

Increasing tin prices and mounting waste costs are having UK manufacturers targeting flexible packaging. Flexipack has come up with a solution to help beat these added costs

Packaging's new frontier

The recent spike in the price of tin combined with increasing container cleaning and waste-disposal charges have UK coating, pigment and ink manufacturers scrambling to find alternative forms of packing. For decades, tin has dominated the market as the container of choice but now, driven by the need to cut costs and meet sustainable goals UK producers have seen a change to flexible bag-in-box packaging. Targeting the high-volume, 5-25-litre jugs and pails, and bridging the gap to the 250-litre drum, these cube-shaped containers provide an alternative to rigid packaging. But, despite the factors driving companies to become more flexible, will UK producers be willing to adopt a completely new form of packaging?

Flexible packaging offers innovation in container logistics that provides a real alternative to traditional tin and plastic containers. A flexible bag-in-box consists of a plastic inner lining within a corrugated container, giving the customer the flexibility in shape and configuration. "Bag-in-box allows the end-user to fully customise its packaging," comments Michael Watson, Cheertainer sales and marketing director at packaging manufacturer Flexipack SA. "We provide a variety of films and apertures depending on the specific requirements of the end-user, such as 63mm caps and high-flow fitments for thick applications. The whole system is truly catered to the very specific need of the customer, something that is difficult with rigid packages," he adds.

SPACE SAVING

Customers work together with liner and box manufacturers in a streamlined process to best suit the package to its particular application. This is critical for customers requiring UN certification on their packages. At this point, only Flexipack's Cheertainer offers a UN-certified flexible bag-in-box. Typically, bag-in-box packaging is not intended for the end-consumer but rather for use in process manufacturing companies or in transportation from manufacturer to distributor. In storage, flexible containers occupy far less space than their bulky rigid counterparts because, before filling, the bag and box remain flat, allowing greater inventory control for production managers. Once filled, because of its cube-like shape, flexible packages are easy to store and are

stackable, unlike awkward shaped bottles that take up copious amounts of space in inventory.

Improving inventory control and its associated costs is one of many factors driving European coating and pigment manufacturers to flexible packaging. "A catalyst to flexible packaging is the need to reduce overheads in inventory management, logistics, waste-reduction and container pricing. We've been approached because customers are no longer willing to pay the extensive cleaning costs associated with reconditioned rigid containers. We're seeing the enormous disposal costs of rigid packaging and escalating raw material costs of tin, all of which are turning customers to bag-in-box," says Stellan Flensmo, director of Quadpak AB. Quadpak, headquartered in Sweden, is a manufacturer of flexible packaging for the Northern European territories.

The time for radical change may never be greater as tin, the package of choice for the ink and coatings market, has now hit its highest price level in two years. According to a recent article in the *Financial Times*, by Javier Blas, the price of tin is showing little signs of slowing down heading into 2011 and is hovering close to the US\$20,000/t pricing threshold.

The increasing raw material costs are problematic to UK companies looking to maintain budgetary restraints coming out of the recession of 2009. The problem may persist well into the future, according to ABN Amro, which indicates tin is "heading towards a deficit in 2010 unlike any of the other base metals."

RESISTANCE TO CHANGE

As a result of the scarcity of supply and fluctuating mining laws, operators are unclear about future policy, slowing investment decisions. Due to tin's dominance in the marketplace, resistance to change has been strong, proving why waste and material legislation in the UK has not had a significant impact. Heading into 2011, however, this resistance may subside due to the effect of mounting raw material costs on the bottom line of UK manufacturers.



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ECO-FRIENDLY SOLUTION

Sustainability is a major catalyst to flexible packaging for customers, as bag-in-box is frequently targeted as an environmentally friendly replacement to plastic bottles and tin pails. Many users believe bag-in-box is a solution to the problem of plastic and tin waste found in the industry. "Using the Cheertainer

plastic in-liner reduces the end-user's packaging waste responsibility by about 85%," comments Flexipack's Watson. "The logistics benefits are very strong, both sustainably and economically. Packing in flexible containers reduces the number of trucks on the road, the fuel consumed and greenhouse gases produced because it offers considerably better palletisation efficiency," he adds. For users that recondition existing containers, bag-in-box eliminates the expensive costs associated with cleaning the packaging after use. In these conditions, users of rigid packaging must thoroughly clean the inside of the container, sometimes three or four times, in order to implement it back into the supply chain. With flexible packaging, the corrugated carton is recycled and the in-liner is set aside, eliminating this associated cost.

When it comes to dispensing, bag-in-box reduces the many headaches associated with rigid containers and provides a safe solution that is a necessity in some production facilities. Prying open bottles and tin pails is time-consuming and presents inefficiencies into the supply chain. "Product is

more easily dispensed with the Cheertainer, via gravity flow methods, connector hoses or pump systems, even in comparison with other flexible packages," commented Marco Dariol, Flexipack technical director.

Both Flexipack and Quadpak bring to the ink, coatings and pigments market a specially designed form-fit liner that hugs the container and offers improvements over the common variety pillow-style bag. Production dispenses with a form-fit liner, unlike that of a traditional pillow, improves product evacuation by allowing for a complete dispense. The gusseted feature of the Cheertainer and Quadbag improves on the design of the pillow-style bag because the liner collapses as the product evacuates; there is no clogging, foaming or splashing as with plastic drums, bottles and tin pails. Pillows bags tend to leave the product in the folds of its in-liner and can trap up to 30% of the product. The added safety benefit, by reducing the potential to spatter dangerous products, is a necessity for production managers.

Identifying trends in a fast-paced global market separates the successful from the hopeful. In the wake of the 2009 recession, 2010 has seen companies tightening their practices, targeting measured business decisions to promote long-term objectives. For years, when a product left the floor, little attention was paid to the methods and choices of packaging used to deliver it to the marketplace. The reason is simple: few options existed. Today, however, in the eyes of escalating overhead costs, carbon footprint implications and the need to innovate to drive growth, many companies have turned to flexible packaging. The time is right for the bold move to flexible packaging for the paint, coatings and ink market. ■



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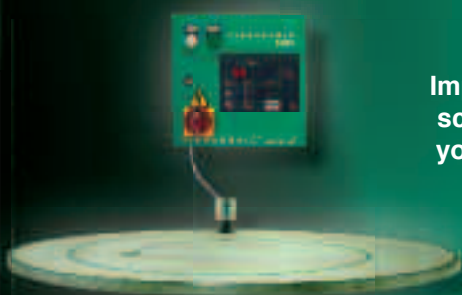
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