

ITALIAN PLASTICS & RUBBER PROCESSING MACHINERY INDUSTRY ~ NEWS

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PIATTAFORMA INDIA PROJECT

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AMAPLAST ASSEMBLY

Amaplast - the national trade association, member of Confindustria, of over 160 Italian manufacturers of plastics and rubber processing machinery, equipment, and moulds - held its annual member assembly on Wednesday, 16 September 2020 at Villa Borromeo in Cassano d'Adda.

In his speech, Amaplast President Dario Previero illustrated the performance of the Italian plastics and rubber processing machinery, equipment, and moulds industry, commenting on the reports by the Amaplast Statistical Studies Center and acknowledging that the eight-year upward trend for the industry had come to halt and that 2019 had closed with all indicators in the red.



Italian market for plastics and rubber machinery, equipment, moulds (million euro)

| | 2018 | 2019 | Δ% 2019/2018 |
|--------------------------|-------|-------|--------------|
| production | 4.700 | 4.400 | -6,4 |
| export | 3.260 | 3.060 | -6,2 |
| import | 1.010 | 920 | -8,9 |
| domestic market | 2.450 | 2.260 | -7,8 |
| trade balance (positive) | 2.250 | 2.140 | -4,9 |

The signs of an imminent reversal of trend had begun to be seen at the end of 2018, when growth in production was fractional and exports had already begun to decline, albeit only slightly.



During the following year, the foreign trade remained constantly negative, especially as regards imports, although the downturn at the end of 2019 was not as bad as had been feared.

In any case, the 2019 balance for Italian manufacturers is in line with that of their German competitors, who recorded a drop of 5% in imports and 7% in exports.

A host of economic and commercial uncertainties came one after another or overlapped during the final months of 2019, putting a chill on domestic investment, partly attributable to the drying up of Industry 4.0 effects and changes in the dynamics of Italian exports for the sector, which, on the average, continue to represent approximately 70% of production.

President Previero underscored the fact that, on the average, Amaplast member companies suffered less than the rest of the industry, with a drop in revenues on the order of 5% and of exports of 2.5%.

Of course, this was the situation prior to the Covid-19 emergency, where Italy and the rest of the world were suddenly forced to cope with an unprecedented situation.

It is difficult to make projections as to how the crisis will proceed, much less what impact it will have on Italian manufacturers of plastics and rubber processing machinery.

On the basis of studies undertaken by the association, accounting for the variables that characterize the sector, it is expected that the current year will close with a reduction in orders of 20-25%.

VDMA, the association representing the German competitors, has forecast a similar contraction in orders, even adjusting the figure last month (August 2020) to -30%.

ISTAT statistics for Italian foreign trade in the sector in the first half of 2020 show double-digit drops in both trade flows compared to the same period in 2019: -17.6% for imports and -21.7% for exports. However, this represents a slight improvement with respect to data for May, when the respective figures were over 18% and approaching 23%.

This mid-year balance certainly comes as no surprise given the complex economic context in which Italian machinery manufacturers have to operate, given the pandemic. But the slight reversal of trend may corroborate the latest forecasts by ISTAT and Confindustria, together with other organizations, which detect in the last few weeks some recovery (albeit small) for Italian industrial production in a situation that is still very complicated.

A look at the macro-geography of Italian exports for the sector provides little comfort, with the historically principal outlet markets showing double-digit declines:

- -20% in Europe. Significant within the EU are the -17% for Germany and Poland, and figures in the neighbourhood of -30% for Spain, France, and the United Kingdom
- -28% in the Middle East and -23% in the Far East. While the major Middle Eastern markets have substantially held their ground (Saudi Arabia, United Arab Emirates, and Israel, with Iran having declined in importance for some time now) the minor ones have collapsed. As for the rest of Asia, the negative performance of China and Indonesia weighs heavily, while India has held firm
- -26% in North America, where the previous constant growth of trade with the United States witnessed an abrupt halt and Mexico and Canada continue their slide
- -31% in South America, dragged down by Brazil, Argentina, and Colombia
- -13% in Africa, with countries in the north outperforming the rest of the continent. Overall, suffering most were exports to the historically most important African countries for Italian machinery manufacturers.

Italian technology for the circular economy

Italian plastics and rubber machinery manufacturers have always been technologically at the forefront of the world and brought an essential contribution to the production of functional and safe products, through processes that optimize the use of raw materials and energy, as well as to the end-of-life mechanical recycling.

Companies that, among other things, in many cases immediately activated to provide reliable technologies for the production of medical protections and devices that have proved so helpful during the Covid-19 emergency.

In this regard Amaplast presents the video "Italian technology for the circular economy"; aimed for the general public, the video highlights how useful plastic is in our daily lives and its essential contribution, for example, to the preservation of food and the personal care. But particular emphasis is placed on the sustainability factor: in fact, plastic, compared to other materials, requires less energy and resources to be processed and, above all, with the cooperation of all parties, it can be easily recycled and therefore reused in virtually infinite production cycles

Only the full understanding and awareness of the characteristics of plastic products and their correct disposal can prevent the waste of valuable resources and promote the reuse of recycled materials in the value chain, as a result completing the transition towards an industrial system based on the principles of the circular economy.

Enjoy the vision <https://www.youtube.com/watch?v=5-ZpGACmeB4&feature=youtu.be>

www.amaplast.org

The project Piattaforma India has been promoted by UCIMU – Association of Italian Machine Tools Manufacturers and AMAPLAST – Italian Plastics and Rubber Processing Machinery and Moulds Manufacturers Association. The two associations agreed on the idea that promoting a network of associations and entrepreneurs who have developed knowledge and experience on the Indian market, can be useful in favoring of new paths of development for business. The Indian companies who are interested to form JV, cooperation, technical tie up, purchase machinery etc from/with Italian companies can contact below mentioned address for any assistance:

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