

Tories all set to give 'Big Four' retailers a battering

Tory plans for a Retail Ombudsman have been rubbished by the British Retail Consortium (BRC) which said that customers would be the ultimate losers.

In describing it as expensive and unnecessary, the BRC said the proposal to create a body to oversee relationships between supermarkets and their suppliers, revealed ignorance of how the market really works.

While much of the argument centres on farmers the full weight of supermarket power has been felt by all parts of the packaging sector way back to the 1980s.

Complaints range from undue pressure being placed on the use of preferred suppliers, short term or no contracts, and allegations of enforced kickbacks.

A voluntary watchdog was proposed last year by the Competition Commission but the Government has not confirmed that it will impose control on multiples after attempts to establish the voluntary scheme failed. This is partly due, at least as far as the packaging sector was concerned, because of suppliers' fears of losing



business if they provided evidence.

Speaking at the launch of the public policy think-tank ResPublica late last year one of the Conservative Party's leading policy advisors, Philip Blond said that the current 'big four' supermarkets are too big and that the Tories should "create new models" for supermarket businesses.

Current estimates put control of the food retail market by the 'big four' at 74 per cent.

"The UK's major supermarkets should be broken up to stop them monopolising the market place," stated Blond.

Blond attacked Tesco,

Sainsbury's, Asda and Morrisons saying that supermarkets should be banned from "joining forces to drive down prices paid to farmers and other suppliers".

Chris Buxton, PPMA CEO, supports the creation of a supermarket ombudsman but does not believe that the majors should be dismantled: "There is no doubt that the supermarkets are now the modern day 'Food Barons' and wield a disproportionate amount of power but we cannot support the concept of a free market economy and then complain when a group of companies manage to become successful."

He added, "We can, however, blame the Government for choosing to reap the benefits of the tax revenue taken from retailers in preference to introducing an element of proportionate regulation."

However, Blond said: "In the name of freedom we have produced economic concentration and in a number of areas monopoly dominance."

He added that the taxation system penalises small shops and gives the "monopolies - some people call it cartel capitalism - an advantage".

Retailers waste billions?

Supermarket policies have led to up to 20 million tonnes of food wastage in Britain every year, costing each household almost £480 annually, states Tristram Stuart, author of 'Uncovering the Global Food Scandal'.

If all the food wasted in the UK each day were collected it would provide a decent lunch for 60 million people, he writes. He lays much of the blame at the door of supermarkets, citing farmers who are forced to throw away mis-shapen or irregular sized fruit and vegetables because they are not 'cosmetically' acceptable.

Also behind many supermarkets are bins full of perfectly edible foods close to expiry which must make way for new stock.

Consumers are not blameless throwing out £12bn of food/year, including £280m of milk and almost 100,000 tonnes of poultry. Overall households discard 8.3 million tonnes of food and drink, most of which was avoidable, claimed Stuart.

Restaurants, canteens and the food service sector account for 3.5 million tonnes; retailers - 1.6 million tonnes; and manufacturers - 4.1 million tonnes. Farmers contribute 3 million tonnes to the waste mountain.

Stuart believes the Government should set targets for supermarkets to reduce waste and that 'sell-by' dates should be scrapped as "irrelevant" and "nothing to do with food safety". The use of best before dates could also be scaled back, particularly on fruit and vegetables.

'Uncovering the Global Food Scandal' by Tristram Stuart is published by Penguin.

Machinery Directive - Comply or else!

The new Machinery Directive came into force on December 29, 2009. Officially designated 2006/42/EC all machinery supplied in the EU must now comply with the directive.

Among the changes is that the directive no longer concentrates on just one item of equipment at a time. This means that if a production line

is created from a series of existing machines, the production line as a whole is treated as a new machine that must comply with the directive.

Changes to the Declaration of Conformity include an explicit statement that the equipment complies with all of the relevant provisions of the directive, together with details of its

conformity with other directives.

Machine purchasers need to make sure not only that they are supplied with a Declaration of Conformity, but also that the declaration complies with the requirements of the Machinery Directive.

• More information page 37. And see *Machinery Update* November/December 2009.

UK business up but exports lag

For the third month in a row, a substantial majority of companies reporting to the November EAMA business monitor confirmed an increase in enquiries from UK businesses.

The overall balance at +41 per cent was the highest recorded in 2009. But the split of companies reporting changes on export inquiries was unchanged from October at +16 per cent.

Performance on orders was disappointing with falls in those reporting increases and a rise in the numbers reporting smaller orders. The export balance returned to negative (-12 per cent).

Martin Walder, EAMA chairman, commented "We had been cautiously optimistic that the fourth quarter would prove to be the turning point. However, it's much more likely that it has been postponed into 2010. Companies have good inquiry levels but the solid business gains are not coming through just yet, despite competitive Sterling."

Companies were also asked to compare their order levels with November 2008.

- Over half reported declines averaging 25 per cent.
- Over a quarter reported an increase averaging 10 per cent with 18 per cent saying order levels were the same.
- Eight in 10 companies reported no change in employment.
- 25 per cent reported investing in staff development and training, the highest percentage for this activity in 2009.
- But there was still no change on access to finance or capital investment.

Machine exports stabilise and trade gap narrows

While exports of UK packaging machines at £129m (£166m) are still well below 2008 levels there are clear signs that activity picked up in the third quarter of 2009. Processing performed well once again with sales still marginally up year on year at £110.5m (£108.5m), although there has been something of a slow down since June.

Imports continued to lag behind with packaging machine deliveries down 16 per cent at £203.6m (£243.1m) and processing machines off 12 per cent at £92m (£104m). Given Sterling's decline against the € since 2008 the fall in demand in real terms is even greater.

Overall the trade gap between exports and imports narrowed to -£34m (-£40m).

Weighing machine sales to overseas markets dropped back to £30.4m (£35.1m), while imports declined to £8.6m (£11.3m). But this still shows a healthy surplus for the sector, emphasising the strength of UK

manufacturing for these types of machines.

The USA continued to be UK's best single market for both packaging machines £18m (£23m) and processing equipment £10.5m (£15.8m).

Figures reflect the general decline in most major markets for UK packaging technology, particularly Eire where demand collapsed by about 40 per cent to £7.9m (£12.5m).

Bright spots were Germany which took deliveries valued at £14m (£8.8m) and Nigeria £7.5m (£6.9m). Sales to Eastern Europe shrank, but South Africa became a top 20 market with orders worth £3.4m.

Demand for UK processing machines remained buoyant. Sales to China leapt to £9.9m (£3.7m) and Poland was strong at £5.4m (£1.9m). Sales to the Middle East improved, with Egypt entering the top 20 list at £2.4m.

Deliveries of packaging machines from Germany, £74m (£91m) and Italy £41m (£57m)

saw marked declines. But they remain the UK's top two suppliers. The USA also held up well despite a stronger dollar at £17m (£18m).

Most other traditional UK sources saw demand drop by between 15 and 25 per cent. But China and India improved their sales performances.

Germany and Italy remain in the top positions for processing equipment and increased sales to £23m (£21.7m) and £16.8m (£14.9m) respectively. Overseas suppliers seeing declines in demand included USA, France, China and Japan.

Overall the figures indicate early signs of a recovery in demand both in UK and overseas markets, with investment projects re-emerging as the recession ends.

Figures for third quarter sales of robots used in the processing and packaging sector are not yet available.

• *Figures are compiled from HM Revenue & Customs statistics. (2008 figures in brackets.)*

From Trafalgar Square to UKIVA

The University of York, Visual Systems Laboratory has become the latest academic member of the UK Industrial Vision Association (UKIVA).

Part of the intelligent systems research group within the Department of Electronics, the Visual Systems Laboratory concentrates on the development of adaptive algorithms for robust video processing.

These are applied to video augmented environments and video content analysis. Current research projects include, face



image processing, image and video coding and video-

augmented technology.

The head of the Electronics Department, Professor John Robinson chairs the committee of the Institute of Engineering and Technology's vision and imaging technical and professional network.

He promoted computer vision (and engineering more generally) to the public recently, when he had an hour on the Fourth Plinth in London's Trafalgar Square as part of artist Anthony Gormley's 'One & Other' project.

www.ukiva.org

Total 2010 - bucking the economic trend?

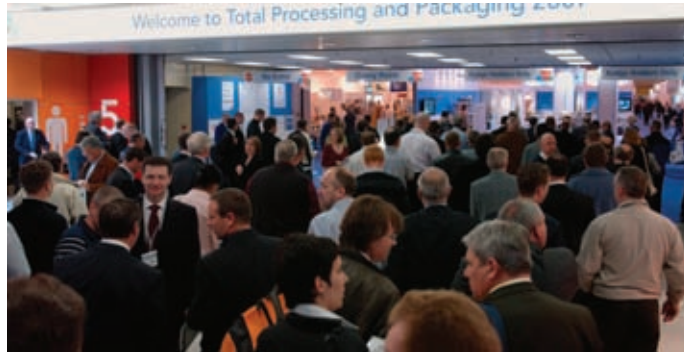
Economic uncertainty seems to have been belied by exhibitor sales for Total Processing and Packaging 2010, organised by Reed Exhibitions in association with the PPMA, and may be an indication that the much anticipated economic recovery is underway.

In the final three months of 2009 a further 130 exhibitors have signed up for the UK's largest processing and packaging exhibition, accounting for a further 4,000m² of floor space.

This brings exhibitor numbers to 284 and floor space to 9,000 m², which may be far cry from the halcyon days of Pakex, but is a good performance in the current financial market.

Ian Crawford, group exhibition director, Total Processing & Packaging 2010, believes that this year will see a new sense of optimism and a steady improvement in business.

"The signs were clearly there at the PPMA Show last September and we have been delighted with the strong sales that have resulted for Total



Total all set to bring back the crowds

Processing & Packaging since then."

PPMA and BARA chief executive Chris Buxton remains cautiously optimistic about the economy. However, he points out, that it is too early to say whether any economic improvement will be sustained. "If Government withdraws its underpinning measures too early, confidence and the small gains made could quickly slip into reverse.

"The first two quarters of 2010 are therefore going to be crucial."

Buxton believes that the support being shown for Total is a clear demonstration that

companies are realising that a strong marketing effort is necessary in order to succeed in difficult times.

"This year's Total Processing & Packaging exhibition will see many of the latest technological developments including the ever growing trend towards complete turnkey 'solution sales' as opposed to simple product supply. System integration will also be an emerging trend."

- Total Processing & Packaging NEC Birmingham - May 25 - 27
- Stand availability - Graham Earl
T: +44 (0)20 8910 7890
E: graham.earl@reedexpo.co.uk
- Free visitor badges go to www.totalexhibition.com/register

COMPANY RESULTS

Despite lower demand worldwide for both its machines and consumables **Domino Printing Sciences** has recorded its thirty-first consecutive year of revenue growth to the year ending October 2009.

Turnover was up just 1 per cent at £256.1m while profit before tax was 2 per cent ahead at £35.7m. It increased its dividend year on year by 10 per cent.

Peter Byrom, chairman, Domino said "The Group has performed strongly in challenging economic conditions demonstrating the resilience of the business and the benefit of early action to reduce costs.

"The relative weakness of Sterling has contributed to the results, enabling the group to report an unbroken record of sales growth. At like for like exchange rates revenues were 11 per cent below the prior year."

Growth was reported for print & apply labellers, thermal transfer overprinters and thermal ink jet. Domino said it remained committed to new product development investing £11.5m in R & D last year.

It is also reportedly optimistic about 2010.

In the face of a declining UK sales market, which has reportedly dropped 40 per cent in the last 12 months, **KUKA Automation + Robotics** has projected a rise in sales for 2009 of 37 per cent on the 2008 figures, while turnover, minus extraordinary transactions, is likely to be up 33 per cent.

Applications include food and beverage processing, packaging and palletising food and drink products, alongside aerospace and the nuclear industry.

Italian job for Kern

KernPack, Kern's packaging division, has announced a partnership with Italian vertical form fill seal (VFFS) machinery supplier Dolzan to supply and maintain equipment in the UK.

Dolzan manufactures standard vertical and incline machines, vacuum packaging machines, equipment incorporating volumetric dosers, and machines for flat bottom bags with four-corner seal. Doypack and multi-track

packaging systems are also supplied.

Tony Bradley, KernPack national sales manager, commented: "The Dolzan product range is the final piece in the jigsaw for our food packaging portfolio. Customers can now source a complete range of products covering all areas and applications within the food industry."

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Ytron-Quadro (UK) has won a "Supplier's Significant Contribution" Award from ISPE. Pictured at the awards dinner are (l-r); Paul Bradley (technical director Ytron-Quadro); Bob Adamson (chairman, ISPE-UK); Dudley Bradley (executive chairman Ytron-Quadro) and Jon Youles (managing director).

Cermex brings sparkle to Veuve Clicquot Ponsardin

French champagne house Veuve Clicquot Ponsardin (VCP) has unveiled an end-of-line solution from Cermex for its recently launched Design Box, a presentation pack developed by SCA Packaging for VCP's sparkling wines.

VCP needed an end-of-line solution that would handle 8,500 bottles/hour to produce 16 different formats with an option to create open facing shelf-ready packaging. Quality and presentation were paramount to preserve the superior reputation of the VCP brand including eliminating scratching and scuffing of the Design Box,



labels and the corrugated wraparound outer pack.

The solution also needed to incorporate maximum automation, minimum human intervention; servo-control; simplified operation; fast and easy changeover; and ease of maintenance.

Designed to automate VCP's new line 5, the Cermex solution combines two robotic systems: an AN110 gantry packer and a WB45.80 wraparound case packer. It incorporates two Fanuc M710 robots, which are capable of handling the requested 16 formats at up to 25 cases/minute.

VCP package the champagne in 4 different configurations depending on whether the sparkling wine is in design boxes or bottles are placed directly into trays.

Trays are merged into a single lane from the existing tray erector before entering the AN110 gantry packer. Handling high speeds and payloads of up to 250kg, it collates using robot integration, combining speed, protection and precision throughout each phase.

It is backed up by a complete range of loading arms (delta, 2, 4 or 6 axes). This simplifies product collation and case loading operations, plus operations such as layer card insertion and product assortments.

A bottle and box turning device allows bottles to be turned via a dedicated vision system. Bottles are positioned onto a mobile stand and a camera placed above the bottle reads the position of the label and rotates the unit until the

bottle is oriented correctly. Capable of reading 70 different label references, the two cameras (one per lane) are each fitted with a mobile support, which retracts to enable the loading arm to grip the bottle batch.

Computer simulation of the robot working envelope guarantees compliance with the safety distances imposed by the robotic standard, says Cermex. Collision detection software further improves safety.

Automated format changeovers include assistance in tooling management and changeover. Product protection and the quality of the finished pack are guaranteed by a variety of technologies including gripping tooling, and positive product handling, explained the company.

Cermex managed the integration of all equipment, including the numerous inter-machine conveyors, four labellers with vision systems, checkweigher and sorter, case elevator and the lane divider for packaging upstream from the palletiser.

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