

# 2020 Recover Post Covid 19 Plastic Industry View

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## **Managing Director**

B.Sc Chemical Engineering

M.Sc Industrial Engineering

**PT Bilplast Grapindo 2000 –now**

**PT Airindo Mitra Utama 2014-now**

- **Background PT Bilplast Grapindo Experience**
- High-Tech Engineering Service Company in the Plastic Machinery Industries
- Sales, Service & Part Solution Provider with strong Back up of Team of Engineers in Mechanics & Electrical Routinely well trained in Europe, Taiwan & China.
- Turkey-Key Provider from Machine Installation, Knowhow Processing Technology
- Provider Ready Stock Utilities for Air Compressor & Chilled Water at our Sister Company PT Airindo Mitra Utama

## General Outlook for Indonesia May 2020

- Economic Growth: Q1 2,97% Q2 predicted 0-minus
- Export Growth dropped to 5,96% Jan-May
- **Imports** (excluding oil & gas) dropped 19,75%
- **Automotive sales** contracted 82% down
- **Construction sector** dropped from 4,9-2,9%
- Retail Sales slumped min 22,9%
- **Customer spending** shifted from Consumer to Basic needs
- Inflation left at 1,8-3% (CIMB,BI)
- US\$ to IDR weakened to 16,000 in Apr and 14,650 in July
- Shopping habit changed to ON LINE purchase
- Increasing Safety Awareness of Individuals
- \* All percentage is compared to last year figure 2019



# Plastic Consumption Covid Overview

- Low demand for PP Injection for Houseware , Broom brush since shops are closed.
- Plunged Mineral Water in Cups & Bottle but increasing for 5 Gallon.
- Triple Demand for Thinwall Single use Packaging Demand
- Quadruple Nonwoven Demand for Medical robe & Facemask,Shield

1	2	3	4	5	6	7
PETE	HDPE	PVC	LDPE	PP	PS	OTHER
polyethylene terephthalate	high-density polyethylene	polyvinyl chloride	low-density polyethylene	polypropylene	polystyrene	other plastics, including acrylic, polycarbonate, polyacrylate, polyethylene glycol, nylon, fiberglass
soft drink bottles, mineral water, fruit juice containers and cooking oil	milk jugs, cleaning agents, laundry detergent, bleaching agents, shampoo bottles, watering and shower soaps	trays for meats, fruit, plastic packing (bubble foil) and food foil to wrap the foodstuff	crushed bottles, shopping bags, highly-resistant sacks and most of the wrappings	furniture, containers, luggage, toys as well as bumpers, lining and external borders of the cars	toys, hard packing, emergency kits, cosmetic bags, costume jewellery, audio cassettes, CD cases, vending cups	an example of one type is a polycarbonate used for CD production and baby feeding bottles
						

# Plastic Production Disruption Post Covid Indonesia 2020



# Highlight & Lowlight Indonesia Post Covid Plastic Industry Overview 2020

## Lowlight

- USD/IDR jump up and down from 14,000-16,000
- Plastic bag ban for supermarket starting July
- Production jump down
- Machine cancellation /returned
- Jammed AR Payment



## Highlight

- Increasing online Sales increasing 400%
- Increasing of single use Plastic Packaging & Safety Nylon ties
- Increasing Medical Plastic used in Face mask, Shield, Wardrobe, Thermometer
- New technology for higher output for machinery & Mold
- Stable price of Raw Material

# Environmental Issue

- 2020: Ban of Single Plastic Ban in Jakarta July 1
- Global coffee-chain Starbucks [banned reusable cups amid the outbreak for safety issue.](#)
- Plastic packaging are acknowledged without hesitation on the frontline of combating the spread of coronavirus.”



# Plastic Trend Demand during Covid in Indonesia

- Mineral Water Cup drop sales from 50-70%
- Water Bottle Business drop to 30%
- Injection Houseware dropped to 70% during Covid & Start to rebound after shops allowed to open in June
- Broom & Brush plunged as well as Injection Houseware
- Increasing Raw PP Fiber
- Tremendous PET/PVC small Bottle for Hand Sanitizer
- Increasing Demand of Injection Moulded Sprayer
- Increasing Licenced nonwoven Medical PP Mask Production





# Financial Impact on Covid 19

- Production left during covid :30%
  - Job order work die
  - Cash flow stucked
  - Unpaid Machine returned
  - Machine Installment payment stucked
  - No Leasing facility for Plastic machine available until Aug 2020 except for mining
  - Higher Down Payment Requirement
  - Minimized Profit for safety
- Nature Selection for the Client who has market & cash money will the survival winners
  - Innovator on Saleable Plastic sold during Covid will be the winner

# How to grow the market post covid-19

- Internet Boosting
- Webinar
- Facebook, Instagram
- Tokopedia
- Stock high demand Product only
- Increase Socialmedia target to new technology /B2 Tour
- Lowlight
- A lof of exhibition cancelled
- Incovenient of Flight travelling

# New Technology to grow Post Covid 19

- In Medical robe



- Breathable Non Woven Medical Robe for hygienic single use Cool non woven cloth
- Melt Blown Single Screw Extrusion PP for 99% bacteria use filter mask
- Special slot die for filter membrane to curb the virus
- Use of Milliken for Transparent PP like PVC/PETG

# Melt Blown Technology/Facemask



- Melt Blown still in high demand for Import
- Spunbond is available for local production
- Ear Lobe and wire coated still necessity to import

# New Technology in Thinwall Packaging



- Use of Electric Machine /Accumulator for higher injection speed 500-1000 mm/s
- Use of bigger cavity trend to cope with higher production
- Open, Eject, Plasticsing to operate simultaneously for faster cycle time

## Optimism for Plastic Industry?

- **China Trend**
- China Plastic industry shoot up ; All Stock machine sold out after Covid
- More single use Plastic in Packaging, sanitizer Bottle & Medical wardrobe & mask
- **Indonesia Trend**
- Repeated machine orders start picking up from June 2020
- Many new Inquiries/Projects for investment with new comers
- Trend follows China; positive trend



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