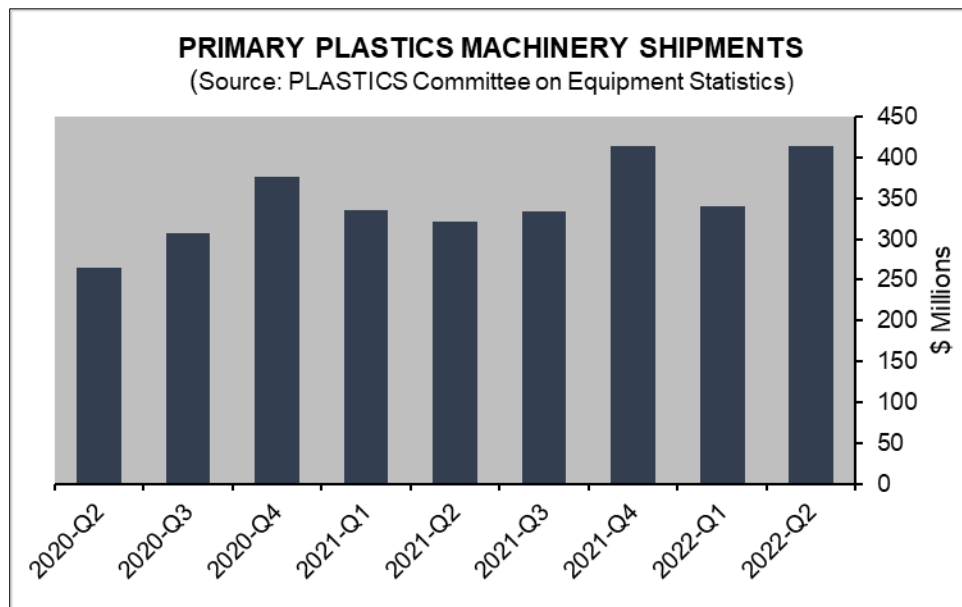


Plastics Machinery Shipments Resilient in the Second Quarter

The shipments of primary plastics machinery (injection molding and extrusion) in North America increased in the second quarter 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 \$413.2 million in the second quarter. It increased 21.4% from the previous quarter and 28.81% from a year earlier. The value of injection molding shipments increased 19.4% in Q2 2022. Shipments of single- and twin-screw extruders rose by 10.2% and 86.6%, respectively in the second quarter. Compared to the second quarter last year, shipments of single-screw extruders fell 11.1%. Over the same period, shipments of twin-screw extruders rose by a solid 53.1%. Injection molding shipments increased 30.7% from a year earlier.



“Following last year’s robust plastics machinery shipment, it is reassuring to see our estimates of shipment in Q2 2022 significantly above Q2 2021 despite the economic contraction in the first half of the year. It is still expected that the plastic products manufacturing will increase this year. By extension, it should continue to generate demand for plastics equipment. However, equipment demand growth rates could be reverting to its long-run trend after the double-digit growth rates, since the economy bounced back from the COVID-19 recession,” according to Perc Pineda, PhD the Chief Economist of PLASTICS. “Rising interest rates, the ongoing recovery of supply chain, and tight labor market are headwinds.”

The CES also conducts a quarterly survey of plastics machinery suppliers that asks about present market conditions and expectations for the future. In the second quarter survey, 35.0% of respondents expect market conditions to either improve or hold steady in the coming quarter. As for the next 12 months, 35.0% expect market conditions to be steady-to-better, which is five percentage points lower than the previous quarter’s survey results. “The survey results, particularly the 12-month outlook, reflect cautious

optimism of survey participants considering the U.S. economic slowdown in the first half the year and the prospect of lower economic output this year compared to last year.” Pineda said.

Plastics machinery exports increased by 14.0% to \$221.4 million in the second quarter. Mexico and Canada remained the top export markets of plastics machinery from the U.S. in the second quarter. The combined exports to USMCA partners totaled \$121.0 million, which was 54.8% of total plastics machinery exports of the U.S. Imports decreased by a meager 0.8% to \$482.1 million in the second quarter.

“All told, the second quarter results were positive and speak to the resilience of the plastics equipment suppliers and the plastics industry as a whole. However, broader micro and macro challenges will impact the plastics industry’s value chain, which, at the moment, is still projected on a growth path for the second half of 2022,” said Pineda.