

May 2016

Alufoil Statistics First Quarter 2016:

Demand for Alufoil in Europe Picks Up, Exports Still Under Pressure

First quarter results for aluminium foil deliveries from European suppliers showed positive growth in domestic demand, after a sustained period of mixed or declining results. Exports, however, remain under pressure due to strong competition from non-European producers. Overall the first three months of 2016 saw a small decline of 0.6% in total tonnage to 217,000, compared with 218,500t for 2015, according to figures released by EAFA, the European Aluminium Foil Association.

After declines in all four quarters of 2015, production of thinner gauges, used mainly for flexible packaging and household foils, recorded an increase of 0.1%, in fact these are the first positive figures since mid-2014 - reflecting a recovery of demand in Europe, which increased by 2.2%. This was offset by a drop of 2.2% in total deliveries of thicker gauges, used typically for semi-rigid containers and technical applications, which are more affected by export performance.

Exports continue to have a drag effect on overall performance with the first three months of 2016 showing around 20% decline in deliveries outside Europe, compared with last year. EAFA believes increasing competition from aluminium foil producers outside Europe will continue to put pressure on sales from European suppliers. However, exports make up a smaller percentage of the overall market, so a sustained improvement in domestic demand will have a stronger impact.

Guido Aufdemkamp, Executive Director of EAFA commented, "We see these as a positive set of figures. The improving economic performance in Europe is finally beginning to show through in increasing demand for aluminium foil in the domestic market, where most of our sales are made."

"The fact that thinner gauges have come out of a long period of declining demand is also very encouraging for the rest of the year," he added. "The increasingly competitive export scene is not likely to change in the short to medium term. But it is good that we can focus on a recovery in our home markets, which are showing signs of a sustained expansion."

** EAFA region covers EU 28, Armenia, Bosnia-Herzegovina, Macedonia, Montenegro, Norway, Russia, Serbia, Switzerland and Turkey*

Further information:

Cédric Rauhaus, Manager Communications

The European Aluminium Foil Association (EAFA) is the international body representing companies engaged in the rolling and rewinding of alufoil and in the manufacture of aluminium closures, alufoil semi-rigid containers and of all kind of flexible packaging. Its more than 100 members include companies in Western, Central and Eastern Europe.

Aluminium foil characteristics are strength, formability and barrier properties which have made it an essential part of many flexible packaging and container applications. Other uses of aluminium foil include automotive and heat exchange components, insulation material and many industrial applications.