

Digby bows out in style at PPMA Show 2008

In a barnstorming speech to open this year's PPMA Show, Trade Minister Digby, Lord Jones of Birmingham, declared his passionate belief in the future of manufacturing and engineering in the UK. But he said there was little use in subsidising out-of-date industries as happens, in the USA and France. The future for UK manufacturing lay in adding value and quality - "a hallmark of British industry".

He also announced his visit to the PPMA Show would be his last engagement as a Government Minister, having told Gordon Brown he would be standing down at the reshuffle.* He was delighted one of his last acts was meeting 'real people' in his Birmingham heartland. Lord Jones said there were some



amazing opportunities as well as challenges in these turbulent times. Despite the Credit Crunch the UK still had one of the biggest and best financial service sectors in the world.

"It should be nurtured by 'better' regulation, not just 'more' regulation. If not beneficiaries would be financial centres in Dubai and Shanghai."

Turning to the processing and packaging sector, he understood the importance of Climate Change but called for a balance between environmental needs and profitable and viable businesses. He emphasised that "business is the organ of society which creates wealth" and nothing else could happen without wealth creation.

Food and pharma sectors were huge exporters and relied on the processing and packaging sector to enable them to do that; this "mutual inter-dependence" was very important.

**Gareth Thomas MP replaced Lord Jones as Trade and Investment Minister in the reshuffle which brought Peter, Lord Mandelson back to office as Secretary of State at BERR.*

NEWS BRIEFS

Campden BRI has been formed by the merger of CCFRA and Brewing Research International (BRI). The combined facilities bring together 380 staff and a wide range of R&D, technical and training activities for the food and drink sector.

Professor Colin Dennis, Director-General, said: "CCFRA members will benefit from the considerable expertise and facilities that BRI has in the science and technology of alcoholic drinks."

The CCFRA has a turnover of £14m and BRI £3.5m. www.campden.co.uk

Bosch Packaging Technology has announced it is to acquire Paal Verpackungsmaschinen GmbH, subject to anti-trust clearance. Paal which manufactures a range of loading, case packing and palletising machines has worked closely with Bosch for several years.

In 2007 it had a turnover of €26m and employs around 200 people. Claus Paal commenting on the acquisition said: "Under the Bosch umbrella we will gain access to new markets and technologies." www.bosch.com

Global confectionery groups are set to spend on large scale investment and R&D, says a report from Global Industry Analysts (GIA).

Packaging will become an increasingly important factor according to GIA's - Global Industry Outlook, with family packs, tubs, jars and bags contributing to sales.

Process related developments such as healthy products are high on the agenda - many of these were demonstrated at interpack.

The exposure of China, Indonesia, Mexico and Eastern Europe to western products will also provide growth. www.strategyr.com

PPMA support for Machinery Award

A Machinery Award of Excellence, supported by the PPMA, has been introduced by Starpack 2009 in recognition of the part the machinery sector plays in ensuring product reaches the end consumer.

PPMA, CEO Chris Buxton explains, "The machinery sector is often under valued but the work it does in furthering the objectives of its brand owner and retail customers (and everyone in between) is incalculable. We are delighted that Starpack has taken this message on board by producing an award of excellence for the sector."

The introduction of the

Packaging Machinery Award of Excellence comes as Starpack celebrates its 50th anniversary and says Gordon Stewart, Head of IOP: The Packaging Society, "This 'squares the circle' in Starpack's representation of all packaging disciplines and is proof that associations are better working together than apart."

Member companies and users of packaging and processing equipment are being encouraged by the PPMA to enter their latest machine systems to demonstrate technical expertise across all markets including modularity, speed of production, machine

integration, improved automation and sustainability issues which are being addressed through systems that improve energy and water consumption, a machine's physical footprint, plus, of course, the ability to use recycled and "eco-friendly" materials, to name but a few.

Buxton concludes, "Although machinery suppliers are not consumer facing, the role they play in the production of well-differentiated products for retail and brand owner markets cannot be overstated."

Deadline for entries is February 4 2009.
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www.starpack.uk.com

UK Manufacturing Strategy Update

The Government has “reviewed and refurbished” its medium term manufacturing strategy to take account of “trends in global manufacturing that provide new challenges and new opportunities” according to the then Secretary of State for Business, Enterprise and Regulatory Reform (BERR), John Hutton.

The strategy document - ‘New Challenges, New Opportunities’ - updates the 2002 version. As well as re-enforcing the original factors affecting manufacturing, such as Investment, Science & Innovation and Best Practice, it identifies five new elements which are making an impact on modern manufacturing:

The increasing prevalence and complexity of global value chains; the accelerated pace of technology exploitation; the growing importance of investment intangibles such as design, branding and R&D; investment in people and skills; and the low carbon economy.

The strategy brings together almost £150m of medium term support for UK manufacturing, and sets out the Government’s view of what the sector needs for success in the long term - including seizing the opportunities of the low carbon economy, supporting skills, realising overseas opportunities, and improving the understanding of manufacturing.

Additional resources will target support for 600 UK companies to identify manufacturing value chain opportunities in India and China. The UK Intellectual Property Office (UK-IPO) will advise on using and protecting Intellectual Property in these markets.

PLUS 1,500 manufacturing apprenticeships will be added to the 9,000 places announced earlier this year.

www.berr.gov.uk



R&D association proposal for European manufacturing

Orgalime has called together its member trade bodies to discuss the potential of forming a specific Research and Development Association to exploit more effectively the opportunities for manufacturing within the EU’s ManuFuture project.

Financed through the Framework Programme (FP7), which attracts millions of Euros in funding, ManuFuture was set up to draft a strategic research agenda for the EU’s manufacturing industry.

However to date it has attracted limited interest from industry, particularly SMEs and has become dominated by research organisations and academics.

Machinery Update (MU) understands the Commission approached Orgalime with a proposal to turn ManuFuture

into a Joint Technology Initiative (JTI) which would make it more accessible to individual companies. An Orgalime spokesman explained: “By setting up a specific R&D Association, steered by some of our member associations, the focus of the JTI would be more on practical rather than ‘blue sky’ research. Individual companies could join the association and have a direct impact on where the funding is used. The R&D Association would be completely separate from the lobbying functions of Orgalime.”

Discussions about the structure and funding of the new association have already taken place, but the proposal to turn ManuFuture into a JTI has to be approved by both the European Parliament and the Council of

Ministers which could be at least 12 months away.

MU has learnt that Orgalime’s UK members, EAMA, Beama and Gambica do not propose to become directly involved although they may be able to join as observers at a later stage. However the UK will have a seat at the table through the Technology Strategy Board (TSB).

The TSB was set up in 2007 by the Department of Innovation, Universities and Skills (DIUS) to co-ordinate and fund the UK’s high value manufacturing strategy from now until 2011. It has recently published a detailed document on how and in what sectors of industry this strategy will operate.

Orgalime: www.orgalime.org
TSB: www.innovateuk.org

Overhaul for Ecodesign directive

The European Commission has adopted a major policy package to ‘green’ European manufactured products.

The plans will extend the reach of existing ‘ecodesign’ rules, revise and enlarge product eco-labelling practices, set mandatory green public procurement standards and overhaul the EU’s corporate green management scheme.

The centrepiece of the plan is



a proposal to extend the existing Energy Using Products Directive (now known as the Ecodesign Directive) by applying it to products which do not directly consume energy but whose design has energy consuming implications, according to Gunter Verheugen, the EU industry commissioner in charge of sustainable industry policy.

<http://ec.europa.eu>

UK machine exports surge while overall imports dip

First half figures for 2008 reveal UK exports of packaging and weighing machines raced to £126.3m, up 34 per cent on the same period in 2007. While the USA remained the single largest destination it was sales to the EU which showed significant gains across all major markets. Processing equipment sales dipped by around 12 per cent in the first six months of 2008.

While the USA continued to top both charts for packaging/ weighing and processing exports there were, in fact, modest declines in volumes at £16.2m (£16.9m)* and £11.5m (£13.1m) respectively. The top performer in terms of increased sales volumes was the Irish Republic at £9.8m (£5.4m) for packaging and £8.2m (£5.0m) for process.

But the recovery of packaging/ weighing machine sales to EU destinations was

EXPORT YTD JUNE 2008 TOP 5					
PROCESSING			PACKAGING & WEIGHING		
	COUNTRY	VALUE £		VALUE £	
1	U.S.A.	11,500,967	1	U.S.A.	16,217,007
2	IRISH REPUBLIC	8,223,794	2	IRISH REPUBLIC	9,815,749
3	FRANCE	3,574,544	3	FRANCE	9,206,940
4	TURKEY	3,369,476	4	GERMANY	8,853,273
5	SUDAN	2,089,996	5	NETHERLANDS	8,194,101

the highlight of the first half with across the board increases. France at £9.2m (£6.8m), Germany £8.8m (£6.2m), Spain £7.1m (£4.25m) and Italy £5.6m (£1.6m) accounted for much of the increased total. Other markets showing notable gains were Nigeria £4.2m (£1.0m) and India £3.0m (£0.8m). China also showed promise with an advance to £1.4m (£0.6m).

In contrast sales of processing equipment to the EU dipped or were flat, with the exception once again of the Irish Republic which advanced by 62 per cent

to £8.2m. Declines in sales to Russia £1.05m (£1.75m) and South Africa £1.25m (£1.9m) and Germany £1.9m (£2.8m) were offset to some extent by better performances in extra-EU markets, typically Turkey which reached £3.4m and the Sudan £2.1m. Sales to India dropped to £1.6m (£2.6m) in this category while China saw a poor performance, only £0.6m against £2.75m last time.

Overall processing equipment exports achieved sales of £69.1m (£78.4m).

**(2007 figures in brackets)*

But processing imports on the rise

Imports of packaging/ weighing machines declined by 9 per cent in the first half of 2008, while deliveries of processing machines rose 4 per cent in comparison with 2007. In total sales in packaging/ weighing from overseas suppliers reached £155.7m (£171.3m)* and processing £66.5m (£64m).

While Germany continued to dominate the 'league tables' it

also suffered the biggest fall in sales, to £55.8m, down 13.5 per cent in the packaging category and £14.3m for process, a drop of 5 per cent.

Italian manufacturers fared better with sales of packaging/ weighing machines holding steady at about £34.5m and increasing deliveries of process machines from £8.5m to £10.9m. France and the

Netherlands continue to feature strongly as major suppliers to the UK without making any notable progress.

Switzerland improved its sales up by 30 per cent in packaging to £7.2m and £2.0m for process. Japanese imports to the UK dropped steeply by 44 per cent to £4.3m, while China improved sales by 35 per cent to £1.34m. Sales from India fell away to just £0.3m.

Other imports in the process sector came from more unusual markets such as Romania (£0.5m), Morocco (£0.55m) and Iceland (£0.26m). Other notable gains were recorded by Austria £3.4m, the Irish Republic £2.15m and China £2.5m.

**(2007 figures in brackets)*

IMPORT YTD JUNE 2008 TOP 5					
PROCESSING			PACKAGING & WEIGHING		
	COUNTRY	VALUE £		VALUE £	
1	GERMANY	14,293,588	1	GERMANY	57,829,923
2	ITALY	10,870,231	2	ITALY	34,615,603
3	U.S.A.	7,176,510	3	U.S.A.	12,294,133
4	NETHERLANDS	5,524,030	4	FRANCE	10,834,212
5	AUSTRIA	3,416,894	5	NETHERLANDS	7,152,788

PPMA COMMENT

Commenting on the figures PPMA Chief Executive Chris Buxton said:

"It is no surprise that the old favourites such as the USA and Germany remain ever popular regions in this international business. But more significant is the inexorable progress being made by the low overhead economies such as China and India. Globalisation is now very much a reality."

He added, the final half of 2008 could be dramatically affected by events in the global economy and the steep decline in the value of Sterling.

However the resilience of UK export performance and only moderate declines in imports suggest investment in new packaging and processing technology continues both domestically and overseas for the time being.

FIGURES EXPLAINED

Revised figures for 2007 were released at the end of August, updating the preliminary results issued in February.

The adjustments show imports of packaging/ weighing machines increased to £361.1m (initial forecast £342.4m) while exports also increased slightly to £216m (£207.6m)*.

Processing final figures were Imports: £140.2m (£137.5m) and Exports: £155m (£158.6m).

Most adjustments affected figures relating to Germany, Italy and other EU countries.

**(figures in brackets are the initial forecasts)*

Award winners

Hailed as a "new milestone in the field of lightweight beverage containers" Krones AG has won a Water Innovation Award for its 500ml PET bottle weighing just 6.6 grams. The competition attracted over 200 entries from 40 countries.

Krones won Gold in the Best Packaging Innovation class for "PET lite 6.6" which features a small diameter upper 'gripper' section and a wider diameter base section where the wall thickness is less than 0.1mm. The bottle is stabilised with nitrogen to stop it collapsing during handling and transport.
T: +44 (0) 1942 845000
E: sales@krones.co.uk

Golden Nut 2008 Holland's most prestigious packaging innovation award has been won by Shieltronic, for its CuliDish, a compartmented microwave tray which can control the level of microwave energy going to each compartment, enabling different food components to be prepared at the same time. Control of the radiation is achieved by the insertion of an in-mould label into the wall of the compartment during the injection moulding process.

Well-known packaging editor and consultant **Ben Miyares** has been inducted into the PMMI's Hall of Fame.

Ben, who has been active in the packaging sector since 1963, is a well-respected writer, market analyst, consultant, conference organizer, commentator and speaker on packaging topics.

He is currently editor and publisher of Packaging Management Update®, a free, weekly online publication from PMMI. Ben has also edited Food & Drug Packaging (now Food & Beverage Packaging) and the globally respected Packaging Strategies newsletter.
www.pmmi.org

Whose fault is it - man or machine?

The debate about whether a good operator can make a bad machine run, while a bad operator will test even the best machinery has raged for years.

A recent survey by the US magazine *Packaging World* (PW) attempts to go deeper and see what lessons have been learned about the pitfalls of sourcing, selling and running equipment in today's packaging industry.

Machinery Update (MU) decided to get a UK perspective and contacted some end users and machinery suppliers to gauge their reaction to the PW findings, which are based on 700 responses to its survey.

Key findings included:

- Do not over design a package. Understand the limits of the equipment and the person running it.
- Properly maintained machinery is only as good as the product coming in to it and the material running on.
- Design for higher than needed line speeds because it is easier to budget more money now than after an install when the line capacity needs to be increased before ROI has happened.
- All machinery has its own personality, you need to get to know it and understand it to get the most from it.
- When purchasing equipment go where you can see it in action. Ask direct questions to the operators and maintenance department.
- Machines need to be designed to be as simple as possible for operators.
- Speed does not always help. Slower, but cost effective and efficient is the key.
- Evaluate suppliers carefully and in advance.

- Packaging should be treated with more affection for it is the image of the company and the product we are showing to our customers.
- AND YES... a bad operator...

UK companies MU contacted agreed with many of the findings but felt that some needed qualification.

Here are just a few readers' comments:

"ALL our customers evaluate the market for machinery, but established relationships are important, especially to globally based companies who want standardization of performance and back up."

"Good quality products and materials are essential to run equipment at optimum performance but lack of a good maintenance regime can undo just about any of those quality issues."

"We are striving to take the variable performance of

operators out of the equation through the use of PLCs and easier changeover techniques. That is what the customers ask for these days. PLCs are usually easy to use and have default programs to second guess operator error. But good training is still important."

"Being able to buy a machine beyond the specification we require to 'future proof' line performance would be wonderful. These days we take it as a triumph if we get approval for a machine to our original budget specification."

"In an ideal world we would love to see every machine in action before we buy it. But then you'd never buy a new concept machine! That is why we still find exhibitions are important as we can see the latest technology in action."

"Speed isn't everything, but it still is very important for many product lines."

Packaging World - Lessons Learned: www.packworld.com



This is just a sample of the reactions, but certainly this kind of debate is part of the dialogue needed in the packaging (and processing) sector to ensure a better understanding of the way forward for machinery development. We would welcome readers' views and comments. Please email to: publishing@ppma.co.uk