

## PRESS RELEASE

2023 Data and 2024 Forecast

### The revenue of Spanish automotive suppliers exceeds 40 billion euros, but it is growing at a slower rate

- During 2023, automotive suppliers based in Spain continued to make substantial investments in production capabilities and in R&D&I to address the transformation towards electrification, digitalization, and decarbonization.
- In 2023, the sector employed a total of 332,550 people both directly and indirectly, with direct employment becoming increasingly technologically advanced.
- According to forecasts, in 2024, revenue will increase by 3% compared to 2023, and employment levels will be maintained despite challenges.

**Madrid, May 30, 2024** / The Spanish Association of Automotive Suppliers (SERNAUTO) has presented the sector's data for 2023, which shows that the Spanish automotive supplier industry continues to grow due to significant efforts and substantial investments in technology, internationalization, and production, albeit at a slower pace than in previous years.

In 2023, the automotive supplier sector **generated 41.529 million euros in revenue**, representing a **10.3% increase compared to 2022**. This figure marks a milestone for the sector, surpassing 40 billion euros in revenue for the first time. However, it is important to consider the impact of inflation on this increase, as production volumes remain low and profit margins are very tight.

Despite the prevailing uncertainty, the sector **increased its investment in production capabilities by 10%**, investing over **1.670 million euros** in improving its production processes to continue offering the best product to its customers competitively. However, the growth rate of this investment is slower than in previous years.

The same is true for investment in **Research, Development, and Innovation (R&D&I)**, which in 2023 accounted for **3.1% of turnover**, totalling **1.271 million euros**. Although this figure remains nearly three times the industrial average in Spain, it has stagnated in recent years.

These figures demonstrate the ongoing efforts made by the Spanish component industry to adapt to changes and remain at the forefront of technology. However, the slowdown in

investment growth may signify a deviation of projects to other countries that are more attractive and offer greater incentives for their development.

Hence, SERNAUTO calls upon the Public Administration for greater support to the automotive sector in order to attract investments and future projects to our country.

*“The Spanish component industry continues to prioritize R&D&I and the expansion of its production capabilities. However, we observe that some investments in this regard may be taking place beyond our borders. To prevent this loss of strategic autonomy and competitiveness, it is essential to have a national strategy that includes a package of measures aimed at attracting investments and promoting the launch of innovative projects in Spain.”*, **José Portilla, Director General of SERNAUTO**, has remarked.

Regarding **employment**, in 2023, the sector employed a total of **332,550** people directly and indirectly. Direct employment slightly increased to 204,650 individuals (+0.8%), with a simultaneous rise in qualification level. It is characterized by stability, quality, geographical distribution, and increasing technological advancement.

In 2023, **exports** reached a total of **25.140 million euros**, marking a new record in revenue and a 10.9% increase over the previous year. Currently, exports account for 60% of the sector's revenue, reflecting the importance of foreign trade as a priority lever and growth engine for the Spanish automotive supplier industry.

Of the **revenue generated in the domestic market** (16.389 million euros), 10.094 million euros are attributed to the supply of equipment and components to vehicle manufacturers (+10.8%), while 6.295 million euros originate from the spare parts market (+6.9%).

For **Francisco J. Riberas, President of SERNAUTO**, *“We observe a slowdown in revenue growth, which is concerning given the low production volumes and tight margins we operate with. We are facing an unprecedented transformation, which requires significant investments, and we must be able to attract new projects to our country to amortize them and remain competitive. This situation poses an even greater challenge for small and medium-sized enterprises (SMEs), which are currently facing financing difficulties”*.

*“Considering the levels of vehicle production worldwide, the circumstances experienced in recent years, and the prevailing uncertainty, the fact that we continue to maintain employment figures demonstrates the sector's commitment to talent,”* added Riberas.

## **2024 Forecast**

According to the initial estimates of SERNAUTO's Board of Directors, sector revenue is expected to increase by around 3% in 2024 compared to 2023. This represents a significantly lower growth rate than in previous years, mainly due to low margin levels, stagnant global production, market uncertainty, among other reasons.

Despite the challenges, it is estimated that employment levels will continue to be maintained, with a slight increase of 1%, driven by the need to incorporate increasingly digital and technological profiles.

These forecasts are subject to the evolution of vehicle production, the market, and the geopolitical and economic situation worldwide.

Faced with this situation, **José Portilla, Director General of SERNAUTO**, has reiterated the necessity to implement support measures for this strategic sector of the Spanish economy and to initiate efficient mechanisms that generate confidence among both investors and consumers.

*“We must encourage agile and flexible public-private collaboration through new instruments; regain and advance the strategic autonomy of critical components and materials; implement a Renewal Plan to decrease the age of the Spanish fleet and contribute to decarbonization; promote aid that supports the industry and stimulates vehicle demand in Spain; push for a new Industry Law with a long-term vision, and facilitate financing for our SMEs,” concluded Portilla.*

### About SERNAUTO

SERNAUTO is the Spanish Association of Automotive Suppliers. Founded in 1967, it accounts for more than 85% of the sector's turnover through its member companies. It represents an industry comprising more than 1,000 companies that supply components to vehicle manufacturing plants and the aftermarket. It is a strategic sector which in 2022 had a turnover of more than 37.67 billion euros in Spain, with 329,950 direct and indirect jobs. It is the third largest exporter sector, directly exporting 60% of its production, and reaching 82% if components installed in exported vehicles are taken into account.

In addition to being the industry's voice in conversations with public administrations, SERNAUTO is recognised by the Spanish Government as the association representing the sector in Spain. It is recognised by ICEX Spain Export and Investment for the international promotion of the automotive sector.

SERNAUTO is a member of the Board of Directors of CLEPA (European Association of Automotive Suppliers), and of the Spanish Global Compact Network.

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