

ECONOMY

BUSINESS AREA 3



Auxiliary Industries



The auxiliary industries of the Region of Murcia are characterized for their deep restructuring and upgrading process over the last few years. Murcia, a region of strong mining tradition for centuries, eventually favored the development of a metallurgical sector to process ore-extracted minerals. Nowadays, Murcia's auxiliary industries are known for ongoing use of science, technology and extraction of industrial metals and minerals in an efficient, profitable and **environmentally friendly** manner. The aim of this sector is to process products that **favor regional development** and the well-being of the Murcian population.

In terms of numbers, the metallurgical industry was once again the sector with the **highest growth rate in 2017**. This is rather significant considering the fierce competition from metal manufacturers in China and Russia, as well as the high energy costs. A key factor for this sectoral improvement was the **"circular economy"** (metal recycling), the **domestic demand revival** (increased car production and construction reactivation) and, above all, the **increase of international sales**. Steel piping and tubing exports increased over **40%** in 2016, with Turkey, United Kingdom, Morocco, France, Gambia and Tunisia

being the main clients. In total, during the first eleven months of 2017, the Murcian auxiliary industries exported **€154 million**. If the sale of metallic products for that same period was included, the number exceeded **€446 million**.

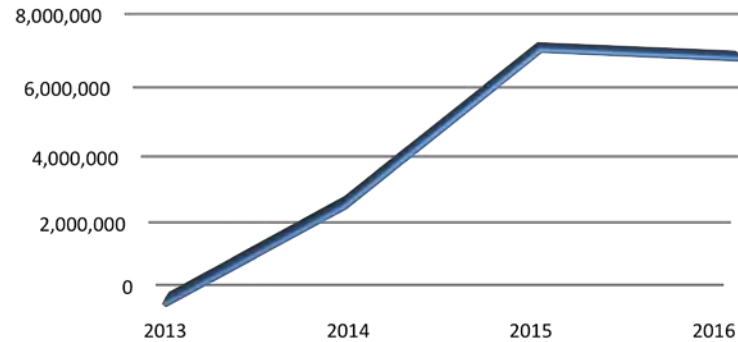
There are **995** Murcian companies specializing in the production of iron, steel alloys and metallic products, **40 of which are foundries** and **955 manufacturing factories**. They account for **16%** of the regional business network. The most important companies are located in Molina de Segura, Las Torres de Cotillas, Murcia and Cartagena. They have a large product portfolio: tubes, beams, construction structures, forges, car body parts, tin cans, tools and hardware, metallic meshes, doors, tanks, cutlery, ammunition, etc. **The sector's turnover is some €850 million**.

The metal sector is characterized for a medium-low technological level and an **R&D expenditure of 6%**. The key activities are metal casting, forging and stamping, as well as construction products and the manufacture of packing and packaging, with Murcia being a national leader.

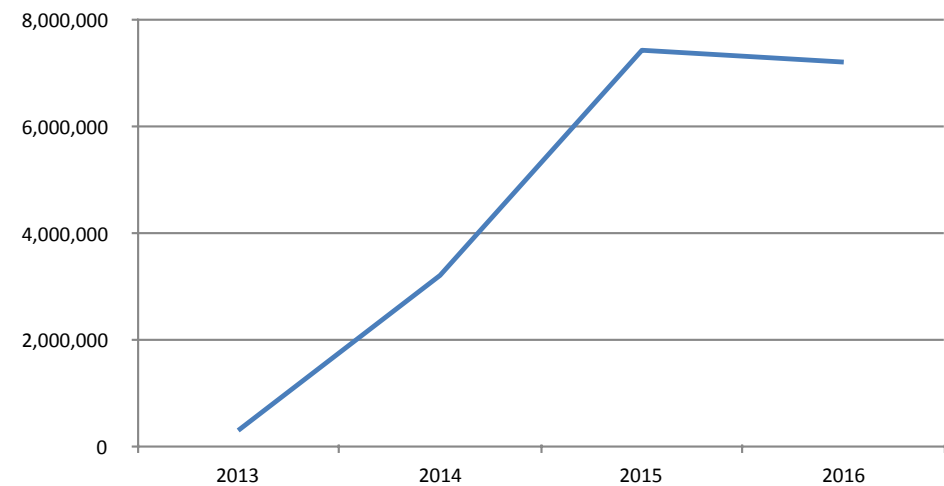
Source: CREM 12.2017

During the first eleven months of **2017**, the Murcian auxiliary industry sold some **€154 million** abroad!

Investment Evolution in the Auxiliary Industries Over the Last Four Years



Industrial Investment Evolution Over the Last Four Years



Source: Regional Ministry of Economic Development, Tourism and Employment
General Directorate of Energy, Mining and Industrial Activities

COMPANY HIGHLIGHTS:

Murcia becomes a national leader thanks to the work of companies such as **Mivisa**, **Crown** and **Auxiliar Conservera**. Furthermore, the role of **FREMM**, the organization coordinating the industry, is essential as it promotes training courses and channels innovation subsidies.

This industry currently employs some 20,000 people, 10% of whom work for the multinational corporation **Mivisa**.