

REPORT
ISTMA-WORLD EXECUTIVE BOARD MEETING
FIGUEIRA DA FOZ, PORTUGAL
JUNE 11 – 13, 2006

INTRODUCTION:

Approximately 40 representatives from 20 countries were present for the Annual ISTMA-World Executive Board Meeting that was held June 11 – 13, 2006 in Figueira da Foz, Portugal, including two delegates (2) from the USA and four (4) from Canada, including:

Mr. Les Payne, CTMA Executive Director
Mr. Horst Just, H.J. Machine & Pattern Ltd. (CTMA Director)
Mr. & Mrs. Geoffrey Anderson, True North Molds



OBJECTIVES:

The objectives were to:

- Participate in the ISTMA-World Assembly and use the opportunity to network with ISTMA member countries.
- To represent Canada and discuss global trading issues specific to the machine, tool, die & mould industry.
- Obtain international market and business information that is critical to the development of foreign trade activities.
- Visit local plants to assess the level of technical ability of the Portuguese tooling industry and the awareness of Canada's competitiveness as it relates to Portugal
- Attend technical seminars
- Distribute Canadian tooling industry Buyer's Guides

REGISTRATION & WELCOME DINNER (June 11/06):

Delegates arrived and registered for the event in the afternoon and then had the opportunity to meet and network during a Welcome Dinner at Piscinas de Santa Catarina restaurant.

ISTMA-AMERICAS MEETING HIGHLIGHTS (Morning of June 12/06):

The three ISTMA regional branches met individually during the morning. Highlights of the ISTMA-Americas meeting included:

- Minutes of previous meeting in Australia were approved
- Approval of payment to CTMA for the Bi-Annual Business Conditions Surveys
- Plan multiple member meeting at IMTS being held in Chicago in September 2006
- Survey members for their international issues of concern

ISTMA-WORLD MEETING HIGHLIGHTS (Afternoon of June 12/06):

Delegates from all of the ISTMA regions met together at the full Board meeting in the afternoon. Highlights from the discussions during this meeting included:

- South Africa and The Netherlands were approved as new member countries
- ISTMA membership now totals 26 countries
- Country reports were presented (highlights of these are available from www.ctma.com)
- Ongoing work on the Terminology Project and Statistics
- ISTMA-Asia change in organization
- Associate membership was approved
- Multiple membership per country was discussed
- An update on the ISTMA-World Conference in Finland in 2007 was presented
- Next ISTMA Executive Board meeting will be held during Euromold in Frankfurt, Germany in December of 2006
- Next ISTMA-World meeting will be held during the 2007 conference in Finland

COUNTRY REPORT HIGHLIGHTS (Afternoon of June 12th, 2006):

The following highlights are taken from the country reports that were presented during the ISTMA-World meeting. Full reports are available from the CTMA website (www.ctma.com).

Canada: The general economy in Canada has been excellent for a number of years with construction, aerospace, natural resources, oil & gas being the leading sectors. Currency exchange rates continue to erode profits for manufacturers and as a result of this we see job losses and closures due to a higher Canadian dollar. We believe this trend will continue over the short term.

China:

- Tooling industry has had about 15% growth per year for more than the last 10 years.
- China has approximately 30,000 companies employing approximately 1,000,000 people in the tooling industry
- Importation of die & moulds is about \$2,068,000,000. USD
- Export of die & moulds is about \$738,000,000. USD
- A toolmakers note on China exports ... *"the world-wide export of dies and moulds by China is not a real problem yet because most of the tooling stays in China. The major concern is the manufacture of the total consumer products by the tooling within China, thus reducing the world-wide need for tooling in other countries. This reduction is becoming huge and is harming the world-wide tooling sector"*.
- The full report contains a list of tooling needs by China.

Finland: Early in 2006 many companies report increased order books.

Portugal: The mould industry continues to be affected by the erosion of margins due to the prolonged slowdown in the world economy and is aggravated by unfavourable payment conditions.

South Africa: This report was presented by representatives from the Department of Trade & Industry of South Africa. They have an 8-year plan, funded with a budget of 1.125 billion Euros to promote and develop an enlarged tooling industry.

Spain: Experiencing many problems within the tooling sector including decreased turnover and plant closures.

Switzerland: First quarter 2006 saw large increase in new orders and sales increases of 2.9%. Higher Euro value is causing a few problems.

USA: First quarter 2006 saw growth of 8% for the tooling sector. After nine consecutive quarters of declining business investment there has now been 11 straight quarters of growth.

PLANT TOURS & SEMINARS (June 13th, 2006):

The morning session concluded at lunch time and was followed by the option to visit mould companies in Marinha Grande, Oliveira de Azemeis or remain at the afternoon seminar. A number of Portuguese tool shop owners joined the afternoon seminar presentations. See the attachment to this report for a list of the presentations and presenters. One of the most interesting presentations was the EC's "Manufuture" project.

Moldit Industria de Moldes which was founded in 1992 is part of the Durit Group and was one of the featured plant tours. It is located in the industrial area of Loureiro, in Oliveira de Azemeis, which is one of the two main industrial centers of mould manufacturers in Portugal. We visited two well equipped shops that manufacture injection moulds which has a secondary plant in Brazil. Visit www.moldit.pt for more information.

COMMENTS:

It was pointed out to us during our meeting that some USA government departments are concerned about the loss of critical skills in certain sensitive sectors of the tooling industry. We hope all governments realize the critical part that our sector plays in the manufacturing chain before its too late. The EC has budgeted over 3 billion Euros into their "Manufuture" project. Our ISTMA European partners have always been directly involved with research and development projects funded by the EC more so than North American companies. The South African government has budgeted 1 billion Euros to improve their tooling sector.

A Boeing executive at the meeting informed me that opportunities exist within the composites sector as world-wide composite capabilities fall well short of supply. He went on to point out that with the contraction of the pattern industry, this would provide the needed skill base to solve this concern. See the report on the 10th International Pattern Makers Congress for more information on this.

In general our ISTMA partner countries of the western world report improving conditions within the tooling industry, which is encouraging.

Our thanks to International Trade Canada for their financial assistance in helping us participate in this event.

Respectfully submitted,



Leslie Payne
ISTMA-Americas Secretariat
ISTMA Representative for Canada

Attachment: Seminar Presentations – June 13, 2006



**Seminar "Engineering and tooling in action"
Figueira da Foz, Portugal
Tuesday, June 13, 2006**

SCHEDULE OF EVENTS

9:00 am **Seminar Opening**
Joaquim Menezes – *President of ISTMA-Europe*

9:15 am **International trade in industrial moulds; a small world**



Eduardo Beira – *ISTMA World, General Manager*

09:45 am **Americas Tooling Sector - Constraints and Opportunities**



Les Payne - *ISTMA AMERICAS / CTMA, Canada*

10:15 am **Networking and Cooperation with Suppliers**



Laurent Marandon - *UDDEHOLM TOOLING AB, Strategic Marketing Development Unit for Tools, dies and moulds, Sweden*

10:45 am Coffee-break

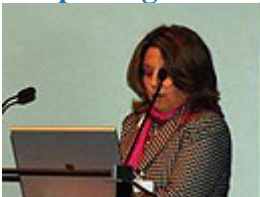
11:00 am **ISTMA and Technology - Development & Sustainability**

"Moulds & Dies Industry, the essential link in the supply chain & the importance of (technological) innovations"



Jan Willem Gunnink, *Manager for Tooling Technovation TNO Science and Industry - Business Unit Design and Manufacturing, The Netherlands*

"Exploring New Opportunities in Tool & Die Making Business"



Elsa Henriques, *Professor at IST, Technical University of Lisbon - Portugal*

"VIM - Virtual Injection Moulding"



Timo Ture, *Project Leader, Elastopoli Oy, Finland*

12:30 pm **Main conclusions**

Eduardo Beira

12:50 pm **Closing of Seminar**



Joaquim Menezes - *President of ISTMA Europe*
Leonel Costa - *President of CEFAMOL*

13:00 pm End of Session

**Manufuture Session
Figueira da Foz, Portugal
Tuesday, June 13, 2006**

14:00 **The MANUFUTURE Technological Platform**
pm



Carlos Costa– *Vice President of MANUFUTURE High Level Group*

14:15 **The MANUFUTURE Strategic Agenda for Manufacturing and the 7th Framework Programme**
pm



Andrea Gentili – *DG research / European Commission*

NOTE: Over 3 billion Euro's has been allocated for the "Manufuture" project.

14:45 **INDUSTRIAL Sector CONTEXT**
pm

"Successful business models for tool and die making"



Alexander Sauer, *Head of Business Strategies, Laboratory of Machine Tools and Production Engineering (WZL) at RWTH Aachen University - Germany*

"PORTUGAL Mould & Die, "Born" Global Industrial Partner"



Leonor Sopas, *CEGEA - Universidade Católica do Porto - Portugal*

15:40 **Discussion period with participants**
pm

*José M. Mendonça
Alberto Castro
Joaquim Menezes*

16:00
pm Coffee-break

16:15 pm **COMPANY PRESENTATIONS / Case studies:**

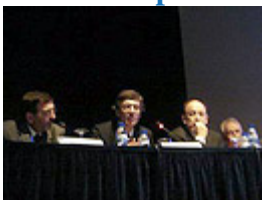


Simoldes Group, *José Velhas, Sales Manager - Oliveira de Azemeis - Portugal*



Vangest Group, *Vitor Oliveira, Director - Marinha Grande - Portugal*
Irumold, *Javier Antoñana, Managing Director - Pamplona - Spain*

17:00 pm **Discussion period with participants**



José M. Mendonça
Alberto Castro
Joaquim Menezes

17:20 pm **Main conclusions**

José M. Mendonça
Joaquim Menezes

17:30 pm **Closing session**



MANUFUTURE High Level Group, *Carlos Costa*
European Commission, *Andrea Gentili*
National Coordinator of PLANO TECNOLÓGICO, *Carlos Zorrinho - Portugal*

18:00 pm End of Session