

Thu Jul 2 06:16:00 EDT 2015

Eurosac: Paper sack market improved in 2014, more innovation on tap this year

BRUSSELS, July 2, 2015 (PPI Europe) - Members of the European sack kraft paper industry gathered at Eurosac's annual congress in Barcelona, Spain, on June 4-5, to examine ways to adapt and thrive in a challenging environment. This year's event, entitled "The paper sack in 2015 - modern, high tech, innovative," gave an update on the paper sack market and the difficulties it faces, and provided a glimpse of some successful business adaptation to industry challenges, through product innovation, communication strategy and marketing.

The first part of the congress offered a glimpse of the latest developments on the paper sack market, with Eurosac statistics and analysis of international markets' structural potential.

The CEO of the consulting and research firm StudiaBo Marcello Antonioni provided an update of the state of the industry in 2014 and start of 2015. According to Antonioni, 2014 was a more positive year for the paper sack sector compared to the previous year, with total European paper sack deliveries estimated at 6.7 billion units. Eurosac members' deliveries rose by 3.7% year on year to 5.0 billion bag units and volume-wise by 3.9% to 650,000 tonnes in 2014. All sectors of the sack market saw a rise in deliveries, with the biggest increase recorded in the milk powder sector (+18.0%). Deliveries in the building material sector, which still accounts for more than half of total deliveries, rose from 3.1 billion units in 2013 to 3.2 billion units in 2014. Sacks for chemical products, animal feed products and food products rose by 4.6%, 4.4% and 6.5% to 361 million units, 363 million units and 654 million units, respectively.

Germany confirmed its position in the number one spot in 2014, with deliveries amounting to 719 million units, followed by Russia at 640 million units, Italy at 636 million units and France at 617 million units last year, Antonioni said.

The first four months of 2015 showed a deterioration of the situation, following 10 months of consecutive growth, with overall Eurosac members' deliveries down by 2.2% to 1.5 billion units in January-April 2015 compared to the same period in 2014. The cement sector saw the biggest drop (-10.2%) to 390 million units.

Renewed communication strategy: A second part of the congress was dedicated to the recent developments on internal Eurosac matters and its involvement in European legislative and lobbying issues.

After welcoming new members - Guatemala paper bag manufacturer Sacos del Atlántico and Chinese machine manufacturer Suzhou Yi Deng Machinery - Eurosac and CEPI Eurokraft senior adviser Stina Blombäck tracked the latest European legislation updates and highlighted the associations' active participation in the different aspects of current European policy issues.

Vital Relations' management team member Ingo Theissen looked at CEPI Eurokraft and Eurosac's latest communications strategy through the launch of the movie "The amazing paper sacks of Dr Strong and Mr Wright." In order to address industry challenges, the associations' new strategy aims to focus on the need to put forward a performance powered by nature and to find a balance between sustainability and performance of paper sacks, Theissen said.

Clear focus on innovation: CEPI Eurokraft's secretary general Elin Floresjö, Eurosac's general delegate Catherine Kerninon and Haver & Boecker R&D center manager Thomas Hilling delivered keynotes on how the whole sack kraft industry has been closely associated with innovation in the past 15 years, while a couple of keynotes addressed customer experiences with Tetra Pak's sustainable product development and Moritz Beer's market product positioning as successful innovation initiatives.

Inventia's Kennert Johansson and Michael Sturges also presented an outlook for the paper sack industry's next decade, with a roadmap for maintaining and winning market share. This long-term vision, as well as a three-year strategy, has been developed within the European Paper Sack Research Group (ESG), in cooperation with Eurosac and CEPI Eurokraft. Johansson explained the ambitious targets which the paper sack industry is supposed to meet by 2025: Paper sacks will be the preferred choice for fillers, retailers and end-users. They will hold a minimum 98% market share for bagged cement and building materials and will have a market share of at least 70% and 50% in the food and pet food product segments, respectively. Johansson listed a number of factors that will be helpful in achieving these goals. Among others, he noted the sustainability benefits of forests and paper. It is important to make sure that these are fully understood and valued by customers. Furthermore, sack manufacturers are constantly innovating, e.g. by working on paper sacks with barrier properties that prolong the shelf life of bagged products or on particularly resistant paper sacks that further limit supply chain damage, he said.

Eurosac president Luis Elorriaga wrapped up the conference with the Eurosac Grand Prix 2015 awards, promoting recent product innovations from Eurosac members. Four companies were competing for the award: Saccarta's Window Bag, whose product combines a window in the bag with a high porosity paper and paper texture shields from any intrusion; Dy-Pack's SAFEdy showerproof bag, which provides product protection for outdoor storage and bag deaeration; Mondi's new generation of water-resistant paper bags Hybrid Pro; and BillerudKorsnäs' dissolvable cement bag D-Sack. The prize was awarded to Dy-Pack.