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THE CRAFTSMANSHIP SECTOR IN EUROPE

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Identification of the sector, methodology and structuring of the report

From the international point of view, UNESCO stipulates that: "Craftsmanship products are those made by artisans, either entirely by hand, or with the aid of hand tools or even mechanical means, as long as the artisan's direct manual contribution remains the most important component of the finished product. They are produced without limitation in terms of quantity and using raw materials coming from sustainable resources. The special nature of craftsmanship products is based on their distinctive characteristics, which may be utilitarian, aesthetic, artistic, creative, culturally linked, decorative, functional, traditional, symbolic, and religiously and socially significant" (UNESCO, 1997).

Within the context of the European Union, there is not a unique definition of craftsmanship or craftsmanship activity. In this regard, the European Commission has established that "craftsmanship enterprises will continue to be defined at the national level, according to their specialties". The heterogeneity of everything related to the craftsmanship sector, thus, does not allow carrying out an exhaustive comparison of the indicators and variables of the sector, although in this study a systematic homogenization work has been carried out, both in terms of the aggregates and in terms of the categories consulted in the surveys and *focus groups.*

From the aggregate point of view, an approximation of the units was used, as those corresponding to companies with less than 9 employees belonging to a set of categories linked to the notion of craftsmanship of the "Statistical Classification of Economic Activities of the European Community" (NACE)[1].

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

However, craftsmanship continues employing thousands of people who combine tradition with the arts and keep striving to maintain a presence within a fast-developing economy, helping to build populations in rural areas and promoting other wealth and employment generating activities, such as tourism and cultural activities; furthermore it carries out the protection of the national cultural heritage.

The improper identification of these activities in the primary economic and labor statistics contributes significantly to the loss of the aforementioned economic considerations, which partly determine their economic opacity.

[1] manufacture of textiles, manufacture of wearing apparel, manufacture of leather and related products, manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials, manufacture of paper and paper products, printing and reproduction of recorded media, manufacture of rubber and plastic products, manufacture of other non-metallic mineral products, manufacture of basic metals, manufacture of fabricated metal products, except machinery and equipment, manufacture of furniture, other manufacturing

A mixed methodology was applied for this work, consisting of the consultation of external sources, especially Eurostat databases, semi-structured surveys[2] applied by convenience sampling[3] of artisans from the countries participating in the study, questionnaires applied to representatives of some of the artisans' associations in the group of countries and a set of focus groups with artisans. It is important to point out that participation during the survey applied to artisans was asymmetrical between countries. In this sense, Spain and Portugal stand out for their high participation, while Belgium and France stand out for the opposite. It is always important to keep this aspect in mind, in order to make the appropriate refinements in the analyses carried out.

[2] Surveys of a semi-structured nature allow respondents to be consulted in a flexible and open way, while at the same time it is possible to establish a basic, easily recognizable structure. On the basis of this structure, it is possible to explore different sets of approaches in order to obtain the broadest possible approximation of the reality and perceptions of the artisans. This same principle has been used in the case of the questionnaires applied to the representatives of the artisans' associations. The semi-structured survey optimizes the time devoted to it, combining a short time requirement and the possibility of accessing a wide range of detailed information.

[3] Convenience sampling is based on the consultation of the available persons, in this case, the artisans who considered it appropriate to participate in the study in each of the countries consulted. This type of sampling does not allow for control over the representativeness of the sample, although it does allow for studying the characteristics of the group of participating artisans.

The table below shows the participating countries and the number of surveys answered:

Table Nº 1:

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**

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. In this sense, the statistical information deals with the contribution of the sector in areas such as employment, territorial dynamization or the structure of traditional and modern activities. The structure of the report consists of three parts.

The first part deals with the structure and evolution of the European craft sector, approaching it from a bibliographical and statistical review, in what concerns to the compositional aspects of the activity and the nature of the people working in it. In this first part, different aspects of European craft activities will be discussed, such as: (i) overview of the European framework,

(ii) structure of the offer, (iii) competitiveness and key success factors, (iv) demand, (v) distribution, (vi) management processes, innovation and implementation of new technologies, and (vii) basic elements of cost structure and financing.

The second part provides an in-depth look at the industry's outlook for the coming years, including growth rates of activity and factors that could influence the industry's future. Lastly, the third part includes some main conclusions that have been identified, not only from the secondary sources or focus groups, but specially from the participation of craftsmen and associations through the surveys.

1. RELEVANT ASPECTS OF THE SECTOR:

1.1 International Context

The activity in the craftsmanship sector in Europe is very dispersed, although there are countries that have a more prominent role due to the number of artisan units they possess. In this sense, and according to the classification used for the present work, the number of craftsmanship companies in Italy, Poland and the Czech Republic, countries that occupy the first three positions, stands out. On the other hand, the European countries with the lowest number of craftsmanship units are Malta, Iceland and Luxembourg.

In relation to the total number of companies, the countries in which artisanal units have a greater weight are Slovakia, the Czech Republic and Serbia with values higher than 10.4%. Among the countries in the sample, Italy (6.6%) and Portugal (5.4%) stand out.

The craftsmanship sector not only has a notable weight in the productive fabric as a whole, but it is also relevant in terms of the amount of employment it generates. The countries wherethe craftsmanship sector generates the most employment are Italy, Poland, Germany and Spain, all of them with more than 200,000 employees. The case of Italy stands out, since the craftsmanship sector employs around 530,000 people in this country.

In relative terms, Slovakia, the Czech Republic, Italy and Slovenia are the countries in which the number of people employed in the craftsmanship sector has a greater weight in terms of the total number of employees with percentages of employees higher than 3.3%, according to 2018 data. In this sense, Slovakia stands out, a country where artisanal employment represents almost 5% of the total.

The artisanal production units that employ the most, in relative terms, are Switzerland, Germany and Serbia with values between 2.3% and 2.9%.

From the point of view of consumption, the last few years have required adjustments due to the covid-19 pandemic. During 2020, some of the mayor declines in this aspect were recordedin sample countries such as Spain (-13.1%) or Italy (-10.9%).

The structure of consumption in Europe is relatively concentrated around basic goods and services. The categories most linked to the craftsmanship sector have an intermediate weight as with the cases of leisure and culture (9.1%), furniture (5.4%) or clothing and footwear (4.7%).

Table Nº 2.

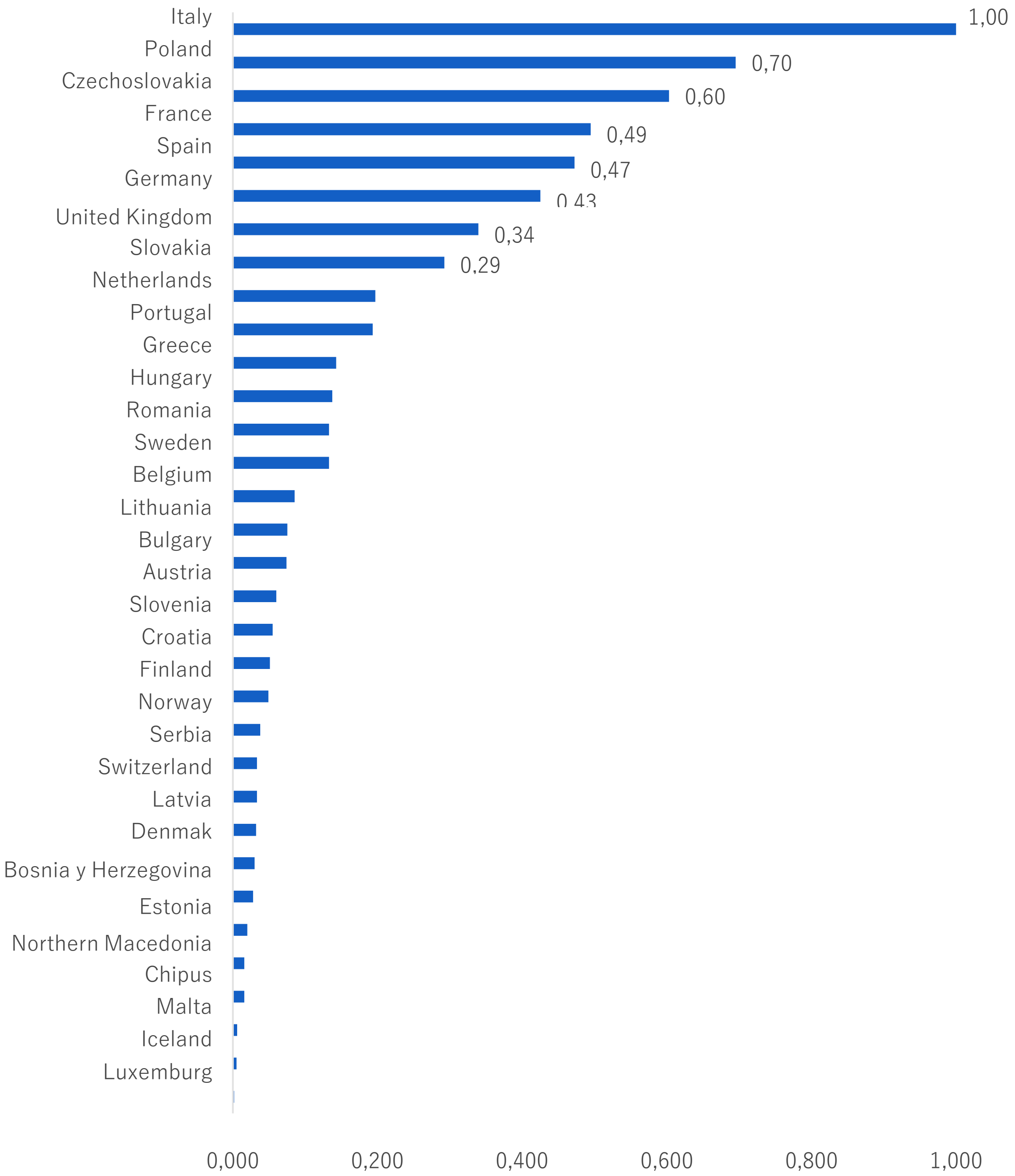
Evolution of the number of enterprises in the craft sector in Europe: 2014-2018 (a) . (In thousands of units)

Country	2014	2015	2016	2017	2018
Belgium	22.675	21.409	21.688	23.183	20.161
Bulgary	19.456	19.578	19.760	19.609	19.724
Chequia	122.221	123.185	125.035	126.150	130.117
Denmark	7.789	7.628	7.795	7.903	7.810
Germany	129.700	127.108	124.074	117.774	124.633
Estonia	4.895	5.137	5.225	5.348	5.226
Ireland	9.846	8.030	8.089	8.634	nd
Greece	38.535	35.630	35.484	31.714	31.492
Spain	112.997	113.210	112.156	111.604	112.555
France	126.202	111.424	114.426	105.338	112.076
Croacia	13.009	12.602	12.279	12.314	12.456
Italy	254.322	248.309	247.033	244.408	245.348
Cyprus	3.650	3.609	3.524	3.540	3.559
Letonia	7.121	7.576	7.919	7.778	7.795
Lituania	14.731	16.050	16.528	16.867	17.339
Luxemburg	517	499	482	480	474
Hungría	29.228	30.341	30.875	31.450	32.473
Malta	1.413	1.371	1.466	1.406	1.476
Netherlands	39.907	40.781	41.835	42.558	44.380
Austria	16.352	16.170	15.945	16.112	15.777
Poland	125.805	130.054	136.035	137.776	160.268
Portugal	47.533	47.764	47.785	47.984	48.261
Romania	32.377	32.636	32.691	33.608	35.193
Eslovenia	12.436	12.504	12.475	12.636	12.734
Eslovaquia	52.261	52.029	54.679	58.243	61.964
Finland	13.321	12.906	12.582	12.423	12.104
Sweden	34.554	34.642	34.455	34.158	30.215
Iceland	nd	1.087	1.175	1.175	1.127
Norway	9.850	9.766	9.624	9.407	9.041
Suiza	12.838	12.408	12.136	11.836	11.616
United Kingdom	80.759	83.709	85.583	86.639	87.054
North Macedonia	4.796	4.971	5.044	5.002	5.245
Serbia	nd	nd	9.776	9.070	9.093
Bosnia y Herzegovina	6.299	6.527	6.854	7.291	7.220

(a) The productive units of the craftsmanship sector correspond to the companies with less than 9 employees belonging to the categories Manufacture of textile products, Manufacture of garments, Manufacture of leather and related articles, Manufacture of wood and cork products, except furniture; Manufacture of articles of straw and plaited materials, Manufacture of paper and paper products, Printing and reproduction of recorded media, Manufacture of rubber and plastic products, Manufacture of other non-metallic mineral products, Manufacture of basic metals, Manufacture of metal products, except machinery and equipment, Manufacture of furniture, Other manufacturing industries of the NACE (Statistical classification of economic activities in the European Community Rev 2). **Source: Eurostat.**

Table Nº3.

Relative shares of the number of companies in the craftsmanship sector in Europe: 2018 (a)
(%)



a) the productive units of the craftsmanship sector correspond to the companies with less than 9 employees belonging to the categories Manufacture of textile products, Manufacture of garments, Manufacture of leather and related articles, Wood and cork industry, except furniture; Manufacture of articles of straw and plaited materials, Manufacture of paper and paper products, Printing and reproduction of recorded media, Manufacture of rubber and plastic products, Manufacture ofother non-metallic mineral products, Manufacture of basic metals, Manufacture of metal products, except machinery and equipment, Manufacture of furniture, Other manufacturing industries of the NACE (Statistical classification of economic activities in the European Community Rev 2). **Source: Eurostat**

Table N⁰4.

Enterprises in the craftsmanship sector in relation to the total number of enterprises in Europe, 2014-2018 (a) (%)

País	2014	2015	2016	2017	2018
Belgium	3,8	3,6	3,5	3,7	3,2
Bulgaria	6,1	6,0	5,9	5,8	5,7
Chequia	12,3	12,3	12,3	12,4	12,5
Denmark	3,7	3,6	3,6	3,5	3,5
Germany	5,2	5,3	5,0	4,7	4,8
Estonia	7,6	7,5	7,4	7,1	6,7
Ireland	4,2	3,3	3,3	3,3	nd
Greece	5,5	4,5	4,5	4,4	4,4
Spain	4,8	4,6	4,2	4,2	4,2
France	4,0	3,8	3,7	3,8	3,9
Croacia	8,8	8,6	8,3	8,2	8,1
Italy	6,8	6,7	6,6	6,6	6,6
Cyprus	7,8	7,5	7,0	6,7	6,4
Letonia	7,1	6,9	6,9	6,9	6,9
Lituania	8,4	8,6	8,6	8,3	8,2
Luxemburg	1,6	1,6	1,5	1,4	1,4
Hungría	5,7	5,7	5,6	5,5	5,4
Malta	5,4	5,3	5,0	4,9	4,6
Netherlands	3,8	3,7	3,7	3,7	3,6
Austria	5,1	5,0	4,9	4,8	5,0
Poland	8,1	8,1	8,0	7,9	8,2
Portugal	6,1	5,9	5,7	5,5	5,4
Romania	7,1	7,1	7,0	6,9	7,0
Eslovenia	9,6	9,3	9,0	8,9	8,7
Eslovaquia	12,4	12,1	12,3	12,3	12,6
Finland	5,8	5,6	5,5	5,4	5,3
Sweden	5,1	5,0	4,9	4,8	4,7
Iceland	nd	nd	nd	nd	nd
Norway	3,4	3,3	nd	nd	nd
Suiza	8,7	8,7	nd	nd	nd
United Kingdom	4,4	4,3	4,0	4,0	4,0
North Macedonia	8,9	9,1	9,1	nd	nd
Serbia	nd	nd	nd	10,6	10,4
Bosnia Y Herzegovina	9,7	9,9	nd	nd	nd

(a) the productive units of the craftsmanship sector correspond to the companies with less than 9 employees belonging to the categories Manufacture of textile products, Manufacture of garments, Manufacture of leather and related articles, Wood and cork industry, except furniture; Manufacture of articles of straw and plaited materials, Manufacture of paper and paper products, Printing and reproduction of recorded media, Manufacture of rubber and plastic products, Manufacture of other non- metallic mineral products, Manufacture of basic metals, Manufacture of metal products, except machinery and equipment, Manufacture of furniture, Other manufacturing industries of the NACE (Statistical classification of economic activities in the European Community Rev 2). **Source: Eurostat**

Table Nº 5.

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

Country	2014	2015	2016	2017	2018
Belgium	36.555	33.969	34.840	36.547	30.924
Bulgary	39.611	39.634	40.549	40.015	40.233
Chequia	133.580	133.443	134.826	135.211	137.676
Denmark	15.279	15.238	13.035	13.629	13.533
Germany	303.322	317.694	282.576	277.143	285.990
Estonia	10.067	10.065	9.512	10.243	9.822
Ireland	15.787	12.981	13.180	13.655	nd
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
Cyprus	5.951	6.361	6.395	6.581	6.942
Letonia	13.634	14.368	14.608	13.803	13.832
Lituania	18.853	20.013	20.681	20.529	21.013
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
Austria	35.642	34.866	34.234	34.419	33.478
Poland	260.161	275.431	287.590	294.666	288.231
Portugal	81.106	81.940	82.372	82.820	82.888
Romania	63.117	63.340	65.000	65.428	67.988
Eslovenia	20.304	21.185	21.116	21.465	21.657
Slovakia	66.050	66.024	68.363	73.969	80.223
Finland	22.321	21.500	20.885	20.441	19.733
Sweden	49.293	37.162	36.347	34.256	29.204
Iceland	nd	1.566	1.710	1.821	1.693
Norway	14.118	13.499	13.330	13.115	12.381
Swiss	37.358	35.227	35.749	34.190	33.432
United Kingdom	158.456	166.422	163.773	167.600	167.629
North Macedonia	nd	nd	8.804	8.957	10.852
Serbia	nd	nd	21.866	21.209	21.074
Bosnia Y Herzegovina	13.400	12.060	16.093	13.260	13.792

(a) the productive units of the craftsmanship sector correspond to the companies with less than 9 employees belonging to the categories Manufacture of textile products, Manufacture of garments, Manufacture of leather and related articles, Wood and cork industry, except furniture; Manufacture of articles of straw and plaited materials, Manufacture of paper and paper products, Printing and reproduction of recorded media, Manufacture of rubber and plastic products, Manufacture of other non- metallic mineral products, Manufacture of basic metals, Manufacture of metal products, except machinery and equipment, Manufacture of furniture, Other manufacturing industries of the NACE (Statistical classification of economic activities in the European Community Rev 2). **Source: Eurostat**

Table Nº 6.

Relative shares of the number of employees in the craftsmanship sector in Europe, 2014-2018(a) .
(%)

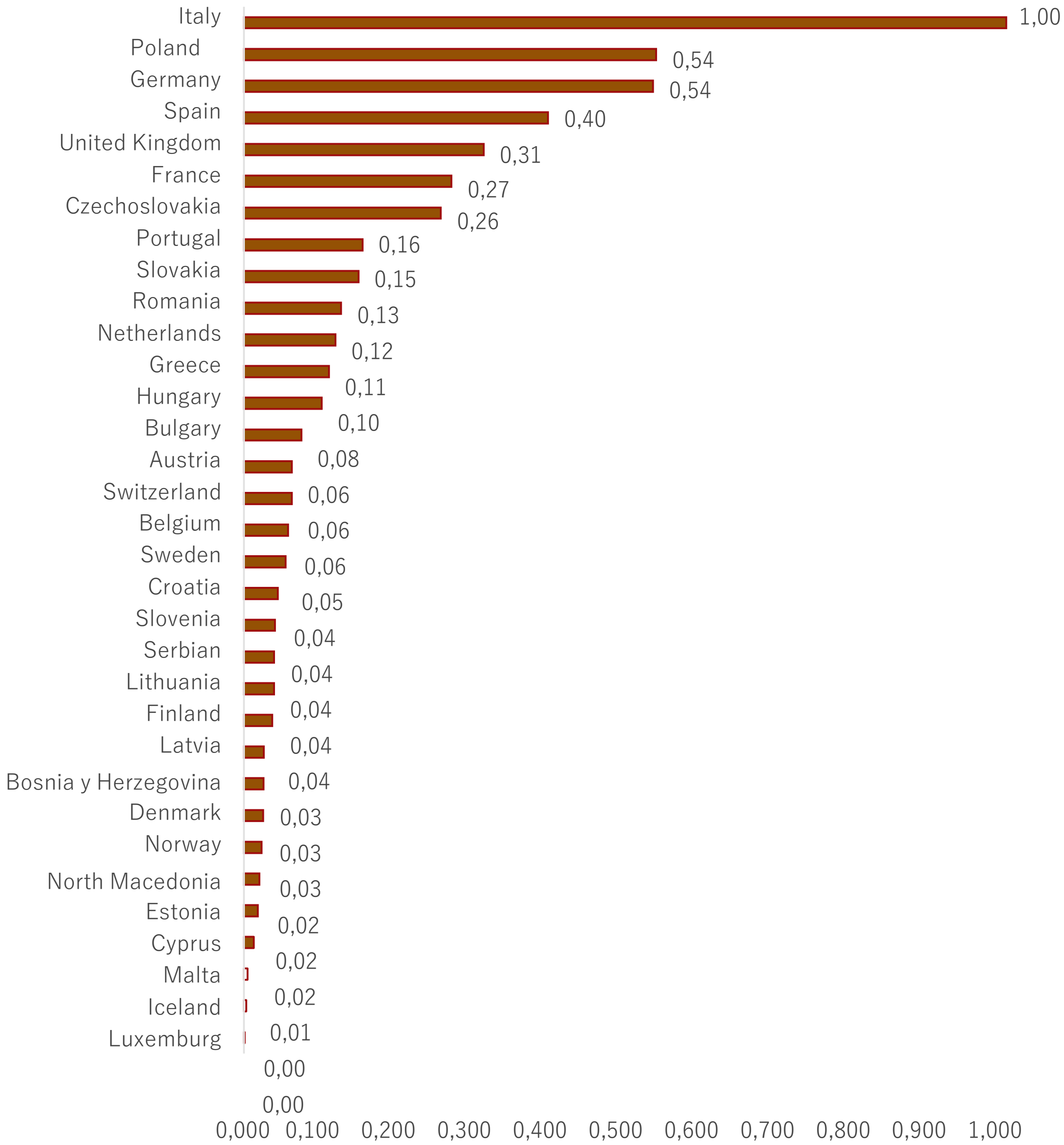


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Table Nº 7

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

Country	2014	2015	2016	2017	2018
Belgium	1,3	1,2	1,2	1,3	1,0
Bulgary	2,1	2,1	2,1	2,0	2,0
Chequia	3,8	3,7	3,7	3,6	3,6
Denmark	0,9	0,9	0,8	0,8	0,7
Germany	1,1	1,1	1,0	0,9	0,9
Estonia	2,5	2,4	2,3	2,4	2,2
Ireland	1,3	1,0	1,0	0,9	0,0
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
Cyprus	2,9	2,9	2,8	2,6	2,6
Letonia	2,2	2,3	2,3	2,2	2,1
Lithuania	2,1	2,1	2,2	2,1	2,1
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
Austria	1,3	1,3	1,2	1,2	1,1
Poland	3,1	3,2	3,2	3,2	2,9
Portugal	2,8	2,7	2,6	2,5	2,4
Romania	1,6	1,6	1,6	1,6	1,7
Slovenia	3,5	3,6	3,5	3,4	3,3
Slovakia	4,6	4,4	4,5	4,6	4,9
Finland	1,5	1,5	1,4	1,4	1,3
Sweden	1,6	1,2	1,1	1,0	0,9
Iceland	nd	nd	nd	nd	nd
Norway	0,9	0,8	nd	nd	nd
Swiss	1,3	1,3	nd	nd	nd
United Kingdom	0,9	0,9	0,8	0,8	0,8
North Macedonia	nd	nd	2,3	nd	nd
Serbia	nd	nd	nd	1,9	1,8
Bosnia Y Herzegovina	2,8	2,5	nd	nd	nd

(a) the productive units of the craftsmanship sector correspond to the companies with less than 9 employees belonging to the categories Manufacture of textile products, Manufacture of garments, Manufacture of leather and related articles, Wood and cork industry, except furniture; Manufacture of articles of straw and plaited materials, Manufacture of paper and paper products, Printing and reproduction of recorded media, Manufacture of rubber and plastic products, Manufacture of other non- metallic mineral products, Manufacture of basic metals, Manufacture of metal products, except machinery and equipment, Manufacture of furniture, Other manufacturing industries of the NACE (Statistical classification of economic activities in the European Community Rev 2). Source: Eurostat

Table Nº 8

Employees by company in the craftsmanship sector: 2014-2018 (a) . (Number of employees)

Country	2014	2015	2016	2017	2018
Belgium	1,6	1,6	1,6	1,6	1,5
Bulgaria	2,0	2,0	2,1	2,0	2,0
Chequia	1,1	1,1	1,1	1,1	1,1
Denmark	2,0	2,0	1,7	1,7	1,7
Germany	2,3	2,5	2,3	2,4	2,3
Estonia	2,1	2,0	1,8	1,9	1,9
Ireland	1,6	1,6	1,6	1,6	nd
Greece	1,7	1,5	1,7	1,7	1,9
Spain	2,1	2,0	2,0	2,0	1,9
France	1,6	1,6	1,5	1,3	1,3
Croacia	2,1	2,1	2,0	2,0	1,9
Italy	2,2	2,2	2,2	2,2	2,2
Cyprus	1,6	1,8	1,8	1,9	2,0
Letonia	1,9	1,9	1,8	1,8	1,8
Lithuania	1,3	1,2	1,3	1,2	1,2
Luxemburg	1,6	1,6	1,6	1,5	1,4
Hungary	1,8	1,8	1,7	1,7	1,7
Malta	2,0	1,6	2,0	1,4	1,7
Netherlands	1,6	1,5	1,5	1,5	1,4
Austria	2,2	2,2	2,1	2,1	2,1
Poland	2,1	2,1	2,1	2,1	1,8
Portugal	1,7	1,7	1,7	1,7	1,7
Romania	1,9	1,9	2,0	1,9	1,9
Eslovenia	1,6	1,7	1,7	1,7	1,7
Slovakia	1,3	1,3	1,3	1,3	1,3
Finland	1,7	1,7	1,7	1,6	1,6
Sweden	1,4	1,1	1,1	1,0	1,0
Iceland	nd	1,4	1,5	1,5	1,5
Norway	1,4	1,4	1,4	1,4	1,4
Swiss	2,9	2,8	2,9	2,9	2,9
United Kingdom	2,0	2,0	1,9	1,9	1,9
North Macedonia	nd	nd	1,7	1,8	2,1
Serbia	nd	nd	2,2	2,3	2,3
Bosnia Y Herzegovina	2,1	1,8	2,3	1,8	1,9

(a) the productive units of the craftsmanship sector correspond to the companies with less than 9 employees belonging to the categories Manufacture of textile products, Manufacture of garments, Manufacture of leather and related articles, Wood and cork industry, except furniture; Manufacture of articles of straw and plaited materials, Manufacture of paper and paper products, Printing and reproduction of recorded media, Manufacture of rubber and plastic products, Manufacture of other non- metallic mineral products, Manufacture of basic metals, Manufacture of metal products, except machinery and equipment, Manufacture of furniture, Other manufacturing industries of the NACE (Statistical classification of economic activities in the European Community Rev 2). **Source: Eurostat**

Table Nº 9

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).

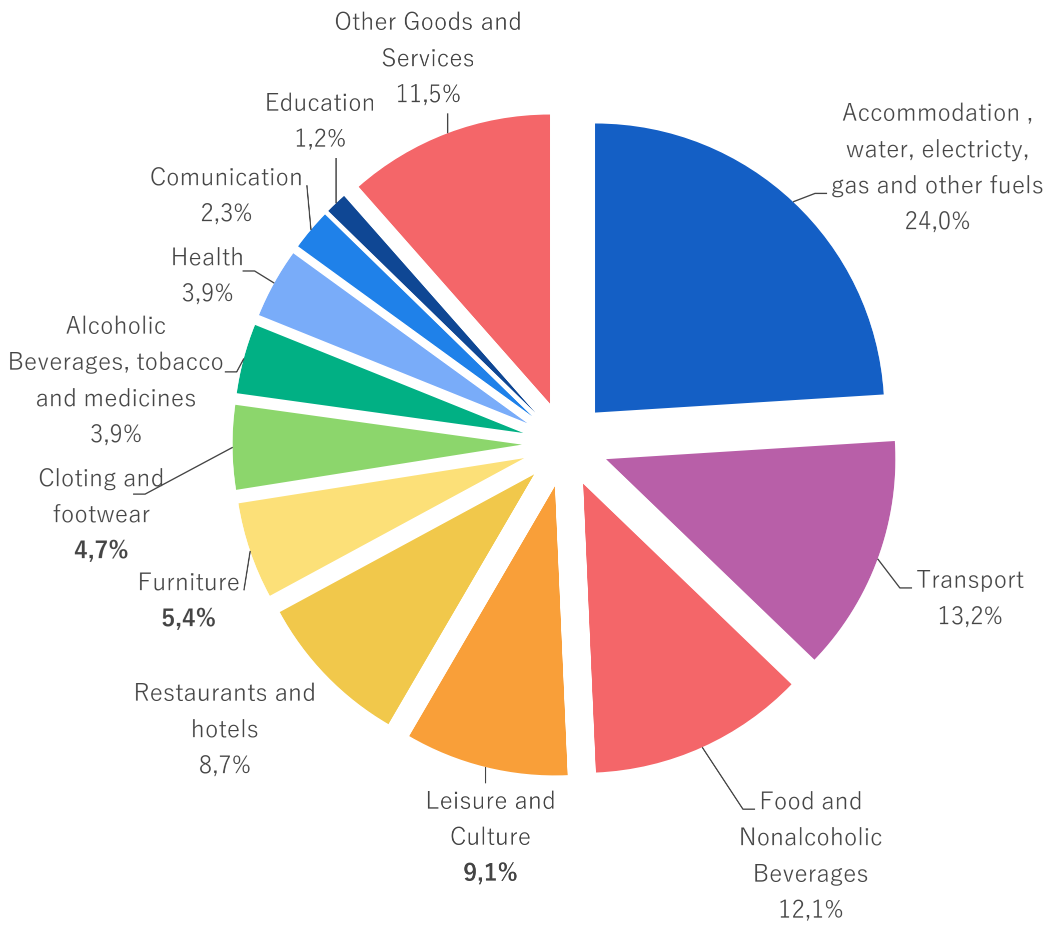
Country	2017	2018	2019	*2020*	*2021*
Germany	1,3	1,3	1,6	-8,3	6,0
Austria	1,4	1,1	1,4	-4,7	4,9
Belgium	1,8	1,5	1,1	-6,9	6,5
Bulgaria	3,8	4,4	5,8	-5,8	5,6
Cyprus	4,5	3,3	3,0	-6,7	5,1
Croatia	3,1	3,2	3,5	-6,9	6,1
Denmark	1,6	2,6	2,2	-6,4	5,9
Slovakia	4,3	3,9	2,2	-7,1	7,2
Slovenia	2,0	2,8	2,7	-6,1	6,3
Spain	3,0	1,8	0,9	-13,1	5,5
Estonia	2,8	4,3	3,1	-7,2	7,1
Finland	1,0	1,7	1,0	-7,9	4,9
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
Ireland	3,1	3,4	2,8	-8,8	4,6
Italy	1,5	0,9	0,4	-10,9	7,3
Letonia	3,1	4,2	2,9	-6,1	7,0
Lithuania	3,5	3,7	3,2	-9,9	7,8
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
Rumanía	10,0	7,3	5,9	-6,2	4,9
Sweden	2,1	1,7	1,2	-5,2	3,4

(a) Bank of Spain forecast as of September 2019. (b) Bank of Portugal forecast as of June 2019.

Source: European Commission.

Table Nº 10

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



Note: corresponds to EU 28. The arrows indicate trends regarding to the previous year in the participation of the different expenditure items.

Source: Eurostat.

Table Nº 11

Distribution of final household consumption in EU countries broken down by categories of goods and services and main areas of consumption in handicraft product: 2018.

(% over value)

Country	1	2	3	4	5	6	7	8	9	10	11	12
Germany	24,0	13,9	10,8	11,0	5,5	6,3	4,5	3,2	5,1	2,3	0,9	12,5
Austria	22,3	12,4	9,7	10,0	13,6	6,6	5,7	3,2	3,8	1,9	1,0	9,9
Belgium	24,3	11,4	12,5	8,3	6,5	6,0	4,8	4,2	6,6	2,1	0,4	13,2
Bulgary	19,9	13,3	19,1	7,8	7,0	5,1	3,2	5,2	6,3	4,8	1,2	7,1
Cyprus	14,8	15,6	11,2	7,0	16,7	4,7	4,5	4,7	5,4	2,5	3,0	9,9
Croacia	16,8	9,7	18,8	8,3	14,7	4,7	4,1	6,7	4,1	4,0	0,9	7,2
Denmark	28,0	12,0	11,5	11,7	6,2	5,5	4,2	3,5	2,9	2,0	0,8	11,6
Slovakia	28,2	6,8	17,2	9,9	6,0	6,2	4,2	5,5	2,4	3,2	1,5	9,1
Eslovenia	19,0	16,9	14,0	9,2	7,7	4,9	5,4	4,9	3,8	2,8	1,3	10,2
Spain	21,9	12,6	12,5	7,5	14,8	4,6	4,1	3,9	4,1	2,6	1,6	9,9
Estonia	18,5	11,6	19,5	8,6	8,4	4,4	6,4	7,8	3,3	2,4	0,5	8,6
Finland	28,6	11,9	11,6	10,2	6,7	4,6	4,1	4,7	4,9	2,3	0,4	10,0
France	26,1	14,0	13,1	7,9	7,4	4,6	3,6	3,8	4,0	2,4	0,5	12,6
Greece (a)	19,8	13,6	16,9	4,6	15,4	2,8	3,7	4,4	4,9	4,4	2,1	7,3
Hungary	20,2	12,9	17,5	7,4	8,8	4,9	3,6	7,3	4,0	3,1	1,8	8,4
Ireland	25,1	12,6	8,8	6,7	15,1	4,4	4,0	4,9	4,9	2,5	1,8	9,1
Italy	22,5	12,9	14,2	6,7	10,3	6,2	6,2	4,2	3,5	2,3	0,9	10,3
Letonia	21,0	12,5	18,3	9,4	7,1	3,7	4,8	7,7	4,4	2,9	1,5	6,7
<Lithuania	15,0	15,8	20,9	8,2	4,2	7,0	6,0	5,7	4,4	2,7	0,5	9,7
Luxemburg	24,2	15,8	9,1	6,1	7,2	5,5	5,1	8,3	3,1	1,3	0,9	13,4
Malta	12,4	12,0	13,0	8,9	20,8	4,6	5,7	3,8	4,4	2,9	2,1	9,5
Netherlands	24,1	12,4	11,3	10,0	8,7	5,8	5,1	3,2	3,4	2,5	0,7	13,0
Poland	20,3	12,8	16,3	8,2	3,6	5,6	5,3	6,1	5,8	2,2	1,0	12,9
Portugal	17,4	13,4	16,3	5,6	13,5	4,8	6,0	3,2	5,2	2,2	1,6	10,6
United Kingdom	25,9	13,7	7,8	11,2	9,3	4,9	5,0	3,3	2,0	1,6	2,3	13,0
República Checa	26,5	10,4	15,3	8,7	8,8	5,2	3,6	8,0	2,4	2,8	0,5	7,8
Rumanía	22,6	10,7	26,2	6,5	3,2	5,7	4,3	5,4	6,3	3,9	1,4	3,9
Sweden	25,9	12,2	12,6	11,1	7,1	6,0	4,2	3,4	3,1	3,2	0,3	10,9
TOTAL UE 28	**24,0**	**13,2**	**12,1**	9,1	**8,7**	**5,4**	**4,7**	**3,9**	**3,9**	**2,3**	**1,2**	**11,5**

1. **Accommodation, water, electricity, gas and Other fuels.**
2. **Transport**
3. **Food and non-alcoholic beverages**
4. **Leisure and Culture**
5. **Restaurants and hotels**
6. **Furniture**
7. **Clothing and footwear**
8. **Alcoholic beverages, tobacco and drugs.**
9. **Health**
10. **Comunication**
11. **Education**
12. **Other godos and services.**

Note: percentages must be read horizontally.
Source: Eurostat

1.2 Structure of the Offer

The craftsmanship sector of the countries in the sample is composed, for the most part, of productive units implanted in the urban environment, which is highly related to the ease of access to markets, a greater offer of inputs and closer contact with work networks and promotion of artisans. The capital of the productive units of the sector is mostly of individual or family nature.

From the point of view of staff composition, most of the employment is generated around individual artisans or those who employ between 2 and 5 people. This indicates not only the high dispersion of employment in the sector, but also highlights the close relationship between artisan activity and self-employment. In this sense, around 73% of the artisans consulted for the study carry out their activity alone.

A relatively high percentage of artisans state that they have a temporary contract, while permanent contracts are a minority. It also stands out that a good part of the employment offered in the sector is carried out through internship contracts. On the other hand, most of the craftsmen work part-time, even in the cases of artisan units with more than one person employed.

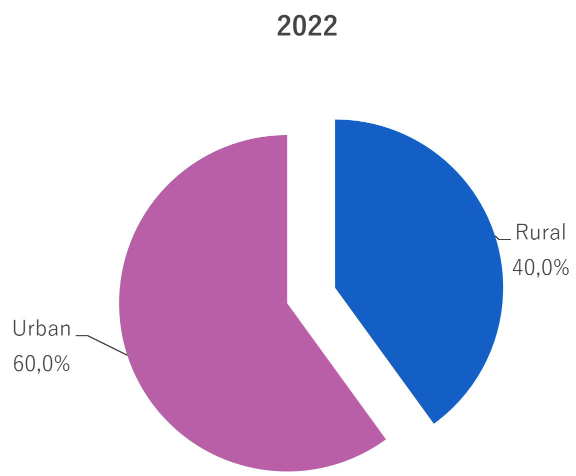
The European craft sector, based on the sample analyzed, tends to be middle-aged, concentrated in the 40-49 (29.6%) and 50-59 (34.4%) age groups. The cases of the Netherlands and Portugal stand out, where the 60-69 age bracket accounts for around one-fifth of the occupation. Most of the craftsmen have been working for between 1 and 10 years (52.6%), which shows that this is a sector that has welcomed lots of people in recent years. Craftsmen who have been in business for 20 years represent 26.8% of the total. In this regard, around 61.5% of the craftsmen consider that they have or will have problems of generational replacement for their activity.

The mainly individual nature of the craftsmanship sector is expressed in the legal form on the basis of which it carries out its activity. In this sense, 84.4% of the craftsmen in the sample said they were self-employed. In this context, Italy stands out as a country where corporate entities account for nearly 30% of artisan activity. Around 63.4% of the craftsmen, on the otherhand, indicate that they devote themselves exclusively to their craft production activity.

Table Nº 12

Distribution of craftsmen by geographic location: 2022.

Country	Zone		
	Rural	Urban	Total
Belgium	100,0%	-	100,0%
Spain	45,2%	54,8%	100,0%
France	75,0%	25,0%	100,0%
Georgia	15,6%	84,4%	100,0%
Italy	18,5%	81,5%	100,0%
Ireland	53,6%	46,4%	100,0%
Netherlands	26,7%	73,3%	100,0%
Portugal	38,7%	61,3%	100,0%
United Kingdom	55,7%	44,3%	100,0%
Ukraine	22,2%	77,8%	100,0%
Other	33,3%	66,7%	100,0%
Total	**40,0%**	**60,0%**	**100,0%**

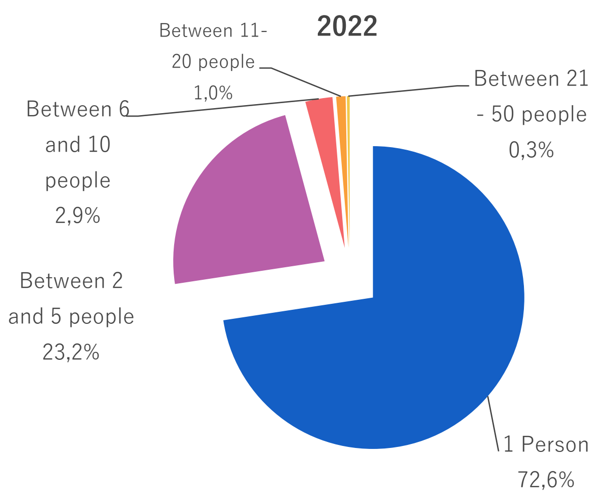


Source: GEOCYL based on surveys and ***focus groups.***

Table Nº 13

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

Country	1 person	Between 2 and 5 people	Between 6 and 10 people	Between 11 and 20 people	Between 21 and 50 people	Total
Belgium	50,0%	50,0%	-	-	-	100,0%
Spain	68,6%	26,8%	2,6%	1,2%	0,9%	100,0%
France	100,0%	-	-	-	-	100,0%
Georgia	61,0%	32,8%	4,7%	-	-	100,0%
Italy	70,4%	25,9%	3,7%	-	-	100,0%
Ireland	78,6%	21,4%	-	-	-	100,0%
Netherlands	86,7%	13,3%	-	-	-	100,0%
Portugal	82,0%	16,2%	1,1%	-	-	100,0%
United Kingdom	80,0%	15,7%	4,3%	-	-	100,0%
Ukraine	42,2%	35,6%	15,6%	6,7%	-	100,0%
Other	50,0%	50,0%	-	-	-	100,0%
Total	**72,6%**	**23,1%**	**2,9%**	**1,0%**	**0,3%**	**100,0%**



Source: GEOCYL based on surveys and *focus groups*

Table Nº 14

Distribution of craftsmen in terms of number of employees and type of contract: 2022.

Country	Type of Contract	1 person	Between 2 and 5 people	Between 6 and 10 people	Between 11 and 20 people	Between 21 and 50 people	Total
Belgium	Internship	-	-	100,0%	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Spain	Undefined	9,5%	3,2%	73,0%	1,6%	12,7%	100,0%
	Temporary	48,6%	1,4%	47,2%	2,8%	-	100,0%
	Internship	55,6%	11,1%	22,2%	-	11,1%	100,0%
	Unanswered	94,6%	-	5,4%	-	-	100,0%
France	Unanswered	100,0%	-	-	-	-	100,0%
Georgia	Undefined	7,7%	-	92,3%	-	-	100,0%
	Temporary	20,0%	-	60,0%	-	20,0%	100,0%
	Internship	-	-	50,0%	-	50,0%	100,0%
	Unanswered	92,3%	-	7,7%	-	-	100,0%
Ireland	Undefined	-	-	100,0%	-	-	100,0%
	Temporary	70,0%	-	30,0%	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Italy	Undefined	-	-	100,0%	-	-	100,0%
	Temporary	75,0%	-	12,5%	-	12,5%	100,0%
	Unanswered	86,7%	-	13,3%	-	-	100,0%
Netherlands	Undefined	-	-	100,0%	-	-	100,0%
	Temporary	100,0%	-	-	-	-	100,0%
	Internship	100,0%	-	-	-	-	100,0%
	Unanswered	83,3%	-	16,7%	-	-	100,0%

(cont.)

Table Nº 14 (cont.)

Distribution of craftsmen in terms of number of employees and type of contract: 2022.

Country	Type of Contract	1 person	Between 2 and 5 people	Between 6 and 10 people	Between 11 and 20 people	Between 21 and 50 people	Total
Portugal	Undefined	78,3%	1,2%	16,9%	-	3,6%	100,0%
	Temporary	83,3%	0,7%	16,0%	-	-	100,0%
	Internship	83,3%	-	16,7%	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
United Kingdom	Undefined	14,3%	-	57,1%	-	28,6%	100,0%
	Temporary	54,5%	-	36,4%	-	9,1%	100,0%
	Internship	33,3%	-	66,7%	-	-	100,0%
	Unanswered	98,0%	-	2,0%	-	-	100,0%
Ukraine	Undefined	20,0%	6,7%	46,7%	-	26,7%	100,0%
	Temporary	13,3%	13,3%	53,3%	-	20,0%	100,0%
	Internship	100,0%	-	-	-	-	100,0%
	Unanswered	92,9%	-	7,1%	-	-	100,0%
Other	Temporary	50,0%	-	50,0%	-	-	100,0%
	Internship	-	-	100,0%	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Total		**72,5%**	**1,0%**	**23,2%**	**0,3%**	**2,9%**	**100,0%**

Source: GEOCYL based on surveys and *focus groups*

Table Nº 15

Distribution of craftsmen by time spent in the craft-activity and number of employees: 2022.

Country	Dedication to craftsmanship activity	1 person	Between 2 and 5 people	Between 6 and 10 people	Between 11 and 20 people	Between 21 and 50 people	Total
Belgium	Entire Day	-	100,0%	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Spain	Entire Day	30,0%	59,1%	5,5%	3,6%	1,8%	100,0%
	Part-time	49,2%	44,1%	5,1%	-	1,7%	100,0%
	Unanswered	98,9%	1,1%	0,0%	-	-	100,0%
France	Entire Day	100,0%	-	-	-	-	100,0%
	Part-time	100,0%	-	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Georgia	Entire Day	50,0%	42,1%	7,9%	-	-	100,0%
	Part-time	45,5%	54,5%	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Ireland	Entire Day	76,9%	23,1%	-	-	-	100,0%
	Part-time	75,0%	25,0%	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Italy	Entire Day	61,5%	30,8%	7,7%	-	-	100,0%
	Part-time	71,4%	28,6%	-	-	-	100,0%
	Unanswered	85,7%	14,3%	-	-	-	100,0%
Netherlands	Entire Day	66,7%	33,3%	-	-	-	100,0%
	Part-time	100,0%	-	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%

(cont.)

Table Nº 15 (cont.)

Distribution of craftsmen by time spent in the craft-activity and number of employees: 2022.

Country	Dedication to Craftsmanship Activity	1 person	Between 2 and 5 people	Between 6 and 10 people	Between 11 and 20 people	Between 21 and 50 people	Total
Portugal	Entire Day	72,3%	24,1%	2,2%	1,5%	-	100,0%
	Part-time	91,2%	8,8%	-	-	-	100,0%
United Kingdom	Entire Day	63,6%	27,3%	9,1%	-	-	100,0%
	Part-time	80,0%	16,0%	4,0%	-	-	100,0%
	Unanswered	95,7%	4,3%	-	-	-	100,0%
Ukraine	Entire Day	28,6%	38,1%	19,0%	14,3%	-	100,0%
	Part-time	37,5%	43,8%	18,8%	-	-	100,0%
	Unanswered	87,5%	12,5%	-	-	-	100,0%
Other	Entire Day	-	100,0%	-	-	-	100,0%
	Part-time	75,0%	25,0%	-	-	-	100,0%
Total		**72,5%**	**23,2%**	**2,9%**	**1,0%**	**0,3%**	**100,0%**

Source: GEOCYL based on surveys and *focus groups*

Table Nº 16

Distribution of artisans by number of employees and future hiring intentions, 2022.

Country	Plans to hire more people	1 person	Between 2 and 5 people	Between 6 and 10 people	Between 11 and 20 people	Between 21 and 50 people	Total
Belgium	No	50,0%	50,0%	-	-	-	100,0%
Spain	No	64,2%	33,0%	1,9%	0,9%	-	100,0%
	Yes	46,8%	37,1%	8,1%	3,2%	4,8%	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
France	No	100,0%	-	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Georgia	No	71,0%	29,0%	-	-	-	100,0%
	Yes	38,5%	50,0%	11,5%	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Ireland	No	73,9%	26,1%	-	-	-	100,0%
	Yes	100,0%	-	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Italy	No	76,9%	15,4%	7,7%	-	-	100,0%
	Yes	63,6%	36,4%	-	-	-	100,0%
	Unanswered	66,7%	33,3%	-	-	-	100,0%
Netherlands	No	90,0%	10,0%	-	-	-	100,0%
	Yes	66,7%	33,3%	-	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%

(cont.)

Table Nº16 (cont.)

Distribution of artisans by number of employees and future hiring intentions, 2022.

Country	Plans to hire more people	1 person	Between 2 and 5 people	Between 6 and 10 people	Between 11 and 20 people	Between 21 and 50 people	Total
Portugal	No	87,0%	12,2%	0,4%	0,4%	-	100,0%
	Yes	40,0%	50,0%	6,7%	3,3%	-	100,0%
United Kingdom	No	86,0%	12,0%	2,0%	-	-	100,0%
	Yes	46,2%	38,5%	15,4%	-	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Ukraine	No	50,0%	42,9%	7,1%	-	-	100,0%
	Yes	26,9%	38,5%	23,1%	11,5%	-	100,0%
	Unanswered	100,0%	-	-	-	-	100,0%
Other	No	100,0%	-	-	-	-	100,0%
	Yes	25,0%	75,0%	-	-	-	100,0%
Total		**72,5%**	**23,2%**	**2,9%**	**1,0%**	**0,3%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

Table Nº 17

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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 18

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%**

Table N⁰ 19

Distribution of craftsmen according to their level of educational background and type of labor contract: 2022.

Country	Type of Contract.	Master or Doctorate	Basic. Educ.	High School.	Univ. Studies	Professional Educ.	W/O Studies.	No Answer	Total
Belgium	Internship	-	100,0%	-	-	-	-	-	100,0%
Spain	Undefined	1,6%	20,6%	20,6%	17,5%	34,9%	1,6%	3,2%	100,0%
	Temporary	2,8%	13,9%	22,2%	22,2%	31,9%	1,4%	5,6%	100,0%
	Internship	-	33,3%	-	33,3%	22,2%	-	11,1%	100,0%
Georgia	Undefined	15,4%	7,7%	-	53,8%	-	-	23,1%	100,0%
	Temporary	-	-	-	70,0%	20,0%	-	10,0%	100,0%
	Internship	-	-	-	50,0%	50,0%	-	-	100,0%
Ireland	Undefined	-	-	33,3%	33,3%	33,3%	-	-	100,0%
	Temporary	-	20,0%	10,0%	50,0%	10,0%	10,0%	-	100,0%
Italy	Undefined	-	25,0%	-	25,0%	50,0%	-	-	100,0%
	Temporary	-	-	37,5%	12,5%	25,0%	-	25,0%	100,0%
Netherlands	Undefined	-	-	100,0%	-	-	-	-	100,0%
	Temporary	-	-	33,3%	-	16,7%	50,0%	-	100,0%
	Internship	-	-	-	-	100,0%	-	-	100,0%

(cont.)

Table Nº 19 (cont.)

Distribution of craftsmen according to their level of educational background and type of labor contract, 2022.

Country	Type of Contract.	Master or Doctorate	Basic Educ.	High School	Univ. Studies.	Professional Educ.	W/O Studies.	No Answer.	Total
Portugal	Undefined	6,0%	14,5%	42,2%	25,3%	12,0%	-	-	100,0%
	Temporary	6,9%	16,7%	37,5%	27,8%	6,9%	4,2%	-	100,0%
	Internship	5,6%	16,7%	48,1%	7,4%	13,0%	9,3%	-	100,0%
United Kingdom	Undefined	-	-	14,3%	71,4%	14,3%	-	-	100,0%
	Temporary	-	-	9,1%	45,5%	18,2%	9,1%	18,2%	100,0%
	Internship	-	-	-	-	66,7%	-	33,3%	100,0%
Ukraine	Undefined	20,0%	6,7%	-	13,3%	40,0%	20,0%	-	100,0%
	Temporary	-	6,7%	-	33,3%	53,3%	6,7%	-	100,0%
	Internship	100,0%	-	-	-	-	-	-	100,0%
Other	Temporary	-	25,0%	-	25,0%	25,0%	25,0%	-	100,0%
	Internship	-	-	-	-	100,0%	-	-	100,0%
Total		**5,0%**	**14,6%**	**28,4%**	**25,1%**	**19,7%**	**4,2%**	**3,0%**	**100,0%**

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Table Nº 20

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%**

Source: GEOCYL based on surveys and focus groups

CRAFTINGEUROPE
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Table Nº 21

Distribution of craftsmen according to the family generation dedicated to the activity: 2022.

Country	First Generation.	Second Generation.	Third Generation.	Total
Belgium	100,0%	-	-	100,0%
Spain	78,1%	11,5%	10,4%	100,0%
France	100,0%	-	-	100,0%
Georgia	75,0%	17,2%	7,8%	100,0%
Ireland	92,9%	-	7,1%	100,0%
Italy	81,5%	14,8%	3,7%	100,0%
Netherlands	86,7%	-	13,3%	100,0%
Portugal	83,8%	10,9%	5,3%	100,0%
United Kingdom	95,7%	2,9%	1,4%	100,0%
Ukraine	82,2%	15,6%	2,2%	100,0%
Other	66,7%	16,7%	16,7%	100,0%
Total	**82,1%**	**10,8%**	**7,2%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

Table Nº22

Distribution of craftsmen according to generational relay problems: 2022.

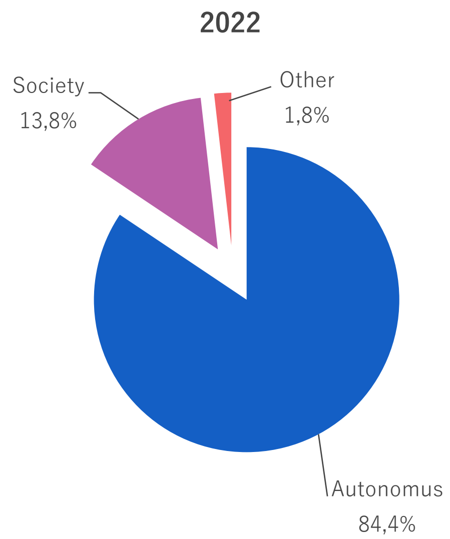
Country	No	Yes	Total
Belgium	100,0%	-	100,0%
Spain	30,1%	69,9%	100,0%
France	25,0%	75,0%	100,0%
Georgia	72,6%	27,4%	100,0%
Ireland	60,9%	39,1%	100,0%
Italy	44,4%	55,6%	100,0%
Netherlands	53,8%	46,2%	100,0%
Portugal	26,0%	74,0%	100,0%
United Kingdom	73,7%	26,3%	100,0%
Ukraine	74,4%	25,6%	100,0%
Other	16,7%	83,3%	100,0%
Total	**38,5%**	**61,5%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

Table Nº 23

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%**



Source: GEOCYL based on surveys and focus groups

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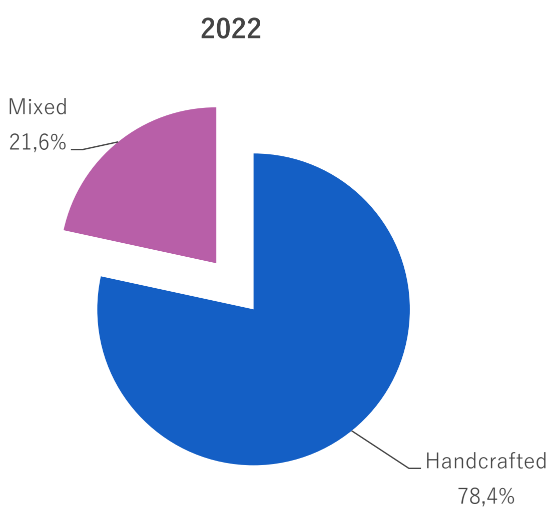
Table N⁰ 24

Distribution of craftsmen according to their production method, 2022

Country	Handcrafted	Mixed	Total
Belgium	100,0%	-	0,2%
Spain	76,1%	23,9%	38,8%
France	100,0%	-	0,5%
Georgia	85,9%	14,1%	7,2%
Ireland	64,3%	35,7%	3,2%
Italy	74,1%	25,9%	3,1%
Netherlands	80,0%	20,0%	1,7%
Portugal	84,0%	16,0%	31,8%
United Kingdom	76,8%	23,2%	7,8%
Ukraine	57,8%	42,2%	5,1%
Other	100,0%	-	0,6%
Total	**78,4%**	**21,6%**	**100,0%**

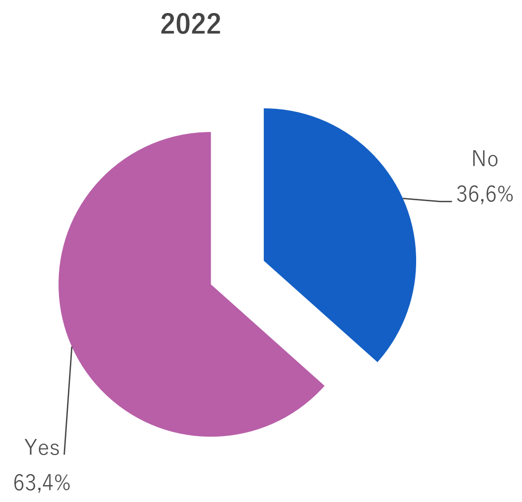


Source: GEOCYL based on surveys and focus groups

Table No 25

Exclusive dedication to craftsmanship: 2022.

Country	No	Yes	Total
Belgium	-	100,0%	100,0%
Spain	27,1%	72,9%	100,0%
France	25,0%	75,0%	100,0%
Georgia	33,3%	66,7%	100,0%
Ireland	35,7%	64,3%	100,0%
Italy	25,9%	74,1%	100,0%
Netherlands	40,0%	60,0%	100,0%
Portugal	45,1%	54,9%	100,0%
United Kingdom	44,3%	55,7%	100,0%
Ukraine	55,6%	44,4%	100,0%
Other	50,0%	50,0%	100,0%
Total	**36,6%**	**63,4%**	**100,0%**



Source: GEOCYL based on surveys and focus groups

1.3 Competitive Forces and Key Success Factors

The high level of rivalry observed in the sector is due in part to factors such as the existing oversupply, the growing importation of low-priced products and the high bargaining power of customers. The latter have the capacity to impose strict conditions in terms of prices, delivery times and adaptation to specific needs in each case, thus limiting profitability and making it difficult to transfer production costs to the final price of the handicraft product.

In the same sense affect the few projects that, from the public sector, are oriented to a broader support to craftsmen in terms of financing, infrastructure, access to technological resources and projection of handicraft production, both in the national and international markets and, specifically, in the European market.

On the other hand, the intense competition observed in the sector between the group made up of traditional craftsmen and those who develop goods and services based on innovation, and the group made up of industrial entrepreneurs who offer their production under the denomination of "artisan" and those coming from low-cost countries, has worsened since the beginning of 2020, when the first effects of COVID-19 pandemic began to be felt. This unfavorable situation resulted in the cancellation or paralyzation of many of the natural marketing spaces for artisan products, such as fairs, festivals, main tourist centers or specialized stores.

In this context and in view of the delicate position of European operators, the threat of entry of new competitors increases significantly. In this sense, the possibility of the entry of industrial production from Asia, by operators who carry out their activity in an environment of scarce regulation, low salaries and implementation of subsidized price strategies, stands out.

The drastic drop in revenues and the loss of profitability have led cost control and the "price factor" to increase their relevance as the main key factors for success in the sector. Likewise, flexibility to meet the different needs of clients and the offer of a high quality and original product are among the most relevant aspects, as well as adaptation to trends in the incorporation of new technologies in projects and to changes in the working way.

The improvement of positioning in foreign markets, especially in phases of significant contraction of domestic demand, is also increasingly relevant. In this regard, it should be noted that European handicraft products have a remarkable international recognition, based on their good value for money, the high degree of design incorporated and the good level of technology and innovation.

Table Nº 26

Relevant competitive forces: 2018-2022.

Threat due to new entrants / competitors

HIGH

- Influence of the COVID-19 crisis on the contraction of demand and the subsequent economic crisis.
- Intensification of the remarkable pressure exerted on prices.
- Growing importance of offering a comprehensive service.
- Need to adapt to demand requirements.
- Space reconditioning projects.
- Great importance of R&D&I in new products.
- Increase in the entry of low-priced imported products.

LOW

- Solid positioning of the main operators.
- Existence of several foreign groups of a certain size that lack presence in Spain

Bargaining power of Suppliers

HIGH

- Growth in the prices of some of the main raw materials.
- High concentrated supplier sectors.

Intensity of rivals' competition

Threat due to substitute products

LOW

- Increased demand for industrial products sold under the denomination "handicraft".
- Secondhand handicraft products.

Customers' bargaining ability

HIGH

- Excess of offer in some products
- Direct sale is gradually losing specific weight.
- Growing demands from customers in terms of flexibility, adaptation to their needs, pressure on price.
- Public administrations: reduction in spending, which limits purchases from craftsmen.

Source: GEOCYL based on surveys and focus groups

1.4 Basic elements of the handicraft activity

The temporary interruption of the activity during the first months of 2020 caused by the coronavirus health crisis, the subsequent decrease in demand and the deterioration of confidence among the public in the handicraft sector and the obstacles faced by the artisans themselves, had a significant negative impact on the sector. All segments registered a significant contraction, although it is possible to affirm that the traditional handicraft activity was the most affected.

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

In this section, one of the main aspects dealt with relates to institutional support and the relationship that craftsmen have with the public sector. In this sense, about 73% of the artisans consider that they do not have adequate institutional support to develop their activity. One expression of this fact is the perception of the influence of the tax structure, which is considered, to a large extent, as bad or regular.

The sector as a whole also perceives that the public policies implemented do not favor the sector's activity, being considered as bad or regular actions. Within the framework of public policies oriented to the handicraft sector, those related to labor education or training are very important. In this regard, 66.5% of the artisans consulted say that the policies are bad or fair.

Covid-19 has transformed all industries, posing a challenge for craftsmen who must compete within a global environment. The new technological tools are undoubtedly generating one of the most significant changes in the sector. Given the training constraints associated with the use of technology, it is individual artisans and small units that benefit from reaching a wider audience.

Over and above the economic difficulties or structural considerations, most artisans consider themselves satisfied (57.8%) or very satisfied (18.4%) with their activity. This is reaffirmed by the question of whether they would change their activity, to which the answer was no in almost 91% of cases.

Table Nº27

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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 28

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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 30

Perception of the degree of support for the internationalization of the handicraft sector by public institutions: 2022.

Country	1	2	3	4	5	6	7	8	9	10	Total
Belgium	-	-	-	-	-	-	-	50,0%	50,0%	-	100,0%
Spain	3,5%	2,6%	2,6%	3,5%	11,1%	7,9%	9,3%	13,7%	9,3%	36,4%	100,0%
France	-	-	-	-	50,0%	-	-	-	-	50,0%	100,0%
Georgia	4,7%	1,6%	1,6%	1,6%	4,7%	6,3%	15,6%	14,1%	10,9%	39,1%	100,0%
Ireland	-	10,7%	3,6%	3,6%	7,1%	10,7%	7,1%	17,9%	17,9%	21,4%	100,0%
Italy	-	3,7%	11,1%	3,7%	7,4%	7,4%	25,9%	25,9%	7,4%	7,4%	100,0%
Netherlands	-	13,3%	13,3%	13,3%	-	-	20,0%	13,3%	6,7%	20,0%	100,0%
Portugal	3,2%	2,1%	2,8%	4,3%	13,9%	7,8%	7,1%	15,7%	9,6%	33,5%	100,0%
United Kingdom	7,4%	7,4%	2,9%	7,4%	8,8%	14,7%	17,6%	14,7%	8,8%	10,3%	100,0%
Ukraine	-	2,2%	2,2%	-	11,1%	2,2%	8,9%	17,8%	13,3%	42,2%	100,0%
Other	-	-	-	33,3%	-	-	16,7%	-	-	50,0%	100,0%
Total	**3,3%**	**3,2%**	**3,1%**	**4,1%**	**11,0%**	**7,8%**	**10,3%**	**15,1%**	**9,9%**	**32,4%**	**100,0%**

Note: scale from 1 to 10, with 1 being no support and 10 being very high support.

Source: GEOCYL based on surveys and focus groups

Table Nº 31

Perception of the measures implemented by European public institutions regarding the opening of foreign markets for craft activities: 2022.

Country	Bad	Regular	Good	Very Good	Excellent	No Answer	Total
Belgium	-	-	50,0%	-	-	50,0%	100,0%
Spain	46,1%	42,4%	9,5%	0,3%	-	1,7%	100,0%
France	75,0%	25,0%	-	-	-	-	100,0%
Georgia	43,8%	34,4%	3,1%	-	3,1%	15,6%	100,0%
Ireland	17,9%	42,9%	39,3%	-	-	-	100,0%
Italy	-	70,4%	-	-	11,1%	18,5%	100,0%
Netherlands	33,3%	33,3%	26,7%	-	6,7%	-	100,0%
Portugal	33,1%	51,8%	12,0%	0,4%	-	2,8%	100,0%
United Kingdom	42,9%	38,6%	12,9%	-	1,4%	4,3%	100,0%
Ukraine	-	-	97,8%	-	2,2%	-	100,0%
Other	33,3%	16,7%	50,0%	-	-	-	100,0%
Total	**36,7%**	**42,7%**	**15,8%**	**0,2%**	**0,9%**	**3,7%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

Table Nº 32

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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 33

Possession of a patent or commercial exclusivity in the artisanal activity: 2022.

	No	Yes	Total
Patent	77,1%	22,9%	100,0%

Source: GEOCYL based on surveys and focus groups

Table Nº34

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%**

Source: GEOCYL based on surveys and focus groups

Table N⁰ 35

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 of the handicraft sector, as was shown in the first part, is closely linked to the sectors linked to leisure or to the purchase of clothing or furniture. For the artisans consulted in this study, the size of the market is a variable of great importance.

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

Most of the demand for craftsmanship products is made by middle-aged people.

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. The economic slowdown, the uncertainty and the deterioration of business confidence led to a marked decline in sales.

The market for artisanal goods and services, which in 2019 still presented favorable indicators, sharply declined in 2020. This is reflected in what is indicated by the artisans participating in the study, who indicate that sales experienced a drop of over 50% (44.6%) or between 21%-50% (18.4%). Although the lifting of confinements and restrictions on mobility improved the sector's performance, a large number of artisans still recorded declines in sales and income.

Table Nº 36

Importance degree of the size of the market for the handicraft activity

Country	Nothing	Little Important	Somewhat Important	Important	Very Important	Total
Belgium	-	-	50,0%	-	50,0%	100,0%
Spain	14,4%	17,0%	30,3%	16,7%	21,6%	100,0%
France	25,0%	-	25,0%	-	50,0%	100,0%
Georgia	18,5%	3,7%	22,2%	20,4%	35,2%	100,0%
Ireland	10,7%	14,3%	42,9%	14,3%	17,9%	100,0%
Italy	33,3%	22,2%	22,2%	7,4%	14,8%	100,0%
Netherlands	-	20,0%	13,3%	33,3%	33,3%	100,0%
Portugal	5,3%	8,1%	30,3%	23,2%	33,1%	100,0%
United Kingdom	2,9%	22,9%	30,0%	32,9%	11,4%	100,0%
Ukraine	13,3%	22,2%	28,9%	13,3%	22,2%	100,0%
Other	16,7%	33,3%	-	-	50,0%	100,0%
Total	**11,0%**	**14,2%**	**29,4%**	**19,8%**	**25,6%**	**100,0%**

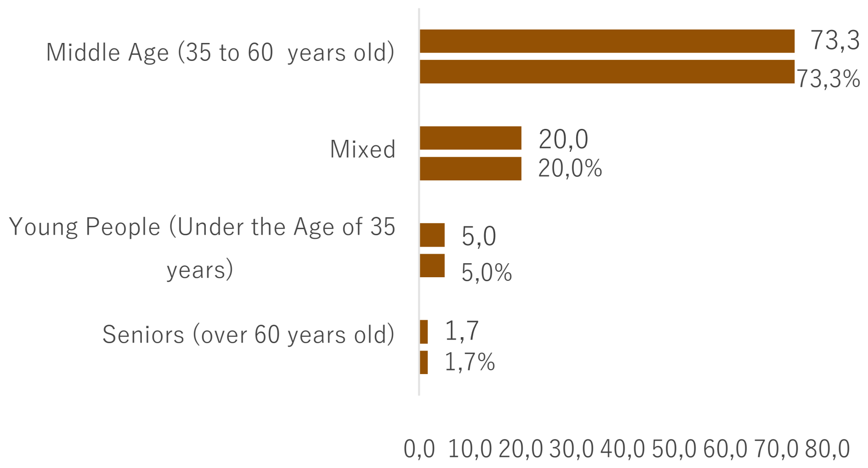
Source: GEOCYL based on surveys and focus groups

Table Nº 37

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%**

Target market by age (%)



Source: GEOCYL based on surveys and focus group

Table N⁰38

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

I have increased my sales and myincome	I have increased my sales, but notmy 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%

GEOCYL based on surveys and focus groups

Table N⁰39

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 than50%	Y/N	Total
44,6%	18,4%	7,1%	8,5%	5,2%	7,1%	4,9%	3,8%	0,4%	100,0%

GEOCYL based on surveys and focus groups.

Table N⁰ 40

Evolution of sales/revenues once the Covid-19 confinement 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%

Source: GEOCYL based on surveys and focus groups

Table N⁰ 41

Quantification of the evolution of sales/revenues once the Covid-19 confinement 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 %

Source: GEOCYL based on surveys and focus groups

1.6 Distribution

Most of the companies that make up the sector choose direct distribution, either through sales at fairs and flea markets, or through online sales. Likewise, and increasingly, the sector is gaining more and more presence in more consolidated distribution platforms or in marketplaces created with the purpose of giving projection and outlet to the craftsmen's activity.

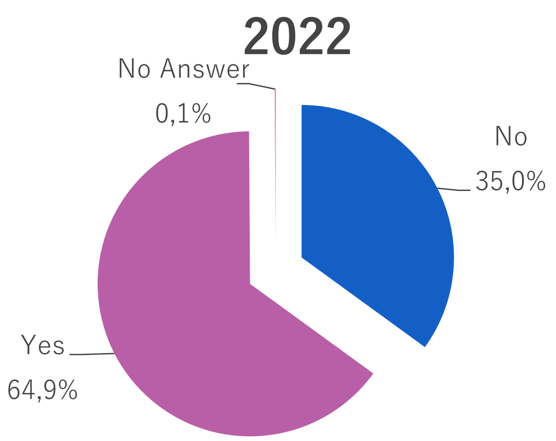
The online channel is becoming increasingly widespread among the artisans surveyed, who admit to having an online store in almost 65% of the cases studied. The incipient state of development of online sales is reflected in the fact that 30.7% of the artisans sell less than 10% of their products online. Another 34.8% say they don’t use this marketing channel.

The craftsmen's commercialization capacity must face multiple factors, among them, the lack of training in new technologies, poorly developed communication networks and certain limitations in terms of connectivity. All this should be emphasized, as Europe is one of the markets where these elements present the most favorable conditions.

Table Nº42

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

Country	No	Yes	No Answer	Total
Belgium	-	100,0%	-	100,0%
Spain	27,1%	72,9%	-	100,0%
France	75,0%	25,0%	-	100,0%
Georgia	82,8%	15,6%	1,6%	100,0%
Ireland	14,3%	85,7%	-	100,0%
Italy	25,9%	74,1%	-	100,0%
Netherlands	6,7%	93,3%	-	100,0%
Portugal	41,5%	58,5%	-	100,0%
United Kingdom	8,6%	91,4%	-	100,0%
Ukraine	53,3%	46,7%	-	100,0%
Other	33,3%	66,7%	-	100,0%
Total	**35,0%**	**64,9%**	**0,1%**	**100,0%**



Source: GEOCYL based on surveys and focus groups

Table Nº 43

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%
Georgia	No	24,5%	24,5%	17,0%	9,4%	3,8%	1,9%	18,9%	100,0%
	Yes	10,0%	30,0%	30,0%	30,0%	-	-	-	100,0%
	N/A	-	-	-	-	100,0%	-	-	100,0%
Ireland	No	100,0%	-	-	-	-	-	-	100,0%
	Yes	16,7%	20,8%	16,7%	20,8%	4,2%	16,7%	4,2%	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%
Netherlands	No	-	100,0%	-	-	-	-	-	100,0%
	Yes	35,7%	28,6%	7,1%	7,1%	-	14,3%	7,1%	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%
	Yes	28,1%	20,3%	15,6%	12,5%	14,1%	9,4%	-	100,0%
Ukraine	No	45,8%	4,2%	12,5%	12,5%	16,7%	8,3%	-	100,0%
	Yes	4,8%	23,8%	9,5%	9,5%	14,3%	38,1%	-	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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 44

Status of the communications network in your locality: 2022.

Bad	Regular	Good	Very Good	Excellent	No Answer	Total
12,9%	34,4%	40,9%	6,3%	5,4%	0,1%	100,0%

Source: GEOCYL based on surveys and focus groups

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

Regarding the craftsmanship sector's vision of the associative models, it is plural, although there is certain tendency to consider associations as instruments that contribute only partially to the development of craftsmanship activities. Traditional craftsmen tend to be associated and participate in a more or less active way, while the younger ones carry out their activities somewhat distanced from these collaborative expressions. In any case, the formality degree of associations among younger craftsmen/artisans is lower than it was in the past or is still observed among older artisans.

Within the framework of craftsmanship activities, the actions linked to innovation are mainly aimed at the technical improvement of production processes and the expansion of sales channels, two of the critical aspects of the activity of the entire sector. The innovation developed by European artisans focuses on the optimization of processes, which is an energy management marked by an increasing use of clean energy, the consolidation of ICTs or the expansion of sales channels through virtual media.

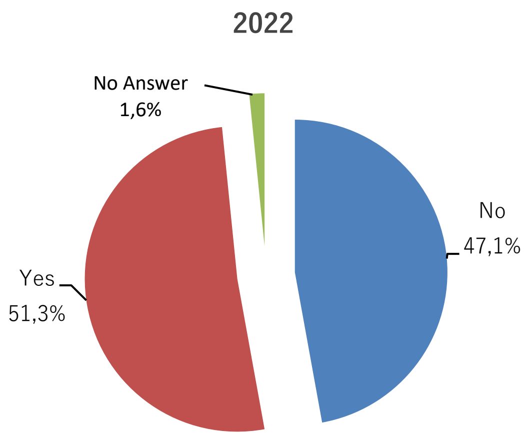
In this sense, the wide possibilities offered by the Internet allow the development of new points of sale, both within the framework of the most consolidated distribution platforms, as well as within the scope of more modest initiatives with a strong presence in specific segments. The rapid evolution of the potential for online sales, however, is accompanied by an increasing technical complexity, which hampers its widespread use by most artisans. One aspect to take into account is the opportunity cost that the technological learning curve represents for most artisans, who are distracted from their main activity.

Another aspect to consider is related to the design and production of products digitally. Although it is true that the possibilities that these offers are wide, so is the perception that many European artisans have of it. In this sense, there is evidence of a difference between traditional artisans and those who appeal to the technological dimension to explore new production methods.

Table Nº 45

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

Country	No	Yes	No Answer	Total
Belgium	50,0%	50,0%	-	100,0%
Spain	36,0%	64,0%	-	100,0%
France	75,0%	25,0%	-	100,0%
Georgia	42,2%	35,9%	21,9%	100,0%
Ireland	25,0%	75,0%	-	100,0%
Italy	44,4%	55,6%	-	100,0%
Netherlands	66,7%	33,3%	-	100,0%
Portugal	63,4%	36,6%	-	100,0%
United Kingdom	37,1%	62,9%	-	100,0%
Ukraine	60,0%	40,0%	-	100,0%
Other	16,7%	83,3%	-	100,0%
Total	**47,1%**	**51,3%**	**1,6%**	**100,0%**



Source: GEOCYL based on surveys and focus groups

Table Nº 46

Perception of the quality of the services offered by the associations: 2022.

Country	Bad	Regular	Good	Very Good	Excellent	No Answer.	Total
Belgium	100,0%	-	-	-	-	-	100,0%
Spain	26,8%	43,5%	25,6%	3,2%	-	0,9%	100,0%
France	75,0%	25,0%	-	-	-	-	100,0%
Georgia	10,9%	53,1%	17,2%	-	9,4%	9,4%	100,0%
Ireland	10,7%	50,0%	28,6%	-	7,1%	3,6%	100,0%
Italy	-	63,0%	-	-	25,9%	11,1%	100,0%
Netherlands	33,3%	46,7%	13,3%	-	6,7%	-	100,0%
Portugal	22,9%	47,5%	24,6%	1,1%	-	3,9%	100,0%
United Kingdom	10,0%	34,3%	44,3%	-	2,9%	8,6%	100,0%
Ukraine	-	-	91,1%	-	6,7%	2,2%	100,0%
Other	33,3%	33,3%	33,3%	-	-	-	100,0%
Total	**21,0%**	**43,2%**	**28,5%**	**1,6%**	**2,4%**	**3,5%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

Table Nº 47

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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 48

Do you consider that the internet and mobile network connectivity is good enough?

	No	Yes	No Answer	Total
Internet	15,7%	83,4%	0,9%	100,0%
Mobile network	11,7%	87,8%	0,6%	100,0%

Source: GEOCYL based on surveys and focus groups

Table Nº 49

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%

Source: GEOCYL based on surveys and focus groups

Table Nº 50

Status of the communications network in your locality: 2022.

Bad	Regular	Good	Very Good	Excellent	No Answer	Total
12,9%	34,4%	40,9%	6,3%	5,4%	0,1%	100,0%

Source: GEOCYL based on surveys and focus groups

Table Nº 51

Status of public transportation in your locality: 2022.

Bad	Regular	Good	Very Good	Excellent	No Answer	Total
27,9%	35,5%	29,9%	3,8%	2,7%	0,1%	100,0%

Source: GEOCYL based on surveys and focus groups

1.8 Costs, profitability and financing

Table Nº 52

Importance degree of financing in your artisanal activity: 2022.

Country	None	Not very important	Somewhat important	Important	Very Important	Total
Belgium	-	-	50,0%	-	50,0%	100,0%
Spain	11,0%	14,7%	26,8%	19,0%	28,5%	100,0%
France	25,0%	-	-	25,0%	50,0%	100,0%
Georgia	27,6%	6,9%	19,0%	20,7%	25,9%	100,0%
Ireland	3,6%	10,7%	28,6%	21,4%	35,7%	100,0%
Italy	40,7%	18,5%	29,6%	3,7%	7,4%	100,0%
Netherlands	-	6,7%	33,3%	13,3%	46,7%	100,0%
Portugal	12,3%	9,2%	24,6%	21,8%	32,0%	100,0%
United Kingdom	8,6%	14,3%	14,3%	35,7%	27,1%	100,0%
Ukraine	4,4%	-	20,0%	11,1%	64,4%	100,0%
Other	-	33,3%	-	-	66,7%	100,0%
Total	**12,4%**	**11,5%**	**24,3%**	**20,3%**	**31,5%**	**100,0%**

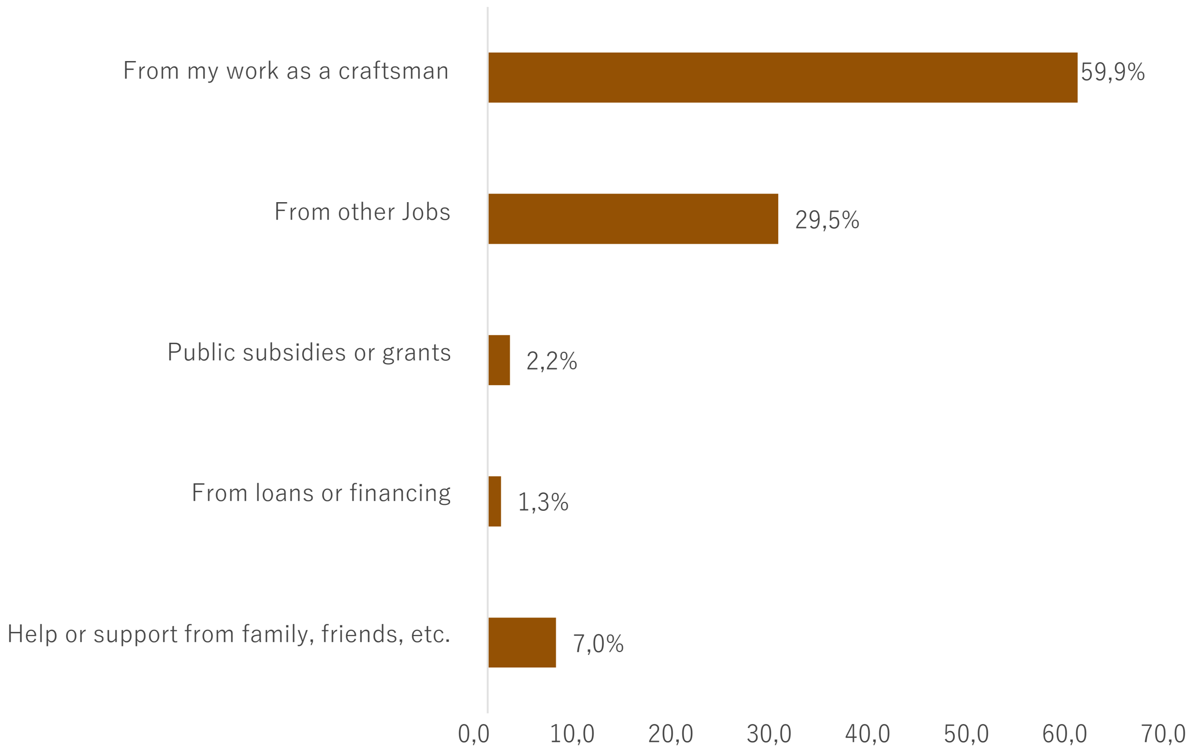
Source: GEOCYL based on surveys and focus groups

Table Nº 53

Distribution of the craftsmen's financing sources: 2022

Dedication to craftsmanship	From my work as a craftsman	From Other Jobs	Public subsidies or grants	From loans or financing	Help or support from family, friends, etc.	Total
Yes	81,8%	6,9%	1,2%	1,1%	9,0%	100,0%
No	22,1%	68,7%	4,0%	1,8%	3,4%	100,0%
Total	**59,9%**	**29,5%**	**2,2%**	**1,3%**	**7,0%**	**100,0%**

Craftsmen sources of financing (%)



Source: GEOCYL based on surveys and focus groups

Table Nº 54

Distribution of the craftsmen's financing sources by countries: 2022.

Dedication to craftsmanship	Country	From my work as a craftsman	From Other Jobs	Public subsidies or grants	From loans or financing	Help or support from family, friends, etc.	Total
Yes		**81,8%**	**6,9%**	**1,2%**	**1,1%**	**9,0%**	**100,0%**
	Belgium	100,0%	-	-	-	-	100,0%
	Spain	87,0%	4,3%	0,8%	1,2%	6,7%	100,0%
	France	66,7%	33,3%	-	-	-	100,0%
	Georgia	92,9%	4,8%	-	-	2,4%	100,0%
	Ireland	66,7%	16,7%	5,6%	-	11,1%	100,0%
	Italy	75,0%	-	-	-	25,0%	100,0%
	Netherlands	77,8%	11,1%	-	-	11,1%	100,0%
	Portugal	78,8%	10,3%	1,3%	-	9,6%	100,0%
	United Kingdom	66,7%	12,8%	5,1%	2,6%	12,8%	100,0%
	Ukraine	65,0%	-	-	10,0%	25,0%	100,0%
	Other	100,0%	-	-	-	-	100,0%
No		**22,1%**	**68,7%**	**4,0%**	**1,8%**	**3,4%**	**100,0%**
	Spain	28,7%	55,3%	9,6%	4,3%	2,1%	100,0%
	France	-	-	-	-	100,0%	100,0%
	Georgia	14,3%	85,7%	-	-	-	100,0%
	Ireland	20,0%	80,0%	-	-	-	100,0%
	Italy	14,3%	57,1%	-	-	28,6%	100,0%
	Netherlands	66,7%	16,7%	16,7%	-	-	100,0%
	Portugal	14,8%	81,3%	1,6%	0,8%	1,6%	100,0%
	United Kingdom	19,4%	71,0%	3,2%	-	6,5%	100,0%
	Ukraine	36,0%	52,0%	-	4,0%	8,0%	100,0%
	Other	33,3%	66,7%	-	-	-	100,0%
Total		**59,9%**	**29,5%**	**2,2%**	**1,3%**	**7,0%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

Table Nº 55

Do you have cash flow problems in your artisanal activity? 2022

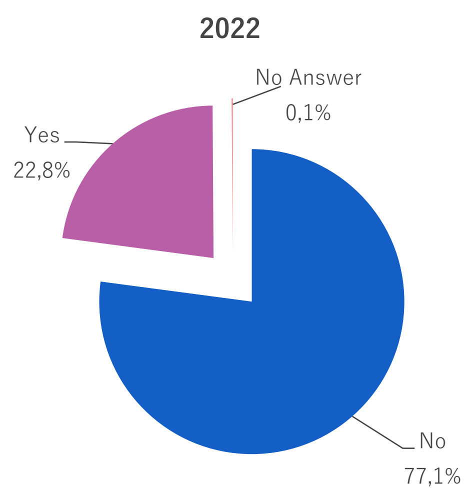
Country	No	Yes	No Answer	Total
Belgium	100,0%	-	-	100,0%
Spain	44,1%	55,9%	-	100,0%
France	50,0%	50,0%	-	100,0%
Georgia	68,8%	28,1%	3,1%	100,0%
Ireland	60,7%	39,3%	-	100,0%
Italy	44,4%	55,6%	-	100,0%
Netherlands	60,0%	40,0%	-	100,0%
Portugal	45,1%	54,9%	-	100,0%
United Kingdom	65,7%	34,3%	-	100,0%
Ukraine	22,2%	77,8%	-	100,0%
Other	33,3%	66,7%	-	100,0%
Total	**47,6%**	**52,1%**	**0,2%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

Table Nº 56

Have you ever resorted to a bank credit during your artisanal activity? 2022.

Country	No	Yes	No Answer	Total
Belgium	100,0%	-	-	100,0%
Spain	69,7%	30,3%	-	100,0%
France	100,0%	-	-	100,0%
Georgia	50,0%	48,4%	1,6%	100,0%
Ireland	100,0%	-	-	100,0%
Italy	77,8%	22,2%	-	100,0%
Netherlands	80,0%	20,0%	-	100,0%
Portugal	86,3%	13,7%	-	100,0%
United Kingdom	94,3%	5,7%	-	100,0%
Ukraine	71,1%	28,9%	-	100,0%
Other	66,7%	33,3%	-	100,0%
Total	**77,1%**	**22,8%**	**0,1%**	**100,0%**

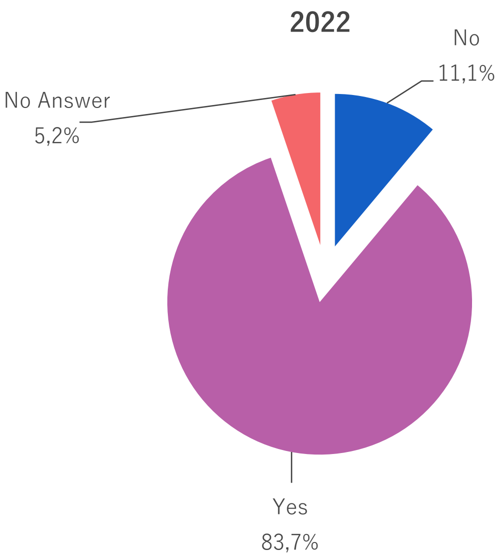


Source: GEOCYL based on surveys and focus groups

Table Nº 57

If you had the opportunity, would you apply for a bank loan in your craft activity? 2022

Country	No	Yes	No Answer	Total
Belgium	50,0%	50,0%	-	100,0%
Spain	8,4%	88,5%	3,2%	100,0%
France	-	75,0%	25,0%	100,0%
Georgia	-	96,9%	3,1%	100,0%
Ireland	17,9%	67,9%	14,3%	100,0%
Italy	14,8%	55,6%	29,6%	100,0%
Netherlands	26,7%	60,0%	13,3%	100,0%
Portugal	13,4%	84,5%	2,1%	100,0%
United Kingdom	22,9%	62,9%	14,3%	100,0%
Ukraine	-	97,8%	2,2%	100,0%
Other	33,3%	50,0%	16,7%	100,0%
Total	**11,1%**	**83,7%**	**5,2%**	**100,0%**



Source: GEOCYL based on surveys and focus groups

2 OUTLOOK

2.1 Threats, opportunities and trends

The economic consequences of the COVID-19 pandemic are the main threat to a sector that is very sensitive to crises. The decrease in the capacity to generate income among the traditional artisan segment, the reduction in the level of occupation or the deterioration of the macroeconomic environment in terms of price increases and the fall in the purchasing power of the potential customer, will weigh on the sector's performance in the coming months.

This situation will continue to increase the level of rivalry between artisans and those who trade similar articles of industrial origin, putting pressure on sales prices and reducing the sector's profitability. The latter will also be penalized by the significant growth in supply and transport costs, with the significant increase in energy prices standing out among others.

Despite the foreseeable contraction of the European economy, the sector still has an opportunity for growth in exports, due to the good acceptance and competitiveness of its products in foreign markets, since they offer design, good quality-price ratio and a high level of technology and innovation.

On the other hand, the pandemic has forced European artisans to rethink the approach to their activity and the way in which they make it known. The demand for a high degree of flexibility in their elements and the need to equip spaces with technology will result in projects of reconditioning of production processes and reforms.

The trend is to move towards an increasingly flexible or hybrid activity, where both craftsmanship techniques of a handmade nature and design and marketing techniques based on new technologies coexist. In this sense, the traditional craft sector will continue to experience strong pressure to integrate into a virtual context, while artisans with a more contemporary vision of the activity will face the need to reduce costs across the board.

Table Nº 58

Threats, Opportunities and Trends. 2022.

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.

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 fashions and changes in the tastes of potential consumers.

Source: GEOCYL based on surveys and focus groups

Table Nº 59

Perception of the value that society assigns to craftsmanship, 2022.

1	2	3	4	5	6	7	8	9	10	Total
3,3%	5,9%	12,9%	12,9%	17,4%	18,6%	15,3%	8,8%	3,2%	1,9%	100,0%

Note: Scale from 1 to 10, where 1 is not valued and 10 is highly valued.

Source: GEOCYL based on surveys and focus groups

Table Nº 60

Perception of the value placed on craftsmanship by public institutions, 2022.

1	2	3	4	5	6	7	8	9	10	Total
12,9%	14,3%	17,5%	18,8%	16,6%	8,7%	5,5%	3,7%	1,5%	0,4%	100,0%

Note: scale from 1 to 10, where 1 is not valued and 10 is highly valued

Source: GEOCYL based on surveys and focus groups

2.2 Growth forecasts

The outlook for the EU economy before the outbreak of the war showed a relatively clear growth trend. However, Russia's invasion of Ukraine has led to new difficulties, just when the Union had recovered from the economic repercussions of the pandemic.

The main factor that is affecting and that will affect the European economies and the craftmanship sector will be the evolution of the energy raw material prices. Although they had already risen sharply from the low levels registered during the pandemic before the war, uncertainty regarding the supply chains has put upward pressure on prices. This applies to food and other basic goods and services, leading to a decline of the purchasing power of the households.

In the second half of 2021, the progress of vaccination and the lifting of the bulk of restrictions reduced uncertainty, while providing a more solid basis for the recovery of significant demand. Private consumption will increase, as households dispose of accumulated savings. Public spending will also rise, although this will lead to an increase in government deficits and debt.

On the other hand, the fact that the aforementioned recovery is taking place at a slower rate than initially expected, could mean that many companies are forced to close and that part of the temporary employment regulation programs (ERTE due to its acronym in Spanish) become definitively, which will be reflected in the level of unemployment. In turn, the delay in the delivery of European funds will mean that part of the positive impact planned for 2021 will be transferred to 2022 and 2023.

Real GDP growth in both the EU and the euro area is projected to be 2.7% in 2022 and 2.3% in 2023, compared to 4.0% and 2.8 % (2.7% in the euro area), respectively, in the winter 2022 interim forecasts.

Table N⁰61

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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 62

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%**

Source: GEOCYL based on surveys and focus groups

Table Nº 63

Perception regarding the importance of the notion of "sustainability" as a lever to promote the purchase of handicraft products, 2022.

(%)

Country	Not Important at all	Not very important	Quite important	Very important	No Answer	Total
Belgium	-	-	-	100,0%	-	100,0%
Spain	1,2%	5,5%	33,7%	59,7%	-	100,0%
France	-	-	25,0%	75,0%	-	100,0%
Georgia	9,4%	25,0%	31,3%	25,0%	9,4%	100,0%
Ireland	-	-	25,0%	75,0%	-	100,0%
Italy	-	7,4%	37,0%	55,6%	-	100,0%
Netherlands	6,7%	-	33,3%	60,0%	-	100,0%
Portugal	1,4%	3,9%	39,8%	54,9%	-	100,0%
United Kingdom	-	1,4%	28,6%	70,0%	-	100,0%
Ukraine	4,4%	4,4%	-	91,1%	-	100,0%
Other	-	16,7%	33,3%	50,0%	-	100,0%
Total	**1,9%**	**5,8%**	**33,1%**	**58,5%**	**0,7%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

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Table Nº 64

Perception regarding the importance of the notion of "proximity" as a lever for the purchase of artisanal products: 2022.

(%)

Country	Not Important at all	Not very Important.	Quite Important	Very Important	No Answer	Total
Belgium	-	-	-	100,0%	-	100,0%
Spain	2,6%	15,9%	33,1%	48,4%	-	100,0%
France	-	-	100,0%	-	-	100,0%
Georgia	3,1%	35,9%	26,6%	21,9%	12,5%	100,0%
Ireland	-	10,7%	53,6%	35,7%	-	100,0%
Italy	3,7%	25,9%	51,9%	18,5%	-	100,0%
Netherlands	6,7%	33,3%	46,7%	13,3%	-	100,0%
Portugal	1,8%	20,1%	46,1%	32,0%	-	100,0%
United Kingdom	1,4%	31,4%	44,3%	22,9%	-	100,0%
Ukraine	4,4%	11,1%	-	84,4%	-	100,0%
Other	-	33,3%	33,3%	33,3%	-	100,0%
Total	**2,4%**	**20,1%**	**37,7%**	**39,0%**	**0,9%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

CRAFTINGEUROPE
New models for European Crafts

Table Nº 65

Perception of the importance of the notion of "circular economy" as a purchasing lever for handicraft products, 2022

(%)

Country	Not important at all.	Not very Important.	Quite Important	Very Important	No Answer	Total
Belgium	-	-	-	100,0%	-	100,0%
Spain	1,4%	13,5%	35,7%	49,3%	-	100,0%
France	-	-	50,0%	50,0%	-	100,0%
Georgia	6,3%	32,8%	28,1%	18,8%	14,1%	100,0%
Ireland	-	14,3%	28,6%	57,1%	-	100,0%
Italy	-	11,1%	51,9%	37,0%	-	100,0%
Netherlands	6,7%	13,3%	53,3%	26,7%	-	100,0%
Portugal	0,7%	8,1%	51,8%	39,4%	-	100,0%
United Kingdom	1,4%	21,4%	42,9%	34,3%	-	100,0%
Ukraine	4,4%	6,7%	-	88,9%	-	100,0%
Other	-	33,3%	33,3%	33,3%	-	100,0%
Total	**1,7%**	**13,5%**	**39,6%**	**44,3%**	**1,0%**	**100,0%**

Source: GEOCYL based on surveys and focus groups

3 MAIN CONCLUSIONS

Sectoral Structure

- The sector is made up, in general terms, of individual or small production units (84.4% of the artisans in the sample said they were **self-employed**), located in **urban areas** and with a strong **family nature.** This profile conditions not only the organization of production and the exploitation of sales channels, but also makes it advisable to develop a much broader and more diverse associative and cooperative activity.

- The high influence of individual artisans largely conditions the **dynamics of the associations and their effectiveness.** The complexity of a highly fragmented and dispersed sector makes it difficult for trade organizations to develop **support strategies,** while limiting the **capacity of administrations to design coherent sect oral public policies.**

- To this, we can add that, among the artisans who are organized under corporate forms and have employees, there is a relatively high percentage of workers with temporary contracts or under an internship regime. This is another fact that shapes relations within the sector and marks its course, as it adds a factor of instability that weakens consistent long-term actions. The influence of temporariness in the sector is, of course, the result of difficulties linked to human resources management. These are linked both to the incentive structure underlying the legal labor framework and to the lack of specific training on the part of artisans who manage larger production units.

- Other characteristics of the European artisan profile that have been identified in the European artisan sector are related to the generational dimension. In this sense, most of the artisans are located in middle-aged ranges, although with a seniority of between 1 and 10 years in the sector. A considerable group of artisans has accessed the activity over the last decade and is already at a mature stage in their careers. This is related to several factors, highlighting the difficulties in accessing a work activity for others from 45-50 years of age or the obstacles in reconciling work life with family responsibilities.

- One of the main strengths of the European artisanal structure is the high degree of academic and/or professional training registered in it. In this sense, the high percentage of artisans who have **professional training** (17.7%) or **university training** (36.0%) stands out. The profile of the European craftsman provides the **ability to adapt to crises** and **rich arguments for the productive and commercial strategies developed.** This strength, however, should be qualified by the existing technological gap, which prevents the optimal integration of the craftsman with a market reality that is increasingly conditioned by virtuality.

- With regard to the sector's target market, it is observed that, as stated by the artisans participating in the study, the potential clientele is made up of **middle-aged** and **urban people.** In addition to private customers, it is possible to identify industrial customers, especially those linked to the **service sector** and, more specifically, those associated with tourism activity. Perhaps this is the most dynamic segment and the one that presents the greatest possibilities for development, both due to the associated volume and due to the recurrence of demand.

- Another aspect that marks the performance of the sector is the growing **virtualization of sales** and the reduction in the weight of the marketing of products at **fairs and markets**. During the pandemic, the presence in the online channel intensified and accelerated the transition among those artisans with a smaller presence. In general, the European artisan sector has a first scope of action in the **national markets** and, secondly, the **European Union market.**

Conjuncture

Sharp decline in market value due to COVID-19, Ukraine war and deteriorating macroeconomic conditions

- Sector activity was largely affected in 2020 by the crisis resulting from **the COVID-19 pandemic,** due to the collapse of activity in offices and public administration, although it is worth noting the good performance of demand from private individuals as a result of the boom in teleworking.

- Market value declined **in 2020, showing signs of weakness in 2021 and 2022**. The sector's growth expectations have moderated during the first half of 2022 as a result of the problems in logistics chains and the consequent increase in inflation. Likewise, there has been a **slowdown in the pace of activity in many sectors,** especially in the industrial sector. On the other hand, the perception regarding tourism activity is favorable for the 2022 summer season.

- The sharp decline in business volume, together with rising costs and intense price rivalry led to a marked **deterioration in the sector's profitability indicators** in 2020 and 2021. The year 2022 shows some improvement, but it is conditioned by unfavorable expectations regarding the future evolution of the economy.

- The **war in Ukraine** has had important effects, not only in the case of the Craftsmanship sector in that country, but also in other nearby countries and in the European environment in general. Not only has the country's domestic markets in Eastern Europe come to a standstill or become less dynamic, but the supply of raw materials and other supplies has also been affected.

Forecasts and trends

The development of alliances with related sectors, greater integration with technological tools and diversification of the product portfolio and markets will be key growth factors for the sector.

- The deterioration of the **economic situation** and the **drop in the pace of activity** in the main customer sectors produced as of March 2020 had a strong impact on the demand for craft goods and services throughout the European context. Once the confinements were lifted and the mobility of people was restored, at the beginning of 2021, there was a reactivation in the organization of fairs and markets, as well as an increase in demand by commercial establishments through which many artisans place their production.

- Within a framework of **recovery of business activity, the reestablishment of tourist flows** has contributed to an improvement in the commercial and financial situation of artisans, although the pandemic and its economic consequences have resulted in an increase in vulnerability in these areas. Likewise, the recovery of foreign demand has also been a factor that has allowed a greater slack in the craft units.

- **Alliances between the handicraft sector and related industries** such as tourism, food or catering will gain weight in the short and medium term. These activities have a structuring influence for many of the groups that make up the handicraft sector, not only because they provide a regular and large volume market, but also because they serve as a platform for the projection of the artisan's work.

- The delay in the normalization of the situation could cause the **closure of craft units and the decrease in the number of employed persons.** This situation, however, will not affect the entire sector in the same way, but rather it will affect to a greater extent the self-employed artisans oriented to traditional production and those who show a lower capacity to adapt to the management of technological tools, which allow expand the target market in a context of intense use of social networks and online sales platforms

- Taking advantage of **European economic stimulus programs** and actions aimed at **technological transformation** will be key for the sector to be able to moderate the effects of a possible slowdown or fall in economic activity. To this purpose, in the short term, **the orientation of manufacturers towards foreign markets** will continue to increase, so that exports will continue to grow. This greater international presence, especially in the European market, will allow a greater degree of diversification, with the consequent reduction of the risks inherent to the activity. In order to promote international projection, **the activity of associations** and greater involvement of **the public administrations that are closer to the artisan** are of great importance.

- Another challenge, as well as an opportunity, that the sector will face is the change of perception regarding the use of technology, no longer applied to sales, but incorporated into production and administrative management. The use of technologies such as those linked to 3D production or augmented reality for design tasks, as well as the partial automation of some of the production or management phases, could result in a significant

containment of the cost structure, which would lead to an **increase in profitability and greater flexibility in financial management.**

- Based on the evolution of the sector and the perception of the artisans and associations consulted, an increase in the **concentration** of the offer is expected, in a scenario of a **strengthening of the position of artisans oriented to the development of innovative products** and of **weakness** of artisans based on traditional techniques and products.

- The incorporation of **technological innovations, the flexibilization of workspaces,** or the creation of **collaborative areas** are some of the trends that will continue to be registered in the sector. In this sense, the use of shared workspaces (co working) or the organization of joint workshops will become increasingly popular as a way of reducing costs, sharing management and establishing areas for the exchange of experiences and information.

- New ways of relating to work spaces tend to be more common in the urban environment, not only because of communication facilities, but also because of the **availability of different types of services and better connectivity.** The development of handicraft production centers in rural areas or areas affected by depopulation could be a viable strategy for gaining efficiency, provided that they have the support of the administrations to adapt the populations in terms of access to services.

Recommendations

- Based on the results obtained and the context in which the sector operates, it is possible to suggest some recommendations, which will have to be nuanced according to the context of each market:

  - ✓ In this sense, it is important to emphasized that the sector as a whole, represented both by the associations and by the artisans themselves, must make a firm commitment to the development of technological tools, not only those that can be integrated into the production processes, but also those that are aimed at better integrating artisans with their potential clients.
  - ✓ Associations should make a greater effort to create spaces for convergences between traditional and new artisans, in order to generate synergies and enhance the benefits of intergenerational transfer.
  - ✓ The sector must make efforts to project its activity towards international markets, not only in the European sphere, but also beyond Europe. The key to this will be the strengthening of the associations and the creation of spaces in which collaboration will allow the development of economies of scope and scale in this sense.
  - ✓ In accordance with the above, it is essential to strengthen the sectors' institutional structures within the European framework. This will increase the chances of success in negotiations with the European administration and will provide a firmer basis for promoting initiatives to expand business opportunities.
  - ✓ It is essential that de public administrations, at all levels, commit themselves with the development of the artisanal sector, not only due to its importance in the productive context of their respective countries, but also because of the cultural and social connotations that characterize it and differentiate it from other economic sectors.
  - ✓ A key aspect to be addressed by the governments is the fiscal and legal condition

of the artisan, which will not only provide labor stability, both during the working life as well as from the moment retirement starts, but will also encourage the incorporation of new artisans, making their activity more robust in aggregate terms. It is a matter of creating the conditions for a sector as special as the artisan to gain muscle in a changing and increasingly competitive environment.

✓ It is important that the sector, through its associations, develop a systematic activity of collecting and analyzing information on craft activity. This will enable the sector to gain visibility in the eyes of the administrations, while creating a framework for citizens and potential costumers, to have a clearer and deeper understanding of what artisanship represents. In this sense, a great contribution would be the creation of common communication strategies, both at national and European level.