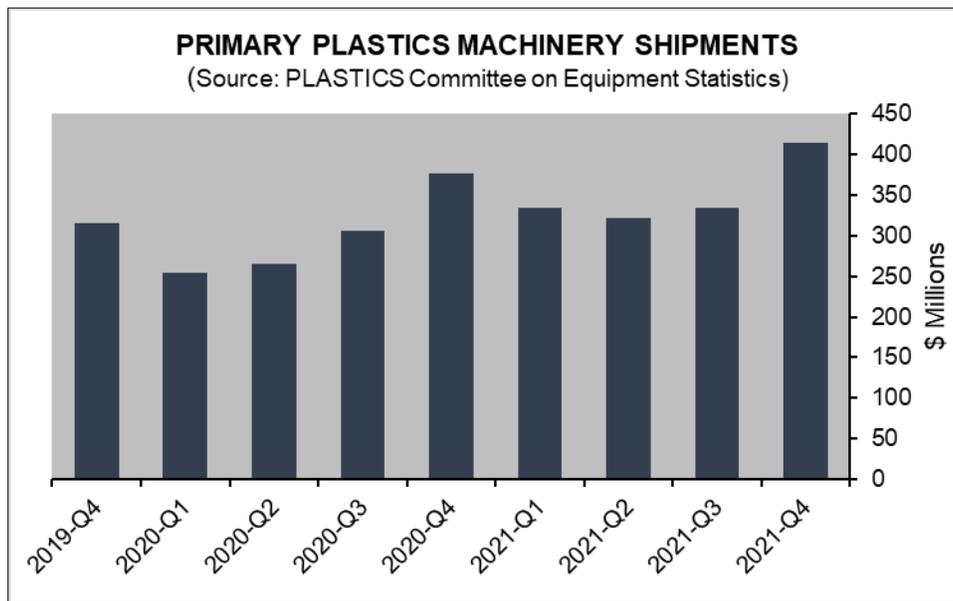


Plastics Machinery Shipments Ended Strong in 2021

The shipments of primary plastics machinery (injection molding and extrusion) in North America increased in the fourth 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 \$414.4 million in the fourth quarter. It increased 24.1% from the previous quarter and 13.8% from a year earlier. The value of injection molding shipments increased 27.0%. Shipments of single- twin-screw extruders rose by 8.7% and 3.9%, respectively in the fourth quarter. From a year earlier, shipments twin-screw extruders rose by 60.2%. Shipments of single-screw extruders, however, were 4.2% lower than a year ago. Injection molding shipments increased 9.0% from 2020-Q4.



“The fourth quarter jump in shipments was the largest since the economy went into lockdowns in the second quarter of 2020. It’s a known fact that aggregate supply in the economy is lagging aggregate demand. The ongoing supply chain dysfunction, against the backdrop of low supply of skills labor, is affecting the economy. Plastics manufacturers are tapping technology to keep productivity growing at healthy levels.” according to Perc Pineda, PhD the Chief Economist of PLASTICS. “Year-on-year, we estimate that plastics product manufacturing rose 4.9% last year” Pineda added.

The CES also conducts a quarterly survey of plastics machinery suppliers that asks about present market conditions and expectations for the future. In the fourth quarter survey, 76.1% of respondents expect market conditions to either improve or hold steady in the coming quarter. As for the next 12 months, 70.5% expect market conditions to be steady-to-better, which is five percentage points lower than the previous quarter’s survey results. “The fourth quarter 12-month outlook is not significantly different from the third quarter. I still foresee plastics equipment business to remain on a growth path. However, the survey results reflect equipment manufacturers’ concern that U.S. economy growth will start to moderate this year,” said Pineda.

Plastics machinery exports increased by 6.5% to \$415.6 million in the fourth quarter. For the full year, advance estimates from the U.S. International Trade Commission show that plastics machinery exports totaled \$1.57 billion. Mexico and Canada remained the top export markets of plastics machinery from the U.S. in 2021. The combined exports to USMCA partners last year totaled \$672.0 million, which was 42.8% of total plastics machinery exports. Imports rose by 12.9% to \$957.5 million in the fourth quarter. Imports totaled \$3.53 billion in 2021.

“In sum, the fourth quarter results were consistent with our previous forecast. The outlook for plastics machinery in the second half of 2021 stayed positive albeit shipments will continue to fluctuate in the third and fourth quarters. Our assessment that supply-chain issues will continue to be a headwind in 2022 has not changed – at least for the first half of 2022,” said Pineda.