

Regular 2023 industry growth has GIMAV upbeat about 2024

For the first time last year the overall turnover of the Glass Processing Technologies Sector exceeded EUR 3 billion - recording a three percent increase compared to 2022. Yet while that figure might appear modest at first blush, what's super-positive is that all this comes in the wake of two years of solid growth following the 2020 fall which accompanied the pandemic. As such, it consolidates a trend that, save for the Covid interlude, would have continued regularly notwithstanding.

The glass processing technology sector exceeded EUR 3 billion in sales last year - indicating a 3 percent YoY increase. Exports comprised two-thirds of total sales and the domestic market grew by 5.8 percent. Signaling a positive rebound from the 2020 pandemic, such resilience of the industry was recently acknowledged at GIMAV's 2024 meeting of its shareholders (Italian Association of Machinery and Accessories for Glass Processing).



Dino Zandonella
Necca - President

ANNUAL SHAREHOLDER'S MEETING

Recently compiled by the GIMAV Study Center, preliminary figures for the glass processing technology sector were presented on 17 January 2023 during the GIMAV Shareholders' Meeting. Commenting upon those indices, President Dino Zandonella Necca, offered the following considerations: "2023 was

a year of consolidation, characterized by growth that could be defined as normal, in the best sense of the term, after the technical rebound following the slump of 2020. After the +25.5 percent in 2021 and the +16.5 percent in 2022, some deceleration was foreseeable over 2023 where growth stabilized (+3 percent), confirming a trend that, when compared with the last year of 'normality', namely 2019,



continued smoothly, aside from the Covid interlude. Here, the positive results we are seeing are the result of the work of all the industry players who, thanks to investments and innovations -for example in the field of energy efficiency- are helping to keep the industry vibrant, modern and increasingly sustainable. If we look at, say, the real estate market we can see that, in a context in which the other sectors involved are in recession, the glass sector is instead reacting well and much more competitively with regard to alternative materials - something from which the technology industry also benefits in consequence. Considering all this, we can speak of an industry which has returned to its prime”.

WHAT THE NUMBERS TELL US

Indeed for the first time in its history the industry is expected to exceed EUR 3 billion in sales - despite

uneven trends in the three divisions by which it is comprised: from accessories -substantially stable compared to +0.2 percent in 2022- to hollow glass,

up by 2.1 percent, and flat glass, up by 6.5 percent. Exports continued to be the most important item of sales, totaling around 2 million. That's equivalent





to two-thirds of total sales - indicating the importance of the international market for the industry notwithstanding the fact that the year wasn't particularly lively (+0.4 percent compared to 2022). Exports also showed differentiated trends, with accessories and flat glass down slightly in 2022 (1.2 percent and 0.6 percent respectively) and hollow glass, instead, up by 6.2 percent.

Apart from the stable, we see slightly improved performance on the international market. The domestic market, which grew

by 5.8 percent, performed even better. Italian manufacturers (+8.1 percent in domestic deliveries) took particular advantage of this spirited domestic market compared to their competitors in the international market (+1.9 percent in imports).

Here, again, the trends in the flat glass, hollow glass and accessories sectors differed. In flat glass processing technologies, the domestic market reached +18.8 percent, domestic deliveries grew by 17.7 percent and imports by 33.4 percent. The domestic accessories market

showed a similar trend, albeit with smaller percentages (+3.8 percent), imports up by 4.5 percent and domestic deliveries by 3.1 percent. Instead the domestic hollow glass technology market showed an opposing trend (-13.5 percent), with domestic deliveries down by 9.8 percent and imports down by 17.7 percent.

TRADE BALANCE

The Industry trade balance was 1.4 billion, a very positive figure but slightly down against 2022 (-0.2 percent). The trade balance of the accessories sector fell by 7.3 percent, as already noted,

as a result of the growth in imports and a simultaneous drop in exports. The trade balance of the flat glass technology sector fell by 2.3 percent as a result of exports remaining more or less stable - penalized by a growth in imports at more than 30 percent. Instead the balance of the hollow glass sector was extremely positive (+16.7 percent) where, unlike the other sectors, imports fell by 17.7 percent and exports rose by 6.2 percent.

That the industry as a whole finds itself in excellent form is also confirmed by the competitiveness indexes. Here almost two-thirds of

production sales are destined for abroad (demonstrating the ability to penetrate the international market) and more than 50 percent of the domestic market is covered by Italian manufacturers - similarly showing the great capacity of the latter. Looking at the overall trend for the industry in 2023, international market penetration capacity fell slightly due to a decrease in the flat glass technology and accessories segment in this sense, from 61.3 percent in 2022 to 57.2 percent in 2023, and from 67.7 percent to 66.8 percent, respectively - offset by the growth of the hollow glass technology segment, from

74.4 percent in 2022 to 77.4 percent in 2023. However, the industry's overall ability to dominate the domestic market grew (in 2022 it was 62.8 percent and in 2023 it was 64.1 percent), where the decline in the domestic market penetration capacity of the flat glass technology segment (from 93.2 percent to 92.3 percent) and accessories (from 48 percent to 47.6 percent) was offset by the growth of the hollow glass technology segment (from 53.1 percent to 55.4 percent).

NICHE MARKET

Among the segments that make up the industry and are in a position of excel-

lence, the only exception is that of accessories and other technologies, which form a prestigious niche market. "We can say that 2023 was a year of positive normality," said GIMAV Director Fabrizio Cattaneo. "There were, overall, good results for all segments which, with the exception of perhaps a couple of specific cases, consolidate the trend of the past year. Those suffering a slight slowdown to a greater extent were, perhaps, the Made in Italy accessories which, as the competitiveness indices show, nonetheless stand out more than other sectors for their niche production - not exactly the most typical investment choice in a phase

of consolidation. At a time in history when we had no reason to expect dramatic leaps forward, these results do not surprise us. Quite to the contrary, they are reassuring - making us optimistic for the future."

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