

Huhtamäki Boosting Capacity in India, Vietnam

ESPOO, FINLAND (Aug. 4, 1:50 p.m. EDT) -- Huhtamäki Oyj is investing 20 million euros (\$24 million) in new flexible packaging capacity in India and Vietnam to meet growing demand across Asia.

The Espoo company said it will construct a plant in northern India to manufacture flexible packaging and labels. Its products will include multilayer and barrier plastics packaging.

Huhtamäki is considering two sites, and construction is to begin in the last quarter of this year. Production is expected to start in mid-2006.

The company already employs 1,300 at flexible packaging plants in Tane, Silvassa, Hyderabad and Nagpur, India.

"Today, about 15 percent of our net sales comes from emerging markets," said Chief Executive Officer Heikki Takanen.

In Vietnam, the company launched its first flexibles plant last year to meet demand from multinational customers moving food production there. Now, Huhtamäki will add a new packaging line that should be in operation by June. The 194,000-square-foot unit, near Ho Chi Minh, Vietnam, employs more than 160.

"We are on track with our original plan for Vietnam, which included a staged ramp-up of production capacity. Sales are progressing according to schedule and include a mixture of local and multinational customers," said Tony Combe, executive vice president for Asia, Oceania and Africa.

The company also has Asian flexible packaging operations in Thailand and New Zealand.

Source: Plastics News, August 4, 2005