

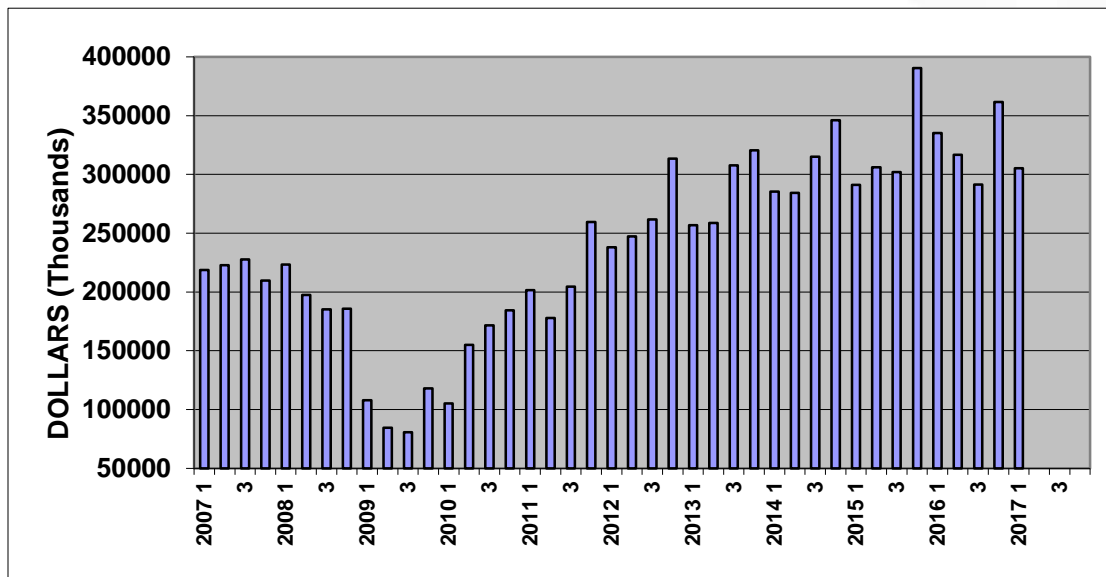
Plastics Machinery Shipments Decline 7.5% Y/Y in Q1 of 2017

For the third consecutive quarter, North American shipments of plastics machinery posted a year-over-year decline in Q1 of 2017 according to statistics compiled and reported by the Plastics Industry Association’s Committee on Equipment Statistics (CES).

The preliminary estimate for shipments of primary plastics equipment (injection molding, extrusion, and blow molding equipment) for reporting companies totaled \$305.3 million in the first quarter. This was 7.5 percent lower than the total of \$330.1 million from Q1 of 2016, and it was 14.4 percent lower than the \$356.7 million from Q4 of 2016. This Y/Y decline in Q1 followed a 7 percent Y/Y decrease in the quarterly total from Q4 of last year.

“The trend in the shipments data for primary plastics equipment plateaued in the middle of 2016, but then it appeared to roll over in the past few months. The monthly comparisons will be difficult for another quarter or two, so positive growth this year remains unlikely. But the economic fundamentals in the U.S. should continue to grind gradually higher, and global demand is also expected to improve this year. If Congress passes corporate tax reform in 2017, then an uptrend in the machinery data may re-emerge in 2018,” according to Bill Wood, of Mountaintop Economics & Research, Inc.

PRIMARY PLASTICS EQUIPMENT SHIPMENTS



The shipments value of injection molding machinery decreased 14.5 percent in Q1 of this year when compared with the total from Q1 of 2015. This sharp drop in the large injection molding sector was mitigated by gains in the other reporting segments. The shipments value of single-screw extruders jumped 59.1 percent. The shipments value of twin-screw extruders (which includes both co-rotating and counter-rotating machines) escalated 8.3 percent in Q1 when compared with last year. The shipments value of blow molding machines popped 90.4 percent in Q1.

The upward trend in the auxiliary equipment data remained intact in the first quarter. New bookings of auxiliary equipment for reporting companies totaled \$133.5 million dollars in Q1 of 2017. This was an

increase of 11.3 percent over the total from Q1 of 2016, and it was also a gain of 5.5 percent when compared with the seasonally strong total from Q4 of last year.

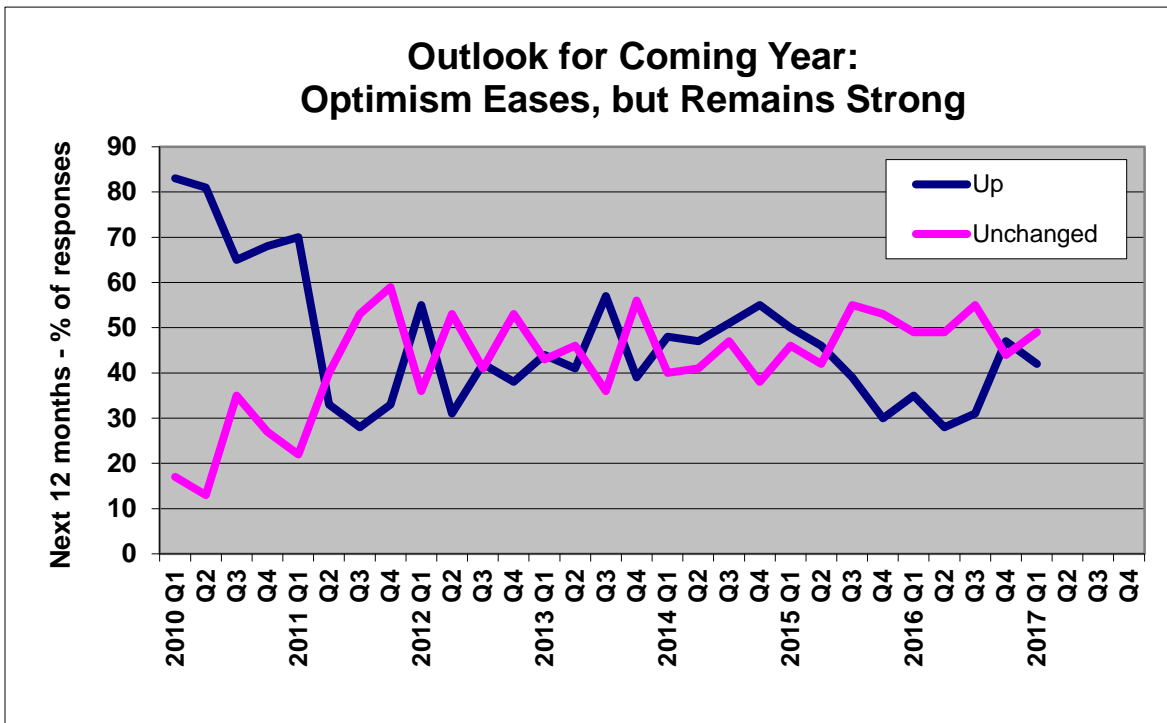
The mixed results from the various segments in the CES machinery data in the first quarter were a bit weaker than the performance in the overall U.S. industrial machinery sector. According to data compiled by the Census Bureau, the total value for new orders of US industrial machinery escalated a moderate 4.7% percent in Q1 of 2017 when compared with the same period last year.

Another indicator of overall demand for industrial machinery is compiled and reported by the Bureau of Economic Analysis (BEA). According to the BEA, business investment in industrial equipment increased 6.0 percent (seasonally-adjusted, annualized rate) in Q1 of 2017 when compared with the previous year.

The CES also conducts a quarterly survey of plastics machinery suppliers that asks about expectations for the future. According to the Q1 survey, 87 percent of respondents expect market conditions to either hold steady or get better during the next year. This is down a bit from 91 percent in the previous quarter.

The outlook for global market conditions in the coming year was mostly steady in the first quarter. North America was still the region with the strongest expectations for improvement in the coming year. Mexico was expected to be steady-to-better. The outlook for Latin America was more optimistic, while the expectations for Europe and Asia were lower when compared with the previous quarter.

The respondents to the Q1 survey expect that packaging will be strongest end-market in the coming year. The expectations for automotive demand were steady. The appliances and construction sectors are bouncing off of recent lows. Expectations for demand from the industrial, medical, and electronics sectors slipped when compared with last quarter.



###

The industry and survey analysis that appears in this media report was contributed by Bill Wood of Mountaintop Economics & Research, Inc., a supplier of market analyses and forecasts for decision makers in the plastics Industry. Mr. Wood is a plastics market economist with more than 30 years of experience in industrial market analysis and forecasting. (billwood@plasticseconomics.com)

###

The PLASTICS Committee on Equipment Statistics (CES) collects monthly data from manufacturers of plastic injection molding, extrusion, blow molding, hot runners and auxiliary equipment. A confidential, third-party fiduciary, Vault Consulting, LLC, compiles the monthly data and analyzes individual company data for consistency and accuracy. Once this crucial process is completed, Vault aggregates and disseminates reports to participating companies. If this is something you and your company are interested in please contact Katie Hanczaryk at khanczaryk@plasticsindustry.org or 202-974-5296.

###

Plastics Industry Association (PLASTICS), formerly SPI, is the only organization that supports the entire plastics supply chain, representing nearly one million workers in the \$418 billion U.S. industry. Since 1937, PLASTICS has been working to make its members and the industry more globally competitive while advancing recycling and sustainability. To learn more about PLASTICS' education initiatives, industry-leading insights and events, networking opportunities and policy advocacy, and North America's largest plastics trade show, NPE: The Plastics Show, visit PlasticsIndustry.org. Connect with PLASTICS on [Twitter](#), [Facebook](#) and [LinkedIn](#).