**Check against delivery**

**METAV 2022 – Technology showcase for Western and Northern Europe**

**Statement by Dr. Wilfried Schäfer, Executive Director of VDW (German Machine Tool Builders' Association), Frankfurt am Main, at digital METAV Press Conference on May 11, 2022**

Ladies and Gentlemen

Welcome to the digital press conference for METAV 2022. My name is Wilfried Schäfer. I am the Executive Director of the trade fair organizer VDW (German Machine Tool Builders' Association) based in Frankfurt am Main, and I am looking forward to spending the next hour or so in your company today.

As you know, the past few years have been fraught with challenges and uncertainties for trade fair organizers all over the world. We, too, had to postpone two events due to the pandemic and, even then, could not prevent METAV reloaded from being cancelled. So the fact that I am able to give you a preview today of the rescheduled METAV 2022, which is now being held from June 21 to 24 in Düsseldorf, is most gratifying for me. Not least because the METAV is the first trade fair for manufacturing technology to be held in western Germany in over four years. This platform has been sorely missed by many companies, exhibitors and visitors alike.

Held in the middle of Europe's largest industrial conurbation, the METAV is the showcase for metalworking technologies manufactured in a wide range of locations in North Rhine-Westphalia, the Netherlands and Belgium. Its principal attractions include its compact overview of the latest production technology and the close contact between the exhibitors and trade visitors.

**Corona crisis largely overcome**

The economic climate in which the METAV is taking place is basically robust. The Corona crisis, which triggered a deep slump in almost all European metalworking sales markets in 2020, has largely been overcome in Europe and America, thanks in part to successful vaccination campaigns. After a phase of considerable restraint caused by the pandemic, the Purchasing Managers' Index – an important indicator of industrial development – reflected the rising confidence in the market as early as the middle of 2021 when it peaked at 65 points in Germany and 63 points in Europe overall. Any value above 50 signals growth in industrial activity. Even in March 2022, after Russia had invaded Ukraine, the PMI was still hovering at around 56.5 points in almost all the core European markets. This documents the ongoing high willingness to invest.

The positive mood in the machine tool industry translated into a substantial increase in orders last year. In 2021, customers ordered 61 percent more machines from European manufacturers than in the previous year; in Germany, orders were 59 percent up on the previous year. The 2019 pre-Corona level has already been exceeded by more than ten percent. The upswing for the German machine tool industry continued in the first quarter of the year, with a 44 percent increase in orders. The overall figure was only 8 percent down on the record volume posted in 2018. March also remained robust despite the Russian invasion of Ukraine.

**Production and sales have not yet caught up**

Production and sales are still far from the record levels seen in 2018. Production of machine tools, excluding parts and services, increased by 11 percent in Europe and by a meager 2 percent in Germany in 2021. This rises to 6 percent if last year’s more dynamic spare parts and services business is added for Germany.

The discrepancy is mainly due to bottlenecks in the supply chains, which are a cause of concern for manufacturing companies. We have all seen the images of container ships backed up in Shanghai as a result of the Chinese government's zero-Covid strategy and the hard lockdown. They are emblematic of a development that is placing an enormous burden on industrial companies. The price of shipping a 40-foot freight container from China to Europe rose from $2,000 to $16,000 between June 2020 and December 2021. Flash surveys conducted by the VDMA also show how the situation has worsened: while only 46 percent of machine tool manufacturers were noticeably or seriously affected by supply chain problems in April of last year, twice as many were impacted in both September and December. In April 2022, the figure from the same survey series still stood at 81 percent. These upheavals – including their knock-on effects and consequences in European ports – are set to continue for some time.

**Impact of Russia’s war not yet clear**

The Russian invasion of Ukraine is causing additional uncertainty. The full impact is not yet foreseeable, nor is it possible to make any reliable forecasts at present, given the speed of the developments. However, a flash survey conducted by the VDMA in April 2022 showed that one in four machine tool manufacturers in Germany is acutely and directly affected by the Russian aggression, even though Russia and Ukraine together account for less than 2 percent of German sales. The war, its resulting sanctions and the discussion about energy supplies are also worrying the industry. Three out of four manufacturers say they are clearly feeling the impact in the shape of rising energy prices, the devaluation of the ruble or unsettled customers.

**Reshoring, energy transition and innovation**

Against this background, is it actually possible to hold a trade fair and do business as usual? This is a legitimate question. We are convinced that the economy must get itself into the best possible shape to cope with the challenges I mentioned. METAV 2022 therefore has an important role to play and comes at an opportune moment.

Reshoring – transferring business relationships and supply chains back to the local region – is gaining in importance again after years of outsourcing. The METAV can help to cushion supply bottlenecks. Companies that need machines for important orders will find suppliers at METAV from the local region who are able to deliver.

Decentralized and local solutions are also gaining in importance with regard to energy supplies. The efforts of the German government and our European partners to wean themselves off Russian oil and gas as quickly as possible – while still meeting the climate targets by completing the planned nuclear phase-out and reducing the generation of electricity from fossil fuels as quickly as possible – will accelerate the expansion of renewable energies. Together with wire + Tube, two leading world trade fairs which are being held simultaneously, METAV offers a good opportunity to find partners who can produce high-quality components for expanding wind energy, power lines and associated infrastructure, for example.

Third, we are now seeing that exceptional times lead to exceptional solutions. This applies not only to innovative start-ups, which are represented in gratifyingly high numbers at this year's METAV, but also to new ideas for resource-saving and energy-efficient production. The traditionally close contact between exhibitors and visitors at the METAV represents a clear asset here. The intensive dialog surrounding current challenges in production can inspire new thought which in turn help everyone to overcome the hurdles.

**METAV firmly rooted in North Rhine-Westphalia since 1980**

METAV is the showcase for metalworking technologies in North Rhine-Westphalia and the surrounding region. We offer manufacturing companies within a radius of 300 km – from the Siegerland and Sauerland regions, the Ruhr area, the border regions in Belgium and the Netherlands – a marketplace right on their doorstep. The last event in Düsseldorf in 2018 attracted 27,000 trade visitors and 562 exhibitors from 24 countries.

64 percent of visitors were involved in purchasing decisions, half of whom functioned in a co-decision-making or advisory capacity. 55 percent worked in production, research and development, construction, maintenance and repair, or quality control. Our exhibitors have long valued this composition because of the close proximity to practical operations and because of the high quality of the discussions. But they are also aware of the long-term value of talking directly with the man or woman operating the machine, as they are the production experts and are often the first in the company to know when things stop running smoothly and new solutions are needed.

**Return to face-to-face events after the pandemic**

The METAV is the first trade fair for manufacturing technology to be held in western Germany in over four years. People are overjoyed by the return to such face-to-face events and the possibility to re-connect after two years due to the pandemic. The shift to the summer slot and the combination with the wire + Tube leading world trade fairs has added to the attraction and will give rise to a degree of cross-fertilization. This summer, METAV exhibitors can also be found in halls 9 to 15 at wire, and in halls 1 to 7a at Tube. However, you will also be able to encounter wire + Tube exhibitors in Hall 16 at METAV. Some companies are taking the combined event as an opportunity to greatly increase their exhibition space. Among them is Paul Horn GmbH, a figurehead of the METAV since 1982, whose Managing Director Markus Horn will be presenting his views on the METAV immediately afterwards, speaking on behalf of the second-largest exhibitor group, the precision tool makers.

Despite the long-awaited return to the physical exhibition halls, however, METAV 2022 will be significantly smaller than in the past. Attracting around 180 exhibitors, it is following the trend of numerous industrial trade fairs which have experienced a decline in exhibitor and visitor numbers after the pandemic.

There are many reasons for this. Some companies are holding out a little longer before they return to such industry events. One factor here is the postponements and cancellations they have experienced in the past two years. Other motives include tight budgets caused by the pandemic, and full order books, the processing of which is taking priority over attracting new orders. However, some companies are also caught in a paradox: they want to exhibit at METAV, but are coming up against the capacity limits of the exhibition stand constructors. They can take on no further orders this summer due to the large number of events. It will take some time for the market to return to normal.

**The perfect match – METAV now in hybrid form**

This year’s METAV will be held in hybrid form for the first time. It means that visitors at the fair itself, but also experts sitting in their company offices will have access to the exhibitors. We have created a second pillar which allows those not able (or not wishing) to attend the event to get in touch with leading suppliers and find out about their solutions – before, during and after the fair itself. All of this comes under our banner of "Real & digital - the perfect match". It allows us to continue learning and to decide upon the perfect blend of the two formats for each individual event.

This year, our perfect match will consist of four elements.

Starting on May 31, the *Web Sessions* will enable us to reach our target group with pinpoint accuracy as the companies enter the crucial planning phase for the event. There have been roughly 200 Web Sessions to date and the format has already established itself as a digital flagship of the METAV. Exhibitors spotlight their know-how in 30-minute sessions, consisting of a 20-minute presentation followed by ten minutes for questions and answers. The sessions give visitors a sneak preview of what to expect at the fair itself.

For the 2022 event, a digital component is being added to the *METAV Forum*. Exhibitors will still be able to make direct contact with visitors at the show, as before. For the first time, however, presentations will also be made available online after the event. This gives visitors an opportunity to follow up on their visit later. And it expands the target group to include manufacturing professionals who cannot travel to METAV in person.

The hybrid approach is rounded off by two further video formats which are intended as supplements to the visit. Companies can use *exclusive exhibitor videos* to present the highlights from their stands and to respond to the frequently expressed wish for a digital tour. The *theme videos* also enable our exhibitors to showcase their expertise in specific areas such as *Machines, Process chains and Digitalization for the Smart Factory*,or *Tools, Trade Fair Technology and Aids for Maximum Precision*. Both formats are professionally filmed, edited and presented.

All the digital components of our hybrid construction kit are available to visitors free of charge. In return, exhibitors receive details of interested users and can use the digital format to enter into a discussion, just like at the face-to-face event.

**“Areas” now in one large joint stand**

Since 2016, our Additive Manufacturing, Medical, Molding and Quality Areas have offered the highest standards of expertise in various fields of metalworking. The Areas have established themselves and become an integral part of METAV. However, they are currently suffering from the general decline in exhibitor numbers. For this reason, the joint stands of all the Areas will be brought together in one large exhibition area at METAV 2022.

**Start-ups: Experience tomorrow's solutions today**

The situation is exactly the opposite for start-ups, which will be represented in greater numbers at this year’s METAV than ever before. The number of young and innovative companies has increased from five to 13 since 2018. We regard it as a badge of honor that about 8 percent of all companies exhibiting at the METAV were only founded relatively recently.

We as an association and as a trade fair organizer are committed to offering them ongoing support – a policy which is now bearing fruit. Yet the number of start-ups also reveals how important METAV is for creative people. We offer visitors a showcase for innovation and new thinking, giving them an opportunity to experience innovative solutions and to decide how these can be exploited in their own business.

**Preparations in full swing for the great reunion**

Ladies and Gentlemen, I am looking forward to the METAV in June 2022. For the first time in over four years, we are bringing together exhibitors and visitors from a wide range of metalworking sectors in Düsseldorf in an economic climate which is favorable yet which holds a number of challenges. Featuring any amount of know-how and innovation, based on a carefully devised hybrid concept, and scheduled alongside two related world-leading trade fairs, all the preparations are now in full swing for a successful fair.

The time is ripe for a reunion – be it at the exhibition center or at the after-work event on the “Rheinterrassen”. We look forward to seeing you at METAV 2022 in Düsseldorf!

Thank you very much.