



European Plastics Industry (EU 27)

PlasticsEurope Market Research Group

Statistical Monitoring June 2012

PlasticsEurope
Association of Plastics Manufacturers

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

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Please note the definitions on slide 18.

Last Update: June 25, 2012



European Union (EU27) Plastics Industry - Economic Summary

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 showed decreasing tendencies, but now remains stable since November 2011. Also Plastics Products remain more or less stable since mid 2011. After a long period of strong recovery, the Plastics Machinery sector seems to have shifted to a sideway movement during recent months.

Sectors

Across sectors, developments in the beginning of 2012 were somewhat uneven. **Production quantities** of Primary Plastics show slightly increasing tendencies in 2012 while Plastics Products and Plastics Machinery production remain more or less stable during the last months.

Plastics Industry **producer prices** increase in all sub categories since the beginning of 2012, after a period of stagnating or partly decreasing development. Especially prices for Primary Plastics show a strong growth during the last months.

End use Industries

The Electrical Machinery Industry's production shows a sideway movement since mid 2011. The upward trend in the Automotive sector came to an end in mid 2011 and seems to have shifted into a period of more or less stable production figures. Production figures for the construction industry decrease again since fourth quarter of 2011 after almost two years of consolidation. Production in the more crisis-resistant Food and Beverages sector further on with a more or less sideway movement.

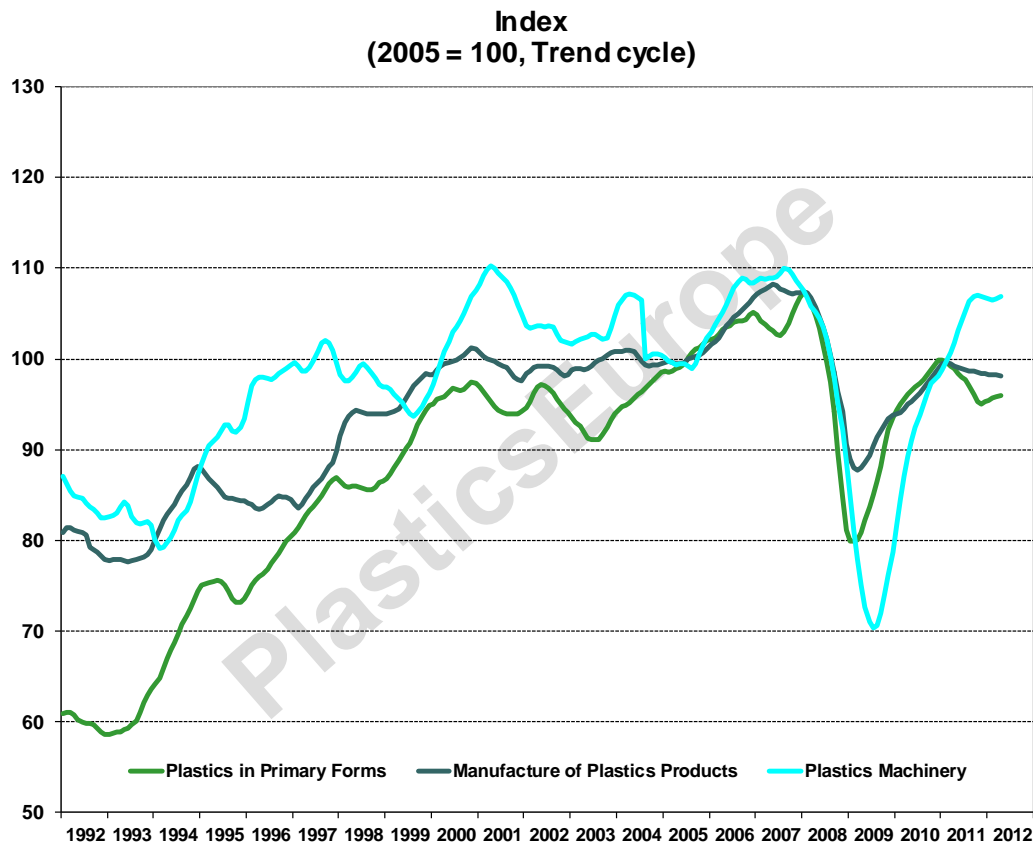
External Trade

Total export quantities of Primary Plastics have reached its peak at the end of 2010. The first half of 2011 showed decreasing export tendencies, but since the second half year export quantities show a more or less constant development. Exports of Plastics Products decreased in the first half of 2011 but show increasing tendencies again since mid 2011. Total import quantities show a slight increase for Primary Plastics and a primarily decreasing trend for Plastics Products.

Outlook

The stable development of production figures for Primary Plastics and Plastics Machinery at the beginning of 2012 as well as increasing producer prices for all sectors give slightly positive signals for the future. However, some important customer industries indicate more stable production trends in recent months.

European Union (EU27) Plastics Industry Production

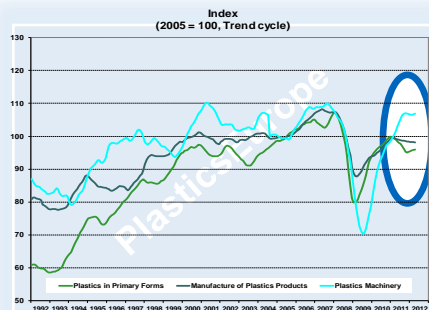


Actual data status of Production: 04/2012

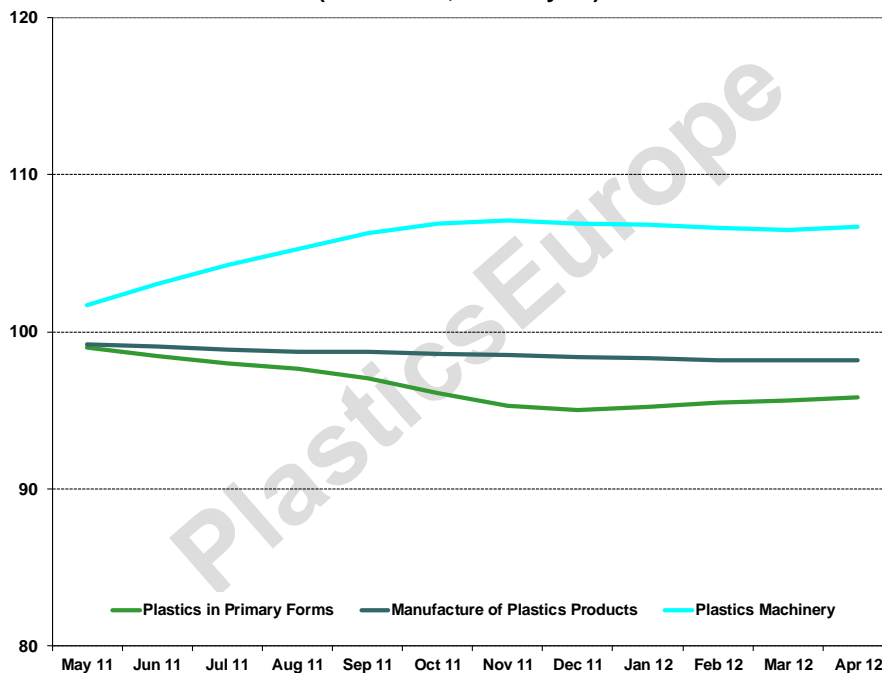
Plastics Industry Production by long term view (1992-2012):

- 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



Index - Last 12 months
(2005 = 100, Trend cycle)



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

- After months of strong growth, Plastics Machinery with sideways movement since October 2011.
- The development of Plastics Products production shows a sideways movement during the last months.
- The decline in production figures for Plastics in Primary Forms has stopped at the end of 2011. Since January 2012 a slightly increasing production trend was recorded.

European Union (EU27) Plastics Industry Production

Production Index (working day adjusted)

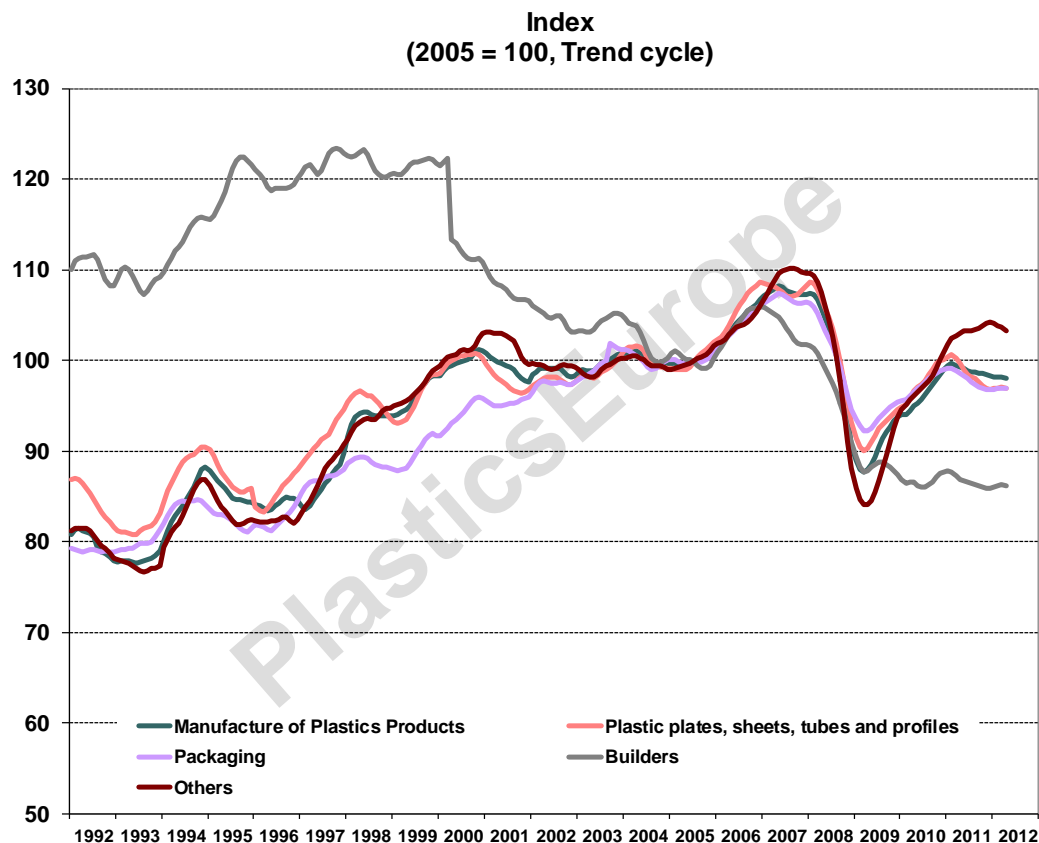
Sectors	Apr 12	Jan - Apr 12	Apr 12	Jan - Apr 12
	Index 2005 = 100		y-o-y (%)	
Primary Plastics	99.6	98.0	-3.0	-3.1
Plastics Products	98.5	98.8	-2.5	-1.6
Plastics Machinery	99.8	101.7	6.6	7.5

Production Index (Trend cycle)

Sectors	Jan 12	Feb 12	Mar 12	Apr 12
	Change in % against previous month			
Primary Plastics	0.3	0.2	0.2	0.1
Plastics Products	-0.1	0.0	0.0	-0.1
Plastics Machinery	-0.2	-0.1	0.1	0.2

- The first four months of 2012 show increasing production figures compared to the same period in 2011 for the Plastics Machinery sector, which grew by 7.5%.
- Production of Primary Plastics (-3.1%) and Plastics Products (-1.6%) show a slight decrease compared to 2011.
- Production indices for Plastics Products and Plastics Machinery remain more or less stable since the beginning of 2012. Production of Primary Plastics even shows a slight increase in the first four months.

European Union (EU27) Manufacturing of Plastics Products



- From mid 2009 to end of 2010 main segments of Plastics Products, except "Builders", have recovered strongly after the deep recession.
- 2011 showed slightly decreasing trends for most of the Plastics Products sub-categories except for the "Others"-segment, which showed growing tendencies.
- From January to April 2012 production indices for most of the Plastics Products sub-categories remain more or less stable. The "Others"-segment decreases slightly.

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

Actual data status of Production: 04/2012

European Union (EU27) Manufacturing of Plastics Products

Production Index (working day adjusted)

Sectors	Apr 12	Jan - Apr 12	Apr 12	Jan - Apr 12
	Index 2005 = 100		y-o-y (%)	
Plastics Products	98.5	98.8	-2.5	-1.6
Plates, Sheets, Tubes and Profiles	100.3	98.6	-3.9	-3.7
Packaging	99.1	98.1	-1.8	-1.9
Builders	83.9	81.7	-2.1	-1.3
Others	103.1	105.4	-1.6	0.5

Production Index (Trend cycle)

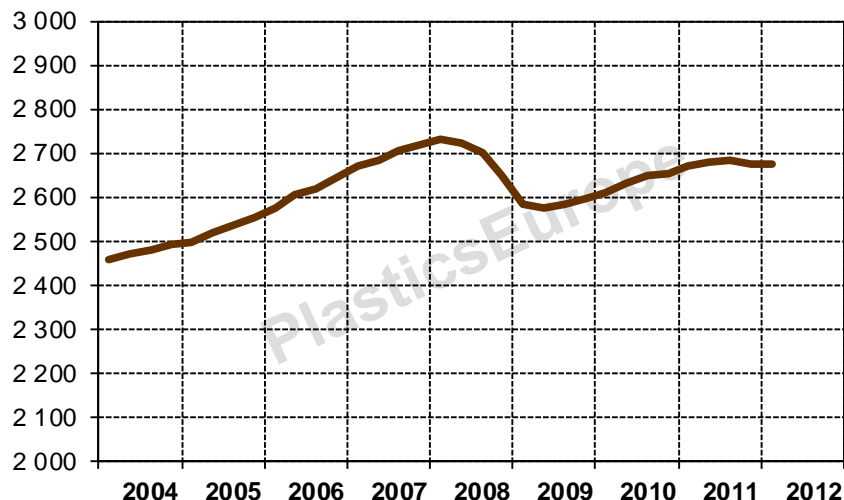
Sectors	Jan 12	Feb 12	Mar 12	Apr 12
	Change in % against previous month			
Plastics Products	-0.1	0.0	0.0	-0.1
Plates, Sheets, Tubes and Profiles	0.0	0.1	0.0	-0.1
Packaging	0.0	0.1	0.1	0.0
Builders	0.2	0.2	0.1	-0.1
Others	-0.1	-0.2	-0.2	-0.3

- Compared to the same period in 2011, production figures for January to April 2012 decreased within all of the Plastics Products sub-categories except for “Others”.
- The strongest decline was recorded for “Plates, Sheets, Tubes and Profiles” with -3.7%. “Other Plastics Products” showed a slight growth compared to the same period in 2011 (+0.5%).
- “Others” with a slight decline in recent months. All other sub-categories with more or less constant development in the first four months of 2012.

European Union (EU27) GDP, Chemical and Plastics Industry

GDP real

bn Euro - seasonally adjusted, at 2000 prices, quarterly -

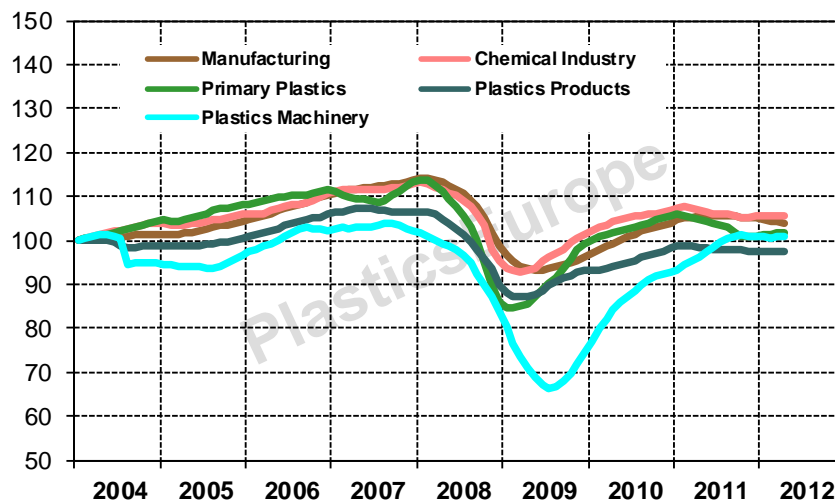


Actual data status: Q1/2012

- EU27 GDP increased by 1.5% in 2011, compared to 2010.
- In the first quarter of 2012 the GDP decreased by 0.02% compared to fourth quarter of 2011.
- Actual estimations of Eurostat for EU27 GDP growth rates (year on year):
2012: +/-0%, 2013: +1.3%

Manufacturing, Chemical and Plastics Industry

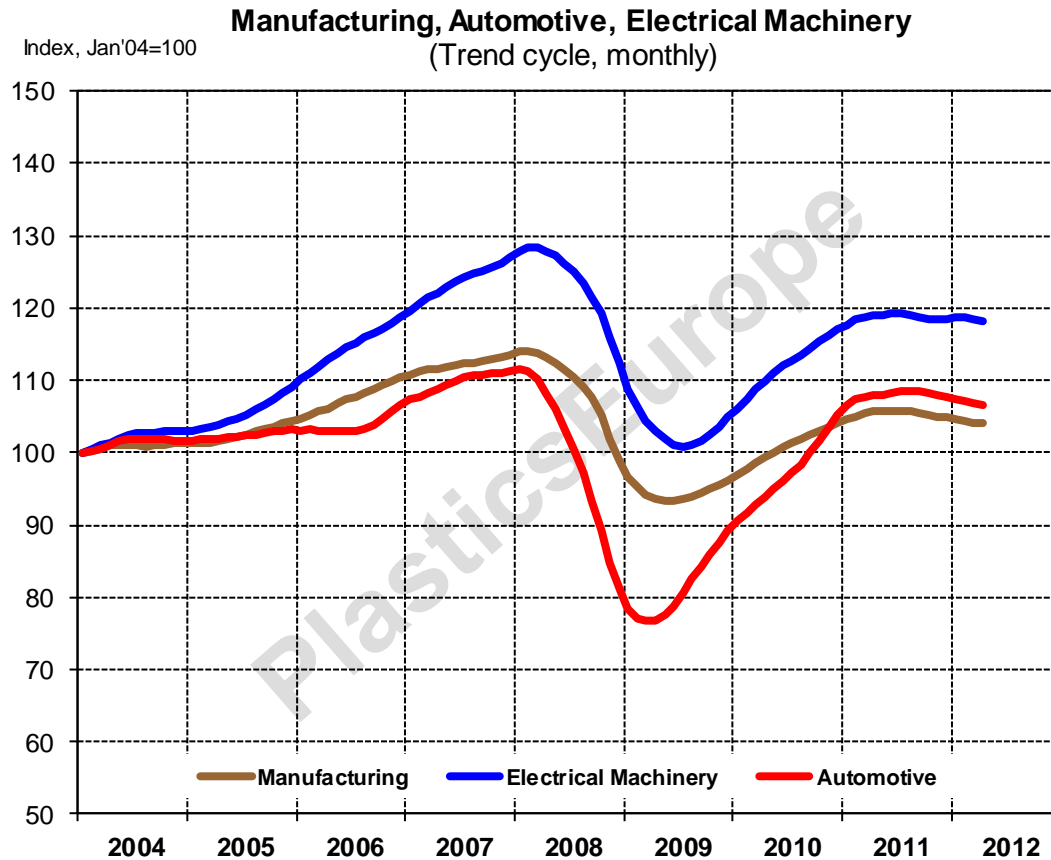
Index, Jan'04=100 - Trend cycle, monthly -



Actual data status of Production: 04/2012

- Uptrend in the Total Manufacturing industry has lasted until the first quarter of 2011. Since then, slightly decreasing tendencies were recorded. Chemical industry with sideways movement in 2012.
- More or less constant development for production of Primary Plastics, Plastics Products and Plastics Machinery in recent months.

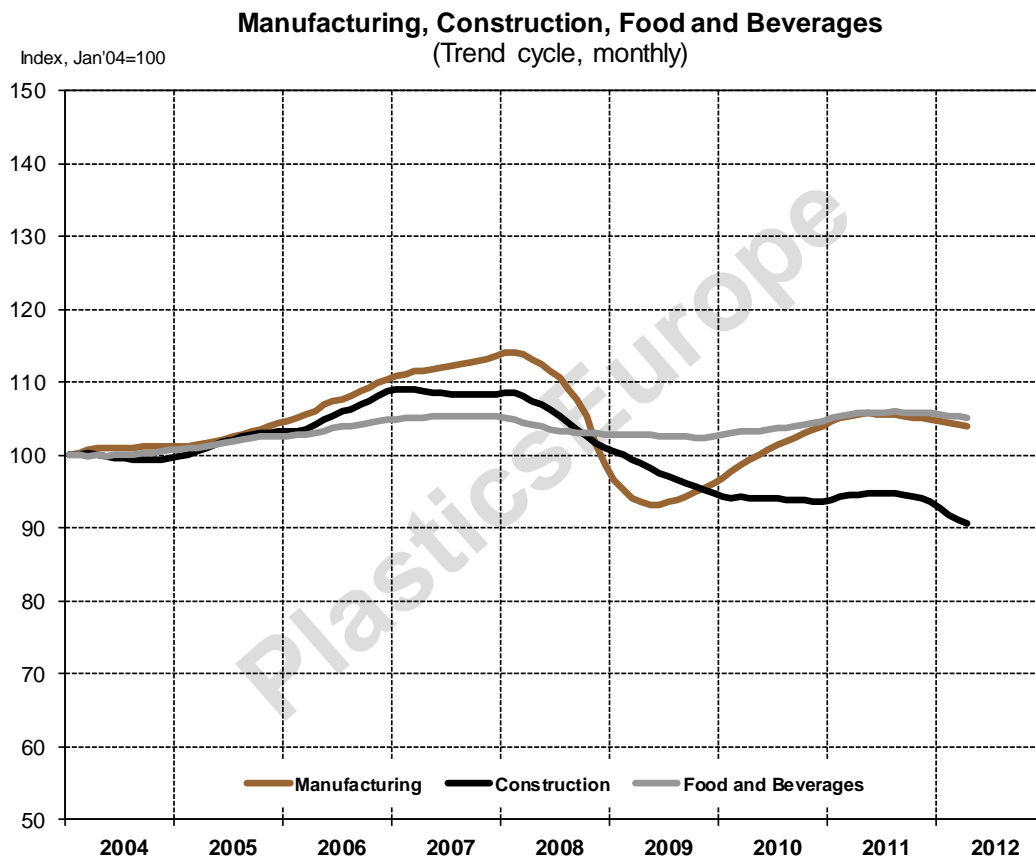
European Union (EU27) Plastics Customer Industries - Part I



Actual data status of Production: 04/2012

- Recovery in the EU27's Manufacturing Industry since 2009, but with slightly decreasing tendency since the second quarter of 2011 again.
- After strong growth especially in 2009 and 2010, Automotive industry with slightly decreasing tendencies since mid 2011.
- Sideway movement in the Electrical Machinery Industry since mid 2011.
- Industrial production activity in the EU27 is still below the pre-crisis level.

European Union (EU27) Plastics Customer Industries - Part II

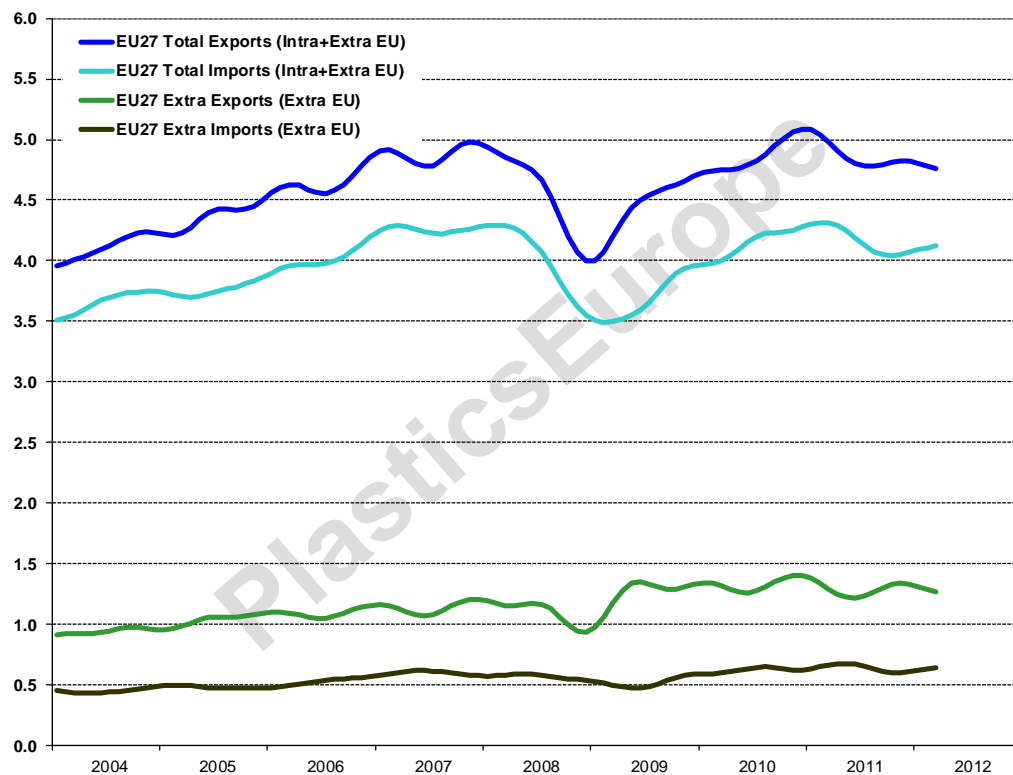


- Decreasing production trend in the Construction Industry since the third quarter of 2011.
- The Food and Beverages Industry was less hit by the recession than other industries.
- Slightly decreasing trend in production figures of the Manufacturing Industry since mid 2011.

Actual data status of Production: 04/2012

European Union (EU27) Trade Primary Plastics

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



- Total EU27 Export quantity of Primary Plastics has reached its peak at the end of 2010. The same applies to EU27 Extra Exports.
- Import quantities from Extra EU27 as well as Total Imports show a slightly increasing trend since the end of 2011.
- During the last years the Extra EU Import share grew to 15.3% in 2011. The Extra EU Export share from January to March 2012 (26.1%) was slightly lower than in 2011 (26.5%).

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

Year	Exports	Imports
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
2011	26.5	15.3
2012YTD 03	26.1	15.9

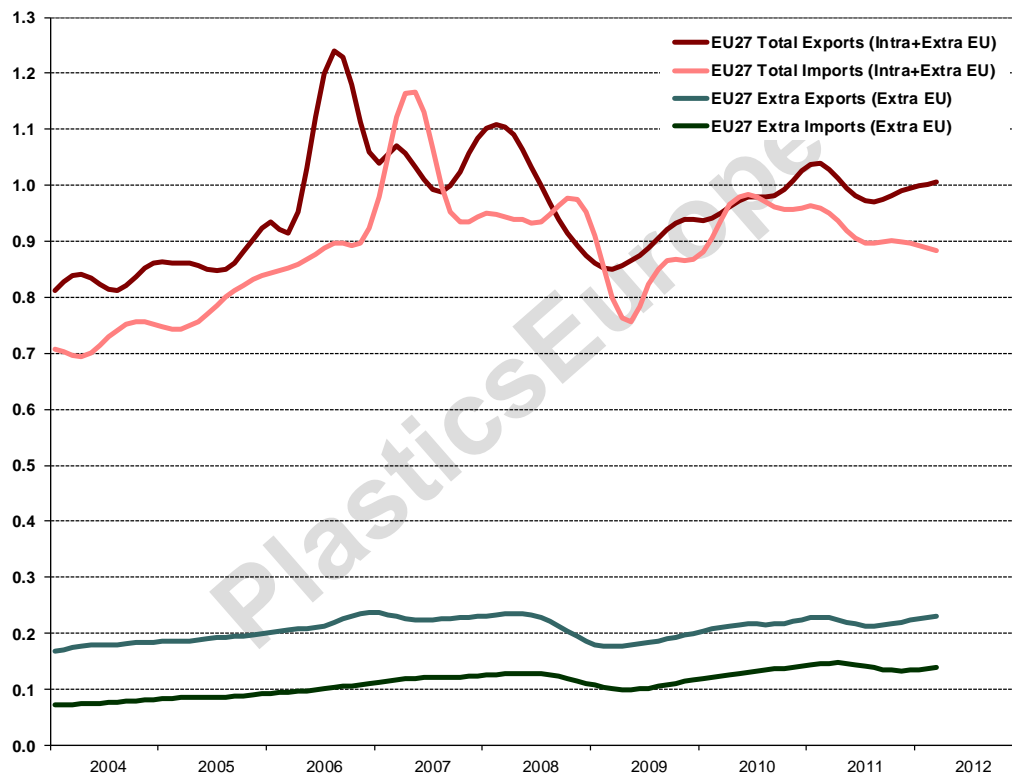
Actual data status of EU27 Trade: 03/2012

Intra EU Trade: Trade between the Member States of the European Union

Extra EU Trade: Trade of the European Union with Non-Member Countries

European Union (EU27) Trade Plastics Products

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



- After two years of Total Exports growth, quantities in 2011 showed primarily decreasing tendencies. Since September 2011 Total Exports grow again. Total Imports show a primarily decreasing trend since 2011.
- Extra EU Imports and Extra EU Exports increased in 2009 and 2010, but now show more or less constant tendencies.
- The share of Extra EU Imports and Extra EU Exports increased in recent years.

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

<u>Year</u>	<u>Exports</u>	<u>Imports</u>
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
2011	22.0	15.3
2012YTD 03	21.3	15.7

Actual data status of EU27 Trade: 03/2012

Intra EU Trade: Trade between the Member States of the European Union

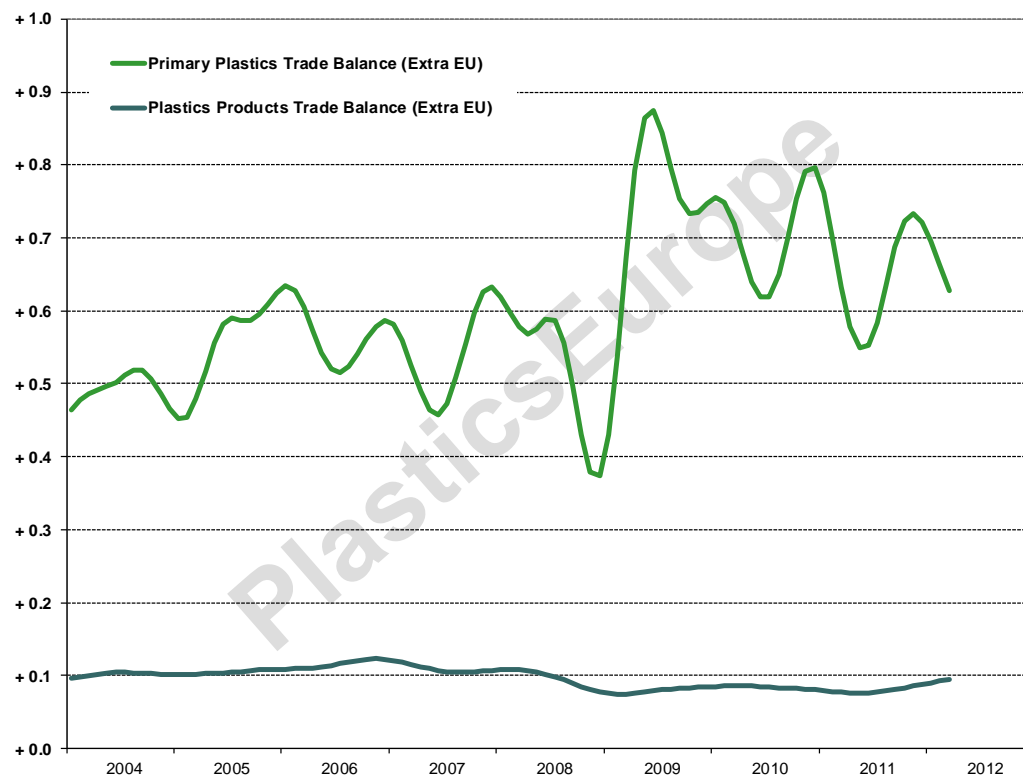
Extra EU Trade: Trade of the European Union with Non-Member Countries

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

EU27 Plastics Industry: Trade Balance with Non-Member Countries

(+ Surplus, - Deficit)

(Mio tons, Trend cycle, monthly)



Actual data status of EU27 Trade: 03/2012

- Record trade surplus of EU27 Primary Plastics Industry with Non-Member Countries in 2009. 2010 and 2011 with a slightly lower trade surplus.
- Since December 2011, a decreasing trend of the trade surplus for Primary Plastics can be observed.
- Since 2004 Plastics Products have registered a stable surplus in Extra EU trade of about 1 Mio tons per year.

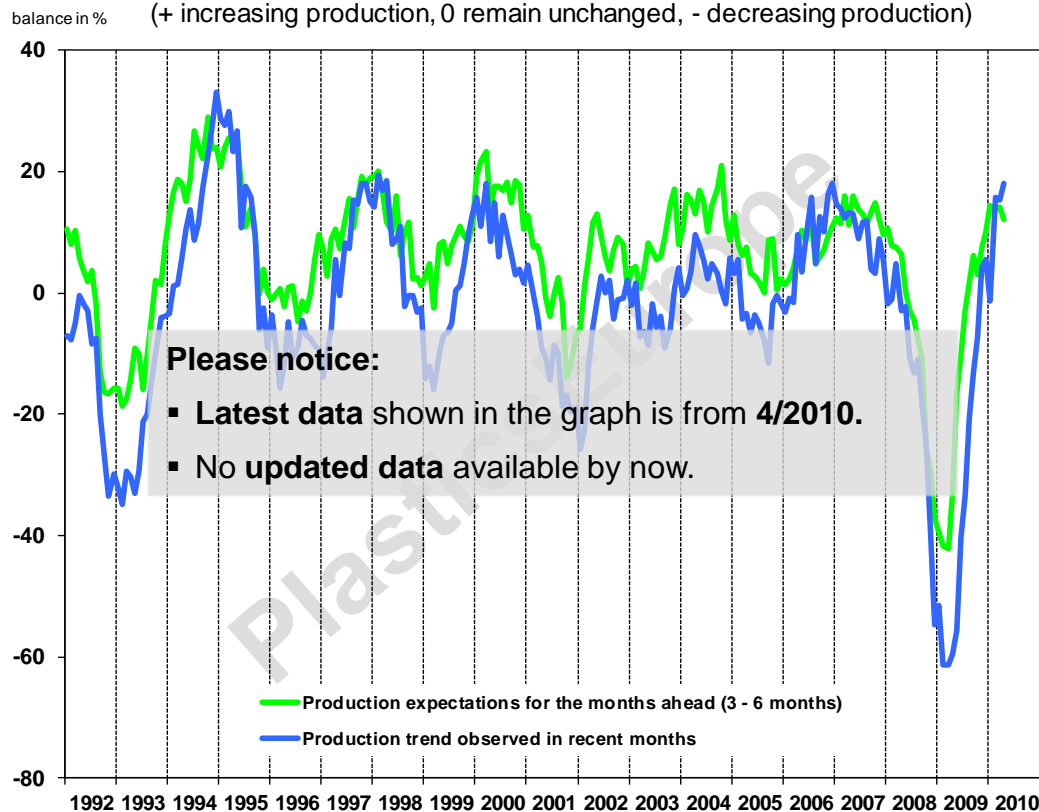
Extra EU27 Trade Balance (Mio tons) (+ Surplus, - Deficit)

Year	Primary Plastics	Plastics Products
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
2011	+ 7.78	+ 0.95
2012YTD 03	+ 1.83	+ 0.23

European Union (EU27) Outlook Manufacturing of Plastics Products

Balance of positive and negative answers, seasonally adjusted

(+ increasing production, 0 remain unchanged, - decreasing production)



- 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 %

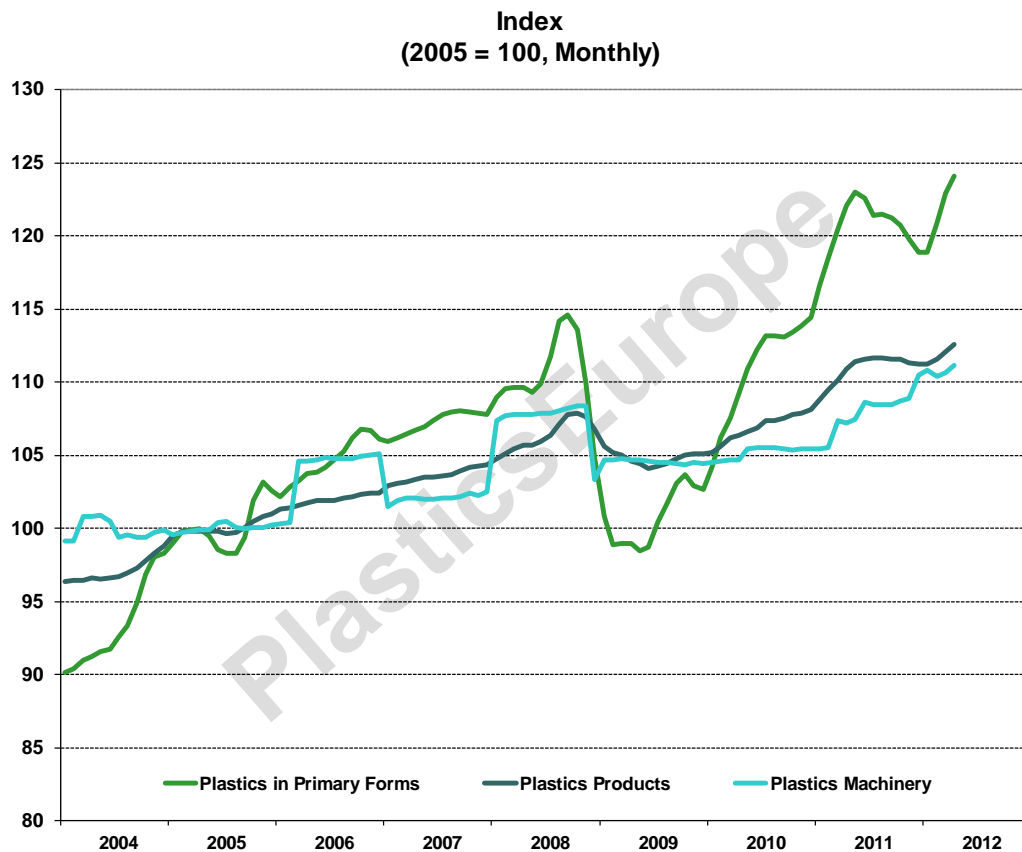
May-09	-16
Jun-09	-10
Jul-09	-3
Aug-09	2
Sep-09	6
Oct-09	3
Nov-09	7
Dec-09	10
Jan-10	14
Feb-10	14
Mar-10	14
Apr-10	12

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.

European Union (EU27) Plastics Industry Producer Prices



- Fluctuating trend of Primary Plastics, Plastics Products and Plastics Machinery output prices during the last years.
- Primary Plastics prices with strong continuing growth after a short period of decrease in the second half of 2011.
- Prices for Plastics Products with steady growth over the last years.
- After some months of stable price development in the Plastics Machinery segment in 2011, prices increase again since the end of the year.

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: 04/2012

European Union (EU27) Plastics Industry Producer Prices

Producer price index (cumulative)

Sectors	Apr 12	Jan - Apr 12	Apr 12	Jan - Apr 12
	Index 2005 = 100		y-o-y (%)	
Primary Plastics	124.1	121.7	1.7	1.9
Plastics Products	112.6	111.8	1.5	1.9
Plastics Machinery	111.2	110.7	3.7	4.1

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

Producer price index (monthly)

Sectors	Jan 12	Feb 12	Mar 12	Apr 12
	Change in % against previous month			
Primary Plastics	0.0	1.6	1.7	1.0
Plastics Products	0.0	0.3	0.4	0.5
Plastics Machinery	0.3	-0.4	0.3	0.5

- Primary Plastics**
 Compared to the same period in 2011, prices increased by 1.9% in the first four months of 2012. Strong increase since February after some months of decline.
- Plastics Products**
 With +1.9% the Plastics Products segment showed an increasing price trend at the beginning of 2012 compared to the same period in 2011. Prices clearly increase since February 2012 after a period of stagnation.
- Plastics Machinery**
 Compared to 2011, prices for Plastics Machinery in the first four months of 2012 had been 4.1% higher. Increasing trend in recent months can be recorded.

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. With first publication of production indices for 2012, Eurostat changed from a direct to an indirect method of seasonal adjustment. The new method is applied to the complete time-series of production indices. This also affects data before 2012.

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

The Material for the 21st Century