

PRESS RELEASE

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Mexico needs machine tools – German vendors can supply them

Frankfurt am Main, León, Mexico City, 8 April 2014. – León and Mexico City were the two venues for the VDW's 2014 technology symposia in the high-growth market of Mexico. From 26 March to 1 April, over two days for each event, 23 German machine tool manufacturers showcased their products and solutions for the Mexican automotive industry and its component suppliers, the mechanical engineering sector, the aviation industry, metalworking plants and other customer groupings.

“With the VDW's symposium on “Machine tools and production systems from Germany”, we made our debut in León, in Guanajuato State, the most important location for the country's automotive industry”, reports Klaus-Peter Kuhn Münch, who organised this event on behalf of the VDW (German Machine Tool Builders' Association). The German participants definitely concur. Heinz Dörner from Alfred H. Schütte GmbH in Cologne is certain: “The Guanajuato region will develop very auspiciously in future as well for the automotive industry and its component suppliers.” So it's all the more gratifying to note that more than 100 visitors accepted the invitation to León extended by the VDW and its partner in organising the event, the German Chamber of Foreign Trade in Mexico, to quote Kuhn Münch.

In all, the VDE welcomed around 280 customers at the two venues, all of whom were keen to see what would be offered. “I’ve come to the VDW’s symposium in order to learn more about the innovations from Germany in the field of production technology and to integrate these into my company’s manufacturing processes – particularly for producing cutting tools”, says Carlos Martinez, a production engineer at Gühring Mexicana S.Q. de C.V. in Querétaro.

More and more, Mexico is determinedly evolving from the USA’s back yard to a high-growth market. In particular, automakers and their component vendors, who supply the US market, are investing billions. With over 3 million vehicles, Mexico ranks 8th among the world’s major automobile producers. “And the figure is going to rise” prophesies Johannes Hauser, Executive Director of the Mexico Chamber of Foreign Trade. According to the Mexican Automotive Component Suppliers’ Confederation, about 300 to 400 more parts manufacturers intend to settle in Mexico, which will involve capital investment amounting to around 1.5 billion US-dollars. Positive locational factors like low wages, an advanced infrastructure, the extensive component supplier network, and the purposeful expansion of free trade are attracting additional investment.

Mexico’s industrial sector operates predominantly with machine tools from abroad

Almost all the major automakers from Europe, the USA and Japan are present in Mexico. About 1,300 companies with German stakeholders are active in the country, with and without an actual manufacturing operation. The vast majority of the machine tools required for upgrading and expanding automobile production come from abroad. With a share of 17 per cent, Germany ranks 3rd among the major supplier nations, behind the USA and Japan.

“What Mexican customers like about German firms is the high quality and the good service support. In comparison to companies from the USA and Japan, German manufacturers are more reliable, the machines are sturdier, and the processes more stable. Since the German machine tool manufacturers are more expensive, however, this results in very fierce competition”, reports

Salvador Icazbalceta Valle, President of the Mexican Association of Machinery Distributors (AMDM) in Mexico City.

Mexico ranks among the world's major markets for machine tools. With a growth rate of almost 8 per cent, reaching 1.7 billion euros' worth of machine tool consumption, the country came 7th in 2013 in the international rankings, still far ahead of Brazil.

German vendors are also in demand due to the sheer diversity of their products: the firms participating in the symposium showcased machinery and solutions designed for metal-cutting, lasering, forming and control technologies. The participants in Mexico were Alfing Kessler, DMG Mori Seiki, Emag, FFG-Werke, Grob, Hamuel, Heckert, Heller, Hermle, Index/Traub, Kapp Niles, Mauser-Werke, Peiseler, Profiroll Technologies, Samag, Schiess, Schütte, Siemens, SW Schwäbische Werkzeugmaschinen, Trumpf, United Grinding Group, Waldrich Coburg and Weisser.

It's not only the automotive industry that's investing in Mexico. Other drivers for capital expenditure on plant and equipment include the steel and electrical engineering industries, the manufacture of metal products, and the aviation industry. "With our deep-drilling technology, we also aim to supply the oil industry", says André Kind from the machine tool manufacturer Samag Saalfelder Werkzeugmaschinen, Saalfeld, for example. And Hans Vonier from Berthold Hermle AG in Gosheim adds: "The aviation industry located in Mexico is upping its investments, and is currently the most important customer grouping for our machines."

VDW symposium is unique in Mexico

Overall, the VDW and the German Chamber of Foreign Trade predict high growth potential for the Mexican market in the future as well. "Our symposium came along at the right time for demonstrating the performative capabilities of our sector a second time after 2009, and to position ourselves with quality against our competitors", is Klaus-Peter Kuhn Münch's final verdict. And Johannes Hauser, Executive Director of the German-Mexican Chamber of

Foreign Trade, adds: “Apart from the VDW, no one has organised a bilateral symposium of their own on such a large and detailed scale as the German machine tool industry in León and Mexico City.”

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Background:

Since 2004, the VDW has been organising, together with a local partner, technology symposia on a regular twice-yearly basis in markets of interest to the sector. For this purpose, German machine tool manufacturers showcase their corporate capabilities exclusively to the most important customer groupings in the market concerned. To demonstrate a sustainable presence, the concept provides for servicing new markets with these symposia, and revisiting attractive growth markets at regular intervals. So far, symposia have been held in Brazil, China, India, Mexico, Poland, Romania, Russia, South Korea, Thailand and Turkey. In the autumn of 2014, a follow-up event is being planned in Thailand.