Corona bears opportunities and difficulties for the Air Handling Technology

- Companies expect weaker second half of the year
- Building services engineering is particularly in focus
- Consumers unsettled - technical information can help

Frankfurt, June 18, 2020 - Good order backlogs have helped companies in the Air Handling Technology sector through the difficult corona times so far. Production is still well utilized in many companies. However, the decline in orders is also noticeable in this branch of mechanical engineering and it is foreseeable that the impact on production will increase in three to six months. "The second half of the year is therefore likely to be weaker than the first half in the Air Handling Technology sector," said Guntram Preuß, Market Information Officer at the VDMA, at this year's board meeting of the VDMA Air Handling Technology Association.

In April 2020, incoming orders in the industry fell by 24 percent in real terms compared with the same month last year. As the order intake was still slightly positive in the first quarter (plus 2 percent), this results in a total drop in orders of 4 percent for the first four months of 2020. The picture is similar for the sector's turnover: in the first quarter turnover fell by 4 percent, for the second quarter companies even expect a decline of 9 percent overall. With regard to the second half of the year, there are uncertainties and different prospects in the sector. In summary, sales for the entire year 2020 are currently expected to decline by about 8 percent compared to 2019 for Air Handling Technology.
Building services, the healthcare sector, the pharmaceutical and food industries are stable or less affected. In contrast, the automotive industry and its complex supply chains will see the largest declines. The COVID-19 crisis is intensifying the already existing reluctance to invest here due to the structural upheaval in which the industry finds itself.

**Current sentiment**
The building services business has come through the crisis comparatively well so far because the corona pandemic can also provide positive impetus for modern climate control and ventilation technology. The "airborne" risk of infection draws particular attention to air exchange rates and effective ventilation of buildings. Digital methods and modern control technology can provide significant support in this respect. "Technical information from the association and its members play an important role in the current situation because there is uncertainty on the consumer side. It is therefore of great importance that we provide targeted information and close any gaps in knowledge regarding modern air conditioning and ventilation technology", said Wolf Hartmann, Chairman of the Executive Board of LTG AKTIENGESELLSCHAFT.

A predominantly stable domestic business is helping the industry through the current crisis, with companies relying on internationally functioning supply chains. "We are currently feeling a stronger political influence on international economic events worldwide," commented Christian Weiser, CEO of A-HEAT Allied Heat Exchange Technology AG. Support from the German government in creating international "level playing fields", i.e. balanced and fair competitive conditions in international trade, is therefore one of the VDMA's economic policy demands on the German government. In addition, the VDMA Air Handling Technology Association is working to ensure that the European umbrella organization EUROVENT develops a clear internationalization strategy.

Due to the current Corona-related hygiene measures, the board meeting was held as an interactive web conference.

"The current Corona pandemic represents an unprecedented challenge for all of us. But at the same time, it also shows us the opportunity to invest into the future now in order to drive the digital transformation even more systematically," said Dr. Hugo Blaum, Chairman of the Board of the Air Handling Technology Association.
Health and climate protection on top of agenda
The trade association bundles the expertise of specialised supplier industries for numerous target sectors in mechanical engineering, trade and commerce and the construction value chain. "In the fields of application for appropriate ventilation technology, sustainability issues such as health and safety at work, environmental and climate protection and energy efficiency have always been of considerable importance," said Dr Thomas Schräder, Managing Director of the Air Handling Technology Association. The associated industries are therefore familiar with a high density of regulations and are also active in the development of regulatory framework conditions.

"Due to numerous different interfaces to the core processes of a wide range of target industries, tasks of digital transformation, such as Building Information Modelling - BIM for short - and machine-to-machine communication in the sense of digital networking, are therefore generally in the focus of our industry," Schräder explained. There are high expectations that building services engineering in particular will use digital tools to develop tailored solutions for sustainability issues, quality of life and work, and flexibility of use.

Do you have any questions? Dr Thomas Schräder, VDMA General Air Technology, Phone 069 6603 1227, thomas.schraeder@vdma.org will be happy to answer them.

The VDMA represents around 3300 German and European companies in the mechanical and plant engineering sector. The industry stands for innovation, export orientation, medium-sized companies and employs around four million people in Europe, more than one million of them in Germany alone.

The Fachverband Allgemeine Lufttechnik comprises the sub-sectors air conditioning and ventilation technology (process and room air technology), refrigeration and heat pump technology, air pollution control (process air technology), surface technology and drying technology.