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PRESS RELEASE

OPERATIONS IN CHINA TO BE RESCHEDULED DUE TO CORONAVIRUS **for Italian plastics and rubber processing machinery manufacturers**

The recent emergency caused by the “Coronavirus” (Covid 19) epidemic is a source of concern for Italy’s exporting companies, above all those which have intense business relationships with China.

In this context, just as for some other trade fairs, **CHINAPLAS** – the most important show in China dedicated to the plastics and rubber sector – **has been postponed**, in accordance with instructions from local authorities, to the new dates of **3 to 6 August 2020** (it had previously been organized for 21-24 April). The location remains unchanged, the NECC-National Exhibition and Convention Center, Hongqiao-Shanghai.

The postponement of this specialist trade fair represents a **significant problem** for Italian companies: in fact it will cause a delay in the orders that would have been collected during the show. In addition, the new dates coincide with the start of the Italian summer holiday period.

Starting from the very first editions of the show over thirty years ago, AMAPLAST has organized the Italian pavilion at CHINAPLAS, coordinating the many companies involved. This year, **over sixty companies** had already confirmed their decision to take part in this year’s show (booking a total exhibition space of over 2,000 square metres), but they are now unsure about how to proceed, as there is uncertainty about the epidemic’s future development, and above all, about the time necessary for a return to normal conditions.

There have already been many cases of **delays in the delivery of machinery** ready for despatch or approaching completion at the manufacturer’s factories, as a result of the halt in production imposed on Chinese companies by the national authorities – a block that arrived right after the Chinese New Year holiday period – and the uncertainty regarding the timescale of a return to normal work schedules. The postponement in the installation of new plant – in addition to delays in new orders and investment decisions – could represent a major difficulty for Italian companies



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(most of which are relatively small) who may find themselves having to deal with financial stresses caused by delays in payment.

In addition, some companies that for a number of years have been operating manufacturing units or trading offices in China have been forced to temporarily close their premises, due to the block on business activities, and also as a result of the interruption of the components supply chain and distribution channels. However, at present there are reports of a **progressive, though slow, return to normal operations**, with the reopening of company premises.

China is an important export market for the Italian manufacturers of machinery, equipment and moulds for plastics and rubber processing.

In 2018, the total value of exports to the gigantic Asian nation in this sector was just under **120 million euro**, a figure that puts China in eighth place in the rankings for Italian sales in this field. Considering the first nine months of 2019 (the most recent statistical data available from ISTAT), exports were already well in excess of 110 million. In the light of this trend, it is likely that the total for the whole of 2019 was considerably higher than the 2018 figure.

For many years, an appreciable proportion of the Italian products supplied to Chinese processing companies has comprised extrusion lines, which are **technologically-advanced plants**, generally designed specifically for the client. This demonstrates on one hand the need, on the part of Chinese companies, to invest in quality machinery – whether of types that are not yet manufactured locally, or that are available from Asian competitors – in order to modernize their factories, and on the other hand, the ability of Italian manufacturers to supply **complete, turnkey lines**.

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