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New models for European Crafts

THE CRAFTSMANSHIP SECTOR IN EUROPE

GEOCYL
Consultoría Ambiental y Territorial

Identification of the sector, methodology and structure of the report

- Craftsmanship activities are considered an integral part of collective identity and its contribution to the preservation of cultural heritage and national wealth.

- Within an economic context like the one we have nowadays characterized by technological change and market globalization, their role as an economic activity that generates wealth and employment becomes, at the very least, obscured.

- The objectives of this work focus not only on the definition and description of the craftsmanship sector in Europe, but also on its weight in the framework of the European economy.

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Identification of the sector, methodology and structure of the report

- Mixed methodology: external sources, especially Eurostat databases, semi-structured surveys, questionnaires and a set of focus groups with artisans.

Country	Nº of Surveys
Belgium	1
Spain	351
France	3
Georgia	64
Ireland	27
Italy	27
Netherlands	13
Portugal	285
United Kingdom	70
Ukraine	45
Total	**886**

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1. RELEVANT ASPECTS OF THE SECTOR:

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1.1 International Context

- The number of craft companies in Italy, Poland and the Czech Republic stands out. On the other hand, the European countries with the lowest number of craft units are Malta, Iceland and Luxembourg.

- The countries where craft units have the greatest weight are Slovakia, the Czech Republic and Serbia, with values above 10.4%.

- The countries where the craft sector generates the most employment are Italy, Poland, Germany and Spain, all of which employ more than 200,000 people.

- From the consumption point of view, the last few years have been of adjustment due to the covid-19 pandemic.

- The categories more linked to the craft sector have an intermediate weight, such as leisure and culture (9.1%), furniture (5.4%) or clothing and footwear (4.7%).

1.1 International Context

Evolution of the number of employees in the craftsmanship sector in Europe: 2014-2018 (In thousands of units)

Country	2014	2015	2016	2017	2018
Belgium	36.555	33.969	34.840	36.547	30.924
Chequia	133.580	133.443	134.826	135.211	137.676
Germany	303.322	317.694	282.576	277.143	285.990
Greece	67.017	54.012	61.100	53.473	59.427
Spain	233.838	228.767	219.462	219.704	212.648
France	205.556	177.590	177.083	137.651	145.054
Croacia	27.062	26.014	24.897	25.171	23.623
Italy	563.843	553.159	546.893	533.372	533.193
Luxemburg	814	814	774	739	683
Hungary	52.339	53.236	53.713	53.118	54.415
Malta	2.818	2.228	2.869	2.009	2.473
Netherlands	62.590	62.021	63.525	63.913	63.932
Poland	260.161	275.431	287.590	294.666	288.231
Portugal	81.106	81.940	82.372	82.820	82.888
Iceland	nd	1.566	1.710	1.821	1.693
Swiss	37.358	35.227	35.749	34.190	33.432
United Kingdom	158.456	166.422	163.773	167.600	167.629

1.1 International Context

Employees of the craftsmanship sector companies/enterprises with respect to the total number of employees in companies/enterprises in Europe, 2014-2018. (%)

Country	2014	2015	2016	2017	2018
Belgium	1,3	1,2	1,2	1,3	1,0
Chequia	3,8	3,7	3,7	3,6	3,6
Germany	1,1	1,1	1,0	0,9	0,9
Greece	3,0	2,5	2,6	2,3	2,3
Spain	2,2	2,1	1,9	1,8	1,7
France	1,3	1,2	1,1	0,9	0,9
Croatia	2,7	2,6	2,5	2,5	2,3
Italy	4,0	3,9	3,8	3,6	3,5
Luxemburg	0,3	0,3	0,3	0,3	0,2
Hungary	2,1	2,1	2,0	2,0	1,9
Malta	2,2	1,7	2,0	1,4	1,6
Netherlands	1,2	1,1	1,1	1,1	1,1
Poland	3,1	3,2	3,2	3,2	2,9
Portugal	2,8	2,7	2,6	2,5	2,4
Iceland	nd	nd	nd	nd	nd
Swiss	1,3	1,3	nd	nd	nd
United Kingdom	0,9	0,9	0,8	0,8	0,8

1.1 International Context:

Evolution of final household consumption in the countries of the European Union: 2017-2019. Forecast 2020-2021. (% of variation in real terms over the previous year).

Country	2017	2018	2019	*2020*	*2021*
Germany	1,3	1,3	1,6	*-8,3*	*6,0*
Belgium	1,8	1,5	1,1	*-6,9*	*6,5*
Croatia	3,1	3,2	3,5	*-6,9*	*6,1*
Spain	3,0	1,8	0,9	*-13,1*	*5,5*
France	1,4	0,9	1,2	*-9,3*	*8,9*
Greece	0,9	1,1	0,8	*-9,0*	*7,6*
Hungary	4,7	4,8	5,1	*-6,0*	*5,5*
Italy	1,5	0,9	0,4	*-10,9*	*7,3*
Luxemburg	2,2	3,3	2,8	*-4,1*	*4,6*
Malta	3,4	7,6	2,4	*-5,0*	*4,0*
Netherlands	2,1	2,3	1,4	*-9,5*	*7,2*
Poland	4,5	4,5	3,8	*-4,9*	*3,8*
Portugal	2,1	2,9	2,3	*-8,9*	*7,7*
United Kingdom	2,2	1,6	1,1	*-10,3*	*6,9*
Czech Republic	4,3	3,2	3,0	*-4,5*	*4,0*

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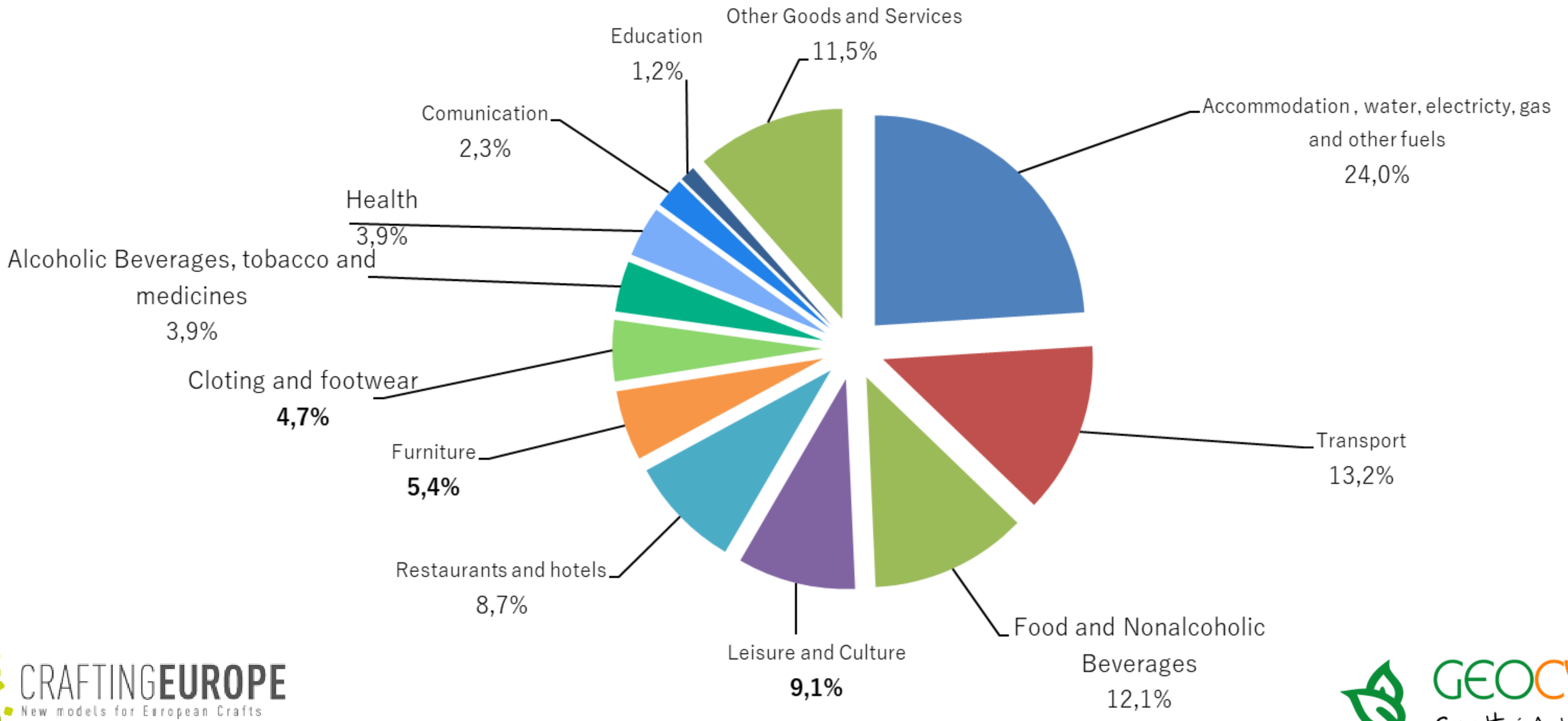
1.1 International Context:

Distribution of final household consumption in the EU as a whole, broken down by categories of goods and services: 2018. (% over value)



1.2 Structure of the Offer

- Productive units located in urban areas.

- The capital of the productive units in the sector is mostly of an individual or family nature.

- Around 73% of the craftsmen consulted for the study carry out their activity alone.

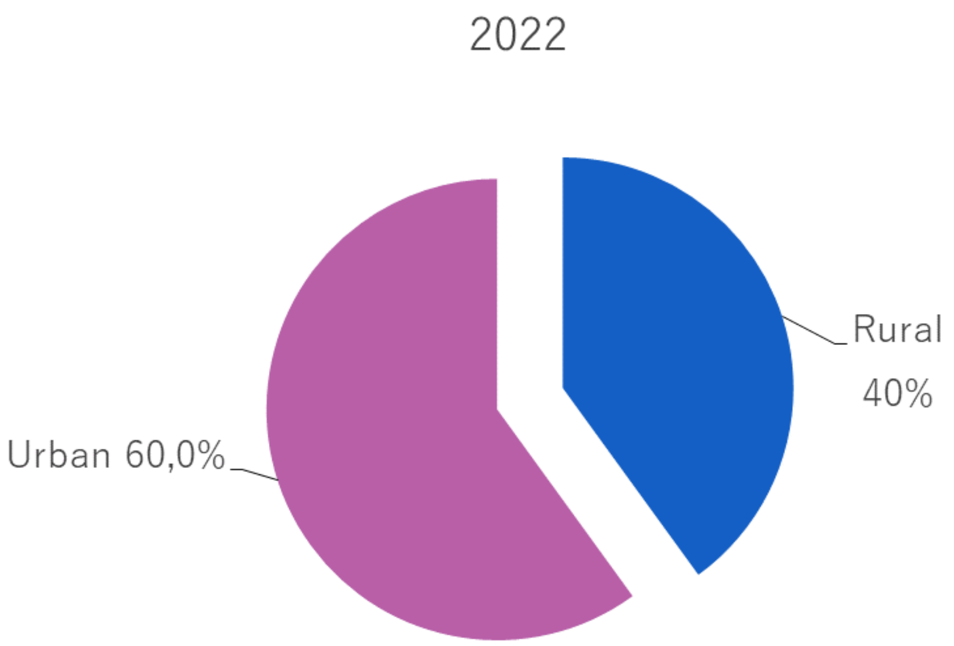
- The European crafts sector, based on the sample analyzed, tends to be middle-aged, concentrated in the 40-49 (29.6%) and 50-59 (34.4%) age groups.

1.2 Structure of the Offer

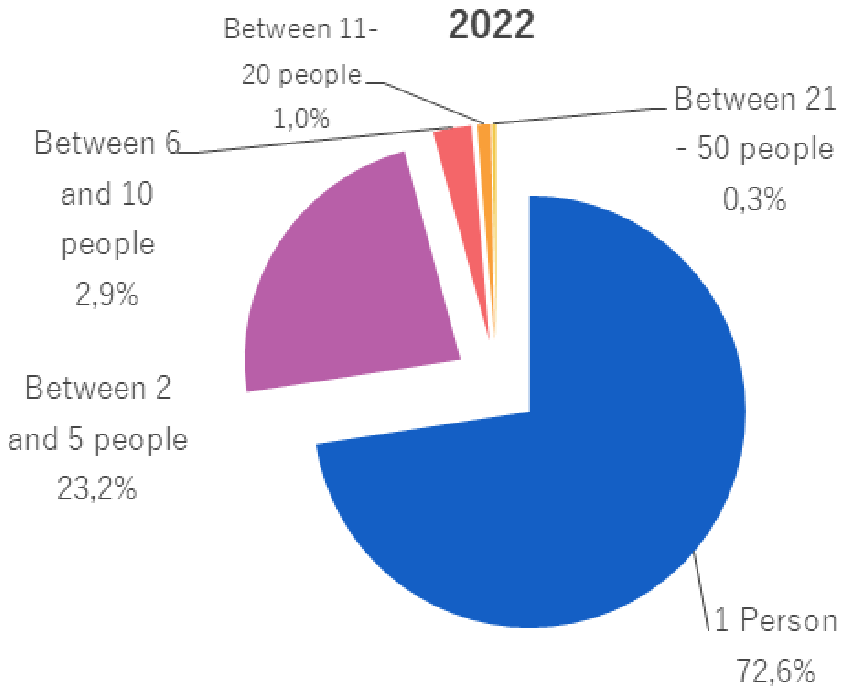
- Most of the artisans have been working for between 1 and 10 years (52.6%).
- In addition, most of the artisans have vocational training (17.7%) or university education (36.0%).
- Of the artisans in the sample, 84.4% said they were self-employed.

1.2 Structure of the Offer

Distribution of craftsmen by geographic location: 2022.



Distribution of craftsmen in terms of number of people employed in their activity: 2022.



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1.2 Structure of the Offer

Distribution of craftsmen by age range: 2022.

Country	20-29	30-39	40-49	50-59	60-69	70-79	Total
Belgium	-	-	-	100,0%	-	-	100,0%
Spain	2,3%	13,5%	30,1%	38,0%	15,8%	0,3%	100,0%
France	-	-	66,7%	-	33,3%	-	100,0%
Georgia	4,8%	20,6%	31,7%	31,7%	7,9%	3,2%	100,0%
Ireland	11,1%	7,4%	29,6%	37,0%	14,8%	-	100,0%
Italy	3,7%	22,2%	11,1%	48,1%	14,8%	-	100,0%
Netherlands	-	6,7%	26,7%	33,3%	20,0%	13,3%	100,0%
Portugal	2,5%	6,0%	30,6%	32,7%	21,7%	6,4%	100,0%
United Kingdom	6,0%	19,4%	25,4%	31,3%	13,4%	4,5%	100,0%
Ukraine	9,1%	38,6%	36,4%	11,4%	4,5%	-	100,0%
Other	-	20,0%	-	60,0%	20,0%	-	100,0%
Total	**3,4%**	**13,2%**	**29,6%**	**34,4%**	**16,4%**	**3,0%**	**100,0%**

1.2 Structure of the Offer

Distribution of craftsmen according to the seniority of their activity: 2022.

Country	<1	1-10	11-20	21-30	> 30	Total
Belgium	-	50,0%	50,0%	-	-	100,0%
Spain	-	45,2%	19,9%	14,1%	20,7%	100,0%
France	-	25,0%	50,0%	-	25,0%	100,0%
Georgia	3,1%	43,8%	23,4%	17,2%	12,5%	100,0%
Ireland	-	64,3%	10,7%	21,4%	3,6%	100,0%
Italy	-	70,4%	3,7%	11,1%	14,8%	100,0%
Netherlands	-	40,0%	26,7%	13,3%	20,0%	100,0%
Portugal	-	56,7%	22,2%	8,8%	12,3%	100,0%
United Kingdom		60,0%	20,0%	11,4%	8,6%	100,0%
Ukraine	-	75,6%	20,0%	4,4%	-	100,0%
Other	-	33,3%	16,7%	16,7%	33,3%	100,0%
Total	**0,2%**	**52,6%**	**20,4%**	**12,0%**	**14,8%**	**100,0%**

1.2 Structure of the Offer

Distribution of craftsmen according to their level of educational background, 2022.

Country	Basic Educ.	High School	Univ. Studies	Professional Education.	Master or Doctorate	W/O Studies.	Total
Belgium	-	50,0%	50,0%	-	-	-	100,0%
Spain	10,1%	14,7%	33,7%	32,0%	9,2%	0,3%	100,0%
France	25,0%	25,0%	25,0%	-	25,0%	-	100,0%
Georgia	-	4,7%	75,0%	-	20,3%	-	100,0%
Ireland	3,6%	7,1%	39,3%	25,0%	25,0%	-	100,0%
Italy	-	51,9%	14,8%	14,8%	18,5%	-	100,0%
Netherlands	6,7%	26,7%	20,0%	13,3%	26,7%	6,7%	100,0%
Portugal	15,1%	41,5%	26,8%	8,5%	7,7%	0,4%	100,0%
United Kingdom	2,9%	1,4%	44,3%	5,7%	45,7%	-	100,0%
Ukraine	2,2%	-	62,2%	11,1%	22,2%	2,2%	100,0%
Other	16,7%	-	16,7%	16,7%	16,7%	33,3%	100,0%
Total	**9,5%**	**21,9%**	**36,0%**	**17,7%**	**14,2%**	**0,7%**	**100,0%**

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1.2 Structure of the Offer

Distribution of craftsmen according to the legal form on the basis of which they carry out their activity, 2022.

Country	Autonomous	Society	Other	Total
Belgium	100,0%	-	-	100,0%
Spain	78,4%	19,0%	2,6%	100,0%
France	75,0%	-	25,0%	100,0%
Georgia	82,8%	14,1%	3,1%	100,0%
Ireland	92,9%	-	7,1%	100,0%
Italy	74,1%	25,9%	-	100,0%
Netherlands	86,7%	6,7%	6,7%	100,0%
Portugal	90,5%	9,2%	0,4%	100,0%
United Kingdom	90,0%	10,0%	-	100,0%
Ukraine	86,7%	13,3%	-	100,0%
Other	83,3%	16,7%	-	100,0%
Total	**84,4%**	**13,8%**	**1,8%**	**100,0%**

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1.3 Competitive Forces and Key Success Factors

- Competitive factors: Excess of supply, the growing importation of low-priced products, and the high bargaining power of clients

- Scarce projects from the public sector to support artisans in terms of financing, infrastructure, access to technological resources and projection of craft production, both in the local and international markets.

- Cost control and the price factor are the main key factors for success in the sector. Added to this is the flexibility to meet the different needs of customers and the offer of a high quality and original product. It is also important to adapt to trends in the incorporation of new technologies.

1.4 Basic elements of the craft activity

- Regarding the nature of the craft activity, around 50.8% of the artisans consulted stated that they were engaged in weaving or other unclassified activities.

- Nearly 73% of the artisans consider that they do not have adequate institutional support to develop their activity.

- 66.5% of the artisans consulted say that public policies related to the training are poor or not so good.

1.4 Basic elements of the handicraft activity

- After COVID, the new technological tools are certainly generating one of the most important changes in the sector.

- Most artisans consider themselves satisfied (57.8%) or very satisfied (18.4%) with their activity.

1.4 Basic elements of the handicraft activity

Participation of the countries included in the study according to the European ESCO Classification, 2022.

European ESCO Classification	
7318 - Craftsmen of fabrics, leather and similar materials	25,8%
7319 - Craftsmen not elsewhere classified	25,0%
7314 - Potters and related trades (mud, clay, and abrasives)	15,5%
7317 - Craftsmen in wood, wickerwork, basketry and similar	13,3%
7313 - Jewelers, goldsmiths and silversmiths	11,7%
7316 - Poster makers, decorative painters and engravers	3,4%
7315 - Glassblowers, glass molders, glass shapers, glass cutters and polishers	3,3%
7312 - Musical instrument makers and tuners	1,7%
7311 - Precision Instrument Mechanics and Repairers	0,4%
Total	**100,0%**

*ESCO: European Skills, Competences, Qualifications and Occupations

1.4 Basic elements of the handicraft activity

Do you consider that public institutional support in Europe is inadequate?

Country	No	Yes	No Answer	Total
Belgium	50,0%	50,0%	-	100,0%
Spain	85,9%	14,1%	-	100,0%
France	100,0%	-	-	100,0%
Georgia	15,6%	23,4%	60,9%	100,0%
Ireland	60,7%	39,3%	-	100,0%
Italy	81,5%	18,5%	-	100,0%
Netherlands	80,0%	20,0%	-	100,0%
Portugal	77,5%	22,5%	-	100,0%
United Kingdom	61,4%	38,6%	-	100,0%
Ukraine	37,8%	62,2%	-	100,0%
Other	83,3%	16,7%	-	100,0%
Total	**72,8%**	**22,9%**	**4,4%**	**100,0%**

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1.4 Basic elements of the handicraft activity

Perception of the measures adopted by European public institutions regarding training and personnel training policies for craftsmanship activity: 2022.

Country	Bad	Regular	Good	Very Good	Excellent	No Answer	Total
Belgium	-	50,0%	50,0%	-	-	-	100,0%
Spain	35,2%	45,0%	17,6%	1,7%	-	0,6%	100,0%
France	100,0%	-	-	-	-	-	100,0%
Georgia	6,3%	51,6%	23,4%	-	4,7%	14,1%	100,0%
Ireland	10,7%	25,0%	57,1%	-	7,1%	-	100,0%
Italy	-	77,8%	-	-	11,1%	11,1%	100,0%
Netherlands	53,3%	40,0%	6,7%	-	-	-	100,0%
Portugal	20,1%	45,4%	31,0%	0,7%	-	2,8%	100,0%
United Kingdom	15,7%	38,6%	37,1%	-	5,7%	2,9%	100,0%
Ukraine	-	-	97,8%	-	2,2%	-	100,0%
Other	33,3%	33,3%	33,3%	-	-	-	100,0%
Total	**23,7%**	**42,8%**	**28,5%**	**0,9%**	**1,5%**	**2,7%**	**100,0%**

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1.4 Basic elements of the handicraft activity

Satisfaction level with the developed handicraft activity: 2022.

Country	Unsatisfied	Little satisfied	Satisfied	Very satisfied	No Answer	Total
Belgium	-	-	-	100,0%	-	100,0%
Spain	0,6%	15,9%	56,8%	26,8%	-	100,0%
France	-	50,0%	25,0%	25,0%	-	100,0%
Georgia	-	20,3%	71,9%	6,3%	1,6%	100,0%
Ireland	-	39,3%	57,1%	3,6%	-	100,0%
Italy	3,7%	14,8%	59,3%	22,2%	-	100,0%
Netherlands	-	13,3%	60,0%	26,7%	-	100,0%
Portugal	1,8%	27,5%	56,7%	14,1%	-	100,0%
United Kingdom	1,4%	24,3%	62,9%	11,4%	-	100,0%
Ukraine	-	40,0%	53,3%	6,7%	-	100,0%
Other	-	33,3%	33,3%	33,3%	-	100,0%
Total	**1,0%**	**22,6%**	**57,8%**	**18,4%**	**0,1%**	**100,0%**

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1.4 Basic elements of the handicraft activity

Would you change your craftsmanship activity for another one? 2022

Country	No	Yes	No Answer	Total
Belgium	100,0%	-	-	100,0%
Spain	91,4%	8,6%	-	100,0%
France	100,0%	-	-	100,0%
Georgia	96,9%	1,6%	1,6%	100,0%
Ireland	92,9%	7,1%	-	100,0%
Italy	88,9%	11,1%	-	100,0%
Netherlands	86,7%	13,3%	-	100,0%
Portugal	90,8%	9,2%	-	100,0%

1.5 The demand

- The market is defined by a middle-aged public (between 35 and 60 years of age), which represents around 73.3%.

- The COVID-19 health crisis and its consequences on the economic situation had a very negative impact on demand in the sector in recent years.

- After the pandemic, sales fell by more than 50% (44.6%) or between 21%-50% (18.4%), and although the end of the lockdowns improved the sector's performance, a good part of the artisans still recorded falls in their sales and income.

1.5 The demand

Age of target market of craftsmen. 2022

Country	Young People (Under the age of 35 years old)	Middle Age (35 to 60 years old)	Seniors (over 60 years old)	Mixed	Total
Belgium	-	100,0%	-	-	100,0%
Spain	4,0%	70,3%	1,2%	24,5%	100,0%
France	-	100,0%	-	-	100,0%
Georgia	10,9%	87,5%	1,6%	-	100,0%
Irlanda	3,6%	71,4%	-	25,0%	100,0%
Italy	3,7%	81,5%	-	14,8%	100,0%
Netherlands	6,7%	73,3%	6,7%	13,3%	100,0%
Portugal	5,6%	76,8%	2,5%	15,1%	100,0%
United Kingdom	1,4%	71,4%	2,9%	24,3%	100,0%
Ukraine	4,4%	53,3%	-	42,2%	100,0%
Other	33,3%	50,0%	-	16,7%	100,0%
Total	**5,0%**	**73,3%**	**1,7%**	**20,0%**	**100,0%**

1.5 The demand

Evolution of sales and revenues during the Covid-19 pandemic, 2022

I have increased my sales and my income	I have increased my sales, but not my income	My sales and my income have decreased	My sales have decreased, but not my income	No Answer	Total
12,9%	6,8%	74,8%	5,2%	0,3%	100,0%

Quantification of the evolution of sales/revenues during the Covid-19 pandemic, 2022

My sales have decreased more than 50%	My sales have decreased between 21% and 50%	My sales have increased between 1% and 10%	My sales have increased between 1% and 10%	My sales have decreased between 1% and 10%	My sales have increased between 11% and 20%	My sales have increased between 21% and 50%	My sales have increased more than 50%	Y/N	Total
44,6%	18,4%	7,1%	8,5%	5,2%	7,1%	4,9%	3,8%	0,4%	100,0 %

1.5 The demand

Evolution of sales/revenues once the Covid-19 lockdown stage has been overcome: 2022

My sales and income have increased	My sales have increased, but not my income	My sales and income have decreased	My sales have decreased, but not my income	No Answer	Total
26,7%	14,5%	46,5%	5,4%	7,0%	100,0%

Quantification of the evolution of sales/revenues once the Covid-19 lockdown stage was overcome: 2022.

My sales have decreased by more than 50%	My sales have decreased by 21% to 50%	My sales have increased by 1% to 10%	My sales have decreased by 11% to 20%	My sales have increased by 1% to 10%	My sales have decreased by 11% to 20%	My sales have increased between 21% and 50%	My sales have increased by more than 50%.	Y/N	Total
26,3%	12,2%	8,5%	6,1%	14,7%	14,8%	11,8%	4,7%	0,9%	100,0%

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1.6 Distribution

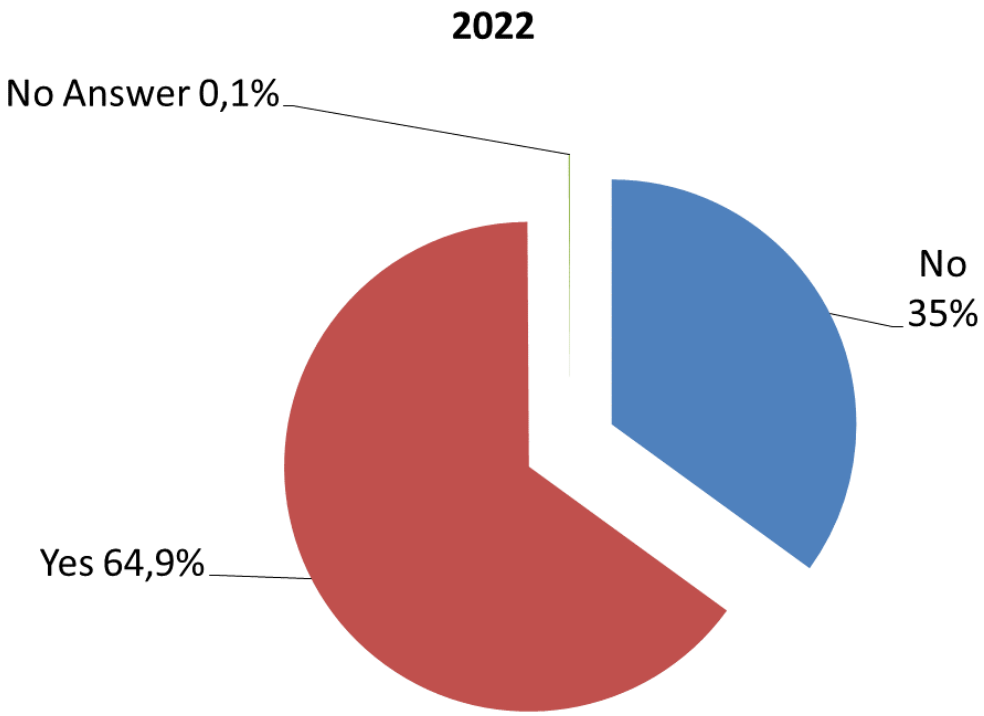
- Most of the companies in the sector go for direct distribution, either through sales at fairs and flea markets, or through online sales.

- The online channel is becoming more and more widespread among the artisans consulted, who admit to having an online store in almost 65% of the cases studied.

- A total of 30.7% of the artisans sell less than 10% of their products online. Another 34.8% say they do not use this marketing channel.

1.6 Distribution

Do you have an online store for your craftsmanship activity? 2022



1.6 Distribution

In your handicraft activity, what percentage online sales represent? 2022

Country	Do you have an online store?	I don't sell online	Less than 10%	Between 11 and 30%	Between 31 and 50%	Between 51 and 75%	More than 75%	No Answer	Total
Belgium	Yes	50,0%	50,0%	-	-	-	-	-	100,0%
Spain	No	56,4%	27,7%	3,2%	4,3%	1,1%	3,2%	4,3%	100,0%
	Yes	28,1%	38,7%	13,8%	6,3%	2,8%	6,7%	3,6%	100,0%
France	No	33,3%	33,3%	-	-	-	33,3%	-	100,0%
	Yes	-	100,0%	-	-	-	-	-	100,0%
Italy	No	42,9%	28,6%	-	-	-	-	28,6%	100,0%
	Yes	20,0%	35,0%	20,0%	10,0%	-	-	15,0%	100,0%
Portugal	No	63,6%	24,6%	5,1%	1,7%	2,5%	-	2,5%	100,0%
	Yes	24,1%	36,7%	15,7%	7,2%	7,2%	7,2%	1,8%	100,0%
United Kingdom	No	50,0%	16,7%	-	-	-	16,7%	16,7%	100,0%
Other	No	-	50,0%	-	-	50,0%	-	-	100,0%
	Yes	50,0%	25,0%	-	-	-	25,0%	-	100,0%
Total		**34,8%**	**30,7%**	**11,9%**	**7,1%**	**4,9%**	**6,5%**	**4,1%**	**100,0%**

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1.7 Processes of management, innovation and implementation of new technologies.

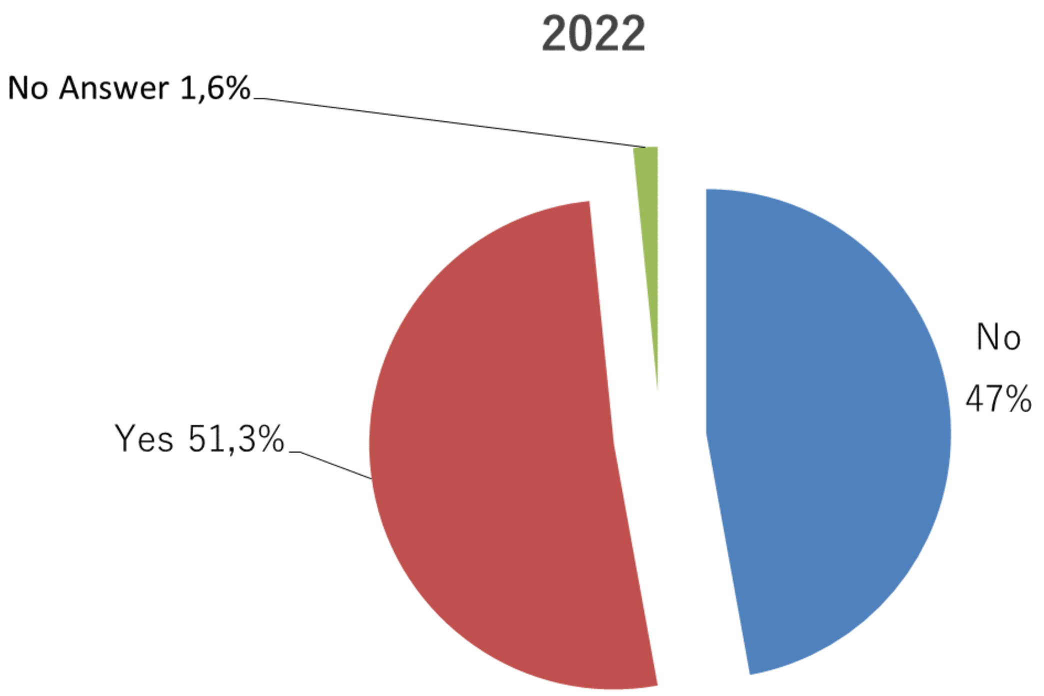
- Traditional artisans are usually associated and participate more or less actively, while younger artisans carry out their activities somewhat removed from these collaborative idea.

- Actions linked to innovation are mainly oriented to the technical improvement of production processes and the expansion of sales channels.

- A difference is evident between traditional artisans and those who appeal to the technological dimension to explore new forms of production.

1.7 Processes of management, innovation and implementation of new technologies.

Do you belong to any association/guild in the sector? 2022.



1.7 Processes of management, innovation and implementation of new technologies.

Degree of use of social networks in the craftsmanship activity: 2022.

Social Networks.	Sometimes or very few times	Quite a lot	Very much	Never	No Answer	Total
Facebook	36,2%	44,8%	7,1%	10,3%	1,6%	**100,0%**
Instagram	23,3%	43,2%	13,9%	12,9%	6,7%	**100,0%**
Twitter	15,4%	4,3%	0,4%	60,5%	19,4%	**100,0%**
Whatsapp Business	14,8%	11,4%	4,7%	52,7%	16,4%	**100,0%**
TikTok	7,2%	1,9%	0,6%	70,4%	20,0%	**100,0%**
Twitch	4,4%	0,4%	0,4%	74,1%	20,6%	**100,0%**
YouTube	23,1%	6,5%	1,6%	50,2%	18,6%	**100,0%**
LinkedIn	23,4%	4,4%	1,5%	51,6%	19,2%	**100,0%**

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1.7 Processes of management, innovation and implementation of new technologies.

Importance of innovation in some of the main phases of craftsmanship production, 2022

Innovation Areas	Null	Low	Medium	High	Very High	Total
Incorporation of design	3,7%	7,0%	23,4%	31,2%	34,8%	100,0%
Creativity	1,2%	0,9%	11,0%	33,6%	53,3%	100,0%
New Materials	4,9%	14,3%	35,1%	25,9%	19,7%	100,0%
New manufacture Process	7,2%	18,4%	33,4%	22,2%	18,8%	100,0%

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2. OUTLOOK

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2.1 Threats, opportunities and trends

Opportunities	Threats
Good image and growing demand for European craft products abroad.	Long-term effects of the COVID-19 pandemic: Contraction of demand within a context of significant increase in raw material prices.
Increased interest in purchasing innovative and quality craft products.	Notable increase in the prices of raw material.
Potential for growth in the demand for artisanal products by the restaurant and hotel industry.	Technological gap in the use of virtual tools, which limits the use of the online sales channel, a more effective promotion and a more efficient management of suppliers.
Greater integration with the tourism sector.	High weight of contributions to social security systems: health care, unemployment insurance, pensions, etc.
Possibilities for diversification of the handicraft activity through the offer of complementary services such as courses or learning experiences.	Financial and liquidity problems due to the decrease in demand.
Development of craftsmanship through new ways of working: incorporation of technology, collaborative spaces, flexibility, shared workstations.	Lack of financial and organizational support from public administrations.

2.1 Threats, opportunities and trends

Trends
Disincorporation from the sector of small artisans, for being unable to cope with the effects of the contraction in demand.
Increased concentration of the offer around artisans with greater capacity for innovation and integration with other sectors such as tourism or high-income oriented commerce.
Renewal of image by younger artisans, in order to gain space in the most modern, collaborative and dynamic market segments, adapted to new technologies.
Growth of sales through the online channel and consolidation of direct sales in high purchasing power segments.
Orientation of demand towards mid- to high-end products.
Consolidation of artisanal sectors such as textile, which have great capacity to adapt to fashion and changes in the tastes of potential consumers.

2.2 Growth forecasts

- The outlook for the EU economy before the war showed a relatively clear growth trend. However, Russia's invasion of Ukraine has led to new difficulties.

- The main factor that is affecting and will affect the European economies and the craft sector will be the development of energy commodity prices. This entails a drop in the purchasing power of households.

- The fact that the recovery is occurring at a slower pace than initially expected could force many companies to close down.

2.2 Growth forecasts

Forecast regarding the general evolution of economy in the coming months, 2022-2023. (%)

Country	Strong recession	Slight decline in turnover	Stability	Moderate Growth	Significant Growth	No Answer	Total
Belgium	0,0%	0,0%	0,0%	100,0%	0,0%	0,0%	100,0%
Spain	6,1%	11,0%	34,0%	41,8%	6,1%	1,2%	100,0%
France	0,0%	0,0%	25,0%	25,0%	25,0%	25,0%	100,0%
Georgia	0,0%	1,6%	17,2%	65,6%	10,9%	4,7%	100,0%
Ireland	7,1%	25,0%	14,3%	50,0%	3,6%	0,0%	100,0%
Italy	3,7%	0,0%	11,1%	66,7%	18,5%	0,0%	100,0%
Netherlands	0,0%	0,0%	46,7%	53,3%	0,0%	0,0%	100,0%
Portugal	11,3%	19,4%	25,7%	39,1%	3,5%	1,1%	100,0%
United Kingdom	0,0%	4,3%	28,6%	60,0%	2,9%	4,3%	100,0%
Ukraine	6,7%	8,9%	24,4%	55,6%	4,4%	0,0%	100,0%
Other	16,7%	0,0%	33,3%	33,3%	0,0%	16,7%	100,0%
Total	**6,7%**	**12,1%**	**28,0%**	**46,0%**	**5,5%**	**1,7%**	**100,0%**

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2.2 Growth forecasts

Forecast regarding the evolution of the Craftsmanship Sector in the coming months, 2022-2023. (%)

Country	Strong recession	Slight decline in turnover	Stability	Moderate Growth	Significant Growth	No Answer	Total
Belgium	0,0%	0,0%	0,0%	100,0%	0,0%	0,0%	100,0%
Spain	15,0%	18,4%	24,5%	31,7%	8,9%	1,4%	100,0%
France	0,0%	0,0%	50,0%	0,0%	25,0%	25,0%	100,0%
Georgia	0,0%	4,7%	14,1%	64,1%	14,1%	3,1%	100,0%
Ireland	0,0%	21,4%	17,9%	46,4%	14,3%	0,0%	100,0%
Italy	3,7%	11,1%	14,8%	51,9%	18,5%	0,0%	100,0%
Netherlands	0,0%	0,0%	13,3%	73,3%	13,3%	0,0%	100,0%
Portugal	13,0%	19,4%	25,4%	36,6%	5,3%	0,4%	100,0%
United Kingdom	0,0%	5,7%	22,9%	62,9%	4,3%	4,3%	100,0%
Ukraine	8,9%	4,4%	24,4%	46,7%	13,3%	2,2%	100,0%
Other	16,7%	0,0%	16,7%	50,0%	0,0%	16,7%	100,0%
Total	**10,7%**	**15,4%**	**23,2%**	**40,7%**	**8,5%**	**1,6%**	**100,0%**

3. MAIN CONCLUSIONS

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Sectoral Structure

- In general terms, the sector is made up of individual or small productive units, located in urban areas and with a strong family character. → This makes it advisable to develop a much broader and more diverse associative and cooperative activity.

- The complexity of a very fragmented and dispersed sector makes it difficult for trade organizations to develop support strategies, while at the same time limiting the capacity of the administrations to design coherent sectoral public policies.

- The influence of temporariness in the sector is, of course, the result of difficulties linked to human resources management.

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Sectoral Structure

- Most of the artisans are middle-aged, although they have been in the sector for between 1 and 10 years, which means that they have entered the activity at a mature stage in their working careers.

- The high percentage of artisans with professional training (17.7%) or university education (36.0%) is noteworthy, which contributes to their ability to adapt to crises and to the richness of the productive and commercial strategies developed.

Sectoral Structure

- The potential clientele is made up of middle-aged urban people. In addition to individual customers, it is possible to identify customers mainly linked to the service sector and, more specifically, those associated with tourism.

- Another aspect that marks the performance of the sector is the increasing virtualization of sales and the reduction of the weight of the commercialization of products in fairs and markets.

- The European handicraft sector's primary sphere of action is the national markets and, secondly, the European Union market.

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Economic Situation

- Sector activity was largely affected in 2020 by the crisis resulting from the COVID-19 pandemic.
- Market value declined in 2020, showing signs of weakness in 2021 and 2022. There is a marked deterioration in the sector's profitability indicators.
- The War in Ukraine has had important effects, not only in the case of the artisanal sector in that country, but also in other nearby countries and the European region in general. This has affected the supply of raw materials and other supplies.

Forecasts and trends

- Once the lockdowns were finished and the mobility of people was restored, in early 2021, there was a reactivation in the organization of fairs and markets, as well as an increase in demand from commercial establishments.

- In a context of recovery of business activity, the restoration of tourist flows has contributed to an improvement in the commercial and financial situation.

- Alliances between the craft sector and related industries will gain weight in the short and medium term.

Forecasts and trends

- The delay in the normalization of the situation could lead to the closure of craft units and a decrease in the number of people employed.

- European economic stimulus programs and actions aimed at technological transformation will be key for the sector to moderate the effects of a possible slowdown or fall in economic activity.

- In order to boost the international projection, the activity of associations and a greater involvement of the public administrations closest to the artisan are of great importance.

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Forecasts and trends

- The sector will face a change of perception regarding the use of technology, no longer applied to sales, but incorporated into production and administrative management. → Significant containment of the cost structure.

- Increased concentration of supply, in a scenario of strengthening the position of artisans oriented to the development of innovative products.

- The incorporation of technological innovations, the flexibilization of workspaces, or the creation of collaboration areas are some of the trends that will continue to be registered in the sector.

RECOMMENDATIONS

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Recommendations

- A firm commitment to the development of technological tools.
- Associations must make greater efforts to create spaces of convergence between traditional craftsmen and new craftsmen.
- Projecting their activity towards international markets, not only at the European level, but also beyond Europe.
- It is essential to strengthen the institutional structures of the sector within the European framework

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Recommendations

- It is essential that public administrations, at all levels, commit themselves to the development of the handicraft sector.
- A key aspect to be addressed by governments is the fiscal and legal treatment of the artisan status.
- Develop a systematic activity for the collection and analysis of information on handicraft activity.
- To create common communication strategies, both at national and European level.