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Slow demand for aluminium foil in domestic markets offset by strong export growth

Düsseldorf – Aluminium foil deliveries from European rollers dropped in the first three months of 2019 as users and converters are thought to have reduced their stock levels in the domestic market, according to figures released by the European Aluminium Foil Association (EAFA).

The total volume was 239,400 tonnes, 1.2% lower than for Q1 in 2018 (242,300t). This reflects a downturn in home deliveries of 4%. However, exports from selected countries and in limited product categories continued to produce a strong performance, achieving 16% growth compared to the same period last year.

Thinner gauge foils used mainly for high-end flexible packaging and household foils declined 4.3% in the first quarter, while thicker gauges, used typically for semi-rigid containers and technical applications, rose by 4.5%, accelerating the upward trend seen at the end of last year.

Analysing the figures Bruno Rea, EAFA President said, “There was good development of foil shipments during 2018 so this fall in domestic orders, we believe, is the result of excess stocks being reduced to reflect current demand levels, following the long Christmas and New Year holidays.”

“Generally, foil demand in Europe is relatively stable. Supplies from China increased dramatically by almost 40%, severely impacting domestic production levels. Exports continue to be an area of alternative sales, as it was throughout most of 2018. Nevertheless, the impact on the European supply and demand balance by imports from outside Europe starts to hurt the European industry. Relying on exports in a market that is distorted by duties will not support the European foil rollers in the mid- to long-term, putting the entire industry at risk.” he added.

“The industry is concerned about current disputes which are affecting world economic development, as it does impact on foil end-markets.” concluded Mr Rea.

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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. www.alufoil.org