

Press release

17 October 2013

Sumitomo (SHI) Demag at the K 2013

Sumitomo (SHI) Demag on a respectable course for growth

Sumitomo (SHI) Demag, as a globally oriented manufacturer of injection mould machines, who has been working in this constellation only for the last five years, has been able to stabilise its market position and gain further market shares since the last K trade fair in 2010.

Strong growth - market shares gained

K 2013 is the second time that Sumitomo (SHI) Demag is present at the K trade fair. The company was formed from a merger of the activities of the Japanese Sumitomo Heavy Industries (SHI), in the area of injection moulding machines, and the German Demag Plastics Group. In 2010, the Japanese-German manufacturer of injection moulding machines was present for the first time at this most important trade fair of the plastics industry. Back then, although still concerned about the results of the extremely intense financial and economic crisis, which hit the plastics industry and, in particular, the manufacture of injection moulding machines in Europe especially hard, Sumitomo (SHI) Demag went through continuous upwards development in the following three years.

The resulting uncertainty of the markets regarding the brand Demag, created up to the takeover by Sumitomo Heavy Industries Ltd., and which even expressed itself in clearly decreasing market shares, was more than reversed. Already with the changeover of the years 2011/2012, the market share had returned to the level of the year 2006 before the crisis. Since then, the Sumitomo (SHI) Demag market share for injection moulding machines has been clearly rising. An example of this is not at least the high acceptance on the Asian market. Thus, the Chinese subsidiary company Demag Plastics Machinery was able to increase the export share of the machines produced in Ningbo from just about 5 % in 2010 to currently around 25 %.

This reflects the strong confidence of the plastics manufacturers in the brand and competence of Sumitomo (SHI) Demag: Significantly more than 100,000 installed machines in all the important markets of the world prove that the Japanese-German injection moulding machine manufacturer is now one of the important players in the plastics machinery industry - and every year more than 5,000 new machines are added. Four factories in Japan, Germany and China with more than 3,000 employees are part of the development and production network of the firm. The product portfolio comprises fully electrically, hybrid and hydraulically driven injection moulding machines with a clamping force range of between 180 and 20,000 kN.

Production sites in Germany and China further improved through investments

In 2012, the Japanese parent company Sumitomo Heavy Industries (SHI) Ltd. invested a further 20 million Euro into the subsidiary company Sumitomo (SHI) Demag Plastics Machinery GmbH with headquarters in Schwaig/Germany. The aim of this investment is continuous strengthening of the production sites Schwaig, and in Wiehe in Thuringia, as a competence centre for fully electric machines, where hydraulically and hybrid driven machines are produced. These funds are used on one hand for modernisation of the production and for the purchase of new machine tools. The largest part of this investment was buying back the site, and the sales and factory buildings in Schwaig. Up to the beginning of 2008, the former owner of Demag Ergotech GmbH, Madison Capital Partners, Chicago/USA, sold the grounds of the Schwaig injection moulding machine manufacturer, with all buildings on it, to a real estate business. Sumitomo Heavy Industries now underlines its strong commitment to Sumitomo (SHI) Demag and the production site Germany with the buy-back and the discontinuation of the rental.

Sumitomo (SHI) Demag will now invest a further seven million Euro into the extension of the production capacities of the Chinese subsidiary company Demag Plastics Machinery (Ningbo) Co., Ltd. The Ningbo factory builds the machine series Systec C, which is offered with clamping forces between 500 and 10,000 kN on the Chinese and Asian market. These investments should extend the production capacities from currently around 650 units to up to 1,000 injection moulding machines per year. According to plans, this extension of capacity can be used from 2015 onwards. Demag Plastics Machinery in Ningbo now not only delivers to the local Chinese manufacturers, but also increasingly the injection moulding manufacturers in South-East Asia, the Near East and even Latin America. The planned extension of the capacity creates the basis for increasing the current export quota of currently 25 %.

On the North American continent, Sumitomo (SHI) Demag has strengthened its subsidiary in Strongsville, Ohio, with a new technological centre. This centre was officially began operation on 1 April and was designed as showroom and application technology centre with a total of 8,000 square feet (about 750 m²) of floor space. There, several fully electric, hybrid and hydraulically driven injection moulding machines of the latest models with a clamping force range of between 56 U.S. tons (500 kN) to 652 U.S. tons (5,800 kN) are continuously available.

Electric drive technology on the advance

One aim of the company as a leading manufacturer of injection moulding machines is to be able to increase further its strength in the concepts for electric machines and significantly increase its market share globally in this segment. Today, already more than 95 % of the machines from Japanese production feature an electric drive concept. Sumitomo Heavy Industries (SHI), the parent company of Sumitomo (SHI) Demag, is one of the leading Japanese manufacturers of electric drives and has, among other things, developed special high torque motors and control systems for use in injection moulding machines. These worldwide platform components are the machine technological core competence of Sumitomo (SHI) Demag and are fitted to all electric injection moulding machines. Using this competitive edge, Sumitomo (SHI) Demag envisages a further rapid development of its market position for electric machines mainly in Europe and America. At present, already more than 50,000 fully electric injection moulding machines carry this brand.

Today, it is already clear that the increasing market share of Sumitomo (SHI) Demag mainly results from the continuously increasing number of machines sold with fully electric and hybrid drive. The reasons for this are constantly growing demands on the complexity and precision of injection moulded parts, be it for the automobile, medical or packaging sectors. Higher productivity through shorter cycle times, lower energy usage and an improved CO₂ environmental balance, when compared with the fully hydraulic driven machines, are further plus points for the servomotor drive technology. Therefore, the processing firms are ordering more and more of this technology from the outset, when they replace their old stock machines with hydraulic drive concept.

Teams of specialists assist the processing firms

In terms of machines, Sumitomo (SHI) Demag has added to its product range of hybrid and electrically driven machines since the last K trade fair. Accordingly, the hybrid machine EI-Exis SP with its tailor made “Speed Performance” for the high speed production of caps for drinks bottles and of thin-wall and packaging parts, newly introduced on the K 2010, is now available in the clamping force range of between 1,500 and 7,500 kN. This machine range is supplemented by the new series Systec SP, first shown on this year’s K trade fair. The main application area of this product range, based on the SP hybrid drive platform, is the serial production of buckets, stacking boxes, snap fits, lids etc., which feature a flow length wall thickness relation of up to 350:1. And now, the fully electric IntElect machines are available for multicomponent injection moulding with clamping forces between 2,200 and 4,500 kN.

In order to be able to optimally utilise the available multitude of machine and process technology, Sumitomo (SHI) Demag has formed competence teams, which assist the processing firms with the task of aligning new projects to high product quality, high productivity and high economy right from the start of the planning. These competence teams are equipped for the extremely complex application area of packaging technology, as well as for focus point precision injection moulding, adjusted to the most diverse areas of application. For this, the teams are comprised of interdisciplinary and international experts. They operate internationally and accompany a project from the planning, through testing, to the realisation of the production plant right up to serial production.

Since 1 June 2013, Sumitomo (SHI) Demag is being led into the further future by a management team led by Dr. Tetsuya Okamura as CEO, Christian Renners as CSO, responsible for the areas of world-wide sales, service, marketing and subsidiary firms and Andreas Schramm as CTO, responsible for R&D, quality and production. Shaun Dean, who was COO until then, has now taken over a wider range of tasks at the parent company Sumitomo Heavy Industries Ltd.

Sumitomo (SHI) Demag Plastics Machinery GmbH

Sumitomo (SHI) Demag has consistently shaped the plastics industry from its inception. As a specialist for injection moulding machines for polymer processing, Sumitomo (SHI) Demag and its Japanese parent company are among the leading companies in this sector globally. The Japanese-German company was formed in the spring of 2008 by merging the injection moulding activities of Sumitomo Heavy Industries (SHI) and those of Demag Plastics Group.

The global development and production network of Sumitomo Heavy Industries and Sumitomo (SHI) Demag consists of four plants in Japan, Germany and China with more than 3,000 employees. The product portfolio encompasses all-electric, hydraulic and hybrid injection moulding machines with clamping forces of between 180 and 20,000 kN. With over 100,000 machines installed, Sumitomo (SHI) Demag is present in all important markets throughout the world.

With more than 5,000 machines sold each year, the Plastics Machinery Business of Sumitomo Heavy Industries counts as one of the largest Global manufacturer of injection moulding machines.

The main Sumitomo plant in Chiba produces machines with low and medium clamping forces. Around 95 % of all machines supplied by Japan have an all-electric drive.

The main Demag facility in Schwaig/Germany focuses on the hydraulic Systec and the hybrid high performance, high-speed EI-Exis SP machines. Recognising the increasing importance of electric drive technology for injection moulding machines, Sumitomo (SHI) Demag has expanded the factory in Wiehe/Germany into an international centre of competence for electric machines. Thanks to the new production capacities, Wiehe now supplies all electric injection moulding machines worldwide with its IntElect series with clamping forces up to 4,500 kN and also the hydraulic Systec series with clamping forces of up to 1,200 kN.

Sumitomo (SHI) Demag continues to operate the former Demag plant in Ningbo/China which has been active since 1998. Since 2007 the subsidiary located there, Demag Plastics Machinery (Ningbo) Co., Ltd, had its own, newly built plant and after reaching full capacity, moved to a larger factory with a production area of 11,000 sqm. Injection moulding machines from the Systec C product line with clamping forces of between 500 and 10,000 kN are produced here for Asian markets.

In addition to injection moulding machines, Sumitomo (SHI) Demag offers customised and standardised systems for the automated handling of moulded parts, technical solutions for special applications in process engineering, tailor-made service concepts and various forms of financing for investments in injection moulding machines.

With its seamless sales and service network of subsidiaries and representations, Sumitomo (SHI) Demag is present in all major industrial markets.

www.sumitomo-shi-demag.eu

Contact

Stefanie Lauterbach, Marketing
Sumitomo (SHI) Demag Plastics Machinery GmbH
Tel. +49 911 5061-2915, Fax +49 911 5061-750
E-mail: Stefanie.Lauterbach@dpg.com

<Management_Schramm_Okamura_Renners>



Current management of the Sumitomo (SHI) Demag Plastics Machinery GmbH (left to right): Andreas Schramm (CTO), Dr. Tetsuya Okamura (CEO) and Christian Renners (CSO).

Photo: Sumitomo (SHI) Demag