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USETEC 2011, 6 – 8 April

USETEC 2011: World Trade Fair for Used Technology Celebrates a Successful Premiere

- 9,250 buyers from 119 countries
- High ranking executive visitors
- Move to Cologne venue pays dividends
- Usetec 2012 to run parallel to the Internationale Eisenwarenmesse (International Hardware Fair Cologne)

It was a dream start. Just one hour after the doors opened, the stands of the 423 exhibitors at the first ever Usetec were well-filled – a sight that continued until the closing moments of the event. Over the three days, a total of 9,250 visitors from 119 countries came to the World Trade Fair for Used Technology in Cologne. This strongly international audience and a high level of visitor quality put broad smiles on the event's participating partners. "The new venue has hit the bull's eye for the sector," says Kurt Radermacher, Managing Director of the Trade Association for Machine Tools + Tooling (FDM), delivering his extremely positive summary of three days in Cologne. "Even at its premiere, USETEC has impressively confirmed that it is the world's most important meeting place for second-hand technology." The cash registers were indeed ringing briskly at many of the exhibitors' stands. "I have been informed that our FDM member companies had already sold 18 of the machines on display by the second evening of the trade fair," reports Radermacher. USETEC's organisers aim to build on the successful premiere. "We were able to bring together important decision makers from all over the world in Cologne," says Florian Hess, Managing Director of Hess GmbH, Weingarten/Baden. "Looking forward to the next USETEC 2012, we will focus on making the event even more international – especially through cooperation with the Eisenwarenmesse (International Hardware Fair Cologne)," announces Metin Ergül, Head of Business Unit at Koelnmesse GmbH.



USETEC
World Trade Fair
for Used Technology

Cologne 2011, 6 to 8 April

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Some two-thirds of visitors this year travelled to the event from abroad. Eastern Europe, Africa and the Middle East were the most strongly represented regions on the demand side. This agrees with the assessment from the Federation of the German Export Trade (BDEx). BDEx identified the same current hotspots for the used machinery business and was equally positive about the successful first edition of USETEC in Cologne. "Our exhibiting members at the trade fair were very satisfied," confirms Jens Nagel, Managing Director of BDEx. "The used machinery business is generally enjoying good times at the moment," he adds, referring to the tangible growth compared to the previous year. "Some countries outside the EU are growing at up to 15 percent."

Entrepreneurs from emerging markets are no longer the only ones taking advantage of used machinery. Businesses in highly developed technological countries are also keen to exploit the benefits of these machines – such as rapid availability for dealing with production bottlenecks or profitability in cases where new machinery would be too expensive. Consequently, USETEC exhibitors felt the powerful effect of the enormous local catchment area – extending from the regions of the Rhine and Ruhr to the Benelux nations – in their bulging order books. "On the very first day of the trade fair we sold a five axis machining centre to the Netherlands," says a delighted Thomas Spaltenberger, Managing Partner of S+B Maschinenhandels-gesellschaft in Karlsbad-Ittersbach. He describes the item sold, built in 2002, as "small, spritely and in fine condition". The customer, a medium sized Dutch enterprise, plans to use it for training its apprentices. The S+B stand stocked with metalworking machines was busy – as were the stands of the suppliers of woodworking machines. Arnulf Vath from the exhibitor Egid Münch based in Höpfingen was keen to emphasise the many contacts he had made. French supplier Patrick Kazi-Tani was, in his own words, very happy to see the enormous popularity of his stand. "We will process the enquiries after the trade fair," he says. "However, from experience we know it can take up to 6 months before the ink dries on the dotted line."

Suppliers feel right at home

USETEC's exhibitors were highly satisfied with the event – and not just because of the bustling aisles. "As a company from Bremen, we feel right at home in Cologne," enthuses Lutz Herpel, Managing Director of Lutz Herpel Werkzeugmaschinenhandel. "Maybe it has something to do with the

proximity to water," he says with a wink pointing to the banks of the Rhine just a stone's throw away from the venue. "Being so close to the city centre is another bonus," he says highlighting the short daily travelling distances. There were plenty of other reasons for the hanseatic entrepreneur to smile. After all, business is currently booming. "Demand picked up strongly as early as last autumn," says Herpel. "The improvement has continued throughout the first few months of this year." He adds that buyers of used machinery and equipment for the metalworking industry are primarily from countries in the central and southern regions of Eastern Europe, such as Austria, Slovenia, Romania and Poland.

Other exhibitors were also generous in their praise of the USETEC premiere. "The organisation of the event was outstanding," commented Lars Herold, Sales Consultant at Hammer Fleischerei- und Großküchentechnik in Dorfmark, Lower Saxony. "Everything ran like clockwork," he observes. "We found the support offered by the motivated trade fair team and the service providers extremely pleasant. But the No. 1 consideration is always the business on the stand and that was very good," he concludes. Hammer sells both new and used technology and is particularly active in the Russian market. "If the verbal agreements made at USETEC actually turn into real sales then our participation in the trade fair will have been a resounding success." As well as direct sales, an appearance at USETEC also generates many new contacts for the company based on the Lüneburg Heath. "We cannot personally reach all the potential buyers all over the world," says Lars Herold. "A trade fair like USETEC is therefore important for raising our international profile and attracting the greatest possible attention." The halls also buzz with regional development officers. "They know the companies on their own doorsteps and their needs."

Buyers surprise exhibitors

Specialist suppliers in Cologne were very pleasantly surprised. "We had the feeling we met most of black Africa at USETEC," says Volker Bremer reporting his impressions of the event. "We have never experienced anything like this intensity at a trade fair before," says the Senior Manager Marketing/Communication at RAG Mining Solutions in Herne. "There were enquiries from gold, diamond and copper miners." The restructuring process that has led to the concentration of coal mining in just a few hands in Germany has also created a large supply of used mining technology. RAG

Mining Solutions sells this surplus equipment and its engineering know-how on the global markets. This does not mean that the company can automatically start delivering to Africa. "First we must see whether there are comparable areas of operation," reflects Volker Bremer. "It is still very early days in this process."

The rush to the exhibitor Hako in Hürth was also unexpectedly strong. "The world has gone crazy!" commented Harald Görgens referring to the "run" on the company's exhibited machinery. "As a seller of cleaning machines, we are not always the first stop for visitors," explains the manager of the centre for used equipment and machine hire. He speaks positively of the high calibre executives enquiring about cleaning equipment. As the company is based in Hürth, close to the trade fair centre, USETEC was a home game for Hako. After an initial conversation in the hall, two Russian businessmen drove directly to the company's premises to look at further products. Visitors from Africa and Nepal also visited the stand. "That was our next surprise," says Görgens. "Normally, people say that developing and industrialising countries have large numbers of low-cost workers and therefore do not need professional cleaning equipment." However, the growing interest proves that up-and-coming countries are starting to look at this sector with new eyes.

Used machines build trust

Kuka Roboter from Augsburg was one of the many machinery manufacturers represented at USETEC. The supplier of automation technology builds around 10,000 machines each year for its customers. Approximately half of these are destined for the automobile sector, the other 50 percent for other areas of industry such as medicine or logistics. The used machinery trade plays an important role as a stepping stone for reaching new customers. "Through comparatively low cost second-hand products we have enjoyed a good success rate of overcoming the initial concerns harboured by small and medium sized companies in particular," explains Michael Hauptmann, Head of Public Relations at Kuka. "This builds trust and it is quite common for buyers of our used machines to buy new machines from us at a later date." There are also customers who use integrated solutions of new and used components. At USETEC, Kuka set its sights on dynamic markets such as Russia or Turkey, among others. "We deliberately deployed personnel on our stand, who work with these markets every day," says Hauptmann.

DMG Gebrauchtmaschinen also had Russian sales staff on its stand. This overcomes language barriers and simplifies the task of discussing weighty technical issues. "Russia is back on an upward trend," senses Thomas Trump, Managing Director of DMG Gebrauchtmaschinen in Geretsried, a member company of the Gildemeister Group. "At USETEC, we sold two machines to Russian companies," he says. "In total we completed more than sales in Cologne worth a total of around € 1 million." The time and effort invested in the build up to the trade fair clearly paid off – as did the fact that the machines, and the stock removal process, were demonstrated. This made DMG a major attraction at USETEC. Thomas Trump also noticed the extremely high quality of the German visitors, who overwhelmingly came from the extended area around Cologne known as the "Rhineland/Ruhrgebiet". "We hosted large delegations from renowned major German companies," he notes. And participating at USETEC also paid off for DMG in terms of time. "At the trade fair, we can reach a circle of customers that it would otherwise take months to cultivate."

Stronger demand for younger machines

Buyers of used technology are certainly not interested solely in older models. The acceptable age of a machine or plant depends significantly on the sector where it is used. "In the area of plastics, the necessary innovations come relatively rapidly," explains Peter Nellen, Managing Director of Nortec Maschinenteknik in Soltau. "That is why we offer machines that are a maximum of ten years old," he continues. "The machines in demand are often just three to four years old and the trend is towards younger products." Nortec attracted a great deal of attention at USETEC with a video showing a plant for manufacturing PET preforms. These are later used to manufacture PET bottles. Nortec was the centre of great interest from Iranian and Turkish drinks bottlers. However, the dealer from Lower Saxony was realistic enough not to expect that these plants, with a price tag of half a million Euros, would find spontaneous buyers at the trade fair. "That is only half of the price of a new plant and therefore a very attractive proposition," argues Nellen. "But our deals usually only get done after USETEC."

German exhibitors were not the only ones presenting their wares at USETEC. The newly founded Italian Association of Used Machine Tool Dealers (AIMUU) caused a real stir with the pink flooring on its stand. Another prominent and eye-catching stand was the one operated by DUMA, the Dutch Used Machinery Association. "We were very satisfied with the quality of the visitors

on our stand," assesses Gerwin Klok, Managing Director of DUMA. "They were mostly professionals with expert knowledge who knew exactly what they were looking for," he analyses. Klok noticed Iranian and Turkish visitors in particular, and "a few, too, from Iraq, Africa and South America." The association represented a total of 13 member companies at USETEC, who also agreed important sales. On the open air site, the Dutch exhibitor BS Forklifts sold ten forklifts on the first day alone – including one machine to Ghana for € 13,500. "The demand is enormous at the moment," says Michel Kremer from BS Forklifts looking at the German market. "Russia is picking up again as well." However, the immense demand presents the Dutch dealer with a challenge on the purchasing front. "It is difficult to find forklifts right now."

Getting to know the German market

The largest numbers of foreign visitors came from India and Iran followed by Romania and the Ukraine. The latter two can be taken as a sign of economic recovery in these two markets, which have a traditional affinity to used technology. Purchasers from other countries travelled to USETEC individually or in delegations. A group of 70 African companies from Ethiopia, Kenya and Uganda were supervised by the Landes-Gewerbeförderungsstelle des nordrhein-westfälischen Handwerks (LGH) – an umbrella body that supports skilled trades in North Rhine-Westphalia. "Many were interested in construction machinery," reports Claudia Witte-Martinez, who works for LGH in its export department. These African buyers were engaged in intense discussions on the stands of construction machinery manufacturers such as Nagel, Putzmeister or Zeppelin. "On the one hand, the participants were able to find out more first hand about the products," says Witte-Martinez. "At the same time, they gained an insight into the workings of the German used machinery market." Jens Füller from Nagel Baumaschinen in Ulm was delighted at the surge of African interest. Many had very specific ideas about what they wanted. "However, there are still quite a few questions to be answered in terms of processing sales." For the exhibitor Nagel, participation at USETEC has definitely been a success. "We sold a wheel loader to a German buyer for € 37,000."

Next year, the World Fair for Used Technology will take place from 5 – 7 March 2012 at the same time as the Eisenwarenmesse (International Hardware Fair Cologne). This begins a day earlier and also ends on 7 March 2012. The overlaps in the visitor target groups are an important reason for the

parallel events. "Dealers and industrial buyers will profit from the products offered at both trade fairs," says Metin Ergül, Head of Business Unit at Koelnmesse, with confidence. Florian Hess, Managing Director of Hess GmbH, Weingarten/Baden and organiser of USETEC, is also optimistic. "We will promote the exchange between the two events with a combined ticket."

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