

August 2019

Exports lead the way as European aluminium foil production levels remain flat

Düsseldorf - At the half way mark in 2019 European aluminium foil production is showing a modest increase of close to 1% compared to 2018. While European demand remains soft, exports to markets outside the area are powering ahead. So far this year overseas sales have increased by 34.6%, more than double the figure seen in the whole of 2018, according to figures released by the European Aluminium Foil Association (EAFA).

Year to date total deliveries of thinner gauges, used mainly for flexible packaging and household foils, declined by 1%. Thicker gauges, typically utilized for semi-rigid containers and technical applications, were ahead by 4.2%, maintaining the positive trend for this category. However overall domestic demand decreased by 4.1% compared to the same period last year.

Shipments in the three months April to June 2019 totalled 245,300 tonnes, advancing 2.9% on Q2 production in 2018. Thinner gauges reversed recent declines with an increase of 2.4%, while thicker gauge products added 3.9%. A positive export performance saw deliveries increase by 58% in the quarter.

Bruno Rea, President of EAFA believes the outlook remains hard to predict. "The fact that production levels are ahead of 2018 is encouraging. But export markets are notoriously volatile, particularly in current circumstances, when continuing trade disputes are weighing on international trade," he said.

"We would like to see European demand improve as it has been in decline during 2019. This could be due to a number of factors, such as de-stocking or cautious ordering patterns because of the uncertainties in the marketplace. There is a dramatic increase of foil inflow from China, severely impacting domestic production levels - the impact on the European supply and demand balance by imports from outside Europe is continuing to hurt the European Foil Roller industry. The fundamentals for our European customers remain positive in our opinion and we do see the likelihood of an improvement in orders in the next six months," according to Rea.

"Meanwhile we are happy that the quality of our foil means it is in strong demand from our overseas customers," he added.

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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