



MACHINE TOOL SECTOR SEES NEW GROWTH IN COMPLICATED 2022

- Climate of uncertainty has not deterred healthy influx of orders, guaranteeing good production activity in 2023
- Incoming orders and defending profitability will be determining factors in 2023

San Sebastian, 9 February 2023.



TURNOVER AND EXPORTS (PROVISIONAL DATA)

The advanced manufacturing and machine tool sector reached turnover of 1,723.83 million euros in 2022, which was 9.7% up on 2021. The year was marked by inflation, a rise in energy and raw material costs and huge supply issues, which were further complicated by the war in Ukraine. The portfolio accumulated throughout 2021 and the strong start to 2022 enabled the sector to largely overcome these setbacks.

The two main subsectors, metal cutting and metal forming, had similar growth, after several years of successive drops in metal forming activity due to stoppages in automobile sector projects. With automobile manufacturer activity recovering and increased demand from the energy, aeronautics, capital goods and metal-mechanical sectors overall, both subsectors felt a boost.

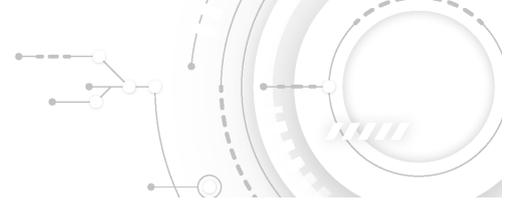
Exports also increased significantly, by almost 10%, reaching a record high of 1,364.6 million euros. Also in exports, growth in metal cutting and metal forming was almost identical. The main destinations of our exports sales were: Italy, Germany, USA, France and China, followed by Mexico, Portugal and Turkey. The spectacular sales figure achieved in Italy is of note, the highest recorded, thanks to the incentive schemes put in place by the Italian government to promote manufacturing investment.

According to the President of AFM Cluster, José Pérez Berdud: *“2022 was a truly complex year. Although the year began with a good workload, the cost structuring of the orders we had under way was affected by the price increases we had been suffering for a number of months. In addition, Russia’s invasion of Ukraine rocked the foundations of global trust. Not only was the world being faced with human tragedy but it was also dealing with another extraordinary increase in costs, cancellations of activity with Russia and its allies, and huge uncertainty regarding the economic and industrial outlook. However, after the initial doubts, against all prognoses, the year continued steadily on, and month by month, industrial activity in several sectors and demand for manufacturing technologies held strong. The year ended with good activity figures, even outperforming our forecasts in terms of incoming orders, which guarantees an interesting start for 2023”.*

INCOMING ORDERS

Orders are up by 11.28% in 2022, with a clear recovery in incoming metal forming orders, and with metal cutting looking good too. We are looking at the best accumulated incoming orders figure in our history, in absolute terms -second if we deduct the effects of inflation.





Orders coming in from abroad are also performing well, with an increase of 13.25%. Demand from China, Germany, USA, Mexico and Italy are of note. Domestic orders are down slightly (-3.3%), practically maintaining the prior year's figure.

In terms of client sectors, there has been a notable recovery in investments in the automobile sector, which means significant use of our metal forming subsector manufacturers. Aeronautics has also resumed the manufacturing programmes that had been put on hold during the pandemic. In addition to these, the energy sector, the metal-mechanical sector in general and the capital goods sector are all showing positive outlooks.

Domestic consumption, ever our Achilles heel, is up by 31.7% due to the effect of imports, although the original figures were very modest and less than desirable for a country that needs to be better equipped and have more industry.

FORECAST FOR 2023

Forecasts for the end of this year are reasonably optimistic taking into account the interesting order portfolios in the hands of the sector companies. Turnover at year end will likely increase by approximately 5%.

Although some of our standard forecasts indicate a slight deceleration, it seems this may be temporary and is likely to be easily overcome. If these forecasts are achieved, profitability will be the thing to watch in the coming months. The big battle will be to manufacture the orders we have under way in a timely and efficient manner, at a time when this is really complicated.

Xabier Ortueta, CEO of AFM Cluster, explains: *“Due to cooling down and inflation control measures, we are expecting the economy to slow down in 2023, which will most likely lead to a drop in incoming orders. Either way, although we have learnt that these are not good times for making projections, our forecasts point towards a shorter and less dramatic fall. Although we remain cautious, we are moderately optimistic and trust that our current portfolios and our positioning in strategic sectors such as energy, aerospace, capital goods or the automobile sector, will see us through the year well. On the other hand, the need to secure supply chains and “friendshoring” point towards new and interesting investments in equipment which we should take advantage of in order to continue growing”.*

STRATEGIC AXES: PEOPLE, DIGITALISATION AND SUSTAINABILITY

The future of advanced manufacturing will require us to successfully tackle three major challenges: attracting and retaining more qualified people, promoting profitable and industry-efficient digitalisation, and delving into the implementation of increasingly environmentally-friendly processes that will reduce our carbon footprint and that of our clients and suppliers. These are the strategic projects that the association promotes with its associated companies to guarantee the sector's competitiveness and sustainability.

The president of AFM Cluster adds in this regard: *“In addition to our usual challenges in terms of management, innovation and internationalisation, in recent years these have been joined by three cross-cutting drivers for all of industry, which are particularly impactful for us. First of all, talent -the main factor in a highly technical, complex and competitive sector. We need to be really active in showcasing and demonstrating the interesting array of careers that our sector offers. We need to be appealing to young people, we need to keep taking care of our staff and hire decidedly more women in workshops.*

Moreover, digitalisation, both of our products and our processes, should clearly contribute to bringing profitability to our clients, with simple implementations and quick turnarounds. We are talking about democratising digitalisation and for this we need industry to understand how important it is to have the data





that makes it possible. Lastly, as a sector that is a driver of sustainable energy solutions, we must build messages and strategies that enable us to bring significant carbon footprint reductions to our clients.”

EMO HANOVER 2023

This year the sector will come together in Hanover, Germany between 18 and 23 September for the world’s leading event in advanced manufacturing technologies, the trade fair EMO. There will be over 50 Spanish companies taking part in the trade fair, covering a net exhibition surface area of over 5,000 m², presenting the latest new features and technological advancements. The fair will also dedicate additional special areas to themed sectors on the future of connectivity, additive manufacturing, the future of sustainability in manufacturing and an open space on cobots, collaborative robots and their most innovative applications.

A CONSOLIDATED CLUSTER WITH OVER 700 COMPANIES

With the incorporation of STECH (Association of Smart Tech for Advanced Manufacturing) in 2022, AFM Cluster completed the manufacturing value chain: manufacturers of manufacturing technologies such as machine-tool and 3D printing, hand-tools and machine tools —which are both clients and their competent suppliers— industry-focused startups and all automation technologies and industrial digitalisation, forming an essential substrata for the industry. Over 700 companies that constitute the largest industrial conglomerate and one of the most powerful in our country.

EVENTS

5 MAY: General Assembly and Advanced Manufacturing Day, San Sebastian

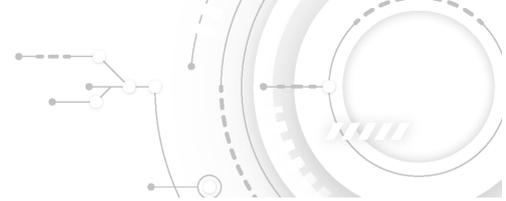
25-27 MAY: ECTA CONFERENCE, San Sebastian

6-8 JUNE: +INDUSTRY Fair, Bilbao

18-23 SEPTEMBER: EMO Trade Fair, Hanover, Germany

25-27 OCTOBER: 23rd ADVANCED MANUFACTURING AND MACHINE-TOOL CONFERENCE, San Sebastian





PROVISIONAL DATA FOR 2022

. million €

SECTOR TOTAL	2022	2021	22/21
TOTAL PRODUCTION *	1,723.83	1,571.20	9.71%
Metal cutting machines	777.79	681.98	14.05%
Metal forming machines	321.51	295.94	8.64%
Components	267.53	249.96	7.03%
Tools	132.94	130.75	1.67%
Other machines	133.81	129.19	3.58%
Other services	106.12	99.25	6.92%
TOTAL EXPORTS	1,364.58	1,241.47	9.92%
Metal cutting machine exports	716.98	637.43	12.48%
Metal forming machine exports	219.64	194.10	13.16%
Exports of components	175.19	170.04	3.03%
Exports of tools	73.71	70.12	5.12%
Exports of other machines	110.10	105.75	4.11%
Exports of other services	68.96	64.03	7.70%
Domestic sales	396.30	438.47	-9.62%
Exports / Production	79.16%	79.01%	

* 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*	1,723.83	1,364.58

*Provisional data





. million €

MACHINE TOOLS	2022	2021	% 22/21
TOTAL PRODUCTION	1,099.30	977.92	12.41%
Metal cutting	777.79	681.98	14.05%
Metal forming	321.51	295.94	8.64%
TOTAL EXPORTS	936.62	831.53	12.64%
Metal cutting	716.98	637.43	12.48%
Metal forming	219.64	194.10	13.16%
Domestic sales	183.86	239.26	-23.15%
Exports / Production	85.20%	85.03%	
Imports	474.54	332.62	42.67%
Apparent consumption*	672.82	510.81	31.72%

*Production - exports (excluding used machine tools, 35.6 m€) + imports

. million €

COMPONENTS AND EQUIPMENT	2022	2021	% 22/21
TOTAL PRODUCTION	267.53	249.96	7.03%
TOTAL EXPORTS	175.19	170.04	3.03%
Domestic sales	92.34	79.92	15.54%
Exports / Production	65.48%	68.03%	

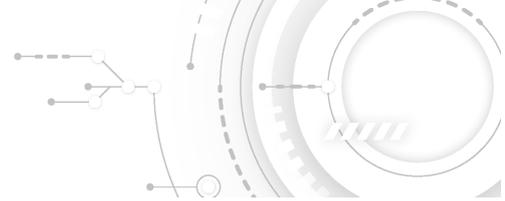
. million €

TOOLS	2022	2021	% 22/21
TOTAL PRODUCTION	132.94	130.75	1.67%
TOTAL EXPORTS	73.71	70.12	5.12%
Domestic sales	59.23	60.63	-2.31%
Exports / Production	55.45%	53.63%	

. million €

OTHER MACHINES	2022	2021	% 22/21
TOTAL PRODUCTION	133.81	129.19	3.58%
TOTAL EXPORTS	110.10	105.75	4.11%
Domestic sales	23.71	23.44	1.15%
Exports / Production	82.28%	81.86%	

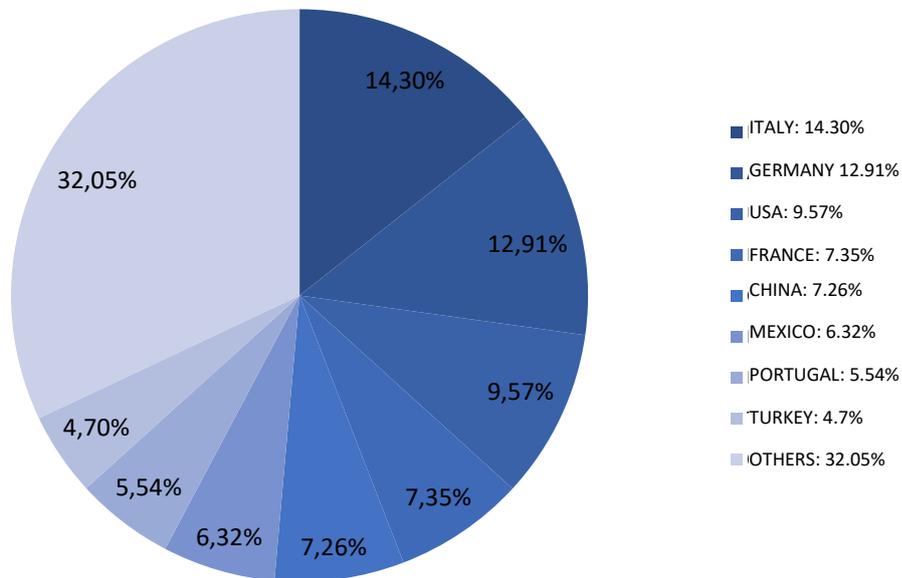




. million €

OTHER SERVICES	2022	2021	% 22/21
TOTAL PRODUCTION	106.12	99.25	6.92%
TOTAL EXPORTS	68.96	64.03	7.70%
Domestic sales	37.16	35.22	5.51%
Exports / Production	64.98%	64.51%	

Spanish exports of machine tools per country in 2022 (percentage of total figure)





ABOUT AFM CLUSTER

AFM CLUSTER is the organisation that represents the interests of Advanced and Digital Manufacturing. AFM comprises six industrial associations, through which it represents over 700 companies, which employ 16,500 people and have a joint turnover of 3 billion 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 six related and synergistic sectors that AFM CLUSTER provides services to are the following:

- M** Machine-tool and advanced manufacturing technologies. **AFM** is the founding association, which gives its name to the CLUSTER. With 75 years of experience, it has 128 members.
- A** Additive Manufacturing and 3D Printing. **ADDIMAT** brings together 110 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.
- H** Hand Tools, Hardware and Industrial Supply. **ESKUIN** represents 20 companies that manufacture hand tools to the highest standards of quality and safety.
- M** Machining and Metal-Mechanical Transformation. With 185 member companies, **AFMEC** aims to bring visibility and services to one of the most important industrial groups in Spain.
- T** Technology-based companies and startups. **UPTEK** represents 154 technological companies and startups dedicated to advanced and digital manufacturing.
- S** Companies offering smart tech for advanced manufacturing. **STECH** groups together **91** businesses to form a collective with specific offerings in smart tech for manufacturing.

AFM CLUSTER also has 97 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 and SUBCONTRATACIÓN. It is a co-organiser of CMH - Congress on Advanced and Digital Manufacturing and Machine Tools.

