BPF Business Conditions Survey

Conducted January 2010

Respondents: 64 companies

- Plastic Processors 66%
- Polymer Producers & Reprocessors 6%
- Additives, Masterbatch, Compounders 13%
- Polymer Distributors & Compounders 9%
- Machinery & Equipment 6%

1. **UK Sales Turnover for 2010**

   It should be noted that many respondents pointed out that Sales Turnover declined in many sectors in 2009 by 15-40%. Therefore, the Survey’s results should be seen against that background.

   The survey does clearly show some recovery taking place, but not recouping the substantial falls in volume last year.

   70% of all respondents were forecasting an increase in sales turnover this year. 23% expected a 2-5% increase, 25% a 6-10% increase and the remainder over 11%.

   This is a reversal of the situation a year ago when our survey showed 69% of respondents expected a decrease.

   17% expected turnover to remain the same and 8% expected a decline.

2. **Export Sales Turnover**

   44% expected Export Sales to increase in 2010. 17% predicted a 5-10% increase, 16% an 11-20% increase and 10% and increase over 21%. Reasons given were the favourable exchange rate, some recovery in overseas markets and new business.

   Confidence was particularly high amongst moulders.

   This is a marked improvement on a year ago when only 27% of respondents expected Export Sales to increase.

   31% of respondents expected Export Sales to remain the same and 4% expected a decrease. The remainder expressed no view and may not be exporting much.

3. **Staffing in 2010**

   Many respondents pointed out that during 2009 they had reduced staff levels substantially and many had introduced short time working.

   59% of respondents expected their staffing levels to be unchanged in 2010.
31% of respondents plan to increase their staff:

- 17% by 2-5%
- 13% by 6-15%
- 1% by more than 15%

Only 6% planned to reduce staff, compared to 56% in our survey last year.

4. **Credit from Banks**

**Obtaining Credit**  This was not a problem for 75% of respondents, but it was for 17% (29% a year ago).

**Refusal of Credit**   Not a problem for 67% of respondents, but it was for 8%.

**High Charges**   Not a problem for 41% of respondents but it was for 36% (42% a year ago).

5. **Credit Insurance**

Obtaining Trade Credit Insurance continues to be a problem for 56% of respondents.

Respondents spoke of: credit limits a key issue; onerous terms and conditions; sectors such as construction almost blacklisted; failure of the Government scheme.

Only 27% of respondents did not have problems securing credit insurance.

6. **Priorities for Plastics Companies in 2010**

Respondents were asked to choose from a list, of eleven company policy areas, their top priorities for their company in 2010.

The **highest priorities** were, in order:

1. Finding new business
2. Greater Manufacturing Efficiency
3. Preparing for the Upturn
4. Greater Energy Efficiency
5. Staff Training.

In our survey a year ago the priorities were similar except staff training was lower down the list.

23% of respondents had seeking Export business as a top priority but many others did not rank it highly.

At the bottom of respondents priorities were: environmental issues; energy costs; new investments; research and development.

Peter Davis
Director General

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