export trade to Austria is reflected in the extraordinary range of services provided by Austrian Trade (AWÖ - AUSSENWIRTSCHAFT ÖSTERREICH) with an international network of 70 Austrian Trade Offices worldwide.

Furthermore, Austrian Trade offers Austrian businesses a wide range of complementary services including: specialist services related to Austria's EU membership, information and advice.

The primary aim is to help create and sustain successful sales and promotion of Austrian goods and services in international markets.

Austrian Trade is also responsible for the organization of trade missions and official participation in international trade fairs and provides advice and assistance to in-bound buying missions.

The heads of each Austrian Trade Office, the Austrian Trade Commissioners or Delegates, help Austrian companies to find new contacts and develop existing business. Trade Commissioners put buyers in contact with potential agents, imports and co-operation partners. They also obtain credit ratings and assist with trade name and patent registration.

<http://www.austriantrade.org>
**Business Information and
 International Contacts to Austria**