

## A 3% GROWTH IN 2019 WILL ALLOW THE HAND TOOLS AND INDUSTRIAL SUPPLY SECTOR TO DEAL WITH A VERY COMPLICATED 2020



*San Sebastian, 22 June 2020.* ESKUIN's associate companies, Hardware and Industrial Supply Cluster, closed 2019 with a relatively good turnover of 380 million Euros compared to the 369 million Euros in 2018, representing an increase in overall sales of 3%. The year began on a strong note, but slowed from September on, signalling a downturn.

Overall growth in domestic sales was 3%, totalling 197 million Euros.

Exports also grew, at a rate of 2.95%, for a total of 182 million euros, versus a total of 177 million euros in international sales in 2018.

When analysed by customer sectors in the domestic market, nearly 50% of all sales went to the industrial sector, which grew by 2.13% compared to the previous year. Construction, which accounts for 44.3% of sales, was once again the sector that grew the most, 4.59% over the previous year. The third ranking sector, agriculture, which represents barely 6% of sales, dropped slightly by 1% and did not change significantly over last year.

The distribution of international sales remains similar to that of recent years: the European Union is the main destination of exports, with 71.08%, followed by the American continent, accounting for 11.59% and the Middle East with 7.51%. Lastly, Africa at 3.71%, Russia and Eastern Europe at 3.18% and Asia and Oceania at 2.93%.

As regards destinations of sector exports per country in 2019, France accounted for 10% of all sales abroad, Portugal received 5.41%, the USA 5.12% and Germany 5%. These markets are very demanding and value the high standards for quality, durability and functionality that characterise the sector's production.

Sector employment figures also remained stable, at nearly 1,900 workers, as in 2018 and 2017.

## CURRENT SITUATION AND OUTLOOK

At the beginning of the current year, despite the indications of a slowdown that began to appear in the last quarter of 2019 and the negative trend of the initial months, the figures were expected to be similar to those of the previous year. However, the pandemic arrived and all these forecasts had to be revised.

Miguel González, President of ESKUIN commented on the initial reaction of the sector's companies to the turnaround caused by the onset of coronavirus: *"The companies at ESKUIN have adapted to the new situation by implementing all the safety and prevention measures needed to safeguard the health of our employees and supply the market in normal conditions. It is now evident that the industry needs our tools to maintain its activity and that our sector is essential for the continued production at plants and workshops."*

*I would like to highlight that our association with AFM Cluster has been essential to overcome the enormous difficulties we have faced over the last four months. The association's immediate reaction and availability has made it possible to generate a series of activities through which we have adapted to the needs that have arisen due to the crisis. These encompass safety protocols, joint management of PPE, updated information of international markets, financing options, institutional relationships, periodic meetings among members to exchange information, etc."*

During the first five months of the year, the accumulated sales of ESKUIN companies fell by 24%, more so in the domestic market (-30%) than exports (-19%).

However, the first indications of recovery began to appear in the month of May and the activity is expected to resume its momentum gradually until the end of the year, enabling a boost in 2021. Despite the great uncertainty, our estimations for sales at the end of the year contemplate a decrease of 20%, and an upturn in activity in 2021.

The following four areas of action must be maintained to withstand these months and reach 2021 in conditions to surf the wave of recovery:

- Continuation of the financing measures for companies.
- Flexible employment measures.
- Innovation and resources for R&D.
- Resilient programs in support of companies' international and export activities.

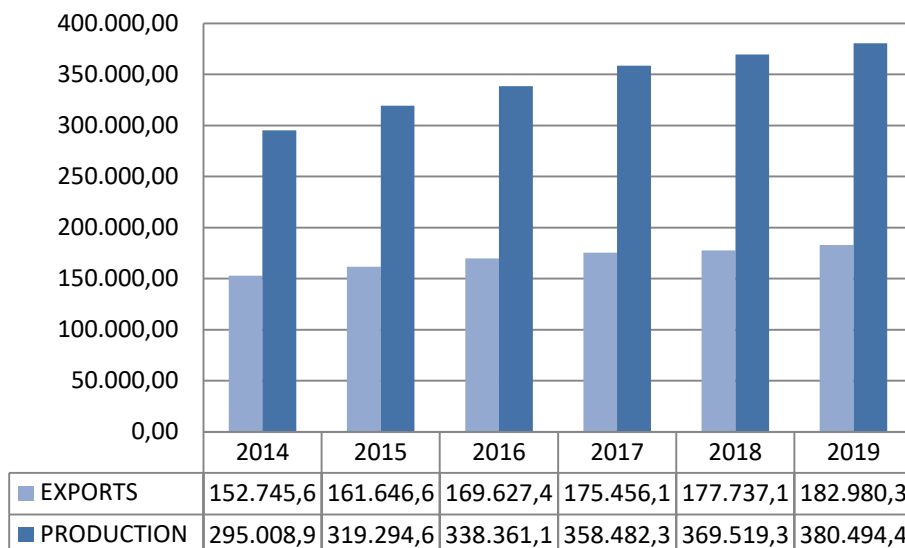
## FIGURES 2019

. thousands  
of €

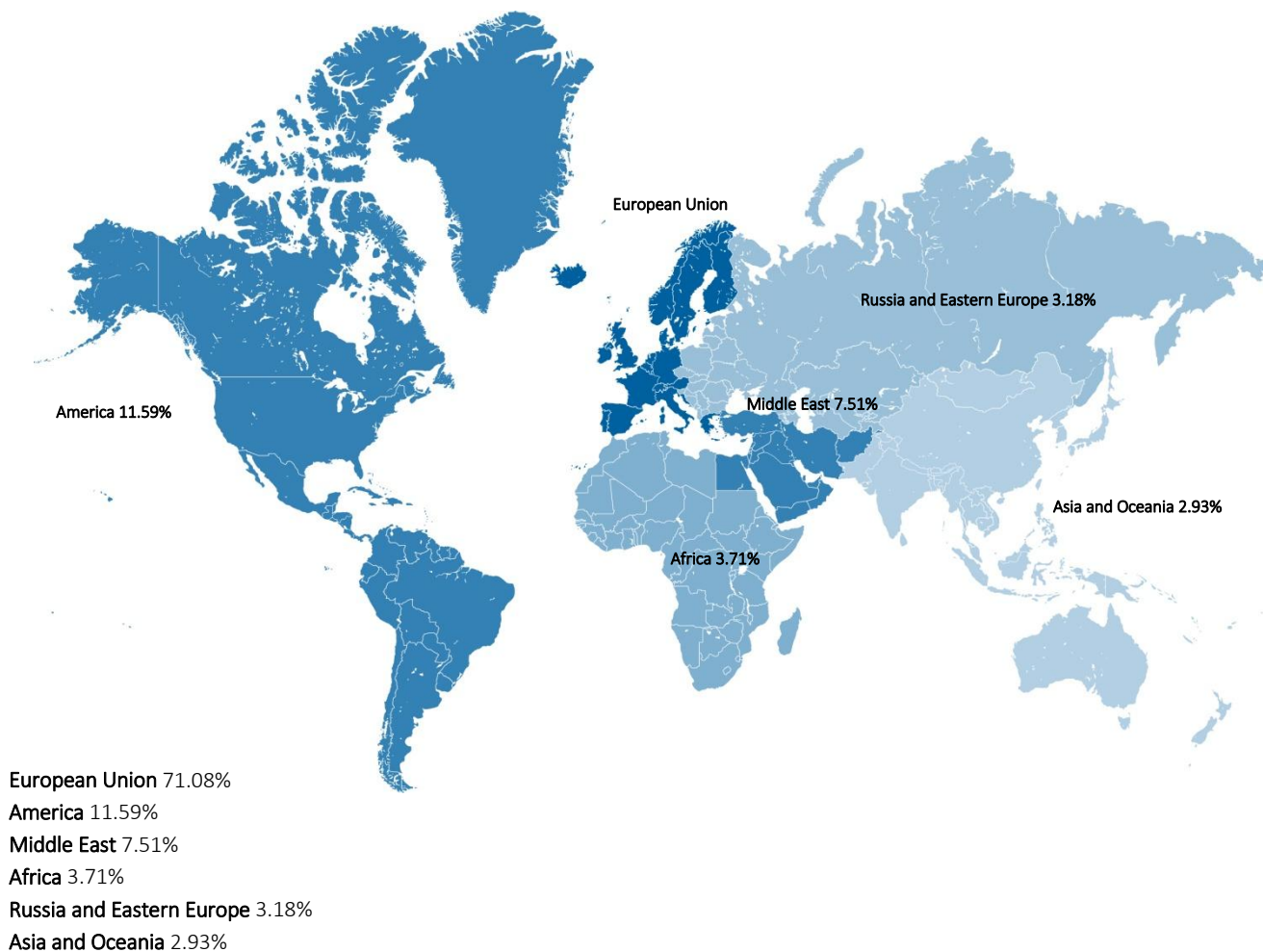
PRODUCTION	2019	2018	% 19/18
<b>TOTAL PRODUCTION</b>	<b>380,494.46</b>	<b>369,519.36</b>	<b>2.97%</b>
<b>DOMESTIC</b>	<b>197,514.12</b>	<b>191,782.26</b>	<b>2.99%</b>
Industry	97,161.49	95,135.11	2.13%
Construction	87,413.11	83,576.93	4.59%
Agriculture	12,939.52	13,070.22	-1.00%
<b>EXPORTS</b>	<b>182,980.34</b>	<b>177,737.10</b>	<b>2.95%</b>
Exports/Production	48.09%	48.10%	

## PRODUCTION/EXPORTS 2014-2019

. thousands of €



## EXPORTS PER REGIONS



**NOTE 4/2020**

For further information, please contact the Director of the Communications Department María Ruiz-Lopetedi (maria.rlopetedi@afm.es), phone nos. 943 309 009/679 979 083

## ABOUT AFM CLUSTER

AFM CLUSTER is the organisation that represents the interests of Advanced and Digital Manufacturing in Spain. Made up of five industry associations, it groups more than 500 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 five 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 more than 70 years of history, it has 127 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 92 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 185 member companies, it aims to give visibility and services to one of the most important industrial groups in Spain.
- Technology-based companies and startups. UPTEK represents 75 technological companies and startups dedicated to advanced and digital manufacturing.

AFM CLUSTER also has 78 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.