

February 2008

Results of the first IPA Flash Survey
«Economic situation and equipment investment projects
in the food processing industries »

**Stable economic situation, but encouraging
investment forecasts in the short term**

IPA 2008, the World Food Process Exhibition, releases the results of its first Flash Survey on the **economic situation and the investment projects of the food industry players**.

Conducted in January 2008, this Flash Survey collected testimonials from **379 international industry professionals***, from all the representative sectors of the food processing industries.

In general, the survey results show that both industry users and processors are prepared to make new investments in 2008!

Stable economic situation, but confident industry professionals

The results of the survey show that the current economic circumstances do not discourage food industry professionals. In fact, they seem rather confident since nearly half of them believe that **the current economic situation** (42.5%) **is rather stable** and that it will remain so in the medium term (for 48% within 2-3 years). **Furthermore, nearly one third of them (29%) think that the economic situation will be rather good** during this year.

International respondents show still stronger confidence.

Generally speaking, **foreigners are more optimistic for the medium and long terms**: 41.5% of foreigners feel that the medium-term economic situation will be rather good, and 46% also think that it will be so in the longer term.

***Respondents' profile:**

Major business sectors represented: milk products (21%), meat/fish (13%), liquids/beverages (13%), fruits and vegetables (9.5%), breadmaking/bakery (7.5%)...

Company size: 45% 0-99 employees, 31% 100-500, 24% more than 500

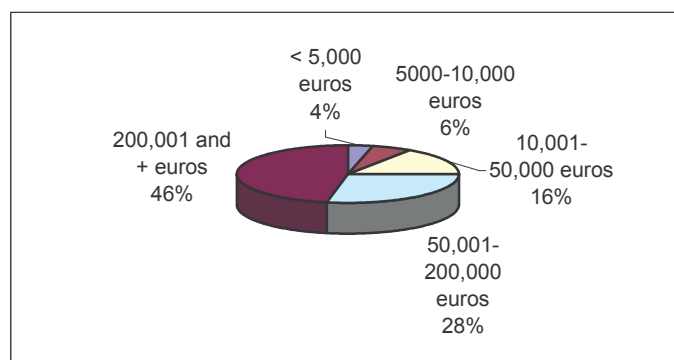
Position: CEO, VP, Managing Director, General Manager (28.5%), Director, Head of Department (27%), Engineer, Manager, Executive (32%), Technician, Junior staff (12.5%)

Coming from: 71% France, 16 % Europe, 13% rest of the world

2008, a promising year for investments

The confidence shown by the interviewed professionals is directly reflected in their purchasing intentions: **67% of respondents have investment projects** for 2008, evenly shared between the first and the second half of the year.

The total planned investment is rather high since **46% of respondents think that it will exceed € 200,000**.



Investment would be essentially made in **process equipment (58.5%)**, then in **primary (34.5%)**, **tertiary (29.5%)** and **secondary (26%) packaging machines**. This trend is similar for international respondents alone.

It should be noted that the **average renewal time** for large production units is **11-12 years**. For 46.5% of industry professionals the investment cycle is rather stable.

Optimization... the key word for investment

Clearly, the primary motives for equipment renewal remain financial: 90% to achieve productivity gains, 75.5% to improve production equipment's flexibility, and 68% to diversify their product lines.

Greater personnel's safety (67.5 % of respondents), and improved ergonomics and easy use (63%) are second-priority concerns, which however still achieve high ratings.

Moreover, **68.5% of the food industry players say they take sustainable development into account when making investment decisions**. This commitment is mainly focused on energy conservation (72.5%), less water and fluid consumption (60.5%). Optimization of transport flows (35%) and treatment of toxic liquid, VOC releases (35%) respectively rank third and fourth.

France maintains its place and remains a leading equipment supplier

Lastly, the results of this first **"Flash Survey"** show that **France remains a key country for investments**.

France is the major equipment-supplying country for one third of respondents (33%), followed by Germany (24%) and Italy (19%).

It is worth noting that respondents, whether French or foreign, answered this question spontaneously, and the rating remains the same when considering international respondents only.

The next IPA Flash Survey will cover Food Safety (results expected in mid-April).

IPA 2008, the World Food Process Exhibition, will be held from **next November 17-20** and will host nearly **600 exhibiting companies**, of which 44% international, at the **Parc des Expositions de Paris-Nord Villepinte**.

IPA gathers manufacturers, equipment suppliers and process solution providers for all sectors of the food industries (Milk, liquids and semi-liquids industries / Meat products, fish and seafood / Solids industries – breadmaking, chocolates, confectionery, fruits and vegetables / Hygiene, inspection, measuring activities...).

*Results are available in full
from the press section of the website:
www.ipa-web.com*

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