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Aluminium foil demand slips in quiet Q3 trading

Düsseldorf - It has been a quiet period of trade for European aluminium foil rollers in the 3 months to the end of September due to continuing uncertainty in global markets generally, as well as the ongoing China/USA trade dispute. Overall demand in Q3 was down 2.2% to 228,685 tonnes (2018: 233,727t) with year to date (YTD) figures showing total production almost unchanged at 714,251 tonnes, according to figures released by the European Aluminium Foil Association (EAFA).

The downturn can be attributed largely to slow demand in the market for thinner gauges (down 1.9% YTD), that is mainly used for flexible packaging and household foils. Figures for the third quarter show a drop of 4.4% in deliveries in this category, continuing the modest downward trend of the previous six months. This was offset by a 2% rise in deliveries of thicker gauges, typically used for semi-rigid containers, technical or other applications, again continuing the trend from the previous two quarters.

Exports reflected the ongoing global trade uncertainties with a small drop of 0.8% in the last period, but continue to be well ahead of 2018 YTD figures (+21.4%). This is accompanied by a strong overall performance in the thicker gauge category, which is 3.5% ahead YTD.

“Predicting demand in the current market is extremely difficult,” said Bruno Rea, EAFA President. “Demand in Europe for aluminium foil has generally been weak throughout 2019 due to increasing exports from China, but there are some bright spots, particularly the consistent performance of thicker gauges and strong export deliveries,” he added.

“We are positive - the last quarter of the year is traditionally a good one for the sector and it is possible customers have held off restocking for the upcoming Holiday Season until later this year. So with incoming orders almost on a par with 2018, itself a record for the industry, we believe this is a very resilient performance in unpredictable times,” he explained.

Further information:

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The European Aluminium Foil Association is the main trade association, specifically representing companies engaged in the rolling and rewinding of aluminium foil and the manufacturing of semi-rigid alufoil containers and household foil in Europe. With its more than 40 members, the organisation represents the total aluminium foil rolling market in Europe.

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