

EUMABOIS REPORT: HIGHLIGHTS 2020

The EU-27 economy suffered a sharp impact due to the health emergency which broke out in early 2020 and today, the Coronavirus crisis continues to constitute one of the most complex challenges for the government agendas of European countries. According to a report released by the European Parliament, the Eurozone is expected to reach pre-crisis levels in the last quarter of 2021, a quarter earlier than the spring forecast, albeit with significant differences within the various industrial sectors. According to outlooks by the International Monetary Fund (WEO, July 2021), the economy experienced a recession of -3.2% globally and -6.5% in the Eurozone, in 2020. On the other hand, the forecasts for the year 2021 are revised and improved: **the IMF estimates growth of + 6% for the global economy and + 4.6% in the Eurozone**, while for 2022 it will be + 4.9% and + 4.3%, respectively

Covid-19 had several implications on the economic framework: at first glance, the pandemic acted as an accelerator of digitalization processes within companies, allowing **greater impetus towards digital and the green transition**. However, this trend will need to be accompanied by specific investments and an adequate political support. Furthermore, many companies, in order to remain competitive on an international level, have been forced to **break the usual and consolidated ties, thus allowing the birth of new ones**. Indeed, in order to cope with the severe restrictions imposed on mobility, the lack of supplies, the blocking of production activities as well as their composite restart, companies have been forced to diversify their supply channels in order not to damage the production chains excessively, implicitly generating new opportunities in other markets. However, it is too early to establish whether this change of direction could be translated into a lasting trend, at the same time, it is important being aware that the next two years of reconstruction will represent a fundamental opportunity to improve and strengthen the positioning of mature and structured markets such as the European ones.

With regard to the international trade, the European Union, has always been a leading player, being the second largest exporter and importer of goods in the world. Only China exports more goods and the United States imports more. Based on Eurostat, in 2020, the main partner of the EU for total trade in goods and services were the United States (18 % of total extra EU trade), the United Kingdom (15 %), China (12 %) and Switzerland (8 %). **Between 2008 and 2020 the importance of China increased from 8 % to 12 % as well as of the United States from 14 % to 18 %**. On the other hand, the share of Russia in EU trade of goods and services almost halved from 7 % to 4 %. The EU trade in goods and services decreased in 2009 following the financial crisis, and again in 2020 with the effects of the Covid-19 pandemic. As for the EU trade in goods balance recorded a continuous surplus between 2001 and 2020, with the exception of 2006, 2007 and 2008. Currently, there is a **surplus of 329 billion of euro in 2020**. In the same year, the highest surpluses for trade in goods were recorded in Germany (EUR +189 billion), Ireland (EUR +139 billion), the Netherlands (EUR +70 billion), Italy (EUR +67 billion) and Sweden (EUR +19 billion); and the largest deficits in France (EUR -63 billion), Romania and Greece (both EUR -19 billion) and Portugal (EUR -12 billion).

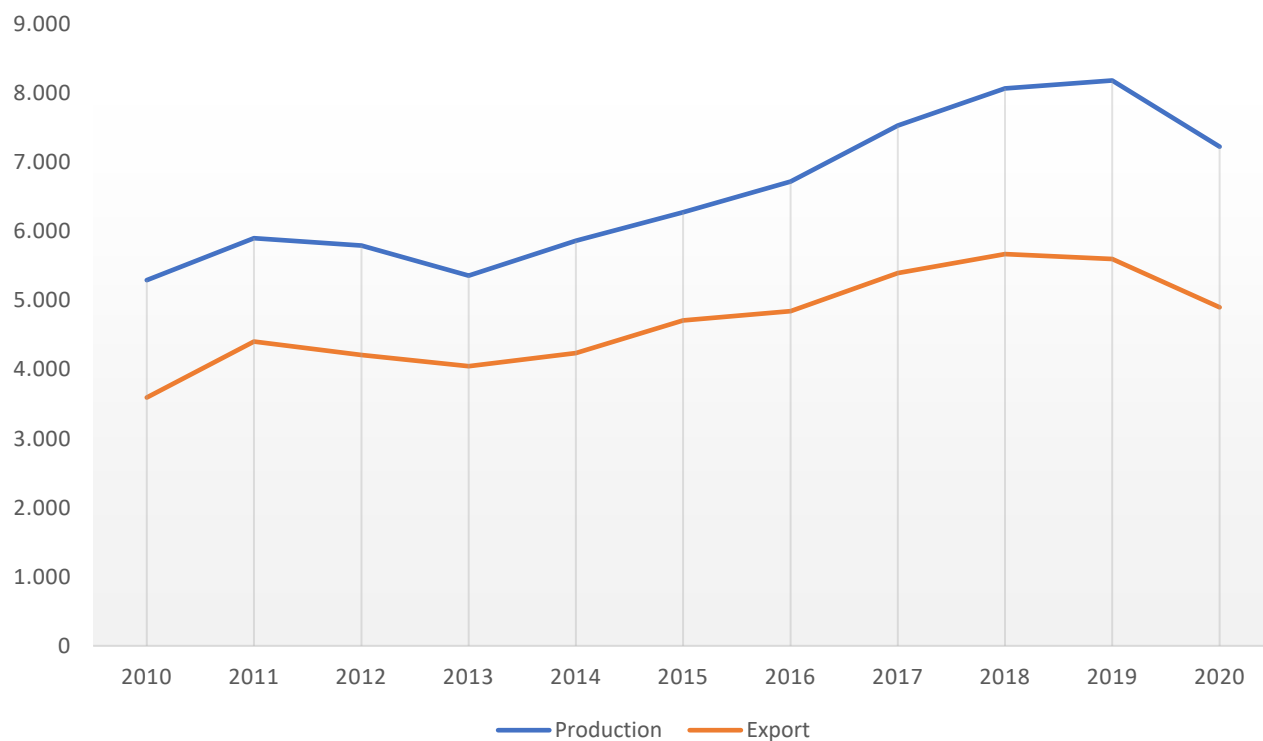
EUMABOIS - WOODWORKING MACHINERY AND TOOLS MARKET (MM EUR)

	2016	2017	2018	2019	2020	VAR% 20/19
Production*	6.718	7.531	8.065	8.181	7.225	-11,7
Export	4.845	5.394	5.669	5.597	4.899	-12,5
Import	2.048	2.336	2.535	2.565	2.390	-6,8
Trade Balance	2.797	3.058	3.134	3.032	2.509	/
Domestic market	1.873	2.137	2.396	2.584	2.326	-10
Apparent Consumption	3.921	4.473	4.931	5.149	4.716	-8,4

Source: Estimated data elaborated by Eumabois Secretariat on National Associations data

*Tools production are not included in the above figures

EUMABOIS - PRODUCTION AND EXPORTS (MM EUR)

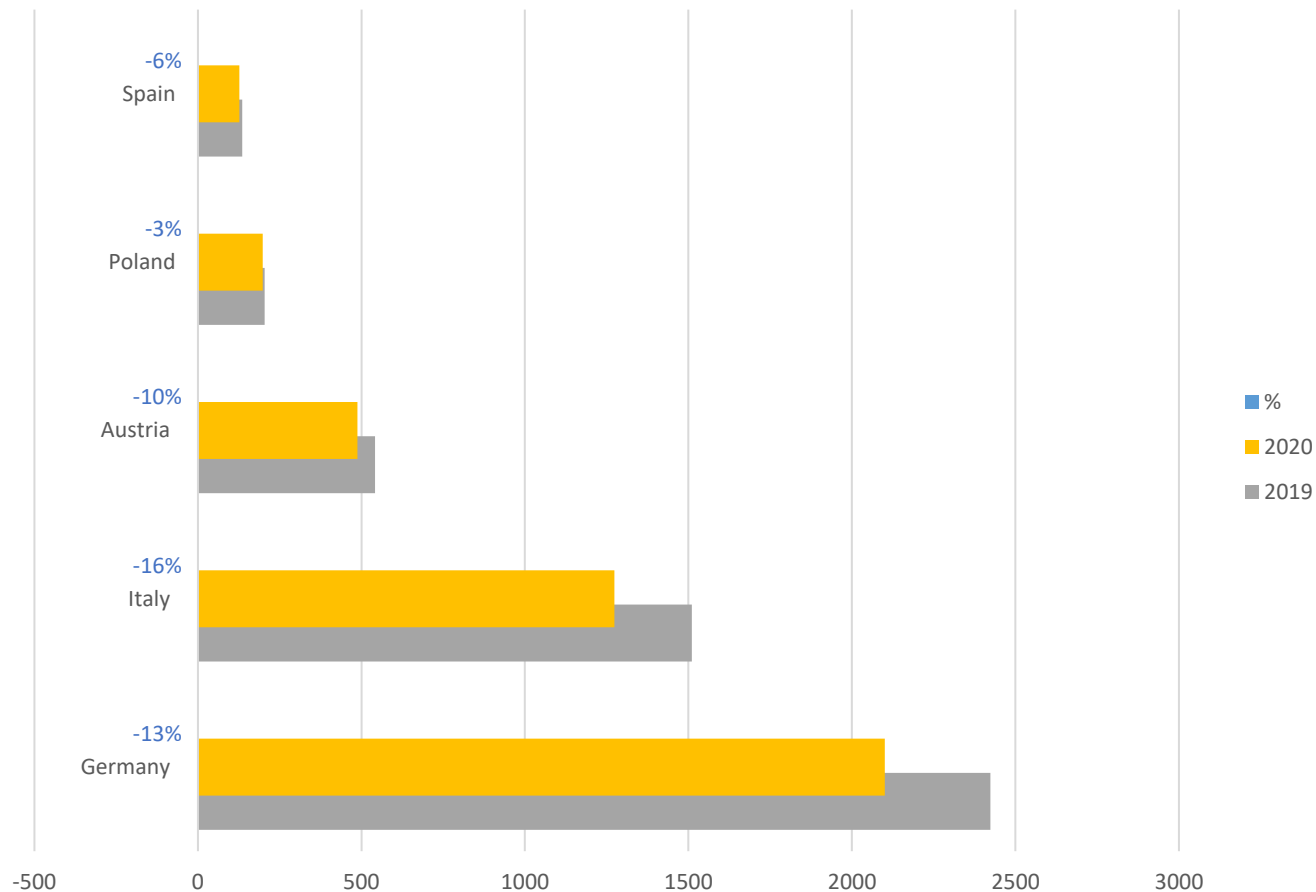


The European industry of woodworking machinery manufacturers **closed the year 2020 with the indices in red**, due to the Covid-19 pandemic which blocked most of the production activities.

The Eumabois production of the 13 European Associations -plus Spain- amounted to **euros 7.225 million in 2020**, suffering a **decrease of 11.7% compared to the previous year**. Also, **Eumabois exports**, whose share usually is closed to 70% of the world export of woodworking machinery, recorded a 54% share of the total export of machinery this year, **equal to euros 4.889 million, a decrease of -12.5% compared to 2019**. The imports data, historically less significant, was equal to euros 2.390 million (-6.8%). However, compared to the recession of 2009 in which world trade suffered a reduction of about 30 times that of global GDP, in 2020 the two figures, trade (-9.6%) and global economic activity (-3.2%), moved in a more balanced way than in the past, a sign of a better resilience of the current model of globalization. This factor, combined with the pace of the global vaccination campaign, suggests a **moderate confidence in the recovery prospects for the coming years**, albeit in a scenario that is still uncertain due to the development of new variants of the virus around the world.

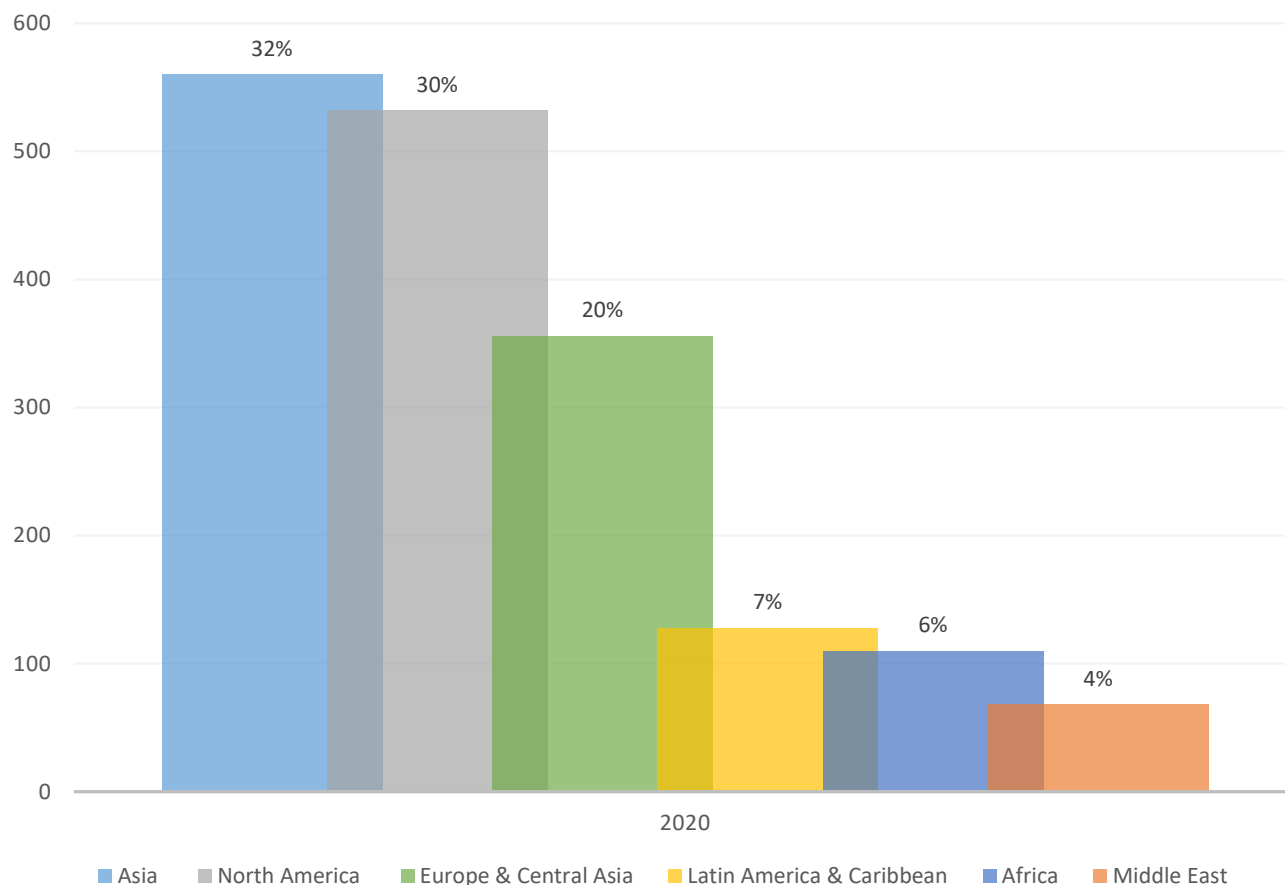
EUMABOIS IMPORTS/EXPORTS

MAIN EXPORTING COUNTRIES (MM EUR)



Looking at the exports data, **almost all the Eumabois countries experienced a decline in exports compared to the previous year**. The two main countries, Germany and Italy, recorded a decrease of 13% and 16% in 2020, respectively. Germany, leader of European exports of woodworking machinery, exported machines for euros 2.100 million in 2020 while Italy, in second place, recorded euros 1.274 million in exports. Austria follows with euros 488 million (-10%), Poland (-3%) and Spain (-6%). Unlike the others, Turkey and Slovakia, are the only Eumabois countries to have registered an increase in machine exports in 2020 of euros 105 (+ 7%) and 45 (+ 15%) million, respectively.

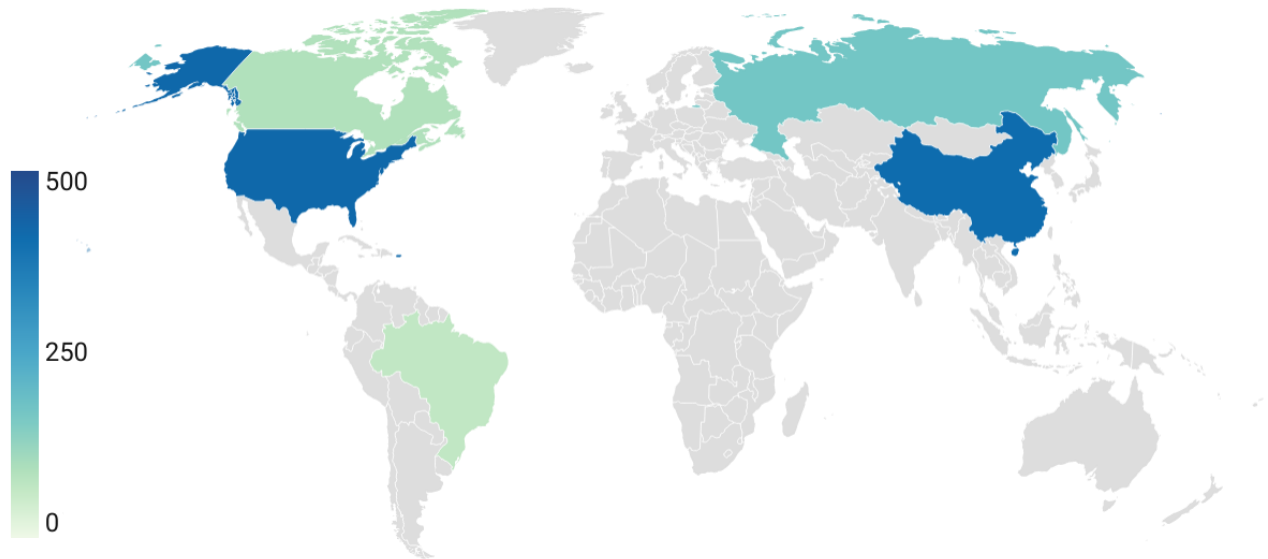
MAIN DESTINATIONS OF EUMABOIS EXPORTS DIVIDED BY MACRO AREA (2020, MM EUR)



Most of the EU member states trade mainly within the European single market but, analysing the Eumabois flows extra-EU divided by macro areas, it is noticed that the trend of Eumabois sales tend to be in favour of the Asian macro-area with a share of 32%.

China has always been the first market of destination in Asia for Eumabois machinery, accounting for 73.2% of the region's total. The North American market follows with a share of 30% in which the United States is confirmed as the first country of exports' destination from Eumabois countries with a share of 77.7%. The Central Asia and Europe area accounts for 20% of Eumabois exports, with the Russian Federation (48.4%) being the first target market. With lower shares, follow the region of Latin America and the Caribbean with a share of 7% and Brazil in first place (52%). Africa accounts for 6% of Eumabois exports, mainly directed to Egypt (27.6%), followed by Algeria and Morocco. Finally, the Middle East with a share of only 4% in which the United Arab Emirates (34%) are the main destination market, followed by Israel and Saudi Arabia. Therefore, as shown in the graph below, the main destination countries of European machinery in 2020, taking into account only exports made outside the EU, are: United States with euros 418 million, 30% less than the previous year, China with euros 410 million (+ 5.1%), the Russian Federation with euros 172 million (-13%), Canada with euros 83 million (-10.8%) and Brazil with euros 66 million (+ 50%).

MAIN MARKETS OF DESTINATION OF EUMABOIS EXPORTS* (2020, MM EUR)



Creato con Datawrapper

*Outside Europe

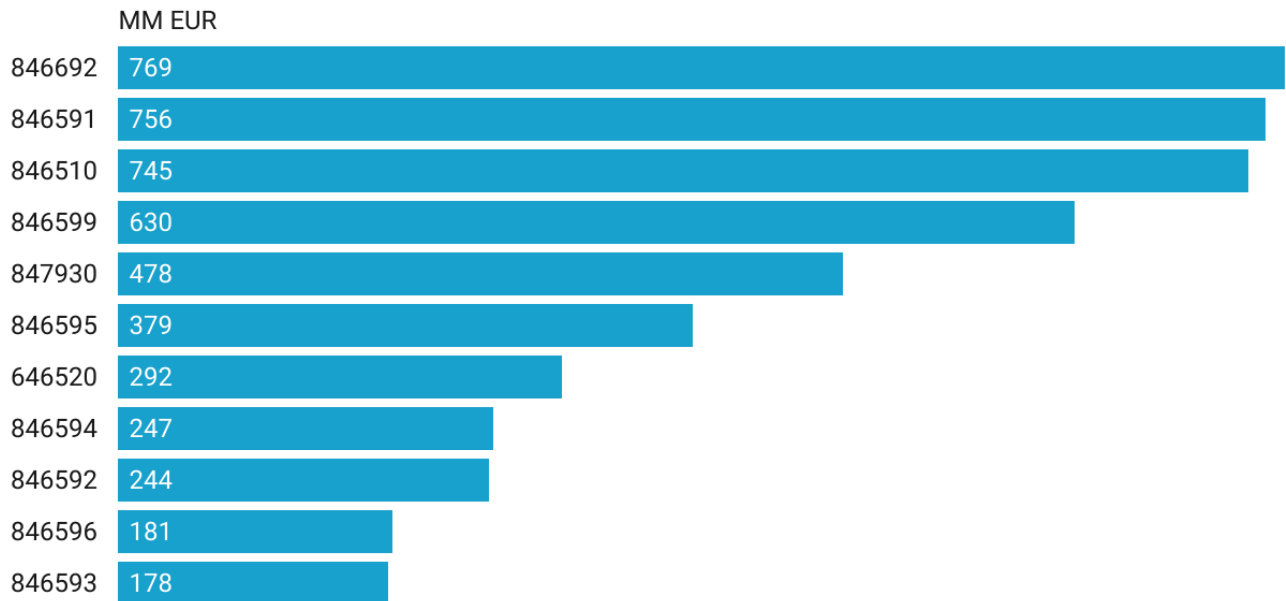
MAIN SUPPLIER MARKETS OF EUMABOIS* (2020, MM EUR)

	2019	2020	VAR% 20/19
CHINA	350	429	23
TAIPEI	38	36	-5
USA	25	23	-8
UNITED KINGDOM	11	15	36
JAPAN	6	5	-17

*Outside Europe

WOODWORKING PRODUCTS - INSIGHTS BY HS CODE

LIST OF MOST EXPORTED WOODWORKING PRODUCTS BY EUMABOIS IN 2020



Source: Eumabois • Created with Datawrapper

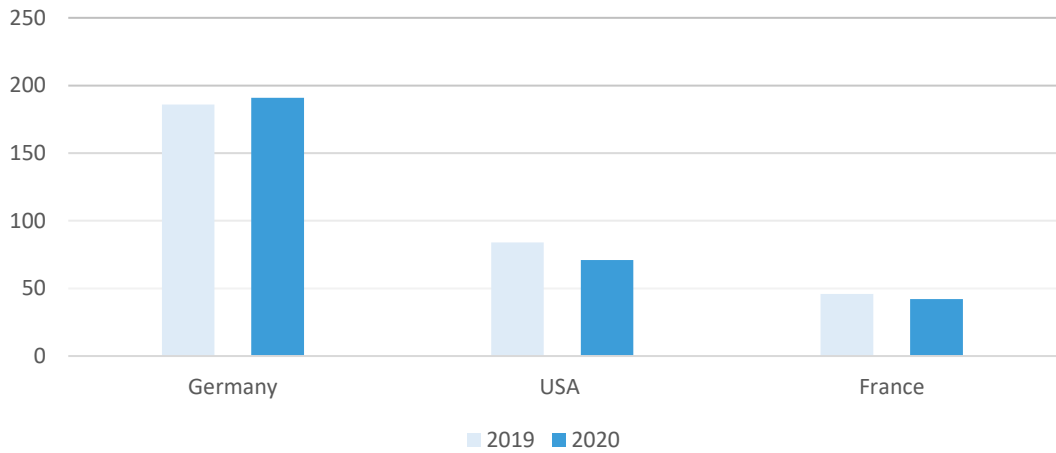
From a product point of view, with regard to Eumabois exports of woodworking machinery, the following can be observed:

- *"Parts and accessories of machines of heading no. 8465"* (code 846692) is the most exported commodity product in 2020 with euros 769 million exports, a 7% decrease compared to 2019.
- It remains almost unchanged compared to last year, and the only one to record a positive export, the value export of *"sawing machines"* (code 846591) with euros 756 million exports (1%);
- important reductions occurred for the export of *"presses for manufacturing particle or MDF board, others"* (code 847930), *"bending or assembling machines, presses included"* (code 846594) and *"planing, milling or moulding (by cutting) machines"* (code 846592) which all registered a decrease of 22% compared to the previous year;

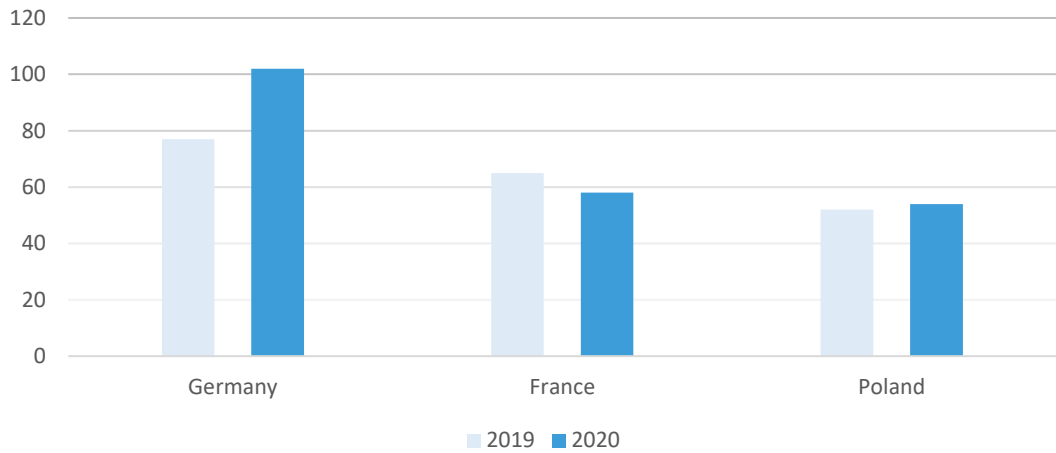
The graphs below show a focus of the top three most exported customs codes in 2020 and their main importers globally.

WHO ARE THEIR MAIN IMPORTERS? (Imports 2020, MM EUR)

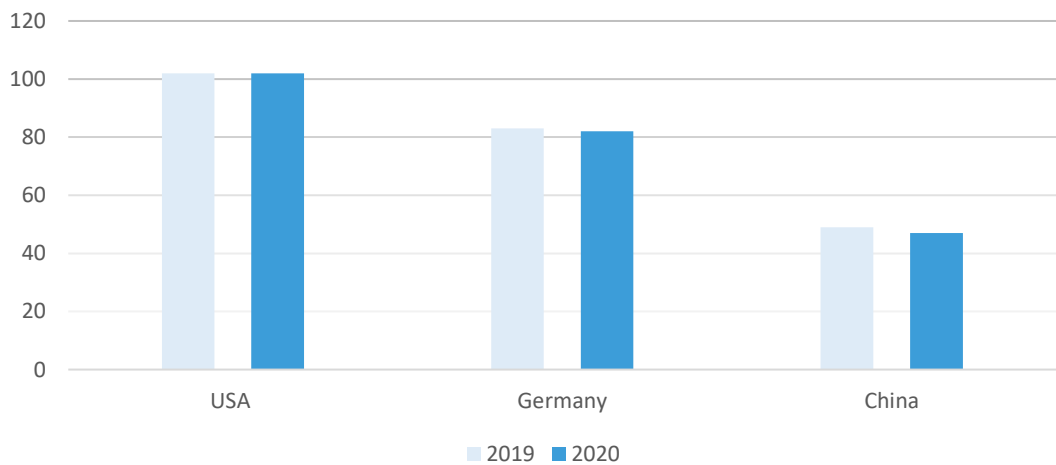
Product Code - 846692



Product Code - 846591



Product Code – 846510



METHODOLOGY

The data were collected by consulting the international trade databases. For collecting the production data, it has been carried out through a quantitative survey using the data provided by the individual National Associations. Since some figures were not made available because they were incomplete, the missing data was obtained starting from the export data. The final result is an estimate of the European production of woodworking machines in the reference year.

The market analysed by the report is the Eumabois market which includes the following European countries:

Austria, Belgium, Czech Republic, Finland, France, Germany, Italy, Lithuania, Poland, Portugal, Slovakia, (Spain), Switzerland and Turkey.

The goods object of the study are classified according to the harmonized system codes - HS CODE

846510 *Machines for working wood, cork, bone, hard rubber, hard plastics or similar hard materials, which can carry out different types of machining operations without tool change between such operations*

846520 *Machining centres for working wood, cork, bone, hard rubber, hard plastics or similar hard materials, which can carry out different types of machining operations by automatic tool change from a magazine or the like in conformity with a machining programme*

846591 *Sawing machines for working wood, cork, bone, hard rubber, hard plastics or similar hard materials*

846592 *Planing, milling or moulding -by cutting- machines, for working wood, cork, bone, hard rubber, hard plastics or similar hard materials*

846593 *Grinding, sanding or polishing machines for working wood, cork, bone, hard rubber, hard plastics or similar hard materials*

846594 *Bending or assembling machines for working wood, cork, bone, hard rubber, hard plastics or similar hard materials*

846595 *Drilling or mortising machines for working wood, cork, bone, hard rubber, hard plastics or similar hard materials*

846596 *Splitting, slicing or paring machines, for working wood*

846599 *Machine tools for working wood, cork, bone, hard rubber, hard plastics or similar hard materials*

846692 *Parts and accessories for machine tools for working wood, cork, bone, hard rubber, hard plastics or similar hard materials, n.e.s.*

847930 *Presses for the manufacture of particle board or fibre building board of wood or other ligneous materials and other machinery for treating wood or cork*