

# PackagingNews

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Incorporating **PACKAGING** magazine

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## Rank bids to become global number two in cartons

by Ben Bold

New Zealand's richest man, Graeme Hart, will create the world's second largest drinks cartons manufacturer if he succeeds in his bid for Swiss packaging firm SIG.

Hart's investment company, Rank Group, offered around £1bn for SIG last month. The offer is 14% higher than a rival

bid from a coalition of Ferd's Elopak, the Norway-based firm that is the world's third largest drinks carton supplier, and CVC Capital Partners.

Last month Hart also agreed to pay £250m for International Paper's drinks business to become the world's fourth largest supplier of drinks cartons.

Should he succeed in buying SIG, Hart will become the second largest player after Tetra Laval, which commands an 80% share.

Hart has developed his business empire, which includes New Zealand and Australia packaging firm Carter Holt Harvey, by snapping up undervalued companies.

Tim Rothwell, an analyst and senior partner at Lansdowne Resources, said: "SIG is not making the kind of returns that it should [as the world's second largest drinks carton manufacturer]."

"Hart regards this as an opportunity to acquire a business that could and should be doing better."

## Union fears for AGI's Birmingham plant

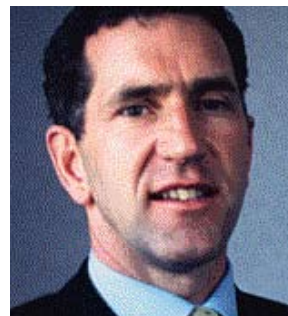
by Ben Bold and Jane Ellis

Union leaders are pessimistic about the future of AGI Media Europe's Birmingham plant, which is set to close as the firm moves CD and DVD packaging production closer to clients in continental Europe.

The move, announced in December, could lead to the loss of 140 jobs.

Amicus national officer Vernon Robson met with AGI Media Birmingham's management team in the week before Christmas to discuss whether jobs could be rescued, but admitted the factory was "likely to close".

Andrew Scrimgeour, AGI Media's UK managing director, said the decision was "awful" from a personal point



Scrimgeour: closure "awful"

of view but that it was "the right thing to do" from a business perspective.

AGI, part of US firm MeadWestvaco, will continue to work for UK clients from its Slough and Swindon plants.

Meanwhile, as *Packaging News* went to press, there was

no sign of an end to the dispute between Amicus and Chesapeake over changes to terms and conditions at the group's Field Packaging sites in Bradford and Newcastle (*Packaging News*, December).

Strike action began on 13 December and is scheduled to take place every Wednesday indefinitely with a one-hour stoppage on every shift. An overtime ban is also in place.

Robson said the situation had been inflamed by the dismissal of 10 staff at Bradford before Christmas for refusing to sign the new terms.

But Bob Houghton, Field's group marketing and communications manager, said the new terms had been agreed with staff representatives.



Searle: passionate about packs

## Searle calls for retailer support

by Gordon Carson

The new chief executive of the Packaging Federation has called on retailers to give more support to their packaging suppliers when the industry comes under fire.

Dick Searle, who took over from Ian Dent at the start of January, told *Packaging News* that customers "step back from the debate every time packaging is attacked".

He added: "I find it very concerning. It's about time the whole of the supply chain stood shoulder to shoulder and defended packaging."

Searle has identified seven key action points for his first year in the post.

These include campaigning on energy costs and on policy to reduce carbon emissions.

Searle pledged to be a "crusader" for the industry. "I'm passionate about packaging," he said. "I started life in the folding carton industry and even now I tear them apart to see who made them."

See interview, page 26

## UK Packaging Awards open for entries

Entries for the 2007 UK Packaging Awards, the most prestigious awards ceremony for the packaging industry, are now being accepted.

Enclosed with this issue of *Packaging News* is an entry form for the awards that provides you with all the informa-

tion you will need to be considered for an award.

There are 23 categories in the awards, which will be presented at Grosvenor House in London on Wednesday 12 September.

The closing date for entries is Friday 18 May.



Entries now being accepted