



METAL MECHANICAL TRANSFORMATION SECTOR GREW 7.4% IN 2023



San Sebastian, 21 March 2024. The machining and metal mechanical transformation industry has seen a 7.4% rise in turnover in 2023. Analysed by sub-sectors, machining increased by 7.1%, while boilermaking and deformation were up by 10.4%.

“This growth reaffirms the good results obtained back in 2022. The first half of 2023 has been excellent in terms of turnover, thanks to the momentum carried over from a highly positive 2022. In the second half of the year, uncertainty was widespread and there was a slight slowdown in terms of attracting new projects. In any event, a good level of

activity has been maintained, and 2023 closed out with a growth of 7.4%” according to Fernando Gastaldo, deputy president of AFMEC.

Exports, which account for 28.6% of turnover, are up by 20.5% in 2023. The main export destinations were France (33.3%) and Germany (19.1%), followed by the United States (15.4%), Finland (6.2%) and Morocco (3.2%).

AFMEC companies have a wide range of customer sectors, the most important of which are machine tools and consumer goods (26.9%), power generation (21.3%), the aeronautics and aerospace sectors (11.3%), the automotive sector (7.5%) and metal structures and construction in general (6.7%).

In 2023, the companies in the sector have reduced their level of investment in equipment by 13.9% with respect to 2022. As explained by Fernando Gastaldo: *“Investment in modern production equipment is fundamental in our sector, since our companies’ activity is geared towards very demanding and high-precision customer sectors. In 2023, high interest rates and the high degree of uncertainty in world geopolitics has led companies to cut way back on investments to be made. In this regard, the programmes that the administrations are putting into place to promote investment will allow companies to have the best production equipment and thus be competitive on an international scale”.*

Despite the positive figures for 2023, there are several factors to consider and which are raising concerns in the businesses in the sector. Fernando Gastaldo commented on this: *“Another of our concerns is the overall increase in costs that we have seen in recent years, which has meant a drop in the already very tight profit margins. In order for companies to continue being competitive and generate value for society, they need to be economically sustainable”.*

In terms of the forecasts for 2024, Fernando Gastaldo states: *“It is complicated to make forecasts in a setting as uncertain as the one we are currently living in. However, the level of activity of the companies is currently good and we are therefore expecting a slightly positive first half of 2024, with a possible slowing down in the second half of the year.”*





The Association has 190 member companies, each with an average staff of 27 people. The headcount increased by 2.6% in 2023, which consolidates the increases recorded in 2021 and 2022.

SCARCE INDUSTRIAL TALENT HOLDING UP GROWTH IN ADVANCED MANUFACTURING SECTOR

AFMEC forms part of AFM CLUSTER, an organisation made up of close to 800 businesses belonging to the advanced and digital manufacturing sector and which constitutes the country's top and most powerful industrial ecosystem: machine-tool and metal-mechanical transformation companies, manufacturers and importers of manufacturing technologies such as machine-tools and 3D printing, manufacturers of components and cutting tools, hand tools, automation technologies, robotics, industrial digitalisation and industrial startups.

Fernando Gastaldo remarked: *“One of the main factors limiting growth in our companies is the difficulty in attracting talent to the sector due to the scarcity of human resources with the right technical training. Companies need to hire qualified technical profiles, but there are not enough young people trained in vocational education centres and universities to meet the existing need.”*

From AFM Cluster several activities are being put in place aimed at tackling the strategic challenge of attracting, retaining and training talent. Fernando Gastaldo commented on this: *“We have set into action a powerful project to attract talent. An eye-catching and original image campaign has been designed which is aimed to draw in different collectives in the sector, particularly young people and women, and it will culminate with the celebration of the WORKINN TALENT HUB which will be held during the BIEMH exhibition. The industrial job platform JOIND.ES will also be promoted, the aim of which is to bring company vacancies to job seekers.”*

KEY EVENTS 2024

17 MAY: AFMEC GENERAL ASSEMBLY AND ADVANCED MANUFACTURING DAY, Kursaal Auditorium, San

Sebastian

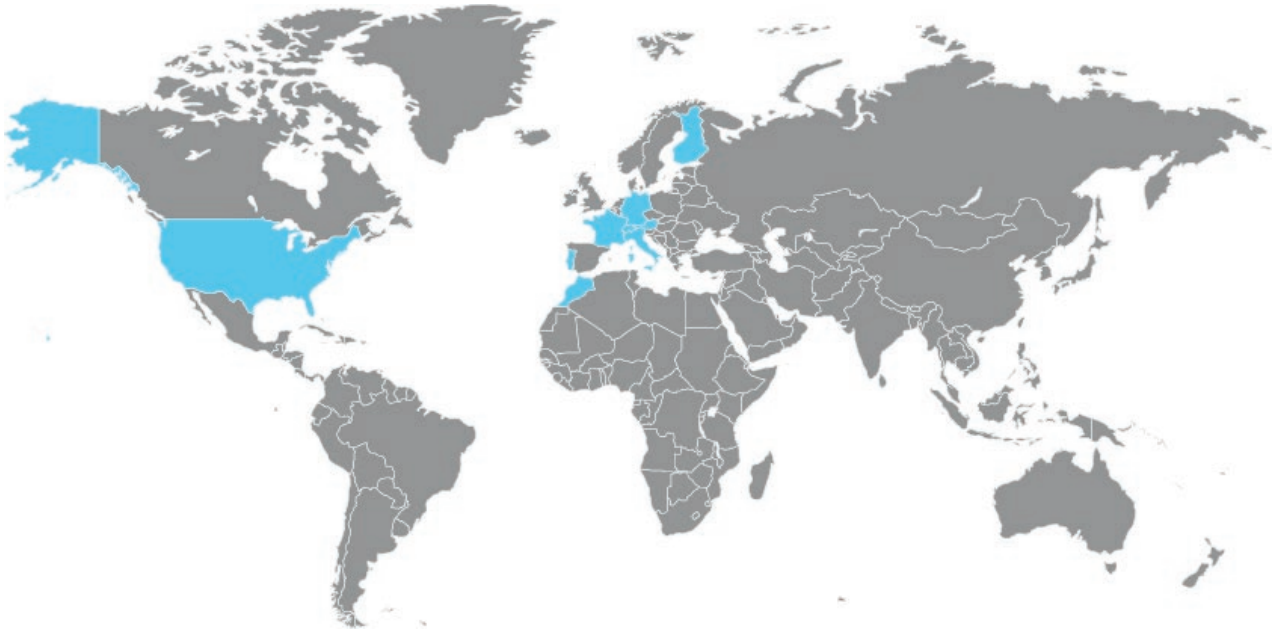
3-7 JUNE: 32BIEMH, BIENNIAL INTERNATIONAL MACHINE-TOOL EXHIBITION, Bilbao





2023 FIGURES

REVENUE	% 23/22
TOTAL REVENUE	+7.4%
DOMESTIC	+2.9%
EXPORTS	+20.5%



COUNTRIES	% EXPORTS
France	33.32%
Germany	19.07%
USA	15.45%
Finland	6.21%
Morocco	3.18%
Austria	2.03%
Switzerland	1.57%
Portugal	1.56%
Italy	1.54%
Other	16.08%





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 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 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 126 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 192 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 56 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

