

BUSINESS AREA 3



Auxiliary Industries

The auxiliary industries of the Region of Murcia are characterized for maturity and upgrade over the last few years. Murcia, a region of strong mining tradition for centuries, 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 a highly dynamic sector, with a growth rate of 10.6 compared to the previous year. 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. Some key markets for Murcian exports

from this industry in 2020 are Turkey, United Kingdom, Morocco, France, Gambia and Tunisia being the main clients. Over the last few years, this industry has undertaken a solid digitalization process with the aim to further modernize production and enhance productivity. In addition to that, year-on-year employment in this industry has increased nearly 3%.

There are about 1.000 Murcian companies specializing in the production of iron, steel alloys and metallic products. These companies, which account for 16.73% of the regional business network, are located mostly 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 nearing €1 billion.

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.



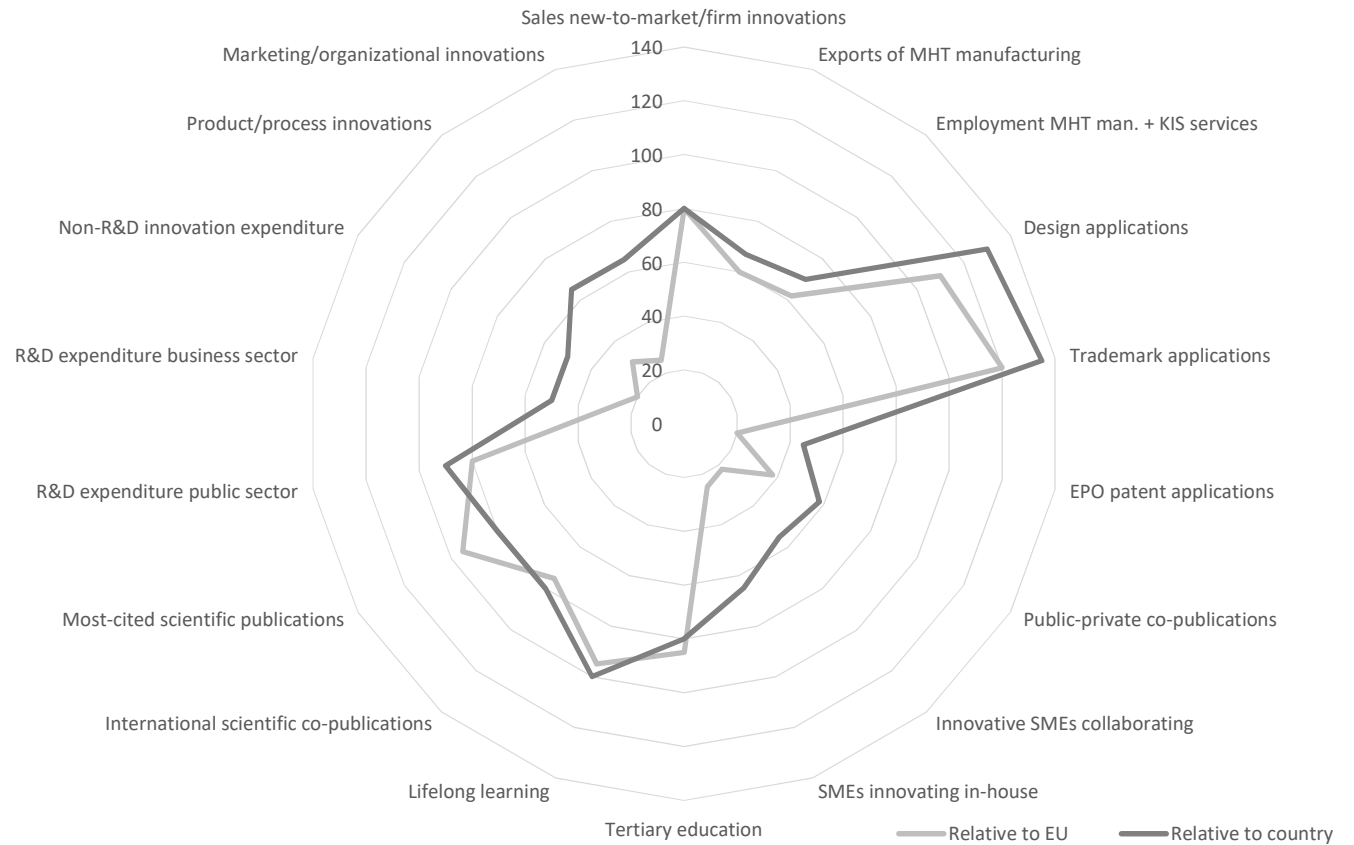
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Halfway through 2020, Murcia was the only Spanish Region where Industrial Production had increased (5.8%)!

Innovation indicators in Auxiliary Industry (Region of Murcia, Spain and EU)



Source: Eurostat

INDUSTRY HIGHLIGHTS

Murcia becomes a national leader thanks to the work of companies such as Mivisa, with over 100 years in this industry and currently bought out by **KPS**, **Eviosys**, former **Crown**, and **Auxiliar Conservera**. More recently, the German company **AED Engineering**, specializing in technology for the automation industry, has set up in our region.

Within this industry, it is worth mentioning the role of **FREMM**, an organization coordinating the industry, promoting training courses, channeling innovation subsidies and streamlining processes with the aim to further improve the performance and productivity of sectoral firms and their workers.

This industry currently employs some 20,000 people and supplies other key regional sectors, including chemistry and agrofood.