



## Welcome to the CELIMO International Meeting

EMO Hannover  
Wednesday 18<sup>th</sup> September 2013



## AGENDA

### ➤ International Presentations

- EUROPE, Geoff Noon, CELIMO Secretary
- JAPAN, Hiroshi Usami, JMTDA Executive Director
- USA, Pat McGibbon, AMT Vice-President
- INDIA, Mr L Krishnan, President, IMTMA



### Celimo

Building networks to create opportunities



#### Meet the Board

2013 Board of Directors

#### Recent News

11-10-2013

#### Latest Updates

2013 Board of Directors

#### Who and what is CELIMO?

CELIMO represents 15 associations whose members are distributors of machine tools, tooling and related equipment and services. These members jointly cover the needs of their national markets.

#### What does this website offer you?

If you are a manufacturer of machine tools, tooling or related equipment, then this site will help you to find companies who can represent your products in the various markets covered by CELIMO. Click on the country you are interested in for details of the relevant association and a direct link to their own web site.

If you are from a Member Association, then you will find various useful documents on this site. These include our 'Newsletter' (2013 News), a calendar of events and relevant annual meeting.

[www.celimo.com](http://www.celimo.com)

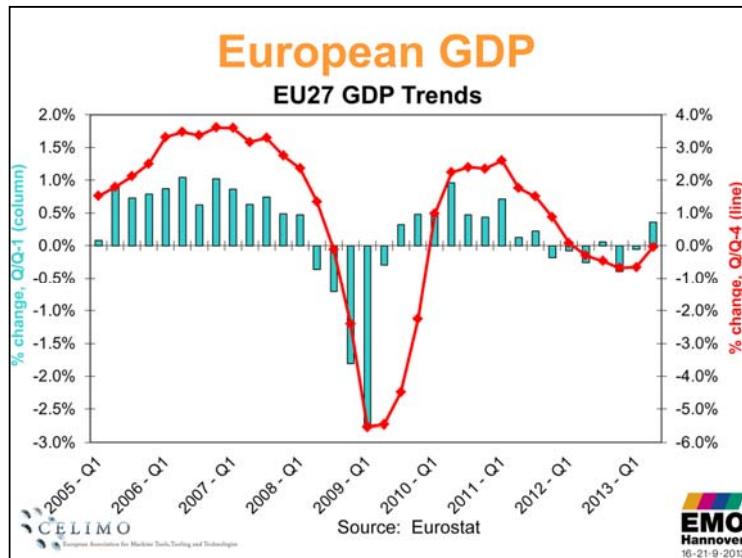


## The Countries of CELIMO

### • CELIMO covers 12 European countries

- Austria
- Belgium
- Germany
- Finland
- France
- Italy
- Netherlands
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom

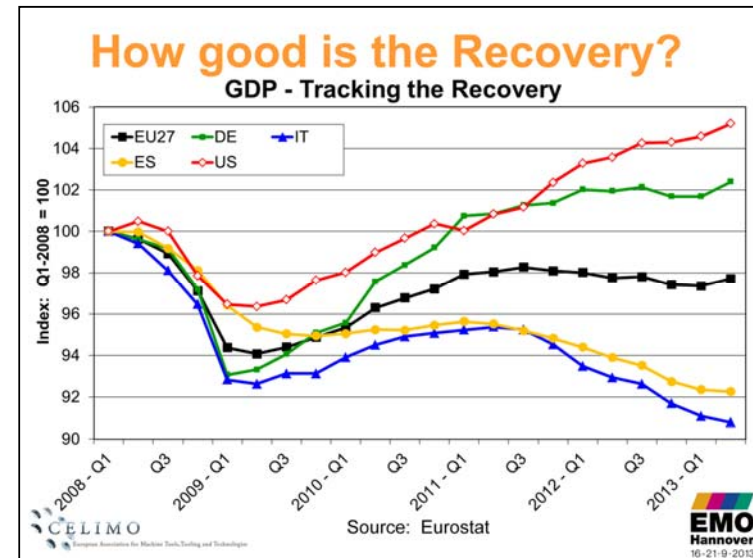




The CELIMO President, Mr Bob Hunt welcomed everyone to the meeting and highlighted the new CELIMO web-site which was being launched at this meeting.

The CELIMO Secretary, Geoff Noon, reminded the meeting that CELIMO represents associations in twelve countries; references to the CELIMO area are the totals for these 12 countries.

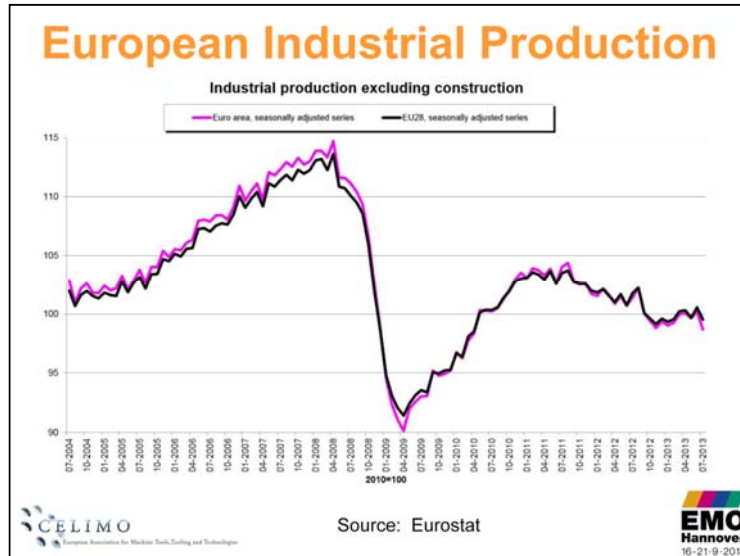
A recession is defined as two successive quarters of non-positive growth and, as you can see, the European Union as a whole had three phases to the downturn since 2008. If you just take the euro-zone, the 2<sup>nd</sup> and 3<sup>rd</sup> phases merge into one period of six successive negative quarters - actually longer than the main recession but, of course, not nearly as deep.



The 2<sup>nd</sup> quarter of 2013 may be a turning point for Europe as a whole, with strong growth being recorded for the region as a whole. However, this still hides a wide divergence between countries as this slide illustrates.

This shows the extent to which the various economies (and the EU27 is, of course, an aggregate rather than a “real” economy) have recovered from the recession. It takes the starting point as the 1<sup>st</sup> quarter of 2008, although this was not necessarily the peak quarter for every economy and tracks the downturn and subsequent recovery from that point.

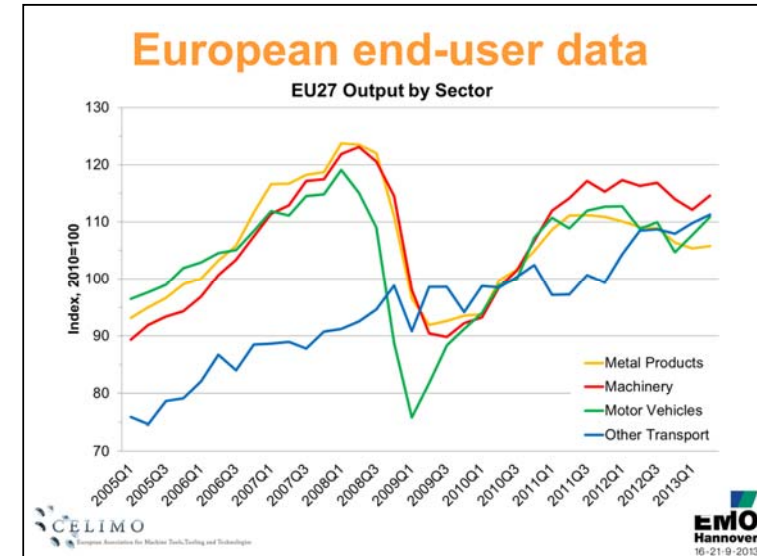
It is clear that while the USA economy had returned to the starting level by the end of 2010, to be followed by Germany at the start of 2011, some economies have not yet got back to the pre-recession level; this includes the EU27 as a whole.



Indeed, Italy and Spain (among others) are still in recession and have not seen any recovery phase. For reference, the figures for other countries in the 2<sup>nd</sup> quarter of 2013 are as follows: France 99.7, Japan 99.9, UK 96.8, Switzerland 105.7

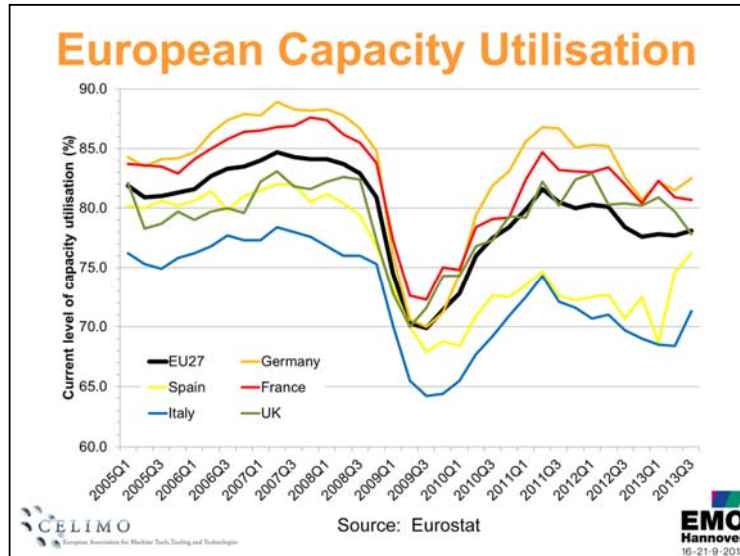
Looking in more deeply into the figures, this chart from Eurostat shows that following an encouraging initial recovery phase, total industrial production in Europe levelled off in 2011 and has since fallen back. Industrial production includes the output of extraction and utilities industries as well as manufacturing, although the latter is the largest element..

However, the same pattern is not true at an industry level where there is a diverse range of outcomes as the next slide will show.



This chart shows the trends in output for 4 key end-users sectors for the EU27 as a whole. Note that “Other Transport” includes Aerospace, Railway Equipment, Shipbuilding and Bicycle manufacturing, but does not include vehicles for construction (these are in the Machinery industry).

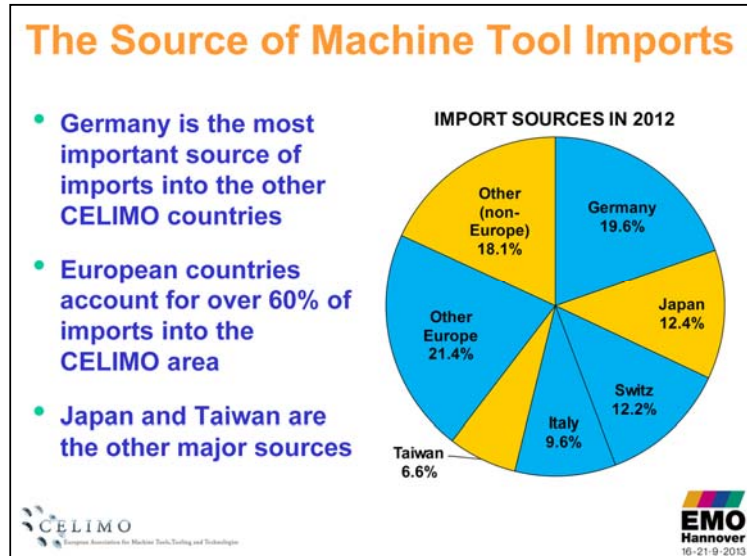
This paints a very different picture to the trends for industrial output as a whole that we saw in the last slide. The “Other Transport” sector did not really have a recession, thanks mainly to the Aerospace sector and, although the other three sectors are still below their pre-recession peak levels, the recovery has been much better than for total output, albeit with a stalling in growth since 2011. The Metal Products industry, which covers a wide range of products including sub-contractors (jobs shops as the US calls them) is the weakest relative to its pre-recession peak level.



The chart shows the a measure of capacity utilisation rates in the European Union and five of the major economies.

It illustrates quite well the different levels of recovery within the major European economies and also the way in which activity has fallen back over the past year or two. The relative positions of the economies is similar to that for the extent to which the various economies have recovered from the recession.

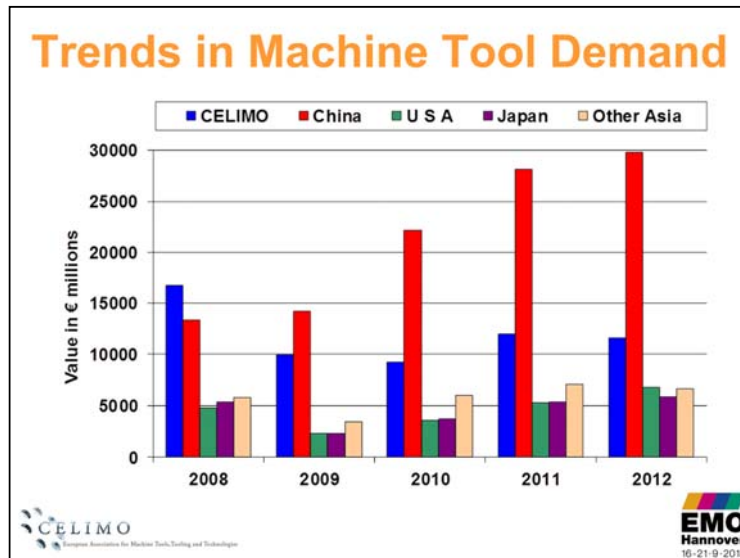
The chart shows the data for the individual countries, but you should note that the levels and trigger points for investment to expand capacity will vary between countries; you cannot, therefore, make a direct comparison of the levels, although the trends within and between the countries are valid.



For machine tools (we don't have the data for the other sectors), 62% of the business of the CELIMO Associations Members - that is, total machine tools imports into the CELIMO country markets - come from other European countries. This means that our Members are important partners of the European manufacturers that they represent.

Of the "Other (non-European)" countries, the USA (which accounts for 4.4% of total imports into the CELIMO countries), China (4.3%) and South Korea (4.1%) are the largest source countries.

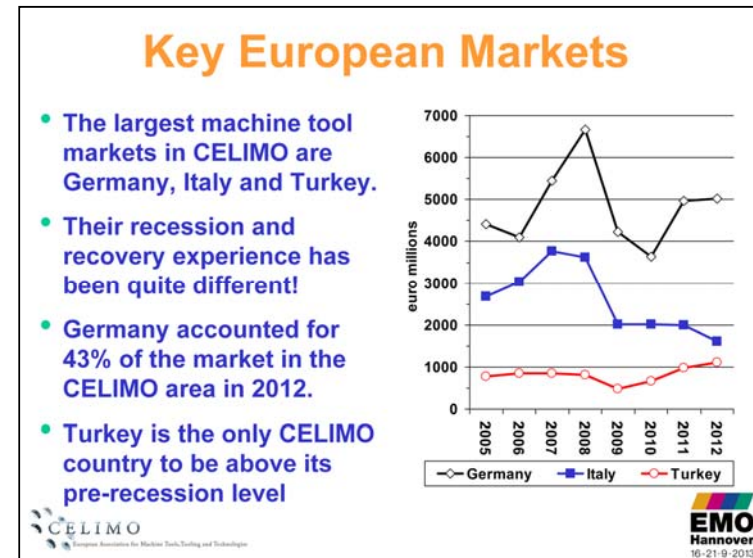
This next slide looks at machine tool demand which is calculated as Production - Exports + Imports. Other Asia in this case is South Korea + Taiwan + India.



Machine Tool Consumption in the CELIMO area fell back a little in 2012 to €11½ billion, a reduction of -3.4% on 2011; it is, therefore, still some way below the pre-recession level of €16.7 billion which was recorded in 2008.

There was a mixture of trends in the CELIMO area with 5 countries - led by the UK at +33% - recording an increase compared to 2011 and 7 countries seeing a decline, with Austria (-19.6%) and Italy (-19.5%) having the largest percentage reductions.

The pace of growth in demand for machine tools in China slowed in 2012, but this trend continues to defy gravity and the market there is now worth just under €30 billion; this remains just slightly less than 50% of the total market for the 18 countries covered by this report, thanks mainly to strong growth in the USA which is another country to have seen demand recover to above the pre-recession level.



Japan has not quite reached its 2006 level of demand; both India and Korea saw a recovery to pre-recession levels of demand in 2011, but both recorded a fall in 2012.

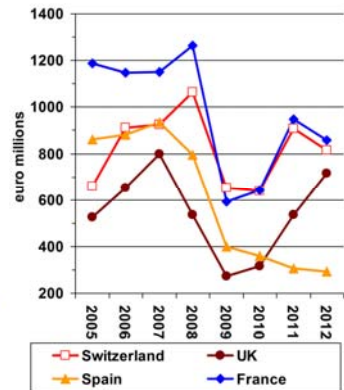
The market for machine tools in Germany and Italy had a similar recession trend, but a very different recovery experience - indeed, Italy has still to see a recovery, rather as we saw with the economy as a whole. The peak year for Italy and Turkey was 2007, in Germany (and most other CELIMO countries) it was in 2008.

Turkey has moved from being the 5<sup>th</sup> largest European market in 2005 to 3<sup>rd</sup> place in 2012, having overtaken both France and Spain during the recession; this is the only CELIMO country where consumption is above the pre-recession peak level.



## Medium-sized Markets

- The recession had a similar impact on these countries, but the recovery has not been the same.
- The Swiss market gained position from 2005 to 2008 and since then has moved in line with the French trends, but Spain, like Italy has yet to see any recovery.
- The UK is the only one of these 4 markets to be close to its pre-recession level.



Behind this are 4 medium sized markets, to which Austria could be added as they have also overtaken Spain.

The impact of the recession is clear and although the Swiss have been able to hold on to the gains they made relative to France between 2005 and 2008, neither market has got back to the pre-recession level - indeed, both fell back slightly in 2012.

As we saw with Italy, the Spanish market is suffering along with their economy and they have slipped from being the 4<sup>th</sup> largest European machine tool market in 2005 to 8<sup>th</sup> place in 2012.

Of these markets, the UK is the closest to reaching its pre-recession peak level in 2012, although this is, in part, due to the dip in Switzerland which took it away from this target.

## Summary - The Outlook for 2014

- Significant divergence in the European economies ...
- ... with Germany in the lead, but others struggling to keep up
- Reduced uncertainty about the Euro ...
- ... but finance and confidence issues are holding back investment in some markets

The divergence in performance and activity in the European economies has been clear to see and this won't be reversed in the short-term.

Although this was always the case, there is a clear reliance on Germany to be the locomotive of Europe and for this to spread across the region; however, within the euro-zone at least, some economies are hampered by specific problems of their own and/or a general loss of competitiveness against Germany.

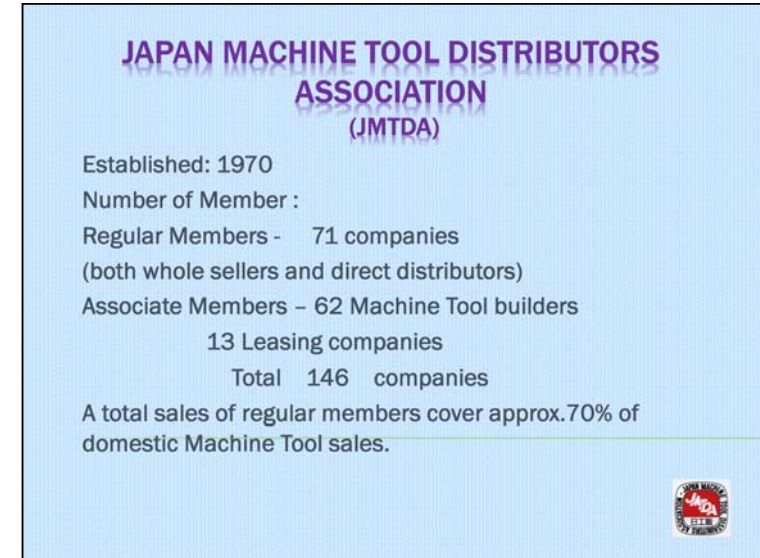
The uncertainties about the future of the euro have clearly eased, but not entirely disappeared. The issues related to this surrounding finance from banks are holding back investment, not just in Italy and Spain, but in many other euro-zone countries as well.



Mr Hiroshi Usami gave a presentation on behalf of the Japan Machine Tool Distributors Association (JMTDA). He highlighted the history of JMTDA and referred to the importance of the courses for Service Engineers that they run across the machine tool industry, not just for distributors.

He noted that during the recession, machine tool orders fell to their lowest point in January 2009, since when there has been a steady recovery. This has mainly been in export markets, with supply to the domestic customers now accounting for only 30% of the total.

There was a similar change for the Japanese automotive companies with exports overtaking the home market during the recession (in 2009).



An analysis of the source of export orders for Japanese manufacturers showed a fall in demand from China in 2013; in 2012, orders from China had been worth nearly Yen350 billion, but in the first half of 2013 order intake had been only around Yen70 billion.

The final slides in his presentation reported on the results of a study into the age of machinery installed in Japan which had been carried out by the Ministry of Economy, Trade and Industry (METI) earlier this year. This found that while the average age of machinery in general was around 14½ years, the average for machine tools was 17½ years, with a larger proportion of machine tools in the "20 to 30 years old" category and less in the two lowest groups.

Finally, the July edition of the JMTDA outlook survey had been a little more positive than the previous version (April).

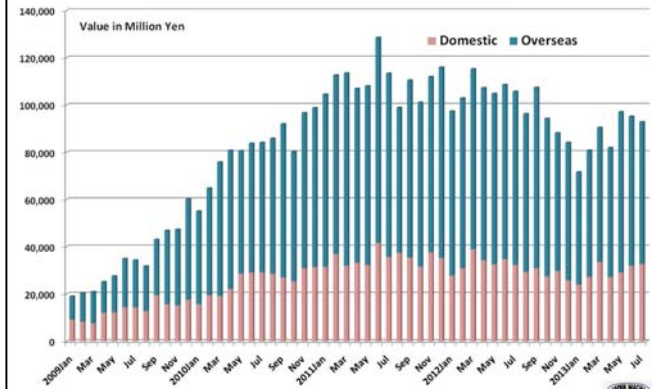
### JMTDA One of Main Activities

The educational course, SE(Sales Engineer) Certification System, for sales personnel of members and related industries will be the 23<sup>rd</sup> year this year after the educational activities have been initiated in 1991.

Total student will be expected to exceed 7,000 this year and students with SE certification will be expected to exceed 3,000 this year.



### Machine Tool New Order by Monthly

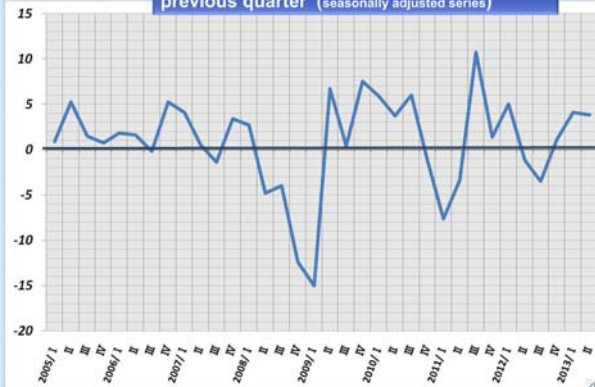


Source: Japan Machine Tool Builder's Association (JMTBA)



Real GDP Growth Rate(%)

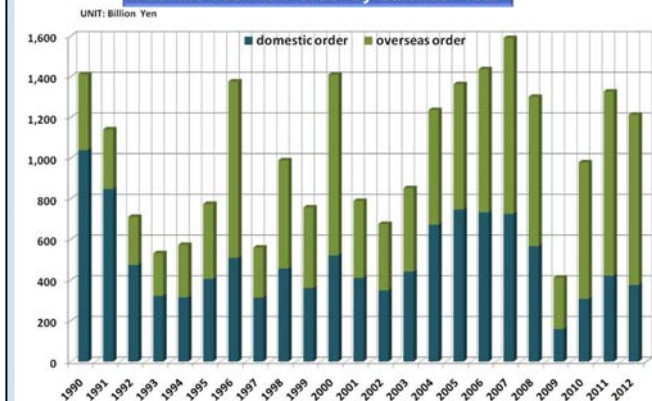
### Annualized rate of changes from the previous quarter (seasonally adjusted series)



Sources: Cabinet Office & METI (by the announcement on Sep.9 '13)



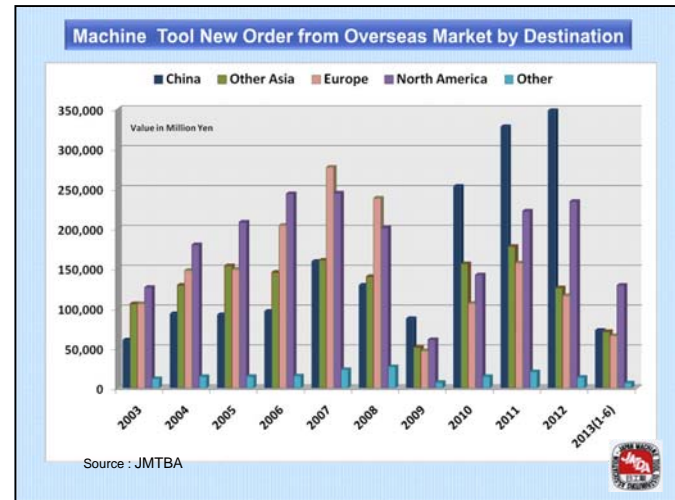
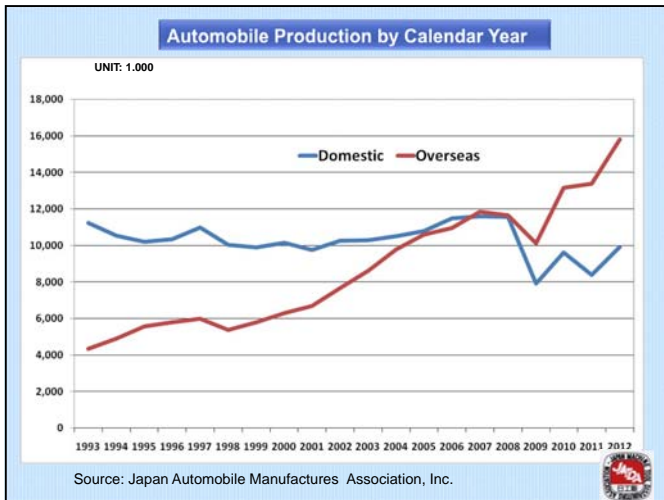
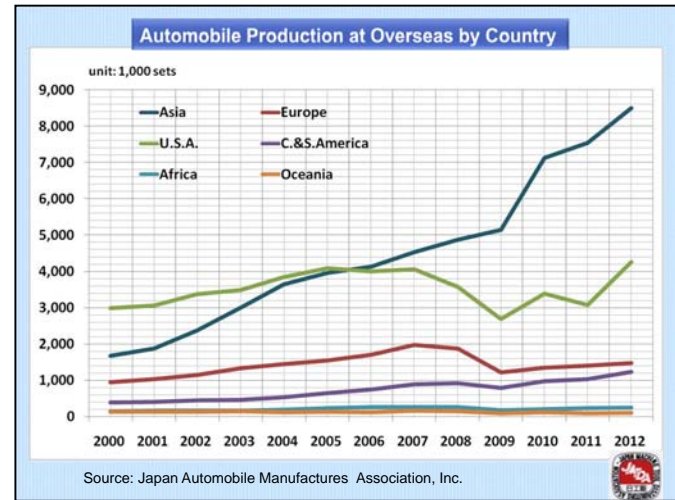
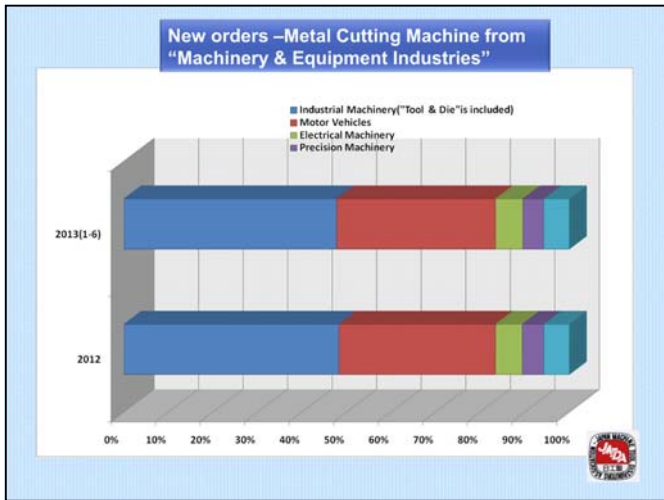
### Machine Tool New Order by Calendar Year

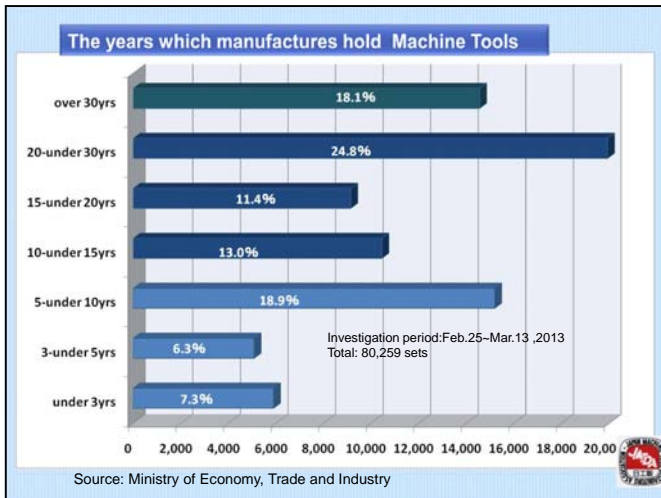
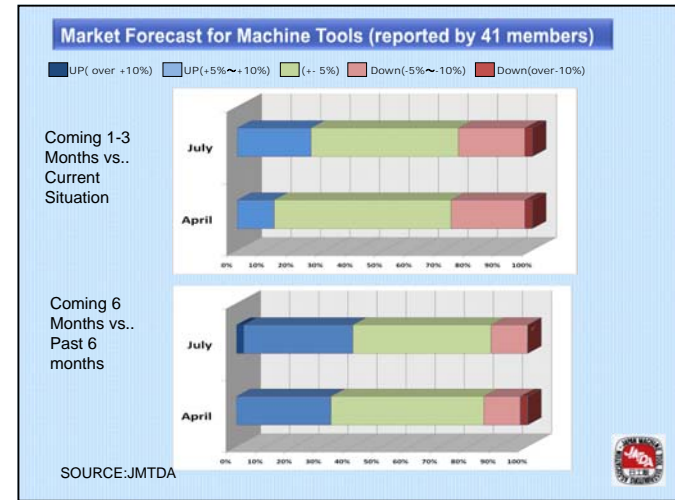
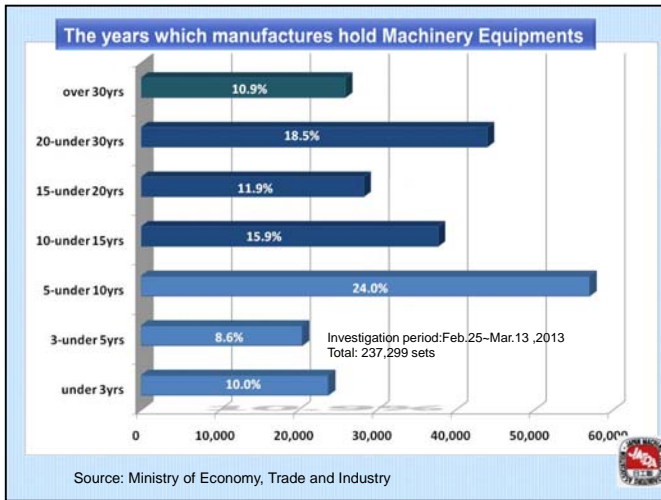


Source: Japan Machine Tool Builder's Association (JMTBA)









*Thank you for your attention !*



JMTDA

# A Formula for Progress

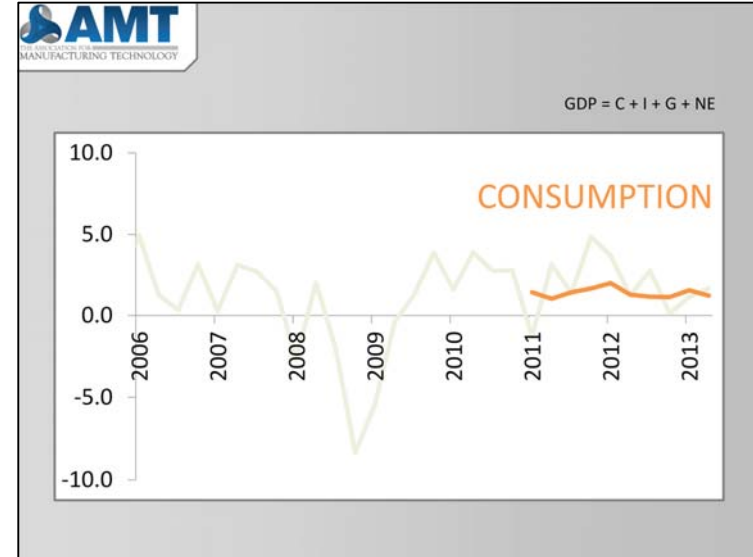
US Market Conditions & Manufacturing Technology  
Outlook



The presentation from Pat McGibbon at AMT focussed on the classic elements of the economic equation for GDP; output of the economy is calculated as Consumption + Investment + Government + Net Exports.

Domestic Consumption had had a positive influence on the economy recently, although it had been the major drag in the early part of the recession. Indeed, he commented that manufacturing had led the US economy out of recession - the first time this has happened since 1967!

For most of the 20<sup>th</sup> century and the first years of the 21<sup>st</sup>, home prices steadily appreciated. Price increases in the 2000s were clearly well above average, but when the bubble popped the US had over five years of depreciation or below average growth.



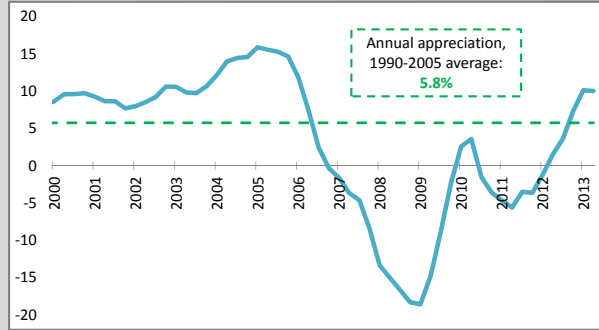
US consumers confidence fell as a result of rising unemployment and falling house prices which lowered incomes and wealth respectively. It is only the past 6 months or so that have seen house price rises back above their long-run average level.

Automotive production and sales in 2013 is likely to be around 15 million; although this is lower than the pre-recession peak of 17 million, the business is much more profitable.

Investment was the first thing to lead out of the recession, fuelled by some of the strongest profitability figures for US manufacturers for many years. Amy expect investment to grow by around +4% in both 2013 and 2014.



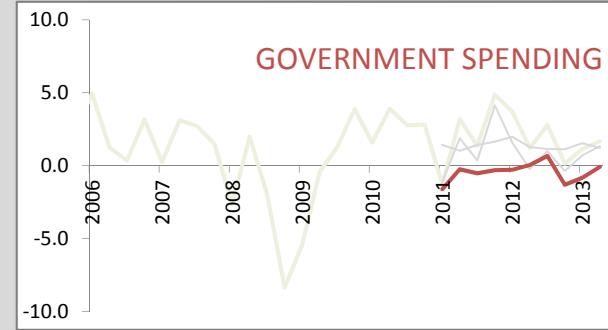
### Home Prices Nat'l Composite Index Y/Y % change



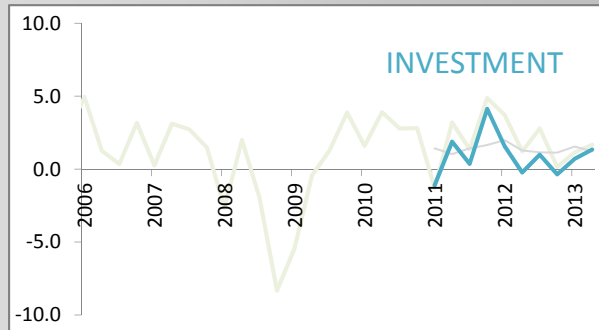
Sources: S&P Case-Shiller; Federal Reserve



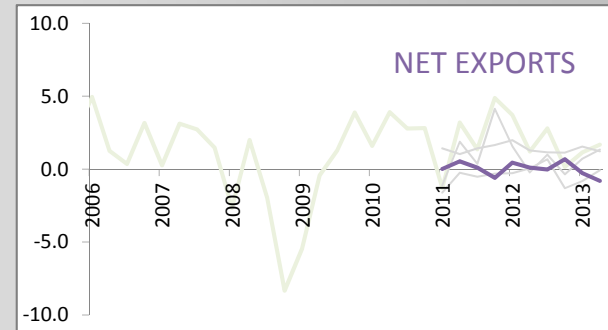
GDP = C + I + G + NE



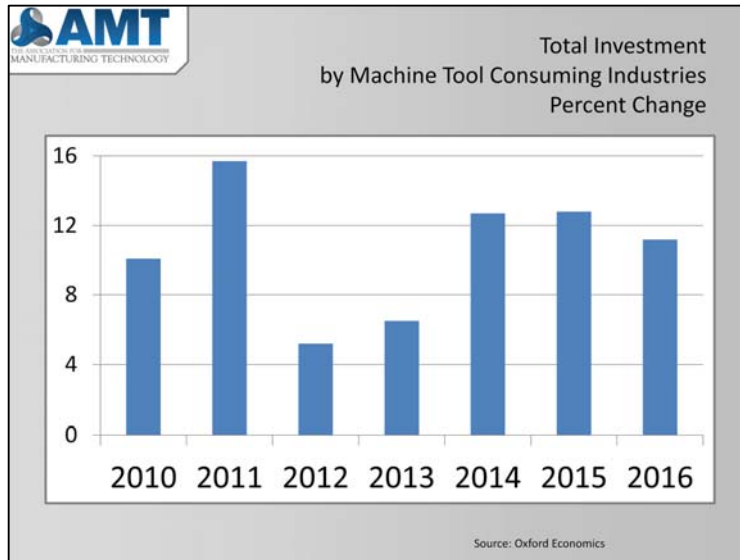
GDP = C + I + G + NE



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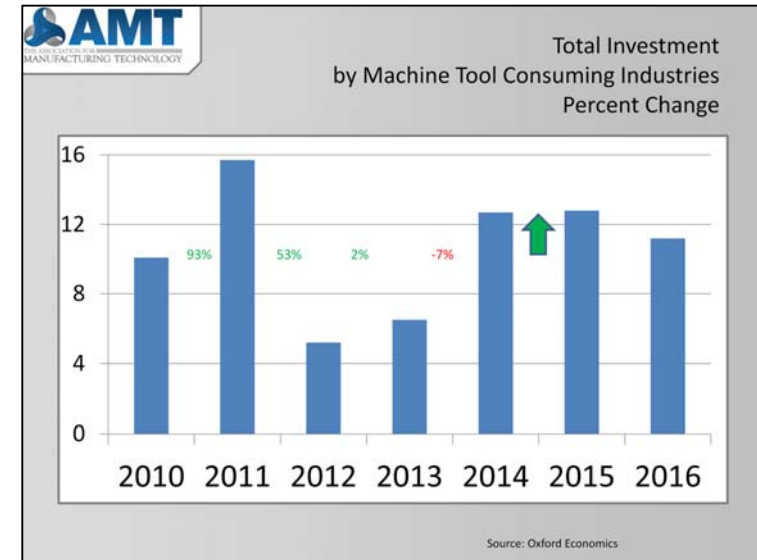




Government Spending has been having a negative impact on the economy apart from two short periods at the start of 2011 and around the turn of 2012/13, both of which were only by accident! The future trend for this measure is likely to be similar.

Net Exports has had a small positive impact on US GDP because, although heavily in the red, the trade balance has been improving since 2007 - the impact on GDP is derived from the change in net exports, not the absolute level. Going forward, AMT expect US exports to improve so there is a positive outlook here.

The sum of all these trends gives a positive outlook for investment outlook throughout the forecast period in this chart.



The trend for machine tool orders, shown on this chart by the figures and the arrow alongside the investment outlook, is positive.

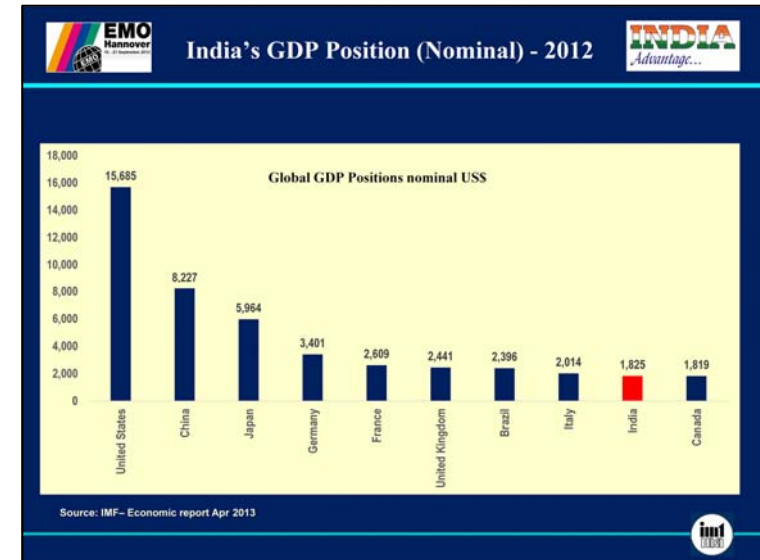
Although a small reduction is anticipated for 2013, if the expected improvement which shows up in the outlook for 2014 starts a month or two earlier, the small negative figure for this year could easily be eliminated.



Mr Krishnan, President of IMTMA, highlighted the fact that India is the 9<sup>th</sup> largest economy in the world when measured in nominal US\$ terms, but using Purchasing Power Parities (PPP) - this is a better way of adjusting for exchange rates between countries - it moves to 3<sup>rd</sup> place.

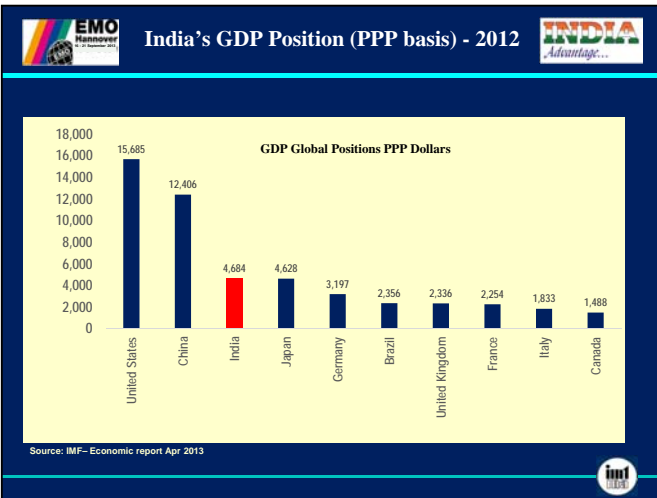
Data on the Indian market is collected for the financial year from April to March. The figures for 2012-13 show a fall in consumption of -21.6% compared to the previous year measured in US\$, although the size of this reduction is emphasised by changes in exchange rates.

IMTMA are expecting a return to growth in the current year (2013-14), with a steady upward trend through the following four years.



Mr Krishnan pointed out that roughly two-thirds of the Indian market is met by imports with the other one-third coming from domestic manufacturers. Typically, Indian machine tool companies make standard types of products, mostly metal cutting machines such as Lathes and Vertical Machining Centres, although they expect output of metal forming machines to increase as the automotive and white goods industries in India expand. Imported machines into India tend to be in the more specialist types of machinery.

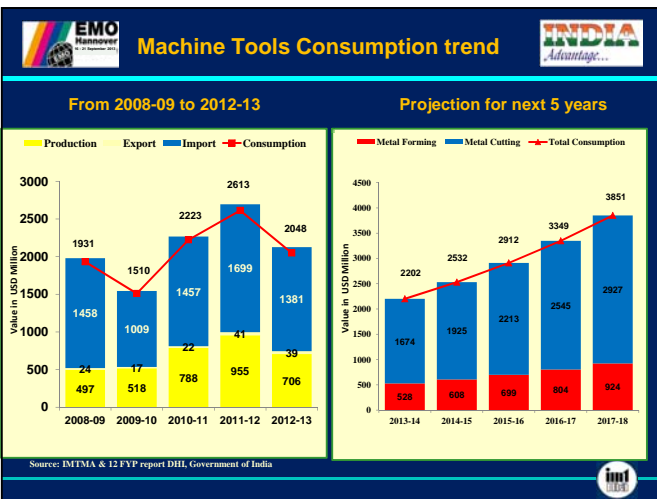
He highlighted the capabilities of Indian manufacturers, emphasising the use qualified engineers and their compliance with ISO and DIN standards and that the machines are certified with the CE mark for sales in Europe.



**Indian Machine tool Industry**

India makes Standard Products, Special Machines and Heavy Duty Machines

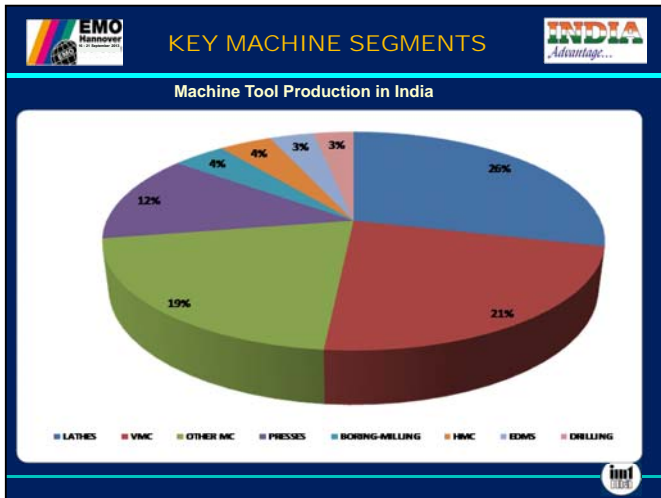
- Large machine tool builders
- Accessories and components
- Strong contingent of Form tools and cutting tools



**Indian Imports**

**Major Imports**

- Milling/Boring machines
- Grinding machines
- Gear cutting machines
- Metal forming presses
- High Tech Machines
- Multifunction Machines
- Machines for Aerospace
- Heavy Duty Machines



- EMO Hannover 2017** **INDIA Advantage...**
- ### Accessories and Components
- Major products:**
- Tool turrets
  - Rotary tables
  - Bar feeders
  - Spindles
  - Chucks
  - Chip conveyors
  - Coolant systems
  - Robotics and Automation
- Important Accessory Manufacturers:**
- UCAM, Fenwick & Ravi, GMT, Miven Mayfran, Pragati Automation, PARI, Rajamane, Span, Universal conveyors, others...
- imt**

**EMO Hannover 2017** **INDIA Advantage...**

### Machine Tool Builders

**Major products**

- CNC turning Machines
- Machining centres
- Grinding machines
- Boring machines
- Vertical Turret Lathe
- EDMs / Wire EDM
- Inspection and CMMs
- Special Purpose Machines
- Metal forming presses
- Press brakes

**Important Manufacturers**

ACE Designers, ACE Mnfg. Systems, Bharat Fritz Werner, Jyoti CNC, Micromatic Grinding, Lakshmi, Lokesh, Premier, HMT, Macpower CNC, Electropneumatics, ISGEC, Hindustan Hydraulics & others...

**imt**

**EMO Hannover 2017** **INDIA Advantage...**

### Form Tools and Cutting Tools

**Major products:**

- Cutting tools
- Form cutters
- Tool holders
- Dies
- Special tools
- Saw blades
- Finishing tools
- Deburring tools and Moulds

**Important Manufacturers:**

Taegutec, Kennametal, Sandvik, SECO, Walter, Addison, Bhukanwala, Bipico, Chennai Metco, Dagger Forst Tools, Forbes, Hittco and others...

**imt**





## USP of Indian Machine Tools



- Machines for auto, Die & Mould, Transportation, Power, General Engineering, Aerospace, Railways
- TPM friendly machines

- Tooling up machines
- Machines tested for reliable performance
- Prompt spares and service support



## INDIAN MACHINE TOOL INDUSTRY



### MAJOR SECTORS SERVED

- Automobiles
- Atomic energy
- Railways
- Capital goods
- Earthmoving equip.
- Textile machinery
- Auto ancillaries
- Defence & aerospace
- Consumer durables
- Elect. & Electronics
- Job shops
- Die & mould



## USP of Indian Machine Tools



- Machines are of contemporary designed with strong German influence
- Designed in India by Qualified and Experienced Designers



- Most Indian machine tool companies are ISO certified with CE Certified Products
- Optimum price-performance
- High quality machines tested to ISO / DIN / International standards



## Indian Machine Tool Industry



### Strengths

- Established manufacturing base for Machine Tool technology
- Well established customer Service network across the country
- Most Machine tool Manufacturers accredited with ISO 9001 Certification
- Engineering skills form the core competitive advantage
- Profitable and Reliable Partnership
- Capacity for value addition – design & manufacturing
- Ethical Commercial practices
- Efficient Manufacturing Technology
- Most Indian machine tool products are CE Certified





## Indian Machine Tool Industry



### Opportunities

- Sub- Supplier development & subcontracting
- Mutual sharing of capacities
- Product/range specialization
- Product division and linkages between manufacturers
- Tapping capital market for funds
- Mature pricing policies to improve margin and generate cash for R&D and export promotion



## TECHNOLOGY FOCUS



- Cost competitive mfg. solutions
- Advantages – More productive, more efficient, Reliable
- Solutions in specialised testing and endurance rigs
- Strong backward integration
- Specialised workforce in design, assembly, & software development
- Cluster alliances for developing world-class manufacturing solutions



## QUALITY FOCUS



- 75% of total production in Indian machine tool industry from ISO certified companies
- Most categories of machines – conventional and CNC, certified for Quality Standards
- Number of smaller companies working in a 'Cluster' towards ISO, QS and CE Marking certifications
- Indian machine tools well accepted even in key European markets – Germany, Italy, France and even in North America



## EXPORT COMPETITIVENESS



- Major countries where Indian machine tools are exported include China, Germany, Italy, Turkey, Middle-East, etc.
- Cost effective, high quality, reliable and customised manufacturing solutions – USP of India's machine tool exports
- Major export potential segments– Machining centres, Grinding Centres, SPMs, Metal Forming machines, GPMs, Machine Tool Accessories & Cutting Tools and Tooling Systems





## KEY INDIAN PARTNERSHIPS



Indian mnfrs supply machines to all major Indian Auto Companies

- Tata Motors
- Bajaj Group
- Maruti Udyog
- Mahindra & Mahindra
- TVS Group
- Eicher Motors
- Ashok Leyland
- Hero Motocorp
- Honda
- Swaraj Mazda
- Fiat India
- Toyota Kirloskar
- Yamaha Motors



## Why India?



- Global figures show shift in industry from West to East
- India will emerge as both large consumer and producer for machine tools
- Quality at affordable price
- Many machine tool companies have European presence (Jyoti, ISGEC, UCAM, MGTL etc.)
- By 2025 India's GDP is projected to grow to approx. \$10 trillions
- Share of manufacturing is projected to grow to \$2.5 trillions



## INDIA WIN-WIN PARTNERSHIP



- ➔ Vibrant base for manufacturing
- ➔ Emerging as a major investment destination
- ➔ Higher growth opportunities for capital goods – especially MTI
- ➔ Abundant skill / talent – engineers / technocrats
- ➔ Cost advantage
- ➔ Partnership with academic / R&D institutions
- ➔ Networking through technology & outsourcing



India – Reliable, Long-term Partner



## INDIA ADVANTAGE



- ISO 9000 companies with CE marked products.
- Technocrat owned companies with professional transactions.
- No language difficulty
- Rupee exchange rate advantage.
- This will mean new opportunity for dealers/distributors to sell more competitive products





## India at EMO 2013



▲ Establish long-term business contacts

▲ Enter co-operation agreements

▲ Explore business partnerships

▲ Exploit growing business potential in India



## Indian Exhibitors at EMO 2013



Sl. No	Exhibitor	Hall No	Stand No	Products
1	ACE DESIGNERS	Hall 17	F17	CNC Lathes
2	ACE MANUFACTURING	Hall 17	F25	CNC Machining Centers
3	BHARAT FRITZ WERNER	Hall 12	A60	Turning Machines, Milling Machines, Machining Centers
4	CHENNAI METCO	Hall 6	B72	Metallography Equipment
5	FENWICK	Hall 17	C78	Hydraulic Self Centering Steady rests
6	GRIND MASTER	Hall 11	G40	Metal Finishing, Deburring and Microfinishing
7	JYOTI	Hall 12	D61	CNC Turning Centers, CNC Turn Mill Centers, CNC Vertical Machining Centers, & CNC Horizontal Machining Centers
8	MACPOWER	Hall 26	E29	CNC- Turning Centers, Vertical Machining Centers, Turn Mill Centers
9	MICROMATIC GRINDING	Hall 11	G46	External, Internal, Universal, Centerless and special purpose Grinding Machines
10	UCAM	Hall 25	G42	CNC Rotary Tables, CNC Rotary Production System,
11	PRAGATI	Hall 17	E24	Tool Turrets for CNC Lathes, ATC for machining Centers & Power chucking Cylinders
12	SHOBHA	Hall 3	A23	Work holding tools, Cutting Tools, Glanze Carbide Indexable Tools
13	SPECTRA TOOLS	Hall 4	B91	Replaceable Blade type Reamers with Guide Pads, PCD & CBN Tools
14	SPHOORTI MACHINE	Hall 17	B03	Tool Discs and Tool Holders



## Indian Exhibitors at EMO 2013 Contd..



Sl. No	Exhibitor	Hall No	Stand No	Products
15	VIKAS GRINDING	Hall 11	G07	Camshaft and crankshaft grinding machines ,Cylinder re-boring machines ,Roll grinding machines
16	IND Sphinx -Axis	Hall 3	B 34	Micro Drills, Micro End Mills, Micro end Mills , Micro reamers, micro punches, high precision macro tools
17	ESGI Tools Pvt Ltd	Hall 6	A 66	Cutting tools, Gear tools ,Milling cutters and mills and gear shaper cutters, disc type, Shaving cutters, deburring tools
18	Bipico	Hall 15	A22	Metal band saw blades ,Power hacksaw blades
19	Geometric Technologies	Hall 25	J09	CAM Software
20	Jain Diamond Tools	Hall 6	G59	Abrasive and polishing pastes , Diamond ,Dressing Blades Multipoint Diamond Dresser Roller, Special Hand Tools
21	TruCut Precision	Hall 4	A86	End Mills ,Drills , Reamers - Centre Drill - NC Spotting , Counter Sinks
22	IMEXSU Group	Hall 11	G65	Barasive Nylon Brushes, Spindle Mounted Flap Brushes, Flap / Disk / Spiral Brushes, PCB Machine Brushes
23	GAURAV Engineers	Hall 6	G65	Turning tools, Milling Tools, Drilling Tools, Threading Tools, Treapning Threading, parting & Grooving, Holding Systems
24	CP Grat-Ex Mfg. Co.	Hall 4	A55	Carbide-tipped tools ,Countersinks and core drills ,Deburring systems ,Finishing tools ,Hand held power tools
25	KTA Spindle Toolings	Hall 4	E39	Tool fracture and wear detecting systems ,Tool holders ,Tool identification systems, Tool systems, modular & Fixtures



## Major forthcoming International Exhibitions



17<sup>th</sup> Indian Metal-Cutting Machine Tool Exhibition with International Participation

17<sup>th</sup> International Exhibition of Cutting Tools, Tooling Systems, Machine Tool Accessories, Metrology & CAD / CAM

