

PRESS RELEASE

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Strong growth in metal forming technology orders

VDW raises current year's production forecast for the machine tool industry

Frankfurt am Main, 19 August 2021. – In the second quarter of 2021, orders received by the German metal forming technology sector, a sub-area of the machine tool industry, were 86 per cent up on the previous year's figure. Orders from Germany rose by 59 per cent. Foreign orders have doubled compared to the previous year. In the first half of 2021, the level of orders received by German providers rose by 41 per cent. Domestic orders were 14 per cent up on the previous year, foreign orders 60 per cent.

"The metal forming technology results are slightly lower than those of the machine tool industry as a whole. Nevertheless, the industry turned itself around with considerably more dynamism than was originally assumed and, despite some delivery difficulties, is recording strong increases in order levels," says Dr Wilfried Schäfer, Executive Director of the VDW (German Machine Tool Builders' Association), Frankfurt am Main, commenting on the result. The very high growth rates were explained in part by the weak reference values from 2020 as a result of Covid. However, the order volumes have recovered noticeably and are now only 9 per cent below the pre-Covid level of 2019. The development is also broad-based, which bears witness to the great pent-up demand among investors from all over the world.

The main demand is still coming from abroad at present. The Asian market continues to be dominated by high demand from China, which accounts for two-thirds of Asian order volumes. Business with the US is starting to recover. There are increasing signs that US orders are about to pick up more strongly. Europe has also revived noticeably. Here, it is above all fiscal policy measures, including investment programmes, which are boosting demand. Austria and Italy are prime examples. The German market is set to follow suit, albeit with a delay. Overall, however, the peak levels of 2017/2018 are not expected to be matched until next quarter.

"The picture would be even rosier without the bottlenecks and price increases in supplies of electronics, steel and sheet metal etc.," says Schäfer summing up. However, further increases in demand are expected – assuming that the global economy continues its recovery. This is already being reflected in production levels in the current year. The significant increase in orders has led Oxford Economics, the VDW's forecasting partner, to put production growth at 8 per cent for the machine tool industry as a whole, two points higher than in the spring. This would bring the volume for the current year to EUR 13.2 billion. "Nevertheless, there is still some way to go before we reach the peak result of 2018/2019," says Schäfer. At that time, the industry achieved a result of EUR 17 billion.

Employment represents a delayed indicator of economic development, and is still falling at present. In June, the industry as a whole employed almost 8 per cent fewer people than in the previous year. This represented around 64,200 men and women. Most furlough schemes had finished. "Nevertheless, we are also worried about the shortage of skilled workers, which our industry will need to meet the major challenges which lie ahead. Key factors here include the transformation of the automotive industry, the energy transition and digitalisation. You need the right people to get these done," says Schäfer in conclusion.

Background

Forming technology accounts for about 30 per cent of German machine tool production. This include presses, which are often used in major long-running projects in the automotive industry, as well as bending machines, punching machines and wire working and processing machines, which are deployed by a wide range of customers. In 2020 the sector produced machines to the value of 2.2 billion euros.

Photo:

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

Grafik: Orders received by the German machine tool industry

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