



Press Release

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W&P/EuPC Study: Competitiveness threatened, but European Plastics Converters staying ahead of the pack thanks to Innovation and Efficiency

How competitive is the plastics converting industry in Europe? Most European companies are currently under pressure from players in the Asian or Turkish markets. Fresh competitors from North Africa and the Middle East are also heating up global competition. Furthermore, homemade threats including legislative and tax related guidelines in EU countries and a lethargic implementation of EU regulations are significantly impeding business. Especially in Germany, France and Benelux, mid-sized family owned companies are affected and need to act fast. In addition, these players are being hit by a shortage of skilled labor, which is substantially hindering innovation.

These are the conclusions reached in the study “Competitiveness of the European Plastics Converting Industry”, conducted by Dr. Wieselhuber & Partner (W&P) in collaboration with the European Plastics Converters (EuPC) Association. The results of the study provide concrete suggestions for companies striving to improve competitiveness and securing their future.

More than 300 companies in the plastics converting industry in 19 European countries participated in the survey that was conducted for the study. The survey helped to analyse issues such as competitive environment, legislative conditions, the supply situation and relevant sales markets. The results demonstrate that domestic laws (for instance on energy taxation) or EU guidelines (such as REACH or Food Contact Materials) lead to bureaucratic overhead and thus to increased costs. These impediments place European companies at a distinct disadvantage compared to the global competition. *“Small and mid-sized companies have pretty much maxed out improving efficiency as a way to compensate for these massive cost increases,”* explains Dr. Stephan Hundertmark, author of the study and industry expert at W&P. *“This makes it more difficult for them to invest in innovative and customer specific product solutions - once a pillar of competitive advantage.”* At this time the European plastics converting industry is still benefiting from close networking with polymer manufacturers regarding innovative materials as well as from partnerships with suppliers in machine and



process technology. In this context, European plastics converters continue to be a key driver of innovation in customer industries.

Despite future challenges, European plastics converters are convinced they will continue to maintain an edge in the international market – provided they address customer needs with innovative solutions and maintain efficient processes. Based on the outcome of the survey as well as complementary interviews with experts, industry specialists at W&P have identified the following strategic levers that in the long run will ensure competitiveness in Europe's plastics converting industry:

- Asset investments with a focus on replacement, efficiency and capacity expansion
- Constant striving for efficiency
- Focus on innovation and quality
- Customer proximity as a competitive advantage
- Growth through business expansion within the EU
- Review of the corporate strategy if business evolution cannot cope with market revolution

Additional information is available upon request.

Dr. Wieselhuber & Partner is an experienced professional management consultancy for companies of all sizes in a wide range of industry sectors. We put a focus on strategy implementation, optimization of capital resources, structural financing, leadership management, innovation and new business, sales and marketing, digitalization, operations as well as restructuring and reorganization in order to support the top management and eliminate corporate crises.

European Plastics Converters (EuPC) is the EU-level Trade Association, based in Brussels, representing European Plastics Converters. Plastics converters (sometimes called "Processors") are the heart of the plastics industry. They manufacture plastics semi-finished and finished products for an extremely wide range of industrial and consumer markets - the automotive electrical and electronic, packaging, construction and healthcare industries, to name but a few.