

Building material plant manufacturers have overcome lean period

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- Demand grew worldwide in 2017
- Double-digit order growth possible for 2018

Markets all over the globe recovered in 2017. The German manufacturers of building material plants are also benefiting from the increased demand. In the area of cement, lime and gypsum there was still a statistical base effect in 2017 caused by large individual projects in 2016. When this is factored out, at the end of 2017 incoming orders enjoyed a significant gain of 38 percent compared to the previous year, both in Germany (up 45 percent) and abroad (up 46 percent). Due to the rather weak business in the previous years, sales were still slightly in the negative range. In 2017, the heterogeneous industry generated sales of EUR 3.8 billion from German production. The USA is the largest sales market, followed by China, France and Russia.

2018 should be better still

“We anticipate that incoming orders will once again grow in the double-digit range this year,” commented Hermann Weckenmann, Chairman of the Building Material Plants Group of VDMA at the recent Building Material Plants Day in Frankfurt. He also forecasts a further significant increase in demand from emerging countries and China (see separate report). The business can profit from favorable macroeconomic conditions: low interest, a higher readiness to invest and the general improvement of the situation in customer segments all over the world. In particular, as a consumer of mineral processing technology, the international mining sector should make more orders this year due to rising raw material prices.

SMEs need free trade

Tackling the current climate of political uncertainty is a challenge for the predominantly small and medium-sized companies in the sector. All strategies and ideas formulated by companies are wasted when politicians unexpectedly make decisions with far-reaching implications, commented Weckenmann in view of the latest decisions made by Donald Trump. “We need free trade, because as SMEs we cannot afford to build up production in every country in the world. We are dependent on exports,” he added. EU Posting of Workers

Directive: Small-state mentality during implementation The manufacturers unanimously criticized the consequences of the new version of the EU Posting of Workers directive, particularly in France, where the enforcement directive is being implemented especially strictly. According to the Posting of Workers directive, companies must be able to prove they have authorization from the French authorities from the first day when posting workers. In the building material plants sector, where a specialist is typically also posted for assembly or to train local staff when selling a plant, this presents an obstacle to trade in the EU single market. "We do not need this additional bureaucracy and these new uncertainties in the EU," commented Weckenmann. Therefore, the manufacturers appealed to the EU to further harmonize regulations for posting workers within the EU and called for the European Commission to monitor the implementation of this directive in member states more closely. The purpose of the Posting of Workers directive is to ensure that the key components of labor law of the guest country apply to all employees posted to other EU states, including social security contributions, vacation entitlements and working times.

Together to Vietnam

This year, the manufacturers of cement, lime, gypsum and dry mortar plants, as well as mineral processing technology organized in VDMA want to continue their tradition of hosting a joint presentation in promising markets. They announced their intention to hold a technology symposium in Hanoi and Ho Chi Minh City this fall. The changing face of China's construction machinery market China expert Björn Conrad, Sinolytics, highlighted challenges and opportunities for building material plant manufacturers in China in his keynote speech "Between environmental protection and overcapacities". We offer a summary of this as a separate document, which is attached to this press release.

Localization of plant components

Alongside worldwide sales of plants, the localization of plant components was also a central topic at the Building Material Plants Day. Dr. Jörn Fontius, Divisional Director Supply Chain Management at Beumer Maschinenfabrik GmbH & Co. KG, reported that the local manufacturing of parts of building material plants in the country or region hosting the project is playing an ever more important role for manufacturers, whether due to economic necessity or statutory requirements in the project location. Furthermore, the professional and structured selection and auditing of local suppliers is of far-reaching significance to a plant project abroad, continued Fontius.

The Building Material Plants Day takes place once a year and is aimed at companies that supply building material plants to the cement, lime, gypsum, dry mortar, concrete, glass and ceramics industries. The day also provides a forum for sector meetings, information events and is an opportunity to exchange experiences. The topics covered range from sales to research and technical issues and are as diverse as the sector itself. The next event will take place on March 7/8, 2019.

Source: VDMAConstruction Equipment and Plant Engineering