Assocomaplast
ITALIAN PLASTICS AND RUBBER
PROCESSING MACHINERY AND MOULDS
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THE ITALIAN PLASTICS AND RUBBER MACHINERY INDUSTRY
Survey on 2007 (synthesis)

Abstract of the comprehensive Report released on June 12, 2008 on the occasion of the annual Assembly of ASSOCOMAPLAST's Members.

SOURCES: ASSOCOMAPLAST, ISTAT AND MENTIONED COUNTRIES' STATISTICAL INSTITUTES

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The economic evolution 2005-2007

According to the 2007 turnover and export figures made by its Member companies and to the relevant percentage change on the previous year, ASSOCOMAPLAST Secretariat has worked out the following table, referred to the period 2005-2007, that contains the macro-data of the national sectoral market.

Table 1 - Italian market for plastics and rubber machinery

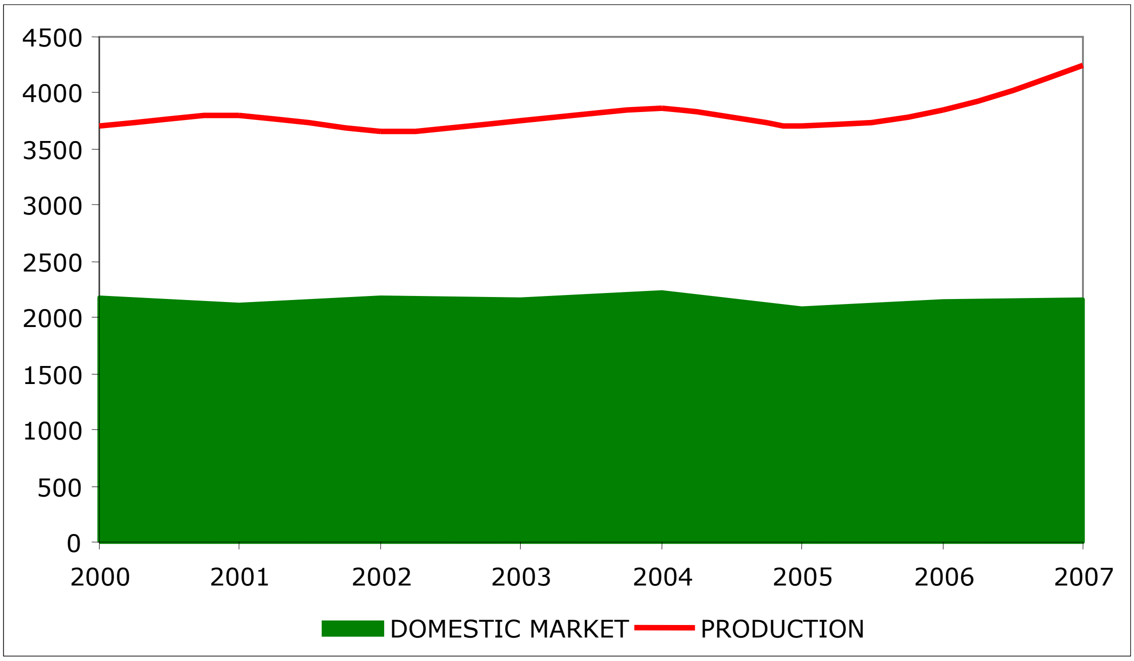
	2005		2006		2007	
	million euro	Δ % y/y	million euro	Δ % y/y	million euro	Δ % y/y
production	3,700.0	-4.4	3,850.0	4.1	4,250.0	10.4
export	2,183.7	-4.0	2,335.8	7.0	2,691.3	15.2
import	567.1	-10.5	629.6	11.0	611.7	-2.8
domestic market	2,083.4	-6.6	2,143.8	2.9	2,170.4	1.2
trade balance	1,616.6	-1.5	1,706.2	5.5	2,079.6	21.9

As for the following graphs, the first one highlights the ratio between production and export in the last 7 years.

Graph A - 2000-2007 evolution of Italian production and export (million euro)

On the other hand, graph B highlights how the production is not so strictly related to the trend of the Italian domestic market (production - export + import). Moreover, even due to the transfer abroad of many processors and to the increase in import of plastics and rubber products, in the latest years the gap between the value of the production and the domestic market has increased.

Graph B - 2000-2007 evolution of Italian production and domestic market (million euro)



Graph C highlights the trend of the trade balance (export - import); excluding a small decrease in 2005, it has been positive since 2002.
This figure is rather important: the sector of plastics and rubber machinery and moulds and, more in general, the one of mechanics (packaging, metalworking, textile machines etc.) are among those few ones that contribute positively to the national trade balance.

The sectoral Italian trade in 2005-2007

Following the previous chapter, table n. 2 highlights the trend of the customs codes as for import and export in 2005-2007.

Table 2 - Italian import-export of plastics and rubber processing machinery, equipment and moulds

(000 euro)	import 2005	import 2006	import 2007	export 2005	export 2006	export 2007
calenders and laminators	478	248	368	43,266	65,528	80,196
flexographic printing machines	14,550	20,144	16,225	138,460	124,361	119,311
plants for mono and multifilaments	5,632	1,746	12,250	60,328	66,270	39,526
injection moulding machines	61,151	88,006	58,457	216,945	239,025	162,038
extruders	33,739	36,968	44,929	212,565	220,134	280,386
blow moulding machines	11,315	24,903	15,767	102,044	103,038	165,624
thermoforming machines	7,476	17,004	13,352	28,893	34,866	29,472
presses for tyres and inner tubes	4,548	8,732	4,229	18,806	21,013	33,070
presses	20,668	18,856	42,282	36,674	40,570	121,663
machines for moulding or forming	11,511	10,538	9,623	91,721	92,789	139,292
machines for reactive resins	1,706	1,165	1,490	26,426	34,528	41,727
machines for foamed products	2,517	5,900	5,640	21,284	23,802	38,609
equipment for size reduction	2,458	5,643	2,875	28,687	21,200	22,399
mixers	831	4,307	5,247	14,740	22,900	22,897
cutting, splitting and peeling machines	6,670	4,908	8,816	4,854	6,372	7,210
other machines	45,365	26,891	39,430	309,427	302,974	360,204
parts and components	131,729	117,843	113,731	314,223	326,302	372,752
moulds	204,711	235,842	216,944	514,353	590,146	654,914
total	567,055	629,645	611,654	2,183,694	2,335,818	2,691,291

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As regards the Italian import, Germany is still the top supplier among the other main competitors, being the origin of more than a third of the Italian purchase.
Despite the national processing industry is facing a not so favourable period, in 2007 the sales in Italy of the German manufacturers increased by 5.3% with respect to 2006.
On the other hand, the "invasion" of Chinese machinery is impressive just from the percentage point of view (+104.9%) whilst values remain quite narrow: as a matter of fact, China is "just" the fifth provider of the Italian processors, with a 6% quota on the total Italian import.
Table n. 3 contains the ranking of the main countries of origin of the Italian import: Germany, Switzerland, France, Austria, United States, China, Japan, Taiwan and South Korea.

Table 3 - Main countries of origin of the Italian import of plastics and rubber machinery (000 euro)

	2005	%	Δ % 05/04	2006	%	Δ % 06/05	2007	%	Δ % 07/06
GERMANY	233,029	41.1	-18.9	234,194	37.2	0.5	223,921	36.6	-4.4
SWITZERLAND	49,554	8.7	-15.1	61,366	9.7	23.8	66,676	10.9	8.7
FRANCE	54,741	9.7	-1.2	66,439	10.6	21.4	49,922	8.2	-24.9
AUSTRIA	30,103	5.3	-14.6	52,322	8.3	73.8	45,005	7.4	-14.0
UNITED STATES	23,598	4.2	-27.0	22,834	3.6	-3.2	23,483	3.8	2.8
CHINA	18,709	3.0	97.8	28,200	4.5	50.7	36,482	6.0	29.4
JAPAN	7,349	1.3	1.0	7,055	1.1	-4.0	11,130	1.8	57.8
TAIWAN	7,383	1.2	73.8	7,311	1.2	-1.0	6,158	1.0	-15.8
SOUTH KOREA	2,179	0.3	-23.4	2,635	0.4	20.9	3,254	0.5	23.5
WORLD	**567,055**	**100.0**	**6.1**	**629,645**	**100.0**	**11.0**	**611,654**	**100.0**	**-2.8**

As regards export, it can be noticed that sales towards Europe have increased from 61.5 to 63% out of the total. This is a considerable jump ahead, mainly due to the booming export to Eastern Europe countries, in particular Russia.
In front of such growing area, there is another one that is dropping: in the three-year period 2005-2007, export towards NAFTA countries (United States, Canada, Mexico) stood at 9.5% out of the total in 2007, versus 11% in 2006 and 13.3% in 2005. Of course, this negative trend has been affected considerably by the exchange rate euro/dollar, that penalizes the Italian manufacturers as well as the European ones in the trade with these destinations.
Despite this heavy handicap, sales towards Central-South America are improving (from 5.6 to 6.4% of 2007). Moreover, while the US economy has been suffering a quite negative momentum (caused even by the outstanding climate due to the next presidential elections), the South-American one is continuously growing after the dark years of the Argentinean crisis (that involved the other countries of the area as well), that brought to a stop of the import.
The export towards Asia is decreasing (from 18.0 to 17.2 to 16.2 in 2005-2007): as a matter of fact, the Chinese and Taiwanese competitors have completely invaded the market, leaving just small hi-tech niches.
The ranking of the first destination countries of the Italian export confirms what above mentioned as for the macro-areas.
After Germany, that has ranked first in the last 20 years and absorbed in 2007 14.1% of the total, Russia occupies the second place recording a very fast and considerable growth over the previous year and representing 7.7% of the total Italian export (versus 4.7 in 2006); on the contrary, United States dropped from 6.3 to 5.7% and China as well lost a share, standing at sixth place (from 5.6 to 4.7% out of the total). The last remark regards Turkey, which constant growth allowed this country to reach the eighth position, with 3.6%.

Table 4 - Main countries of destination of the Italian export of plastics and rubber machinery (000 euro)

	2005	%	Δ % 05/04	2006	%	Δ % 06/05	2007	%	Δ % 07/06
GERMANY	278,130	13.0	-34.2	309,299	13.2	11.2	378,320	14.1	22.3
RUSSIA	90,032	4.2	-14.8	108,594	4.7	20.6	206,724	7.7	90.4
UNITED STATES	165,709	7.7	41.4	146,621	6.3	-11.5	152,787	5.7	4.2
FRANCE	119,417	5.6	-31.1	134,780	5.8	12.9	149,789	5.6	11.1
SPAIN	127,588	5.9	-6.6	129,887	5.6	1.8	136,807	5.1	5.3
CHINA	133,281	6.2	20.6	130,894	5.6	-1.8	127,526	4.7	-2.6
POLAND	66,223	3.1	-12.3	111,345	4.8	68.1	113,428	4.2	1.9
TURKEY	80,410	3.8	-14.0	81,748	3.5	1.7	97,300	3.6	19.0
UNITED KINGDOM	85,844	4.0	-13.5	88,826	3.8	3.5	89,629	3.3	0.9
MEXICO	77,831	3.6	49.2	70,714	3.0	-9.1	71,433	2.7	1.0
WORLD	**2,183,710**	**100.0**	**9.6**	**2,335,818**	**100.0**	**7.0**	**2,691,291**	**100.0**	**15.2**

The following table reports the Italian trade balance (according to the official data released by ISTAT) in comparison with the main competing countries manufacturers of plastics and rubber machinery and moulds.
It can be noticed that the balance is positive with respect to almost all the direct competitors, except from Austria and Japan.

Table 5 - Italian trade balance in comparison with the main competitors (000 euro)

	2005	Δ % 05/04	2006	Δ % 06/05	2007	Δ % 07/06
GERMANY	62,826	-55.3	65,194	3.8	154,398	136.8
UNITED STATES	142,422	67.6	124,007	-12.9	129,304	4.3
FRANCE	68,196	-43.4	69,179	1.4	99,866	44.4
CHINA	128,349	26.6	113,092	-11.9	91,044	-19.5
SOUTH KOREA	**-2,057**	-139.3	16,364	895.5	11,665	-28.7
SWITZERLAND	2,861	-68.2	**-4,850**	-269.5	4,492	192.6
TAIWAN	**-1,055**	-153.3	7,113	774.2	1,995	-72.0
JAPAN	**-1,861**	19.3	5,050	371.4	**-5,412**	-207.2
AUSTRIA	**-6,991**	-125.5	**-18,691**	-167.4	**-9,135**	51.1

Perspectives for 2008

For the Italian plastics and rubber machinery industry, last year can be considered quite positive, or even the best of this new century, as regards production and export trend, despite some exceptions for specific sectors and some companies.
The good climate of 2007 (sustained also by the excellent results of the K show) has confirmed in the first months of 2008 as well and could last all along the first semester.
On the other hand, expectations for the second half are less optimistic, being influenced by three main factors: the more and more unfavourable exchange rate euro/dollar, the economic crisis in the United States (that usually affects the European market 6-12 months later) and the oil price (which growth seems at the moment unceasing).
In light of these issues, a decrease in orders is expected.

Graph C - 2000-2007 evolution of the Italian trade balance (million euro)