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## **Polymer price rises threaten Flexible packaging sector, warns Flexible Packaging Europe**

Raw material price increases are threatening the financial backbone of the flexible packaging industry, warns Flexible Packaging Europe (FPE), which represents 75 per cent of European flexible packaging production.

The flexible packaging sector has been forced to accept the imposition of a succession of price rises from polymer producers in recent months, while delivery times to its customers are being threatened by a slow down in supply caused by production maintenance programmes at many polymer producers' facilities. At the same time the cost of energy supplies have seen significant increases which vary from region to region.

In recent years the industry has been working to offset increased cost with efficiency improvement but these levels of increase become impossible to absorb. "The squeeze on margins caused by increased raw material prices and rising energy, transport and labour cost is putting enormous pressure on this highly innovative packaging sector," states FPE Executive Director Stefan Glimm.



FPE, whose membership represents sales revenue of €7bn, warns that raw material prices represent 60 per cent of the total cost of flexible packaging.

"Innovative developments in down gauging and consumer convenient packaging options have done much to meet the demands of end user customers and consumers, while also promoting growth in the sector but the time has now come for each customer to work together with its flexible packaging producers to create solutions to what is becoming an untenable position," explains Glimm.

**Flexible Packaging Europe's** core business is representing the European flexible packaging industry at a European level, dealing with a range of issues relevant to the flexible packaging industry, most notably food contact and environmental issues.

### **Further information:**

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