|  |  |
| --- | --- |
| **PRESS RELEASE** | Corneliusstrasse 460325 Frankfurt am MainGERMANYTel. +49 69 756081-33Telefax +49 69 756081-11Email s.becker@vdw.deInternet www.vdw.de |
|  |  |
|  |  |
|  |  |
|  |  |
| From | Sylke Becker |
| Telephone | +49 69 756081-33 |
| Telefax | +49 69 756081-11 |
| Email | s.becker@vdw.de |

**Weak order bookings in the German machine tool industry**

**The VDW has revised its production forecast for 2014**

**Frankfurt am Main, 25 November 2014.** – In the third quarter of 2014, order bookings in the German machine tool industry fell by 8 per cent compared to the third quarter of 2013. Domestic orders were 9 per cent down on the preceding year, export orders 7 per cent lower. For the first three quarters of 2014, order bookings were 1 per cent up on the equivalent period in 2013 overall. Domestic orders rose by 8 per cent, while demand from abroad dropped by 3 per cent.

“Order bookings have not come up to expectations so far in 2014,” says Dr. Wilfried Schäfer, Executive Director of the trade association VDW (German Machine Tool Builders’ Association) in Frankfurt am Main. Most recently, following a strong first half of the year, domestic orders took a downturn in the year’s third quarter. Growing uncertainty on how the global economy will develop is downgrading the propensity to invest among German customers, a situation exacerbated by the crisis in the Ukraine, the dormant state of business with Russia, and the cautious development in China.

This is also showing up in order levels from abroad. Although the smoothed curve, adjusted for seasonal effects, has for some months now been pointing upwards, the anticipated vigorous upturn has not yet materialised. This is being mirrored in the ups and downs of the monthly figures. There was surprising encouragement from the euro nations. Here, orders have been rising for a good four months and most recently, in the year’s third quarter, increased by 12 per cent. The nations of Eastern Europe, in particular, specifically Poland, Hungary and Czechia, are reporting excellent growth rates.

A look at the technologies involved reveals that project business for forming technology, especially, is decreasing, due to a weak month in September. As a general principle, demand in this segment is characterised by marked cycles, triggered by the procurement behaviours of the biggest customer grouping, the automotive industry. Forming technology accounts for 25 to 30 per cent of total production output.

Turnover in the year’s first three quarters finished at minus 6 per cent. “Against this background, and given the weak trend in order bookings, we do have to downsize our production output forecast for 2014 of 3 per cent growth, a figure that in the year’s first half was still a realistic one,” says the VDW’s Executive Director Wilfried Schäfer. The VDW is now predicting an roughly unchanged total production output for 2014. This means the result would continue to lie at the preceding year’s high level of 14.6 billion euros.

**Background**

The German machine tool industry ranks among the five largest sectors in the country’s mechanical engineering segment. It supplies production technologies for metalworking applications to all categories of manufacturer, and makes a crucial contribution towards progressing innovation and productivity in the industrial sector overall. Due to its absolutely key position for industrial production output, its development is also an important indicator for the economic vigour of the country’s industrial sector as a whole. In 2013, the German machine tool industry produced machines and services worth around 14.6 billion euros, and was employing about 71,600 people (annual average for 2013, firms with more than 20 staff). This corresponded to growth of 2 per cent.

Picture:

Dr. Wilfried Schäfer, Executive Director of the VDW (German Machine Tool Builders’ Association), Frankfurt am Main

Graphics: Order bookings and turnover in the German machine tool industry