

Press Release



**Food Processing and
Packaging Machinery**

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IFFA 2019

Growth in the meat industry boosts worldwide demand for machinery

IFFA is the world's most important driving force for the international meat industry. From 4 to 9 May 2019, the focus will be on innovative solutions for the slaughter, processing and packaging of meat. The German Engineering Federation (VDMA) is the ideal sponsor of IFFA and provides Messe Frankfurt with professional support in all market-relevant issues.

Global demand for machinery remains high

In 2017, international demand for meat processing machinery rose slightly above the high level of the previous year and reached 1.9 billion euros. Within 10 years, the machine trade in this segment has thus increased by 30 percent. Hardly any other sub-sector of the food machinery industry can look back on such a dynamic development.

In addition, there are packaging machines, automation solutions, conveyor technology and other components that are used in the meat industry but are assigned to other statistical areas. The VDMA estimates that the value of these product groups for 2017 will be at least 1 billion euros.

Total investment by the global meat industry is expected to be much higher, as total demand also includes machinery procured from local markets.

Export Leader Germany - Strong by Tradition

The success of the German meat processing machine manufacturers is closely linked to the tradition of sausage production. Today, German companies in the meat processing machinery sector are world leaders with a 29 percent share (2017) of the world market volume.

Manufacturers from the Netherlands supply 22 percent of the world's trade volume and Italy is the third most important supplier with a share of 9 percent. Other exporters are the USA with 7 percent, China with 6 percent, Denmark with 5 percent, Poland, France, Austria and Spain with shares of 3 percent each.

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**Food Processing and
Packaging Machinery Association**
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Machine deliveries to over 100 countries

In 2017, 46 per cent of the meat processing machines exported worldwide were delivered to European countries, 34 per cent of which to the European Union. Asia was the second most important sales region with a share of 18 percent. North America accounted for 16 percent of world trade. Latin America accounted for 10 percent of world exports, the Middle East for 4 percent. Africa and Australia each accounted for 3 percent of total deliveries.

As in most previous years, the list of the top 20 sales markets was headed by the USA in 2017. The following countries are named in the order Russia, France, Germany, Thailand, Spain, Great Britain, China, Poland, Netherlands, Mexico, Republic of Korea, Canada, Australia, Belgium, Japan, Brazil, Italy, Switzerland and Finland.

The investment level in the strong industrial countries is high, but the more dynamic demand impulses come from the non-European markets. In recent years, the importance of the individual sales regions has tended to shift in favour of Asia and Latin America.

The VDMA expects this shift to progress gradually, as the importance of individual markets in Asia, Latin America and Africa will continue to grow in the future.

Positive outlook due to rising global consumer spending

The industry association is positive about the prospects for suppliers to the meat industry: The world population is growing, spending on food is rising and there is a backlog in consumption, especially in the emerging economies.

This assumption is confirmed by data from the British market research institute Euromonitor International: For the product category "Fresh Meat", for example, the experts are forecasting a growth in worldwide trade volume of 10 percent by 2022.

A further increase of 10 percent is expected for Asia, the largest market region. Growth of 12 percent is forecast for Latin America, and consumption in the Middle East/ Africa region is expected to increase by 18 percent from a still low level. Global volume sales are estimated at 260 million tonnes in 2022.

Rising consumption will entail investments in the establishment and expansion of production capacities. In most countries, the technical requirements cannot be covered by the local supply and the machines and plants have to be procured on the international market.

In the developed markets of Western Europe, meat consumption will grow much more slowly in quantitative terms due to the already high level and will also stagnate in some countries. At the same time, expenditure on meat and meat products is rising, which means that qualitative growth determines these markets.

Health trends, the integration of meat-free alternatives into the diet, the desire for new taste experiences and the desire for a wide variety of packaging shapes and sizes have a decisive influence on consumer behaviour. Seasonal products are becoming just as important as specialities. Product life cycles are becoming ever shorter overall. Companies in the meat industry must respond

Therefore, the main focus of investments is on solutions for process optimization, increasing economic efficiency and digital solutions are becoming more and more important.

At IFFA in Frankfurt, the world's largest platform with the highest density of experts, machine manufacturers will be presenting their solutions for the diverse requirements of the meat industry, for every size of operation and all performance groups. In line with the global development of demand for capital goods, the mechanical engineering industry expects a high degree of internationality and a further increase in visitor numbers at IFFA 2019.

VDMA

The VDMA, based in Frankfurt am Main, represents the interests of over 3,200 companies in the capital goods industry and is thus the largest industrial association in Europe. With a turnover of 226 billion euros (2017), mechanical engineering is one of the leading branches of industry in Germany and the largest industrial employer with more than 1,35 million employees.

The VDMA Food Machinery and Packaging Machinery Association is the conceptual sponsor of IFFA and provides Messe Frankfurt with professional support in all market-relevant issues.