



COUNTRY REPORT JUNE, 2006

1. Name of Country: SPAIN

2. Commentary on Special Tooling & Machining Industry Business Situation

Present Situation

- Total employment decreases
- Some companies are shutting down
- Total turnover decreases

Market Characteristics

- Some OEM, global suppliers and transformers (plastic and sheet metal) are moving to emergent countries
Toolmakers are invited to follow them
- In the car industry, local suppliers tier 1 advises that new investments for production will do in emergent countries.
Local investment only for R+D
- The number of Trade Companies offering tools from emergent countries increases
- The price of steel increases
- The exchange rate €/€ is not good for the companies from € region

Export/Import 2005/2004 (million €)

- Exports:

dies	155	-15%
moulds	55	-29%
diecasting dies	6	=

- Imports

dies	44	-42%
moulds	93	+4%
diecasting dies	13	+18%

- The trade (exports/imports) with China increases.



Production Technology & Equipment

The use of ERP are increasing
Park of HSM and the use of rapid prototyping are also increasing.

Technology Centres and companies increase their participation in investigation projects supported by the European Union

Human Resources & Wages

Wages continue being high
Total employment decreases

Government & Industry Support Programs

Government promotes the innovation in the companies and also strategic reflections.

Outlook for the Future & Problems to be Solved

- Favourable conditions of surrounding have to be created (infrastructure, energy cost, payment conditions, ...)
- To get a high technological level some investments have to be stimulated
- At European level, a common industrial policy is needed
- Many companies have to solve the problem of their small dimension and the well done management (contracting professional managers perhaps?)
- Some toolmakers increase the subcontracting to low cost countries
- Toolmakers know that they have to increase the collaboration between them

3. Summary and Conclusion

During the last months the shutting down of the companies has been down. The general point of view is that we are in a very deep change of business, that means it requires a reorientation of the companies