

PRESS RELEASE

Corneliusstraße 4
60325 Frankfurt am Main
GERMANY
Telefon +49 69 756081-0
Telefax +49 69 756081-11
E-Mail vdw@vdw.de
Internet www.vdw.de

From Sylke Becker
Telephone +49 69 756081-33
Telefax +49 69 756081-11
Email s.becker@vdw.de

US boom boosting demand for machine tools

VDW symposia in Detroit and Charlotte to promote German machine tools

Frankfurt am Main, 17 December 2018. – The USA: El Dorado for the machine tool industry? According to the US Association for Manufacturing Technology, the level of orders received by the industry in the USA rose by 27 per cent to EUR 3.4 billion in the first three quarters of the year. In September alone, orders shot up by 50 per cent. After China, the USA is the second-largest machine tool market in the world, accounting for a share of 11 per cent and a volume of roughly EUR 8 billion. Consumption is expected to rise by more than 13 per cent on a dollar basis in 2018. A further 5 per cent increase is forecast for 2019. The US meets around 60 per cent of its demand for machine tools through imports. Accounting for just under one fifth of this, Germany is the second largest supplier. This was reason enough for the VDW (Verein Deutscher Werkzeugmaschinenfabriken - German Machine Tool Builders' Association) to organise the first ever symposia of German manufacturers for the US market at the beginning of December.

"Things are currently going splendidly for our companies in the USA," says Dr. Wilfried Schäfer, Executive Director of the VDW. "All the fundamentals are pointing upwards, not least because the US government has created an investment-friendly situation by reducing corporate tax and improving depreciation conditions. Our members are doing strong business in their second largest market. The VDW has therefore decided to organise two symposia – one in Detroit and one in Charlotte. Our aim here is to show our American customers just what we have to offer," Schäfer continues. 22 well-known German suppliers will be present: Alzmetall, Chiron-Werke, Emag Gruppe, Emco Magdeburg, FFG Europe & Americas, Gleason Corporation, Heinrich Georg, Heller, Hermle, Index Werke, Kapp Niles, Niles-

Simmons-Hegenscheidt, Open Mind, Peiseler, Profilator, Profiroll Technologies, Samag, Schütte, SW Schwäbische Werkzeugmaschinen, Siemens, Weisser, Zimmer & Kreim. They will present their offerings in the fields of 5-axis technology, complete machining, precision and performance technology, digitalisation, automation and gear technology.

VDW symposia in the heart of the US automotive industry

The VDW has chosen two attractive regions with numerous machine tool users as the locations for its symposia. Markus Schlipphak, Vice President of Engineering at Heller Machine Tools, has confirmed in Troy: "The Detroit and Charlotte regions are of great interest because of the many customer industries based there. The automotive and supplier industries in particular are well represented, and offer excellent business opportunities."

German machine tool manufacturers active in the USA

By no measure does the USA represent unexplored territory for German manufacturers – indeed it is the second largest export market. Last year, they exported machines to a value of more than EUR 1.2 billion there, mainly machining centres, parts and accessories, lasers, grinding machines and lathes. Exports in the first three quarters of the current year were 6 per cent up on the same period last year. However, the German manufacturers do not serve the market exclusively by exporting from Germany. Almost 50 suppliers have their own subsidiaries in the States, including over 170 local sales, service and/or production companies. "The USA is the third largest production location for our companies – after Switzerland and China. Machines to the value of EUR 325 million were produced locally for the US market in 2017 – in addition to the exports I mentioned before," explains Schäfer of the VDW. Jürgen Gögelein, Area Sales Manager at Chiron in Tuttlingen, adds: "Our own operations in Detroit and Charlotte put us closer to our US customers in every respect. This has proven extremely successful for us in the areas of sales, service, turnkey engineering and training."

There are also good sales opportunities in the US for German manufacturers because there are hardly any major US suppliers for a wide range of high-tech products. "No US suppliers are offering products in the high-end sector," confirms Maximilian Waizenegger, Sales Manager at Maschinenfabrik Berthold Hermle, Gosheim.

Made-in-Germany quality highly valued by US users

The US are looking to modernise their industry and get it in shape for the world market. Advances in automation are giving rise to new possibilities, e.g. in the networking and monitoring of industrial systems and machines, in optimising production processes and in increasing efficiency throughout the entire supply chain. Alternative materials such as titanium or carbon fibres require new processing technologies. German providers have a great deal to offer here. Made-in-Germany quality is a persuasive sales argument for US customers. "German solutions have proven to be among the best in the industry. We don't use German companies simply because they're German. What we're interested in is the high quality which we can achieve using equipment from German manufacturers," says Hal Gerber, Executive Director Market Development at Shiloh Industries.

This was one of the main reasons why more than 130 participants took part in the VDW symposia in the US and who appreciated the opportunity to engage in intensive dialogue. The presentations gave a good insight into the offerings of the participating companies. The B2B meetings, which had already been planned in advance, and the evening reception provided ideal opportunities for establishing even closer ties. "It's a great format. It provides a clear overview of the different products and solutions. Some of the presentations are really interesting because they allow us to think through new ideas and implement some of the best solutions," concludes Hal Gerber, Executive Director Market Development at Shiloh Industries.

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 roughly 72,000 employees (annual average in 2017, firms with more than 50 staff), the sector produced machines and services worth around 16 billion euros.

Visit www.vdw.de for further information

Captures:

Picture 1:

The VDW organised the first ever "Machine Tools from Germany" symposium in the USA at the beginning of December, featuring 22 well-known German manufacturers.

Picture 2:

The VDW Symposium was held in Detroit, Michigan, the heart of the US automotive industry, and in Charlotte, North Carolina, a prime location for the automotive, supplier, aircraft, engineering and medical technology industries.

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