

FLEXIBLE PACKAGING

French: digitally remastered

Has the pandemic proved a game-changer for flexible packaging in France, and which consumer categories are the winners and losers? **Dominique Huret** finds out

Early in February, downtown Paris played host to a meeting (*yes, a face-to-face one!*) of 60 people with interest in the flexible packaging sector. They gathered in a huge theatre, all wearing masks, and with sanitiser gel easily accessible at every turn. The excitement was tangible in the air after months of virtual meetings, despite the fact that the world of packaging has not slept during the pandemic.

Lockdown, homeworking and the boom in e-commerce have been three of the main factors radically changing the landscape. Emmanuel Guichard, managing director of ELIPSO, the trade body that represents flexible packaging manufacturers in France, says that these are just some of the changes that have rippled down to affect the packaging sector.

Most of our packaging producers have witnessed a massive rise in small-format packaging," he explains. "With restaurants and canteens closed, there are no orders for large food containers but a myriad of smaller packs for household consumption. A shift to homemade meals has also led to a decrease in prepared products."

ELIPSO has compiled a barometer of flexible packaging consumption by category, and found that – in the French market – coffee, chocolate and confectionery were the biggest losers in 2020. Even though Swiss food and beverage giant Nestlé posted its best quarterly sales growth in five years during the first quarter of 2020, as consumers stockpiled food essentials and coffee, it did not last. And Nestlé Professional's foodservice business suffered a steep sales decline, once outlets closed.

Last year's winners were salty snacks, dairy products, and meat (particularly sausages). Pet food also surged and outlasted the 'stockpiling' phase, as the French embraced new members to their families – especially of the canine variety. There were mixed results for French pharmaceutical packaging, with some

products linked to Covid-19 doing well, while others were held back on account of postponed or cancelled medical treatments.

"Our forecast for 2021, assuming Covid-19 remains with us for a while longer, is that chocolate, confectionery and coffee could pick up slowly," Guichard predicts. "Pet food will continue to perform, while the other categories will remain flat. I am afraid the growth in flexible packaging might take a decade to return. The consumer mindset has also drastically changed. Even if bulk[-buying] is a major trend, hygiene, too, has proven central in purchasing decisions. With the pandemic, the advantages of plastics have finally been brought to light, but we need to show solidarity with other packaging sectors. With all the recycling constraints, it is a tough time for packaging producers."

Compostable and biodegradable materials are the core business of French start-up Carbiolice, which holds 18 international patents. It is also said to boast solid financials, especially since bio-recycling firm Carbios upped its stake in the company last year.

Carbiolice business and alliances director Sophie Macedo explains that the company is working hard to find new solutions to utilise plastics' "invaluable assets". She mentions Evanesto, which is Carbiolice's enzyme for transforming polylactic acid (PLA) into compost under standard conditions.

"When we talk about a 'universal' composting capability, we mean that Evanesto and PLA can be used for industrial composting (NF EN 13432), home composting (NF T51-800 + OK home compost certification from TÜV Austria)



Above: Schur Flexibles Uni's marketing manager Nathalie Caremel calls Uni Packaging the digital 'gold nugget'

Left: Vincent Catala, Digiflex and dry market manager at Schur Flexibles

and anaerobic digestion," explains Macedo.

Currently, there are about 225 million tonnes of PLA on the world market, which represents 0.5 per cent of all the plastics produced. For 2025, Macedo hopes that between 550m and 600m/t will be available on the market, or about 15 to 20 per cent of total plastics production.

"Six of our different PLA grades have been successfully tested by NatureWorks and at Total Corbion's Grandpuits facility for amorphous and crystalline PLA," she says. Five per cent of our additive is needed in the PLA to ensure it degrades fully. It costs about €2.5 (\$3) per kilo, so it is reasonable to forecast a price increase of 5-10 per cent for packaging that is totally biodegradable or compostable."

In northern France, Stéfan Kirstetter took over Malengé Packaging in 1998 and set himself the challenge of transforming the offset printing skills of the existing employees into a force in the flexible packaging business. The first offset-printed packaging materials left the factory in 2000, and since then, Malengé has made inroads into markets including coffee, seeds, and organic foods.



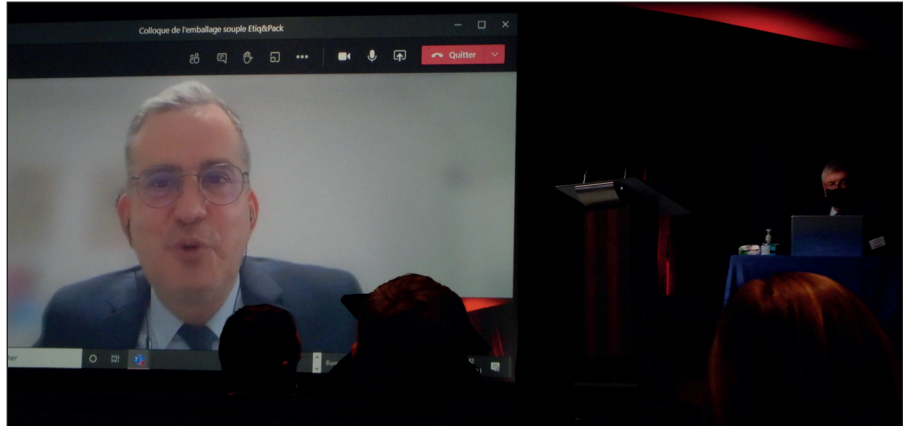
“Today, we have three offset machines and one for preformed sachets, where we can produce 10 million pouches,” points out marketing manager Virginie Morgano. “We are working with complex OPP and paper. Orders of OPP have strongly decreased due to a decline in chocolate bar sales, but luckily, snacking demand has gone up, as have sales for dry products and cosmetics. Our range goes from mono-material solutions for plastics to 80 per cent paper for paper+PE laminates.”

In 2023, the company plans to transition a third of its production to 80 per cent paper plus 20 per cent PE structures, according to Kirstetter.

Another player in the French flexibles arena is Schur Flexibles, which acquired Uni Packaging – a gravure, flexo and digital printing specialist – in 2018. The Austrian parent company’s objective with the acquisition was to strengthen its position on the European market, while tapping into Uni’s strengths in the pouch and digital printing areas. Schur Flexibles Uni operates seven production sites and five logistics centres, producing some 16,000 tonnes of film, and posted turnover of €115m (\$137m) in the year of the acquisition.

Nathalie Caresmel, Schur Flexibles Uni’s marketing manager, explains that the business has become the digital “gold nugget” within the €520m (\$619m) group, as well as the experts on sachets and pouches.

“We are talking a million square metres



Above: 60 people gathered in a huge theatre in Paris to discuss flexible packaging

and not thousands any more!” she explains. “In Fontenay-le-Comte (near La Rochelle), we have two HP Indigo 20000 presses and about 700 different material constructions. Digital printing onto pouches is growing, and we are producing 20-30 per cent more than a few years ago, reaching about 25,000 pouches. And more growth is in front of us.

“Even though digital printing remains more expensive than other printing methods, we see increases in the product range (organic, vegan, different languages and packaging sizes) and it is not restricted to trials and small runs any more.”



Transparency is trendy for flexibles, as is a paper-like appearance, and the transition from bag to pouch

Caresmel expects recyclable film and PE pouch films to keep pushing demand. As for prepress, Caresmel emphasises that there is no need for complicated software: “The universal language is the PDF file, and if correctly managed, it crosses borders.”

You would not expect Jonathan Schmitt, operations director of ePac Flexible Packaging, to contradict Caresmel’s views on digital printing. His five-year-old US company based its business on the conviction that digital technology

will significantly disrupt the service and manufacturing models that have served the flexible packaging industry for decades.

Specialising in custom flexible packaging for small- and medium-sized businesses, ePac has grown to a size of 500 staff and 20 sites across the country, purely on the back of digital printing using its HP Indigo 20000 (now called 25K) presses.

“In the US, a town of about 20,000 inhabitants provides enough pouch and label demand for an ePac factory to be profitable,” explains Schmitt. “Two HP presses, one cutter and one sleever is the common setup, and our lead-time is ten days for films and labels, and 15 days for pouches. For the five years to come, we plan to buy another 25 presses in the US alone.”

When it comes to France, Schmitt speaks of a dynamic market of about 6,000 potential customers, and ePac is opening its first factory in the country later this year, in Bourgoin Jallieu, near Lyon. This site – of which Schmitt will be managing partner – is the first in a planned network of plants across Europe. Orders will be supported by ePac UK until the Lyon site is fully up and running.

“Despite the pandemic, we are on track with our mission to become a local supplier for brands of all sizes across Europe,” adds Johnny Hobeika, managing director of ePac Holdings Europe.

The company believes the world is changing and companies need to adapt. According to Schmitt, digital is the answer when conventional printing cannot provide an adequate solution.

“Today, we have many clients ordering 2,000-4,000m, but we can go up to 45,000m in the click of a finger,” Schmitt claims. “Moreover, the younger generation of entrepreneurs thinks differently. They were born into a digital world, so digital printing is the natural answer for them.”