

AT ISSUE

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Despite the challenges ahead, there are reasons to be optimistic over the long term

2022 was a very challenging year for many rotomoulders and, indeed, for most of the plastics industry. Still, it is imperative to view things long-term and remain positive.

When COVID hit the world in the first quarter of 2020, it was a shocking and fearful time for everyone. There was immense uncertainty – firstly, about the threat to the health of ourselves and our loved ones. In addition, there was the massive economic damage that the pandemic looked like it might cause. There were lockdowns, furloughs, shutdowns, and lay-offs – were we going to be able to survive and look after our families?

Most governments around the world rightly tried to protect their citizens (and voters), pumped vast sums into their healthcare and vaccination programmes worked to protect jobs and industries and borrowed heavily to stimulate the economy. We were navigating through totally uncharted waters, and it was impossible to know all the consequences of our actions.

Today the world is facing an energy crisis, ongoing supply chain disruptions, labour shortages, much higher interest rates, significant inflation, low growth, and economic recession in many regions.

Many of these problems are due directly and indirectly to the dislocations caused by COVID. These problems are due to the unintended consequences of governments providing stimulus, which may, in hindsight, have been taken too far. There's always an easy way after an event!

I'm a fervent believer in free market economics, and undoubtedly many of the significant issues we face will self-correct. Sea-freight costs have been sky-high for the past two and a half years, and I've mentioned before about shipping rates being over ten times higher than pre-Covid levels on some routes, but finally, the tide is turning, and there has been a big freeing up in capacity, much quicker delivery times, and in some cases plummeting shipping prices.



We saw the same phenomenon with polymer prices throughout the second half of this year. Most polymer producers have had a very successful couple of years but are struggling now. This is due to steep falls in prices and many having to run at reduced operating rates due to oversupply in the market. Perhaps the next big problem we'll be facing is deflation.

I have high optimism about our rotomoulding industry and the resilience of rotomoulders to cope and adapt to the ever-changing landscape and challenges. Recently, I presented at the ARM conference in Atlanta and the ROMA roto conference in India. Both events were very well supported. Most moulders I spoke to are in reasonable shape and busy working on various projects.

There are undoubtedly many opportunities for rotomoulders to explore and significant potential for markets like hydrogen tanks on the horizon. We must continue to be adaptable and positive and work through the current challenging environment. Still, I remain hopeful that the world will re-stabilise, and we will start returning to some degree of normality over the coming months. ■