
Crown Food Europe sees can makers paying more for tinplate

Wednesday, 18 Mar, 2009

Crown Food Europe said that tin can makers are paying about 50% more in 2009 for tinplate, despite falling commodity prices as demand for canned food rises due to the recession.

Mr Olivier Aubry a vice president at Crown Food Europe said that "Historically, times of economic recession have tended to increase sales of canned food, as consumers curb their out of home eating activity. The food market in Europe is currently estimated at 35 million cans a year. It is in slight growth year on year. Our major suppliers have repeatedly threatened us with a further reduction in tinplate capacity."

Mr Aubry said that "Margins within the packaging sector are insufficient to be able to absorb cost increases of this scale. We have no alternative other than to recover these costs through selling prices. All of our customers are paying new prices. Without recovery of the increased tinplate costs, we would not be able to manufacture our products with any level of profitability."

He further said that "Crown Food Europe has no plans to switch to alternatives such as plastic because tin cans are economical. Cans are 100% and infinitely recyclable without loss of quality. Packaging weight reductions and recycling have reduced energy requirements throughout the supply chain."

(Sourced from www.reuters.com)

For more news visit at www.steelguru.com