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Very Good Order Situation For German Glass Machinery Industry

Frankfurt/Main, Germany, October 25th, 2007 – “Whoever has reason to complain about a bad order situation right now, must have done things wrong”, this is how Mr Jörg-Joachim Jakobs, Sales and Distribution Manager at Pannkoke Flachglastechnik GmbH, Lübeck/Germany, summarises the situation the German glass machinery industry currently experiences. Regarding the current demand and order situation, the 25 participants of the general meeting of the Forum Glass Technology, which took place only recently in Dortmund, were in a particularly good mood.

Emerging markets like countries in Asia, particularly India, Russia/the CIS states and the Arabian countries are stimulating the market. Some manufacturers even received more orders from countries like Egypt, Algeria or South Africa, which do not normally order large quantities.

The German Engineering Federation, VDMA, expects to see an increase in domestic sales of 10 per cent and of 45 per cent abroad for 2007. The turnover of the entire industry is currently estimated to be about 706 million Euros. The export quota is 71 per cent.

Chinese Competition Is Great Challenge

The views on China as a sales market by the representatives of the companies are rather varied. While some report to have had very little to nearly no business at all in China, others saw an increase of up to 200 per cent this year. There was one thing, however, that all agreed up when it came to China: there currently is a gigantic transfer of technology from Europe to China to be noticed, which makes things more difficult for every company. Today already a rather big number of machinery made in Asia finds its way to the domestic market which in previous years were known to only be built in Europe. Quality of these products is not as high and their prices are dropping the market price level.

According to the company representatives, it is impossible to produce this machinery at the cost the Chinese do. It is the big Chinese state-owned enterprises, in particular, whose price policy is about to ruin the prices currently to be found on the world market. German companies are not only facing strong Chinese competition in China or on the German domestic

market, but also in other parts of this world – such as in Egypt or Yemen, for instance. In these countries, the entire equipment needs of current projects are being covered by Chinese deliveries already. In addition, the big glass companies are also more and more buying equipment made in China.

German glass machinery would be far less successful worldwide if it was not willing to face this “Chinese challenge”. The industry’s motto currently is: to focus on new technologies, to show even more flexibility, to offer full service solutions, to go for more cooperations and, particularly, to find themselves market niches.

Photovoltaics Offer New And Promising Business Opportunities

Photovoltaics have become a flourishing area of the industry. As glass plays a key role when it comes to renewable energy sources, nearly all companies present working in the flat glass machinery industry already have discovered and used business potentials in this area. Experts are expecting to see increase rates in this area of up to 20 to 30 per cent over the next few years. The manufacturers of glass machinery are likely to profit from this trend also. According to the majority of the participants, there is room here for everybody to get their share of the market. Mr Paul Neeteson, Chief Representative of Compagnie de Saint-Gobain and president of the German Federal Association on Glass, also confirmed this view during his talk on the topic of “The Future Of Flat Glass In Europe”. He estimates that the usage of flat glass worldwide will increase from nearly 45 million tons today to 57 million tons in 2010. This equals an average increase of 7.9 per cent. Today, nearly five per cent of the flat glass produced worldwide is already used in the field of renewable energy, and an increase is very likely.

Members Of The German Engineering Federation, VDMA, Appreciate Chance For Exchanging Ideas

Whenever the Forum Glass Technology holds its general meeting once a year, the participants also enjoy to be able to meet in a less formal atmosphere and discuss experiences with their peers besides the formal meetings and talks. The fact that he is able to meet like-minded representatives of other companies that he can exchange his views with is a reason also for Mr Frank Bartels, Sales Manager at Nabertherm GmbH, to take part in the general meeting. The meetings are held at places where member companies of the German Engineering Federation are situated: It was Dortmund this year where the company Klöpper Maschinentechnik GmbH & Co KG is based. Klöpper Maschinentechnik is a company that has been working in the production of machinery for the processing of flat glass for more than five decades. Mr Alfred C. Beimdick, Managing Director of this company and Member of the Board of the Forum Glass Technology invited the delegates to join a presentation and tour of the company. Which differences there are between bottom- or top-fermented beer, the participants of this trade meeting were also able to find out. There was a beer tasting organized for them at the Brewery Hövels. Here the delegates had plenty of opportunity to network and to get to know each other better.

Graph 1: Sales Development Construction and Building Material, Glass
Ceramics Machinery, July 1996 – July 1997

Graph 2: Sales Development Glass Machinery , July 2005 – July 2007