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European Flexible Packaging Manufacturers worried about Repetition of Raw Material Supply Shortage

Several Flexible Packaging Europe (FPE) member companies, representing about 80% of the total European turnover, have expressed concerns that the critical raw material situation of early 2015 for standard polymers used for flexible packaging is currently being repeated for another type of plastics: polyamide.

The scarcity of caprolactam (a pre-product for polyamide) in China led to significant exports out of Europe. A recent force majeure announcement for two caprolactam lines will very likely result into force majeure declarations for polyamide itself reducing the limited capacity further.

The increased demand for polyamide in the main applications like automotive will further increase the pressure on the availability for packaging applications in the coming months. In particular, small and medium sized manufacturers of flexible packaging are suffering from this situation. But even the multinational companies are facing difficulties.

The effect on converters means they may have difficulties in supplying finished products to meet their customers order requirements, particularly in the food and beverage sectors.

Guido Aufdemkamp, Executive Director of FPE commented on the recent developments: "The current situation of so many announcements to increase margins combined with force majeure declarations is either the test or use of market power. Alternatively, it demonstrates the strong need for maintenance and continuous investment in the European production facilities."

Further information:

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Flexible Packaging Europe's (FPE) members manufacture all types of flexible packaging. FPE comprises more than 70 small and medium sized companies as well as the major European producers of flexible packaging for all materials. These companies cover more than 80% of the European flexible packaging turnover. Also six national flexible packaging associations are members of FPE ensuring consistency between national and European activities and lobbying.