2016 ANNUAL MEETING IS FPA’S BIGGEST

The 2016 FPA Annual Meeting becomes the Association’s biggest ever with more than 332 members and guests attending the three-day event. It offered networking opportunities, and a program with insights into both industry trends and big picture perspectives on the United States.

First Look at Industry Status
A key industry insight came from a first look at FPA’s 2016 State of the Industry Report. It is an annual benchmark for gauging where the industry is going. The report shows the industry hitting $31 billion in revenues. Attendees also got an analysis of where flexible packaging is going in Europe; Jan Homan, Chairman of Flexible Packaging Europe, estimated the growth in Europe was about 1.8%. Attendees also got an insight into trends in resin pricing from Nick Vafiadis of IHS Chemical.

On the “big picture” side, a presentation by Secretary Carlos Gutierrez—former Secretary of Commerce and former Kellogg Co. Chairman of the Board—examined the direction of the overall U.S. economy. His forecast is that the economy is still solid and U.S. remains a world leader.

An Identity Crisis
A view of the fall elections came from Howard Fineman, a top political analyst. He sees U.S. politics being as polarized as they ever have been. A key reason, according to Fineman, is that America is “going through one of its identity crises.”

And finally, a perspective from a Pulitzer-prize winning author gave those in the audience a way to judge where we stand against historical standards. David McCullough offered his perspective on the way our educational system affects our future. FP

STATE OF THE INDUSTRY: REVENUES AT $31 BILLION

The U.S. flexible packaging industry posted revenues of $31 billion in 2015, well ahead of pre-recession levels. That was a key point in FPA’s State of the Industry report presented at its 2016 Annual Meeting. Other indicators of the industry’s direction are:

• The Industry will continue to consolidate.
• Consumers want even more convenience, and that opens new opportunities.
• Emphasis on materials and end-of-life issues will grow as part of environmental and sustainability concerns.

Stan Bikulege, Chairman and CEO of NOVOLEX and Chairman of the FPA Board of Directors, gave the presentation. It is a “first look” at the FPA’s annual industry benchmark report. The full report will be available in late spring.

The $31 billion figure for 2015 compares to $23.2 billion in 2009, the recession’s bottom. FPA data also shows profits higher than the previous year, opposed to 2009 when profits were down. Employment in the industry is approximately 79,000 and sales per employee have moved to a new high with greater productivity.

The number of mergers and acquisitions was 18 in 2015, down from 21 in 2014. However, activity was consistent with trends seen since the recession.

FPA is responding to materials and end-of-life issues with research. Current efforts focus on ways to be efficient in collecting flexibles from consumers. Other work aims at sorting flexibles from the post-consumer waste stream in recycling centers.

The full report will be available to members as a benefit of membership.

For More Info
FPA members can get the presentation at www.flexpack.org. Log on and click on “FPA Meeting Presentations.” FP
Flexible package growth in Europe should come in at 1.8% for 2015, when preliminary figures become final. Forecast growth for 2016 is 1.9%. The increases come despite both political and immigration issues, says Jan Homan, Chairman, Flexible Packaging Europe. He made the predictions at FPA’s 2016 Annual Meeting.

Homan expects higher growth in Western Europe with consumption worth 10.5 billion Euros. Germany, Austria and the Benelux countries will have a growth rate of 2.0%.

Central and Eastern Europe’s growth will be lower, at 1.7%; flexible packaging’s value there is 2.6 billion Euros. Poland still is expanding as a flexible packaging producer in Eastern Europe, albeit slower than in the past. It was growing at 5% in 2013, but the number should be about 2% in 2015. One part of Poland’s growth is as an exporter to Western European markets.

With a total production value of about 14.15 billion Euros, the Continent is a net exporter of flexible films; most of that is high-specified material shipped throughout the world. Compared to other global markets, Europe is growing slowly.

While migrants present Europe with a problem, they are not expected to dampen economic growth; Homan noted forecasts that see some growth driven by immigration. However, a number of other factors could influence European economics. They include the economic and debt crisis in Greece, terrorist attacks, and political movements to the right. UK leaving the European Union is another potential issue. FP

The Flexible Packaging Association installed its 2016 Board of Directors at its Annual Meeting in early March. Stan Bikulege, Chairman and CEO of NOVOLEX, becomes the new Chairman of the Board. “The business experience and leadership of our board is what keeps FPA at the forefront of the industry as our challenges evolve,” said Bikulege. “We are excited to have the commitment from new and existing board members.”

Stan is joined by FPA Officers Ken Swanson, CEO and President of Liqui-Box Corp., Immediate Past Chairman; Rob Tiede, VP of Global Flexible Packaging, Sonoco Flexible Packaging, Executive Vice Chairman; and David Staker, President and CEO of Plastic Packaging Technologies, LLC, Treasurer.

**Executive Committee Members At Large are:**
- Kathy Bolhous, CEO, Charter NEX Films, Inc.
- Tom Cochran, President of Americas, Amcor Flexibles
- Guenther Hering, VP, Flexible Packaging N.A., Henkel Corporation
- Gary Masse, CEO, COVERIS

**Directors are:**
- Doug Aldred, President, Packaging and Narrow Web, Flint Group
- Mark Barranco, PE Regional Sales Manager, North America, ExxonMobil Chemical Company
- Curt Begle, President, Engineered Materials Division, Berry Plastics Corporation
- Chris Bezaire, Sr. VP, Polyethylene Business, NOVA Chemicals, Inc.
- DeMond Chapman, NA Packaging Manager, DuPont Company
- Dhuanne Dodrill, President, Rollprint Packaging Products, Inc.
- Tim French, COO, ProAmpac
- Steve Garland, VP Global Portfolio Management, Sealed Air Corporation
- David Hiserodt, President BU Flexible Packaging CUSA, Siegwerk USA Co.
- Bill Jackson, VP and CTO, Research Governance, Bemis Company, Inc.
- Kevin Kelly, CEO, Emerald Packaging, Inc.
- Mike Mattina, Senior VP, Polyethylene, Westlake Chemical Corporation
- Mike Moran, Sales Director, The Dow Chemical Company
- Charles Murray, President, North American Inks, Sun Chemical Corporation
- David Read, VP, Marketing & Technology, U.S., Printpack
- Irv Robinson, CEO, Robbie
- Peter Schottland, President/CEO, American Packaging Corp.
- Andrew Wheeler, President, Windmoeller & Hoelscher Corporation**
FPA ANNUAL MEETING: THE BIG PICTURE SIDE

The “potholes” on the road ahead come from government, from America’s changing culture, and from business challenges. Yet, people in the United States can navigate them to be successful. In the process, the U.S. economy and culture will continue as a standard against which much of the world judges progress.

That sense emerged from three “big picture” speakers at the FPA 2016 Annual Meeting. In extending its big picture role, FPA brought these national leaders to the podium to look at who is shaping today’s American society and why it is going in new directions.

Secretary Carlos Gutierrez is former Secretary of Commerce and former CEO and Chairman of the Board at Kellogg. He said that the United States is simply “the safest place in the world in which to invest.” He continues by saying, “If you don’t have a good U.S. business you probably can’t be a global leader.” Yet, he notes that in the political arena, it has become fashionable to knock business. Gutierrez sees that as a threat that business has to combat. Here’s how he suggests doing that: Focus on the local community and employees—work locally. “It has to be done on the ground, in each facility,” he says.

Howard Fineman is a political analyst for MSNBC and Global Editorial Director of the Huffington Post Media Group. “America is going through one of its identity crises,” Fineman observed. Among a range of issues is the need to integrate into a global economy. The most glaring symptom of the identity crisis is the obstructionism in Congress. Fineman paints a picture of the Congress—not debating across the aisle—but with each side turning its back to the other, effectively stopping any communication.

David McCullough, Pulitzer-prize winning author, also dissected the tumult in America today from his perspective. As an author of historical non-fiction, McCullough says we face some of the challenges because of the way we teach in our educational system, particularly in covering history. He sees a “decline in the teaching of who we are, why we are, and what we stand for.” McCullough quoted President Harry Truman saying, “The only new things in the world is the history that you don’t know.” McCullough also sees shortcomings in writing skills. That impacts our society because “words are what we think with. So a decline in vocabulary is a decline in means of thinking.” He believes that what seems to be turmoil in the U.S. is the continuing evolution of America. “There was never a simpler past,” he emphasized. FP

PE PRICES WEAK, PP STAYS STRONG

Expect U.S. polyethylene (PE) prices to go lower into the end of 2016, but plan for continued strong, high prices for polypropylene (PP) for the year. That’s the view of Nick Vafiadis, Global Business Director, Polyolefins and Plastics, IHS Chemical. He spoke at the FPA Annual Meeting in early March.

For PE, a combination of market pricing for feed stocks and overcapacity in resin production could put the resin price at somewhere near 45-cents per pound for high-density PE at year’s end.

Vafiadis expects excess PE capacity to come onto the market through 2017 and into 2018. He notes that even if some new capacity is delayed, it will have minimal impact on total oversupply.

PP, on the other hand, remains a seller’s market. U.S. demand could exceed North American capacity in 2016, and Vafiadis says, “2016 will be the year of the imports.” It is possible to see switches in resin usage as PP become less competitive in North America.

PACKAGES STAR ON THE INTERNET

The 2016 Achievement Awards highlighted FPA's Annual Meeting. The 19 winners were outstanding examples of flexible package innovation. See all the winners and gain insights on these Internet sites:

• www.flexpack.org. Click on “Achievement Awards Winners” in the left navigation bar.
• www.flexpackmag.com. Click the icon “2016 Flexible Packaging Achievement Awards.”

For More Info

For a copy of The Polyolefin Market Update, FPA members can go to www.flexpack.org. Click on: “Download Presentations from the FPA Annual Meeting.” FP
FPA recently held its 20th Environmental and Safety Summit, an annual three-day meeting that facilitates interaction between FPA members and EPA and OSHA officials.

Environmental Issues
The environmental agenda covered several topics including EPA’s Hazardous Waste Generator Improvements proposed rule. Shari Klika, Bemis Global EHS, discussed areas that could have an impact on flexible packaging. Updating the 30-year-old rule would impose more stringent conditions in some areas and less stringent rules in other areas.

The Environmental agenda also looked at materials recovery with an update of the flexible packaging recovery research project. Michael Timpane of Resource Recycling Systems (RSS) showed how the recycling stream is evolving. Traditional components—newspaper and glass—are down, while new types of packaging are increasing, particularly corrugated and plastics.

These changes increase the need to separate flexible packaging from fiber in municipal recycling streams at the Materials Recovery Facilities (MRFs). RSS is providing consulting services to the flexible packaging industry including field-testing recovery from the waste stream thus reducing the flexible packaging waste going to landfill.

Safety Issues
FPA’s Safety agenda was driven by OSHA’s regulatory agenda and its potential impact on flexible packaging operations.

Ron Unger, Director of Safety & Health at Coveris detailed how the company significantly reduced hand laceration injuries. The effort “drilled down” to identify causes; then, Coveris developed tactics based on the characteristics and risks of various kinds of cutting tools. With those profiles in place, the company evaluated cut-resistant gloves. Analysis involved not only the match of glove to hazard, but also evaluated ergonomics—comfort, dexterity and fit.

The Safety Conference also examined ISO 45001: Global Occupational Health & Safety Management System. Dan Rocznik of the American Chemical Council summed up progress indicating that it is likely to result in a standard later this year. Labor unions, industry and OSHA including FPA are represented on ANSI committee that will provide the U.S. input to ISO. The expectation is that OSHA is likely to use it as a model safety management system in the United States.

For More Info
FPA members can learn more by going to www.flexpack.org. Go to the FPA Meeting Presentations tab and click on FPA 2016 EHS Summit.