

THE MACHINE TOOL SECTOR GREW BY 5.4% FOR AN EXCELLENT CLOSE TO 2018

- The year has been complex on the whole, with varying performances depending on the subsector, but the overall figures have brought the sector back around to record highs in turnover and exports.
- Discounting the effects of inflation, the sector has practically recovered to 2008 levels
- Despite the evident cooling down in investments, the accumulated order portfolio suggests that 2019 will have similar activity to 2018, albeit slightly lower.



San Sebastian, 15 May 2019 – The machine tool and advanced manufacturing sector has reached a new milestone in 2018 (final figures) with sales of 1,796.1 million Euros. This figure represents a growth of 5.4% with respect to the 2017 figure, which was 1,703.5 million Euros. Analysed by subsector, performance was up in metal cutting (+15.7%), components (+6.9%), tools (+4.6%) and machining and services (+24.2%). The subsector that grew the most in 2017, the metal forming sector, has been unable to avoid a setback of 7.38% this year.

In the words of AFM Chairman, César Garbalena: *“Contrary to what happened in 2017, when the automotive industry boosted the metal forming subsector achieving huge growth, 2018 has been notably better for metal cutting than for metal forming. The portfolio of orders accumulated over the last two years has, however, maintained the level of sales in line with the forecasts we made at the beginning of the year”*.

Exports have increased by almost 10%, bringing the sector to its highest figure with 1,363.2 million Euros, compared to the 1,239.8 million Euros recorded in 2017.

2018 MACHINE TOOL EXPORTS

The main countries of export for Spanish manufacturers are: Germany, which accounts for 13.7% of all exports, Mexico comes in second place with 9.7% and China comes third, at 9.2%. Following these

are USA at 8.6%, Portugal at 7.1% and then France, Italy, United Kingdom, Czech Republic and Poland.

César Garbalena stated with regard to markets of destination: *"I would like to highlight the excellent performance of our exports to a number of nearby European markets: Portugal (figures have increased by 25% compared to 2017), France (+22%) and Italy (+17%), as well as the Czech Republic (where the figure has multiplied by 2.2). In America we continue to record excellent sales in the United States (+14.9%) and Mexico (+10.7%). Asia has lost the drive of recent years and although China has grown by 5%, India has lost 30% on the figure reached in 2017, falling back almost to 2016 figures and dropping out of the top 10 export destinations".*

SLOWDOWN IN DOMESTIC SALES

Considering that Spain is the ninth producer and exporter in the world, its position with respect to consumption is very far away from that of other countries with similar production and exports figures. In 2018, this gap was only barely bridged, with a slight growth of 0.72% in consumption. Regarding the domestic market, Garbalena remarks: *"We insist on the importance of promoting consumption of machine tools and other production equipment in Spain through fiscal policies that make investments more appealing. This is an issue that conditions our competitiveness as a country. We must invest in equipment if we want to continue to be an industrial country".*

FORECAST FOR 2019

In 2018, as forecast at the start of the year, orders taken grew by 3.5%. Metal cutting figures have improved, bolstered by the milling subsector, with growth at 7.8%, while metal forming dropped slightly (-1.6%).

Garbalena: *"The uncertainty felt for different reasons during the last part of 2018, which curbed investment plans in some key sectors, looks set to continue into 2019"*

The provisional data we have for the first quarter shows that orders have already dropped. Although this will affect our activity, we believe that we will manage to offset it to a large extent with our current healthy order portfolio.

General Manager, Xabier Ortueta, had this to say: *"These portfolios will enable us to keep up a good level of sales in 2019, although foreseeably lower than last year. Our main concern now as a sector is to secure enough orders throughout this year, in a context in which uncertainty has grown and decision-making regarding new investments is taking longer than we would like."*

EVENTS 2019

- AFM CLUSTER GENERAL ASSEMBLY: 17 May, at the Orona Foundation in Hernani
- +INDUSTRY 2019: ADDIT3D-SUBCONTRATACIÓN-INDUSTRY TOOLS-BEDIGITAL-WORKINN: from 4 to 6 June, in the BEC (Bilbao)
- EMO HANNOVER 2019: 16-21 September in Hannover
- 22 CONGRESS OF ADVANCED AND DIGITAL MANUFACTURING AND MACHINE TOOLS: from 23 to 25 October in San Sebastian, Scientific and Technological Park of Gipuzkoa

FINAL DATA FOR 2018

. million €

SECTOR TOTAL	2018	2017	% 18/17
PRODUCTION TOTAL *	1,796.10	1,703.49	5.44%
Metal cutting machines	741.36	640.79	15.69%
Metal forming machines	450.91	486.82	-7.38%
Components	209.99	196.38	6.93%
Tools	135.05	129.08	4.63%
Accessories	71.12	70.60	0.74%
Other machines	123.54	130.44	-5.29%
Machining and other services	80.96	65.19	24.19%
TOTAL EXPORTS	1,363.19	1,239.77	9.96%
Metal cutting machine exports	672.58	593.64	13.30%
Metal forming machine exports	331.77	308.51	7.54%
Component exports	121.93	121.44	0.40%
Tool exports	72.80	69.90	4.15%
Accessory exports	48.71	42.90	13.54%
Other machine exports	64.97	63.95	1.59%
Machining and other service exports	50.43	39.43	27.90%
Domestic sales	432.91	463.72	-6.64%
Exports / Production	75.90%	72.78%	

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

. million €

	PRODUCTION	EXPORTS
2013	1,412.11	1,178.22
2014	1,383.00	1,101.18
2015	1,474.18	1,111.19
2016	1,496.67	1,184.75
2017	1,703.49	1,239.77
2018	1,796.10	1,363.19

. million €

MACHINE TOOLS	2018	2017	% 18/17
TOTAL PRODUCTION	1,192.27	1,127.61	5.73%
Metal cutting	741.36	640.79	15.69%
Metal forming	450.91	486.82	-7.38%
TOTAL EXPORTS	1,004.35	902.15	11.33%
Metal cutting	672.58	593.64	13.30%
Metal forming	331.77	308.51	7.54%
Domestic sales	328.23		
Exports / Production	84.24%	80.01%	
Imports	542.24	500.90	8.25%
Apparent consumption*	745.23	739.89	0.72%

*Production - exports (excluding used machine tools, 15.06 m€) + imports

. million €

COMPONENTS AND EQUIPMENT	2018	2017	% 18/17
TOTAL PRODUCTION	209.99	196.38	6.93%
TOTAL EXPORTS	121.93	121.44	0.40%
Domestic sales	88.06	74.94	17.51%
Exports / Production	58.06%	61.84%	

. million €

TOOLS*	2018	2017	% 18/17
TOTAL PRODUCTION	135.05	129.08	4.63%
TOTAL EXPORTS	72.80	69.90	4.15%
Domestic sales	62.25	59.18	5.19%
Exports / Production	53.91%	54.15%	

*Three new companies incorporated

. million €

ACCESSORIES	2018	2017	% 18/17
TOTAL PRODUCTION	71.12	70.60	0.74%
TOTAL EXPORTS	48.71	42.90	13.54%
Domestic sales	22.41	27.70	-19.10%
Exports / Production	68.49%	60.76%	

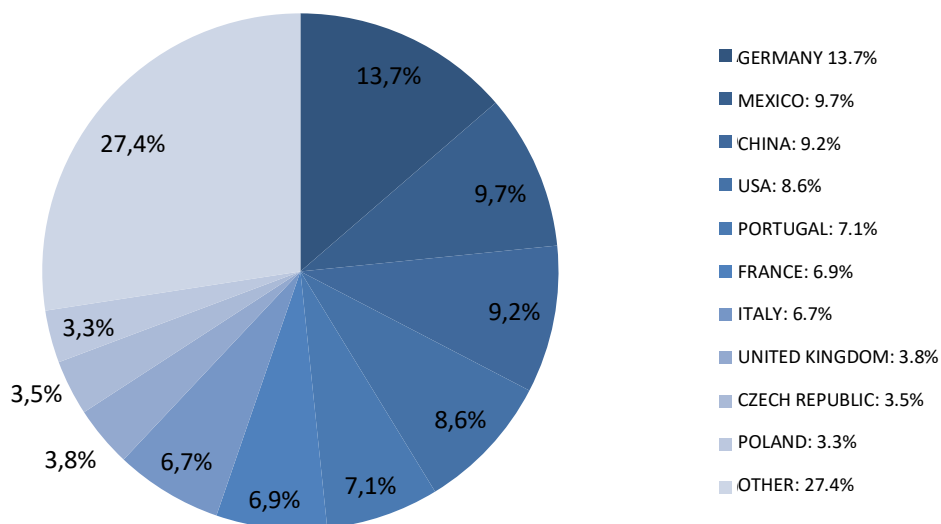
. million €

MACHINING AND OTHER SERVICES	2018	2017	% 18/17
TOTAL PRODUCTION	80.96	65.19	24.19%
TOTAL EXPORTS	50.43	39.43	27.90%
Domestic sales	30.53	25.76	18.52%
Exports / Production	62.29%	60.48%	

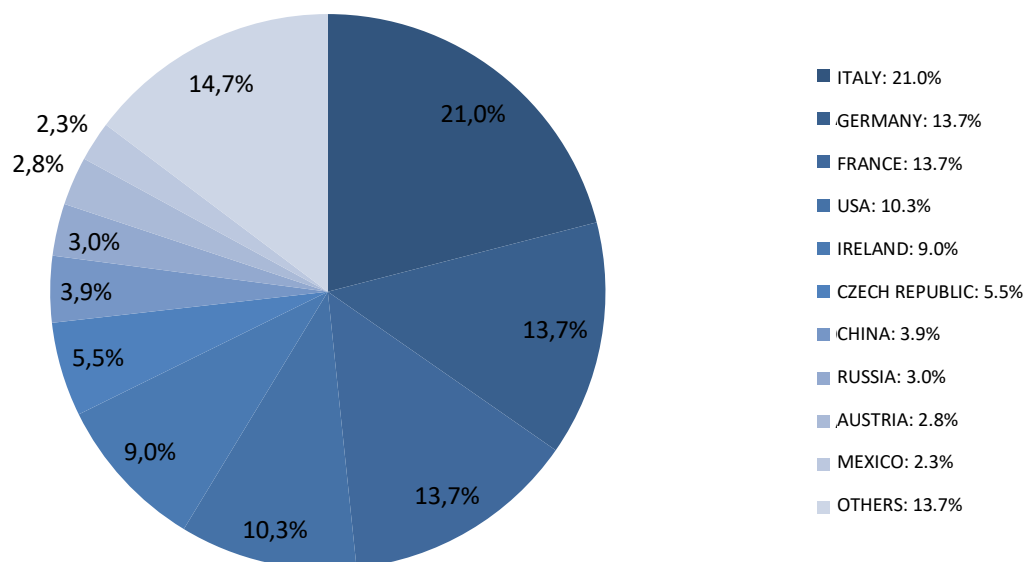
. million €

OTHER MACHINES	2018	2017	% 18/17
TOTAL PRODUCTION	123.54	130.44	-5.29%
TOTAL EXPORTS	64.97	63.95	1.59%
Domestic sales	58.57	66.49	-11.91%
Exports / Production	52.59%	49.03%	

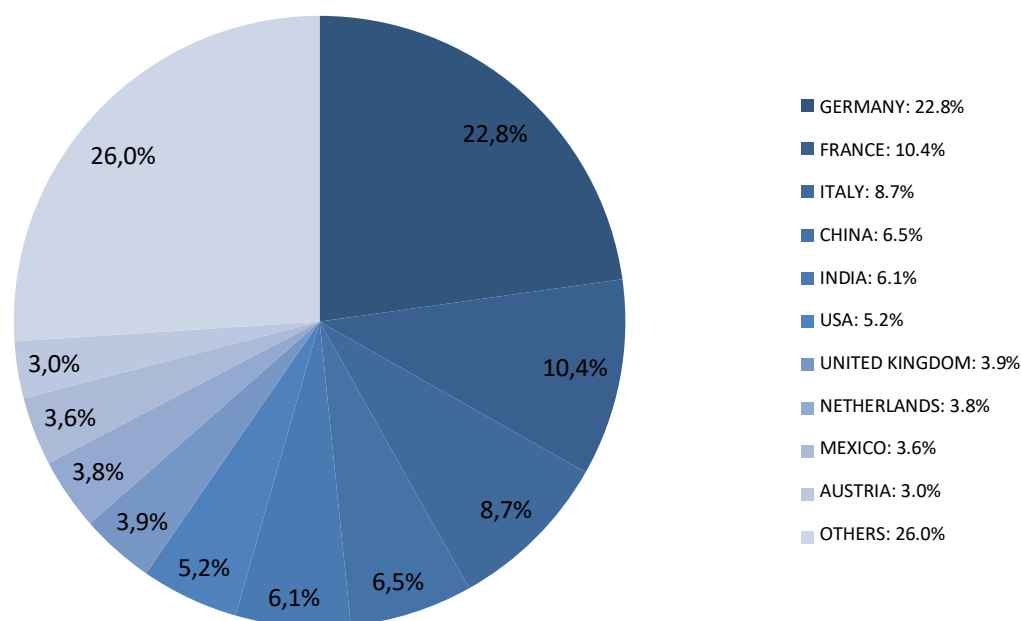
Spanish exports of machine tools per country inn 2018 (percentage of total figure)



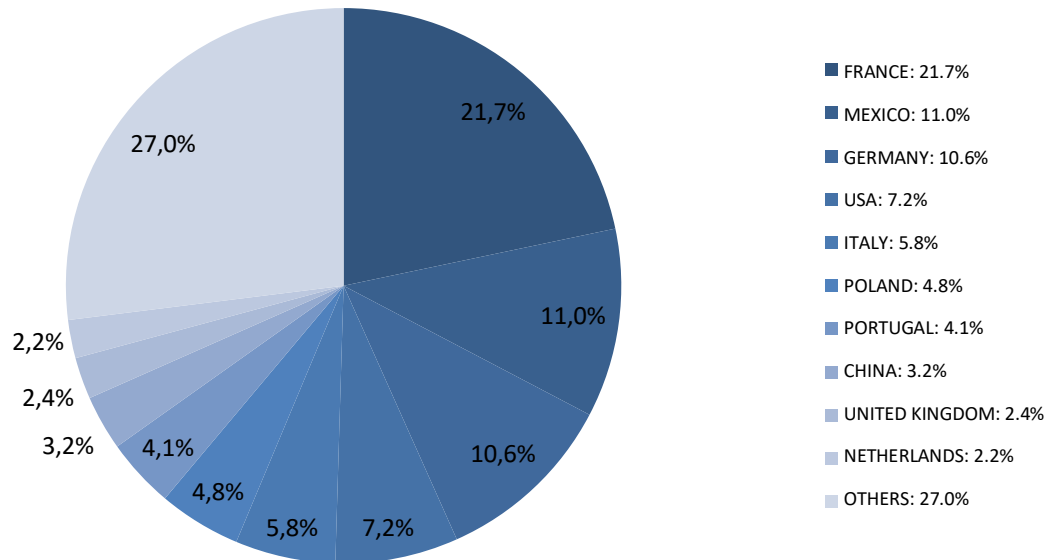
Spanish exports of accessories for machine tools by country in 2018
(percentage of total)



Spanish exports of components for machine tools by country in 2018
(percentage of total)



Spanish exports of tools for machine tools by country in 2018
(percentage of total)



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ABOUT AFM CLUSTER

AFM CLUSTER is the organisation that represents the interests of Advanced Manufacturing in Spain. Made up of four industry associations, it groups more than 450 companies, which employ 12,500 people and have a turnover of more than 2,500 million Euro. From its headquarters in San Sebastián, and its establishment in Tianjin (China), AFM CLUSTER works to promote the internationalisation, industrial development, strategic positioning and training of people in its associated companies. The four sectors, related and synergistic which AFM CLUSTER provides services to are the following:

- Machine-tool and advanced manufacturing technologies. AFM-Advanced Manufacturing Technologies is the founding association, which gives its name to the cluster. With more than 70 years of history, it has 128 members that provide the industry with machine tools and other equipment for the manufacture of components, accessories and cutting tools.
- Additive Manufacturing and 3D Printing. ADDIMAT brings together 81 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 22 companies that manufacture hand tools and hardware products in Spain, under the highest standards of quality and safety.
- Machining and Metal-Mechanical Transformation. AFMEC joins the machining and meta-mechanical transformation workshop collective. With more than 175 member companies, it aims to give visibility and services to one of the most important industrial groups in Spain.

AFM CLUSTER also has 59 services companies for the industry as partners. All these companies form the great family of advanced and digital manufacturing in Spain. AFM CLUSTER forms part of various international associations such as CECIMO, ECTA or CEO, and organises trade fairs and international events such as BIEMH, ADDIT3D, INDUSTRY TOOLS, SUBCONTRATACIÓN, WORKINN, BEDIGITAL or the CMH-Congress of Advanced Manufacturing and Machine Tools.