

## THE BIEMH - SPANISH MACHINE TOOL BIENNIAL, THE BEGINNING OF THE RECOVERY

- *Expectations for the June BIEMH in Bilbao are good, with 12% more space contracted.*
- *Although these are still very early stages, the recovery of the domestic market is stable.*
- *The Machine tool Renove in the Basque Country has accounted for a strong boost for investment in industrial equipment on a local level. The sector claims a similar initiative for the entire Spanish territory. Apart from necessary, it would be timely.*



**San Sebastian, 10 April 2014.-** The machine tool and manufacturing technology sector has closed a very complicated year with final figures indicating a 6.4% growth in turnover. If we break this figure down into sub-sectors, machine sales grew by 10%, components by 2.7% and tools by 1.4%. This growth has been due mainly to a consolidated activity portfolio in 2012, whose delivery became effective in 2013. However, the year itself has been quite complicated: a very weak start with a heavy decrease in orders, which could only be compensated with a much stronger, final quarter. Thus, the year closed with somewhat

better results than expected with an overall drop of 13.3%. This circumstance, which materialises in a smaller portfolio of work, suggests that it will be complicated to repeat the figure in 2014.

José Ignacio Torrecilla, President of AFM Advanced Manufacturing Technologies states: *"The year that we have just closed has been quite positive in terms of turnover, but our portfolio has worsened and a shadow has been cast over the perspectives for 2014. The last months of the year were better and several orders were received, but once again the first quarter of 2014 is being slack. Although the turnover has recovered period after period since 2010, unless the situation gets a lot better soon, it does not look as if we are going to repeat that trend in 2014".*

*"It must be stressed that the more globalised companies whose products are more focused on application-customer-part are performing better, and that, although there are results for all tastes, there is a group of members who have very strongly suffered the "W" behaviour of this crisis. In any case, and with only a few exceptions, the context is such that, even when things are not going badly for you, it is complicated to obtain reasonable returns commensurate with the effort we are making".*

The year-end data also indicate that the sector has surpassed its own export record once again this year, reaching 1,178.22 million Euros. This accounts for an 8.3% increase in exports

with respect to 2012 figures. In the case of machines, the increase in sales abroad has risen to 10.4%, for components 4.8% and tools 6.8%. It is important to highlight the important surplus that the sector has generated in its trade balance: more than 700 million Euros.

Despite this figures, Jose Ignacio Torrecilla adds: *"We are especially concerned with the slump that the demand from Asian markets has suffered, especially China and India. In the case of China, essential transformations are being carried out that affect its economic model and this has caused industrial investment to stall. In the case of India, different factors have triggered a strong depreciation of its currency and a rise in rates with similar effects. If, on top of what is happening in Asia, we add the apathy of Brazil and the recent problems in Russia, it is easy to understand the extent of the fall that must be compensated."*

*Europe, on the contrary, seems to be recovering, although still very timidly, and in spite the fact that Germany continues to be the most important market for Spanish manufacturers, it is not pulling as was expected. The USA and Mexico are growing relatively strongly and are proving, once again, to be markets that we still have to address."*

The main destinations of Spanish exports in 2013 were headed by Germany, which has recovered the top spot, with 17.7% of the exports. It is followed by China (first destination in 2012) with 13.3%, France with 7.7% and Mexico and Brazil, with 5.6% in both cases. Completing the first ten destinations are: Russia, United Kingdom, USA, India and Portugal. These ten countries received 71.5% of the exports in 2013.

### **BIEMH, Bilbao from 2 to 7 June, the meeting place for industry**

The 28<sup>th</sup> Spanish Machine tool Biennial will be a good occasion to confirm the progressive improvement experienced by the local market after years of a sharp decline of demand. *"Although the starting point is very low, the majority of the forecasts point towards a relative economic improvement that should be reflected in an increase in investment in industrial equipment. That is why we expect this fair, which has already experienced 12% more contracting than the previous one in 2012, will be an important boost for the industrial sector. On our part, the positive information is that orders grew by 65% in 2013 (despite the fact that figure is still poor in absolute terms), and Spain once again was the market that conquered the highest share."*

*"Customers seem to be more animated and there is a great investment need. We hope to be able to capitalise on all of this, with a lot of visitors and work at the BIEMH. Everything seems to point to the fact that this year, following two difficult fairs in 2010 and 2012, can lead to a change in tendency. We are ready for this and we want to foster the return of the industry with our contribution",* added Torrecilla.

4 pavilions full of machines, 1176 exhibitors in 60,000 m2, make the BIEMH the largest and most important industrial event in Spain. With a confirmed increase of 12% in space and with high

expectations regarding the number of visitors, the 2014 BIEMH promises to be the best of this decade.

And new this year, the BIEMH, apart from being the meeting point for domestic demand, is concentrating its effort on reflecting our great potential in the production of high performance and accuracy equipment for complex, large-sized pieces: THINK BIG, THINK BIEMH. For the first time, the BIEMH has reserved a specific new area for two sub-sectors: additive or 3D manufacturing and compound materials. These manufacturing technologies are becoming increasingly important in different areas, such as for instance, the medical or aeronautical sectors, among others.

### **The Basque Government Renove Plan**

The President of the association highlights the positive effect that the *Renove* Plan, promoted by the Basque Government, is having on the sector: *"they do not just help us sell more, but they also improve the production capacity and above all, the competitiveness of the entire industry. The plan has arrived to cover a real need for stimulus and at the right time. It is being a total success and something we hope can be repeated on a national level. In order for industry to recover, companies should be re-equipped in order for them to be competitive."*

### **4.0 Machines**

The machine tool sector, as a technological spearhead in the industrial area, has embarked on the development of the production means that are going to form part of the factories of the future. In a new industrial paradigm where everything is interconnected, regardless of the location, and where people and machines must understand each other, more than ever, to generate added value services, machine tool manufacturers cannot be excluded from this reality. The new challenge is already underway.

### **Centenary of the machine tool in Elgoibar 1914-2014**

This year, the sector is celebrating the centenary of the foundation of one its most iconic companies, *Ciara y Estarta*, later *Estarta y Ecenarro*, and *Estarta-Sigma*, a company that played an essential role in the industrialisation of Elgoibar. This was the basis for the majority of our machine tool manufacturing industry.

## OVERALL SECTOR DATA

. millions €

TOTAL FOR SECTOR	2013	2012	% 13/12
<b>TOTAL PRODUCTION*</b>	<b>1.412,11</b>	<b>1.327,66</b>	<b>6,36</b>
Metalworking	563,51	496,60	13,47
Deformation	373,50	355,05	5,20
Components	180,25	175,50	2,71
Tools	84,73	83,56	1,40
Accessories	54,92	67,62	-18,78
Other machines and technologies	104,53	117,03	-10,68
Machining and other services	62,22	50,25	23,82
<b>TOTAL EXPORT</b>	<b>1.178,22</b>	<b>1.088,13</b>	<b>8,28</b>
Export for Metalworking	526,52	485,67	8,41
Export for Deformation	337,51	296,73	13,74
Exports for Components	126,16	120,33	4,85
Export for tools	51,28	47,99	6,86
Export for Accessories	37,42	48,82	-23,35
Export for other machines and technologies	61,97	62,63	-1,05
Export for machining and other services	37,36	25,96	43,91
Domestic sales	233,89	239,53	-2,35
Export / Production	83,44%	81,96%	

\* After deduction of the part of the accessories, components and tools sold for Spanish-produced machine tools.

. millions €

MACHINE TOOLS	2013	2012	% 13/12
<b>TOTAL PRODUCTION</b>	<b>937,01</b>	<b>851,65</b>	<b>10,02</b>
Metalworking	563,51	496,60	13,47
Deformation	373,50	355,05	5,20
<b>TOTAL EXPORT</b>	<b>864,03</b>	<b>782,40</b>	<b>10,43</b>
Metalworking	526,52	485,67	8,41
Deformation	337,51	296,73	13,74
Domestic sales	72,98	69,25	5,39
Export / Production	92,21%	91,87%	
Imports	236,64	233,28	1,44
Apparent consumption	309,62	302,53	2,34
Export / import coverage	365,12%	335,39%	
Domestic sales / Consumption	23,57%	22,89%	

. millions €

COMPONENTS	2013	2012	% 13/12
<b>TOTAL PRODUCTION</b>	<b>180,25</b>	<b>175,50</b>	<b>2,71</b>
<b>TOTAL EXPORT</b>	<b>126,16</b>	<b>120,33</b>	<b>4,85</b>
Domestic sales	54,09	55,17	-1,96
Export / Production	69,99%	68,56%	

. millions €

TOOLS	2013	2012	% 13/12
<b>TOTAL PRODUCTION</b>	<b>84,73</b>	<b>83,56</b>	<b>1,40</b>
<b>TOTAL EXPORT</b>	<b>51,28</b>	<b>47,99</b>	<b>6,86</b>
Domestic sales	33,45	35,57	-5,96
Export / Production	60,52%	57,43%	

. millions €

ACCESSORIES	2013	2012	% 13/12
<b>TOTAL PRODUCTION</b>	<b>54,92</b>	<b>67,62</b>	<b>-18,78</b>
<b>TOTAL EXPORT</b>	<b>37,42</b>	<b>48,82</b>	<b>-23,35</b>
Domestic sales	17,50	18,80	-6,91
Export / Production	68,14%	72,20%	

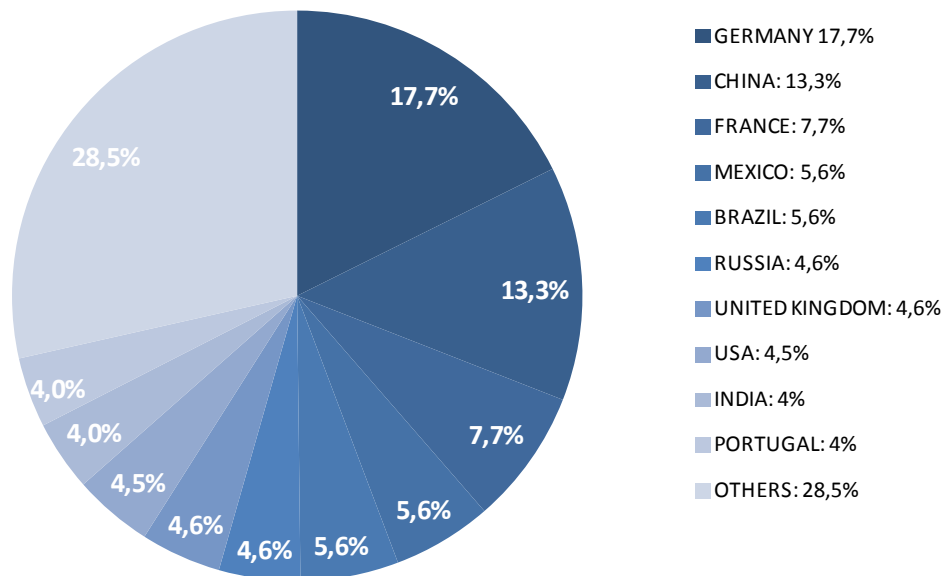
. millions €

OTHER MACHINES AND TECHNOLOGIES	2013	2012	% 13/12
<b>TOTAL PRODUCTION</b>	<b>104,53</b>	<b>117,03</b>	<b>-10,68</b>
<b>TOTAL EXPORT</b>	<b>61,97</b>	<b>62,63</b>	<b>-1,05</b>
Domestic sales	42,56	54,40	-21,76
Export / Production	59,28%	53,52%	

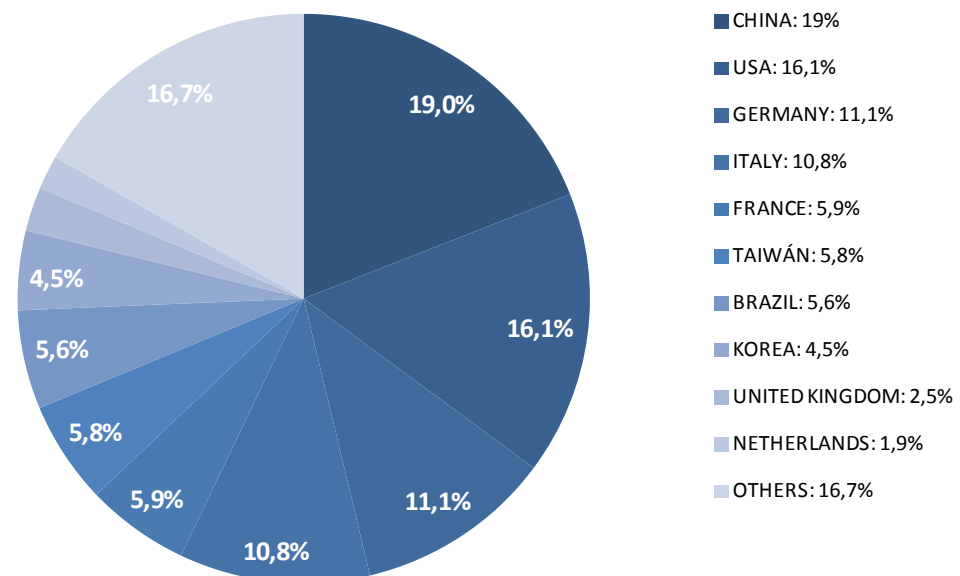
. millions €

MACHINING AND OTHER SERVICES	2013	2012	% 13/12
<b>TOTAL PRODUCTION</b>	<b>62,22</b>	<b>50,25</b>	<b>23,82</b>
<b>TOTAL EXPORT</b>	<b>37,36</b>	<b>25,96</b>	<b>43,91</b>
Domestic sales	24,86	24,29	2,35
Export / Production	60,05%	51,66%	

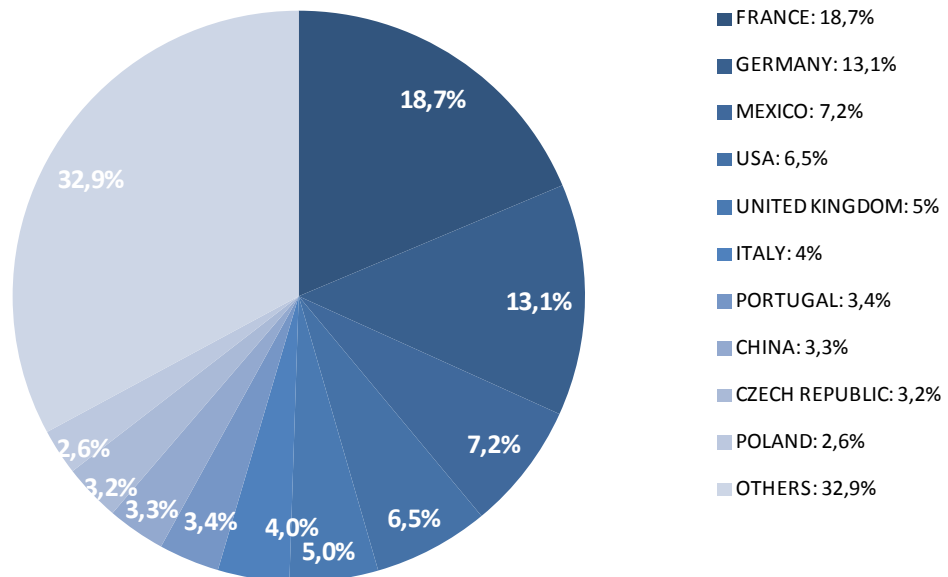
**Spanish exports in machine tools by countries in 2013  
(percentage of total)**



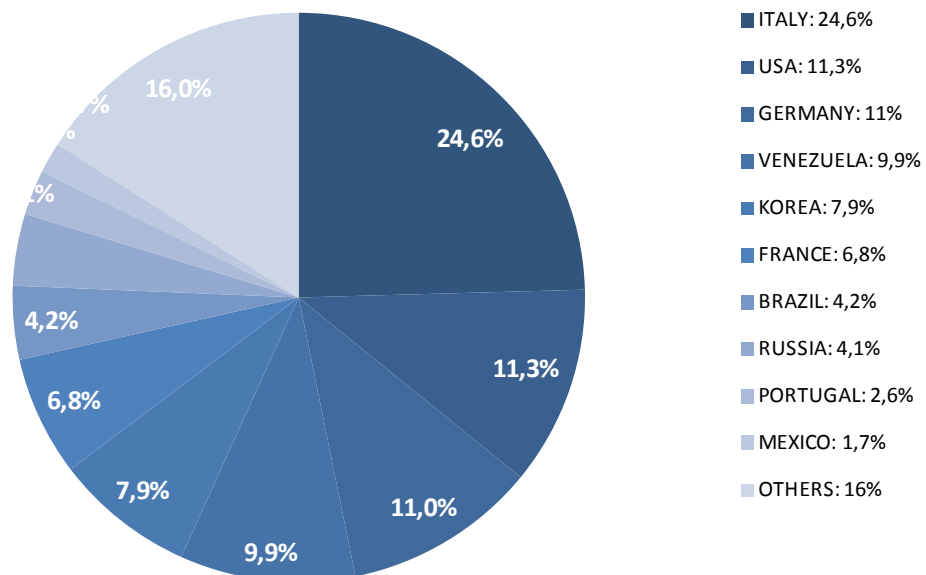
**Spanish exports of components for machine tools by country in 2013  
(percentage over the total)**



**Spanish exports of tools for machine tools by country in 2013  
(percentage over the total)**



**Spanish exports of accessories for machine tools by country in 2013  
(percentage over the total)**



## NOTE 2/2014

For further information please contact the Director of the Communication Department, María Ruiz-Lopetedi ([maria.rlopetedi@afm.es](mailto:maria.rlopetedi@afm.es)), telephones 943 309 009/679 979 083.

### **ABOUT AFM**

AFM, Advanced Manufacturing Technologies, the Spanish Association of manufacturers of machine tools, accessories, component parts and tools, represents 90% of companies specialising in machine tools and advanced manufacturing technology that exist in Spain today. From its headquarters in San Sebastian and since its consolidation in China and India, it works to promote internationalisation and the technological innovation of its associate companies. AFM Advanced Manufacturing Technologies is a member of CECIMO and of ECTA, the European associations of manufacturers of machine tools and of cutting tools, respectively, as well as the joint organiser of BIEMH, the Spanish Machine tool Biennial.