

Ucimu: 2023, An Overall Positive Year For The Italian Machine Tool Manufacturing Industry 2024 Will Be Stable

2023 has been another positive year for the Italian manufacturing industry of machine tools, robots and automation systems, which has achieved a new production record, thus extending the favourable trend that should also be confirmed in 2024.

This is in short what was outlined by **Barbara Colombo**, president of UCIMU-SISTEMI PER PRODURRE, the Italian machine tools, robots and automation systems manufacturers' association, during the usual year-end press conference.

Based on the preliminary year's data processed by the Studies Dept. & Business Culture of UCIMU-SISTEMI PER PRODURRE, in 2023 production reached **7,560 million euro**, marking a **3.8% increase** over the previous year.

The result was driven by **the good performance of exports, which grew by 10.3% to 3,825 million euro**. The export/production figure went up again, attaining 50.6%.

On the foreign front, according to UCIMU processing of the data from the Italian National Statistics Institute (ISTAT), in the period January-August 2023 (latest available data), the main destination markets for the Italian product offering of the sector were **the United States** (356 million euro, +26.7%), **Germany** (217 million euro, +8.8%), **China** (163 million euro, +34%), **France** (138 million euro, +32.1%) and **Poland** (128 million euro, +14.7%).

On the other hand, **the deliveries by Italian manufacturers in the domestic market decreased slightly to 3,735 million euro, 2% less** than in 2022.

Deliveries and imports – the latter down by 4.5% to 2,385 million euro – were affected by the **decrease, however slight, in consumption, which dropped by 3% to 6,120 million euro**.

For 2024, Italian machine tool, robot and automation manufacturers expect a consolidation of the results achieved in recent years: production should be driven by foreign demand, whereas a moderate reduction should be recorded in domestic consumption.

In particular, according to the forecasts carried out by the Studies Dept. & Business Culture Centre of UCIMU, **in 2024, production should grow to 7,595 million euro (+0.5% compared to 2023), thanks to the rise in exports, which should stand at 4,070 million euro (+6.4%)**.

Deliveries by manufacturers to the domestic market should not exceed **3,525 million euro (-5.6%)**, in line with the **drop in domestic consumption, which should reach 5,780 million euro (-5.6%)**.

Imports should also be affected by the reduced demand for investments in Italy, falling by 5.5% to 2,255 million euro.

The export/production figure should rise again, standing at 53.6%.

Barbara Colombo, president of UCIMU-SISTEMI PER PRODURRE, commented: "Although there are clear signs of a slowdown, the 2023 of Italian manufacturers is closing with a positive sign; the "Made in Italy" production of the sector grew again, setting a new record thanks to the good results obtained by Italian enterprises abroad".

"All this means that, once again, our enterprises have been able to redirect their product offering towards areas where demand is more dynamic, i.e. foreign markets. Recession risk averted in the United States, considering the geo-political instability we are facing today, Italian companies are principally engaged in covering traditional markets: in addition to the USA, that of EU countries, where, amongst other things, we hope for the recovery of Germany, which has always been a first-rate partner for the Italian mechanical industry".

"In this connection – pointed out **Barbara Colombo** – we have recently submitted to the Ministry of Foreign Affairs and International Cooperation an operational plan for the two-year period 2024-2025 regarding activities between the Italian and German machine tool industries, aimed at strengthening the cooperation relations between the two world-leading industrial systems in this field".

Mutual visits to production facilities in both countries, organisation of incoming activities for delegations of German end users visiting Italian enterprises and trade fairs in Italy, organisation of an Italian Machine Tool Forum in Germany to foster and encourage a mutual knowledge of leading manufacturers and users in both countries, as well as market analyses: these are some of the initiatives that make up this programme. Based on past experience – continued the president – and considering the value of the intervention, we think that this programme should be carried out according to a public-private cooperation model, also for economic purposes. Alongside the trade associations of the respective countries, on the Italian side, in addition to Ministry of Foreign Affairs and International Cooperation, in our opinion, Sace, Simest, CDP and ICE-Italian Trade Agency should intervene as well.”.

“In parallel with this, our commitment continues in the most geographically distant and culturally different markets, for which UCIMU has launched important initiatives to support the internationalisation activities of enterprises. Among these, two business networks. The first one is ITC in India, which has been working for eleven years now and which gathered over one hundred participants among trade operators of the sector, end users, institutions and journalists during the last annual Conference, in Pune last November. The second one is the newly established network IMT in Vietnam, launched last September and created with the aim of supporting the penetration of the network companies into the country that represents the gateway to the whole South-East Asian region”.

“On the Italian front – stated President **Barbara Colombo** – the willingness to invest shown by Italian investors has certainly dropped in 2023. After years of more than exponential growth, the reduction registered this year and that expected for next year however seem acceptable. It is actually a gradual return to normal values after the exceptionality of the previous two years. We collect fewer orders than in the past, but the market is not at a standstill: on the contrary, the Italian market remains one of the most important ones. The Italian manufacturing industry is willing to continue with the digital transition process, which is in full deployment, but everyone is waiting to see what incentives will be available starting from the next few months”.

“For this reason – continued **Barbara Colombo** – we appreciate the work carried out by our government authorities who obtained the green light by the European Commission to finance, with Repower EU, the Transition Plan 5.0, focusing on the combination of green and digital transformations to support the development of the manufacturing industry according to energy-saving criteria, while also considering the fundamental issue of education and training. Now we wait to see the implementation of the measures that will bring this plan into effect”.

“At the same time – concluded the president of UCIMU - we call on the Government to refine the measures 4.0 in order to extend their use to an ever-wider range of companies. The idea is to free up larger resources for small-scale investments, which are logically the preserve of smaller companies that have generally been, and still are, more reluctant to undertake the digital transition. We are aware that there are scarce economic resources and consider it useful for this purpose to raise the tax credit rate of the first bracket, now set at 20%, while lowering the maximum value of the eligible investment currently set at 2.5 million euro”.

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