

**PRESS RELEASE**

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## **German machine tool industry remains committed to the Russian market**

### **Substantial participation in the fair sends a strong signal for dependable partnership**

**Frankfurt am Main, Moscow, 26 May 2015.** – Yesterday, the Metalloobrabotka 2015, Russia's premier trade fair for machine tools, opened its doors. With a good 100 exhibitors, the German manufacturers are showcasing their corporate capabilities as the biggest joint foreign presence at the fair. They are complemented by numerous German companies who are exhibiting on their own account or through their Russian agencies.

The shared German presence is due to an initiative of the VDW (German Machine Tool Builders' Association), Frankfurt am Main, and the trade fair organisers Messe Düsseldorf, after the German Federal Ministry of Economic Affairs had "for political reasons" cancelled the official joint participation originally planned. "Russia is for the German machine tool industry a very important market with huge potential, although most recently orders have experienced a massive slump," is how Dr. Wilfried Schäfer, the VDW's Executive Director, explains the reasoning behind this initiative. "That's why a shared stand at what is by far the most important trade fair in Russia in the current less-than-easy times sends a strong signal. We are thus demonstrating our status as dependable partners and positioning ourselves against the up-and-coming competitors from Asia," adds Schäfer. The feedback from the exhibitors confirms his assessment.

To quote Franz-Xaver Bernhard, Sales and R&D Director at the machinery manufacturer Maschinenfabrik Berthold Hermle AG in Gosheim: “Despite the restrictions entailed by the sanctions currently imposed, Hermle AG sees its participation in the fair here in Moscow as a continuation of its long-term sales strategy.” Stefan Klebert, CEO of Schuler AG in Göppingen, also continues to perceive plenty of potential in the Russian market. “Our presence in Moscow shows that we are optimistic regarding future developments in this market, where at present our hydraulic forging presses are much in demand, for instance.” And Klaus Winkler, Managing Director of Gebr. Heller Maschinenfabrik in Nürtingen, confirms: “Despite the current crisis and the resultant difficulties in planning our operations in the short term, we regard the intensification of our presence on the Russian market as important, and are continuing to progress the relevant investment. This, of course, includes taking part in this year’s Metalloobrabotka.”

### **Severe upheavals feared in German exports to Russia**

Russia imports almost 90 per cent of its requirements for production technology. More than one in five of the machines imported comes from Germany. As the biggest supplier of machine tools for Russia’s industrial sector, Germany last year delivered machines worth almost 500 million euros. This puts the Germans in 1<sup>st</sup> place among the premier suppliers to the Russian industrial sector, a ranking they have held for many years now. Schäfer sees this as compelling evidence for the stringent technological expectations and corporate competence of Russian customers. Dr. Rüdiger Kapitzka, Board Chairman of DMG Mori Aktiengesellschaft in Bielefeld, concurs: “The Metalloobrabotka is one of the sector’s international highlights. As an important decision-making platform, it is simultaneously acknowledged as an indicator of demand for state-of-the-art production technology in Russia.” Schäfer adds: “The demand for top-class production technology in Russia’s industrial sector is huge. So it’s all the more regrettable that now valuable time for modernising the plants is being lost. We are optimistic that the political conflict will be brought to an end as quickly as possible, and that a way will be found to normalise relations,” says the VDW’s Executive Director. Last year, orders from Russia plummeted by more than half. Exports fell by 6 per cent. “During the current year, the severe upheavals are also going to be reflected in the export figures,” predicts Schäfer.

The Metallobrabotka 2015 will end on 29 May. The preceding event last year attracted 30,000 trade visitors.

**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 14.5 billion euros, and was employing about 71,600 people (annual average for 2014, firms with more than 20 staff).