

PRESS RELEASE

From Sylke Becker
Phone +49 69 756081-33
Fax +49 69 756081-11
E-mail s.becker@vdw.de

**EMO Hannover 2013 – South Africa's industry looking
towards an investment boost**

Johannesburg, 20 February 2013. – The gates will open on the next EMO Hannover from 16 to 21 September 2013. At the world's leading metalworking trade show, manufacturers of machine tools and components present their products, solutions and services for meeting the challenges of industrial manufacturing to a global clientele.

"Industry is facing major challenges worldwide," said Christoph Miller, Managing Director of EMO organizer VDW (German Machine Tool Builders' Association) in Frankfurt, Germany at the EMO press conference on 20 February 2013 in Johannesburg. In every country, rising standards of living are boosting demand for better and more modern products, and machine tools are the key. Cultural megatrends such as expanding infrastructure, mobility, energy, nutrition and health require industry to do more, thereby also promoting the use of machine tools. "EMO Hannover 2013 shows trade professionals from the global user industries the technologies that can help them meet their manufacturing challenges," explains Miller.

The international machine tool market has more than doubled in size over 20

years, to around USD 89 billion in 2012. Since the turn of the century, machine tool consumption has risen an average of nearly ten percent annually, as measured in US dollars. This growth was driven above all by Asia, where more than two-thirds of all international machine tool production flowed in 2012.

International machine tool market on the rise; customers investing

Business analysts expect machine tool consumption to rise by another eight percent to USD 96 billion in 2013, year of the upcoming edition of EMO. After a restrained 2012, they base their prognosis on the fact that gross domestic product and industrial production are powering up again worldwide. In China, which powers the global economy, high double-digit growth rates for gross domestic product are sinking to single digits. This means a shift in the balance, where rising per capita income is allowing demand for consumer goods to replace capital investments as the growth driver. Now it is the growing middle class that wants more goods and services, high-tech electronics, and more – and more environmentally friendly – vehicles, for example. This is true not just for China, but for many of the world's emerging markets.

The major user industries for international machine tools reap the benefit: the automotive industry and its subcontractors, mechanical engineering, metal production, metalworking, the electrical industry, precision engineering and optics as well as medical technology and other vehicle construction industries (aeronautics, rail and shipbuilding). They will be investing some nine percent more in expanding and modernizing their production capacities in the coming year.

The South African economy has a broad base and is on a stable growth curve. High demand for infrastructure investments is primarily financed by the public sector. A special investment incentive program for South Africa's well-positioned automobile industry and investment grants for modernizing the processing sector should provide strong impulses for the South African economy this year. The growing South African consumer middle class and the country's strategic location for supplying other sub-Saharan markets enhances its attractiveness for domestic and foreign investors.

Industry and mining account for 27 percent of South African gross domestic product. Efficient machines and facilities are an absolute requirement for modernizing industry. Rising employment costs are driving the need for manufacturing technology to increase productivity and automation, while high energy costs push for energy efficient solutions and environmental technology. Machines and manufacturing systems are largely imported, and account for nearly a fifth of total imports, the largest single category.

Machine tool imports have grown steadily following a sharp decline in 2009, to USD 241 million in 2011. The outlook is for continued growth in 2013. Which technologies, machines and processes will be needed in the future? The answers, and just the right solutions, can be found by experienced South African industry professionals at EMO Hannover 2013. In 2011, more than 800 visiting professionals and manufacturing experts from South Africa came to EMO in Hannover to learn about their international manufacturers' offers and innovations.

Machine tool suppliers for South African industry come primarily from Europe, especially Germany and Italy, as well as from Asia, from Taiwan and China. Companies from these countries are among the leading exhibitors at EMO Hannover. Well over 1,300 companies have already registered from Europe alone, and the numbers continue to rise. More than 700 exhibitors from Germany have registered to date.

"At EMO, buyers and manufacturing professionals from South Africa meet up with the entire world of metalworking. Visiting EMO is therefore a must for anyone who has anything to do with manufacturing and machine tools in South Africa," concludes Christoph Miller of VDW.

EMO Hannover 2013 – the world's premier trade fair for the metalworking sector

From 16 to 21 September 2013, international manufacturers of production technology will be spotlighting "Intelligence in Production" at EMO Hannover 2013. The world's premier trade fair for the metalworking industry will be showcasing the entire bandwidth of the sophisticated metalworking technology which is at the heart of every industrial manufacturing process. The fair will be presenting the latest machinery as well as efficient solutions, corollary services, means of achieving sustainability in production processes and much, much more. The principal focus of EMO Hannover is on metal-cutting and forming machine tools, production systems, high-precision tools, automated material flows, computer technology, industrial electronics and accessories. The trade visitors to EMO come from every major branch of industry, e.g. machinery and plant manufacturing, the automotive industry and its component suppliers, the aerospace sector, precision mechanics and optics, shipbuilding, medical technology, tool and die manufacturing, steel and lightweight construction. EMO Hannover is the most important international meeting point for production technology specialists from around the world. EMO Hannover 2011 featured a lineup of over 2,000 exhibitors and attracted some 140,000 trade visitors from more than 100 different countries. EMO is a registered trademark of the European Association of the Machine Tool Industries (CECIMO).

Texts and images from the EMO press conference can be found on the web at www.emo-hannover.de/pressservice. You can also visit EMO at our social media pages



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