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For immediate release

BPF SURVEY SHOWS RISING CONFIDENCE IN THE PLASTICS INDUSTRY

A record 108 BPF member plastics companies responded to the latest British Plastics Federation Business Conditions Survey conducted in January.

Peter Davis Director-General of the BPF commented "the Survey clearly shows rising confidence particularly on 2014 UK Sales turnover with 73% predicting an increase and 49% expecting profitability to increase. 40% are planning to increase staff".

"51% of companies are utilising 80% plus of their production capacity but only 36% plan to invest in plant and equipment significantly, a rather low figure when there must be a need to expand and re-equip after the recession to meet rising demand. But perhaps it reflects the survey finding a lot of unused capacity".

Peter Davis noted that companies are experiencing increased difficulty in recruiting staff. "70% found Technical Managers hard to recruit and it seems sales staff are also difficult to find".

There was a brighter story on apprentices with 66% of companies employing apprentices compared to only 37% in the Survey a year ago. Peter Davis said "it's encouraging to see 64 companies employing 232 apprentices. It's an investment in the future. But the Survey also shows some companies finding it hard to recruit apprentices".

On the risk of power cuts in the next few years 43% of companies were very concerned, 25% had plans or equipment to avoid power cuts. Peter Davis said "a worrying 51% of plastics companies said the risk of power cuts could affect their UK investments. The Government must speed up replacement of de-commissioned power stations; invest in more gas storage and Energy from Waste".

Key points from the Survey

(more sector detail is in the attached report)

UK Sales Turnover

73% forecasted an increase in 2014 up on our June 2013 survey (67%) and January 2013 (55%). 21% were expecting no change and 6% a decrease.

Export Sales Turnover

50% expected no change in 2014 export sales. 42% expected Export sales to increase and 8% expected a decrease.

Profitability

49% expected profitability to increase in 2014, up on the June 2013 survey (41%). 39% expected no change and 12% a decline.

Capacity Utilisation

10% are operating at full capacity and a further 41% at 80% plus capacity. 35% are operating at below 70% capacity.

Staffing

52% planned no change in staffing levels. 40% plan to increase staff substantially, up on our June 2013 survey (28%). 7% expected to reduce staff.

Most companies had a 2-3% average pay settlement for 2014 but 12% were awarding no increase, an improvement on our survey a year ago where 23% gave no increase.

Apprentices

66% are employing apprentices in 2014 up on our survey a year ago (37%).

64 companies will employ 232 apprentices 33 companies are employing none.

Skills Needs

44% had no difficulty recruiting staff, 36% were having difficulties, and 20% were not recruiting. This is a marked change on a year ago where our survey found 64% had no difficulty recruiting and 23% were having difficulties. It indicates a growing skills shortage.

Firms were finding it hard to recruit Technical Managers, Sales Force and other Management and Supervisory staff.

New Bank Lending

A large majority of companies were not having difficulties obtaining loans or being refused credit. 28% complained of high bank charges.

Investment intentions for Plant and Equipment

In 2014 49% of companies will invest a little, 36% significantly.

Threats to Energy Supply

43% were very concerned, 42% a little. Only 25% had plans or equipment to avoid power cuts. 51% said the risk of power cuts could affect their UK investments.

32% said it would not.

ENDS

For all media enquiries, BPF logos and images please contact Laura Hindley, Communications and Industrial Issues Executive on lhindley@bpf.co.uk or 0207 457 5043.

Notes for editors:

The British Plastics Federation (BPF) is the UK trade association for the plastics industry – representing the whole supply chain including polymer producers, distributors, additives suppliers, machinery manufacturers, processors and recyclers.