
CHALLENGES OF GLOBAL MANUFACTURING: IMPROVING NORTH AMERICAN AND EUROPEAN COMPETITIVENESS THROUGH COOPERATION

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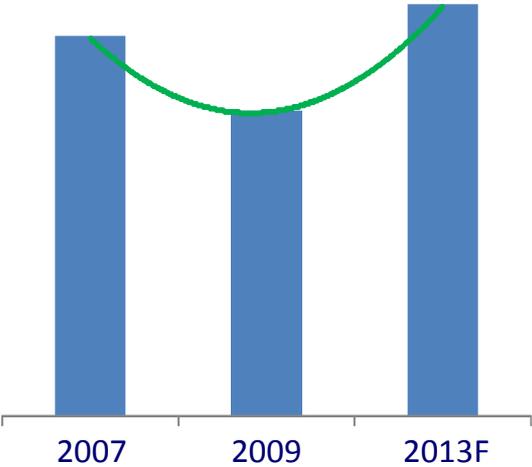
Radio City Music Hall, New York City

Demand for capital goods is recovering but growth patterns will be very different across world markets

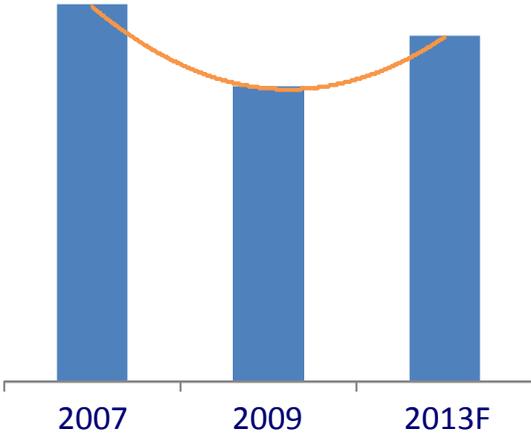
IMPORT OF CAPITAL GOODS BY MARKET REGION

SITC code "84"; for each region 2007 = 100

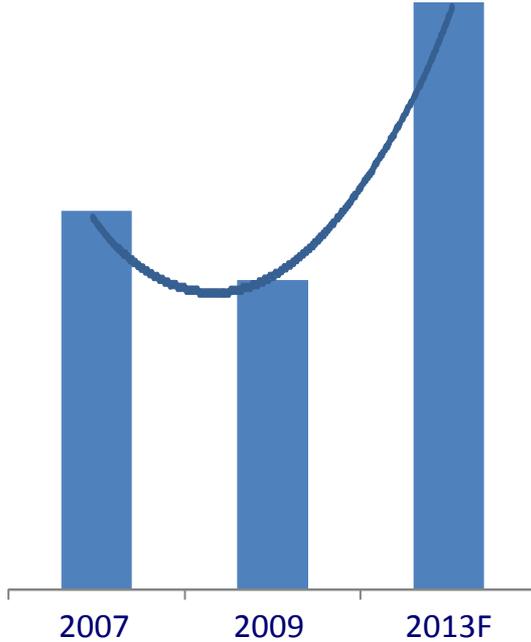
North America



Western Europe



BRIC



Source: COMTRADE International Trade Statistics

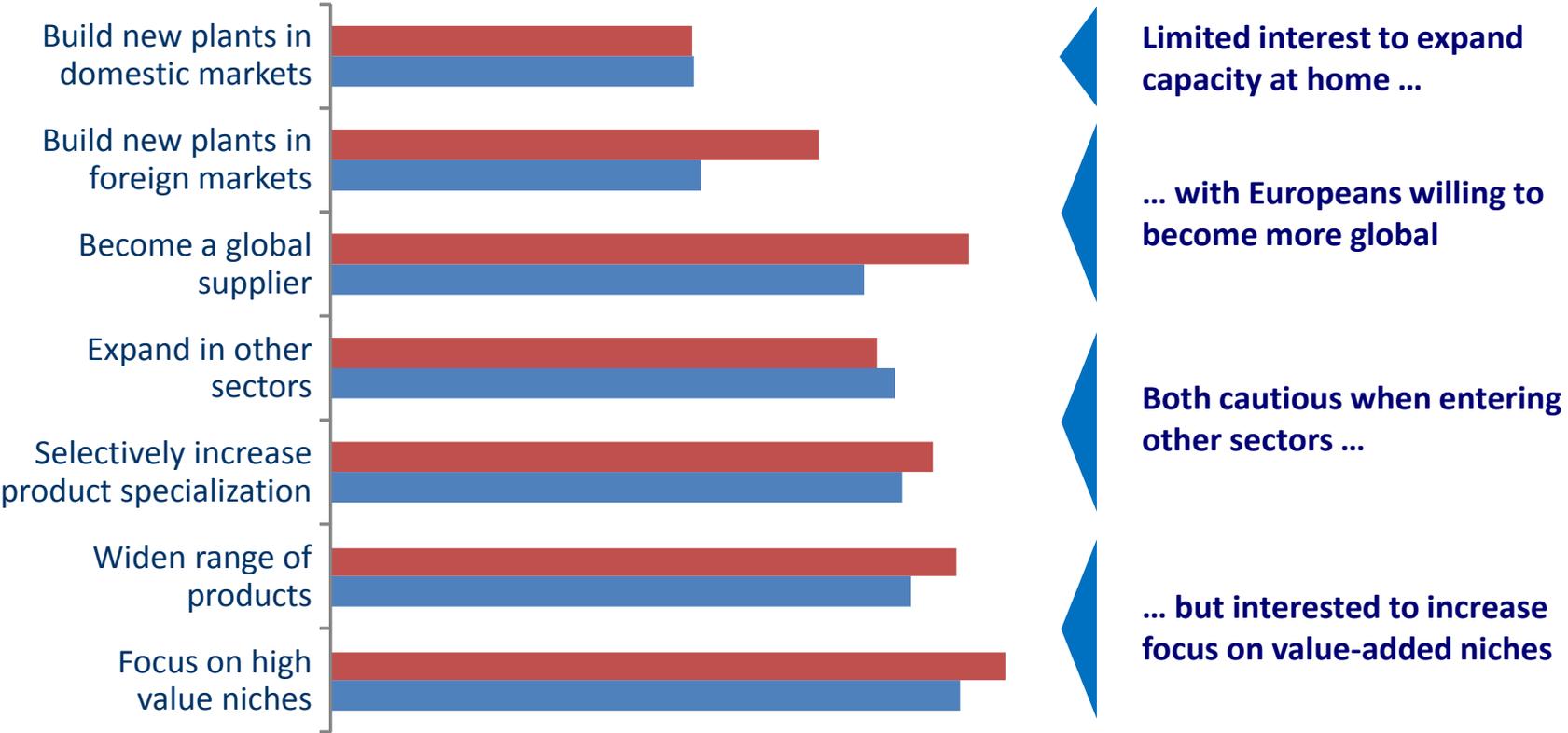
In both Europe and North America, investments will be focused on niche specialization rather than capacity expansion

STRATEGIC TARGETS OF COMPANIES' INVESTMENTS IN CAPITAL GOODS

Survey on 415 North American and 161 European manufacturing companies

Respondents:
■ European
■ North American

How important are the following strategic targets for your company?



Source: ICE Italy, Market Survey on US companies

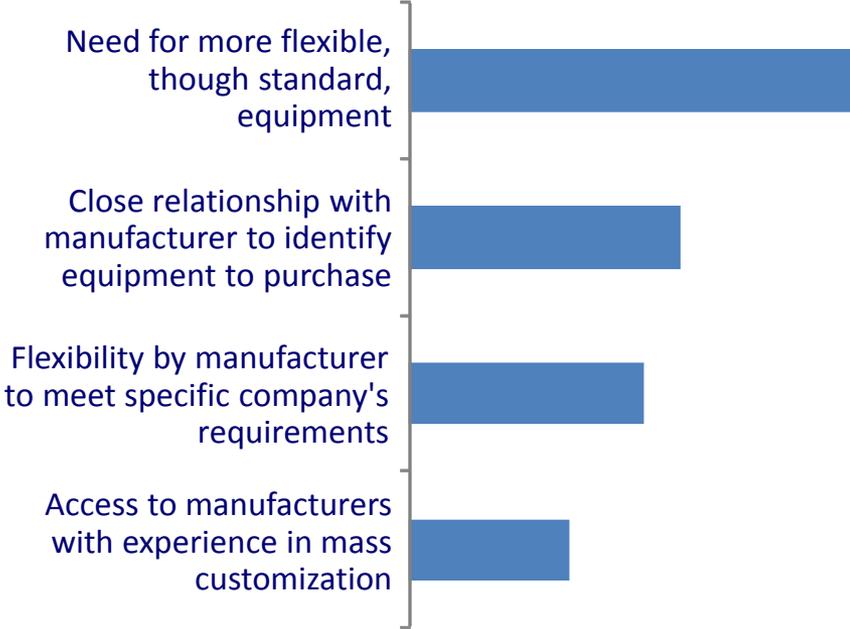
Equipment suppliers are selected on ability to cost-effectively meet company's specific requirements for more flexibility

SURVEY ON US COMPANIES' INVESTMENTS IN CAPITAL GOODS

Market survey on 415 North American companies

What are the implications of mass customization on the investment requirements of your company?

Multiple answers



What are the most important criteria when deciding to purchase equipment?

Top 5 attributes



Source: ICE Italy, Market Survey on US companies

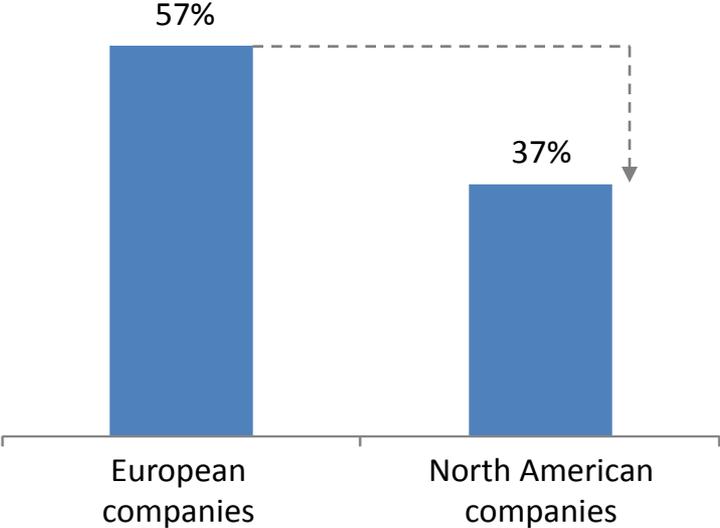
In North America, green initiatives do not appear to be a significant driver for investments yet

GREEN INITIATIVES – ATTITUDE OF EUROPEAN AND NORTH AMERICAN COMPANIES

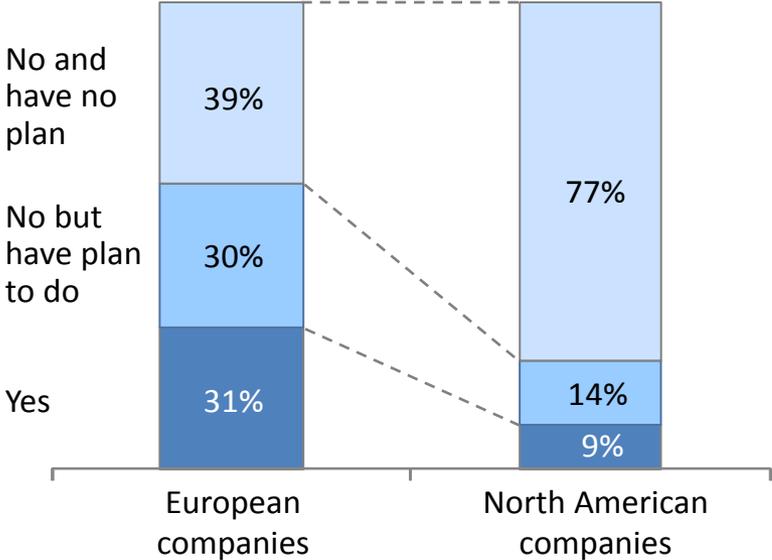
Survey on 415 North American and 161 European companies

- Further support to green initiatives:
- need to continue to reduce energy and material costs
 - tax incentives (NEI)

Does your organization have a Green Manufacturing initiative?
Percentage of “Yes” answers



Does your company use renewable energy sources (such as wind, solar or energy scavenging technologies)?

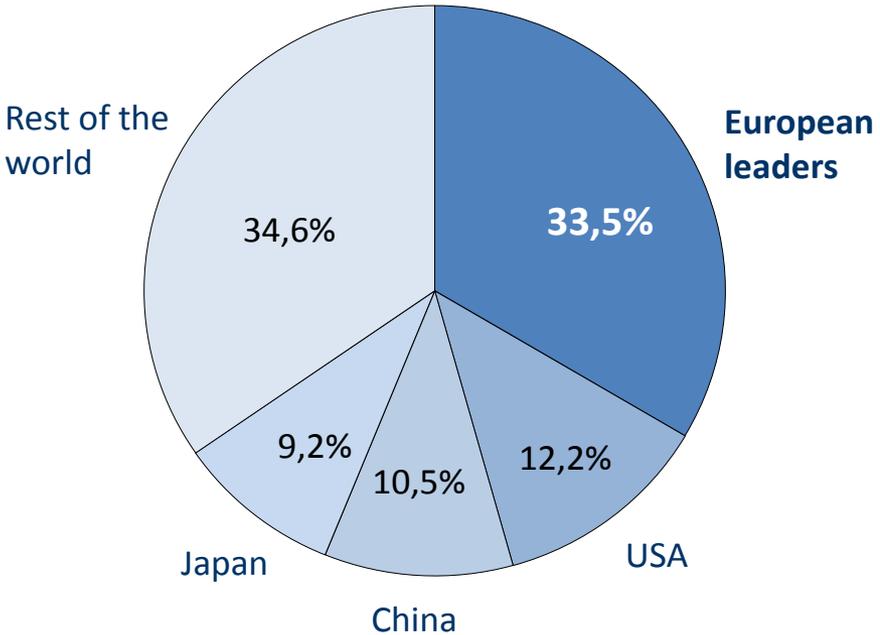


Source: ICE Italy, Market Survey on US companies

Europe is the largest exporter of equipment and machinery, with Germany and Italy being the region's leaders

WORLD EXPORT OF CAPITAL GOODS BY EXPORTING COUNTRY

Share of World export by region; 25 machinery products in SITC code "84"



Country	Share of World	# of Top3 positions in World market
Germany	13,5%	24
Italy	5,6%	16
France	3,7%	0
Belgium	1,8%	1
Austria	1,6%	0
Sweden	1,3%	0
USA	12,2%	9

Source: International Trade Statistics by UNCTAD; Analysis by Meccano S.p.A. Italy

Manufacturing is key for our future and a closer cooperation between the US and Europe has potential to strengthen both of us

- The manufacturing sector is key for the future of Western economies given its impact on employment and growth
- North America is the world largest manufacturing region of the world, but new challenges come from the new economic giants of BRIC and from the need to lower impact on the environment
- European equipment manufacturers have learnt how to serve the diverse needs of customers spread across the globe, have developed unique know-how cooperating with other companies in the vertically-integrated value chains of “Made in Europe” and work in a region with strict environmental regulation
- Today, a closer and closer cooperation between North American manufacturers and European leaders in machinery can help both to remain competitive and create new jobs and wealth