

Business Conditions Survey for the UK Plastics Industry

Jan/Feb 2020

Introduction

Business trends in the plastics industry have much wider implications beyond the confines of the sector. Plastics are used in an extraordinarily wide range of customer sectors: retail, building and infrastructure, automotive, electronics, aerospace and healthcare to name but a few. Hence trends in the plastics industry can be regarded as representative of manufacturing as a whole, if not UK business in general. Therefore, this survey is an excellent barometer of conditions in the grass roots of the UK's manufacturing economy.

The Federation carries out surveys of business trends every six months.

For previous BPF Business Conditions Surveys go to:

www.bpf.co.uk/bcs

Participation

The survey was conducted January – February 2020, with the results published in February.

The survey, which was open exclusively to members of the British Plastics Federation, was completed by 81 firms.

The respondents were drawn from the following plastics industry sectors represented within the BPF:

Plastics Processors	71%
Recyclers	5%
Raw Materials Producers and Distributors	19%
Machinery and Equipment	5%

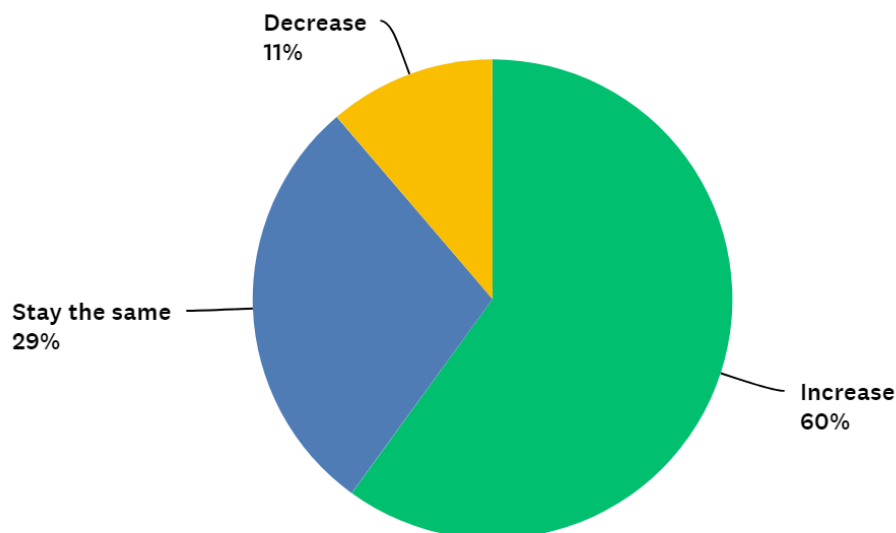
Plastic Industry Market Sectors

Respondents were asked which market sectors their companies supplied into. As is the nature of the plastics industry, the vast majority of companies are supplying into more than one market and the results are shown below:

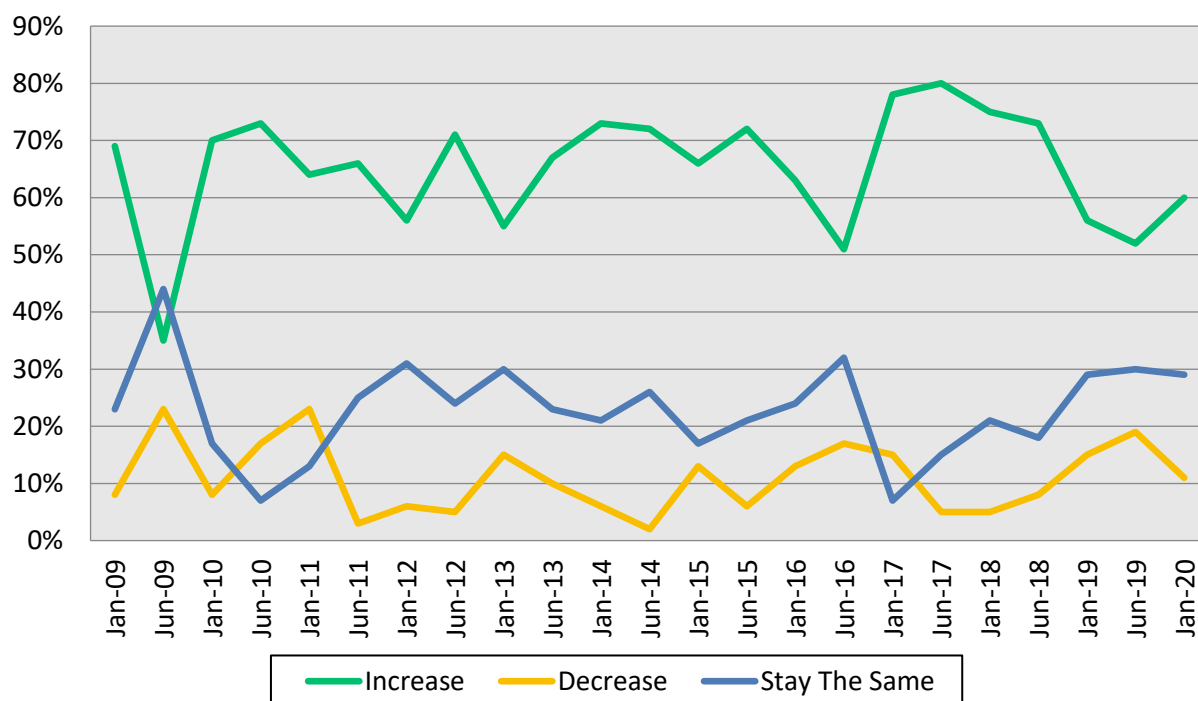
Construction	56%
Automotive	48%
Electrical and Electronic	36%
Packaging	56%
General mechanical goods	36%
Healthcare	36%

Sales Turnover

Percentage of Respondents Predicting Sales Turnover Will 'Increase', 'Decrease' or 'Stay The Same' Over the Next 12 Months



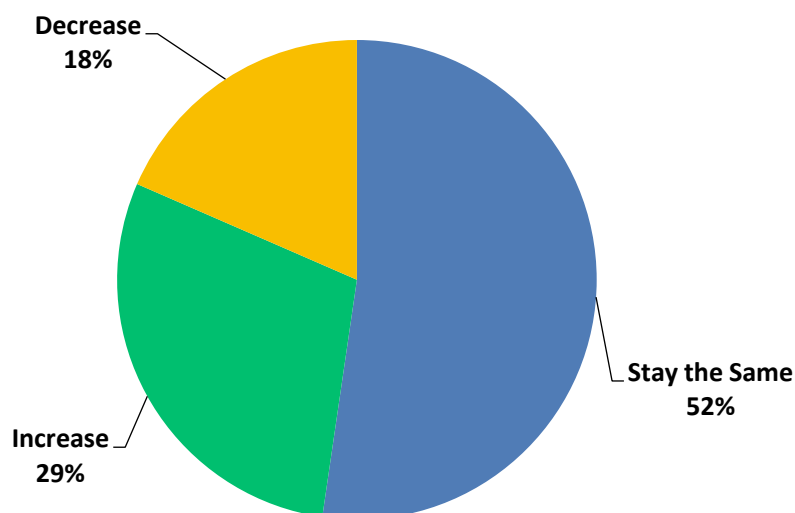
Percentage of Respondents Predicting Sales Turnover Will 'Increase', 'Decrease' or 'Stay The Same' Over the Next 12 Months



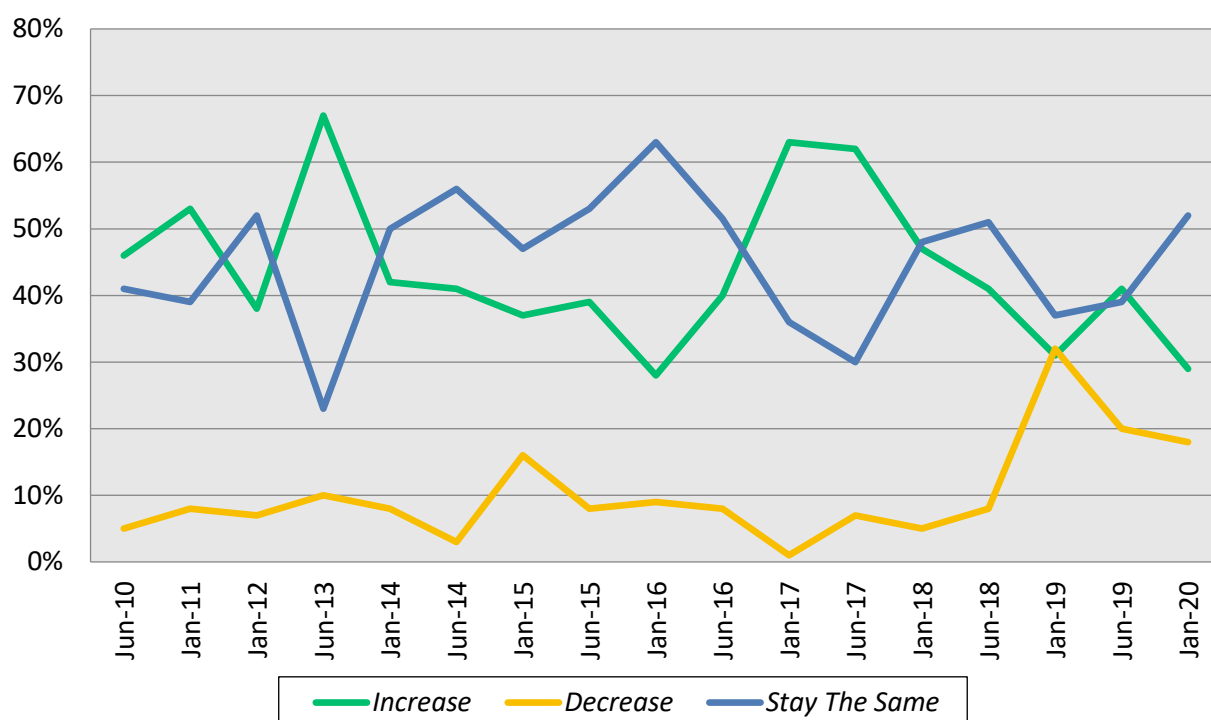
Of the companies stating that they predict sales turnover to 'Decrease' or 'Stay the Same' over half of the companies gave 'Brexit' or more specifically 'uncertainties surrounding Brexit' as the reason.

Export Sales Turnover

*Percentage of Respondents Predicting **Export Sales** Will 'Increase', 'Decrease' or 'Stay The Same' Over the Next 12 Months*



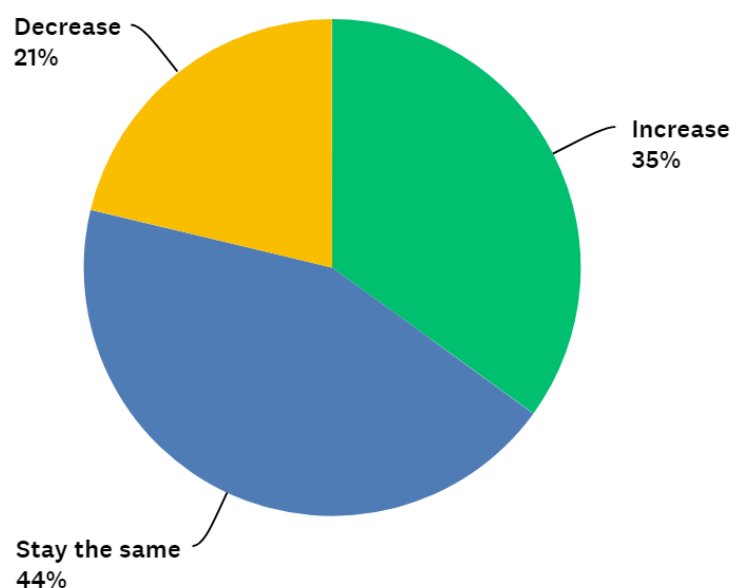
*Percentage of Respondents Predicting **Export Sales** Will 'Increase', 'Decrease' or 'Stay The Same' Over the Next 12 Months*



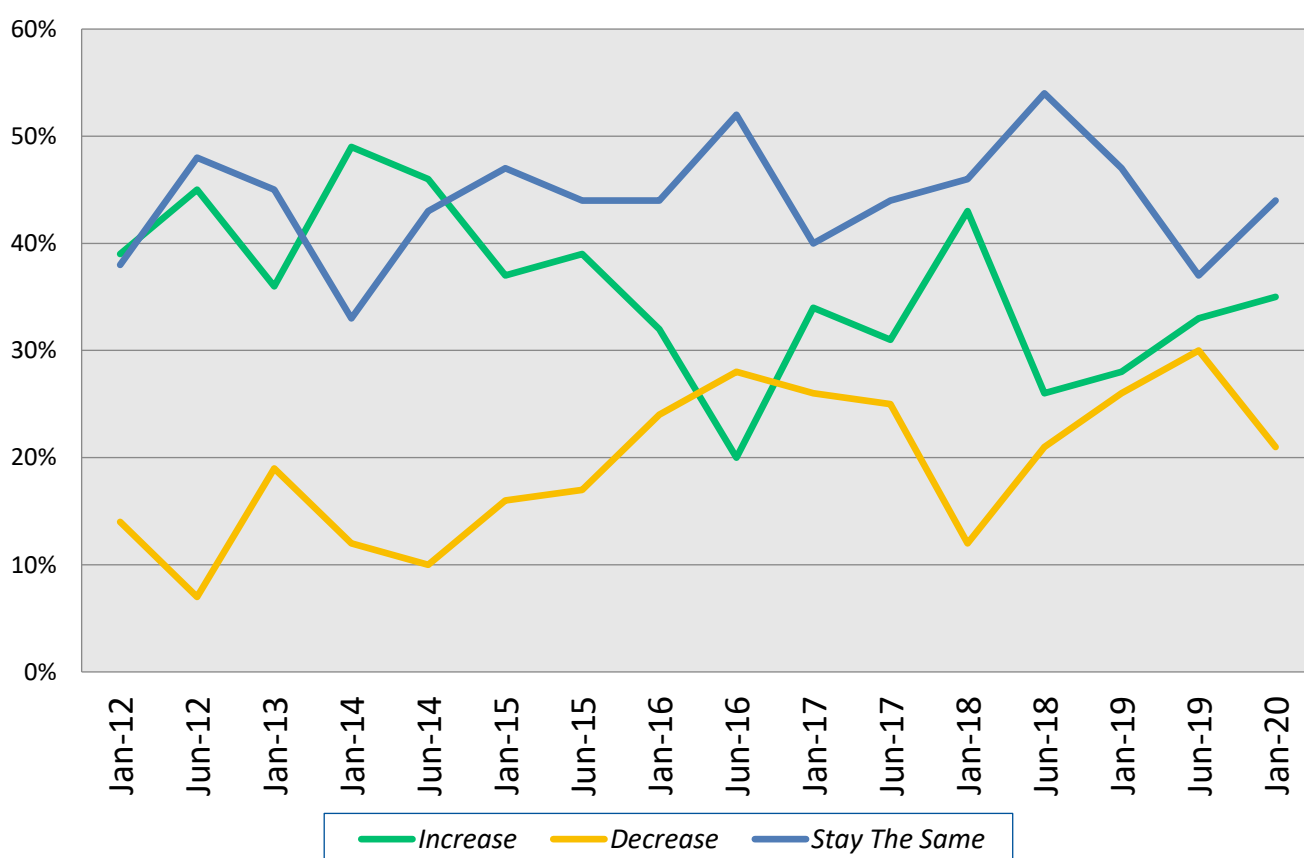
Similarly to the reasons given by companies for sales turnover to 'Decrease' or 'Stay the Same', slightly less than half of the companies given reasons for export sales to 'Decrease' or 'Stay the Same' quoted Brexit as the reason.

Profitability

Percentage of Respondents Predicting **Profit Margins** Will 'Increase', 'Decrease' or 'Stay The Same' Over the Next 12 Months



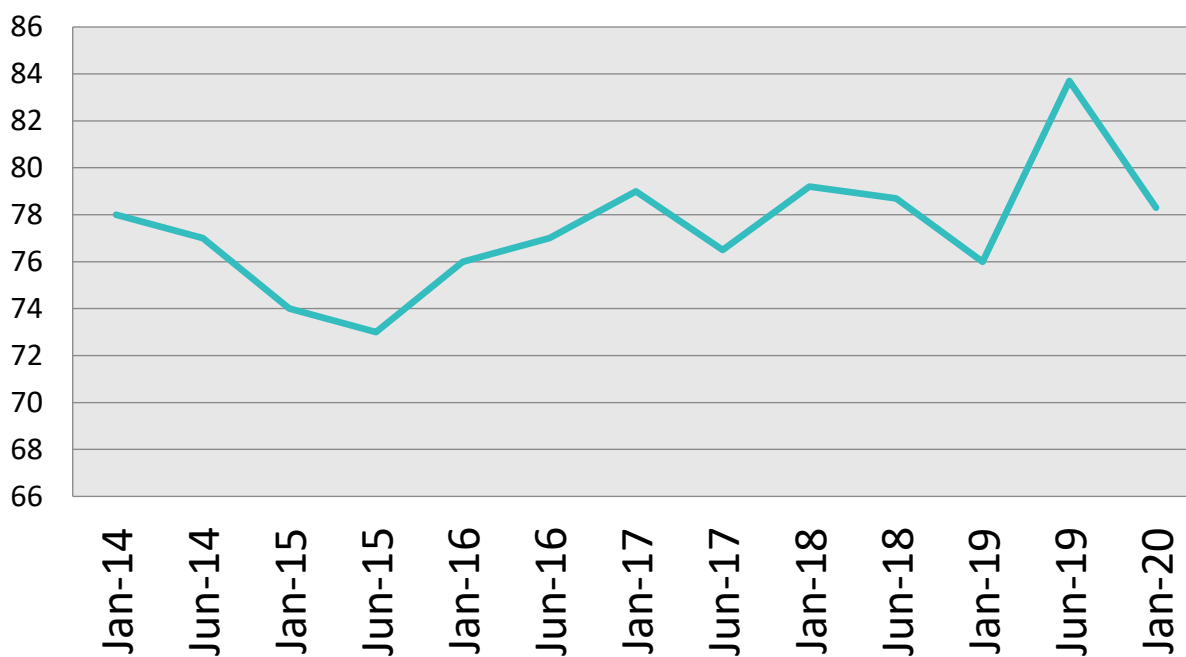
Percentage of Respondents Predicting **Profit Margins** Will 'Increase', 'Decrease' or 'Stay the Same' Over the Next 12 Months (Jan 2012 – Jun 2019)



Capacity Utilisation

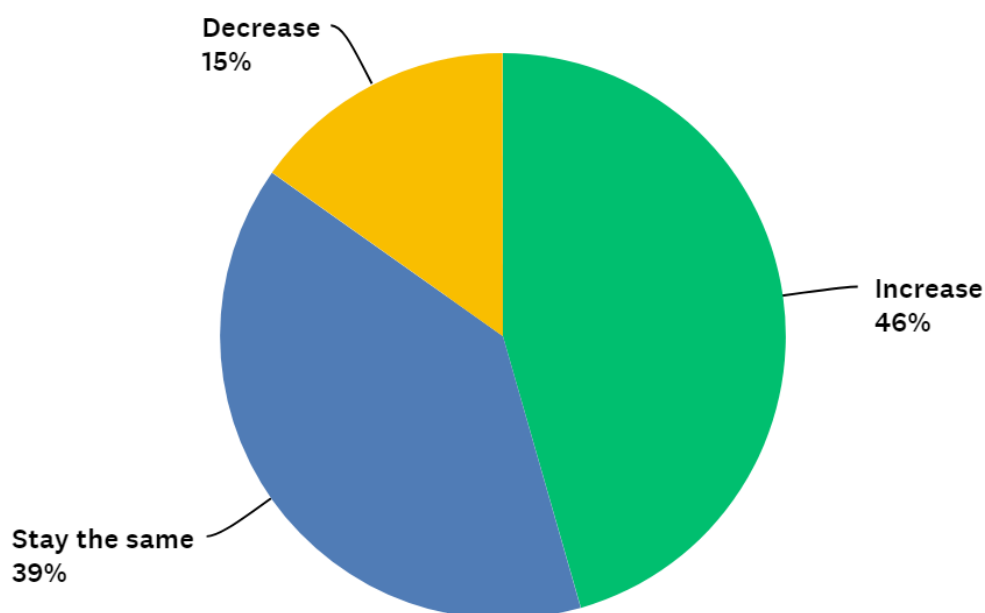
The BPF asked companies how much capacity will be utilised over the next 12 months. Of those that responded, the average predicted capacity utilisation was a record 83.7%.

Average Capacity Utilisation Over the Next 12 Months

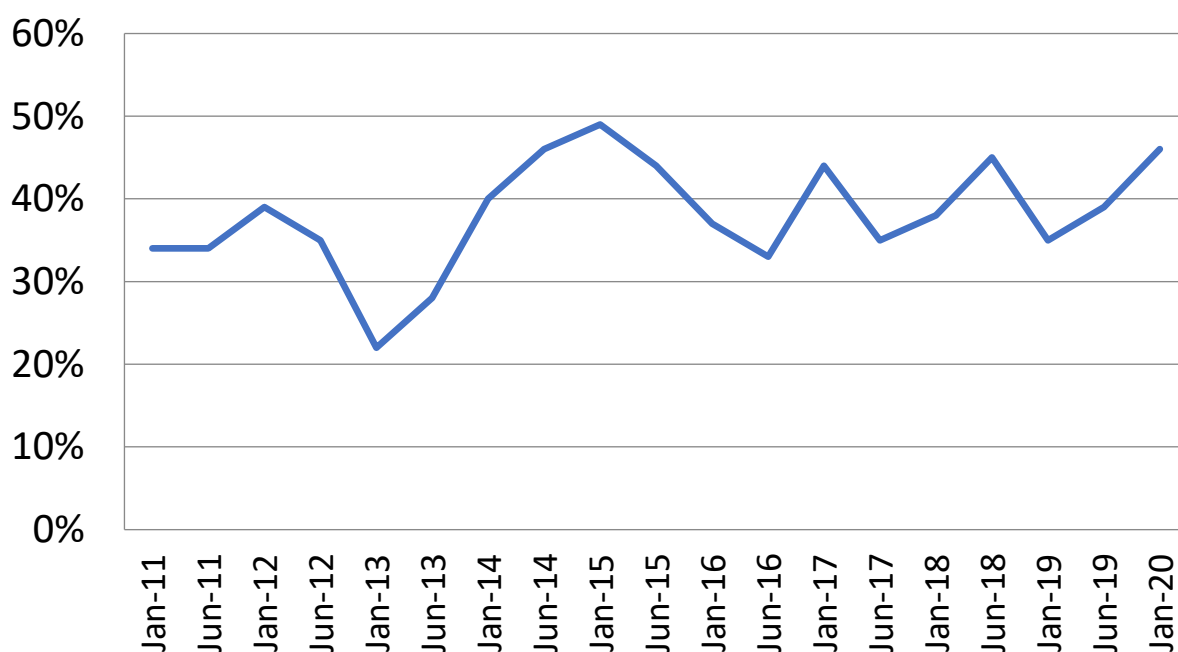


Staffing

Percentage of Respondents Surveyed Looking to 'Increase', 'Decrease' or 'Maintain Staff Levels' in the Next 12 Months

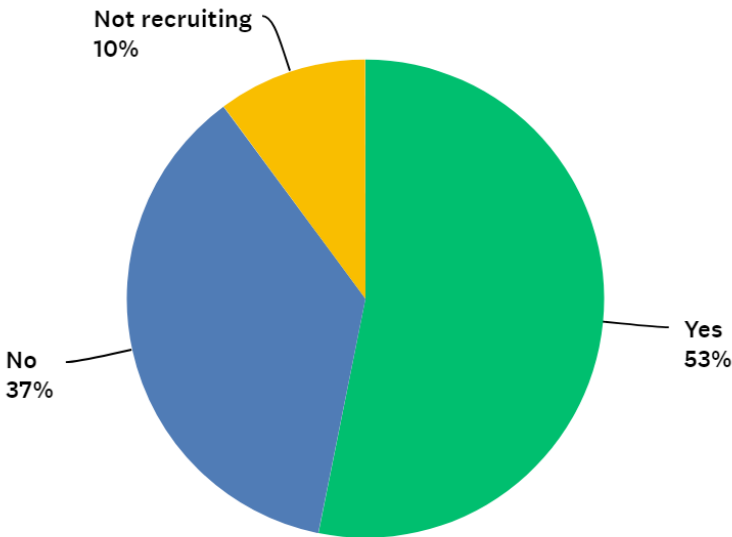


Percentage of Respondents Surveyed Looking to Increase Staff Levels in the Next 12 Months

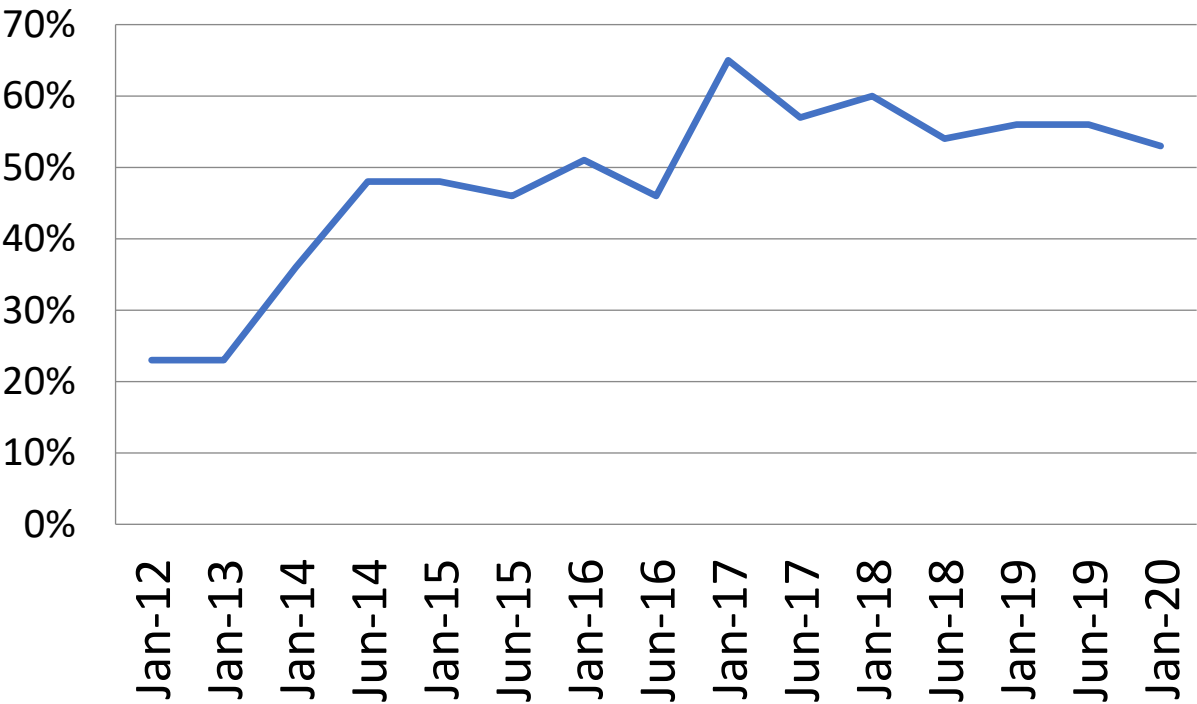


Skills Needs

Percentage of Respondents Who Responded 'Yes', 'No' or 'Not Recruiting' When Asked if They Were Having Difficulty Recruiting Staff



Percentage of Respondents Surveyed Having Difficulty Recruiting Staff

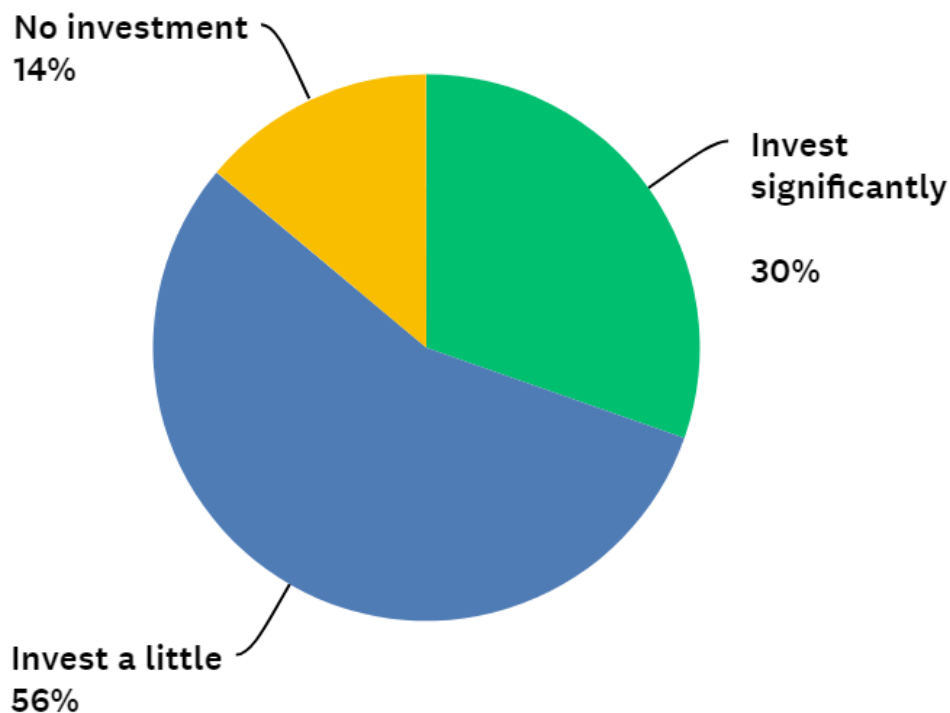


The BPF asked those having difficulties which types of staff were hard to recruit (note people could choose multiple options):

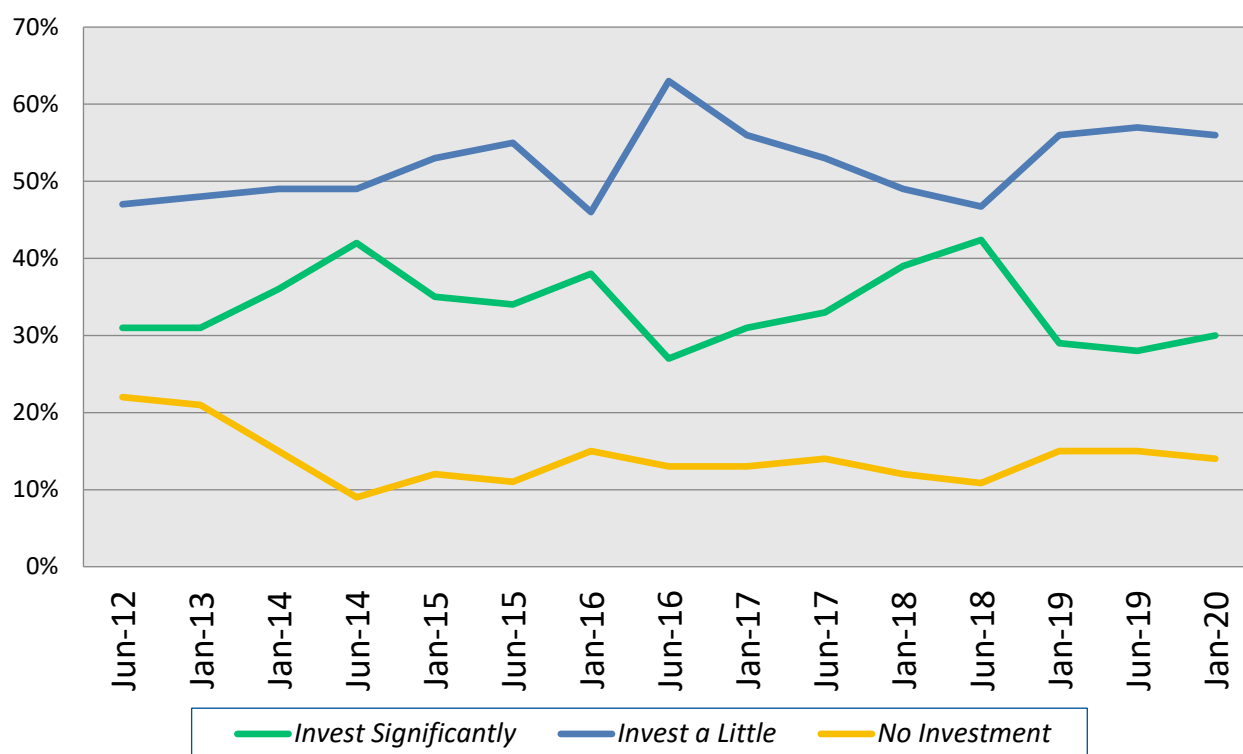
10% Other Management/Supervisory
15% Apprentices
31% Sales Force
17% Technical Managers
54% Shop Floor
50% Engineers

Investment Intentions in Plant and Equipment

Percentage of Respondents Surveyed that Plan to 'Invest Significantly', 'Invest a Little' or 'No Investment' in Plant and Equipment in the Next 12 Months

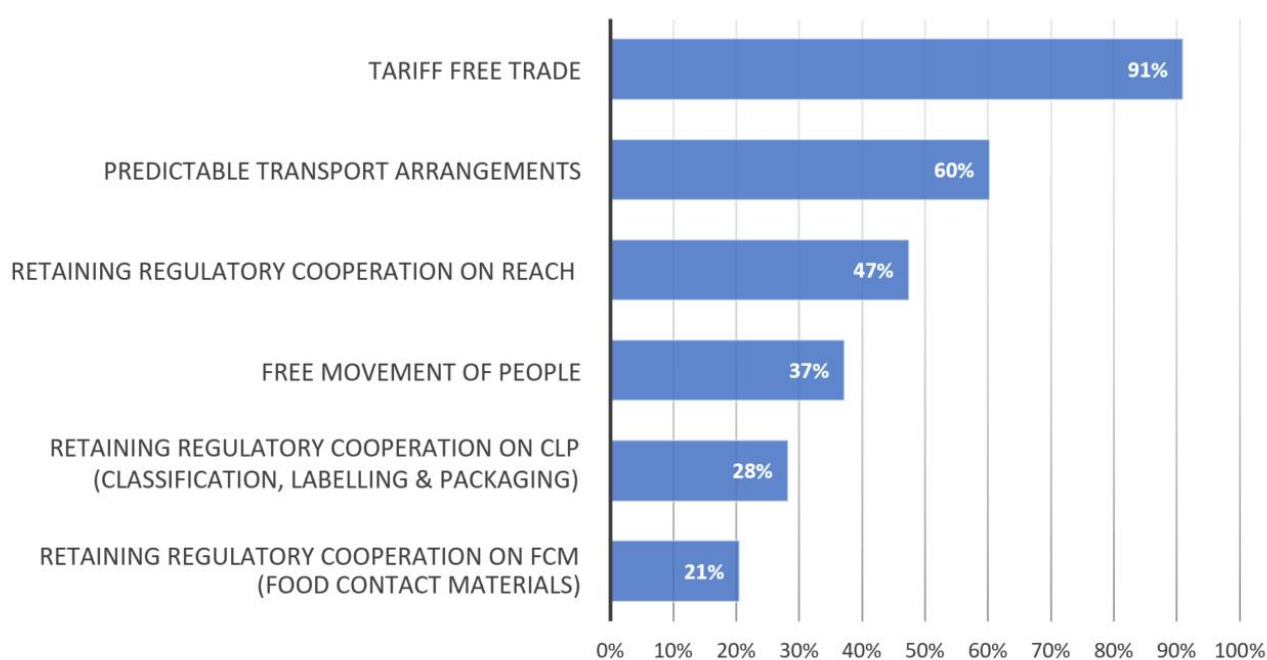


Percentage of Respondents Surveyed that Plan to 'Invest Significantly', 'Invest a Little' or 'No Investment' in Plant and Equipment in the Next 12 Months



Brexit

*What specific areas are most important to your business in a future deal with the EU?
(Note: individuals we allowed to make multiple selections)*





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