Composites Germany

PRESS RELEASE

January 2019 – No. 1/2019

Composites Germany – results of the 12th Composites Market Survey now available

- Less positive rating of the current business situation
- Future expectations continue to be optimistic
- Investment climate still favourable
- Growth drivers remain stable
- Downturn in Composites Index

This is the twelfth time that Composites Germany (www.composites-germany.org) has identified the latest KPIs for the fibre-reinforced plastics market. Again, the survey covered all the member companies of the four biggest umbrella organisations of Composites Germany: AVK, CCeV, CFK-Valley and the VDMA Working Group on Hybrid Lightweight Construction Technologies.
As before, to ensure a smooth comparison with the previous surveys, the questions in this half-yearly survey had been left unchanged. Once again, the data obtained in the survey was largely qualitative in relation to current and future market developments.

Less positive rating of the current business situation

The assessment of today's general business situation continues to be largely positive. For some of the regions, however, there has been a noticeable downturn. Globally, 88% of respondents viewed today's current situation as positive or even highly positive. The region of Germany, on the other hand, was viewed far more critically, and its current situation attracted a positive rating from only 69% of respondents (see Fig. 1). In the last survey, taken about six months ago, the situation was considered to be positive by 79%.

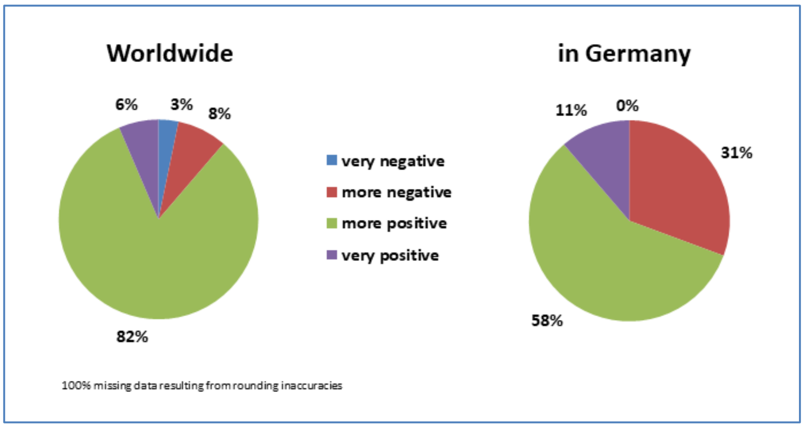

Fig. 1: Rating of the current business situation

Differences can also be observed in ratings of the current situations of the respondents' own companies. Here, too, today's business situation in Germany was assessed as more negative than the situation worldwide (see Fig. 2).

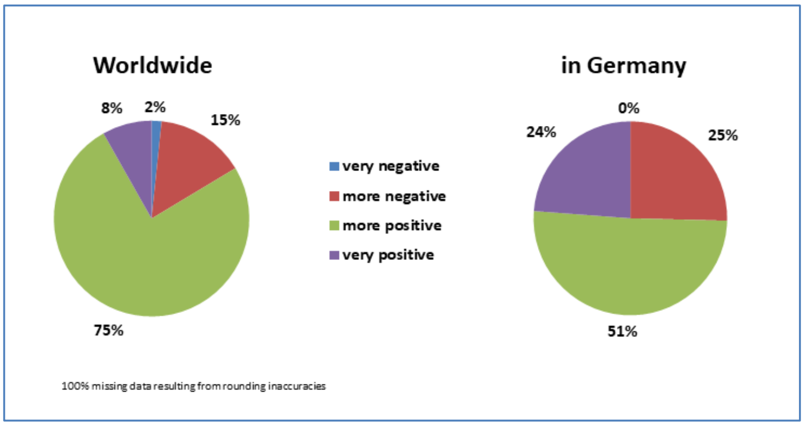

Fig. 2: Assessment of companies' own business situations

Future expectations continue to be optimistic

A similar picture emerged for future expectations on the business situation in general and on the developments of the respondents' own companies. General expectations continue to be positive, but the data is showing a downturn in several regions. Whereas, in the last survey, over 30% of respondents still believed that their own business activities would improve in all three regions covered by the survey, this figure is now considerably lower in parts of the survey. Nevertheless, despite this decrease, the general mood continues to be positive. Figure 3 shows the respondents' expectations on their own business development for the next six months.

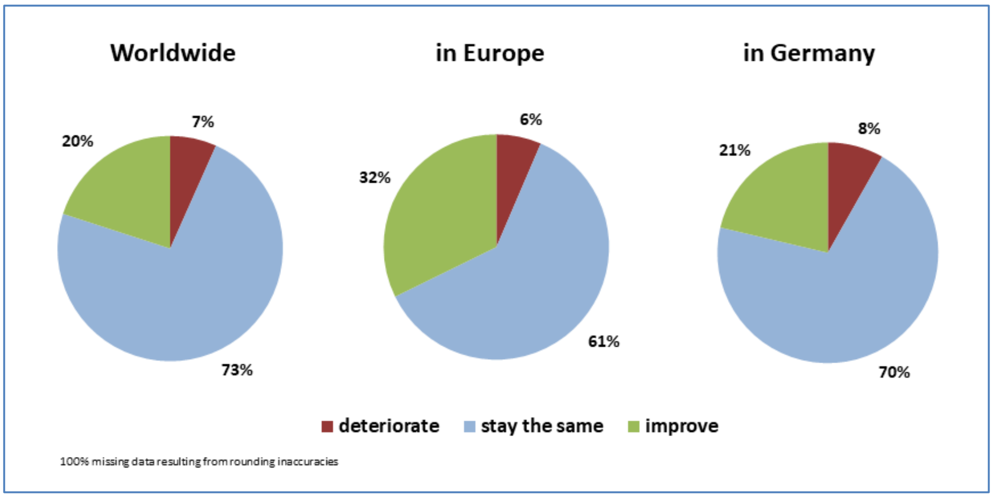

Fig. 3: Development of own business situation (next six months)

Investment climate still favourable

The survey covered two indicators describing the investment climate (capital investment and HR planning), and both continued to be positive. Only 7% of respondents think their workforce will have to be reduced, while 43% believe they will need to employ new staff (Fig. 4). 38% of all respondents agree that their companies are likely to become more involved in composites. None of the respondents are expecting a reduction in their involvement.

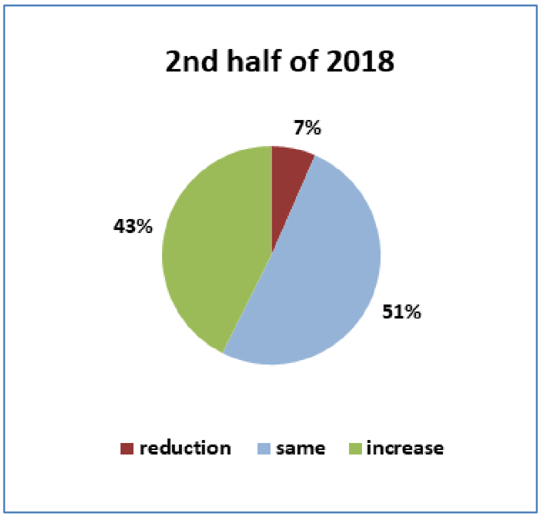

Fig. 4: Expected HR planning

Growth drivers remain stable

When it comes to growth drivers in the composites market, only minor changes can be observed. The two traditional sectors of application – automotive and aviation – continue to be the areas which are expected to stimulate growth on a major scale. Over the last few years two further sectors have increasingly been regarded as growth stimulants: infrastructure and construction, on the one hand, and mechanical engineering, on the other.

As for materials, CRP (carbon fibre reinforced plastics) continues to be the number one growth driver. Geographically, Asia is still the dominant region from which considerable growth stimuli are expected. However, the number of times it is mentioned has gone down in favour of the German and North American markets.

Downturn in Composites Index

Although, fundamentally, assessments continue to be highly positive concerning the current and future business situations (both generally and for individual businesses), the Composites Development Index has clearly declined in nearly all segments (Fig. 5).

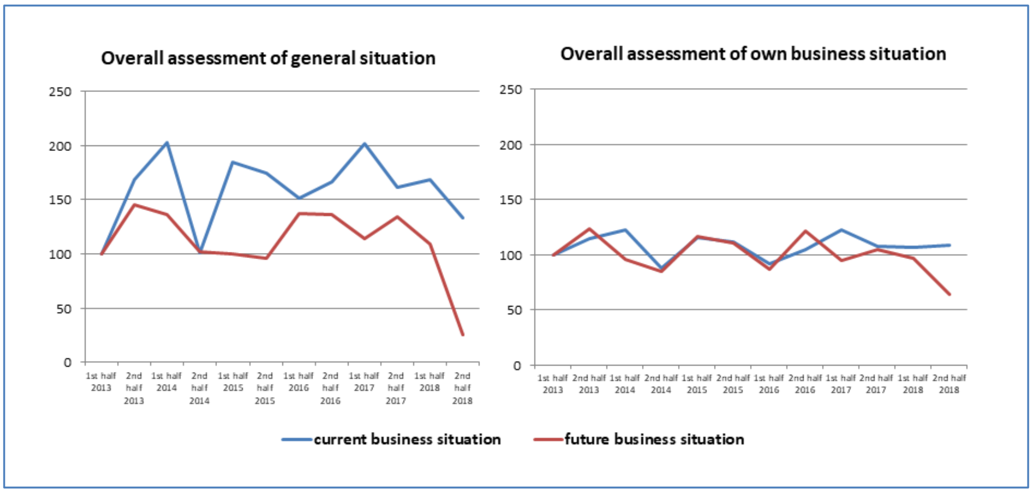

Fig. 5: Composites Development Index

Expectations and ratings are almost always less positive than in recent surveys. Yet it should not be overlooked that many of the individual indicators continue to show a generally good level of satisfaction. When the survey was first started, it was obvious that the industry was feeling extremely positive, whereas we can now observe a slight downturn in this mood.

However, a clear upward trend can still be observed for investment climate indicators (machinery and HR investments).

Nevertheless, the weakening of the index must be taken seriously, as it shows dissatisfaction in the industry, particularly with Germany as a location for industry – unlike the wider European and global market environments which received far more positive ratings. This shows a need to create suitable incentives and inducements, so that the industrial environment can pick up again. In the medium term it will be interesting to see whether the downturn will continue or whether things will improve again at the start of this year. Some major impact can undoubtedly be expected from a range of general economic developments, such as Brexit and U.S. customs policies.

The next Composite Market Survey will be published in July 2019.

Press enquiries: Composites Germany, Dr. Elmar Witten,

Tel. +49 (0)69/27 10 77-0, E-Mail: elmar.witten@composites-germany.org; www.composites-germany.org

About Composites Germany

With their trade association "Composites Germany", the four strong organizations in the German fiber composite industry want to strengthen the German composite industry particularly in the field of research, determine common positions and take overlapping interests into account.

AVK- Federation of Reinforced Plastics e.V., Carbon Composites e.V. (CCeV), CFK Valley (CFK-Valley) and Working Group Hybrid Lightweight Technologies in the VDMA (VDMA) are bundling their powers to further the future oriented themes high performance composites and automated production technology which are particularly relevant in Germany.

Further information available at: http://www.composites-germany.org