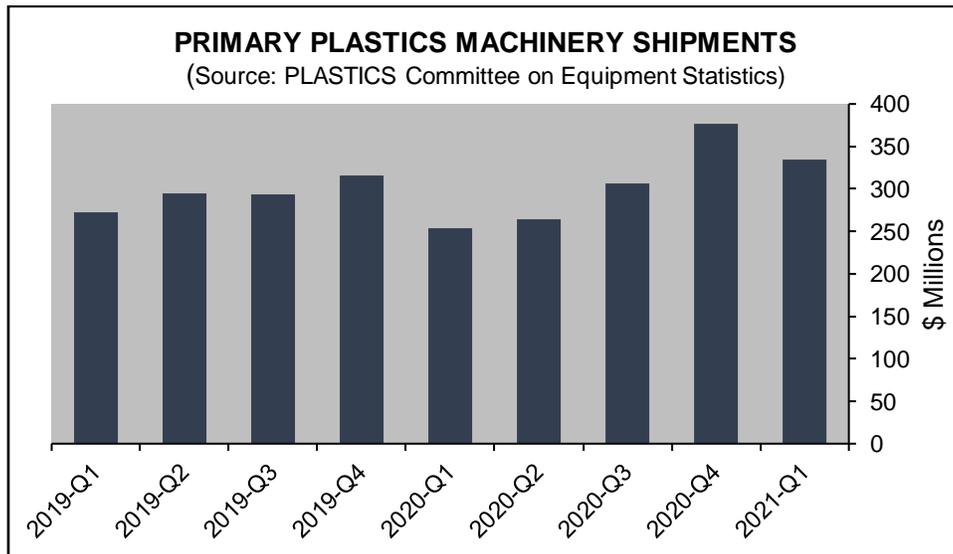


Plastics Machinery Shipments: Slow in the First Quarter as Usual but Poised for Growth (?)

The shipments of primary plastics machinery (injection molding and extrusion) in North America in the first quarter came in lower than the previous quarter. Shipments decreased following three consecutive quarters for growth according to the statistics compiled and reported by the Plastics Industry Association's (PLASTICS) Committee on Equipment Statistics (CES).

The preliminary estimate of shipment value from reporting companies totaled \$334.9 million in the first quarter of 2021. It decreased by 11.1% from the previous quarter. Compared to the first quarter of 2020, plastics machinery shipments increased by a solid 31.9%. It was the third consecutive quarterly increase in plastics machinery shipments year-on-year. Although the value of shipments of injection molding equipment decreased by 11.1%, it was 39.8% above the first quarter last year. The value of shipments of single-screw extruders fell 38.3% from the fourth quarter last year and was 28.9% lower than the first quarter last year. Shipments of twin-screw extruders, however, soared by 42.3% in the first quarter and rose by 18.3% from the first quarter of 2020.



“Plastics machinery shipments usually start slow in every first quarter, so it was not surprising to see the data came in lower than the previous quarter. It’s in sync with overall economic activity that is usually slow starting in every first quarter. Judging from year-on-year comparison, plastics machinery shipments were off to a good start. With the economy staying in a recovery cycle this year, plastics machinery shipments can be expected to increase quarterly this year. Supply chain issues at plastics end-market could slow growth in plastics equipment demand” according to Perc Pineda, PhD of the Chief Economist of PLASTICS.

The CES also conducts a quarterly survey of plastics machinery suppliers that asks about present market conditions and expectations for the future. In the coming quarter, 89.5% of respondents expect conditions to either improve or hold steady compared to a year ago lower than the 96.0% that felt similarly in the previous quarter. As for the next 12 months, 93.0% expect market conditions to be steady-to-better, higher than the 89.8% in the fourth quarter survey.

Plastics machinery total exports in the first quarter increased by 9.4% to \$395.0 million from the fourth quarter last year. Imports fell by 3.5% to \$845.0 million resulting in a \$450.0 million trade deficit, which was 12.6% lower than in fourth quarter last year. The volume of merchandise trade is expected to increase this year as global economic conditions improve. "The equipment sector of the plastics industry came out of 2020 strong. The much-improved outlook on trade will be a positive for plastics equipment suppliers on top of what can be expected as another good year for plastics equipment demand," said Pineda.