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| **PRESS RELEASE** | | Corneliusstrasse 4  60325 Frankfurt am Main  GERMANY  Tel. +49 69 756081-0  Telefax +49 69 756081-11  Email vdw@vdw.de  Internet www.vdw.de  8 May 2018 |
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| From | Sylke Becker |
| Telephone | +49 69 756081-33 |
| Telefax | +49 69 756081-11 |
| Email | s.becker@vdw.de |

**German machine tool industry hits the ground running**

**VDW raises production output forecast for 2018**

**Frankfurt am Main, 8 May 2018.** – In the first quarter of 2018, order bookings in the German machine tool industry rose by 22 per cent compared to the preceding year’s equivalent period. Domestic orders were up by 39 per cent. Orders from abroad increased by 15 per cent.

“Our sector is continuing to turn in a highly dynamic performance during 2018,” comments Dr. Wilfried Schäfer, Executive Director of the sectoral organisation VDW (German Machine Tool Builders’ Association) in Frankfurt am Main. “Last year’s excellent performance is thus being seamlessly progressed. Domestic orders remain the prime mover. They increased far more than twice as substantially as demand from abroad,” Dr. Schäfer added.

Metal-cutting and forming technologies made equal contributions to the first quarter’s growth. Capacity utilisation was running at 93.4 per cent.

**Production set to rise by another seven per cent in 2018**

The ongoing boom in almost all user industries worldwide had already driven production output and order bookings to a record high last year. With a plus of seven per cent, production output had in 2017 passed the 16-billion-euro mark. “Based on a sizeable increase in orders last year, which is set to continue, we see for 2018 as well potential for higher growth in production output than was still being anticipated in February, and are raising our production output forecast from five to another seven per cent growth,” explains Dr. Schäfer from the VDW.

The sector is confident that the global economy will continue to offer a good business environment for the industry’s investments. The upturn in demand stands on a broad foundation in terms of both technologies and markets. High capacity utilisation necessitates capital investment in expansions and replacements. “If bottlenecks in the production process, staffing, and component deliveries do not become too serious, this ambitious target should be well within reach,” says VDW Executive Director Dr. Schäfer in conclusion.

**Background**

The German machine tool industry ranks among the five largest specialist groupings in the mechanical engineering sector. It provides production technology for metalworking applications in all branches of industry, and makes a crucial contribution towards innovation and enhanced productivity in the industrial sector as a whole. Due to its absolutely key role for industrial production, its development is an important indicator for the economic dynamism of the industrial sector as such. In 2017, with most recently over 72,000 employees (status at the end of 2017, firms with more than 50 staff), the sector produced machines and services worth around 16.1 billion euros.

Picture:

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

Graphic: Order bookings in the German machine tool industry

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