BFPA UK

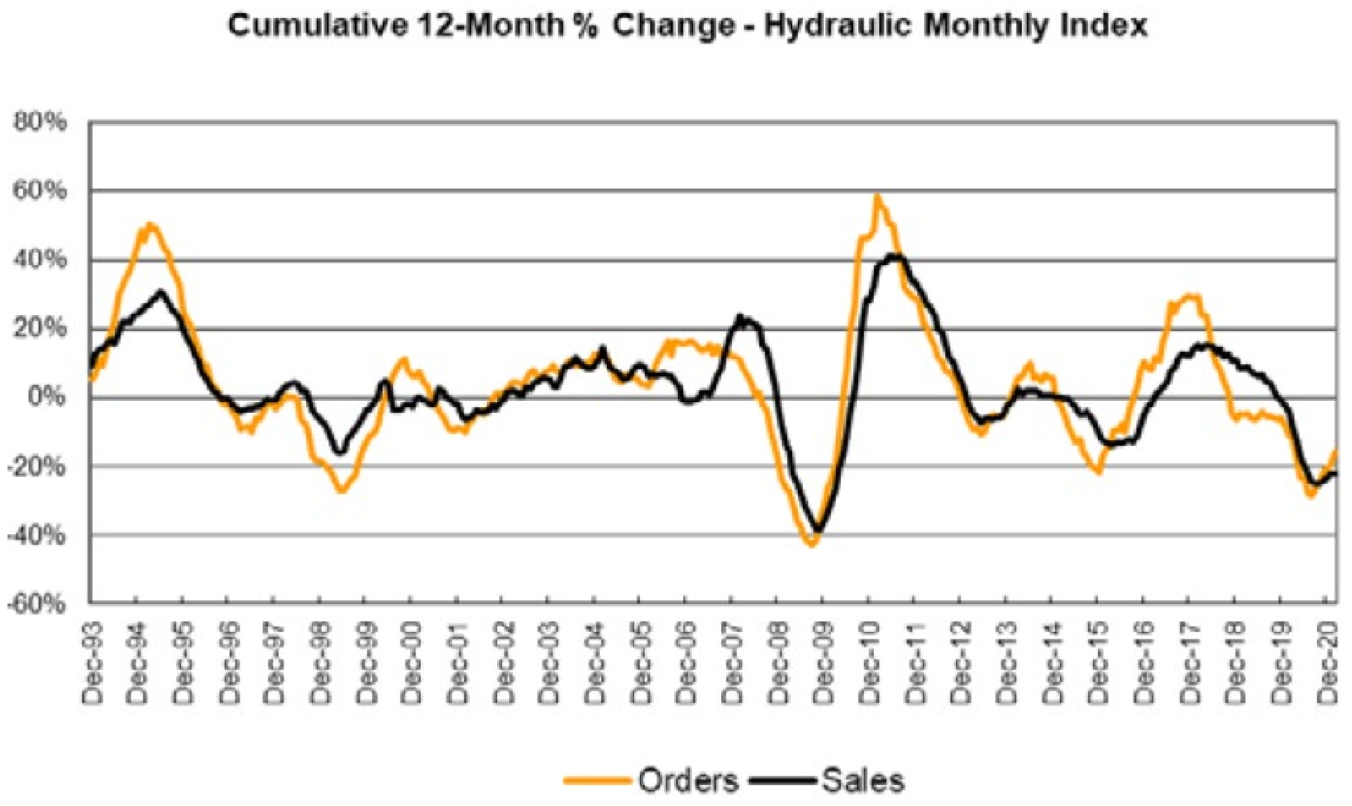
Current position in the UK Fluid Power industry

Chris Buxton – BFPA Director & CEO

cetop
The Voice of the European Fluid Power Industry

CETOP – General Assembly

Hydraulics outlook - Member business survey. (April 2021)



Hydraulics outlook - Member business survey. (April 2021)

After a very strong March, provisional results indicate sales and orders fell in April, back to similar levels seen in January and February.

Mobile orders in April fell by some 20% to 102.7 on the index, but was nevertheless a fairly strong month, while industrial orders also dropped to 89.0, similar to the first two months of 2021.

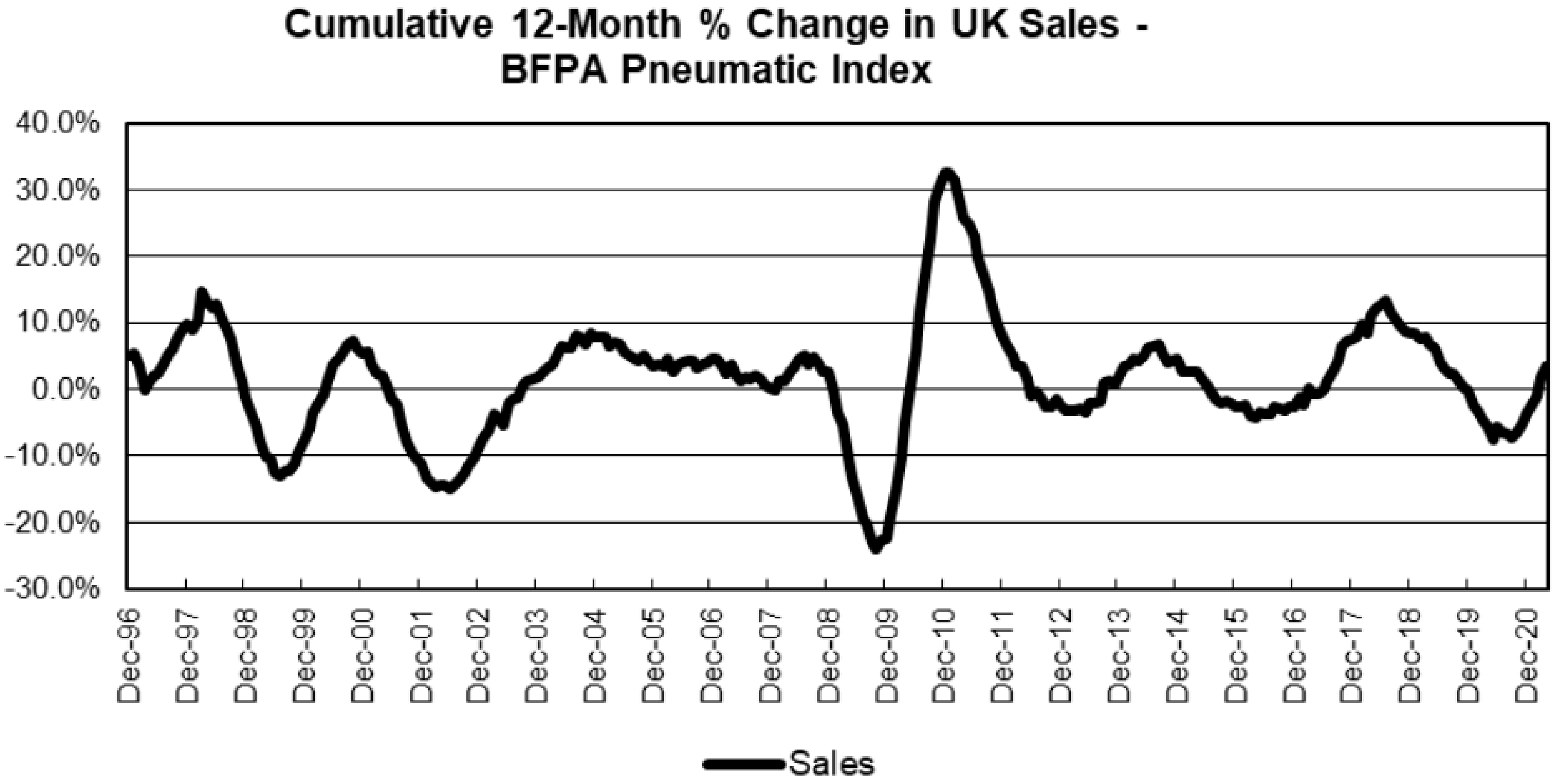
Respondents' UK sales of mobile hydraulics decreased to 104.7 in April but this was still a strong result and higher than January and February.

Industrial shipments slipped back to 83.1 in April from the higher level recorded in March (97.6).

The year to date results improved again in April, with mobile shipments now 38.7% up, industrial 0.5% below the first four months of 2020, and overall sales 24.4% ahead.

The recovery in respondents' orders continued in April 2021 with orders some 66% ahead of January to April 2020 (NB April 2020 was the worst month of the pandemic, recording negative mobile orders and virtually zero orders overall).

Pneumatics outlook - Member business survey. (April 2021)



Pneumatics outlook - Member business survey. (April 2021)

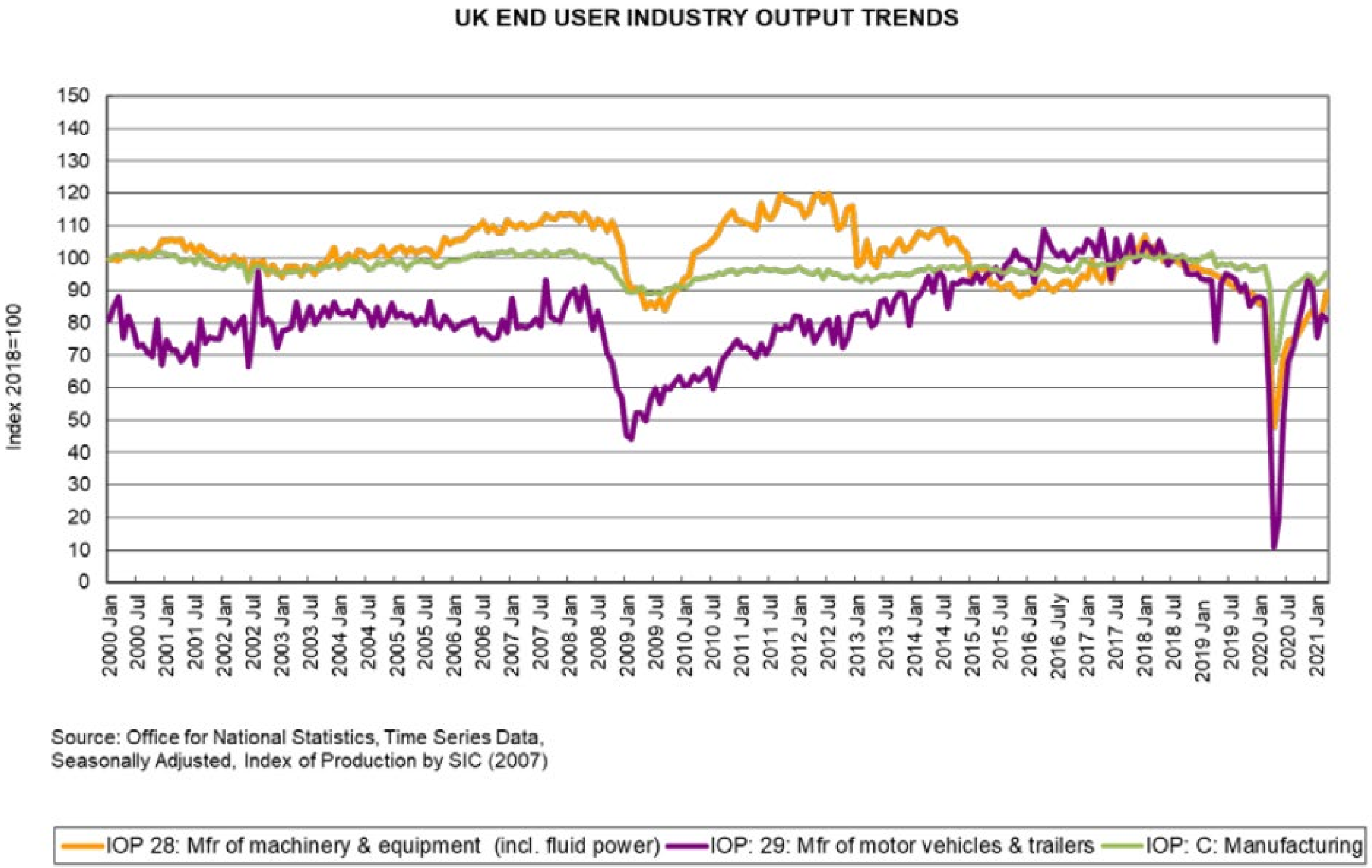
After an exceptional month in March 2021 for respondents to this survey, April fell back to more normal levels, similar to the first two months of the year.

Compared to March, core pneumatic sales fell by 15.1% to a 103.6 in April which was just below the level recorded in February.

None core sales also fell in April after three months of high levels, to 103.2 on the index (down by almost 12%).

By the end of April, year-to-date core pneumatic shipments were 10.6% above, and none core sales 15.4% ahead of the first four months of 2020. Overall sales were 11.4% higher than January to April 2020, and 1.0% ahead of January to April 2019.

Combined FP outlook – End users Output. (April 2021)



The chart shows the monthly production output trends for: IOP 28 which includes the manufacture of hydraulics and pneumatics, IOP 29 which is an end user industry for fluid power equipment and also total manufacturing.

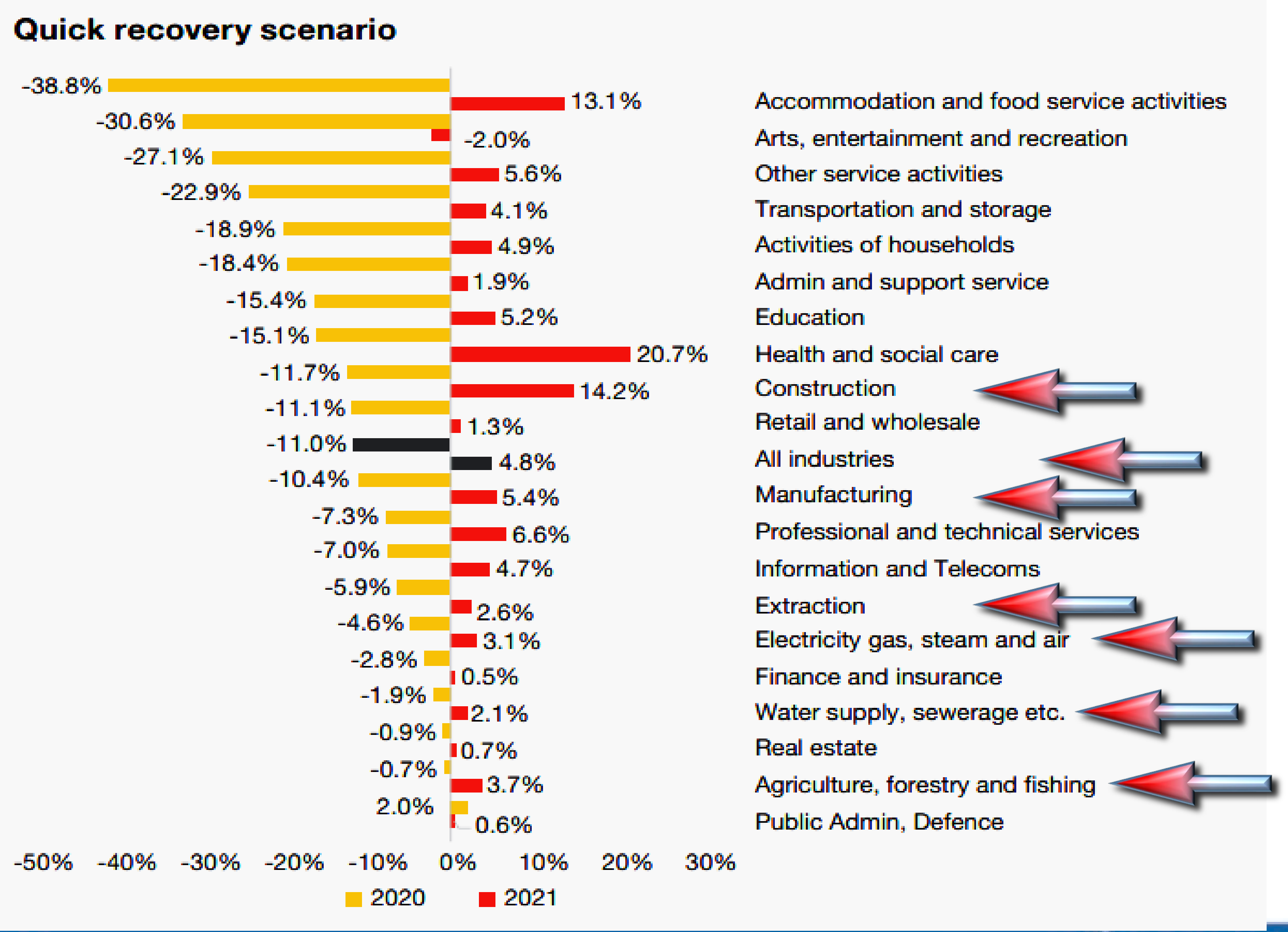
Combined FP outlook – End users Output. (April 2021)

IOP 28: Manufacture of Machinery and Equipment increased by some 8% in March to 89.6 which was the highest level since November 2019.

IOP 29: Manufacture of Motor Vehicles and Trailers fell slightly though, to 81.1 on the index.

IOP 22: Manufacturing in March 2021 increased to 95.3 on the index – this was now only 1.6% below the same month in 2020.

Recovery by sector



Key Underlying Message at the end of Q2 2021

"Business continues to improve and results are generally better than expected. Pipelines and enquiry levels remain strong. There was a particular surge in business during March 2021 but as we went into Q2 there was evidence of a slight slowing across the Fluid Power sector."

Key challenges remain access to suitably skilled technician level staff

Brexit has created problems; especially around rules of origin and VAT considerations. The Irish Protocol has been particularly complicated and challenging. It is generally felt that it will result in price increases of the order of 10% as manufacturers and distributors pass increased costs on to their customers.

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