



European Association for Machine Tools, Tooling and Related Technologies

CQ NEWS

MAY 2008

WELCOME FROM THE PRESIDENT



We are pleased to present the 20th Edition of CQ news. I hope that all of our members across Europe are sharing in the good level of business which was reported at the Board Meeting in London at the start of March. I

hope this trend will go on. At lunch we we joined by our ex-President Mr Mike Legg - it was a pleasure for all of us to see him again.

Our next meeting will be the Annual Council Meeting in Switzerland on 29th-31st May. I am looking forward to have a very good attendance in Luzern. The members will be asked to elect a new President, Mr Franz Böhm from Austria and I hope that we will all welcome our new President. I believe with his political background, CELIMO will move up one more step.

We will also be saying good-bye to our friend Mr Albrecht Stegemann in Luzern. He is stepping down as President of FDM and will also be retiring from the CELIMO Board. We are all thankful to him for all he had done for our industry and for CELIMO over many years. We will miss him a lot in our meetings and I wish him all the happiness and health in his retirement.

We will also be launching our new web-site. I believe it has a modern look to it should also be much easier to keep up to date. I hope all of you will like it.

I wish you all success, happiness and good business this year. I am looking forward to see you at the Council Meeting in Luzern.

DATES FOR 2008

The following CELIMO meeting dates have been agreed for 2008 - please note in your diary and plan to attend those which are appropriate to you:

29 May - Board Meeting, Lucerne

30 May - Annual Council Meeting, Lucerne

26 September - Tooling Group, Netherlands

At the end of this newsletter, you will find a list of dates for exhibitions in Europe for 2008; we will update this each issue.

CELIMO COUNCIL MEETING

Our Council meeting this year is being held in Switzerland, in the beautiful city of Lucerne. Registrations have now closed for this event and confirmation details have been sent to those who have registered.

WORLD MACHINE TOOL SURVEY

Many of you will know that each year, the US Newsletter *Metalworking Insiders' Report* compiles a snapshot of the world machine tool sector. While the main focus is production and the selection of the countries is mainly based on the largest manufacturers, they also track data for exports and imports and, therefore, a calculation for consumption. The data is for 2006 and a first estimate for 2007, all converted to US\$ as a common currency; the following highlights emerge

- Japan, Germany and China are the top 3 machine tool manufacturing nations.
- The same 3 countries also have the largest market, although the order changes with China is top of this list.
- China, not unexpectedly, is also the largest importer of machine tools, followed by the USA; among CELIMO members, Germany tops the list and is in 3rd place overall.
- The Chinese machine tool market is worth \$15.4 billion, more than the 2nd and 3rd largest markets added together!
- Within Europe, the next largest importers were Italy, France the UK and Turkey.
- Measured in local currency (taking out the effect of changes in the exchange rate), German machine tool imports increased by +33% compared to 2006; for Italy, this increase was +30%.

More details, including the data from the survey, can be found at the Gardner Publications web-site; <http://www.gardnerweb.com/consump/survey.html>

Secretariat Office

President: Cuneyt Okcu

Secretary: Geoff Noon

The Manufacturing Technologies Association, 62 Bayswater Road, London, W2 3PS

Tel No: 020 7298 6400 Fax No: 020 7298 6430 email: celimo@mta.org.uk

EUROPEAN LEGISLATION

The following is the latest position with some key items of European legislation affecting our sector.

The key highlight this time is that the use of hard metals in general, including cobalt, carbides and nitrides which are common in tooling are likely to be affected by changes in the RoHS and REACH regulations.

The other major point to note is that if you are importing a product from outside of the European Union, then it is likely that you will be the "responsible person" defined in the various directives.

- **REACH:** There have not been any major developments with this directive, but it is becoming clear that CELIMO members need to keep in touch with your suppliers about the effects of this directive. As well as chemicals in things like cutting fluids and lubricants, it has emerged that Cobalt, a key ingredient in tooling, will be among the early chemicals on the list for regulation. .ORGALIME has produced a very good set of guidance notes for this directive; it appears that this can be downloaded from their web-site at www.orgalime.org - you need to register with the site.
- Finally, this process will be very bureaucratic. As well as targeting obvious things, it could also extend to elements in the iron used in casting the beds of machines!
- **Restriction on the use of Hazardous Substances (RoHS):** This is another directive that we have mentioned in the past, but which now needs some further attention. A review is underway within the European Commission and it appears that an additional 46 substances are being considered for inclusion in the scope of this directive (currently, there are only 6, so this is major expansion). This includes substances such as Nickel, PVC, Fibreglass and Cobalt.
- The good news on this directive is that it has already generated a long list of exemptions for the current 6 substances as it is recognised that there are a number of critical applications which require the inclusion of these "hazardous substances". It is also likely that, if there is a major expansion in the materials covered by the directive, there will have to be a streamlined process for future exemptions. CQ News will keep you up to date on progress.
- **Waste Electrical & Electronic Equipment (WEEE):** At the moment this is linked to RoHS by use of a common list of substances (which are therefore by definition mainly metals). There have been several studies for the European Commission during 2007 and it seems likely that this will lead to a re-think on this directive. Again, we will keep you in touch with developments in future issues of CQ News.
- **Electromagnetic fields (EMF):** The postponement of the implementation of this directive has now been confirmed by the European Parliament and it will not now need to be brought into national legislation until April 2012. This is to allow further work so that equipment such as MRI scanners can continue to be used - under the existing legislation, these would effectively have been banned. This is also good news for equipment such as arc welding and induction heating equipment. The bad news is that 7 EU countries, including Italy, have already passed this into national legislation and the implications of the postponement at an EU level are not clear in these countries. It should also be noted that Poland has had very stringent legislation in this area for many years.
- **Eco-Design for Energy Using Products (EuP):** A 450 page document with recommendations for implementation of this directive has been produced by consultants for the European Commission; this is of a very poor standard and even the Commission recognises that in some areas it is complete nonsense! The problem is that the Commission is committed to implementing the legislation and is not really able to reject this document.
- It has included Machine Tools (although with a very wide definition that includes more than just metal working machines) are priority number 3 in the list - many other products with much higher energy consumption when in operation appear much lower down the list. There is a feeling that because of this problem, they will simply select some product groups as "targets" for early implementation of this directive. It is known that CECIMO is lobbying hard on this over the next few weeks and we will be offering what support we can to their case.
- **Revised Machinery Directive:** The Commission's Machinery Working Group has now met to start work on the revised guidance notes for this directive; again, we will keep you informed on progress through CQ News.
- **New Approach Directive:** Not a technical directive, but it does have an impact on our sector. Under this project, there is going to be a tightening up on the application of the CE mark and a stronger enforcement regime.
- In particular, the law which passed its 1st reading in the European Parliament in March, puts the onus on importers (into the EU) to guarantee the quality of the items they market. The current rules require importers to provide documentation showing that products meet the requirements of the CE Mark; the measures which have been agreed will "provide a clear and proportionate distribution of obligations among all suppliers", according to the new framework.
- What is not clear is how this is to happen; we will keep you informed through CQ News.

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

STATISTICS

CELIMO Trends Survey, 4th quarter 2007: The report has been sent to the Secretariat of those Association's who participated in the Survey. The 4th quarter saw machine tool business +14% higher than in the 3^d period of the year and +17% above the level in the final period of 2006. Although a majority of the countries responding expected business to increase in the 1st quarter of 2008, because significant declines were predicted for Italy and Turkey, two of the largest countries in the survey, the overall trend for the 10 countries who take part, is for a quarter-on-quarter reduction of -10%.

Data collection for the survey on the 1st quarter of 2008 is almost complete.

Annual Economic Survey: There are still a few returns outstanding for this year's annual economic survey of the machine tool sector. The report will be published for the council meeting, along with the usual presentation

CELIMO EXECUTIVE BOARD MEETING, MARCH 2008

The Board met at the end of the year; among the topics discussed were:

- o The accounts for 2007;
- o A revised fee structure which takes better account of the relative size of the Associations and their sector;
- o The new CELIMO web-site;
- o Guidance on the format for CELIMO meetings.

CELIMO WEBSITE

The new CELIMO web-site will be launched at the Council meeting in Lucerne. It includes:

- o Contact details for each Association with a link to your members list;
- o News - the latest issue of CQ News will be here, with an archive of previous issues;
- o Meetings - a record of the documents which are available from the Council Meetings, Tooling Group Meetings and EMO International Meetings (documents available on request from the Secretary);
- o A calendar of events to include relevant exhibitions in Europe, with web-links;
- o A list of Board members so you can contact your representatives;
- o Useful links - the web-site addresses of other Associations and any other organisations which might be useful;

It will be marketed as the first stop for anyone looking for distributors of machine tools in Europe.

CELIMO DIRECTORY

A new edition of the CELIMO Directory was published at the EMO Exhibition last September. If you would like a copy of this document, please contact your Association Secretariat; for Secretary's, we still have a some copies available; if you have an opportunity to distribute these, please let us know and we will send them to you.

NEWS FROM ASSOCIATIONS

KOMMA (Korea Machine Tool Manufacturers' Association) is very pleased to announce that Mr. Hung Mock Ryu (the CEO of Hankook Machine Tools Co., Ltd.) has been elected as the new chairman of KOMMA in February 2008 for a three year term. Furthermore, Mr. Young Ryual Kwon, the former chairman of KOMMA has been inducted to the honorary chairman. Mr Young Ryual Kwon commented that "it is time that the Korean Machine Tool industry should be converted to the major exporting industry; for this conversion, I would concentrate my efforts on increasing export shares, 40% to 50% with cooperation and support of KOMMA Members.

PROFILE OF INEMO

INEMO is the association which regroups all the distributors of machine-tools and tooling in Belgium.

INEMO has been officially created on the 22nd of June 1965, officiating therefore the previous different associations which were under the name of Trade Society. The Tooling Trade Society has been created in 1919 and the Machine-Tools Importers Trade Society in 1931. Altogether, they were regrouped under the abbreviation of INEMO in 1965.

Today, our association counts 15 members. The number of members has been falling these last years. The 2 principal causes are:

?? On the one hand, it's the fact that the machine-tools builders have established their own distribution network. We have to mention that one of our aims is to integrate these societies in the bosom of INEMO.

?? On the other hand, some of our colleagues, having met difficulties, have either run away of our organization or have stopped their activities.

Our members are divided between the machine-tools distributors and the tooling distributors. Our position on the market is very important. We've been recognized by our clients concerned about obtaining a narrow contact with them but also having the same mentality than them on the contrary to other societies having their centre of decision in foreign countries.

Within the framework of INEMO, we try to provide a good structure to our members by making and drawing up together the sales conditions, the scale of charges of our technicians and the following of the standards. Everything made in a permanent way of evolution.

Our association carries weight on the organization of the Machine-tools and tooling exhibition which happens every 2 years. This has allowed, in 2006, the coordination of the diverse initiatives of the previous years and especially the initiatives taken in 2004 in order to gather into an only one roof all the actors of the machine-tools, tooling and the automate sectors. This exhibition happens from now on in February and takes place in the "Palace of Exhibitions of Brussels" ("Palais des Expositions de Bruxelles"). This place of exhibition is ideally located and can be easily reached in more or less 10 minutes from the National Airport of Brussels.

Our organization has also begun some negotiations with our colleagues of AGORIA gathering all the manufacturing societies. We have hardly any more machine-tools manufacturers in Belgium, except the LVD society, and the new one Haro Technologies.

AGORIA, member of CECIMO, represents sectors like the manufacturing of machine-tools, the property of plastic materials, the electrical and the electronic industry, mechanic in general, the communication techniques, the active societies in the aircraft and the motor vehicle carrying up. The goal of these negotiations is to integrate INEMO like the sector of the machine-tools and tooling sectors within AGORIA which contains our customers. This integration will be effective after the General Assembly of INEMO that will take place in April 2008.

In order to allow to our clients to stay in competition towards their competitors, it's essential to establish a narrow relation between the machine-tools distributors, which will become distributors of fully solutions, and production societies.

INEMO gives also his attention to the quality of the technical education and the reputation of the industry professions towards the population. Like in most European countries, the power-loom isn't enough totally recognized and it's nowadays regarded as something old-fashioned.

Moreover, the technical schools in Belgium have a very bad reputation. Schools with teachers which have a high quality of education aren't very numerous. Like some other countries, we are running out of high quality level workforce. But, on the contrary of most of the countries bordering ours, we still have a high rate of unemployment that could afford us to have the wanted workforce from the moment when the formation meets the needs of our industry. Furthermore, by private initiatives but also by our contacts with AGORIA, actions should be taken in the future.

The organization of the General Assembly of CELIMO in Brussels allowed several of our members to confront our position but also our problems with our colleague's ones. After this, we could notice that we have a lot of similar situations in our countries and that coordination and communication between our different organizations will allow meeting faster our client's needs.

EXHIBITION DIARY

As part of our work for the new web-site, we have compiled a list of exhibitions world-wide. The following are taking place in Europe in 2008 - it is a busy year!

Austria: 7 to 10 Oct 2008, Vienna, INTERTOOL, www.vienna-tec.at

Bulgaria: 29 Sept to 04 Oct 2008, Plovdiv, MACHINE BUILDING., www.fair.bg/en

Czech Republic: 15 to 19 Sep 2008, Brno, MSV, www.bvv.cz

Czech Republic: 23 to 25 Oct 2008, Prague, TOOLTEC, www.incheba.cz

Denmark: 7 to 10 Oct 2008, Fredericia, EFFICIENT PRODUCTION, www.fagmesser.dk/effektivproduktion/

Germany: 9 to 13 Sep 2008, Stuttgart, AMB, www.messe-stuttgart.de

Germany: 21 to 25 Oct 2008, Hannover, EUROBLECH, www.euroblech.de

Germany: 3 to 6 Dec 2008, Frankfurt, EUROMOLD, www.euromold.com

Germany: 3 to 5 Dec 2008, Frankfurt, TURNTEC, www.turn-tec.net

Italy: 3 to 7 Oct 2008, Milan, BI-MU / SFORTEC, www.bimu-sfortec.com

Norway: 22 to 25 Sept 2008, Lillestrøm, Tekniske Messen, www.messe.no

Poland: 9 to 12 Jun 2008, Poznan, MACH-TOOL, <http://machtool.mtp.pl/en>

Poland: October 2008, Krakow, EUROTOOL, www.targi.krakow.pl

Portugal: 12 to 15 Nov 2008, Porto, EMAF, www.exponor.pt

Romania: 7 to 11 Oct 2008, Bucharest, TIB, www.tib.ro

Russia: 26 to 31 May 2008, Moscow, METALLOBRABOTKA, www.metobr-expo.ru

Sweden: 21 to 24 Oct 2008, Stockholm, TEKNISKA MÅSSAN, www.tekniskamassan.se

Switzerland: 18 to 22 Nov 2008, Basel, PRODEX, www.prodex.ch

Turkey: 14 to 19 Oct 2008, Istanbul, TATEF, www.tatef.com - this exhibition may be postponed

If you know of any other events during 2008 that we have missed off of this list, please let the Secretary know so that we can update the list.