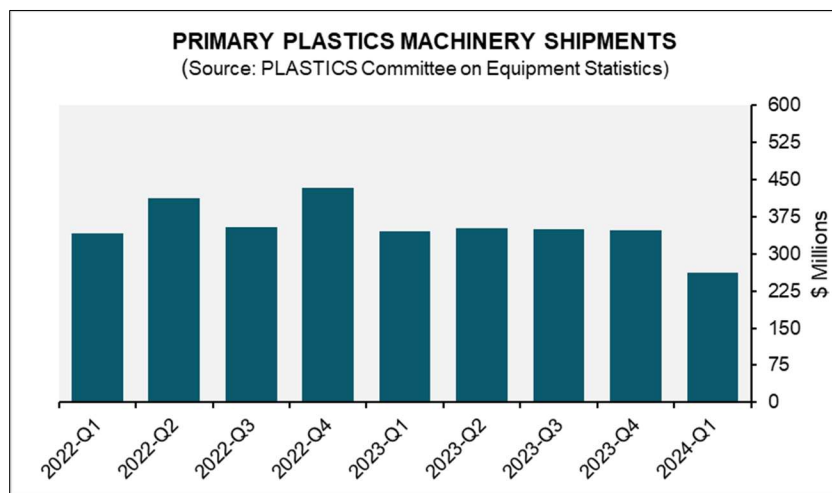


Insights from Q1 2024: Trends and Outlook in Plastics Machinery Shipment

The Plastics Industry Association's Committee on Equipment Statistics (CES) released the Q1 2024 shipment data for primary plastics machinery in North America, covering injection molding and extrusion. Initial estimates indicate a shipment value of \$261.9 million, reflecting a 24.8% decrease from the previous quarter and a notable 24.2% decrease year-over-year (Y/Y).

Within the primary plastics machinery domain, single-screw extrusion witnessed a significant 47.7% decrease in quarter-over-quarter (Q/Q) analysis and a 23.4% decrease Y/Y. Twin-screw extrusion also experienced a comparable 7.0% decrease Q/Q and a more substantial 17.0% decrease Y/Y. Conversely, injection molding shipments fell by 33.8% Q/Q but encountered a 24.9% Y/Y decline in shipment.



Perc Pineda, Chief Economist at PLASTICS, commented, "It is common to see lower shipments in the first quarter of each year. Long-term data confirms this consistent pattern. Accounting for such seasonality, shipments decreased by 8.5% quarter-over-quarter." He further noted, "This time, plastics machinery suppliers reacted in alignment with the overall pullback in the macroeconomy and a still high-interest-rate environment." In the first quarter, U.S. output measured by Gross Domestic Product (GDP) slowed to 1.6% on a seasonally adjusted annual rate following 3.4% and 4.9% GDP growth rates in third and fourth quarters last year.

Results from the latest CES quarterly survey showed a high percentage (74.4%) of participants anticipating steady or improved market conditions over the next twelve months. Moreover, almost half (48.9%) of participants indicated an increase in quoting activity compared to 17.1% of participants in the previous survey.

In Q1 2024, U.S. total exports of plastics equipment fell by 7.4%, while imports surged by 7.0% from the previous quarter. Mexico and Canada once again emerged as the top export markets, jointly accounting for \$191.4 million in exports, which represents 47.9% of total U.S. plastics machinery exports globally.

Pineda remarked, "While still strong, the U.S. economy is poised for another year of growth, albeit at a slightly lower rate. However, growth in housing is hampered by higher borrowing costs, which also applies to higher capital expenditure financing in the business sector, including equipment investment in plastics

manufacturing." He added, "Manufacturing holds significant potential for growth, currently hindered by prolonged inventory adjustments and the rebalancing of consumption between goods and services."