

employment. This is especially true for the machine production industry, which, after an extended decline, has staged an impressive come-back that will continue in the medium term.

In both categories of the industry, changes have occurred in the EC since the announcement of Europe 1992. Some concentration with international

involvement is occurring in the industry. This is due mainly to companies outside the Community who wish to position themselves in the market prior to 1992. These companies seem to choose Germany and Italy as their prime targets. In fact, annual mergers and acquisitions have almost tripled from 1983 to 1987. This is shown in Figure 13.