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## **Weak demand and high stock levels continue to push aluminium foil deliveries lower in Q3**

Total shipments of aluminium foil from European rollers declined 20,1 to 191.000 tonnes in Q3 2023 (2022: 239.000t). The current geopolitical crises around the world, as well as continuing high inflation and interest rates, together with high stock levels, affect global demand across a broad range of products using foil. Both domestic and overseas markets were impacted and Year To Date (YTD) figures now show a drop in deliveries to 636.000 tonnes, down 12.9% year-on-year, according to the latest data released by the European Aluminium Foil Association (EAFA).

Thinner gauges, used mainly for flexible packaging and household foils continued double digit declines, total deliveries down 22%, reflecting a drop of almost 19% to European markets and a steep decline in exports of about 40%, although export volumes are much lower than domestic amounts. YTD figures for these gauges show a decline of almost 15%. Major reasons for these figures are the continuing weak and cautious end consumer demand for packaging applications, while large inventories at converter level remain, due to excessive orders due to supply chain interruptions after the pandemic.

For thicker gauges, used for semi-rigid containers, technical or other applications the picture is no different. Demand from Europe fell by 16% in the last three months, while overseas deliveries fell by almost 20% compared with the same period of 2022.

Commenting on these figures Bruno Rea, Chair of EAFA Roller Group said, "With so many issues outside our control, which now impact on economic activity, it is hard to place any certainty on demand. For sure, recovery can only be expected in 2024 due to higher resilience of our end markets, as well as other base effects, such as the reduction of armed conflicts and more confidence in economic growth prospects. Demand for packaging should recover in some degree as the Festive season approaches, while stock inventories will not remain high forever. So, the foil rolling sector hopes to see more positive signs ahead."

*The European Aluminium Foil Association (EAFA) 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](http://www.alufoil.org)*

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