

**MESSAGE FROM THE PRESIDENT**



Welcome to this new edition of CQ News. We have to start by extending our sympathies to our colleagues in Norway following the terrible events

of 22<sup>nd</sup> July - the thoughts of the CELIMO community are with you at this difficult time.

The main focus of this edition is our Council meeting in Amsterdam. It was really exciting to see such a large gathering of CELIMO members for what was a very interesting set of meetings.

The presentation from Mr Bernd Heuchemer from Siemens was very thought provoking with a useful analysis showing the impact of the growth in China in moving the global market to Asia; this process has been running for some time, but the recession which affected most of the world accelerated this during 2009 and 2010 so that Asia is now more than 50% of the world market for metal cutting machine tools.

Mr Heuchemer also looked at technical trends and, in particular, at the requirement to reduce energy consumption. There were some interesting charts showing the amount of energy used by the various elements of machine tools, which highlights the best opportunities for reducing the demand for power through improved design.

A summary of the other elements of the Council meeting is in the report in this issue of CQ News.

We are also pleased to announce that a series of interviews with the CELIMO Board members is appearing in Macchine Utensili, a Italian magazine for our sector. We have the first two of these articles which you can see on the CELIMO web-site - we will add the others as they become available.

I also had an interview published in the Turkish Magazine called Makinatek; this is also on the CELIMO web-site. The only downside is that these are in the language of the publisher, but they do represent valuable

We are now looking forward to EMO which returns to Hannover in September. We are organizing our International Meeting on Thursday 22<sup>nd</sup> September; invitations have been sent to the Associations, who have been asked to pass them on to their members.

If you have not received an invitation, please contact your association or the CELIMO Secretary directly (see below for details). Although there are some presentations at the meeting, the main focus is the opportunity to meet with colleagues around from the world, both manufacturers and fellow distributors, to share experiences, build networks and create opportunities.

If you are going to be at EMO on this date, please put the CELIMO meeting in your diary and let the Secretary you are coming to the meeting so he can send you the details.

Finally, we were sorry to hear earlier in the year of the death of Mr Esteban Arambarri, the founder of Delteco SA in Spain; we sent our condolences to the family.

**DATES FOR 2011**

These are the dates for the various CELIMO meetings in 2011 have been agreed - please note in your diary and plan to attend if it is appropriate to you:

**Thursday 22<sup>nd</sup> September - CELIMO International Meeting and Networking Lunch at EMO** (please contact the Secretary for an invitation).

**Friday 7<sup>th</sup> October - Board meeting in Brussels**

**Friday 11<sup>th</sup> November - Tooling Group Meeting in Germany**

**Secretariat Office**

## CELIMO COUNCIL MEETING

The annual Council meeting was held this year in Amsterdam, with 30 delegates from 12 of the CELIMO Member countries gathering for the event. The key points were as follows:

- Following on from the discussion last year in Stockholm, the Secretary presented the results of a survey of exhibitions and Mr Hunt led a discussion of the topics it raised. There was some discussion about the length of exhibitions and whether this included opening at the weekends; for some markets, notably Turkey, Saturday and Sundays are busy days for the exhibition. This also developed into talking about late night opening and the Dutch delegation talked about how they had established extended hours on the Thursday of their event.
- It was noted that only Switzerland has a charge for visitors (although EMO also charges for entry), although about 40% of the visitors are invited by exhibitors and so do not have to pay. It was agreed to develop this topic at the 2012 meeting with a discussion on the marketing activities used for the various exhibitions.
- The Secretary presented the annual Economic Report and the delegations gave an update on the economic situation in their countries (see next item). Copies of this presentation and the reports are available from your national association.
- The Secretary reported on the discussions at the Board meeting about the suggestion to have a requirement for safety inspections for machine tools, similar to those required for lifts and motor vehicles. While this would also provide opportunities for service activity, there was also a view that we should seek less regulation, not more.
- The new Executive Board was elected with new representatives from Belgium, Spain and Turkey.
- Mr Bob Hunt was elected as the new Vice President.
- The accounts for 2010 were approved; the fees for 2012 were also agreed (unchanged from the 2010 level).

On the morning of the meeting, the Council delegates visited the Flower Auction in Aalsmeer, the largest such activity in the world. The logistics behind the auction were fascinating and well beyond the challenges faced by anyone in our industry, but still with clear parallels for those involved in the higher volume parts of the sector.

The Gala Dinner this year had an unusual format as it took the form of a running dinner, with the locations for the courses linked by canal boat. With partners and guests, there were over 60 people at the dinner and the location for one of the courses had to be changed when it was realised that there

were too many people for the venue - a good sort of problem to have!

The 2012 Council meeting will be held in Germany; full details will be sent to the associations and posted on the web-site as soon as possible.

## STATISTICS

**CELIMO Trends Survey:** The report of the 1<sup>st</sup> quarter of 2011 survey is available to those associations who participate in the survey.

**CELIMO Annual Economic Report:** The results of survey were presented to the Council meeting. During 2010, there was a small fall in imports into the CELIMO countries which was worth €5.6 billion; at the same time, imports into China grew by +62% and this one country now accounts for more than the whole CELIMO area. The major sources of these imports were Germany, Japan and Italy which accounted for nearly 50% of the total.

Consumption of machine tools in the CELIMO area also fell slightly overall and, as a result, dipped just under the €10 billion mark. There was also a small fall in demand in the USA, but strong growth in the Asian markets, especially in China.

Another issue which is affecting many European distributors is the change in exchange rates that we have seen in recent years with the euro weakening against the US\$, the Swiss Franc and, especially, the Japanese Yen.

Analysis of manufacturing activity in the CELIMO countries showed that this has recovered during 2010, but only Turkey had seen enough growth to take the overall level above that seen in 2008.

Industrial new orders have also been recovering in Europe. Business investment has levelled off, but there is not yet much sign of an upturn; however, corporate profitability is growing from the low point recorded at the start of 2008, giving some optimism that 2011 will be a good year for the sector.

## NEWS FROM CELIMO MEMBERS

**Turkey:** TIAD has agreed a project with funding from the European Union, through the Turkish Central Finance and Contracts Unit, to establish a Vocational Training and Test Centre. This was launched at a conference in June. In the framework of this project, TIAD will develop and operate an "Occupational Standards Development Vocational Knowledge and Skills Testing and Certification Centre (VOC-Test Center)"; this centre will test and certify the knowledge, skills, attitude, manner and competence of persons who had vocational and technical education and training in the "Machine design and manufacturing" sector and "Repair and installation of machinery and equipment" sub-sector. This will include mechanical and electrical/electronic service engineers and applications engineers for CNC machine tools.

## OTHER ASSOCIATIONS NEWS

**CECIMO:** The recent General Assembly was inaugurated with a video message from Mr José Manuel Barroso, President of the European Commission; he stated that machine tool industry is a key enabling sector and has a crucial role to play in enabling the manufacturing industry in Europe to restore sustainable economic growth. He underlined that the EU's international negotiations are poised to open up new emerging markets for a major exporting sector such as machine tools. They received a report that space bookings for EMO had reached 171,128 m<sup>2</sup> with 1929 companies from 37 countries taking stands. The meeting called for international free trade based on a level playing field for all market participants. Europe has an open economy based on fair competition providing the best available condition for private, healthy and innovative companies.

## CELIMO DIRECTORY

The new edition of the CELIMO Directory is being prepared and will be published at EMO. A reminder to the Association Secretaries that we need your updated details as soon as possible so we have the correct information in the Directory.

## CELIMO WEB-SITE

A number of documents have been added to the web-site recently, most of which are referred to in this newsletter. We are also updating the details of the associations based on the returns for the Directory. If you know of any changes to the site that are needed, please contact the Secretary.

## INTERNATIONAL EXHIBITIONS

**TIMTOS, Taiwan:** This exhibition took place from 1st to 6th March 2011 in Taipei Taiwan; Mr Cuneyt Okcu and Mr Jeroen Bender (CELIMO Board members for Turkey and the Netherlands respectively) both attended and the following are their thoughts on the exhibition.

Mr Okcu reports that TIMTOS'11 exceed expectations and the show was a big success for the exhibitors as well as the visitors. TAITRA (Taiwan External Trade Development Council) announced this TIMTOS is biggest ever in history. There was a professional and helpful approach from the organising committee which hosted many guests from the world Machine Tool industry, matching with its position as the 4th largest exporter of metalworking machine tools. There is a general tendency towards larger ranges and multi-axis controlled machine tools from the Taiwanese manufacturers; however, there is also a considerable technology improvement for the machinery in the prior and after operations than main chip removing process, as well as for auxiliary accessories and supplies.

**IMTEX, India:** The 2011 edition of IMTEX was held in Bangalore in January with 814 exhibitors (368 of which were Indian companies) occupying 25,366 m<sup>2</sup>. There were pavilions from 5 countries – Italy, Germany, Spain, Taiwan and the USA. The Indian Machine Tool Manufacturers Association (IMTMA) reports that 92,500 visitors attended the exhibition and that orders worth Rs10.22 billion (about €160 million).

The Indian industry has asked the government for a Rs20 billion fund (about €315 million) for capacity building and has requested the designation of the machine tool sector as a priority sector for lending by financial institutions and the provision of concessional interest rates for SMEs. Currently the Indian machine tool industry accounts for less than 0.5% of the world production; by 2015 this is expected to be doubled and by 2020 the industry has targeted 23% of world production. By 2020, it also aims to have 20% exports compared to a current low export rate.

Following the inauguration ceremony, IMTMA, signed a Memorandum of Understanding for setting up the Rasquinha IMTMA Metal Forming Technology Training Centre. The training centre located in Pune will be utilised to train and develop skills set amongst workers in the forming industry

## EUROPEAN LEGISLATION

### Restriction of Hazardous Substances (RoHS):

The recast of the RoHS Directive 2011/65/EU was published in the Official Journal of the European Union on 1 July and entered into force on 21 July, although each member state has to transpose it into its own national law. It will repeal Directive 2002/95/EU. The European Commission (EC) Press Release (this is posted in the document section of the CELIMO web-site) says that the main aim is to extend the protection from dangerous chemicals in electrical and electronic equipment as well as harmonizing it across the EU with the ban applying to all such equipment, including cables and spare parts. Some transition periods are allowed, including a delay of 6 years for industrial control appliances. We have posted the Directive in the documents section of the CELIMO web-site and you can download, a guide to the directive produced by ORGALIME at <http://publications.orgalime.org> (this is free of charge). It is also important to note that the exclusion of large-scale industrial tools (LSIT) - these include most machine tools - from the scope of the Directive is maintained in this recast.

**REACH Directive:** The Centre for Strategy and Evaluation Services (CSES) has been commissioned by the European Commission to conduct a study to assess the impact of the REACH Regulation on the operation of the single market and the competitiveness of the European chemicals industry.

This study is part of the review of the REACH Regulation that will report on the first lessons learnt from the implementation of REACH, with special attention to the costs, administrative burden and other impacts on competitiveness and the single market. As part of this study CSES is conducting an online survey of businesses across the European Union to receive feedback on a number of key issues related to the implementation of the REACH Regulation.

The survey is aimed at manufacturers and importers of chemical substances, but also downstream users, distributors and other firms involved in the different stages of the chemicals supply chain that may be affected by the Regulation. The link to the survey webpage is [http://cses.co.uk/reach\\_survey](http://cses.co.uk/reach_survey) and the survey is now open and the response deadline has been extended to 6 August.

**Eco-Design (formerly the Energy Using Products) Directive:** The EC machine tool study group held its 3<sup>rd</sup> stakeholders meeting at the end of March to discuss the updated Fraunhofer task reports. Base cases are being prepared for several machine tool categories, to establish energy levels and improvement potentials for sub-system and component modules.

Fraunhofer have noted the complexity of this task and the need for more data; the necessity for harmonised standards is also acknowledged. The Commission's deadline for completion of the study has been extended to June 2012.

**Machinery Safety Directive:** Publication of the 3<sup>rd</sup> edition of EC guidelines on the application of the directive is due shortly. Following the EC safety symposium last September, little appears to have been done to resolve the application difficulties of harmonised standard EN ISO13849-1 regarding the functional safety of controls. The old standard EN954-1 will be withdrawn at the end of this year (2011).

**Electro-Magnetic Fields (EMF) Directive:** Following the moratorium on application of this directive and the impact study report issued earlier this year, in mid-June the EC published its revision proposals including new EMF threshold levels. The final proposal is the result of intensive discussions between different Commission Directorates-General in inter-service consultation.

The original problem was that MRI equipment used in medical diagnosis would have been banned (or at least severely limited in this use) by the limits on exposure which were originally proposed; it appears that MRI scanners may be exempted from this legislation. It is worth noting that some electric arc welding equipment emit EMF's above the latest threshold limits.

**Waste Electrical & Electronic Equipment (WEEE):** The recast directive is on course for its 2<sup>nd</sup> reading in the European Parliament. There are differences (for example - regarding the LSIT definition) between the Commission, the Parliament and the Council), although the Council version seems clearest. The scope and exclusions of the recast directive will be reviewed after 6 years.

**Market Surveillance:** Finally, a note that, with public finances tight, there are concerns that Member States are not dedicating sufficient resources to checking compliance. In stakeholder discussions CE marking, market surveillance and declarations of conformity continue to appear as regular issues.

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

## CELIMO EXECUTIVE BOARD

The Board met ahead of the Council meeting in May; the topics on the agenda included:

- Final preparations for the Council meeting, including the accounts for 2010 and the proposed budget for 2012;
- Discussion of possible safety inspections for machine tools;
- Membership of CELIMO;
- Plans for the International Meeting to be held during EMO;
- Next meeting - Friday 07 October (in Brussels).

## EXHIBITION DIARY

Here is a list of exhibitions in Europe during the remainder of 2011; this is led of course by EMO which returns to Hannover in September.

**Czech Republic:** MSV, 03-07 October 2011, Brno

**Denmark:** HI INDUSTRI, 06-09 September 2011, Herning

**Estonia:** INSTRUTEC, 16-18 November 2011, Tallinn

**Germany: 19-24 September 2011, Hannover, EMO, [www.emo-hannover.de](http://www.emo-hannover.de)**

**Germany:** EUROMOLD, 30 November-03 December 2011, Frankfurt

**Italy:** BI-MEC, 16-19 November 2011, Milan

**Romania:** TIB, 05-09 October 2011, Bucharest

**Sweden:** TEKNISKA MÄSSAN, 04-07 October 2011, Stockholm

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