



**Interview with Dr.-Ing. Klaus Middeldorf,
Managing Director of DVS – Deutscher Verband für Schweißen und verwandte
Verfahren e. V. (German Welding Society)**

Public debate is dominated by the economic crisis. What approach is the joining industry adopting?

Middeldorf: The companies and associations in our branch of industry do not visit the "vale of tears", which has now become the Germans' favourite destination for excursions. In September, we will be heading to the international trade fair, ESSEN WELDING FAIR, in Essen. The journey there has already begun. Companies in Germany, Europe and the rest of the world are focusing on their preparations for this event.

Does that mean you are ignoring the crisis?

Middeldorf: No, the joining branch is by no means ignoring the worst economic crisis for decades. But we are not whinging. We are also not getting involved in the psychology of the crisis, in finding ever more dramatic headlines or joining in the swan song of the market economy, globalisation and declining growth, and we will not be revising our planned figures downwards every 14 days to gain media attention.

Are you therefore assuming that an end to the economic crisis will soon be in sight?

Middeldorf: The duration of this crisis will depend on how the national and international markets recover and on the banks soon performing the task of providing companies with capital. The duration of the crisis, however, will also depend on how long the hordes of opinion-makers and multipliers see it as an opportunity to propagate bad news and how long the mass of recipients are highly impressed by such news.

But the economic figures and statistics speak for themselves

Middeldorf: Of course, we know these figures: Minus six percent for the gross domestic product in Germany. However, you can also read all these statistics and forecasts in a different way to what generally happens. A "crisis in 2009" in Germany means that the gross domestic product, that is to say, the value of all goods and services produced here, will fall by roughly six percent compared with last year.

What is true is that this has never happened since the foundation of the Federal Republic of Germany. But the view of this development can change dramatically: For a fall of six percent means that we have achieved 94% of last year's figure!

However, the question why you cannot simply be satisfied with that is frowned upon because it has become standard practice within the German economy to assume that the economy has to grow year by year. Which is also correct for only growth means stability in the national economy but no one must create the impression that, after the present crisis has been overcome, Germany will be on the level of a developing country.

I repeat: The actual extent of the economic crisis will greatly depend on what and how long it is discussed and written about in public.

So the many different economic forecasts are incorrect?

Middeldorf: Economic forecasts are a double-edged sword. On the one hand, they are viewed by companies as an indispensable planning tool. On the other hand, however, they do not contribute in any way towards a change in existing behaviour or situations. On the contrary, forecasts tend to give them a boost. Here's an example: the experts' opinion is that the gross domestic product will decline. So many companies prefer not to order any new production plants or not to invest in new technologies. In the end, the forecasts accelerate the crisis instead of counteracting it. And that, of course, is completely wrong!

So would we therefore be better to do without forecasts?

Middeldorf: Unfortunately, it is basically not possible to escape from forecasts. As regards the multipliers who permanently talk about the crisis and therefore even exacerbate it, vanity also plays its part. Key economists, politicians and even journalists are not outside observers of the situation. They themselves are part of the media society and justify their existence by attracting attention. And the easiest way to do that is with even more disastrous figures and even more dramatic formulations. You should certainly not contradict the trend, you could ultimately be regarded as naive – and all on your own. Therefore, good news is lost. No one dares any more to disseminate good news: For example, the inflow of orders, new technological solutions, national and international co-operation.

In other words, the crisis is not as bad as it is presented?

Middeldorf: The economy is borne by people and is shaped by people. Entrepreneurs are very worried about employees and markets and they have to act quickly and under great pressure. Employees – who are also consumers - are worried about their jobs.

People do not always act rationally and not always on the basis of analyses and options. People often go by what they want or what other people do. But you know the story of the lemmings. And it is because of this "lemming effect" that this crisis happened at all, but exactly because of this lemming behaviour it is also equally difficult to get out of this crisis.

How can the crisis be overcome or handled better?

Middeldorf: It is alone the companies which, with the support of the associations, can overcome the crisis. No central banks, no governments and certainly no prophets have the possibility of doing so. We are following the implementation of the investment programmes in Germany, Europe and the rest of the world very closely. When these investment programmes have an effect, production engineering and joining technology will profit from this.

What possibilities are available to companies to overcome the crisis?

Middeldorf: It is naturally not enough to await the impact of these investment programmes. Companies and associations must focus on their existing network, now even more than ever before, and act in concert.

For companies, the current situation is that investments in equipment, building investments and exports have declined. Those are precisely the three growth engines which, in previous years, were responsible for continuous growth within this branch of industry.

However, owing to the good economy in preceding years, companies now have a firm foundation to offset, at least in part, the current shorter production times or falling order volumes.

We want politicians who like to describe banks and major companies as "system-relevant" – thus justifying their financial support for these companies – to finally recognise production engineering and joining technology as being really system-relevant – for where, may I ask, are the products which result in success on the markets to come from if they are not produced, in other words joined? Joining technology is at the start of this value added chain!

How can the DVS support its members in this?

Middeldorf: In dialogue between the DVS, its member companies and other associations in this industry, we have come to the unanimous conclusion that investment in research is one of the most important measures with which this branch must counteract the economic crisis. Companies but also the general public and politicians know that investment in research which is undertaken now creates the best conditions for reacting quickly and with the latest technological products to the demand which is expected when the economic situation has eased up again. We are currently presenting our members with a research framework "Joining in tomorrow's production ", which identifies new potential.

"Opportunities in the crisis" are often quoted. What possible action or potential action is still available to the joining industry?

Middeldorf: Systematic cost-cutting and a further improvement in the business processes are important action strategies for the companies, which are now also focusing on tapping into new markets with new products, new services and new technologies.

Moreover, the industry has jointly agreed to face the economic crisis with three action plans. The aim is to continue to invest in welding research in spite of the crisis, to strengthen the technological development of the companies and to pay even more attention to staff qualifications. For welding technology plays a major role on the German labour market. What's more: the crisis will go away, the lack of skilled workers will remain.

What possible action can the DVS take in this connection?

Middeldorf: The over 500,000 jobs which exist in Germany thanks to the production and application of joining technology gives this branch appropriate economic and social significance. That in turn highlights the importance of the crucial maxim for action: invest in research, technology and thirdly in the workers' qualifications.

The DVS will offer particular support to its members in these fields. Among other things, the German Welding Society will open up more research possibilities and development work for its members, boost the transfer of technological expertise and provide more up-to-date modules for raising the qualifications of employees and skilled workers. The DVS will also offer intensive support to foster the exchange of experience among its members. And let's not forget: the possibility of a joint participation in the international fairs in China, Russia and India which we organise together with our partner – Messe Essen GmbH. And last but not least, of course, the international trade fair "ESSEN WELDING FAIR 2009" in Essen.

What importance does the ESSEN WELDING FAIR 2009 have in the world of joining?

Middeldorf: The ESSEN WELDING FAIR is the most important international fair in this industry for it provides a comprehensive and, above all, complete overview of the current developments and innovations in joining technology.

Moreover, many DVS initiatives and events of the Gesellschaft für Schweißtechnik International [Society for Welding Technology International – GSI] will be presented at the fair and impressively bear witness to the excellent sponsoring of the GSI and the companies: the national final of the competition "Jugend schweißt" [Youth welds] and an international competition of young welders will be held at the fair and the annual "Große Schweißtechnische Tagung" (GST) [Major Welding Conference] will be integrated as a trade fair forum into the ESSEN WELDING FAIR for the first time in 2009: The Tradesmen's Forum, the Student Congress for the Young Professionals and the Science Corner from the field of research are genuine highlights.

At no other fair do global expertise and the international market come together in such a concentration. This fair is *the* innovation barometer of the industry. Therefore, I personally expect lots of exchange of experience, innovative insight and – very important – stimuli for growth for the entire branch from the ESSEN WELDING FAIR 2009.

The ESSEN WELDING FAIR is an international event. What economic significance does the German joining industry have in an international comparison?

Middeldorf: Recent studies show that the production and application of joining technology creates direct value added of 24.4 billion euros with 478,000 workers in Germany. Taking direct and indirect effects together, the total value added of German joining technology even amounts to 26.1 billion euros and 508,000 workers. In a European comparison German therefore holds first place in the production and application of joining technology in front of Italy and France.

How are these figures to be rated?

Middeldorf: One remarkable aspect is the distinctive leverage effect of joining technology which can be found in Germany and other European countries. For it is not the production of joining equipment and products but the applications of joining technology that make the largest contribution to value added and the workers.

This leverage is even more significant with regard to the employment figures. Above all, producers of joining equipment and complementary goods of joining technology are represented at the international trade fair ESSEN WELDING FAIR 2009. The production value of this sector is 4.657 billion euros in Germany and 19.987 billion euros in Europe. For the entire world market the production value is estimated at a total volume of some 60 billion euros.

What potential does this branch of industry have in order to increase such figures in the future?

Middeldorf: Joining technology was, is and will remain a cross-section technology, which proves to be a permanent advantage for this industry. Welding know-how and applications are in demand in many other fields of work and production. And nothing about that will change in the future. On the contrary, the situation will be that the demand for joining technologies will increase and the number of branches heavily involved in welding will rise. The reasons for this are self-evident:

First of all, continuous research in joining technology will open up ever more fields of application in a host of industries.

But it is not only research that will secure future potential for joining technology. Production and application processes of the future will be increasingly geared to the aspect of "sustainability", which combines economic efficiency and ecological and social aspects. Production processes of the future will be characterised by their energy efficiency and the conservation of resources.

How can joining technology benefit from this in concrete terms?

Middeldorf: Most of the industries heavily involved in joining technology are branches of the future for manufacturing industry in Germany. For example, power station construction and the maritime technologies will govern production and joining technology in the coming years. – Most of the technical challenges related to these sectors can only be met with joining technology.

What is needed is welding engineering with high productivity and ever increasing quality. German companies provide the equipment, systems and applications for this. Joining technology is a core element of modern production in all these sectors. It is therefore important to further develop joining research and innovations for that is what makes the technologies competitive in the long term.

And it is exactly these technologies that will be presented in Essen in September 2009. Therefore, our journey has the right destination: We're heading for Essen – and NOT to the "vale of tears".