

packaging –
a very
productive
resource



Packaging Federation (PF) Highlights of 2004

- New Affiliate structure reinforces cohesion of sector with eight trade associations now working with the PF to represent the broad spectrum across all primary packaging materials as well as household, commercial and industrial packaging.
- Successful conference by PF and INCPEN – *Packaging 2020 Vision* – with key-note speakers on current and future economic, social and legislative issues likely to affect the packaging supply chain.
- New All-Party Parliamentary Group for Packaging Manufacturing Industry formed.
- Publication of PF UK Market Report No. 3 – *Doing Even More with Even Less* (see www.packagingfedn.co.uk)
- PF and member, Amcor Flexibles, co-sponsorship of major new study into resource efficiency of packaging in the fast moving goods (fmcg) sector – *Packaging's Place in Society* (see www.packagingfedn.co.uk).
- Successful business dinner held with UK MEPs in Brussels as well as successful UK Parliamentary Reception:

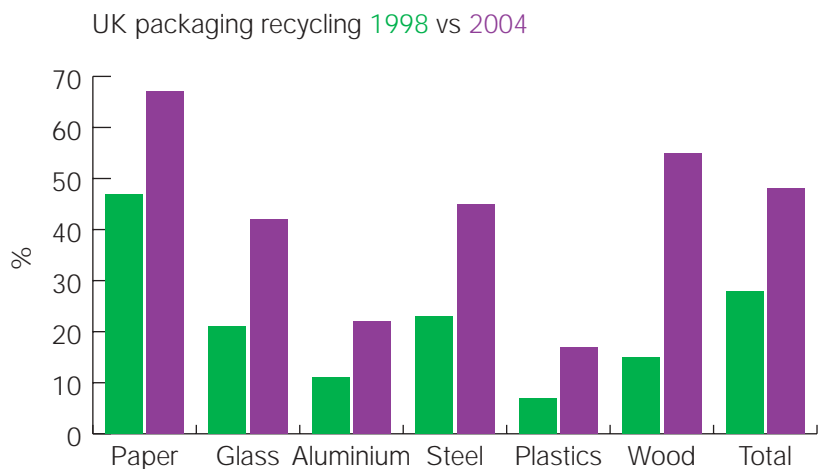


UK packaging manufacturing highlights

- **Productivity continues to outpace other industries**



- **UK packaging recycling increases by over 20 percentage points**



Source: DEFRA

- **Packaging continues to use its material and energy resources more efficiently**

Soft drinks: Varied tastes

UK demand **increased** by 20%, 1997-2002, whilst packaging per litre consumed **declined** by 21%, equivalent to saving 44 kilotonnes of packaging (and waste).



Textile detergent: Changing demand

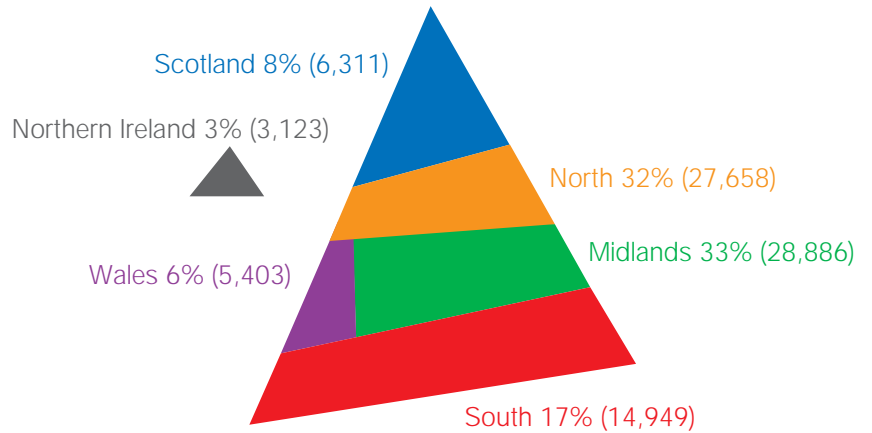
UK households did three billion **more** washes, 1997-2001, but packaging per wash **declined** by 9% in the same period.



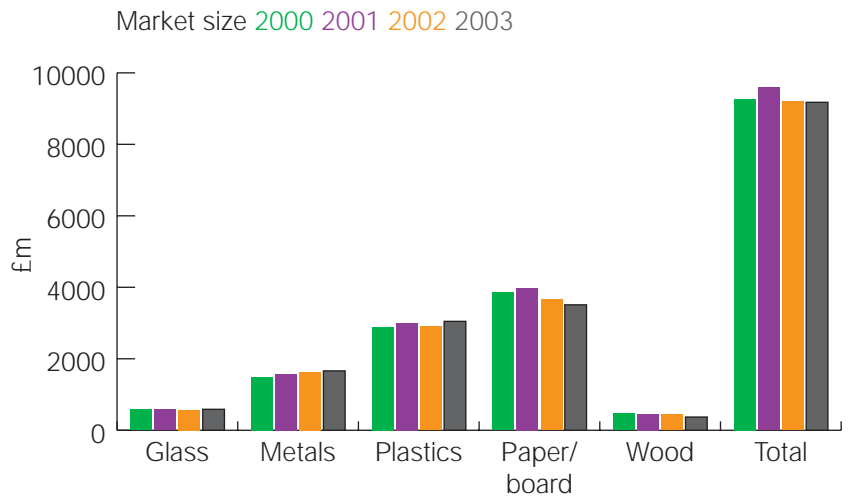
Source: *Packaging's Place in Society*, PIRA/University of Brighton

Some key UK packaging statistics

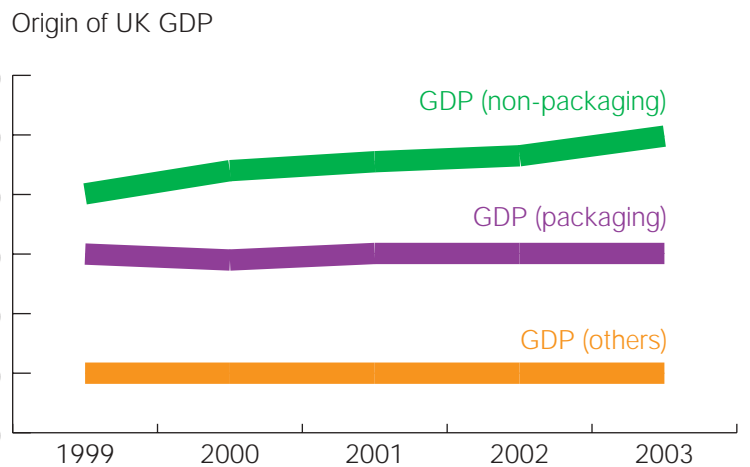
- Packaging manufacturing employment in 2003 was 86,330 – down by 10% since 2001



- Net supply of (empty) packaging in 2003 was £9.2 billion – down 4% since 2001



- Packaging around goods placed on the UK market is approximately 10 million tonnes
- Estimated 30% packaging around imported goods
- Approximately 83% reported as obligated under UK packaging regulations
- Exports of UK packaging waste at 27% in 2004 (vs 4% in 1998)
- Decoupling of packaging production from packed goods consumption and GDP:

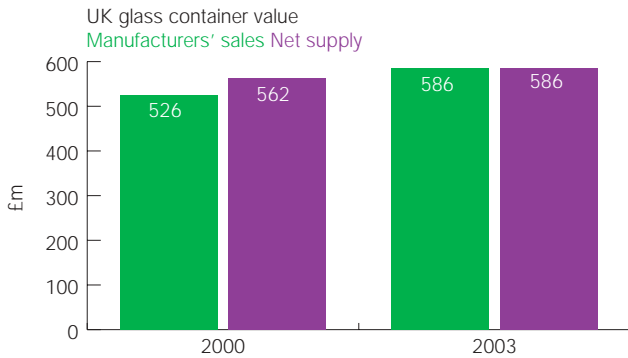


Source: Ceres Logistics

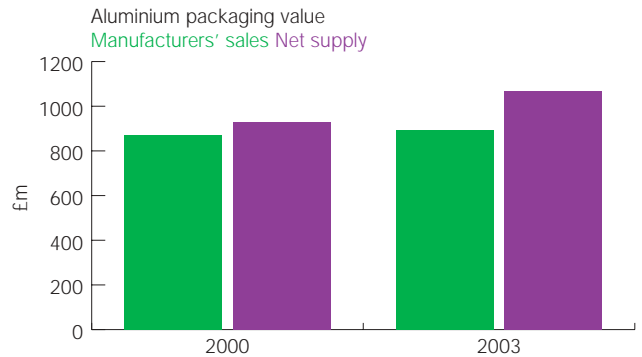
Focus on packaging materials

UK packaging supply – 2000 vs 2003 (by value)

Glass: Improving trade balance

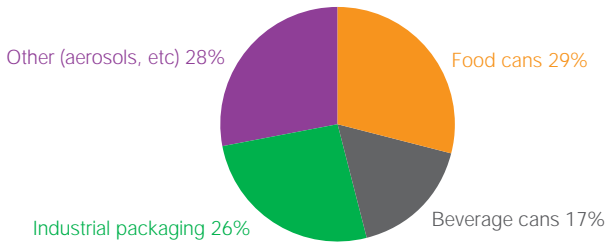


Aluminium: Net supply +20% but imports up 30%

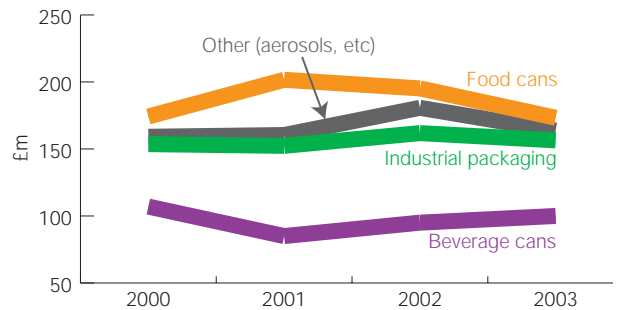


Steel: 2003 values similar to 2000 after some oscillation in-between

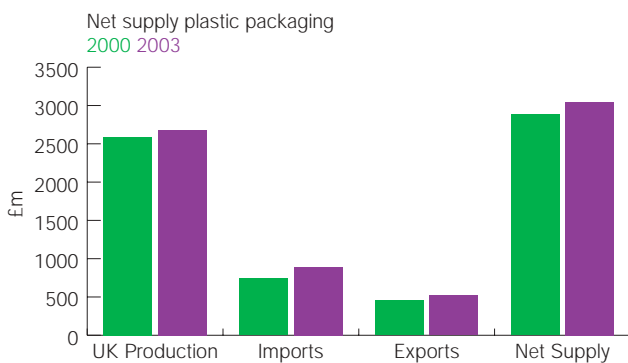
UK steel packaging by value 2003



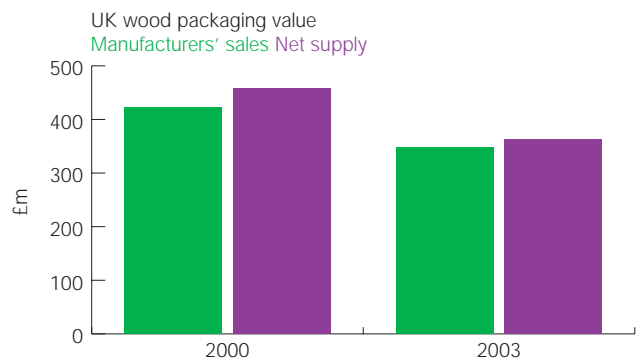
Steel packaging sector trends



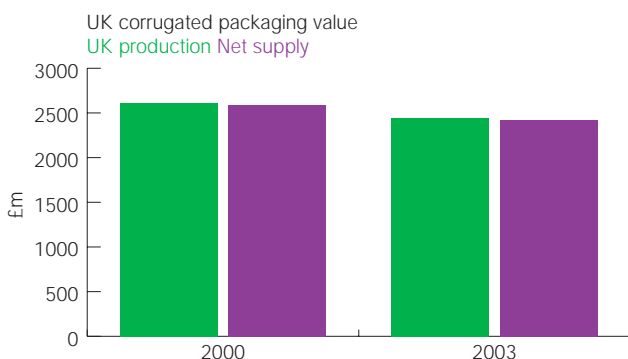
Plastics: 6% increase net supply but 20% increase in imports



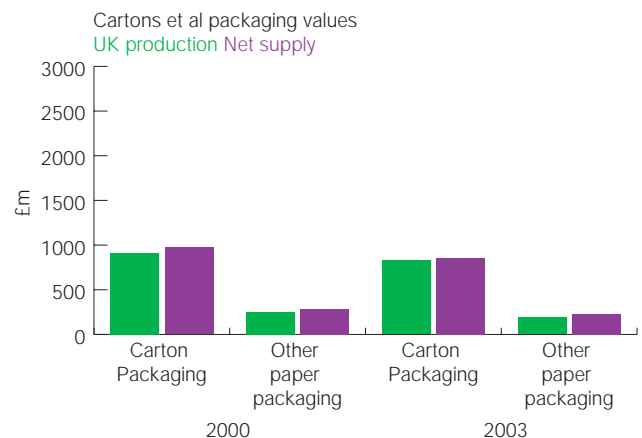
Wood: Net supply down by 21%, imports up by 12%



Corrugated: 70% paper packaging sector – net supply down by 7%



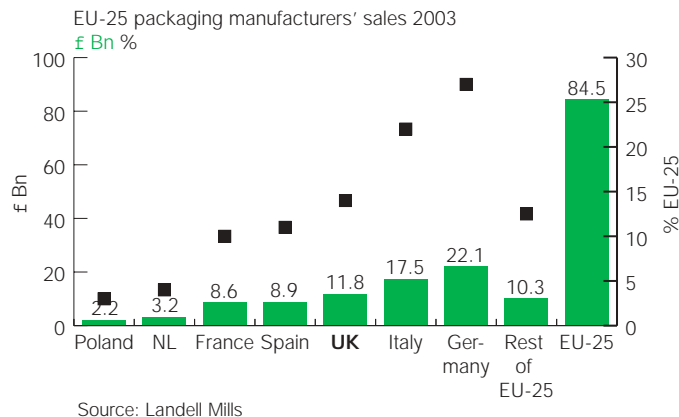
Cartons: Net supply down by 12%, but exports up 28%



A European perspective

Packaging manufacture

- UK an important packaging manufacturing force in an enlarged European Union with Poland as emerging force.



Recycling

- UK catching up with rest of EU-12 – EU recycling target by end of 2008 55-80%

	Packaging use 2002 Kg/capita	Recycling rates		
		1998 %	2002 %	growth %
UK	166.8	28	44	16
France	205.9	42	45	3
Italy	198.3	32	51	19
Germany	187.0	80	74	-6
Spain	156.7	34	44	10
EU(12) Ave.	161.1	48	55	7

Source: ASSURRE/DG Environment

- New Member States given between 2012 and 2015 to meet targets
- Exports of packaging waste outside the EU continues to grow exponentially

UK total investments

- EU-25 foreign direct investment (FDI) increased by 80% in 2003 whilst inflows decreased by 15%
- UK largest investor outside of EU-25 in 2003 (27% in total) mainly in USA, but UK major loser on inward investment

EU-25 FDI flows 2003 (€million)

	Outwards flows				Inward flows				Inflow: Outflow
	USA	Ex EU-25 Total	Intra EU-25	Total	USA	Ex EU-25 Total	Intra EU-25	Total	
EU-25	49,320	118,055	185,175	303,230	18,007	77,183	198,208	275,391	-27,839
EU-15	49,261	122,113	178,404	300,517	17,157	75,343	188,989	264,332	-36,185
France	6,258	13,218	37,533	50,751	3,489	11,416	30,211	41,627	-9,124
UK	26,262	32,392	16,370	48,762	4,971	7,581	5,266	12,847	-35,915
Netherlands	5,292	9,945	21,031	30,976	-4,828*	1,821	16,036	17,857	-13,119
Spain	1,776	7,318	13,391	20,709	3,856	6,337	16,368	22,705	1,996
Germany	4,830	7,304	-5,036	2,268	4,951	2,076	9,323	11,399	9,131

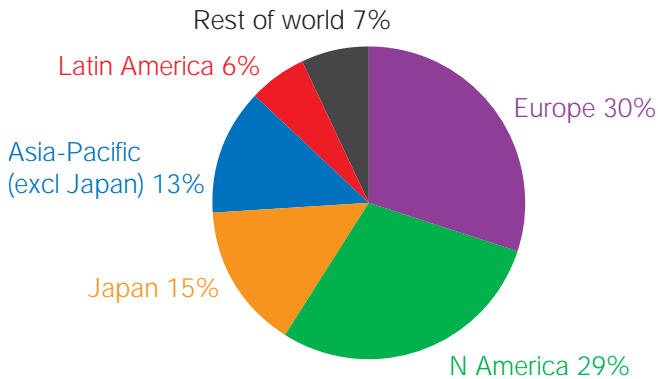
Source: Eurostat (preliminary 2003 data)

* A minus sign stands for disinvestment

- Major packaging users continue to move production to new Member States

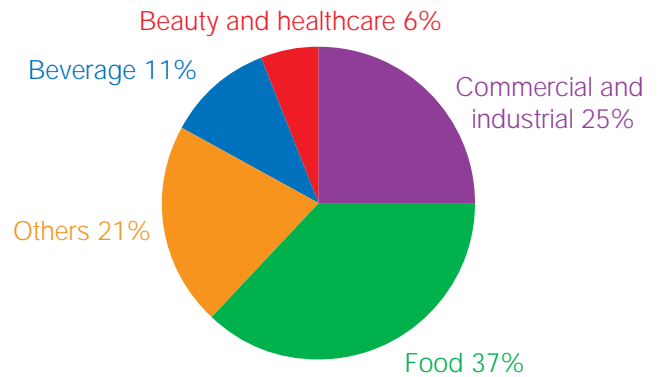
An International perspective

Global consumer packaging spend 2003 (US\$/capita)



Source: Packaging Strategies

Global packaging end use markets 2003 (US\$400 billion)



Source: Rexam/PF

Adding value to the global food supply chain (US\$ billion)

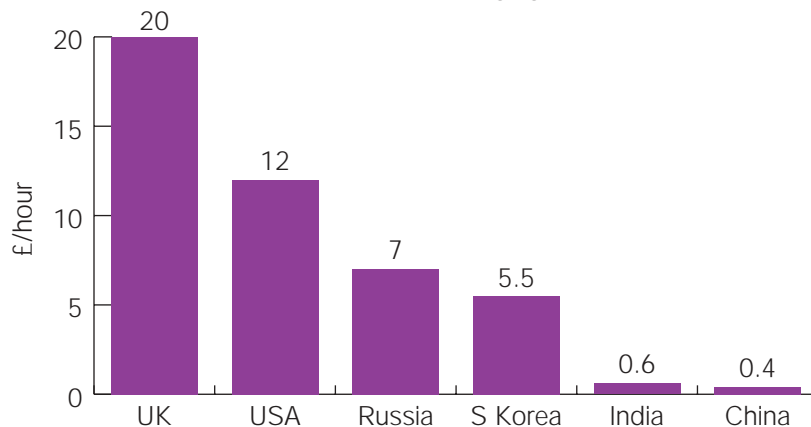
Rank	Grocery retailers			Food and beverage producers			Packaging manufacturers		
	Company	HO base	Sales	Company	HO base	Sales	Company	HO base	Sales
1	Wal-Mart	USA	256	Nestlé	Switzerland	54.3	Tetra Pak	Sweden	8.3
2	Carrefour	France	80	Kraft	USA	29.7	Smurfit-Stone	USA	7.4
3	Ahold	Netherlands	63	Unilever	UK and NL	25.7	Amcor	Australia	6.8
4	Metro	Germany	61	PepsiCo	USA	25.1	Crown	USA	6.6
5	Kroger	USA	54	Coca-Cola	USA	19.6	International Paper	USA	6.2
6	Tesco	UK	50	Groupe Danone	France	15.6	Owens-Illinois	USA	6.2
7	Costco	USA	48	Diageo	UK	15.6	Alcan	Canada	6.0
8	Rewe Gruppe	Germany	44	ConAgra	USA	11	Toyo Seikan Kaisha	Japan	5.8
9	Aldi	Germany	40	Anheuser-Busch	USA	10.5	Rexam	UK	5.2
10	ITM Enterprises	France	36	Cadbury-Schweppes	UK	10.1	Ball Corporation	USA	4.4

Source: IGD

Source: FT

Source: Packaging Strategies

Global labour rates – flexible packaging



Source: Amcor

Innovation showcase 1

"Creativity is thinking up new things. Innovation is doing new things." Theodore Levitt

RPC containers improve life for the gardener

- New dosing system to maximise accuracy and user-friendliness
- Durable, moisture-proof for storage in garden sheds and green-houses
- Longer shelf life

The flip-top closure, injection moulded at RPC Market Rasen, uses a unique dosing system to ensure that an accurate measure is delivered every time. The system comprises two interlocking chambers, into which the measure falls when the closed container is turned upside-down and back. Once 'charged' in this way, the consumer opens the lid and pours – the pouring action itself automatically prepares the next measure.

'This is an attractive, easy-to-use pack, which adds value for both retailers and consumers,' comments Colin Golding of pbi. 'The technical ingenuity and stylish appearance demonstrate RPC's commitment to realising pbi's requirements.'



LINPAC tackles food theft with latest technology

- Fresh meat theft as high as 5% in some European countries
- New polystyrene meat tray incorporates latest radio frequency technology to detect theft
- Innovative sealing technology used to protect detector tag and food contact
- Tray 50% lighter than non-foam tray

Due to the increase in meat theft from supermarkets – sometimes by organised gangs – Linpac has developed this innovative tray, which incorporates within its base the latest radio frequency electronic surveillance tag in the base. It is hermetically sealed to meet all the current food safety regulations and standards. Not only has it been found to reduce theft but also creates a 'halo' effect protecting adjacent fresh foods. This has got to be good news for supermarkets and consumers.



Innovation showcase 2

"Innovation is the creation of the new or the re-arranging of the old in a new way" Michael Vance

Field Group responds to demands for shelf-ready packaging

Shelf-ready packaging (SRP) is the latest buzz word to arrive on the scene and has been heralded as the number one solution to on-shelf availability in supermarkets.

SRP removes the need for using knives when opening transit packaging by supermarket staff and having to manage the single units of the product. This means less damaged stock, which will also bring savings to customers.

Field Group, a Chesapeake Corporation company (USA) and a leading European carton manufacturer, has developed a range of shelf-ready packaging (SRP) solutions that can be used to enhance the display of a complete range of retail products:

- Enhance product presentation
- Facilitate easy conversion from a transit outer to shelf display
- Packaging fully recyclable



MY looking after patient care

As legislation requires more and more information to be provided to customers on products, especially for pharmaceutical products, the pack itself may be insufficient to carry all the information by direct printing or labelling. MY have therefore devised a range of innovative labelling systems for the pharmaceutical industry not only to provide the information but also to ensure that the information remains with the pack.

LeafletXtra provide printed leaflets that can be folded into a wide range of configurations and mounted on carton board to provide a durable, compact information system.

LabelXtra is a label leaflet that can be manufactured to suit the amount of text, profile and size of pack. Leaflets are secured to the packs to ensure the instructions remain an integral part of the product.



Innovation showcase 3

innovate v.t. to renew, alter(rare): to introduce as something new – v.i. to introduce novelties: to make changes. Oxford English Dictionary

Rexam launch world's first re-sealable beverage can to tackle drink wastage

- 70 cl size caters for individual needs and less product wastage
- Decorative ink changes colour when beverage chilled
- Gauge shows consumer how much product is left

The contents of canned drinks needed to be consumed in one go – until now. Rexam have now introduced this first re-sealable aluminium can, which has the added innovation of using thermo-chromic inks which change colour with temperature and a gauge to demonstrate how much is left. Food and drink wastage is a big problem which this innovation helps to tackle.



UK's Homebase introduces new shaped can for easier use

How often have you found painting a pain due to not being able to grip the can properly? In a recent international steel packaging effectiveness award organised by APEAL (The Association of European Producers of Steel for Packaging) this new Homebase paint can achieved the following scores:

Average score for product category (paint, decorative tins, industrial cans up to 5l.)	6.25
• Consumer convenience	6.63
• Innovation	7.05
• Easy to handle	6.87
• Easiness of storage in home	6.84



Innovation showcase 4

"You're either part of the solution, or part of the problem" Eldridge Cleaver

Rockware Glass sorts out the UK waste glass issue

Rockware Glass, part of the Ardagh Group, has long recognised the need to sort out the problem of mixed glass collection and the glut of green glass in the UK. Putting its money where its mouth is, it invested in 2005 an additional £7.5m to double its recycling capability to over 400,000tes.

- Maximise use of mixed waste glass bottles with world's most advanced technology
- Energy saved at Rockware between 2000 and 2003 due to use of recycled glass equivalent to energy needed to launch six space shuttles.
- Only UK plant capable of recycling container glass and plate glass
- Strong commitment to education for schools and community through 'Glass Forever' hands-on demonstration shows



Rockware uses up to 70%
Recycled content
in it's glass

And let's not forget those hazardous products...

Most of us think of packaging only around the goods we buy in stores or over the internet – but approximately half the packaging used in the UK is employed for the transport of raw materials, products and goods between manufacturing operations or importing whether by air, land or sea. Some of these many products are hazardous, and therefore require special packaging.

Pensteel is one of the companies engaged in moving such products around the globe. Responding to the need to move a mix of products together, it has introduced a new semi-bulk container for transporting petroleum and petrochemical products together – necessary building blocks for many products including packaging. Key innovations are:

- Double wall construction for maximum protection from spillage and leakage
- Improved design for better utilisation in sea and land containers



Acknowledgement: Landell Mills Consulting

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The Packaging Federation
Vigilant House, 120 Wilton Road
London SW1V 1JZ
telephone +44 (0)20 7808 7217
fax +44 (0)20 7808 7218
website www.packagingfedn.co.uk.

