

THE PLASTIC PACKAGING MARKET DEFENDS ITS GROWTH WITH 8.1 BILLION EUROS OF REVENUES IN 2017

According to the annual economic study conducted by French cabinet Asterès for ELIPSO, the French plastic packaging sector (rigid and flexible) maintain its growth partly due to innovation. **The total sales of the sector are estimated at 8.1 billion euros.**

The **production of plastic packaging increased by 5% for the year 2017**. In comparison, the production of the manufacturing industries increased by only 3.7% in 2017.

In 2018, facing an unstable macroeconomic context (+ 3.1% forecast in 2018) and a weakened national business atmosphere (+ 1.3% forecast in 2018), the first trends confirm a slowdown for the French plastic packaging market.

Sales between January and June 2018 increased by 1.3%. The value of sales is decreasing for the first half of 2018.

The current economic climate in the customer segments (cosmetics, soaps and cleaning products, pharmaceutical, chemicals, transport and logistic) is improving and leading the growth, as the exception of the agri-food industries. The agri-food business is essential for the plastic packaging industry as it represents 68% of the industry.

THE PLASTIC PACKAGING INDUSTRY IS FULLY COMMITTED INTO THE CIRCULAR ECONOMY

For more than twenty years, ELIPSO has been involved in a circular economy policy. In 2018, ELIPSO analyses the sector's commitment through a new edition of its survey dedicated to circular economy. With a 60% response rate, it represents more than 1.2 million tons of plastic packaging, which more than half the plastic packaging quantity put on the French market.

Price, food safety and technical performance are the 3 main purchasing criteria for customer sectors.

98% of respondents will intensify their actions in favor of a more circular economy for plastic packaging.

3 types of raw materials are used to manufacture the 2.2 million tons of plastic packaging put on the French market each year:

- 86% of these raw materials are virgin;
- 12% are recycled material;
- 2% are biobased material.

In the next few years, the use of recycled raw materials and biobased raw materials will increase.

By 2025, thanks to the voluntary commitments in incorporating recycled materials announced in July 2018, 188.000 additional tons of recycled materials will be incorporated into packaging.

The demand to incorporate more recycled materials is important, but some bottlenecks will have to be removed.

Many packaging manufacturers invest and internalize recycling activities. Some of Elipso's members already have a recycling activity.

NEW PROHIBITIONS OF PLASTIC PRODUCTS ADOPTED UNDER THE « EGALIM ¹» BILL

The packaging plastic industry denounces the bans against a series of plastic products by 2020, and the prohibition in the use of plastic containers in public cafeteria by 2025.

A first amendment (on the initiative of the French MP François Michel Lambert) was adopted, against the will of the government. It stipulates that "No later than January 1, 2020, the provision of disposable cups, glasses and plates for the table, straws, cutlery, plastic meat sticks, disposable cup lids, meal trays, ice cream pots, salad bowls, boxes and mixing sticks for plastic beverages" made of plastic material will be banned.

A second amendment (on the initiative of the French MP Laurianne Rossi) states that " No later than January 1, 2025, the use of plastic food containers for cooking, heating and service is discontinued in the collective catering services of schools, universities and educational institutions for children under six years old. "

These two "fuzzy" amendments will have serious economic consequences for many business lines and may therefore affect the entire economy.

The plastic packaging industry is protesting against such measures that were taken without any consultation, dialogue or impact assessments.

About ELIPSO

ELIPSO is the trade organisation that represents plastic and flexible packaging manufacturers in France. The plastic and flexible packaging industries employ 38,000 employees in 320 companies for annual turnover of €8.1 billion. These industries are active in every sector of industry and distribution (food & agriculture, beauty & health, personal care, cleaning, chemicals, industrial products, construction transport and logistics).

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Contact: Christophe Morvan, Communication Manager

Phone : +33 (0)1 4622 3366

c.morvan@elipso.org

¹ Following the Estates General of Food (EGA) that took place in 2017, a bill "for the balance of commercial relations in the agricultural sector and a healthy and sustainable food" was presented by Stéphane Travert (French Minister of Agriculture) on 31 January 2018 in the Council of Ministers.