

Packaging exports fall but process surges

BUSINESS BRIEFS

Exports of packaging machines from the UK tumbled by more than 30 per cent in the first quarter of 2009, according to preliminary figures from the PPMA issued recently and based on information from the Office of National Statistics.

But overseas sales of British processing equipment bucked the trend rising by almost 25 per cent to move into positive territory +£10.3m (2008: -£4.3m).

Total exports of packaging machines fell to £36 million (2008 Q1: £53.1m) but processing machine manufacturers put in a remarkable performance with sales of £39m (£31.1m) to overseas markets. It was 'steady as she goes' for weighers with figures topping just over £10.4 million (£11.3m)

While the USA and many of the traditional European markets held their own the most significant decline in performance was Ireland where exports collapsed by 60 per cent in the packaging sector

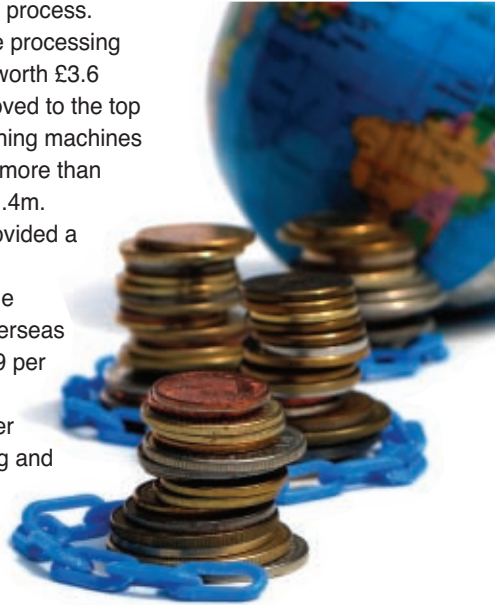
and 40 per cent in process. Nigeria topped the processing chart with orders worth £3.6 million. Russia moved to the top of the list for weighing machines with deliveries up more than 300 per cent at £1.4m.

Imports also provided a mixed bag with packaging machine deliveries from overseas rising in value by 9 per cent, while both processing (-19 per cent) and weighing and inspection machine (-8 per cent) purchases declined.

There were few surprises in the importer lists with Germany, Italy the USA and France all continuing to dominate. Germany increased sales while most others showed modest declines. Some of the figures can be accounted for by the decline in the value of Sterling against the Euro and Dollar. But they do indicate

continuing investment in the latest technologies from overseas. (No figures are available yet for domestic consumption of UK machines.)

Overall the balance of trade for packaging machines widened to -£48.6m (-£24.4m) and weighing held steady at +£7.7m (+£8.3m).



Exchange rate joy for food

Favourable exchange rates have helped boost UK exports of food and non-alcoholic drinks. Research commissioned by the Food and Drink Federation (FDF) has revealed that exports were worth £9.23bn in 2008, up 20 per cent in value terms on 2007. When alcoholic beverages – notably Scotch whisky – are included, exports hit £13.6bn.

Star performers included biscuits (up 15.3 per cent); breakfast cereals (up 12.5 per cent); cakes (up 12 per cent); cheese (up 16.7 per cent);



chocolate (up 10.9 per cent); sauces and condiments (up 21 per cent); soft drinks (up 30.7 per cent); and tea (up 14.3 per cent). Together, exports of these added value products were worth almost £1.9bn.

The overall performance was also boosted by a buoyant red meat sector, recovering after the lifting of foot and mouth restrictions; strong exports of commodity cereals; and another strong year for fish and seafood companies, which recorded overseas sales of £1bn, despite tough market conditions.

Bizerba GmbH has acquired a controlling interest in Lancashire based Niche Computer Systems, making the software house a subsidiary of the Bizerba Group.

Established in the UK food industry for 13 years, Niche has emerged as a major supplier of traceability software. The companies have collaborated on many joint projects, combining Niche software and Bizerba weighing and processing hardware.

The acquisition of Niche brings a conclusion to the 12 month restructuring program within Bizerba UK.

Sir Digby Jones, former business minister and head of the CBI, has taken a role in the packaging industry with Camvac owner Grove Industries.

Lord Jones of Birmingham, who is known as one of the most vocal supporters of UK manufacturing, is to act as a consultant to the Stratford-upon-Avon business, which has a range of investments in print, plastics and packaging companies.

The company, which also trades under the Gil Investments brand, owns plastics firms Total Polyfilm, VIP Polymers and Silkjet (Leicester) and has turnover of about £300m in total.

Lord Jones said that his role would allow him to make a "further personal contribution" to developing UK manufacturing.

Decision News Media, publisher of FoodProductionDaily.com, FoodNavigator.com, FoodNavigator-usa.com and 15 other websites serving the international food, nutrition, pharmaceutical and cosmetics industries, has been acquired by UK business-to-business publisher William Reed Business Media.

www.william-reed.co.uk

SHOW BRIEFS

Starpack 2009

Celebrating its 50th anniversary the Starpack Industry Awards dinner and ceremony will be held during the PPMA Show 2009 on Wednesday September 30.

Starpack, organised by IOP: The Packaging Society, recognises innovation in packaging design and technology. A major development for 2009 is the PPMA-sponsored Packaging Machinery Award of Excellence, which will honour significant advances in machinery design or development.

www.starpack.uk.com/dinner/book.htm

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Pre-registration opens

On-line visitor registration for the PPMA Show 2009 is open. By pre-registering visitors can speed up entry to the show and view the show's on-line newsletter.

www.ppmashow.co.uk/register

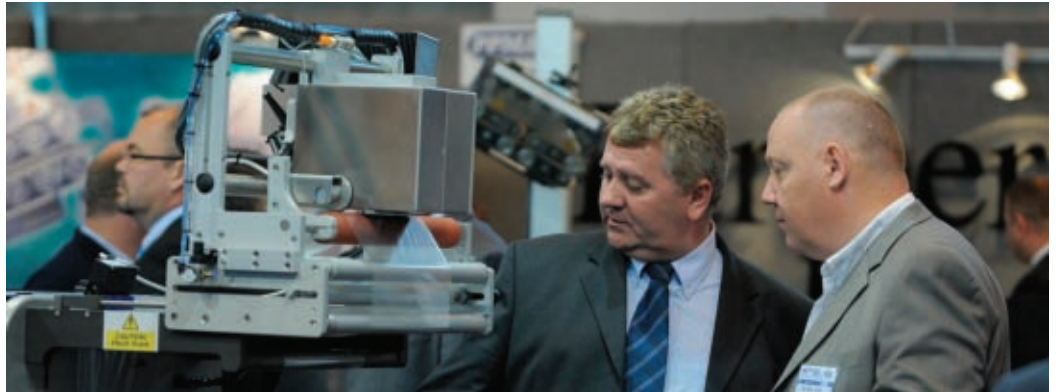
Total focus

With just nine months to go until Total Processing & Packaging 2010 (May 25-27 NEC Birmingham), Reed Exhibitions has announced a dedicated Interphex Hub for pharmaceutical solutions.

The Hub will focus on innovations and developments and discuss current issues and regulatory requirements.

A dedicated series of seminars within the Hub, sponsored by Bürkert Fluid Control Systems, will address the latest issues, trends and challenges for pharmaceutical manufacturers. Speakers will include leading industry figures, and representatives from blue-chip companies, government bodies and pressure groups.

www.totalexhibition.com



PPMA Show goes live

A new Machinery Innovations Demonstrations timetable is geared to help visitors to plan their visit to the PPMA Show 2009, the UK's annual showcase for processing and packaging machinery taking place from September 29- October 1 at the NEC Birmingham.

Live machine demonstrations have always been a key attraction for buyers, specifiers and senior managers who are keen to see the latest technologies in action, says Reed Exhibitions.

The show continues to attract the leading companies and

among the top names for 2009 are: Domino UK, Endoline Machinery, Ishida Europe, Partners in Packaging, Schubert UK, Reiser, Ulma Packaging, Grote Company, Rovema Packaging Machines, OCS Checkweighers, PAGO, Raque Food Systems, Euromark Coding & Marking and T Freemantle.

Nearly 30 companies will be making their first appearance at the show, underlying the exhibition's reputation as a must-attend event for both exhibitors and visitors.

Many companies will showcase new developments

including some rolled out recently during Anuga FoodTech in Cologne and Achema in Frankfurt.

Another development for 2009 is the online 'equipment trails' going live a month before the exhibition.

Visitors will be able to choose a trail pinpointing all the companies in their chosen product area. The trail will include details about the products and where they are located on the show floor.

www.ppmashow.co.uk

Watch out for a full preview in the next issue of *Machinery Update*.

Ready Steady GO digital

Machinery Update has added a digital version of the magazine to its repertoire of products to further extend its information services and circulation to relevant purchasers of processing and packaging equipment.

Already circulated in hard copy to 9,000 senior decision makers the digital version will be distributed to 6,500 named individuals.

"The new digital *Machinery Update* allows us to widen the influence of the magazine and is in line with the inexorable march of technology and the demand for information on the move," explained David Harrison, head of PPMA members' services.

"There will always be a market for the hard copy of the magazine but the online version enables us to capitalise more effectively on our thousands of contacts from around the world and will also assist those readers who already receive the hard copy distribute articles of interest to business colleagues."

The UK's only magazine to focus solely on processing and packaging machinery markets, *Machinery Update* is the leading English language journal for buyers, specifiers and suppliers.

If you do not get a hard copy and want your own copy of the magazine or its sister publication the annual '*Machinery Directory*' these can be purchased from



the subscriptions department at: <http://www.ppma.co.uk/musub/musub.htm>

View the first digital version at: http://www.machineryupdate.co.uk/mu/MU_2009_July/index.html

To add your name to the circulation list for the digital copy: E: david.harrison@ppma.co.uk

Deckchairs on Titanic or what business needs? **Damage limitation**

Questioning the *raison d'être* behind the Government's newly created "Super" Department for Business, Innovation and Skills, chief executive of the PPMA Chris Buxton asked do the challenges facing British industry need any more analysis?

"We know the problems. We know what British business needs. What we need is a government department willing to deliver it! We look forward to working with the new department in meeting these goals and hope that we are not witnessing yet another rearrangement of the deckchairs on the Titanic."

Designed to help Britain compete in the global economy, the department will be created by merging BERR and DIUS and will be headed by Lord Mandelson, who becomes First Secretary of State.

A Government spokesman said that the department is committed to building Britain's future economic strengths by creating a regulatory environment that encourages

enterprise, skilled people, innovation, and world-class science and research.

But says Buxton, "In an industry jaded by a chronic and long term shortage of suitably skilled personnel with a good work ethic we can only hope that the new department will tackle the problems 'at-source' and address the need to raise standards in education."

Nonetheless, as Buxton pointed out, it is no use trying to sell the merits of British industry when it is crippled by an absence of skilled staff coming into the system at the lowest levels from a politicised education system more concerned with political correctness and inclusivity than high academic standards and achievement.

Speaking at the Starpack Summit 2009, from IOP: The Packaging Society, Mark Prisk the shadow minister for business and enterprise, said what was needed was a continual process of innovation in every element of



Mark Prisk MP

manufacturing. This, he said, was "something which the present government had failed to grasp".

"We need to create the right environment for businesses by producing clear policies that help innovation and training without interfering in every tiny detail," he expounded.

The new department is the institutional realisation of the approach to promoting UK competitiveness and productivity as set out in the New Industries, New Jobs paper of April 2009, produced jointly by BERR and DIUS.

New regulations have made packaging companies responsible for the cost of cleaning up and preventing environmental damage. The Environmental Damage Regulations could present a serious threat to businesses that don't take precautions, warns insurance broker Jardine Lloyd Thompson (JLT).

Since the regulations were enacted in March businesses are now compelled to notify the authorities if environmental damage has occurred or is threatened to non-owned water, land, protected species, natural habitats and sites of special scientific interest.

Businesses will be required to take steps to prevent the threat of environmental damage. If damage has already occurred, they will be liable for any costs incurred to remedy or prevent further damage or pay for 'complementary remediation'.

Ian Edwards of JLT's Food & Drink Practice said: "Those in the packaging and related industries should recognise that it's not just so-called 'dirty industries' that are at risk of causing environmental damage."

UK Public Liability policies will normally indemnify a business for its obligation to pay compensation to third parties for injury or damage caused by any sudden and accidental pollution it has caused. However, costs incurred under the new regulations will be imposed by the environmental authorities and would not therefore constitute a third party damages claim.

"There are solutions. Environmental Impairment Liability insurance is available and affordable, and brokers can provide options for packaging and processing businesses," added Edwards.

Green money from green challenges

Key pointers on how machinery manufacturers and their customers can meet the challenges of sustainable secondary packaging and current and future regulations were set out by Jacob van Kogelenberg Bosch Packaging Technology's product manager for secondary packaging at the recent Starpack Summit 2009, from IOP: The Packaging Society.

He pointed to a series of contradictions between short and long-term aims that, on the one hand, call for competitive

products which are attractive to the consumer and, on the other, have to meet legal requirements while also satisfying demands for low cost and 'ecologically' driven products.

One essential production need is to concentrate on the complete packaging process and not just one machine, he said. All partners must have the ability to produce samples of both primary and secondary packaging to enable full scale analysis of the environmental effects from production to shelf.

Critically manufacturers should "avoid being pushed in one direction" and machinery systems suppliers should be able to deliver an integrated solution. Cost savings, as well as environmental advantages, could be gained by automation of the packaging process. "By combining fundamental processes with know how, sustainability regulations offer a real opportunity to improve the positioning of a product and MAKE MONEY," concluded van Kogelenberg.

Green shoots of recovery?

A post-recessionary mindset is starting to emerge among leasing customers with the result that capital expenditure is once again on the agenda, says GE Capital.

The leasing specialist says that feedback from customers suggests that the bottom of the recession has now been reached and that there are tentative signs of increased confidence.

Marie Dunkley, commercial leader at GE Capital, explained: "Feedback suggests that a number of companies have seen demand stabilise or the rate of decline slow dramatically over the past few months."

Reportedly there is an increased level of interest in capital expenditure, with leasing being pushed to the fore where new equipment is needed. www.ge.com

Help at hand

CenFRA has launched a campaign to help small businesses tackle the credit crunch by maximising productivity and profits to ensure their future sustainability.

The centre for food robotics and automation, said that it is confident that its impartial, advice can kick start the innovative thinking required to enable companies emerge from the downturn stronger than before.

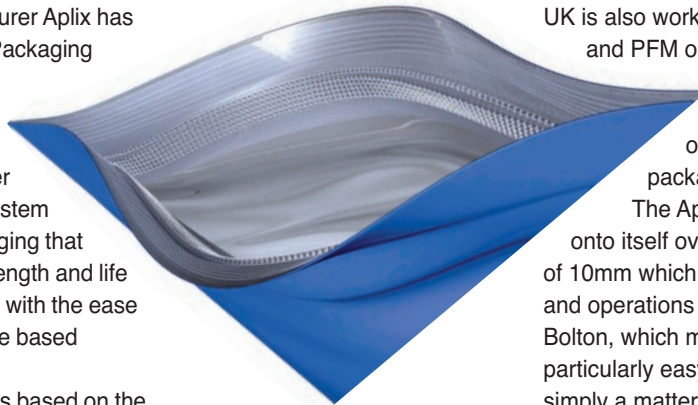
CenFRA is offering businesses in the Northern Way free technology audits, while there is only a modest charge made for this same service to those operations located outside this region. www.cenfra.co.uk

New reclosure system hook up

French manufacturer Aplix has appointed PFM Packaging Machinery as its exclusive UK packaging machinery partner for a reclosure system for flexible packaging that combines the strength and life of a zipper profile with the ease of use of adhesive based systems.

The reclosure is based on the hook and loop principle but is self-mating hook-to-hook and carried on PE tape. This can be sealed into place on both vertical and horizontal FFS machines to make reclosable bags.

Applications for the new Aplix



tape cover perishable products, such as cheese, sliced cooked meats, snacks and pet food, as well as loose hardware items such as nuts and bolts.

Packaging film supplier Cellac

UK is also working with Aplix and PFM on developing the market for this new form of reclosable packaging.

The Aplix tape re-seals onto itself over a typical width of 10mm which, says PFM sales and operations director Chris Bolton, which makes alignment particularly easy. "Reclosure is simply a matter of pressing the bag top back together with no need to line up the front and back accurately something which could be particularly useful for more elderly users."

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Online troubleshooting help for technicians

PMMI, the USA's packaging machinery and supply chain association, has launched 'Troubleshooting Packaging Machinery', an online self-study course open to all packaging professionals.

The online course is offered through the association's training and development arm - PMMI U.

Developed in cooperation with the University of Florida, the course presents entry-level theory, process and logic of troubleshooting — and applies them specifically to packaging operations.

It is designed to help technicians improve observation, thinking and communication skills, and become more effective in

finding sources of and solutions to machine problems.

"Troubleshooting Packaging Machinery' online brings principles to life with animation, video and interactive exercises.

"It teaches a logical approach so a technician understands what questions to ask — and why — to locate the most likely cause of a problem before making adjustments or repairs," says Maria Ferrante, senior director, training and development at PMMI.

Information about the course can be accessed via www.pmmiu.org

PACK EXPO 2009, takes place at the Las Vegas Convention Center from October 5 – 7.

www.pmmi.org

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Thai time for Pago

European self-adhesive labels and labelling systems in Europe Pago Group is to acquire a 30 per cent minority shareholding interest in Salee Printing, a producer of self-adhesive labels based in Thailand.

To be renamed Pago Salee Printing Co. Ltd, the two partners aims to deliver high quality decorative labels jointly to multinational companies and provide the logistics concepts required on a transcontinental basis.

Salee serves hair and body care, pharmaceutical and chemical markets, as well as the beverages and food industries.

www.pago.com

www.salee.net