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**Demand for machine tools boosted by project business in China**

**A strong first quarter of 2016 for the German machine tool industry**

**Frankfurt am Main, 2 May 2016.** – In the first quarter of 2016, order bookings in the German machine tool industry rose by an impressive eight per cent compared to the first quarter of 2015. While domestic order bookings stagnated, orders from abroad showed a steep rise of eleven per cent.

“In comparison to the cautious first quarter of 2015, demand for machine tools is currently showing a healthy increase,” comments Dr. Wilfried Schäfer, Executive Director of the sectoral organisation VDW (German Machine Tool Builders’ Association) in Frankfurt am Main. The growth in demand results primarily from a substantial rise during the month of March, and here in particular from a double-figure rise in orders from non-European foreign countries. The crucial factor here is good project business in China, where machining centres, especially, were responsible for positive one-off effects. “The Chinese market is and remains important for us. This is very clearly evidenced by the latest figures. The transformation process in China’s industrial sector, driven by technological upgrading, is far from completed, and can be expected to offer potential in terms of order bookings for German manufacturers,” to quote Wilfried Schäfer.

While last year the Eurozone was the driving force behind demand for German machine tools, in the first quarter of 2016 the region recorded a sizeable minus of 14 per cent. This comparatively substantial decrease can be explained not least by marked baseline effects from the preceding year’s strong figures. Moreover, emphasises Wilfried Schäfer: “Europe’s industrial sector invested substantially during 2015, and now, following a boom phase, is taking a breather.” Meanwhile, the German machine tool manufacturers reported an impressive plus of 18 per cent from the non-eurozone countries in the first quarter of 2016.

Domestic business fell to 17 per cent in March, and failed to build on the good figures of the two preceding months. So the German machine tool industry finished the first quarter of 2016 with break-even on domestic order bookings.

**Background**

The German machine tool industry ranks among the five largest players in the country’s mechanical engineering sector. It supplies production technology for metalworking applications in all branches of the industrial sector, and makes a crucial contribution towards fostering innovation and progressing productivity in the industry. Due to its absolutely key role for industrial production output, its development is an important indicator for the economic dynamism of the entire industrial sector. In 2015, with a workforce of around 68,500 employees (annual average for 2015, firms with a payroll exceeding 50), the German machine tool industry produced machines and services worth around 15.1 billion euros.

Picture:

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

Graphics: Order bookings in the German machine tool industry

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