The importance of Fibre Reinforced Plastics (FRP) in the European labour market

FRP industry: a substantial employer in Europe

A dynamic sector within the European chemical industry is Fibre Reinforced Plastic (FRP) production and conversion: a segment as diverse as the material itself. Convertors range in size from the very small, manual operations to the highly industrialised international companies. With the relatively low entry requirements, small companies can begin operations with minimal capital outlay.

At the opposite end are the large FRP shipyards like Bénéteau (pictured right), bathroom furniture manufacturers, pipe producers and SMC/BMC (sheet/bulk moulding compound) convertors that will typically employ several hundred people on a multi-site basis. These companies make substantial investments in state-of-the-art production techniques and in environmental compliance measures.

CEFIC/ Plastics Europe sponsor review

The styrenics group of CEFIC, together with Plastics Europe, asked the CMAI (Chemical Market Associates Inc.) to carry out a high level socio-economic review of the styrenics industry in the enlarged EU – with the purpose of assessing the number of people employed and the value added to the industry in each member country. Countries included the 15 EU member states (as of May 1 2004) together with Norway, Switzerland and the EU accession countries of Latvia, Lithuania, Estonia, Poland, Czech Republic, Slovakia, Slovenia, Hungary, Malta and Cyprus.

Number of UP styrenic convertors in Europe

Country	UP Styrenic convertors
Austria	75
Belgium	173
Denmark	214
Finland	147
France	1250
Germany	1447
Greece	61
Ireland	36
Italy	1500
Netherlands	271
Norway	151
Portugal	107
Spain	1250
Sweden	189
Switzerland	42
UK	1500
Czech Rep.	381
Slovakia	109
Hungary	162
Poland	410
Enlarged EU	**9475**

The previous table shows the total number of companies operating in the UP (unsaturated polyester resin) industry in Europe. Despite the relatively small size of the UP segment compared to major consumers of styrene like the polystyrene industry, it shows what a significant employer the UP industry is throughout Europe.

Large boatyards, for example, can directly employ hundreds of people in production and finishing, as well as providing a livelihood for numerous supply chain companies.

Demographics

The marine industry is a major employer in the FRP sector with many large producers in the UK, France, Italy and Spain. The FRP industry in Germany is also sizeable, being home to many of the large SMC/BMC companies. East European countries such as Poland are enjoying above average levels of growth while West European economies have remained somewhat static over recent years.

Taking the industry as a whole, European FRP companies are relatively small and numerous. Each has their own specific requirements, which often necessitate a higher level of customisation and technical support from the UP supplier. This makes UP more of a specialty business than a commodity business. Many FRP companies can be classed as SMEs (small and medium-sized enterprises). Small companies are defined by the EU as having fewer than 50 employees and a turnover of < €7 million, while medium companies are defined as having fewer than 250 employees and a turnover of < €40 million. Enterprises must also be independently owned to be classified as an SME. Throughout Europe, SMEs are recognised as an important provider of local employment.

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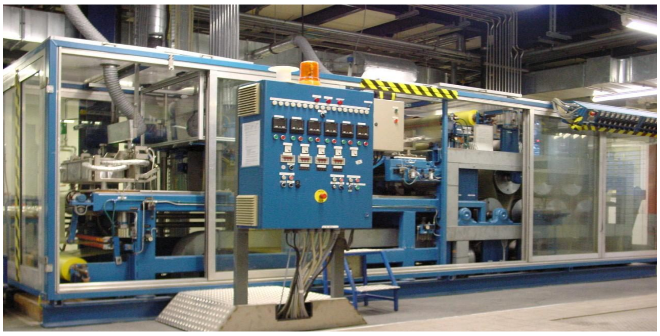
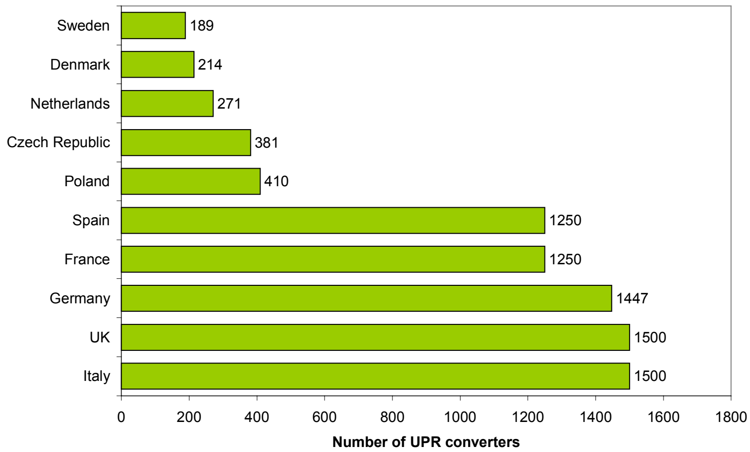


Highly automated processes are used for producing SMC/BMC compound from UP resins and for moulding (converting) the material into finished parts typically used in the automotive and electrical / electronic industries.

Top 10 Countries: FRP Convertors



Above and Below: Wherever possible actual data has been used. In the absence of information, CMAI has estimated the number of convertors in a country in relation to its demand – compared to a reference country for which information was available

Workers employed in the European UPR sector

Country	UPR Producers*	UPR Convertors**	Total
Austria	162	975	1137
Belgium	0	1254	1254
Denmark	0	2090	2090
Finland	162	1115	1277
France	405	12000	12405
Germany	405	11959	12364
Greece	195	658	853
Ireland	0	418	418
Italy	1070	11202	12272
Netherlands	81	2508	2589
Norway	81	1115	1196
Portugal	195	1127	1322
Spain	681	14914	15595
Sweden	0	1533	1533
Switzerland	162	836	998
UK	729	11456	12185
Czech Rep.	211	1393	1604
Slovakia	106	4180	4286
Hungary	106	697	803
Poland	527	4180	4707
Enlarged EU	**5278**	**85610**	**90888**

** Direct Employment: Producers **Direct and Indirect In-House Employment: Convertors*

Supporting a vibrant industry

It can be seen from the charts opposite that the European UP / FRP sector is a major employer throughout the enlarged EU. The nature of the business and the relative ease of entry also attracts many innovative and entrepreneurial SMEs that are at the core of national economies.
As FRP convertors adopt more environmentally friendly and industrialized processes, they will attract a higher caliber skilled workforce.

In a global market place international competitiveness is vital, and working groups within organizations like Plastics Europe, based in Brussels, play an important role in representing the interests of the UP industry at large, while helping national industries to develop in a responsible and sustainable way. CEFIC also actively advocates at the European institutions to draw their attention to the international competitiveness of European manufacturing and the need for a specific industrial policy, focused on creating the right framework conditions for success. This requires better knowledge of the future prospects of individual sectors.

UP producers are at the beginning of a value chain supplying a broad spectrum of other manufacturing industries such as civil engineering, construction, automotive and marine. Innovations in the UP industry are a prerequisite for the success of its downstream customers. As such, Europe's FRP industry is a key contributor to sustainable development, a vital source of new applications in other sectors of the economy and an essential success factor in the European Union's employment and growth agenda. A strong market-oriented environment that encourages innovation, accessible intellectual property protection, and taxation systems geared towards rewarding entrepreneurship: these are among the conditions that can help sustain competitiveness for the European UP sector in an increasingly challenging global economy.

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