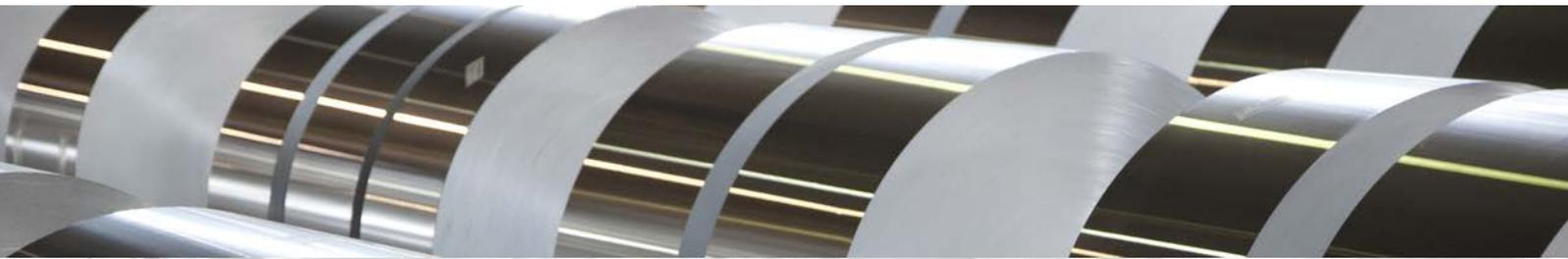


Foil on the frontline



On many occasions aluminium foil has stepped up to help deliver solutions to problems facing the world. This sounds quite dramatic, but in the course of a long history the characteristics of this highly adaptable and very flexible material has been called upon to meet fresh challenges – often using the attributes it has always possessed, but in different circumstances. The current pandemic has put such attributes into sharp focus. Once again foil is working on the front line, helping to deliver a safer environment in the fight to control the COVID-19 virus.

For example the important function of packaging in the supply of food, pharmaceuticals and even protective materials during the pandemic and resulting lockdowns is very evident. Hygiene and product safety are critical to maintaining secure supply chains. In particular protecting food from contamination, ensuring optimum shelf life and facilitating transportation of goods are areas where alufoil has a proven track record.

Its barrier, deadfold and temperature properties make aluminium foil the ideal material to deliver resources, whether food or medicine in large quantities to front line situations. So, at the height of the initial pandemic, prepared meals for both patients and carers could be delivered quickly and safely and heated up or stored in a frozen state, in an almost ‘hands free’ way.

Of course foil has not been immune from the pandemic. While converting for packaging has prospered, the use in other areas of ‘out-of-home’ consumption, such as automotive, has declined sharply and is only just beginning the road to recovery. Europe is also fortunate to have a strong and adaptable internal foil rolling production capacity as, with hugely disrupted global supply chains, both imports and exports have declined.

While fighting the virus is certainly a priority, the other ‘frontline’ - sustainability and environmental responsibility - is seen to be just as important

as ever. Activities in this area of aluminium foil production, use and collection have not diminished in any way and are still seen to be the most important aspect of future development for the sector.

In this issue we take a look at how different markets using aluminium foil products have been faring during the pandemic. And we will catch up on some of the latest, exciting developments in the area of sustainability, which can lead to a circular economy for foil. ///



Deliveries steady with strong demand for packaging foils

Aluminium foil deliveries inside Europe have stayed relatively strong in 2020, thanks to more demand for packaging applications in the current pandemic. Other sectors, such as automotive, saw steep declines. Exports dropped 14% due to lockdowns in many economies and disrupted supply chains. Total deliveries were down 4.5% in Q2 and, in the first 6 months, total production fell 2.0%, to 476,000 tonnes.

Domestic deliveries of thinner gauges, mainly used for flexible packaging and household foils, actually increased marginally (0.3%) in the second quarter, with more demand for food and pharmaceutical packaging and more home consumption due to COVID-19. This helped European deliveries of all gauges in the first half of 2020 to add 0.5% over last year. Unfortunately the effects of the coronavirus weighed heavily on thicker gauges, typically used for semi-rigid containers, technical or other applications, which were down 13% in Q2 and 4.4% year on year. ///

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Aluminium foil on the frontline

Review of end user markets

During the pandemic the traditional markets using alufoil packaging have seen varying fortunes as consumer consumption patterns have been heavily influenced by lockdown factors and the need for greater hygiene and food safety. We take a look at some of aluminium foil's biggest end user markets to see how they have fared so far in this momentous year.

Coffee:



Grocery channels have benefited from the COVID-19 crisis, with coffee sales increasing by double-digit rates in many European countries during the first half of 2020. But this has been offset by a dramatic decline in out-of-home consumption in the same period, led by cafés and specialist coffee outlets. This leads to an expected decline of 2 to 5% in the total consumption of coffee by the end of 2020 in the EU27 + UK.



There is only a small chance that in-home consumption will compensate for the losses in catering and café businesses, because this domestic growth rate will gradually disappear in future weeks.

Packaging volumes, including foil, may benefit

from the fact that increased home consumption of coffee means more, smaller packs than those used for industrial or food service. ///

Pet food:

Pet product sales grew only moderately during the first lockdown phase in Europe and did not experience stockpiling, as seen with some dry food products.



Within the pet food categories, the share of online sales increased too, resulting in bigger packaging formats and more convenient packaging, such as pouches. ///



Pharmaceutical and healthcare:

The medicine and hygiene sectors can be regarded as real beneficiaries of the COVID-19 crisis. Blister, coldform and laminate packaging for OTC products, sold in drugstores and pharmacies, showed a healthy increase in the first six months of this year.



In particular, the upward trend was driven by e-pharmacies and e-drugstores which recorded extraordinary sales of sanitizers, gloves and face masks. Experts believe that the ongoing positive trend for e-pharmacies will continue. ///



Aluminium foil on the frontline

Review of end user markets

Confectionery:

During the early stages of the COVID-19 crisis sales of chocolate and sweet snacks jumped by more than 20% compared with last year, but not in all European countries. However, seasonal chocolate sales have been generally weak in 2020, according to research company IRI.

It is expected overall that confectionery sales will decline by 5-6% by the end of this year. The big question is in how far the crisis will spoil upcoming seasonal confectionery sales, which are traditionally a strong part of aluminium foil packaging used for decoration, at the end of this year. ///



Dairy:

Although dairy sales, such as butter and yoghurt, saw increased consumption rates in the second quarter of 2020 growth is approaching zero in the third quarter.

A positive effect may come from lower butter prices on consumption, by substitution of other fats, in the second half of the year.



But the continuation of the trend to bulkier and plain fermented products, such as yoghurt, might not give a new impulse to the whole category. ///

Ready meals:



During the first lockdown phases in 2020 many more people worked from home. As preparing meals was not favoured by many of these consumers, the result was the need for convenience. So speed became king!

Dry cooking sauces, mixes, seasonings and even soups in pouches and instant pots (with aluminium foil lids) saw a renaissance in early 2020 after years of decreasing sales. ///

Consumer habits:



Less shopping trips, with or without the family, mean fewer impulse purchases at the check-out desks or from promotions.

Overall, fewer shopping trips and online grocery ordering might result in more careful and cautious planning for the one trip and reduces the purchasing of discretionary items, such as confectionery.

Tried and trusted brands appear to have prospered during the pandemic, as well as the preference for bigger and bulkier formats. ///

Aluminium foil sees fresh opportunities for enhanced recycling

– *New technologies add momentum to a circular economy for alufoil*

The current primary focus may have switched from issues such as the circular economy and environment, while food safety, hygienic distribution and security are seen as paramount. But sustainability, in all its facets, is regarded by rollers and converters of aluminium foil to be just as important as ever.

The work on improved technologies and processes, to enhance a circular economy for aluminium foil applications, has never stopped – it can be considered as part of the DNA of the sector.

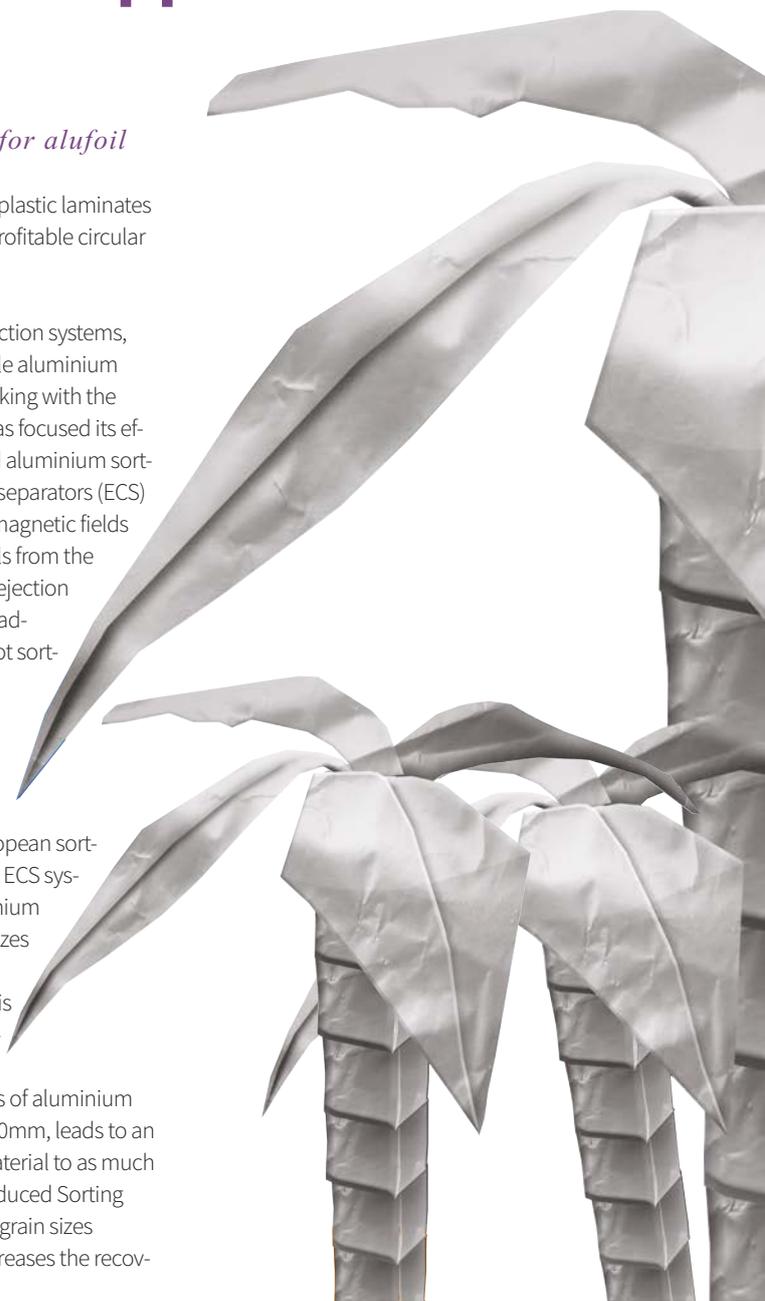
A good example of new recycling potential is the work being done by ENVAL in the UK. Previously it has been challenging to recycle both the aluminium and the polymer materials which make up a foil laminate. But this is now achievable using a new, unique proprietary pyrolysis solution capable of handling low-density packaging waste. The process is clean, efficient and economical for both post-consumer and industrial waste, according to ENVAL.

The solution is quite unique, being able to operate on a smaller and decentralised scale. It is capable of recycling plastic aluminium laminates by recovering them into aluminium material, to be used again in a wide range of new aluminium applications, and high-value oil which can be used for producing plastic materials again. This should transform the packaging recycling sector from within by changing

the perception of aluminium plastic laminates and unlocking a strong and profitable circular economy.

Within mixed packaging collection systems, where a wide range of valuable aluminium fractions exist, the sector, working with the equipment manufacturers, has focused its efforts on developing improved aluminium sorting techniques. Eddy current separators (ECS) which use powerful rotating magnetic fields to separate non-ferrous metals from the waste stream, and detection-ejection systems, including the latest, advanced multi-sensor and robot sorting technologies, are able to extract more aluminium from mixed materials flows.

According to a cyclos-HTP study in 2018, in a typical European sorting centre equipped with one ECS system, which focuses on aluminium packaging of medium grain sizes (80-300mm), an overall aluminium recovery rate of 60% is possible. But placing an additional ECS system, capable of separating smaller fractions of aluminium packaging, between 20 and 80mm, leads to an increase in recovery of the material to as much as 90%. The addition of an Induced Sorting Separator (ISS), for super fine grain sizes smaller than 20 mm, then increases the recovery rate to 94%. ///



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