European Plastics Industry (EU 27)

PlasticsEurope Market Research Group

Statistical Monitoring January 2012

PlasticsEurope
Association of Plastics Manufacturers

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This presentation based on official statistics by Eurostat and the European Commission.

This charts may be used to accompany reports on PlasticsEurope and the Plastics Industry.

Please note the definitions on slide 17.

Last Update: January 20, 2012

European Union (EU27) Plastics Industry - Economic Summary

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Overview

The positive development of the EU27 Plastics Industry after the bounce back from the great recession continued until the beginning of 2011. Since the 2nd quarter 2011 Primary Plastics shows decreasing tendencies, while Plastics Products now remain more or less stable in the last three months. The Plastics Machinery sector grew further on until August 2011, but also showed slightly decreasing tendencies in the previous months.

Sectors

Across sectors, the pace of recovery was somewhat uneven since the second half 2010. **Production quantities** of Primary Plastics grew until the beginning of 2011, but show decreasing tendencies since the 2nd quarter of 2011. The Plastics Products sector remains more or less stable during the last months and the Plastics Machinery sector now shows a first sign of a possible positive trend in November 2011 after a two month decline.

Plastics Industry **producer prices** clearly increased since the second half of 2010, especially for Primary Plastics. Latest figures for September and October 2011 indicate more or less constant price development for Plastics Products and Plastics Machinery and slightly decreasing prices for Primary Plastics.

End use Industries

The upward trend in the Electrical Machinery industry continued until August 2011, while the following months showed slightly decreasing production tendencies. Recovery of the Automotive sector is still going on. Production figures for the construction industry grew slightly at the beginning of 2011, but now show signs of a decreasing tendency again. Production in the more crisis-resistant Food and Beverages sector still remains on a constant level.

External Trade

Export growth of Primary Plastics was strengthening in the second half of 2010 and has reached its peak at the end of 2010. Also export quantities of Plastics Products grew until the end of 2010, but showed decreasing tendencies in the last months.

Outlook

Latest production indices for November 2011 show diverging tendencies in the key-sectors of the EU27 Plastics Industry. The same applies to Plastics Industry producer prices. Therefore, trends and developments for the following months in the EU27 Plastics Industry seem to vary in the different segments.

European Union (EU27) Plastics Industry Production

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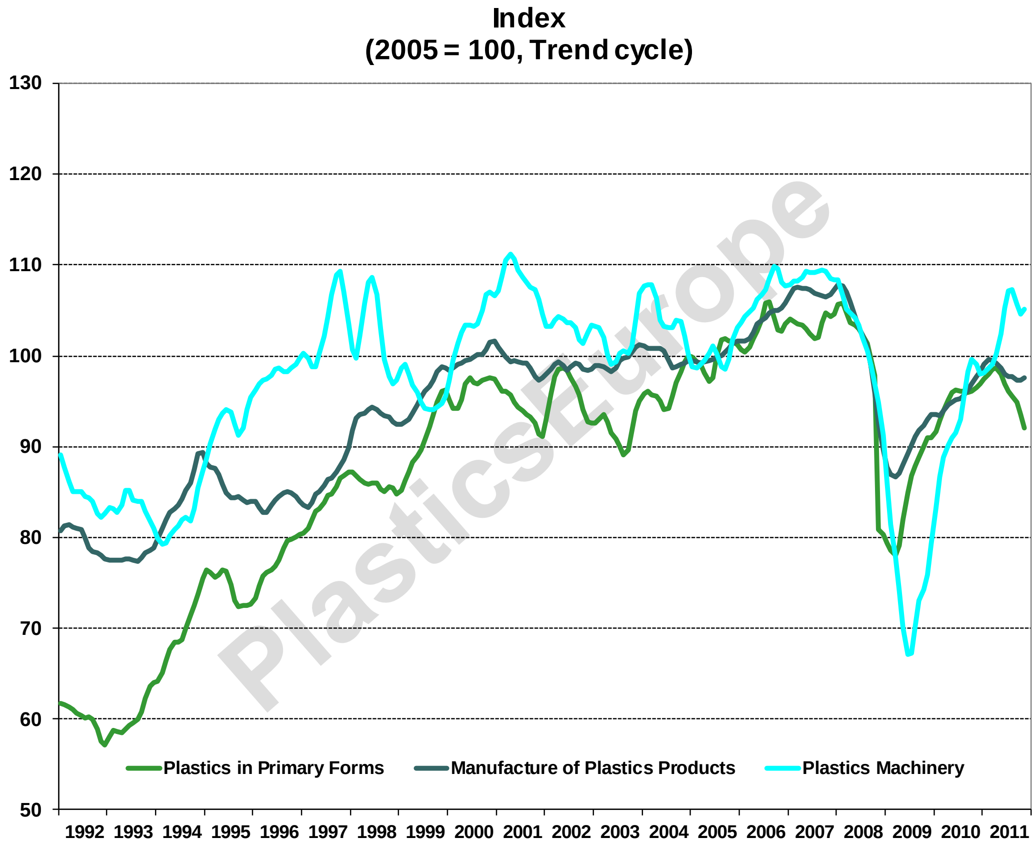
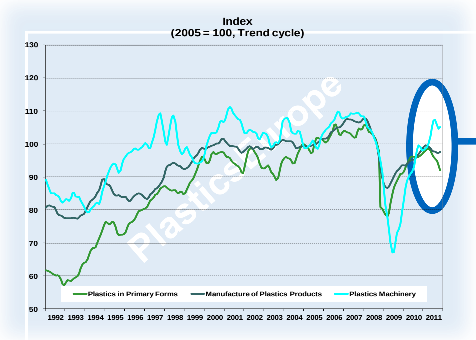


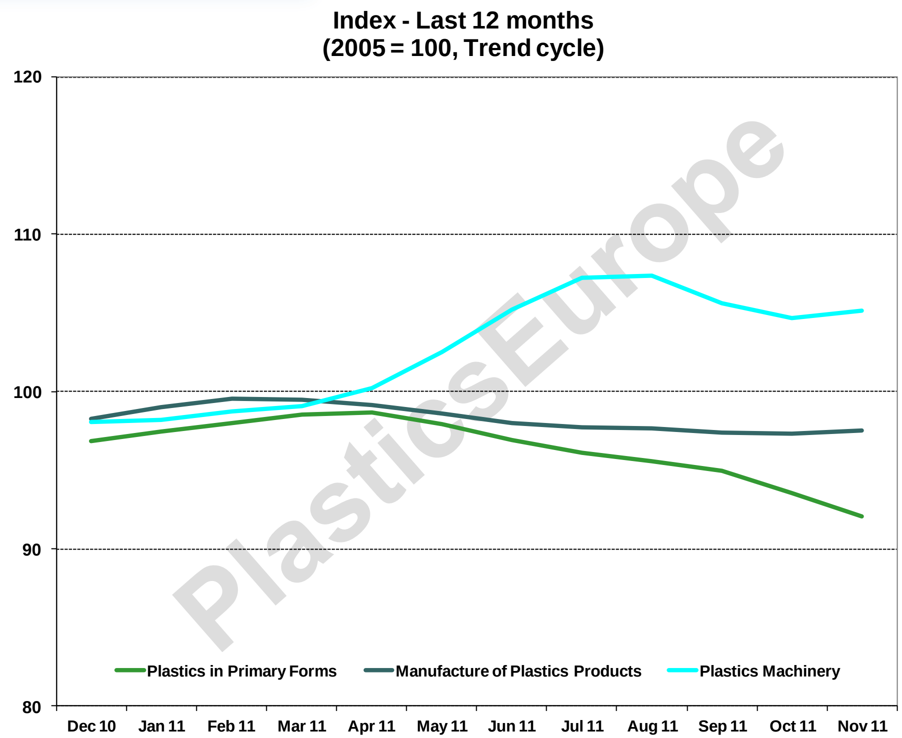
Actual data status of Production: 11/2011

Plastics Industry Production by long term view (1992-2011):

- Long time series shows strong growth for production of Primary Plastics and Plastics Products during the 1990's and a more sideways development from 2000 to 2005. Plastics Machinery shows a more fluctuating development in long-term view.
- After strong growth in all the three segments in 2006 and more constant development in 2007, the effects of the economical crisis are clearly recognizable in 2008 and first half of 2009.
- Economic recovery since mid 2009 in all the three segments: Plastics in Primary Forms, Plastics Products and Plastics Machinery.

European Union (EU27) Plastics Industry Production





Plastics Industry Production by short-term view (last 12 months):

- Growth of Plastics Machinery has stopped in August 2011. Anyhow, the downward trend did not continue in November.
- The development of Plastics Products production shows a sideway movement during the last three months.
- The decline in production figures for Plastics in Primary Forms continues. The negative trend now holds for the seventh consecutive month.

Source: Eurostat / PlasticsEurope Market Research Group (PEMRG)

European Union (EU27)
Plastics Industry Production

PlasticsEurope
Association of Plastics Manufacturers

Production Index (working day adjusted)

Sectors	Nov 11	Jan - Nov 11	Nov 11	Jan - Nov 11
	Index 2005 = 100		y-o-y (%)	
Primary Plastics	88,3	97,7	-6,7	1,3
Plastics Products	100,9	100,2	-0,2	3,4
Plastics Machinery	110,7	101,2	4,4	10,9

Production Index (Trend cycle)

Sectors	Aug 11	Sep 11	Okt 11	Nov 11
	Change in % against previous month			
Primary Plastics	-0,5	-0,7	-1,5	-1,6
Plastics Products	-0,1	-0,3	-0,1	0,2
Plastics Machinery	0,1	-1,6	-0,9	0,5

- Time period from January to November 2011 showed increasing production figures compared to the same period in 2010. The strongest increase by far was recorded for the Plastics Machinery sector with +10,9%.
- Compared to previous month, Primary Plastics Production in November decreased again. Thus, the recent downward trend continues.
- After decreasing development in September and October, Plastics Products and Plastics Machinery show first signs of a possible recovery in November 2011.

European Union (EU27)
Manufacturing of Plastics Products

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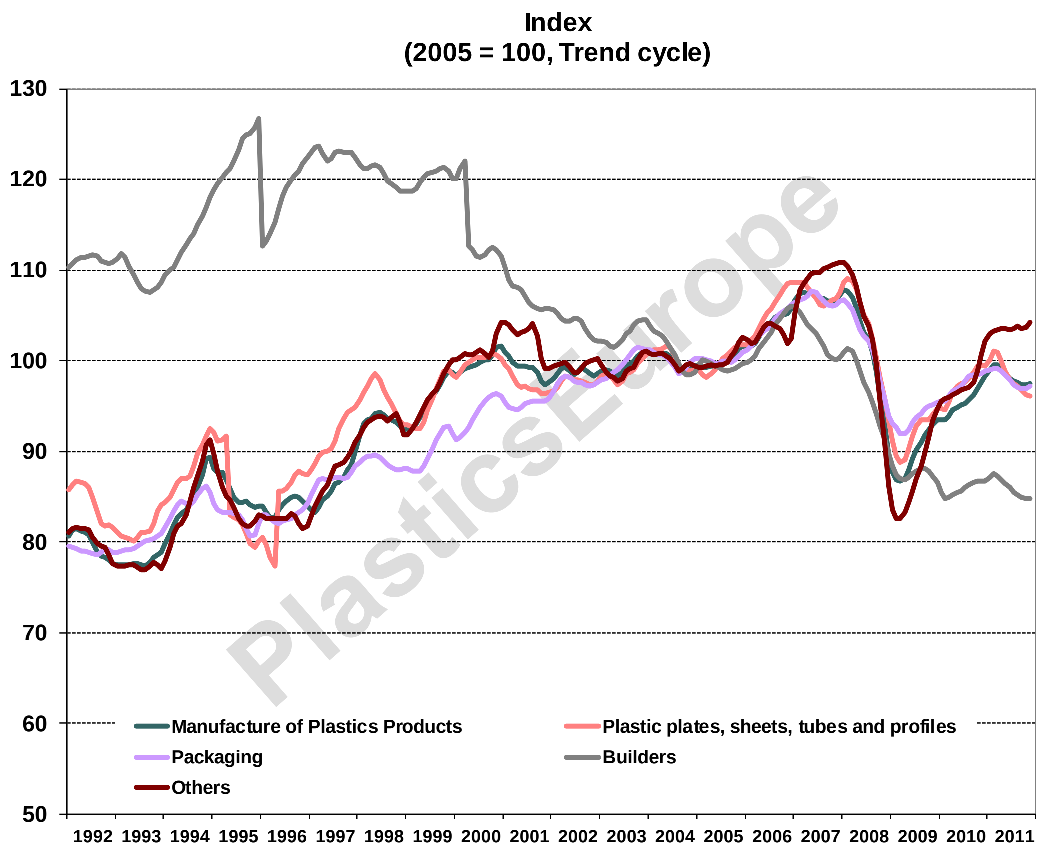

For the classification of the segments, see under "Definitions" on last page

Actual data status of Production: 11/2011

- From mid 2009 to end of 2010 main segments of Plastics Products, except "Builders", have recovered strongly after the deep recession.
- Data for 2011 shows a decreasing trend for all of the Plastics Products sub-categories until October, except for “Others”.
- Latest figures for November show a more or less constant development for “Plates, Sheets, Tubes and Profiles” and “Builders” and slightly positive trends for “Packaging” and “Others”.

European Union (EU27) Manufacturing of Plastics Products

Production Index (working day adjusted)

Sectors	Nov 11	Jan - Nov 11	Nov 11	Jan - Nov 11
	Index 2005 = 100		y-o-y (%)	
Plastics Products	100,9	100,2	-0,2	3,4
Plates, Sheets, Tubes and Profiles	98,2	101,0	-4,1	1,4
Packaging	97,4	99,5	-1,0	0,8
Builders	94,2	87,9	-1,9	0,5
Others	107,8	105,4	4,0	6,7

Production Index (Trend cycle)

Sectors	Aug 11	Sep 11	Okt 11	Nov 11
	Change in % against previous month			
Plastics Products	-0,1	-0,3	-0,1	0,2
Plates, Sheets, Tubes and Profiles	-0,2	-0,5	-0,5	-0,1
Packaging	-0,3	-0,2	0,1	0,2
Builders	-0,4	-0,4	-0,2	0,0
Others	0,2	-0,2	0,1	0,5

- The average 2011 rates of change for the production of Plastics Products (January to November 2011 compared to same period in 2010) in the EU27 show still positive rates.
- Highest growth rates are recorded for “Plates, Sheets, Tubes and Profiles” (1,4%) and “Others” (6,7%). In total, the Plastics Products segment grew by 3,4%.
- The downward trend for Plastics Products did not continue in November 2011. For the sub-categories, latest figures show more or less constant or even slightly increasing developments.

Source: Eurostat / PlasticsEurope Market Research Group (PEMRG)

European Union (EU27)
GDP, Chemical and Plastics Industry

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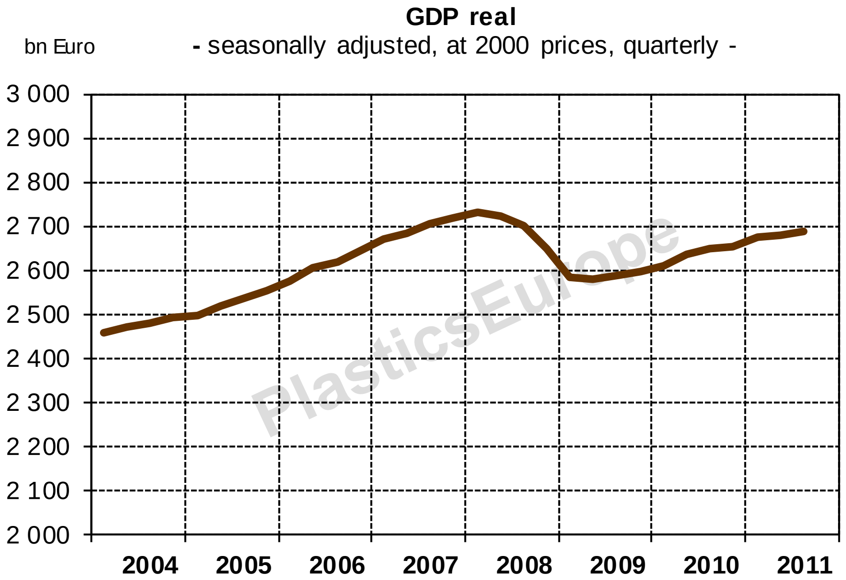
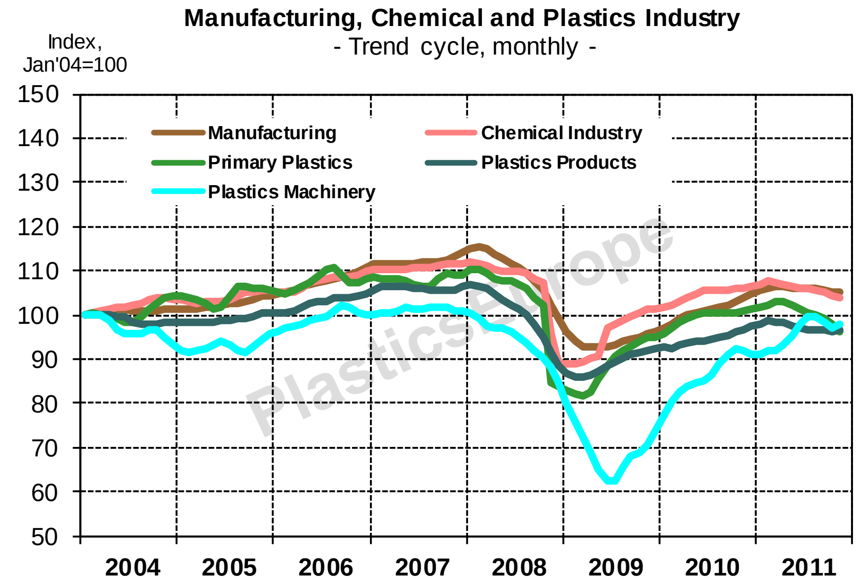


Actual data status of Production: Q3/2011

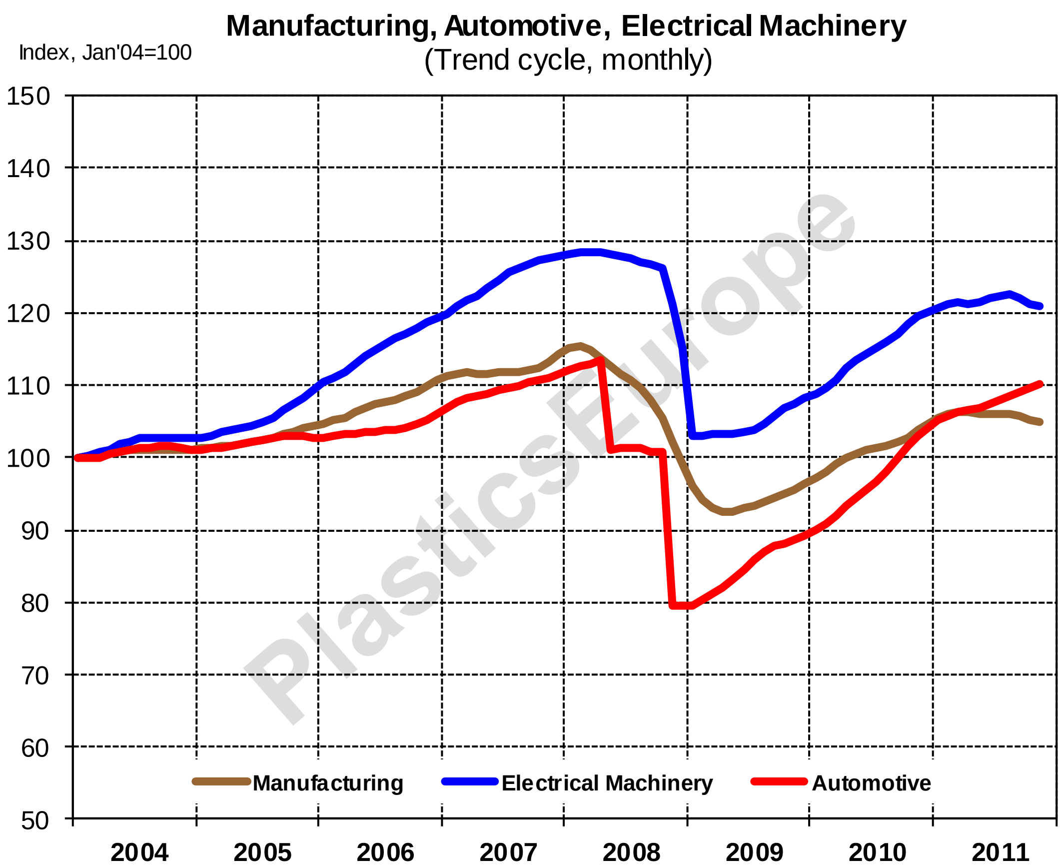


Actual data status of Production: 11/2011

- EU27 GDP increased by 1,8% in 2010, compared to 2009.
- In the third quarter of 2011 the GDP increased by another 0,2% compared to second quarter.
- Actual estimations of Eurostat for EU27 GDP growth rates (year on year):
  2011: +1,6%, 2012: +0,6%

- Uptrend in the Chemical Industry as well as in Total Manufacturing has lasted until the first quarter of 2011. Since then, slightly decreasing tendencies can be observed.
- Also, slight downward trend in the production figures of Primary Plastics, Plastics Products and Plastics Machinery in the second half of 2011.

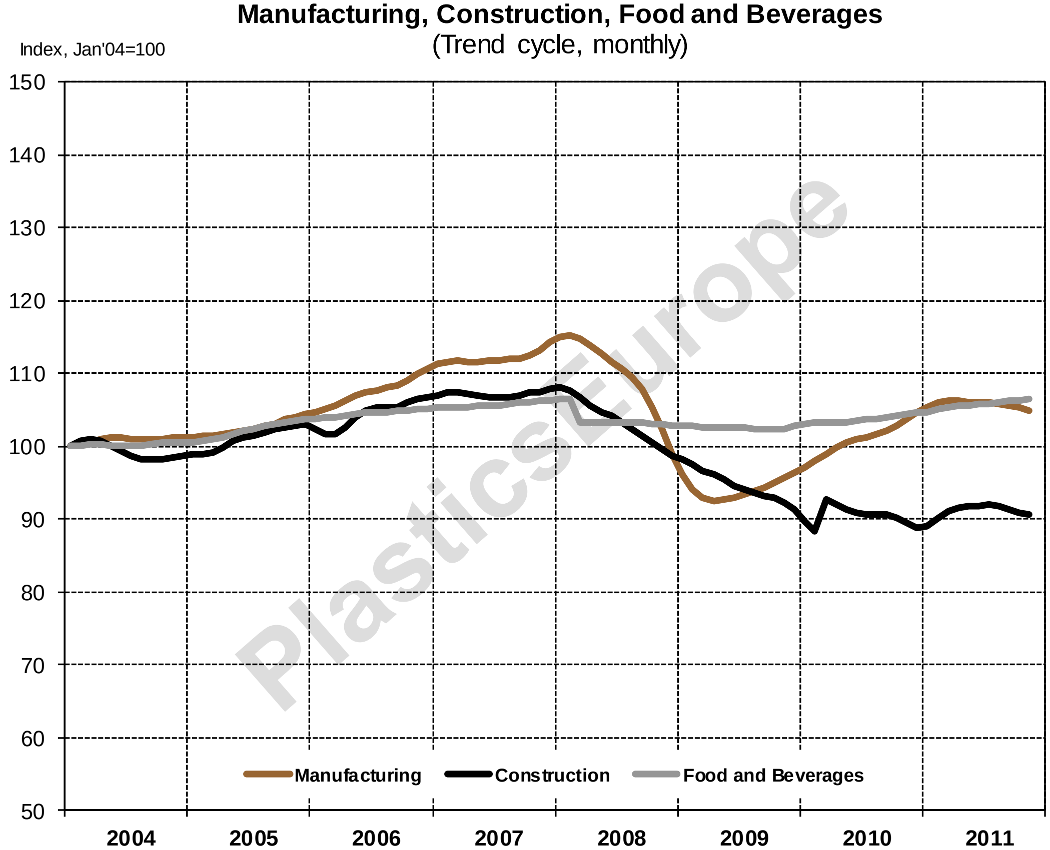
European Union (EU27)
Plastics Customer Industries - Part I



Actual data status of Production: 11/2011

- Continuing recovery in the EU27's Manufacturing Industry since 2009, but with more sideway tendency since the second quarter of 2011.
- Recovery in the Automotive Industry is going on in 2011.
- Upward trend in the Electrical Machinery Industry continued until August 2011, but shows a slightly decreasing tendency since September.
- Industrial production activity in the EU27 is still below the pre-crisis level.

European Union (EU27)
Plastics Customer Industries - Part II



- After decreasing development in the construction industry since Q2 2010, production increased slightly at the beginning of 2011. Latest figures showed slightly decreasing tendencies again.
- The food and beverages industry was less hit by the recession than other industries.
- Total Manufacturing industry showed an uptrend since the 2nd quarter of 2009 and a slightly decreasing development since the second half of 2011.

Actual data status of Production: 11/2011

European Union (EU27) Trade Primary Plastics

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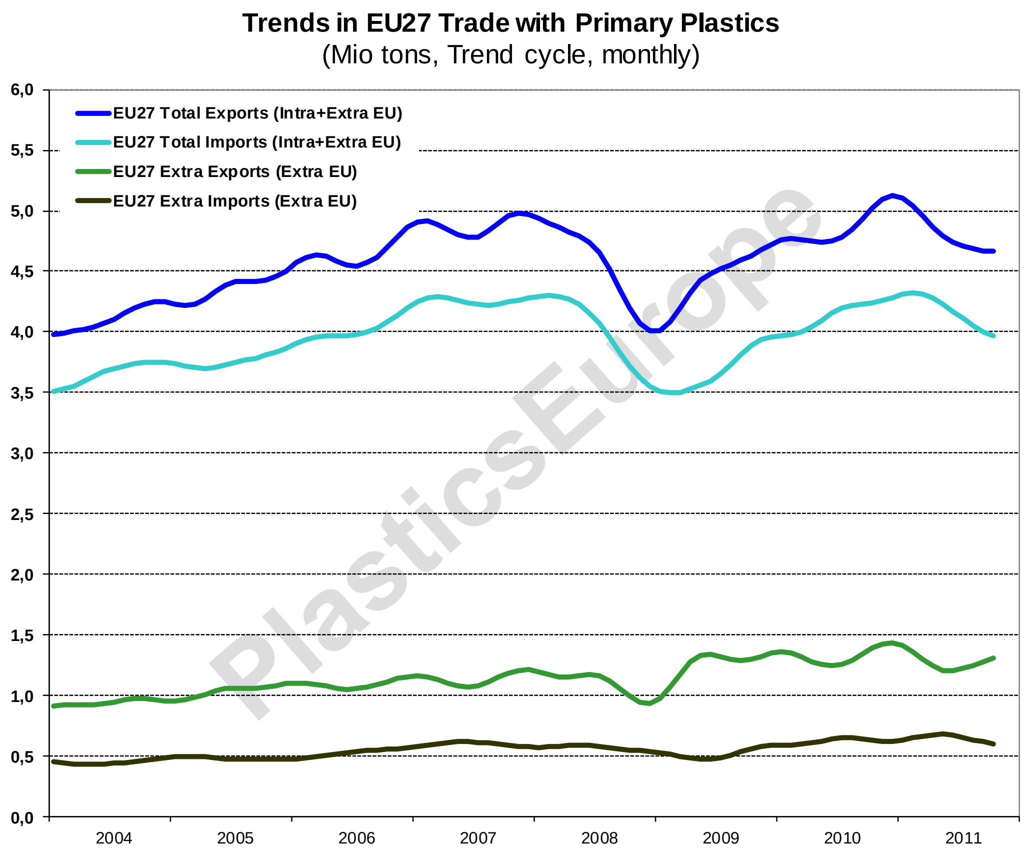
Association of Plastics Manufacturers



Actual data status of EU27 Trade: 10/2011
Intra EU Trade: Trade between the Member States of the European Union
Extra EU Trade: Trade of the European Union with Non-Member Countries

- Total EU27 export quantity of Primary Plastics seems to have reached its peak at the end of 2010. The same applies to EU27 Extra exports.
- Import quantities from Extra EU27 show a constant development, while total imports show a decreasing trend.
- During the last years the Extra EU import share grew to 15,1% in 2010. With 15,4%, January to October shows a slightly higher rate for 2011. The Extra EU export share is actually slightly lower than in 2010 (26,5% from January to October 2011 compared to 27,3% in 2010).

Extra EU Trade - Primary Plastics Share in Total (%)

Year	Exports	Imports
2004	**23,0**	**12,2**
2005	**23,8**	**13,0**
2006	**23,5**	**13,2**
2007	**23,2**	**14,2**
2008	**24,1**	**14,2**
2009	**28,4**	**14,1**
2010	**27,3**	**15,1**
2011YTD 10	**26,5**	**15,4**

European Union (EU27) Trade Plastics Products

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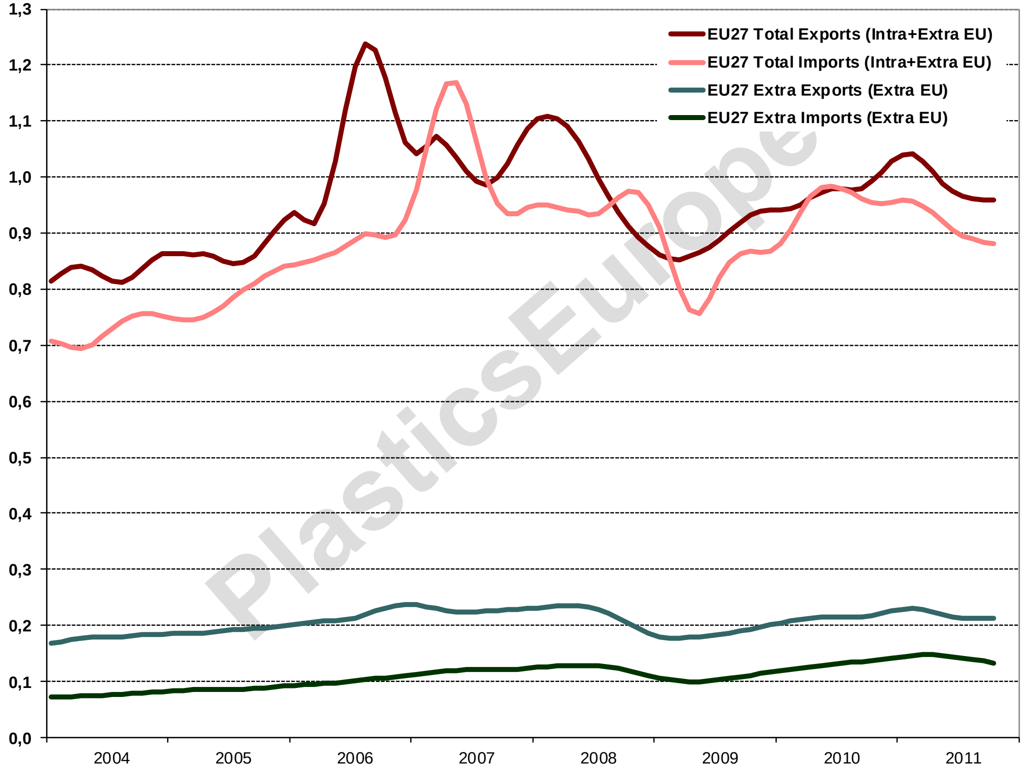
Trends in EU27 Trade with Plastics Products
(Mio tons, Trend cycle, monthly)



Actual data status of EU27 Trade: 10/2011
Intra EU Trade: Trade between the Member States of the European Union
Extra EU Trade: Trade of the European Union with Non-Member Countries

- Recovery of export development with Plastics Products during 2009 and 2010, but figures for 2011 show a decreasing trend. Also total imports show decreasing tendencies in 2011.
- Extra EU imports increased in 2009 and 2010, but now show slightly decreasing tendencies. The same applies to Extra EU exports.
- Increasing share of Extra EU imports over the last years. Corresponding Extra EU export share has also increased in 2010.

Extra EU Trade - Plastics Products Share in Total (%)

Year	Exports	Imports
2004	**21,5**	**10,6**
2005	**22,1**	**11,1**
2006	**20,0**	**11,4**
2007	**21,9**	**11,5**
2008	**22,0**	**12,9**
2009	**20,8**	**12,9**
2010	**22,0**	**13,7**
2011YTD 10	**21,9**	**15,7**

European Union (EU27) Trade Balance with Non-Member Countries

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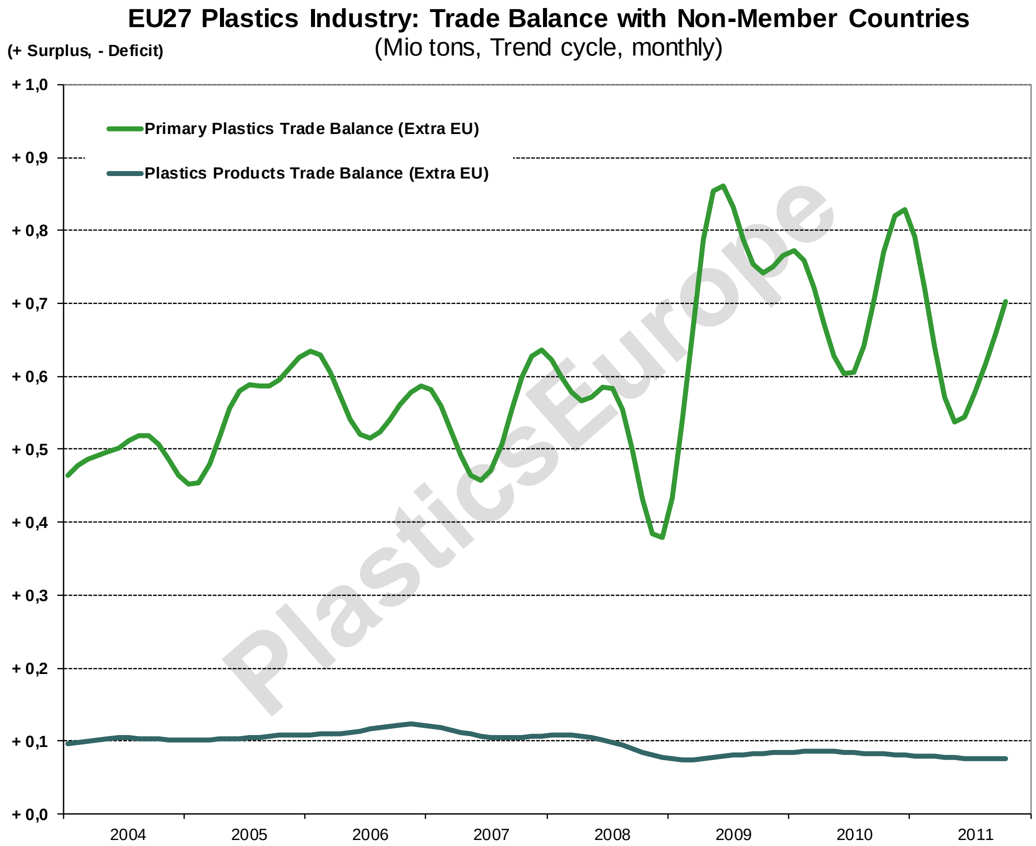

Actual data status of EU27 Trade: 10/2011

- Record trade surplus of EU27 Primary Plastics Industry with Non-Member Countries in 2009, 2010 with a slightly lower trade surplus.
- Decreasing trend of Extra EU trade surplus for Primary Plastics has stopped in June 2011. Since then, trade surplus grows again.
- Since 2004 Plastics Products have registered a stable surplus in Extra EU trade of about 1 Mio tons per year, which was also reached in 2010.

Extra EU27 Trade Balance (Mio tons)
(+ Surplus, - Deficit)

Year	Primary Plastics	Plastics Products
2004	**+ 6,02**	**+ 1,24**
2005	**+ 6,55**	**+ 1,25**
2006	**+ 6,74**	**+ 1,39**
2007	**+ 6,36**	**+ 1,29**
2008	**+ 6,41**	**+ 1,17**
2009	**+ 8,93**	**+ 0,96**
2010	**+ 8,37**	**+ 1,00**
2011YTD 10	**+ 6,45**	**+ 0,78**

European Union (EU27)
Outlook Manufacturing of Plastics Products

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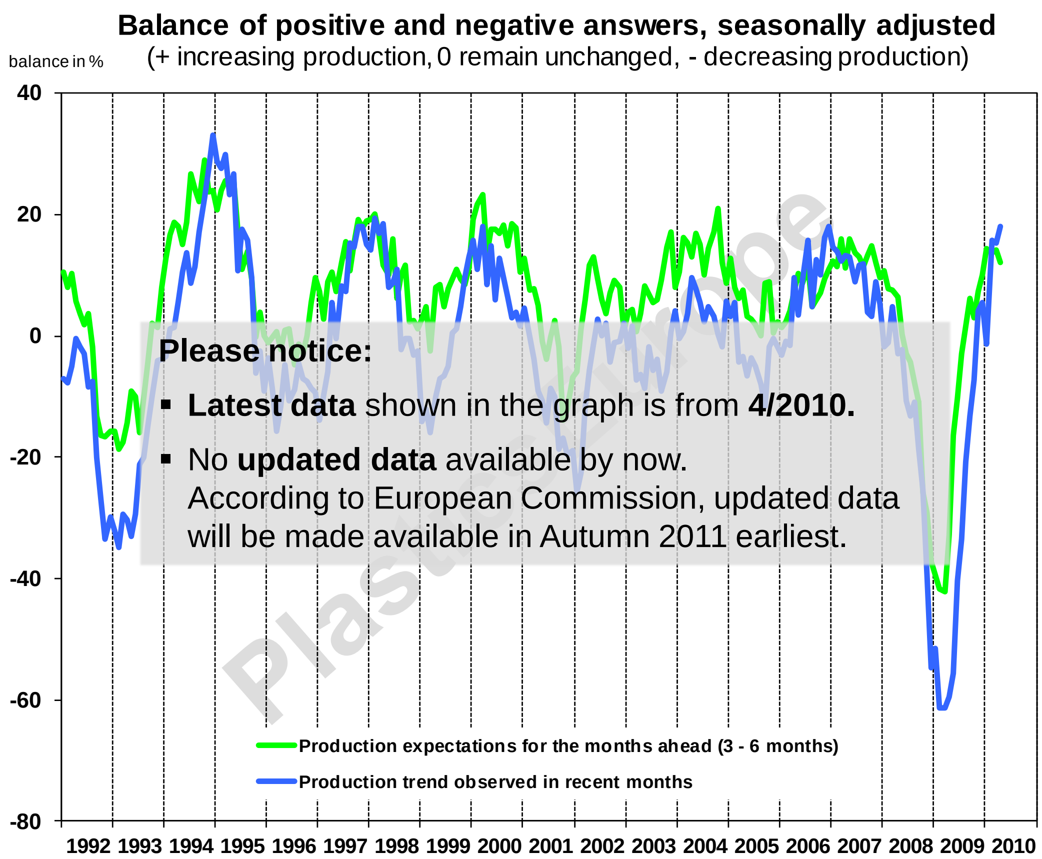

Actual data status: 04/2010

The business surveys includes the EU27 Plastics Products Industry (incl. Rubber).

Important notice: With effect from May 2010, the new Nomenclature of Economic Activities (NACE Rev.2) is used for the classification of business survey results, while data up to April 2010 are based on NACE Rev.1. Historic survey data and aggregates based on the NACE2 nomenclature will be made available by the European Commission probably in Autumn 2011.

- Managers' assessments of the production trend, observed in April 2010 has further improved, compared to the previous months.
- With regard to the business outlook for the months ahead, a stable majority of companies reports positive production expectations.
- Positive Managers' assessments in the EU27 Plastics Products Industry correspond to the positive year on year growth in production in the first months of 2010.

Production Expectations

	balance in %
Mai 09	-16
Jun 09	-10
Jul 09	-3
Aug 09	2
Sep 09	6
Okt 09	3
Nov 09	7
Dez 09	10
Jan 10	14
Feb 10	14
Mrz 10	14
Apr 10	12

Source: Eurostat / PlasticsEurope Market Research Group (PEMRG)

European Union (EU27)
Plastics Industry Producer Prices

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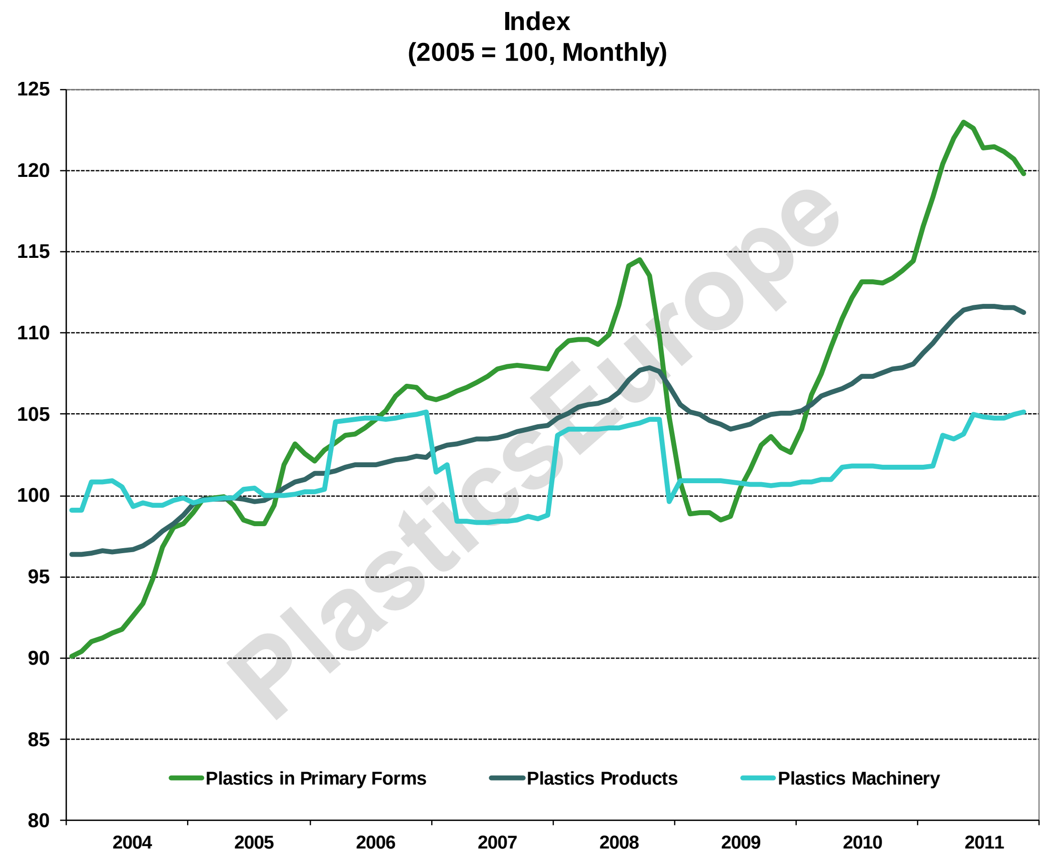

- Fluctuating trend of Primary Plastics, Plastics Products and Plastics Machinery output prices during the last years.
- Primary Plastics prices have grown noticeably from Q4 2010 to a new peak in May 2011. Previous months showed slightly decreasing price indices.
- For Plastics Products the price index further on remains on almost the same level.
- After a period of stagnating output prices in the Plastics Machinery Industry during 2010, prices increased again in 2011. Since June 2011 more or less stable prices were recorded.

Producer Prices: Total Output Prices (Domestic Market + Foreign Market)

Remark:
After consulting VDMA and Eurostat, the jump in the price series with Plastics Machinery from 2009 to 2010 comes from a country that has supplied confidential data (UK, Sweden or Spain)

Actual data status of Production: 11/2011

Source: Eurostat / PlasticsEurope Market Research Group (PEMRG)

European Union (EU27)
Plastics Industry Producer Prices

PlasticsEurope
Association of Plastics Manufacturers

Producer price index (cumulative)

Sectors	Nov 11	Jan - Nov 11	Nov 11	Jan - Nov 11
	Index 2005 = 100		y-o-y (%)	
Primary Plastics	**119,9**	**120,7**	**5,3**	**9,1**
Plastics Products	**111,3**	**110,9**	**3,2**	**3,8**
Plastics Machinery	**105,2**	**104,0**	**3,4**	**2,5**

Producer Prices: Total Output Prices (Domestic Market + Foreign Market)

Producer price index (monthly)

Sectors	Aug 11	Sep 11	Okt 11	Nov 11
	Change in % against previous month			
Primary Plastics	**0,0**	**-0,2**	**-0,4**	**-0,7**
Plastics Products	**0,0**	**-0,1**	**0,0**	**-0,2**
Plastics Machinery	**-0,1**	**0,0**	**0,2**	**0,2**

- **Primary Plastics**
  From January to November 2011 prices increased by 9,1% in average compared to the same period in 2010. The last three months showed slightly decreasing prices.

- **Plastics Products**
  With +3,8% the Plastics Products segment shows an increasing price trend in 2011 compared to 2010. Since June 2011 prices remain on a more or less stable level.

- **Plastics Machinery**
  After an increase of 1,1% in June, the last months showed a more or less constant development of prices. Compared to 2010, prices for Plastics Machinery in 2011 had been 2,5% higher.

Source: Eurostat / PlasticsEurope Market Research Group (PEMRG)

Definitions

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Association of Plastics Manufacturers

Data Source: Eurostat, European Commission Economic and Financial Affairs (Business Surveys)

Classification of Economic Activities: New Nace Rev.2 Classification of Eurostat since 2009

Sectors of the plastics industry are classified by the following NACE codes: C2016 (Plastics in Primary Forms), C222 (Manufacture of Plastics Products), C2221 (Plates, Sheets, Tubes and Profiles), C2222 (Packaging), C2223 (Builders), C2224 (Others), C2896 (Plastics Machinery incl. Rubber)

Main plastics related industries NACE codes: C10_12 (Food and Beverages), C20 (Chemical Industry excl. Pharmaceuticals), C26_27 (Electrical Machinery), C291 (Automotive), F (Construction)

Production index (base year 2005 = 100) is presented as "working-day-adjusted" and as "Trend-cycle". The Trend-cycle is calculated by smoothing averages from working-day and seasonally adjusted data. Eurostat uses statistically and internationally accepted methods (Census X-12) for the seasonal adjustment of time series

The producer price index for the plastics industry (base year 2005 = 100) measures the average price development of all goods resulting from that activity that are sold on the domestic market and foreign markets. The producer price index for the plastics industry is divided by Nace C2016 (Plastics in Primary Forms), C222 (Manufacture of Plastics Products) and C296 (Plastics Machinery incl. Rubber)

GDP real: Gross Domestic Product at 2000 prices and exchange rates, seasonally adjusted

Business Surveys: The results of the business surveys are based on representative samples of companies in the EU27 Plastics Products Industry (incl. Rubber Industry). Managers' answers obtained from the surveys are aggregated in the form of "Balances". Balances are constructed as the difference between the percentages of respondents giving positive and negative replies. The EU Commission seasonally adjusts the balance series.

Plastics

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