

Pressure on the German PPE market is forcing suppliers to reposition themselves!

The German market for personal protective equipment (PPE) is undergoing a period of fundamental change. Following the extreme peaks in demand during the COVID-19 pandemic and the subsequent return to normalised demand levels, the picture today is complex: geopolitical tensions, economic uncertainty and structural market shifts are presenting the industry with new challenges.

The consequences of the ongoing war in Ukraine are having a noticeable impact on the German economy. The loss of trade relations, sanctions packages and rising energy prices are weakening the competitiveness of Germany as a production location. In the PPE sector, too, more expensive intermediate products and higher production costs are putting pressure on margins and demand.

The industry has experienced remarkable growth over the past two decades, with the market growing by an average of around 5% annually, despite the temporary exceptional circumstances during the pandemic. Drivers included booming construction and industrial production, a high willingness to invest in occupational safety, and the expansion of protection standards by the employers' liability insurance association.

Today, however, the picture is different: for the first time in years, the PPE market is moving sideways. Although there is no discernible sustained negative trend, recent developments – such as the sale of PPE divisions (including Uvex to Warburg Pincus and Honeywell to PIP) and the insolvency of long-established suppliers – illustrate the maturity of the industry. Growth is increasingly being driven by displacement rather than expansion in demand.

Three strategic directions for development

A closer look reveals clear strategies that suppliers are using to successfully assert themselves in the market:

- 1. Down-trading:** Driven by increasing price pressure, this development is primarily focused on PPE segments offering basic protection, where the risk of serious injury is low. Typical examples are the markets for foot and hand protection, where cheaper materials or simplified production processes enable entry into lower price segments.

2. Up-trading: Brand manufacturers are focusing on qualitative enhancement and specialisation in order to clearly differentiate themselves from the competition. This can be seen, for example, in the head protection market, where classic helmets are being upgraded with a climbing helmet design, or in hearing protection, where integrated electronics and communication functions in ear muffs are opening up new applications and thus enhancing the product group. At the same time, suppliers must strike a balance between improving quality and not raising prices excessively in a challenging market environment.

3. Marketing campaigns: In a mature market, branding is becoming increasingly important strategically. While specialisation in certain product groups is the main focus in hand protection, for example, communication about sustainable or climate-neutral production processes is increasingly coming to the fore in skin protection. Lifestyle-oriented approaches and the development of trusted brands are increasingly becoming differentiating factors.

Outlook

The German PPE market is in the midst of a consolidation phase that will produce winners and losers. Declines have not been dramatic so far. Although declines in demand in the automotive and chemical industries, for example, can be partially offset by impetus from the defence and semiconductor industries, the continuous growth path of recent years has been interrupted.

The industry is reinventing itself – with more competition, higher requirements and innovative strategies. Anyone wishing to gain deeper insights into market volume, competitive dynamics and trends will find detailed analyses in the **new PPE Study 2025 by macrom Marketingresearch & Consult**.