

MACHINE TOOL SECTOR CLOSES OUT A YEAR OF INTENSE ACTIVITY

- It has been a good year for the metal cutting subsector, particularly for milling, which has brought in a record volume of orders
- BIEMH 2022, the trade fair that will reunite the domestic market, promises to secure great occupancy figures and bring interesting prospects to attendees

San Sebastian, 11 February 2022

TURNOVER AND EXPORTS

Provisional 2021 year-end data reflect a good year overall, with an extraordinary volume of orders received in the metal cutting subsector and still insufficient recovery in the metal forming sector. Total sector revenue has grown by 15.40% compared to 2020, and totalling 1,528 million euros. This increase largely redresses the drop caused by the pandemic.

The metal cutting subsector has reached pre-pandemic levels, recording 670.27 million euros, which is 19.82% up on 2020. In 2021 our milling sector has reached the global forefront, both in technology and in terms of market share.



For metal forming, even though incoming orders have improved, overall performance has not been so favourable and investment hesitancy in the automotive sector has slowed down the recovery of its turnover figure. Thus, revenue has levelled off at 300.08 million euros, which is a 3.53% drop compared to 2020.

The other subsectors recorded interesting growth trends: components were up by 23.74%, tools by 17.15%, other machines by 28.11%, and machining and services by 21.29%.

Exports have recovered their positions, with an overall growth rate of 19.72%, to reach 1,204.38 million euros. By subsector, metal cutting grew by 26.36% and metal forming fell by 8.60%. Our overseas sales were mainly made to the United States, China, Germany, Italy and France. The top ten markets also include India, Turkey, Mexico, Portugal and the United Kingdom.

Xabier Ortueta, general manager of AFM, stated: *"We can confirm it has been a good year overall, but quite uneven in terms of the customer sector our manufacturers are targeting. For metal cutting, which has a varied sector base, the year can be classified as excellent. For metal forming, although there has been a slight improvement in orders received, investment in the automotive sector still needs to improve significantly for our interests. In any event, we have seen a clear rebound from the drastic decline experienced in the first six months of the pandemic. Now we must manage the difficulties this rebound has caused on the supply chain, while also focusing on maintaining the positions reached"*.

ORDERS

At year-end 2021, orders received show a substantial recovery, with growth of 29.42% over 2019 (69.20% with respect to the atypical year 2020). This marks a change in trend with respect to prior years, which we hope will be sustained throughout 2022. The metal cutting sector recorded its highest incoming orders figure since 2007, and milling also saw a new record high. Metal forming improved by 7.37% with respect to 2019 (+64% on 2020), although it still needs to accelerate growth further.

With respect to user sectors, the entire industry in general has performed well, with the exception of the automotive industry and aeronautics, which, despite the times of uncertainty they are experiencing for different reasons already known, are also beginning to see a certain degree of recovery in their investment programmes.

The domestic market has gained back part of what was lost in 2019 and 2020, but is still far from reaching its potential and needs to grow strongly. Consumption figures are around 30% below what would be expected for a country like Spain. In this regard, Italy is a clear example in Europe of a country that is promoting investment in production capacity and industrial competitiveness. In 2021, Italy claimed the top spot in terms of orders received for the first time in history.

It is necessary to also highlight that the layout of funds for the national Renove Plan has encouraged investment in a large part of our industrial fabric, and we should be very pleased with this. According to AFM Chairman, César Garbalena: *"We are enormously grateful to the institutions for their commitment to the Renove plans, which have had a very positive effect on investment. We are convinced that this is the way forward, which is why we continue to hold talks in order to maintain and reinforce programmes for supporting investment in digitalised and connected production assets"*.

"We are moderately optimistic for the future of orders on the domestic market for 2022. We have a marvellous showcase for driving sales: the biennial International Machine Tool fair -BIEMH. Bookings are currently excellent (over 83% of the available space occupied) and we expect client and visitor figures to match this. The joint BEC and AFM team is working to make BIEMH 2022 the industry's greatest reunion" adds Xabier Ortueta.

2022

At the mercy of the good metal cutting portfolio, they are expecting an interesting year of growth in turnover which is likely to improve on 2019 figures.

It remains to be seen how the year will perform in terms of orders placed and some difficulties are complicating the scenario; including the levels of uncertainty caused by the geopolitical situation in Europe, shortages of critical components, materials and energy, and transport costs and restrictions.

"Maintaining activity and margins to enable continued investment in innovation and digitalisation in turbulent, inflationary times is our main challenge now. Also sustaining the good level of incoming orders in metal cutting and substantially improving it in metal forming is what we are aiming for and will continue put our energy into", says César Garbalena.

SUSTAINABILITY AND MACHINE TOOLS

The transformation process that the machine-tool and advanced manufacturing sector is currently undergoing is based on three mainstays: people, digitalisation and sustainability.

“We firmly believe in the contribution of a key sector such as machine tools to the transformation of the industry, and in our role in achieving sustainability: economic sustainability, contributing technologically sophisticated, digitalised and connected products and services with high added value. Environmental sustainability, contributing knowledge so that industrial processes increase their efficiency in the use of resources and minimize the impact on the environment in a resounding and measurable manner. And social sustainability, taking care of our people and creating a very technically skilled society and ensuring workers are paid well and have stability.” says Garbalena. And he concludes: *“This transformation is going to call for us to make significant investments and we are ready to make them. We are also keeping a close eye on the resources that are being made available to accelerate our commitment”*.

NEW AFM CLUSTER INITIATIVE, STECH

In order to complete the manufacturing ecosystem, AFM Cluster is resolute in incorporating the Digitalisation, Automation and Robotics collective, and Maintenance and Assembly with specific applications for advanced manufacturing.

The new association, STECH, was created with the goal of accelerating the development of the manufacturing industry even further, adding AFM Cluster to the collective of companies offering smart tech for advanced manufacturing. The lever for accelerating the transition to Industry 4.0 is the search for synergies and points of intersection with the other industries represented within AFM Cluster, such as the machine tool sector, additive and 3D manufacturing, machining and metal-mechanical transformation, hand tools and startups.

In just three weeks, already 50 businesses have joined STECH. Including STECH, there are six industrial associations grouped under the AFM Cluster umbrella.

EVENTS

31 MARCH, 75TH ANNIVERSARY, Tabakalera, San Sebastian

13 MAY, AFM CLUSTER ASSEMBLY, Gipuzkoa Science and Technology Park

13-17 JUNE, BIEMH, BEC (Bilbao)

PROVISIONAL DATA FOR 2021

. million €

SECTOR TOTAL	2021	2020	% 21/20
PRODUCTION TOTAL *	1,528.00	1,324.12	15.40%
Metal cutting machines	670.27	559.42	19.82%
Metal forming machines	300.08	311.07	-3.53%
Components	243.07	196.44	23.74%
Tools	126.94	108.36	17.15%
Other machines	122.50	95.62	28.11%
Machining and other services	80.57	66.43	21.29%
TOTAL EXPORTS	1,204.38	1,006.01	19.72%
Metal cutting machine exports	605.25	479.00	21.36%
Metal forming machine exports	215.43	235.69	-8.60%
Component exports	171.78	122.18	40.60%
Tool exports	67.75	57.30	18.24%
Other machine exports	96.34	72.74	32.44%
Machining and other service exports	47.83	39.10	22.33%
Domestic sales	424.59	427.81	-0.75%
Exports / Production	78.82%	75.98%	

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

. million €

	PRODUCTION	EXPORTS
2016	1,496.67	1,184.75
2017	1,703.49	1,239.77
2018	1,796.10	1,363.19
2019	1,626.12	1,293.93
2020	1,324.12	1,006.01
2021*	1,528.00	1,204.38

*Provisional data

. million €

MACHINE TOOLS	2021	2020	% 21/20
TOTAL PRODUCTION	970.35	870.49	11.47%
Metal cutting	670.27	559.42	19.82%
Metal forming	300.08	311.07	-3.53%
TOTAL EXPORTS	820.68	714.69	14.83%
Metal cutting	605.25	479.00	26.36%
Metal forming	215.43	235.69	-8.60%
Domestic sales	235.21	252.28	-6.77%
Exports / Production	84.58%	82.10%	
Imports	329.95	314.66	4.86%
Apparent consumption*	511.42	480.73	6.38%

*Production - exports (excluding used machine tools) + imports

. million €

COMPONENTS AND EQUIPMENT	2021	2020	% 21/20
TOTAL PRODUCTION	243.07	196.44	23.74%
TOTAL EXPORTS	171.78	122.18	40.60%
Domestic sales	71.29	74.26	-4.00%
Exports / Production	70.67%	62.20%	

. million €

TOOLS	2021	2020	% 21/20
TOTAL PRODUCTION	126.94	108.36	17.15%
TOTAL EXPORTS	67.75	57.30	18.24%
Domestic sales	59.19	51.06	15.92%
Exports / Production	53.37%	52.88%	

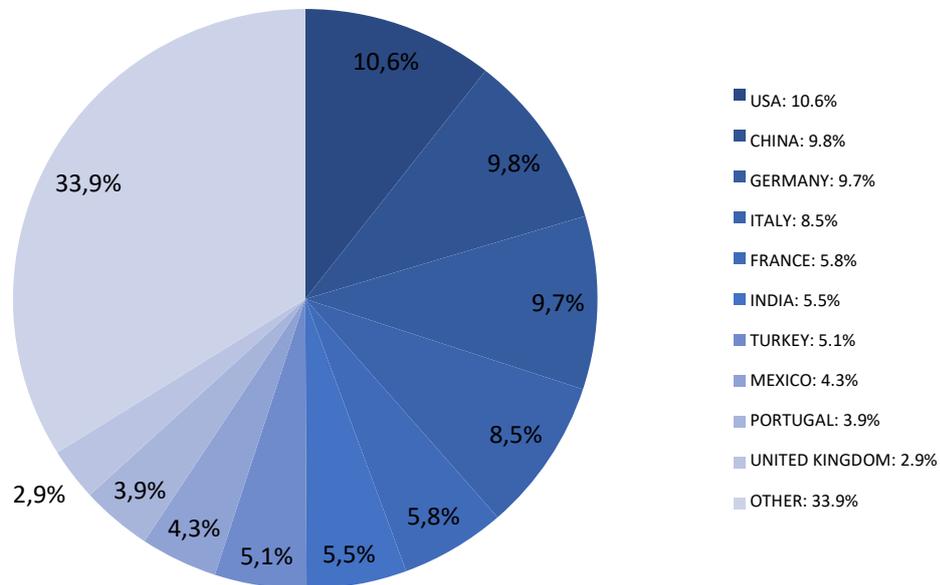
. million €

OTHER MACHINES	2021	2020	% 21/20
TOTAL PRODUCTION	122.50	95.62	28.11%
TOTAL EXPORTS	96.34	72.74	32.44%
Domestic sales	26.16	22.88	14.34%
Exports / Production	78.64%	76.07%	

. million €

MACHINING AND OTHER SERVICES	2021	2020	% 21/20
TOTAL PRODUCTION	80.57	66.43	21.29%
TOTAL EXPORTS	47.83	39.10	22.33%
Domestic sales	32.74	27.33	19.80%
Exports / Production	59.36%	58.86%	

**Spanish exports of machine tools per country in 2021
(percentage of total figure)**



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ABOUT AFM CLUSTER

AFM CLUSTER is the organisation that represents the interests of Advanced and Digital Manufacturing. Made up of six industry associations, it groups almost 600 companies, which employ 16,500 people and have a joint turnover of over 3 billion euros. From its headquarters in San Sebastian, and its set-up in Tianjin (China), AFM CLUSTER works to promote the internationalisation, industrial development, strategic positioning and training of people in its associated companies. The six related and synergistic sectors that 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 75 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 107 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 and hardware products, to the highest standards of quality and safety.
- Machining and Metal-Mechanical Transformation. AFMEC joins the machining and meta-mechanical transformation workshop collective. With 178 member companies, it aims to bring visibility and services to one of the most important industrial groups in Spain.
- Technology-based companies and startups. UPTTEK represents 135 technological companies and startups dedicated to advanced and digital manufacturing.
- Companies offering smart tech for advanced manufacturing. STECH is created with forty businesses to form a collective with specific offerings in smart tech for manufacturing.

AFM CLUSTER also has 91 services companies for the industry as partners. 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 fairs INDUSTRY TOOLS and SUBCONTRATACIÓN. It is a co-organiser of CMH - Congress on Advanced and Digital Manufacturing and Machine Tools.