



FLEXIBLE PACKAGING EUROPE

Press Release

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European Flexible Packaging Manufacturers concerned about Raw Material Supply Shortage

Flexible Packaging Europe (FPE) member companies, representing about 80% of the European turnover, have expressed concerns about the current raw material supply situation, during their recent annual conference in Dubrovnik.

More than 30 'force majeure' declarations by the leading polymer manufacturers in Europe, coming in a short time frame, has led to significant shortages in the supply which resulted in only about 80% capacity being available, depending on the polymer.

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.

FPE member companies have had to deal with increased complexity in their production schedules due the insufficient raw material supply. They have reported sudden cancellations of agreed deliveries followed by offers with the same volumes but with significant price increases.

In particular small and medium sized manufacturers of flexible packaging are suffering from this situation. But even the multinational companies are facing difficulties. Some members also reported rumours of suppliers holding on to stocks of materials.

Stefan Glimm, Chief Executive Director of FPE commented on the recent developments: "The unfortunate situation of so many force majeure declarations in such a short period is either the test or use of market power. Or it clearly shows the strong need for continuous investment in and maintenance of the ageing European polymer production facilities."

"The high profits reported should enable the polymer suppliers to invest in their capacities to avoid such technical problems in the future. The growing flexible packaging market in Europe should be sustained by a stable supply chain to ensure future market growth," he added.

Further information:

Guido Aufdemkamp, Executive Director

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.

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