



# PRESS RELEASE

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## **Composites Germany - Results of the 24<sup>th</sup> Composites Market Survey are available**

- Increasingly critical assessment of the current business situation
- Future expectations show different trends
- Investment climate remains subdued
- Expectations for application industries vary
- Growth drivers with slight movements
- Composites index divergent

For the 24<sup>th</sup> time, Composites Germany ([www.composites-germany.de](http://www.composites-germany.de)) has collected current key figures on the market for fiber-reinforced plastics. All member companies of the supporting associations of Composites Germany: AVK and Composites United as well as the associated partner VDMA were surveyed.

In order to ensure that the different surveys can be compared without any problems, no fundamental changes were made to the survey this half-year. Once again, mainly qualitative data relating to current and future market developments was collected.

### **Increasingly critical assessment of the current business situation**

The current survey did not reveal any improvement in sentiment regarding the general business situation.

Apart from a few positive trends, the corresponding indicator has been pointing clearly downwards since 2022. There is still no sign of a trend reversal in the current survey either. (see Fig. 1). The assessment of the general business situation has fallen significantly in all regions mentioned.

The reasons for the negative sentiment are varied and, in many cases, remain unchanged. High energy costs, raw material prices and logistics costs remain a major burden, particularly for German industry, but also for many other countries in Europe. In addition, the overall economy is weakening, especially in Europe and Germany. The key application areas for the composites industry - transportation/automotive and construction/infrastructure - are particularly affected by this. In addition, many national economies

are experiencing increasingly weak exports, particularly with regard to the Asian and especially Chinese markets. In terms of raw materials and finished products, for example in the automotive production sector, competition with European products is growing on a massive scale. This is partly due to overcapacities, but also to government subsidies, which in turn places an enormous price burden on suppliers. Political uncertainties, protectionist tendencies and armed conflicts are further worsening the economic climate.

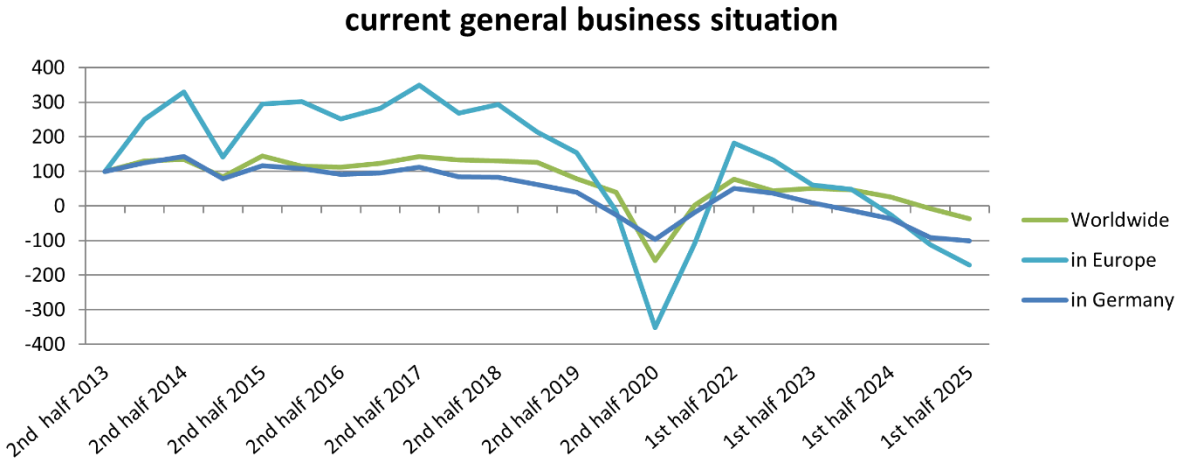


Figure 1: Composites index – assessment of the current general business situation

The fact that politicians do not currently seem to be succeeding in creating an environment that is conducive to business remains a problem. Added to this is the lack of responses from European/German manufacturers. The composites market has already seen sharp declines in the last two years. There are still pessimistic signals from the industry for the current year. For the third year in a row, the European production volume is falling in contrast to a growing global market. The European composites industry is facing a progressive decline if it fails in creating a regulatory framework that enables competitive production. Germany is currently facing structural changes that are necessary, particularly in terms of economic policy and ecology. These necessary adjustments will take many years and require high levels of investment. It is urgently advisable to finally find a balance between the necessary burden on industry/companies and private households and the corresponding relief.

**Future expectations show different trends**

In line with the current negative mood in the industry, it is not only the assessment of the current general business situation that remains pessimistic; the future general market situation is also viewed extremely critically by those surveyed. (see Fig. 2).

Only 19 % of respondents currently expect the global situation to improve. For Germany and Europe, the figure is only just over 10 %. The figure for Europe in particular has plummeted compared to the last survey.

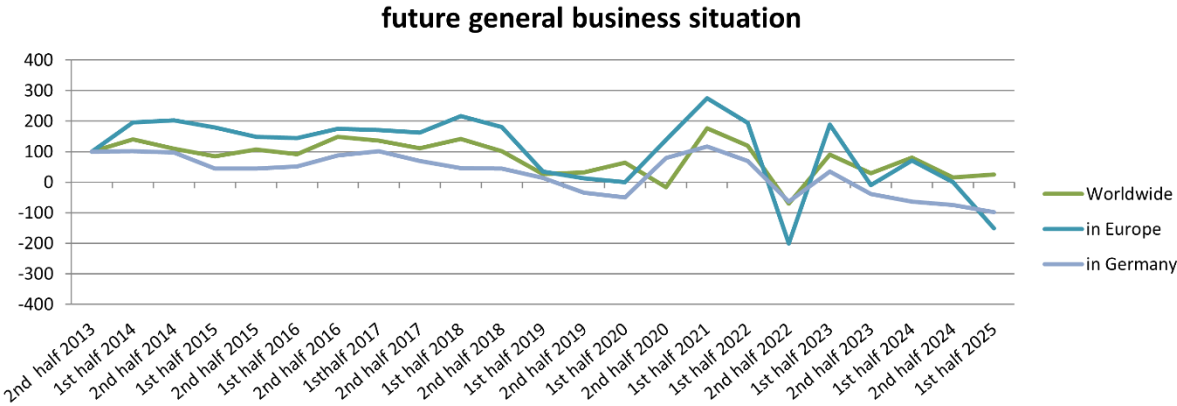


Figure 2: Composites index – assessment of the future business situation

This contrasts with a rather positive assessment of the company's own business situation. Here, the negative trend of the last two years for the global and European assessment of the company's own position has been halted. In the current survey, the indicators are turning positive. (see Fig. 3). Only for Germany does the assessment remain critical. Only around 1/3 of respondents rate their own current situation positively. This also applies to future expectations. 28 % of those surveyed expect the general market situation in Germany to develop negatively. Only 21 % expect the current situation to improve. The figures for Europe and the rest of the world are significantly better. Only 7 % expect the global situation to deteriorate further. The figure for Europe is 11 %.

### current own business situation

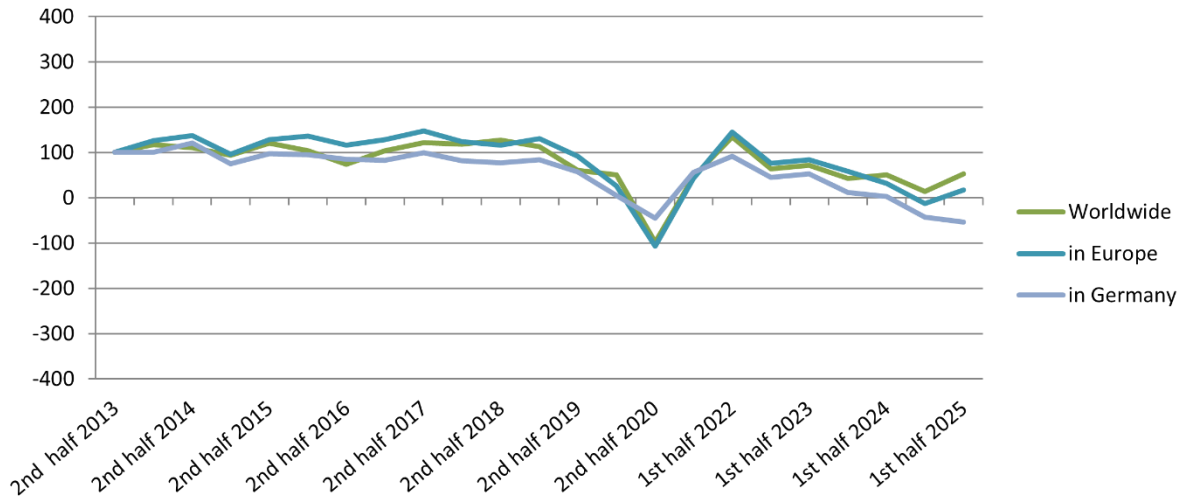


Figure 3: Composites index – assessment of the current own business situation

### Investment climate remains subdued

The current cautious assessment of the economic situation continues to have an impact on the investment climate. However, the first positive signs are also emerging here.

While 13 % of respondents in the last survey still expected an increase in personnel capacity (survey 2/2024), this figure currently stands at 19 %. In contrast, however, 29 % still expect a decrease in personnel (see Fig. 4).

The proportion of respondents planning to invest in machinery continues to fall slightly. While 44 % were still assuming corresponding investments in the last survey, this figure has now fallen to 42 %.

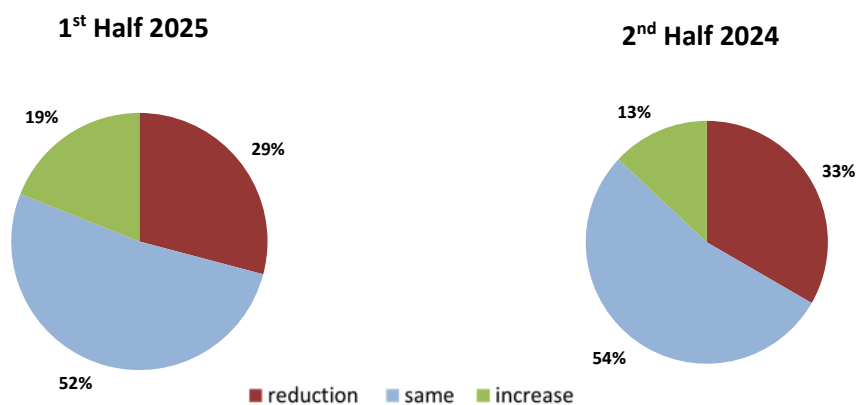


Figure 4: Assessment of personnel development in the coming six months (100% of missing figures are due to rounding inaccuracies)

### Different expectations of application industries

The composites market is characterized by a high degree of heterogeneity in terms of both materials and applications. In the survey, the participants were asked to give their assessment of the market development of different core areas. The expectations are extremely varied. The most important area of application for Composites is mobility. This area is currently undergoing major upheaval and is experiencing a massive crisis in Europe and Germany. This is also clearly reflected in the survey. Growth is expected above all in the aviation and construction/infrastructure sectors, although the construction sector in Germany is also in recession. (see Fig. 5).

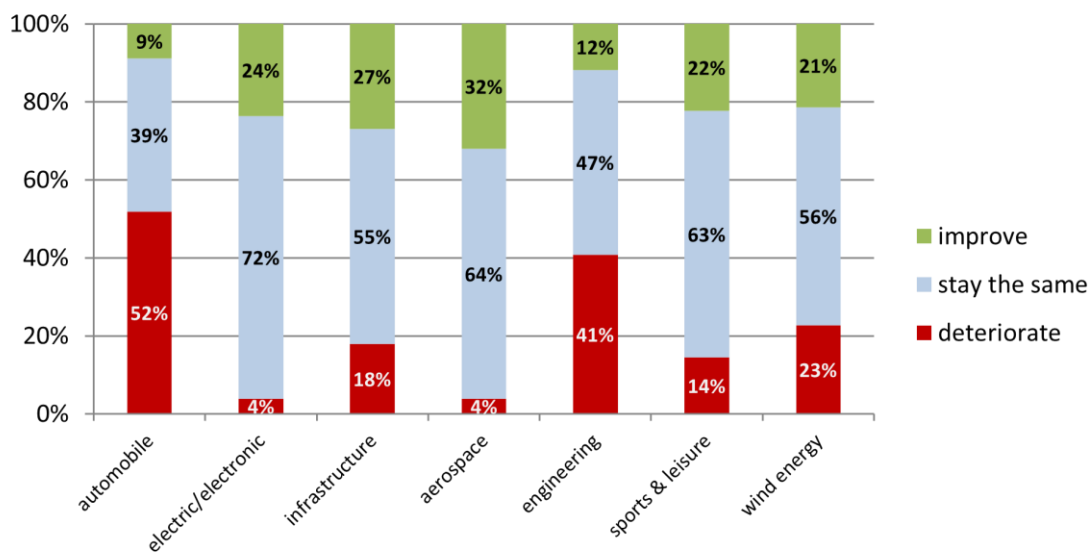


Figure 5: Assessment of the development of selected application areas (100% of missing figures are due to rounding inaccuracies)

### Growth drivers with slight movements

The current survey shows slight movement in terms of growth impetus. In terms of their assessment of which areas will provide the key growth impetus for the composites industry in the future, GFRP saw a slight increase. CFRP, on the other hand, declined slightly.

There is a slight regional shift. The main growth impetus is expected to come from Asia and North America, with Asia's mentions declining slightly and North America increasing slightly. However, the EU (with the exception of Germany) is also frequently cited as a growth region. Germany continues to be seen less strongly as a growth driver and remains at a low level.

### Composites index divergent

As already indicated in the current text, the Composites Index points in different directions. While the assessment of the company's own business situation is turning positive, the assessment of the general business situation remains pessimistic. (see Fig. 6).

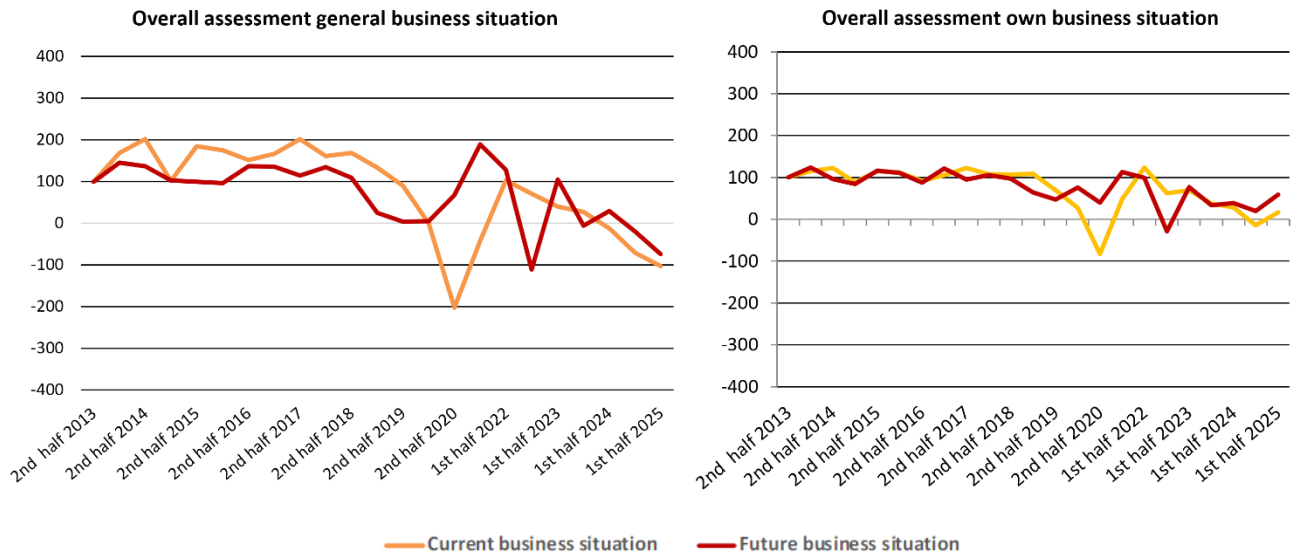


Figure 6: Composites development index

In the last three years, the European composites market has lost almost 20 % of its production volume and has fallen back to the 2010/2011 level.

Almost all sectors are equally affected by declines. Until the coronavirus pandemic, there was a continuous increase in production volumes for many years. Since the end of the coronavirus crisis and with the increase in macroeconomic uncertainties, Europe and Germany in particular appear to be becoming less attractive as a business location. Europe's market share is now steadily declining despite an increase in global production volumes. There are many reasons for this, and there are no simple solutions. However, if the industrial location is to remain secure, something has to change quickly. Once companies have moved away, it is difficult to bring them back. It remains to be seen whether it will be possible to counteract this negative trend. Targeted intervention, including by political decision-makers, would be desirable here. However, this cannot succeed without industry/business. Only together will it be possible to maintain and strengthen Germany as a business/industry location. For composites as a material group in general, there are still very good opportunities to expand the market position in both new and existing markets due to the special portfolio of properties. However, the dependence on macroeconomic developments remains.

It is now important to develop new market areas through innovation, to consistently exploit opportunities and to work together to further implement composites in existing markets. This can often be achieved better together than alone. With its excellent network, Composites Germany offers a wide range of opportunities.

The next composites market survey will be published in August 2025.

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#### **About Composites Germany**

The two strong organizations of the German lightweight construction/composite industry want to strengthen the German composites industry and research, define common positions and safeguard overarching interests with the Composites Germany trade association.

AVK - Industrievereinigung Verstärkte Kunststoffe e. V. and CU - Composites United (as well as VDMA - Arbeitsgemeinschaft Hybride Leichtbau Technologien as an associated partner) are joining forces here with currently over 2,700 active member companies to promote the future topics of high-performance composites and automated production technologies in and for Germany.

Further information at: <http://www.composites-germany.org>