
EUROFER tinplate producers show confidence

Wednesday, 23 Apr, 2008

EUROFER tinplate producers are confident that tinplate will remain the material of choice for packaging applications despite rising raw material costs.

In 2008, all rigid packaging will be affected by the significant increase in raw material and energy costs. Not only steel producers are faced with higher production costs because of the price rise for steelmaking materials such as iron ore, coking coal, scrap and alloying metals such as tin and zinc. With the increase in crude oil prices, polyethylene producers now have the highest feedstock costs in the plastics producing world. Ultimately, these extra costs will have to be passed on to the consumer.

The tinplate producers within EUROFER, the European Confederation of Iron & Steel Industries, are confident that they can achieve price increases for annual contracts that will fully cover the extra costs for materials.

Mr Rasselstein CEO of Ulrich Roeske said that this is not possible for the current contracts. However, the recent rise in costs for raw materials has hit all producers equally, so that a comprehensive price adjustment appears unavoidable.

Moreover, a recent IISI study shows that steel packaging combines relatively low costs for filling, labeling and retail handling with lower production costs compared to the main competitive packaging materials aluminum and glass. This limits the risk of substitution significantly.

Represented by EUROFER, the European steel industry is the world leader in its sector with a turnover of EUR 140 billion and direct employment of 370,000 people, producing 200 million tonnes of steel per year.

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