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**German machine tool industry puts in a notable finishing sprint for 2014**

**Frankfurt am Main, 12 February 2015.** – In the fourth quarter of 2014, order bookings in the German machine tool industry were up by an impressive 15 per cent compared to the final quarter of 2013, a steeper rise than expected. Orders from abroad rose by 24 per cent, while for the domestic market the figure was 1 per cent down on the preceding year’s equivalent result. For 2014 as a whole, there is a total plus of 4 per cent, with domestic orders up by 6 per cent, and orders from abroad by 4 per cent.

“So for the German machine tool industry, 2014 ended with a notable finishing sprint,” is how Dr. Wilfried Schäfer, Executive Director of the sectoral organisation VDW (German Machine Tool Builders’ Association) in Frankfurt am Main, comments the result. The cause involved, following a mixed second half to the year, was a substantial plus in order bookings of 36 per cent in December. This very significant increase was attributable primarily to export business, which grew by 56 per cent. Domestic orders, meanwhile, with a modest increase of 3 per cent, stayed more or less static, compared with a strong reference month in the preceding year.

The increase in December was based not only on a few major projects, but additionally boosted by very sizeable projects from outside the Eurozone.

In the year’s fourth quarter, the manufacturers of metal-cutting machine tools reported consistently good business, with a plus of 9 per cent, resulting primarily from export orders. Over the year as a whole, the orders for metal-cutting technology rose by 4 per cent, while forming technology orders, too, were up significantly in the year’s fourth quarter, by 33 per cent. In 2014 as a whole, order bookings for forming technology were up by 5 per cent.

Germany’s industrial sector is at present benefiting from falling energy prices, caused by the plummeting price of oil. The weak euro, moreover, is improving the price-competitiveness of capital goods abroad. For 2015, the German machine tool industry is anticipating a recovery in demand, from the domestic and export markets alike. “This means that the sector is well-positioned for 2015,” said the VDW’s Executive Director Schäfer.

**Background**

The German machine tool industry ranks among the five largest sectors in the country’s mechanical engineering segment. It supplies production technologies for metalworking applications to all categories of manufacturer, and makes a crucial contribution towards progressing innovation and productivity in the industrial sector overall. Due to its absolutely key position for industrial production output, its development is also an important indicator for the economic vigour of the country’s industrial sector as a whole. In 2014, the German machine tool industry produced machines and services worth around 14.4 billion euros, and was employing about 71,600 people (annual average for 2014, firms with more than 20 staff).

Picture:

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

Graphics: Order bookings and turnover in the German machine tool industry