

## DESPITE ECONOMIC UNCERTAINTIES, FRENCH PLASTIC PACKAGING COMPANIES MAINTAIN COMMITMENTS TOWARD CIRCULAR ECONOMY

**Paris, May 25, 2020** - *Elipso, as the representative of plastic packaging manufacturers (rigid and flexible), has launched a second survey, from April 29 to May 8, 2020, among its members to evaluate the impacts and perspectives of COVID-19 on the industry's activity.*

### 1. The industry is cautious in the face of multiple economic uncertainties

**47% of companies see a drop in customer orders in April 2020 compared to April 2019.** This outlook heralds an uncertain exit from the crisis for the majority of plastic packaging manufacturers in France. Only 12% of them report a stable order volume, while 41% of companies still see a slight increase in production, but with a significant drop in demand. Out of all companies only 12% recorded a production increase of more than 10% in April 2020 compared to 2019, compared to 38% at the beginning of containment.<sup>1</sup>

For Françoise ANDRES, Elipso's President, these results show that **"for all plastic packagings, all sectors combined, production in 2020 will not exceed production in 2019. The misleading increase in certain types of packaging (food for mass distribution and hygiene) at the beginning of containment will not compensate for the decrease in all plastic packaging"**.

**40% of respondents highlight the lack of customer demand as the main factor limiting their production.** This is directly related to the uncertainty that weighs on customer sectors, as well as to the perception, **for half of the members, that a return to normal will not be achieved before six months to a year.**

**Two thirds of those surveyed believe that the structure of the packaging market will be permanently altered** with a transformation in logistics patterns (increase in e-commerce/drive-through) and higher consumer expectations regarding product hygiene.

**Difficulties linked to lack of personnel** are mentioned by only 33% of respondents, compared to 64% at the beginning of the containment. Logistical issues are now only raised by 16% of companies. In addition, there is still some tension over specific supplies of raw materials.<sup>2</sup> Members also expressed concern about the ability of the Out-of-home catering (RHD) to get back on their feet after these long months of downtime.

### 2. Businesses continue to move towards a circular economy

**98% of respondents want the industry to continue its transition to a circular plastics economy.** Françoise ANDRES confirms that **"the profession continue to move towards an ecological transition and confirms its commitment to achieve a 100% circular plastic packaging industry"**. More than a third of those questioned even call for a more rapid deepening of this dynamic that has been underway for several years now.

---

<sup>1</sup> <http://www.elipso.org/wp-content/uploads/2020/04/CP-enque%CC%82te-Coronavirus-secteur-emballage-plastique-Elipso.pdf>

<sup>2</sup> Some PP films have extended production delivery

## On which criteria are you going to invest?



The environmental criterion most frequently highlighted is **the incorporation of recycled material for 81% of respondents**, demonstrating its centrality for companies, in line with **the government's objective of achieving 100% recycled plastic by 2025**. This demonstrates the industry's commitment to the use of recycled material in spite of the uncertainties currently weighing on the recycled material market since the fall in the price of virgin resins. Elipso believes that, thanks to voluntary incorporation commitments in France and at the European level, the target of **440,000 tonnes of recycled plastics incorporated into packaging in France in 2025 is realistic**.<sup>3</sup>

**Then come the criteria of recyclability for 69% of those questioned, followed by lightening for 40%.**

These results confirm the continuity of R&D work on packaging eco-design, in order to continue improving the carbon footprint of products.

42% of those surveyed nevertheless underline that the current economic reality could postpone certain investments.

Faced with these many uncertainties, Françoise ANDRES concludes by adding that **"the urgency is to ensure the sustainability of our companies in this very uncertain economic horizon, but the fundamentals have not changed. This survey confirms the sector's involvement in a circular economy of plastic packaging"**.

<sup>3</sup> Elipso Circular Economy Survey, Fall 2019

<http://www.elipso.org/wp-content/uploads/2019/10/CP-Elipso-emballage-plastique-engagements-transition-%C3%A9cologique-17-10-2019.pdf>

**Reminder of the ANSES recommendations on hygiene rules concerning packaging:**

In accordance with the recommendations issued by ANSES, the use of packaging in no way exempts the respect for barrier gestures (washing your hands very regularly, sneezing into your elbow, avoiding contact, etc.). (e.g., keep a minimum distance of one meter, avoid touching your face). The ANSES states that "The packaging may have been contaminated by dirty hands when they were manipulated by an infected person (via hands, sneezing...). Even if the virus causing the disease does not survive more than 3 hours on package surfaces, wiping packages with a humidified one way all-purpose paper towel is an additional precaution. Unrefrigerated packaged products may also be left to stand for three hours after being brought home when not fresh produce. For foods that can be kept in the refrigerator, as soon as possible, remove the overpackaging (e.g. yoghurt cartons) before storing them. Of course, you must wash your hands carefully before and after handling these packages.»

<https://www.anses.fr/fr/content/coronavirus-alimentation-courses-nettoyage-les-recommandations-de-l%E2%80%99anses>

*Methodology and sampling :*

*Participants represent all packaging families. The manufacture of primary packaging (packaging visible at the point of sale, such as a yoghurt pot for example) represents 60% of the activity of all the respondents, secondary packaging 30% (grouping packaging such as a film to hold a bottle pack) and tertiary packaging 10% (grouping packaging for logistical purposes). The rate of validated responses covers more than 60% of members. The companies that took part are 2% of the VSEs, 52% of mid-caps, 43% of SMEs and 3% of large enterprises. The customer sectors supplied are food for 86% of the respondents, hygiene and beauty for 45%, chemistry for 31%, transport-logistics for 14%. The distribution according to the constituent materials is 41% for rigid plastic and 35% for soft plastic. A company can supply several sectors and different types of packaging (primary, secondary, tertiary).*

ELIPSO is the trade association representing plastic packaging manufacturers (rigid and flexible) in France. Our companies, present throughout France, employ 38,000 people in 320 companies (mostly SMEs) for an annual turnover of 8.1 billion euros.

**Press Contact: Christophe MORVAN** c.morvan@elipso.org +33146223366 / +33633682120