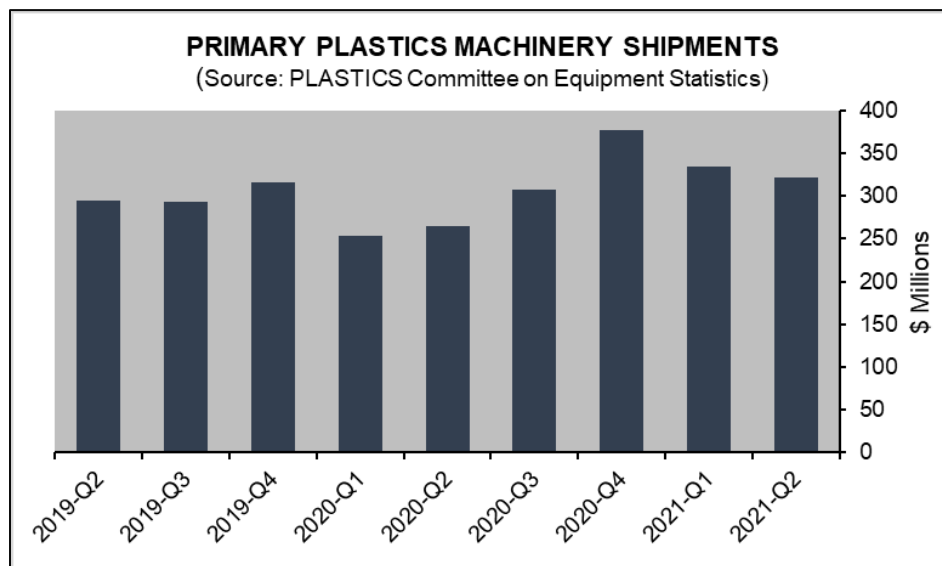


## Plastics Machinery Shipments Slowed in the Second Quarter

The shipments of primary plastics machinery (injection molding and extrusion) in North America decreased for the second consecutive 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 \$320.9 million in the second quarter. It decreased by 4.2% following the 11.1% decrease in the first quarter. From a year earlier, however, plastics machinery shipments rose by 21.2%. The value of shipments of single-screw extruders increased significantly by 33.1% from the first quarter, but twin-screw extruders and injection molding shipments fell by 24.9% and 4.9%, respectively. Compared to the second quarter last year, shipments of injection molding, single- and twin-screw extruders were 19.5%, 37.8% and 32.3% higher, respectively.



“While new orders of plastics equipment have been increasing, ongoing supply chain issues—shortage of parts and components—are causing longer order-to-delivery timelines. This explains the decrease in shipments in the second quarter. For the third consecutive quarter, plastics equipment shipments were higher from a year earlier. This means that the underlying trend in plastics equipment demand remains upward sloping – still in sync with the robust economic recovery” according to Perc Pineda, PhD 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 second quarter survey, 92.7% of respondents expect market conditions to either improve or hold steady in the coming quarter – marginally lower than the 93.5% of respondents who expressed the same view in the first quarter’s survey. As for the next 12 months, 78.7% expect market conditions to be steady-to-better. This is lower than the 93.0% of respondents in the previous quarter’s survey who were expecting growth in the next 12 months.

The second quarter plastics machinery total exports decreased by 6.9% to \$367.6 million from the first quarter. Mexico and Canada remained the top export markets of plastics machinery from the U.S. The combined exports to USMCA partners in the second quarter totaled \$177.2 million, which was 48.2% of total exports of plastics machinery. Imports rose by 3.5% to \$874.0 million resulting in a \$506.8 million trade deficit. The U.S. plastics machinery trade deficit increased by 12.6% in the second quarter. The

volume of merchandise trade is expected to increase this year as global economic conditions improve. The World Trade Organization expects to see an 8.4% increase in global merchandise trade this year. “Until the supply chain issues are resolved, and production lead times return to normal, expect to see fluctuations in quarterly shipments of plastics machinery. Nevertheless, the outlook for plastics machinery in the second half of the year is positive,” said Pineda.