• Increased demands by OEM customers, a lack of technical personnel and reshoring from Asia are key trends impacting the injection molding industry.

• On average, the injection molding sector has expanded in the range of 4-5 percent per year since hitting bottom during the recession – with expectations this growth will hold steady for the foreseeable future.

• The automotive, electronics, appliance and technical molding markets dominate northern Mexico as multinational OEMs have set up production.

• Reshoring may be exposing a coming tooling shortage at time when new cars require more molds and dies – which could prove to have a significant financial impact on injection molders serving the automotive industry.

• Sales of injection molding equipment have been on the rebound since the end of 2008-2009 – a benchmark for the economic health and direction of the industry.
Inside this report:

This report provides in-depth analysis of current trends and their financial impact on the injection molding industry in North America.

Relying on primary and secondary research, the report also examines the impact of automation, machinery, technology and the skills gap on injection molders’ financial status.

Economist Bill Wood provides an economic forecast that examines current trends in key end markets.

We review 77 leading companies in the injection molding industry, interviewing many of their executives and assessing their growth initiatives and performance metrics over 10 years, including sales revenues, throughput, plants and presses, employment and materials processed.

In addition, exclusive interviews with five industry thought leaders offer competitive insight on key trends and issues impacting injection molders today.

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Other PN Market Reports

Flexible Packaging Market Outlook
Released: December 2013

Plastics in Building & Construction
Released: January 2014

Mold Making & Tooling Market Outlook
Released: January 2014

Statistical data contained in this report is compiled by primary and secondary research and in-house analysis by Plastics News’ team of experts.

To view our complete library of market reports and data products, please visit: www.plasticsnews.com/data

Look for our June report:
Shale Gas Market Trends & Analysis
INJECTION MOLDING
MARKET OVERVIEW
Growth, opportunity in sight for injection molders in 2014

Everything from materials and machinery to labor and new technology has an impact on the financial outlook of the injection molding industry.

North American injection molders have had to tighten their belts and become more competitive to weather the recession of 2008-2009. Today, molders are gaining a competitive advantage by investing in people, equipment and seeking inroads into new markets on a global scale.

In the wake of the economic turbulence earlier in this decade, molders today find themselves in much better shape. To survive, they lowered their costs structures during the recession and have maintained their labor costs since the downturn. Profit margins thus expanded and lower interest rates have allowed firms to lighten their debts and generate cash.

As the third largest manufacturing industry in the United States, the plastics industry has an undeniable impact on the economy, according to Society of the Plastics Industry economist Bill Wood, who says: "Six percent growth has barely moved utilization. Companies are investing and buying equipment but not hiring more employees."

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- Bill Wood, economist

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THIS REPORT INCLUDES Q&A INTERVIEWS WITH INDUSTRY THOUGHT LEADERS ...

Executive Spotlight | William Carteaux

President & CEO, Society of the Plastics Industry

SPI President and CEO William Carteaux began his tenure at the association in February 2005. He came to SPI from Demag Plastics Group, where he was named president and chief executive officer of the Americas and co-executive managing director of the global business in 2002. Carteaux previously served as the company’s executive vice president. Prior to joining Demag, Carteaux spent eight years with Autojectors, a manufacturer of vertical injection molding machines, including four years as its president. He had been actively involved as an SPI member, taking on numerous leadership roles for more than 15 years.

While a member, Carteaux served as the chairman elect of SPI when he assumed leadership roles for more than 15 years.

He currently serves on the Board of Directors for the Council of Manufacturing Associations at the National Association of Manufacturers. He has a BA from Purdue, where he has received an MBA from Indiana Wesleyan University in 2009.

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From my perspective, when you look at some of those numbers, the consumption overall in the U.S. and per capita continues to go up, and if you dig into the numbers you can see that. We are right at pre-recession levels overall. When we come out with the 2013 numbers, we believe that will happen.

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AN OVERVIEW OF RESIN PRICES ...

Resin prices remain stable at start of 2014

Resin prices remained stable in early 2014, due to the stability of oil pricing.

"Resin is the major cost of most products we manufacture so some stability or a downward trend is great," said EvoPresident Dale Evans.

During the first quarter of 2014, polyethylene prices were flat, even though regional

FINANCIAL ANALYSIS FROM ECONOMIST BILL WOOD ...

Wood: Molders should expect variance in rate of expansion

In the spring of 2014, the current recovery in both the plastics industry and the overall U.S. economy celebrated its fifth anniversary.

The official data show that the plastics industry in the U.S. hit its bottom in the Great Recession in May 2009. Since that time, the output levels of the injection molding sec-

NOTE: Additional raw data from charts in this report are offered as part of an optional MS Excel package.

FINANCIAL OVERVIEW, INCLUDING M&A TRENDS ...

Could 2014 be the year to buy or sell?

For injection molders, and the plastics industry overall, 2014 may prove to be the year to finally get off the fence and sell or make a strategic acquisition to improve your company's regional or global footprint.

According to PMCF recent, key transactions in this segment include:

- February 2014 - CentriTech AG, based in Sowerny, Germany, agreed to acquire Fairlawn, Ohio-based Veonix Technologies Inc. from the Carlyle Group for an

- February 2013 - St. Petersburg, Fla.-based Jabil Circuit Inc. agreed to acquire Nynors Inc. from the company’s ESOP for $665 million. The acquisition expands Jabil's $17 billion contract manufacturing operations into the
AUTOMATION AND ROBOTICS TRENDS...

Industrial robotics making mark on injection molding

The injection molding industry taps an array of skills in its production and covers a diverse range of products, and with such unique requirements for skilled positions, labor has been a key concern among molders and remains an issue in 2014.

According to economist and plastics specialist Bill Wood, the skills gap presents a real threat to the injection molding sector of the plastics industry.

"From what I have seen, companies more expected projections. "The never-ending improvements in performance, quality and competitiveness of robots have generated a thrust at the basis of such success," Baroncelli said. Baroncelli added that demand for industrial robotics is in the recruiting business as well as the plastics industry consulting firm, said he can’t invest in automation because they don’t have the labor to grow.

"If they are able to invest, they can put their money in automation," he said. "It also may push them to locate in areas where there is a good labor force."

In the last few years, businesses have moved to places where there are relatively more technical people that they can hire, including the Southeast and Mexico.

THE SKILLS GAP AND ITS IMPACT ON INJECTION MOLDERS...

Labor, skills gap remain issues for molders

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PROFILE OF 77 LEADING INJECTION MOLDERS...

Tech Molded Plastics