

## Press release

### **European plastics industry: Regulations a growing concern / Majority expect backlash against plastics to impact business / One third of companies plan to invest more in 2020**

**Bad Homburg, Germany – March 5, 2020** – Amidst obstacles in the global and local economies, Europe’s plastics industry is largely weathering the storm. Around 42% of the companies reported business performance as unchanged in the 2<sup>nd</sup> half of 2019 compared to the 1<sup>st</sup> half, while 31% said it was better. Even though plastic-related regulations and the public backlash against plastics are worrying most of the European plastics industry, one third of companies plan to invest more in 2020.

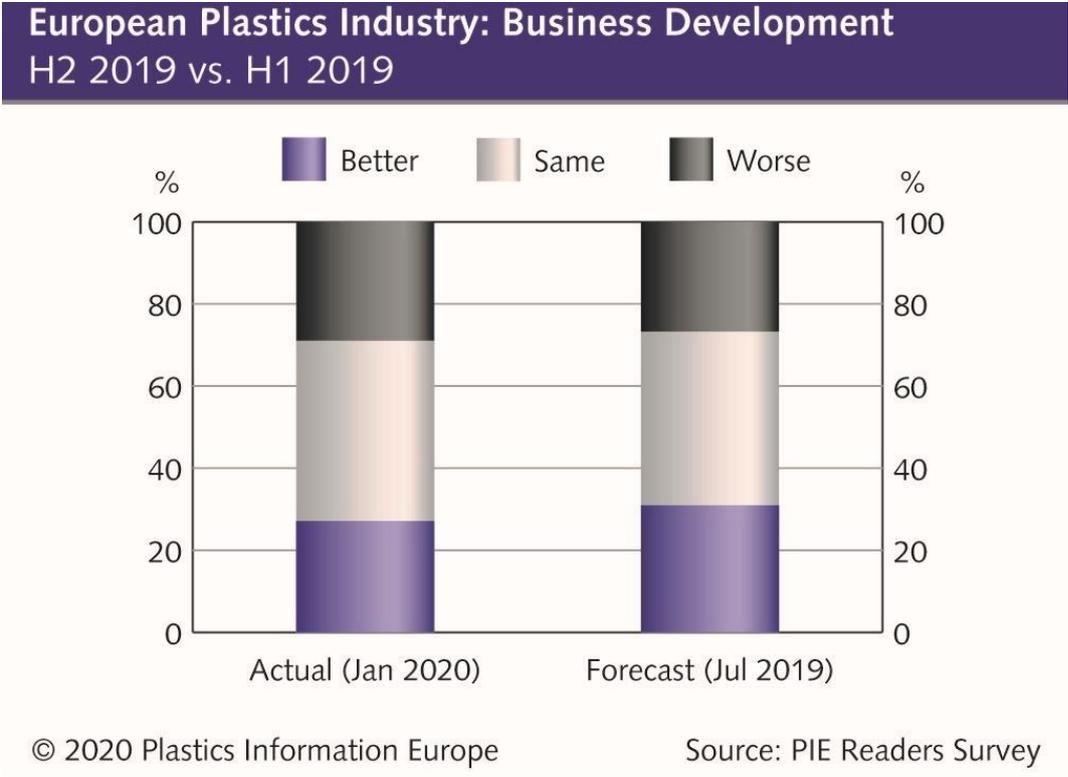
These results are from the latest questionnaire on business performance conducted by “PIE – Plastics Information Europe” on January 2020. In order to gain insight into the business conditions of Europe’s plastics industry, PIE has been surveying decision makers in the plastics sector on business performance, outlook, investments and employment since 2019. The current results are based on data from 193 participating companies.

The regions with the largest share rating business in the 2<sup>nd</sup> half of 2019 as worse in a half-year comparison were Italy and German-speaking Europe. Across sectors, plastics converters fared well compared to many others, with around 39% rating business in the 2<sup>nd</sup> half of 2019 as better than in the 1<sup>st</sup> half.

The top concern for business performance in 2019 across all respondents in Europe was sales volumes, followed by selling prices and material costs. An exception was the Benelux region, where staff recruitment was rated as the number one concern last year. Plastics-related regulations are becoming a greater concern for 2020, especially in Benelux, France and Italy. Furthermore, the public backlash against plastics is worrying many European companies about business performance in 2020. More than 56% of them did not see an

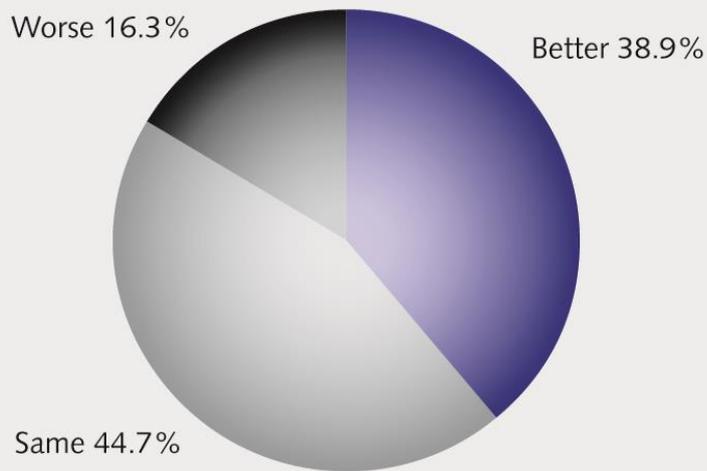
effect on business from the backlash in 2019, while one third witnessed a negative impact. Almost half of companies foresee a negative effect on business in 2020 because of the backlash, helped by the negative media coverage of plastics, for example, and this applies across the board for sectors, regions and company size.

Looking ahead, 45% of respondents expect business in the 1<sup>st</sup> half of 2020 to stay the same as in the 2<sup>nd</sup> half of 2019, with 39% predicting better business. Related to some optimism for upcoming business performance, 33% said their company’s capital investment plans for tangible assets (property, plant and equipment) are increasing in the first six months of this year, while more than 50% said investment plans will stay the same.



**Figure 1:** Business development in the 2<sup>nd</sup> half of 2019 compared to the 1<sup>st</sup> half of 2019

## European Plastics Industry: Business Performance Forecast H1 2020 vs. H2 2019



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Source: PIE Readers Survey

**Figure 2:** Business performance forecast in the 1<sup>st</sup> half of 2020 compared to the 2<sup>nd</sup> half of 2019

### About KI Group

With its subsidiaries Kunststoff Information Verlagsgesellschaft mbH, KunststoffWeb GmbH and Kunststoff-Profi Verlag GmbH & Co. KG, the KI Group has been providing decision makers in the German and European plastics industry with critical business information since 1971. The current range of services includes extensive online portals in German and English, print newsletters, the trade magazine K-PROFI, the official German-language newspaper K-AKTUELL for the K plastics trade fair as well as the visitor information daily K-PROFI at the Fakuma trade show. KI Group provides information comprising up-to-date contract and spot prices for plastics, market reports, capacity databases, daily news, email alerts and newsletters and specialised analytical tools for price research and comparisons. This is complemented by a wide range of services in consulting, training courses, seminars and market research on all aspects of plastics purchasing. Since its foundation, the KI Group has occupied a leading position in the field of polymer prices. With a unique network of producers, distributors and processors, it stays in close contact with hundreds of market players to gather price and market data. KI Group's price indices are accepted throughout the industry and are included in the escalator clauses of countless supply contracts. More than 5,500 European companies already trust in our data and reports.

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