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| Associazione costruttori  italiani macchine  ed accessori  per la lavorazione del legno  *Italian woodworking*  *machinery and tools*  *manufacturers’ association* | Acimall Centro Direzionale Milanofiori  1° Strada - Palazzo F3  I-20090 Assago (Milano)  phone +39 02 89210200  fax +39 02 8259009  www.acimall.com  info@acimall.com | **press office**  May 8, 2016 |

**ITALIAN WOODWORKING TECHNOLOGY:**

**2017 FINAL BALANCE, KEY TOPICS AND TRENDS 06**

The year **2017** was really satisfactory for the Italian industry of woodworking machinery and accessories *(see chart ITALY 2017 FINAL BALANCE)*. According to the figures – which can be considered final – processed by the Studies Office of Acimall, the Confindustria member association that represents the national industry, Italian production has increased by 10.5 percent compared to 2016, up to a value of **2,272 million euro**, the best results since 2007 in absolute terms.

Such figure is only slightly diminished if you consider the effects of inflation, which has been very limited in recent years.

As usual, **export** is the most significant item in the balance sheets of Italian companies, traditionally "strong" in all international markets. In 2017, the export of machinery, plants and tools for wood and furniture increased by 6.4 percent from 2016, reaching a value of **1,591 million euro**.

Looking at the ranking of the top-ten destination markets *(07-2017 ITALIAN EXPORT)*, the **United States** remain at number one, with a value close to 170 million euro of technology purchases from Italy. At place number two, **Germany**, with a 21 percent increase of Italian technology purchases compared to 2016, a clear sign that trade exchange between the two countries is still strong.

The podium is completed by **Poland** at number three, which is making the most of European funds to support investments, achieving very high growth rates; last year, Polish companies purchased Italian equipment for a value of 105 million euro.

Significant positive variations were also recorded by **China** (up by 25.1 percent), **Russia** (49.7 percent) and **Austria** (14 percent). The trend was less satisfactory for the United Kingdom (minus 39.4 percent) and Belgium (minus 12 percent).

In general, the share of Italian export on total production is equal to **70 percent**, the lowest figure in recent years. This is a significant element, indicating that the Italian industry is a bit less "dependent" on export (which remains vital) and that domestic demand is recovering, as we will see later on.

Also the ratio of import to apparent consumption is decreasing, down to 21.5 percent, indicating that Italian companies prefer to buy from national manufacturers rather than across the border.

Machinery **import** amounted to 187 million euro, slightly up from 2016. As usual, the biggest technology supplier was **Germany**, followed by **China**.

The **trade balance** can only be active, with a significantly positive result by more than 1,400 million euro, 6.7 percent more than in 2016, a variation that reflects the trend of export.

The **domestic market** continues to be a key driver: Italy is back to growth, so companies are finally investing also in the industrial equipment sector with some continuity. 2017 showed two-digit growth, plus 16.8 percent; it is worth mentioning that it was the year of the so-called **“hyper-amortization”**, one of the most important fiscal measures introduced in recent years to support the sector of instrumental goods. This measure has allowed companies to amortize investment goods by a percentage of 250 percent of their value, adding to previous incentives introduced by the Italian Government. This mix has triggered a positive trend that has benefited all the sectors of mechanical engineering, including our industry, while obviously supporting the production of Italian technology, as well as foreign equipment.

One final remark: these figures do not include the production of Italian companies abroad. As you know, many Italian companies have responded to the **globalization process** by establishing production units in key markets for their strategies, a significant and strategic decision to fight Asian competition. This is clearly an additional value of "made in Italy" that is not included in our figures but will surely increase over time.

HISTORICAL TRENDS: CRISIS AND RECOVERY

Looking at the historical trend of Italian production and export of wood technology (*see chart 2008-2017 ITALIAN PRODUCTION and EXPORT*), it is clear that **the crisis has been finally overcome**. The growth of both variable is structural and today, for the first time, we can say that Italy has finally gone beyond the pre-crisis values of 2007.

Looking back at the past decade, we can identify three turning points for the industry.

First of all, the **crisis of 2009**, a twelve-month period when the market lost approximately 40 percent of its value; a real collapse that caught companies totally unprepared. Hurried reorganization and inevitable, though often painful, downsizing caused big problems to companies and people, above all dramatic employment situations, due to the bankruptcy of a big number of companies, including technologically advanced enterprises.

In **2010** there was a first rebound, a 20 percent recovery of market shares that, unfortunately, was not enough to restore a normal situation, as demand remained insufficient. Two years of stagnation followed, until the turn of **2014**, initially driven by foreign demand which constantly recorded positive development rates. The business climate was characterized by confidence in the new economic season, but only the most structured companies benefited from this new trend. Then, the recovery gradually consolidated and spread, so more and more companies benefited, until the past two years, when not only the international markets offered great satisfaction, but finally also the domestic market restored its strength.

**CONCLUSION**

We are experiencing a very positive period for investments, therefore also for technology addressed to the variegated universe of furniture production and woodworking; however, we should not forget the recent lesson learned: economic trends can change overnight, often with unexpected and violent effects. Many companies have understood this lesson, launching new initiatives and deploying an overall strategy to strengthen their presence in as many markets as possible, all over the world, and diversifying their offer: not just products, but also promotion, correct pricing, positioning.

The crisis has shown how important it is to look further ahead, and **Xylexpo** is one of the best opportunities to look into the future, as it is a place **where “high tech” is at home** and where it's easier to guess what will happen in the near future…