THE MACHINE TOOL SECTOR GREW BY 22.6% IN 2023

- The number of orders placed showed a slight drop, with a forecasted upturn at the end of the year
- Despite the economic uncertainty, there are excellent expectations for the 32nd edition of the BIEMH, with 6 pavilions full of industrial innovations.

San Sebastian, 15 May 2024.

2023 TURNOVER AND EXPORTS (FINAL DATA)

At 2023 year end, the closing turnover figures for the advanced manufacturing and machine tool technologies sector not only confirmed but improved on the provisional figures forecast back in January, achieving a historical record growth of 22.6% with respect to 2022 figures. Despite enormous uncertainty and difficulties that have turned the year into a real obstacle course for investment in production resources, the high level of incoming orders accumulated throughout 2021 and 2022 has enabled the sector to continue increasing turnover to a total of 2,157.3 million euros.

As we anticipated in January, the metal forming industry is the most dynamic, with growth at an impressive 54.4%, thanks in large part to the resurgence of investment in the automotive sector and the strong demand from the US and Mexico. The metal cutting sub-sector has also shown positive results, growing by 13.7%, propelled by the aeronautic industry and investments in the energy sector, among a wide array of other sectors.

Growth in the rest of the sub-sectors has varied in intensity; components and other machines showed an increase of 21.8% and 28.3 % respectively, while the results in tools and other services were more moderate (9.4% and 2.5%).

Exports also showed a record increase of 21.8% for a total of 1,611.9 million euros: metal forming grew significantly by 58.3% and metal cutting also stood out, growing by 21% compared to 2022.

The main destinations of our exports sales in 2023 were: US, Italy, Germany, China, Mexico, France, Portugal and Türkiye. The strength of the US should be noted since it has become our main export market for the first time. On the other end, demand from Germany, our usual primary market, has dropped slightly. Performance has been very sluggish, with a backdrop of an economic downturn and low entrepreneurial confidence and investment. Italy has remained stable thanks to the strong sales figures in recent years, largely attributable to investment stimulus programs launched by the Italian government, although their end is already being reflected in the current degree of orders received. China's figures have also remained approximately the same, although a drop in orders is evident, while Mexico shows high demand.

The president of AFM Cluster, José Pérez Berdud, highlights the extraordinary potential of the sector within the international context: "*Since 2020, our companies' sales abroad have increased by 60%, demonstrating their international fortitude and our excellent position in the most significant markets, especially in applications*

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associated with large machines and parts and market niches reserved for extremely complex technological breakthroughs".

INCOMING ORDERS 2023 AND 2024 FORECAST

The number of incoming orders registered in 2023 was satisfactory (+12%); however it was much better for metal forming (+22.06%) than for metal cutting, although the latter continued its positive trend (+5.23%) evidenced during recent years.

As regards countries, incoming orders up until December showed a very positive upturn in North America (especially the US and Mexico), remained stable in Europe despite the situation in Germany and Italy and fell in Asia, due to the downturn in demand in China, after 4 consecutive years of growth.

If we analyse the first four months of 2024 in terms of order intake, we see a slowdown compared to 2023. Although it is too early to make forecasts, it will be difficult to reach last year's figures.

The CEO of AFM Cluster, Xabier Ortueta, comments on the forecast for 2024: *"We have been able to delay the loss of orders that we expected in 2023 for nearly a year. Other European countries that produce machine tools have already been affected by this downturn. We are going through very uncertain times and witnessing a very confusing market situation. The three previous years of high numbers of orders ensure that this year's turnover will be strong as well. It will be difficult to equal the figures we saw in 2023, but we will be close, nevertheless. On the other hand, we have seen the difficulties that have arisen in the first quarter and the resulting significant drop in orders. Nonetheless, our prospective signs and the macroeconomic signs indicate an improvement (especially for Europe) toward the year's end. We are therefore confident that the demand will resurge at around the last quarter and renewed growth will return in 2025."*

JOIND, THE SECTOR'S NEW TALENT PLATFORM

The most important challenge faced by all the sub-sectors of advanced manufacturing is how to find qualified workers. In addition to the record low birth rate, there is the absence of industrial vocations and the aggressive competition between the various sectors of the economy to attract this most valuable and scarce resource: people; moreover, advanced manufacturing requires ad hoc qualifications and training. This means that we need to present our employment opportunities more convincingly, particularly to young potential workers and society in general, neither of which are sufficiently aware of these.

This is the reason that AFM Cluster has created JOIND, which is a platform that connects company job offers with candidates interested in developing their professional career in the industry and with the training centres specialised in advanced manufacturing. A three-way initiative to assist companies in finding the talent they need for their activities; an initiative that can offer very attractive professional careers, state-of-the-art technology, international recognition and a very competitive salary.

José Pérez adds that: *"AFM Cluster is carrying numerous initiatives to counter the scarcity of professionals: in addition to JOIND, our industrial employment platform and the assistance of the IMH, we have a campus that specialises in training and qualifying individuals in the subject areas and skills required by the sector. Our presence at BIEMH and WORKINN will reveal the appealing nature of the industry to over 6,000 students who will attend the trade show and get to know our sector and the employment opportunities we offer"*.

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32 BIEMH, SPECIAL INVITATION TO MEXICO

The 32nd edition of BIEMH, the only trade show that brings together all domestic and international advanced manufacturing sub-sectors, will be held in Bilbao from 3-7 June, with over 1,400 company booths from 29 countries exhibiting nearly 3,000 products and services. The protagonist of the show, which will occupy the 6 pavilions of the BEC, will be large machinery with professional attendees expected to exceed 40,000.

Due to its strong and dynamic industrial activity, Mexico has become the special guest of the 32nd edition of the BIEMH. A large number of Mexican purchasers from the automotive, aerospace, electrical appliance, moulding and distribution sectors, among others, will participate in the Hosted Buyers' Programme, a unique initiative among the sector's leading worldwide trade shows that has become an important reason for visiting the BIEMH.

The trade show has specific sections dedicated to most outstanding sub-sectors of this industry. This year features an area dedicated to robotics and automation, a new addition to well-known parallel trade shows, such as ADDITƐD, the international additive manufacturing and 3D printing trade show, BeDIGITAL, a forum dedicated to the industrial application of digital technologies and WORKinn Talent Hub, the meeting point for talent and industry.

The National Innovation Awards ceremony will be held during the trade show. These awards are given for the most innovative products exhibited in the 32nd BIEMH, in the machine-tool, component, additive manufacturing and digitalisation and automation categories. The awards will be given on 6 June at the venue.

The week-long programme will be completed by the BIEMH TALKS, an ample and extremely interesting group of lectures from 4-6 June on the most attractive subjects associated with digitalisation, robotics and additive manufacturing.

THE LARGEST INDUSTRIAL ECOSYSTEM

AFM CLUSTER is made up of over 800 businesses belonging to the advanced and digital manufacturing sector and constitutes the country's top and most powerful industrial ecosystem: manufacturers and importers of manufacturing technologies such as machine-tools and 3D printing, cutting tools and components, hand tools, machine-tool and metal-mechanical transformation companies, automation technologies, robotics and industrial digitalisation, and industrial startups. The world of advanced manufacturing brought together and represented in one large organisation.

EVENTS

17 MAY: General Assembly and Advanced Manufacturing Day, Kursaal, San Sebastian

3-7 JUNE: 32nd BIEMH, Bilbao

FINAL DATA FOR 2023

. million €

SECTOR TOTAL	2023	2022	%23/22
TOTAL PRODUCTION *	2,157.30	1,760.22	22.56%
Metal cutting machines	918.43	807.75	13.70%
Metal forming machines	501.87	325.04	54.40%
Components, equipment and software	381.45	313.07	21.84%
Cutting and metal cutting tools	146.67	134.05	9.41%
Other machines	138.30	107.81	28.28%
Other services	90.58	88.37	2.50%
TOTAL EXPORTS	1,611.89	1,323.26	21.81%
Metal cutting machine exports	835.61	690.36	21.04%
Metal forming machine exports	316.46	199.97	58.25%
Export components, equipment and software	234.76	209.66	11.97%
Export cutting and metal cutting tools	83.08	76.17	9.07%
Exports of other machines	88.43	94.17	-6.10%
Exports of other services	53.55	52.93	1.17%
Domestic sales	601.01	488.43	23.05%
Exports / Production	74.72%	75.18%	

* After deducting the components and accessories included in domestic machine tools.

. million €

	PRODUCTION	EXPORTS
2017	1,703.49	1,239.77
2018	1,796.10	1,363.19
2019	1,647.86	1,293.93
2020	1,324.12	1,006.01
2021	1,571.20	1,241.47
2022	1,760.22	1,323.26
2023	2,157.30	1,611.89

*Provisional data

PRESS RELEASE

. million €

MACHINE TOOLS	2023	2022	% 23/22
TOTAL PRODUCTION	1,420.30	1,132.79	25.38%
Metal cutting	918.43	807.75	13.70%
Metal forming	501.87	325.04	54.40%
TOTAL EXPORTS	1,152.07	890.33	29.40%
Metal cutting	835.61	690.36	21.04%
Metal forming	316.46	199.97	58.25%
Domestic sales	303.83	278.06	9.27%
Exports / Production	81.11%	78.60%	
Imports	558.86	493.02	13.35%
Apparent consumption*	888.49	771.08	15.23%

*Production - exports (excluding used machine tools, 61.4 m€) + imports

. million €

COMPONENTS, EQUIPMENT AND SOFTWARE	2023	2022	% 23/22
TOTAL PRODUCTION	381.45	313.07	21.84%
TOTAL EXPORTS	234.76	209.66	11.97%
Domestic sales	146.69	103.41	41.85%
Exports / Production	61.54%	66.97%	

. million €

TOOLS	2023	2022	% 23/22
TOTAL PRODUCTION	146.67	134.05	9.41%
TOTAL EXPORTS	83.08	76.17	9.07%
Domestic sales	63.59	57.88	9.87%
Exports / Production	56.64%	56.82%	

. million €

OTHER MACHINES	2023	2022	% 23/22
TOTAL PRODUCTION	138.30	107.81	28.28%
TOTAL EXPORTS	88.43	94.17	-6.10%
Domestic sales	49.87	13.64	265.62%
Exports / Production	63.94%	87.35%	

. million €

OTHER SERVICES	2023	2022	% 23/22
TOTAL PRODUCTION	90.58	88.37	2.50%
TOTAL EXPORTS	53.55	52.93	1.17%
Domestic sales	37.03	35.44	4.49%
Exports / Production	59.12%	59.90%	

Spanish exports of machine tools per country in 2023 (percentage of total figure)

14,01%

13,02%

8,98%

8,23%

7,41%

7,02%

4,92%

3,41%

32,99%

- USA: 14.01%
- ITALY: 13.02%
- CHINA: 8.23%
- MEXICO: 7.41%
- FRANCE: 7.02%
- PORTUGAL: 4.92%
- TÜRKIYE: 3.41%
- OTHER: 32.99%

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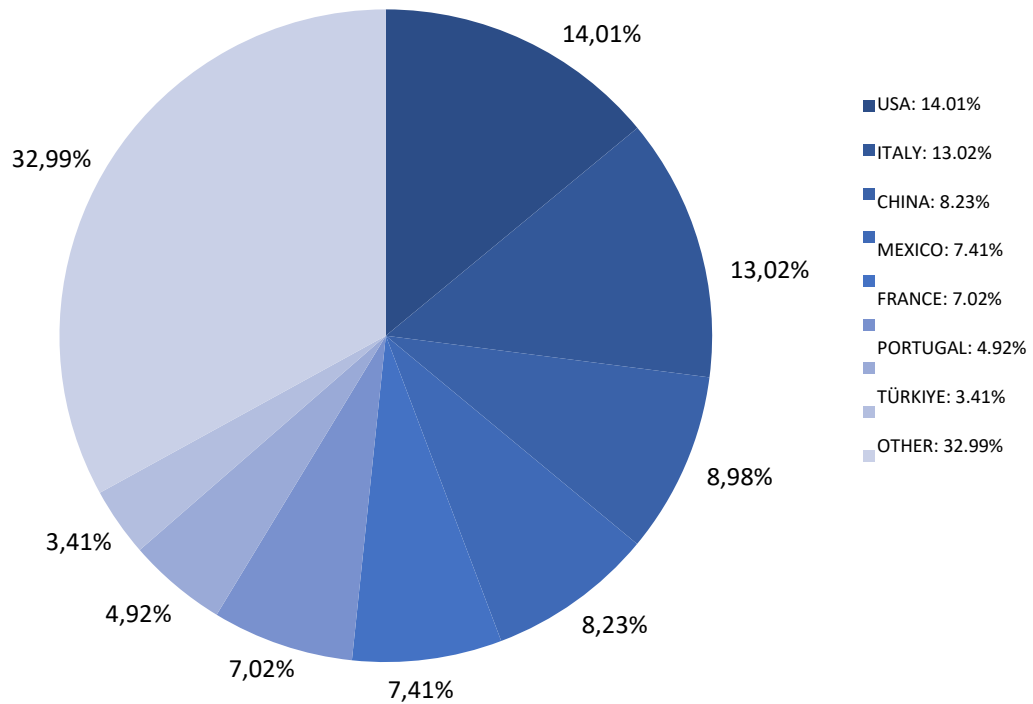
Spanish exports of components and accessories for machine tools by country in 2023
(percentage of total)

16,5%

24,3%

15,5%

2,5%

2,7%

4,2%

7,3%

14,7%

12,4%

- CHINA: 16.47
- GERMANY: 15.54%
- FRANCE: 14.67%
- ITALY: 12.38%
- USA: 7.29%
- PORTUGAL: 4.18%
- MEXICO: 2.68%
- SOUTH KOREA: 2.48
- OTHER: 24.30%
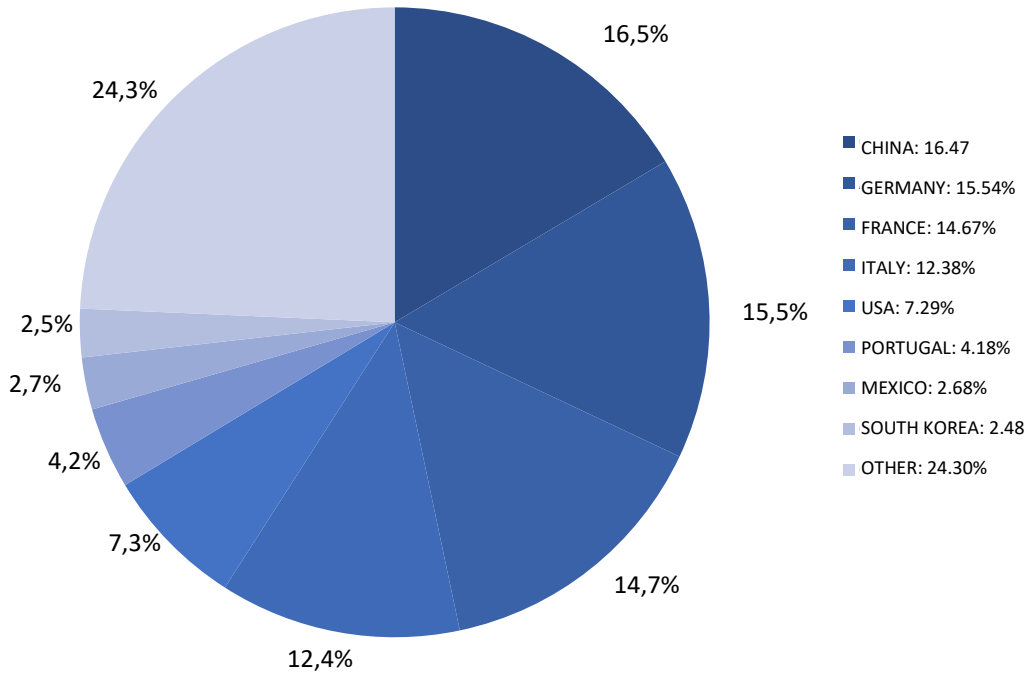
Spanish exports of tools for machine tools by country in 2023
(percentage of total)

15,9%

21,9%

14,9%

2,0%

2,3%

2,3%

3,6%

3,9%

8,7%

13,5%

11,0%

- FRANCE: 15.89%
- PORTUGAL: 14.94%
- HOLLAND: 13.48%
- GERMANY: 10.95%
- ITALIA: 8.75%
- USA: 3.91%
- MEXICO: 3.57%
- POLAND: 2.29%
- SWEDEN: 2.29%
- JAPAN: 2.03%
- OTHER: 21.90%

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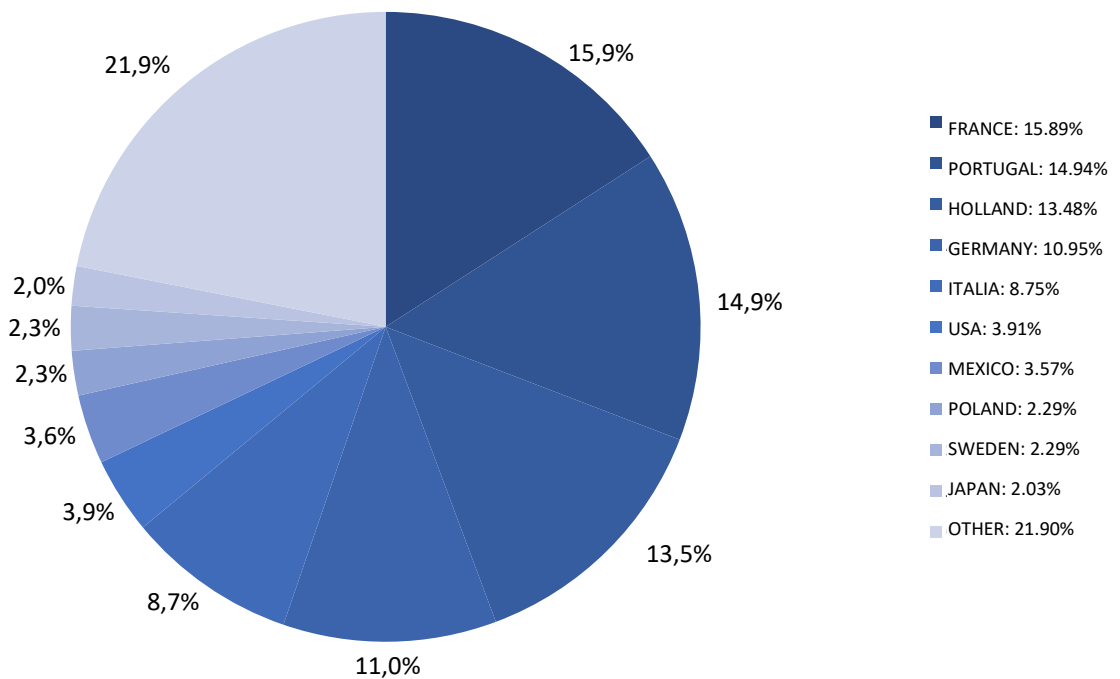
ABOUT AFM CLUSTER

AFM CLUSTER is the organisation that represents Advanced and Digital manufacturing in Spain. AFM comprises seven industrial associations, through which it represents over 800 companies, which employ 20,000 people and have a joint turnover of 4,000 million euros. From its headquarters in San Sebastian, and its plant in Tianjin (China), AFM CLUSTER works to promote internationalisation, industrial development, strategic positioning and upskilling in its associated companies. The seven associations comprising AFM Cluster are as follows:

- Machine-tool and advanced manufacturing technologies. **AFM** is the founding association, which gives its name to the CLUSTER. With 78 years of experience, it has 123 members.
- Additive Manufacturing and 3D Printing. **ADDIMAT** brings together 106 companies operating in this new sector, destined to be a relevant part in many industrial sectors, such as, for example, the aerospace, biomedical and automotive sectors.
- Hand Tools, Hardware and Industrial Supply. **ESKUIN** represents 20 companies that manufacture hand tools to the highest standards of quality and safety.
- Machining and Metal-Mechanical Transformation. With 191 member companies, **AFMEC** aims to bring visibility and services to one of the most important industrial groups in Spain.
- Technology-based companies and startups. **UPTEK** represents 150 technological companies and startups dedicated to advanced and digital manufacturing.
- Companies offering smart tech for advanced manufacturing. **STECH** groups together 80 businesses to form a collective with specific offerings in smart tech for manufacturing.
- Machine tool importers. **AIMHE** groups 58 companies with the mission to represent the interests of the machine tool importing and distributing sector

AFM CLUSTER is also partnered with over 100 industry services companies. AFM CLUSTER forms part of different international associations, such as CECIMO, ECTA or CEO, it is the co-organiser, along with BEC -Bilbao Exhibition Centre-, of the international fairs BIEMH, ADDIT3D, WORKINN and BEDIGITAL and it actively collaborates in the + INDUSTRY and SUBCONTRACTING trade shows. It is a co-organiser of CMH - Congress on Advanced and Digital Manufacturing and Machine Tools.

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