

**IN THE FIRST QUARTER, MACHINE TOOL ORDERS WENT DOWN (-23.7%)
DOMESTIC ORDERS (-24.1%); FOREIGN ORDERS (-22.9%)**

Barbara Colombo president of UCIMU: *“The downturn registered in this first part of the year does not worry us. The companies are performing well and we expect to have this confirmed at LAMIERA, the exhibition taking place at fieramilano Rho from 10 to 13 May”.*

In the first quarter 2023, the index of machine tool orders processed by the Economic Studies Department & Business Culture Centre of UCIMU-SISTEMI PER PRODURRE shows a **23.7% drop compared with the period January-March 2022**. The absolute value of the index stood at 125.1 (base year 2015=100).

The outcome was due to a reduction in the order intake registered by manufacturers, both in the domestic and foreign markets.

In particular, the orders received abroad went down by 22.9% compared with the same period of the previous year. The absolute value of the index was 125.9.

On the domestic front, the order intake marked a 24.1% fall, recording an absolute value of 124.8.

The data collection of the Economic Studies Department & Business Culture Centre of UCIMU also shows that, **in the first quarter 2023, the utilisation of production capacity by Italian machine tool manufacturers exceeded 86%**, but actually, several companies almost attained 100%. In this quarter, the **order portfolio** achieved unprecedented levels, reaching **8.6 months of guaranteed production**.

Barbara Colombo, president of UCIMU-SISTEMI PER PRODURRE, stated: *“The order index just processed by our Economic Studies Department & Business Culture Centre highlights a clear slowdown in order intake, both in Italy and abroad. However, the companies are performing well and we expect that LAMIERA, the exhibition dedicated to the sheet metal forming and cutting sector, opening in Milan in a few weeks, can confirm these considerations.*

“The downturn registered in this first part of the year does not worry us, but rather, it should make us carefully think about the strategies that our enterprises have to define for the medium-term future”.

“On the foreign front, also considering the almost full production capacity of our companies that are engaged in fulfilling the huge amount of outstanding orders, the decrease registered in this quarter may be determined, at least partially, by the decision of Italian manufacturers to focus mainly on the domestic market, where it is certainly easier to be present”.

*“We are well aware - added **Barbara Colombo** – that this attitude may cause a problem for our enterprises, as in the long-term, they would risk losing market shares gained over decades of activity. To counteract this phenomenon, in a period when the reorganisation and shortening of value chains are starting, UCIMU intends to increase the initiatives to support the companies’ internationalisation activity. An example is the launch of the enterprises’ network project in Vietnam, whose aim is to facilitate companies’ penetration into one of the most interesting and dynamic areas in the world”.*

“In the domestic market, the order decrease was due to several factors. Firstly, the rescheduling to the previous quarter (fourth quarter 2022) of a large part of the investments planned by Italian end users to make sure they could obtain the 40% tax credit incentive, knowing that the rate would be halved in the new year. This is proven by the index upsurge in the fourth quarter 2022. Secondly, the drop is a consequence of the natural reduction in demand that could not certainly keep up with the pace we had been used to in the last period”.

“That said, however, the Italian market – continued the president of UCIMU-SISTEMI PER PRODURRE – still has a propensity to invest. The modernisation process of the Italian industry has not been accomplished. It still has to reach a part of the companies, especially the small-sized ones, which surely need a longer time to approach such an issue that affects the entire company organisation.

*“For this reason, it is necessary to ensure a **continuity** of the plan **“Transition 4.0”**, in our opinion, by matching the issue of digitalisation with that of sustainability. Together, these issues represent the pillars of the manufacturing*

production in the future. Therefore, we reiterate to the Government authorities that it is necessary to have a **modular system of tax incentives that may be combined as the product system becomes more complex**. The programme should basically include **three different tax credits that can also be cumulated with one another**".

"In addition to the first measure – the one that is currently in force, i.e. the tax credit for investment in state-of-the-art digital production technologies (with reference to Annexes A and B) - there should be another tax credit for investment in machines that are integrated together to create a system implementing the two value chains, the physical and the digital one".

"Finally – concluded President **Barbara Colombo** – the programme should include a third measure that can ensure a tax credit for sustainability. In our view, this measure should support the actions capable of leading to an integrated development of new generations of products, also taking into account the impact in terms of environmental footprint, certified according to the related international standards".

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