

Domestic Demand for Plastics Industry Products Reaches Record-Setting Level U.S. Plastics Manufacturing Industry Considered Major Player in World's Economy

WASHINGTON - Domestic demand for plastics industry products grew at a recordbreaking pace in 2013, reflecting the value of manufacturing to the U.S. economy, a report released today by SPI: The Plastics Industry Trade Association said. The U.S. plastics manufacturing industry is a \$374-billion sector that employs 900,000 men and women with representation in each of the nation's 50 states.

The 2014 Global Business Trends report, which will be discussed in detail during a webinar Dec. 10, 2014, indicates that the domestic demand for plastics industry goods grew 6.5 percent, from \$251 billion in 2012 to \$267 billion in 2013. The previous high was \$262.6 billion in 2006.

“Surpassing previous consumption levels confirms that the U.S. plastics manufacturing industry is a major player in the world's economy,” said William R. Carteaux, SPI's president and CEO. “While U.S. exports of raw materials continue to show profitability thanks in part to increases in shale gas supplies, domestic demand holds the key to a wealth of job growth and economic benefits for firms that invest in the nation's manufacturing renaissance.”

The U.S. resin trade surplus has grown in dollar terms, falling off slightly during the 2008-2009 recession, and again in 2012-2013 because of strength in the U.S. economy relative to the rest of the world. The U.S. manufacturing trade balance has improved in part due to “reshoring” or the return of manufacturing operations that had been “offshored” to other countries. In addition, the U.S. has become more competitive in four main respects: low wage inflation, a lower-valued dollar, high productivity and abundant energy.

Meanwhile, exports resumed growth in 2013, recording a 2.7 percent increase across most sectors (resins, plastic products and molds), excluding machinery. However, machinery sales and exports historically expand on a triennial basis in conjunction with NPE, SPI's premiere international plastics showcase. NPE2015 is scheduled March 23-27, 2015, in Orlando, Fla.

Because of the flourishing domestic market, more production was needed in 2013 to meet the demand. The ratio of industry exports to domestic shipments fell from 22.2 percent in 2012 to 21.5 percent in 2013, another sign of an improving U.S. economy.

As has been the case in recent years, Mexico and Canada remain the U.S. plastics industry's largest export markets, with \$14.9 billion in exports going to Mexico and \$12.5 billion to Canada in 2013. The industry had its largest trade surplus with Mexico in 2013, at \$10.8 billion, which is largely attributable to the North American Free Trade Agreement (NAFTA). U.S. plastics companies continue to take advantage of duty-free

access to Mexico's market, and this should serve as an indication of the potential positive trade benefits that await the U.S. should it successfully conclude negotiations on the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP).

To learn more about how reshoring will improve the U.S. plastics industry's competitive position in the context of the 2014 Global Business Trends report, join SPI for a free webinar at 2 p.m. (EDT) Wednesday, Dec. 10.

Panelists include:

- William R. Carteaux, SPI president and CEO
- Cliff Waldman, director of economic studies at the Manufacturers Alliance for Productivity and Innovation (MAPI)
- Michael Taylor, SPI's senior director of international affairs and trade
- Harry Moser, founder and president of the Reshoring Initiative