



The European Association of the Machine Tool Industries

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# Competitiveness of European Manufacturers in Digital Era

Kick-off Event of the Smart  
Specialisation Platform on Industrial  
Modernisation

Barcelona, 16-17 November 2016

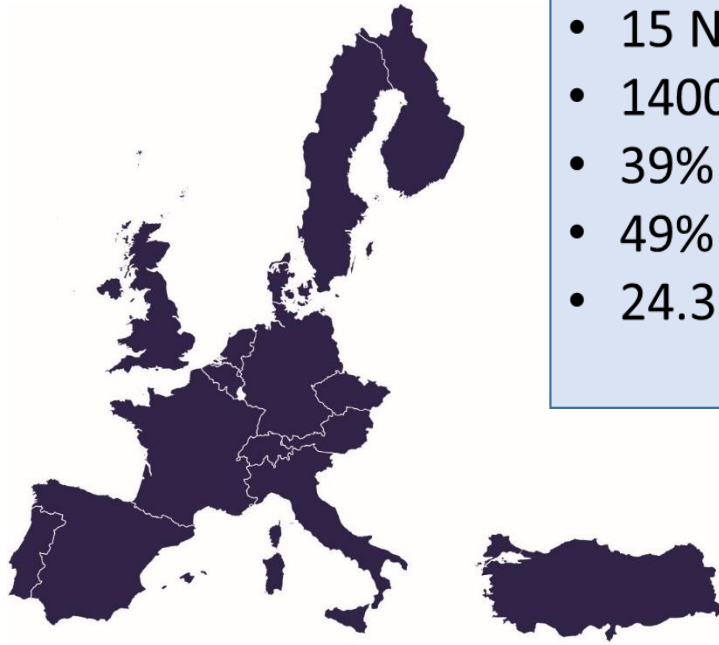
Filip Geerts

Director General, CECIMO

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*" where manufacturing begins"*

CECIMO is the European Association of the Machine Tools Industries

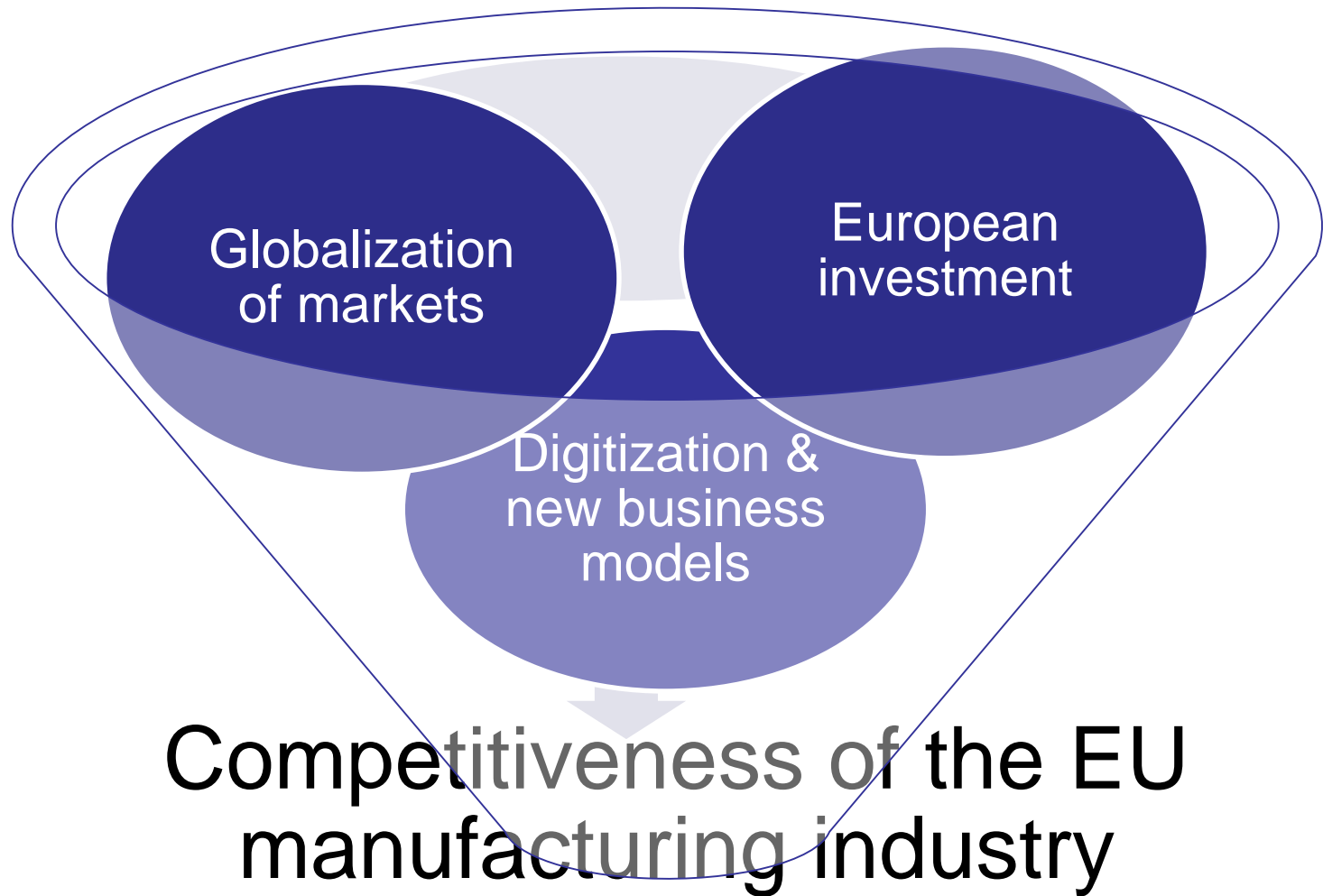


- 15 National Associations
- 1400 companies – 80% SMEs
- 39% of the global production
- 49% of the world's exports
- 24.3 billion EUR

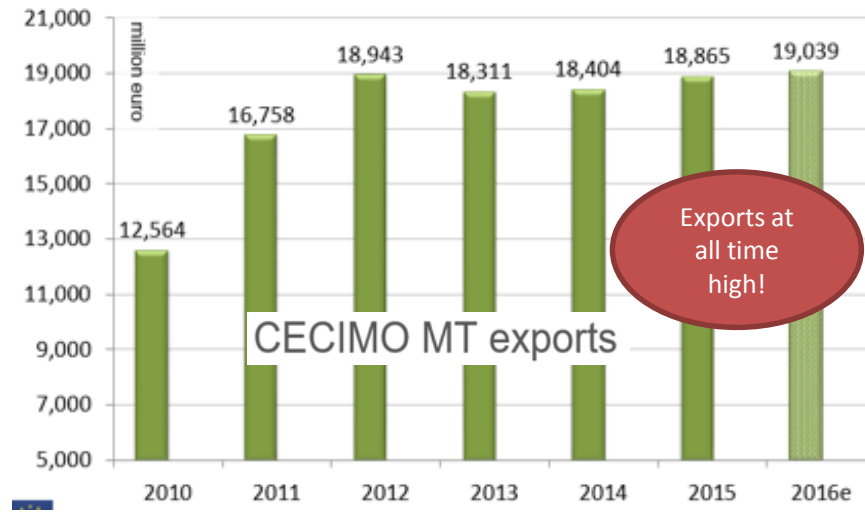
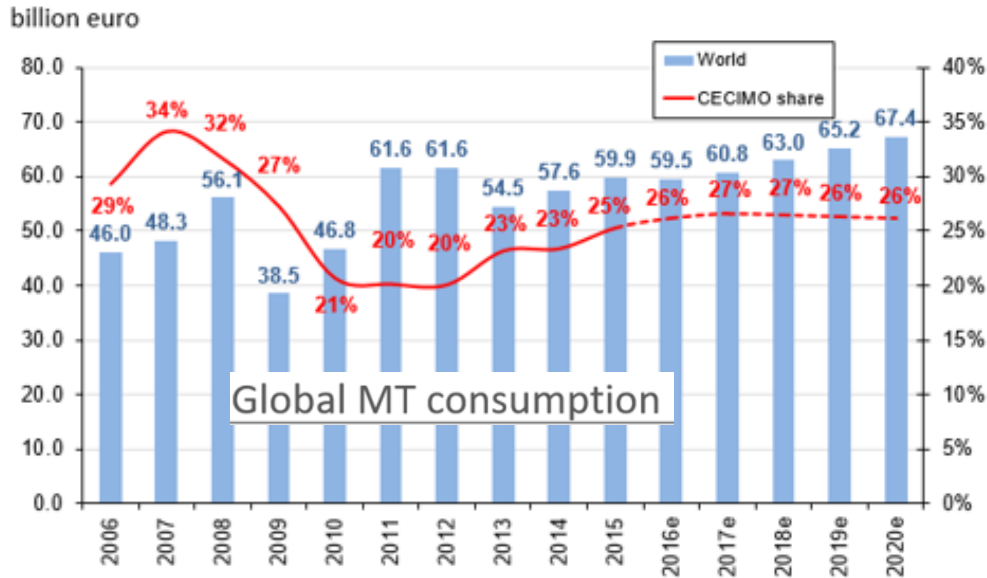
Source: CECIMO, 2015  
data

# Key issues for European manufacturers

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# Globalization of markets

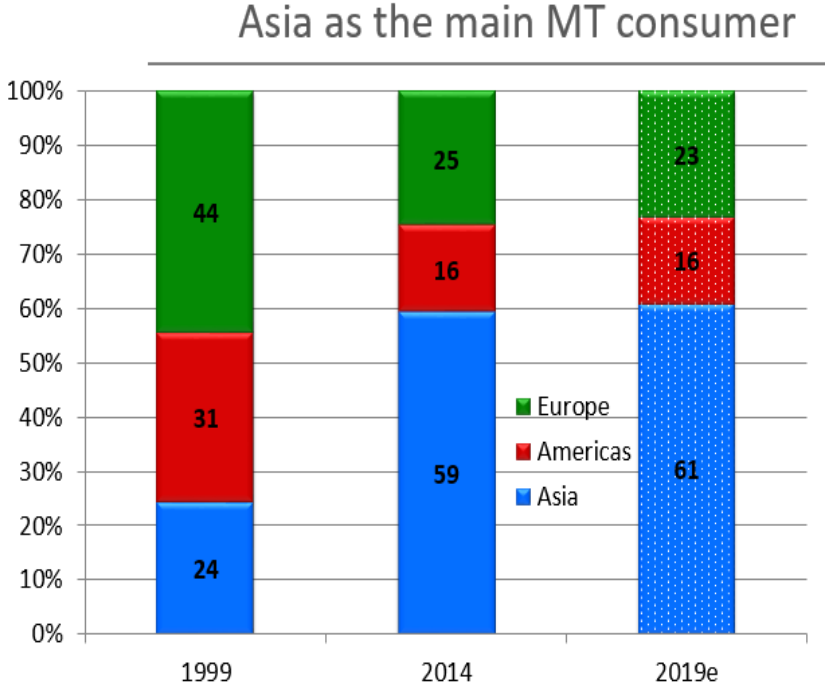
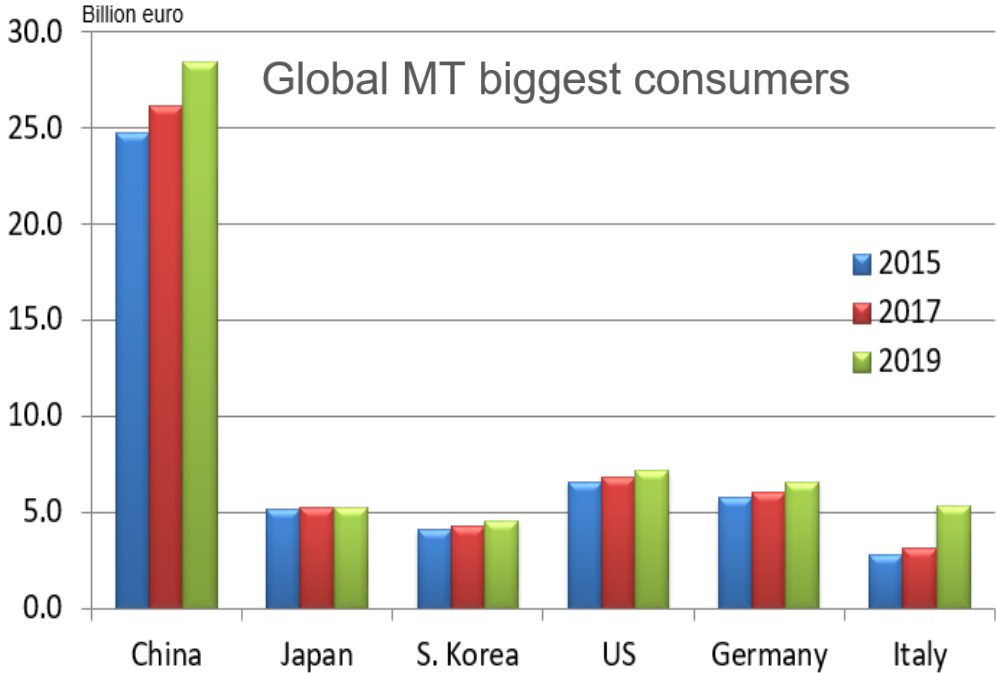


Source: Oxford Economics & CECIMO



where manufacturing begins

# Globalization of markets



Source: Oxford Economics & CECIMO



*where manufacturing begins*

# Digitization & new business models

Increasing number of connected machines and data exploitation services...

But 64 million factory machines (92%) are not network connected - IHS 2014 Machines Survey, PWC 2015



Courtesy of Cisco

Involvement of large ICT companies



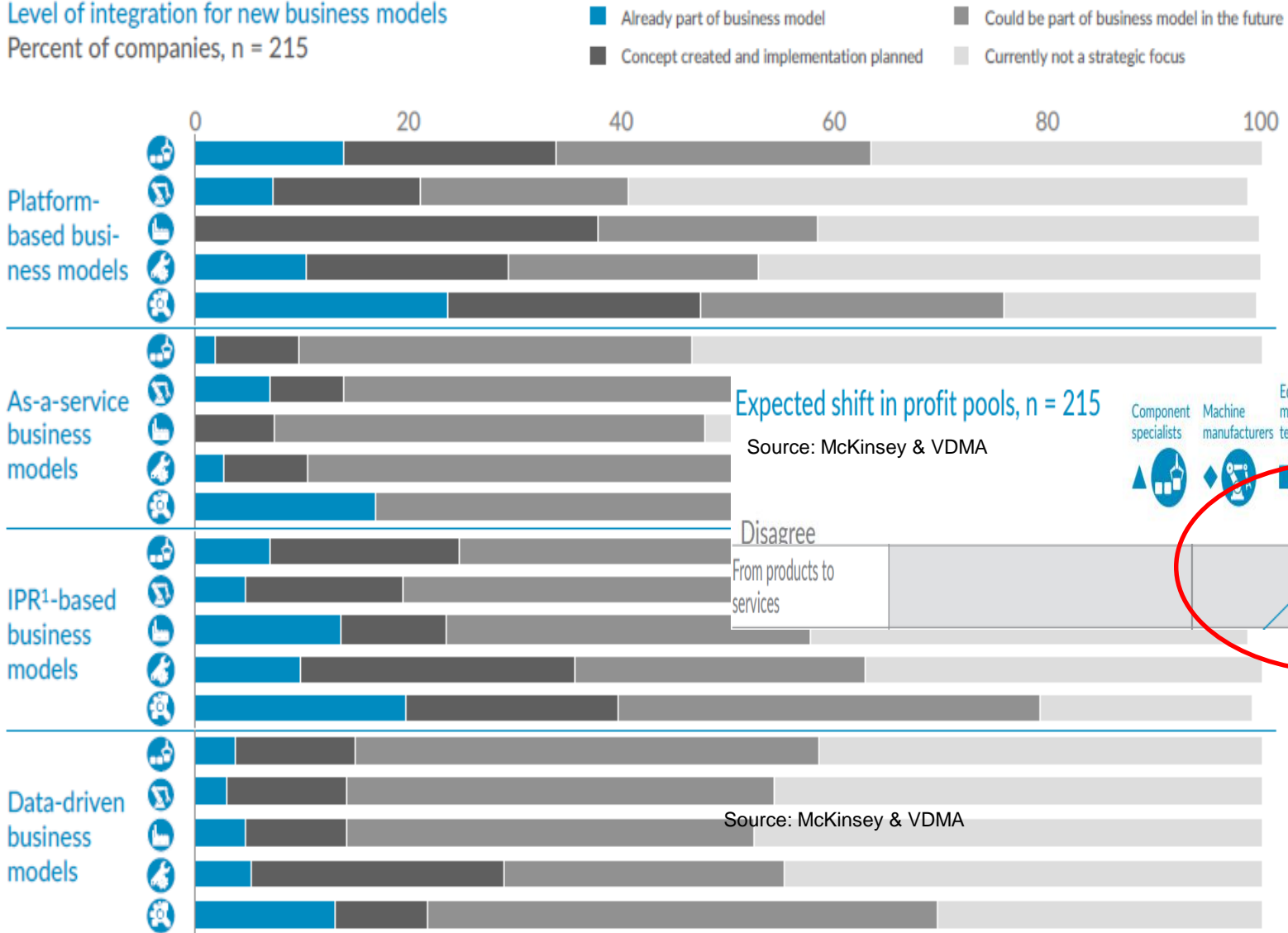
Courtesy of Cisco

- New products with digital solutions
- Service-oriented business models
- Product as a service
- Data exploitation

# Digitization & new business models

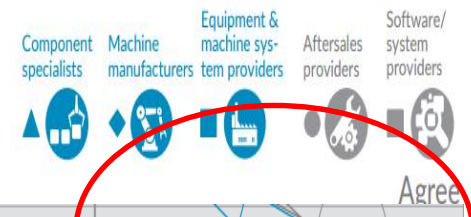
## Level of integration for new business models

Percent of companies, n = 215



## Expected shift in profit pools, n = 215

Source: McKinsey & VDMA



Source: McKinsey & VDMA

# European investment in modern manufacturing

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- Economic and political uncertainty
- Barriers to access to finance
- Delayed industrial modernization

- low investment
- low value added
- low profitability



## Paths of action for the industry

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- Generate an individual digital strategy
- Invest in new business models
- Develop long-term partnerships with customers and new suppliers
- Pool resources (also on export markets)
- Build the hybrid skills pipeline needed in digital era

## Paths of action for policy-makers

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- Develop a forward-looking policy approach
- Avoid duplication and pool resources
- Improve the cyber-physical infrastructure
- Keep manufacturing & research in proximity
- Re-build the relations between manufacturers and financial institutions

thank you

questions

Filip Geerts, Director General

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