

Other news

Nampak upgrades bevcap plans for Angola
See page 10

ArcelorMittal confirms 15% rise in tinplate prices
See page 12

In brief

● Tinplate manufacturer Corus Packaging Plus (CPP) will increase its prices by 6 percent for all deliveries from the beginning of 2008. The increase is lower than expected, with ArcelorMittal planning a 15 percent price rise for its tinplate in North America. In a statement Netherlands-based CPP said the reasons for the price rise included "significant cost increases in many areas, particularly raw materials."

● Pablo Ezquerra, the founder of Spanish seamer manufacturer Talleres Ezquerra, has died at the age of 64 after a long illness. Ezquerra founded the company, which was initially based in his garage, in 1972 with just two employees. In 2005 it acquired fellow Spanish seamer manufacturer Sommetrade. All of Ezquerra's three children, Carlos, Silvia and Laura currently work for the company. Import-export manager Oscar Sobejano described Ezquerra as "an excellent person, my professional father and a great master."



● SABMiller and Molson Coors Brewing are forming a joint venture in North America called MillerCoors. It will have combined volume sales of around 69m barrels, in comparison to market leader Anheuser-Busch's 102.3m barrels. The deal is subject to final agreements, and clearance from US competition authorities and other third-party consents.

● In September, the assets of the former Pittsburgh Brewing Company were officially transferred to a group of investors led by private equity firm Unified Growth Partners. The move finalizes a protracted Chapter 11 bankruptcy that has lasted two years. During its 146-year history, the brewery introduced the first twist-off cap, the first snap top can, the first light beer and the first aluminium bottle.

Use sustainability as an opportunity, delegates

Delegates at The Canmaker Summit held last month in Chicago enjoyed invigorating debates on the sustainability of metal packaging, aluminium's competitiveness against other packaging materials, and the role of added value formats such as the beverage bottle.

The leading conference for the metal packaging industry was attended by the world's leading canmakers as well as customers such as Anheuser-Busch, Coca-Cola, Heinz, Japan's Asahi Breweries and Saudi Arabia's National Food Industries.

● In a rallying call during his keynote presentation, John Friedery, Ball Corporation's top canmaker in the US, highlighted the need for cutting the cost of innovation and bringing products more quickly to the market.

He was speaking from a position of authority, having just presided over the launch of new packaging for Caribou, a ready-to-drink coffee being marketed by Coca-Cola. This used aluminium recloseable bottles, which are being made by Ball on the first high-speed D&I production line of its type in North America.

"This is a new package with both convenience and appeal," he said. "Often on the past we have killed off products too early to give them the oxygen of development."

In the past, the canmaking industry had focused on vol-



umes and value with a concentration on functionality rather than consumer appeal, he said. Meanwhile, more visible changes had been made to PET bottle designs.

"Sustainability plays straight to the can," he said. "We've been operating sustainably for decades without calling it that."

● Raising consumer awareness of the can's strong sustainability message is the objective of a global project being backed by Beverage Can Makers Europe, the US-based Can Manufacturers Institute and Brazilian industry body Abralatas, reported Anders Linde, Rexam's director of external environmental affairs.

The beverage can has low distribution costs, long shelf life, is

a global concept manufactured locally and has a key benefit that lowers its carbon footprint: it is highly recycled. "The project will keep the beverage can in a star position and make it the preferred drinks packaging for the future," said Linde.

● Aluminium's competitiveness in the beverage can sector is beginning to be eroded against other packaging materials due to high energy costs that "have fundamentally changed the cost structure of the industry," warned Uday Patel, principal aluminium consultant at CRU Analysis.

"There's been a huge increase in capital costs for aluminium — 22 percent in recent years," he said. Whereas the average capital cost for an aluminium mill is

Ball to pay \$70m to settle Miller dispute

Ball's beverage can division will be paying one of its largest customers, Miller Brewing, \$70 million to settle a dispute over alleged breach of contract.

Ball Corporation said that the one-time payment will be made in January 2008, and under the settlement, Ball Metal Beverage Container (BMBC) will continue to supply all of Miller's beverage can and end requirements

through 2015.

The payment would resolve various business issues between the parties, who have also agreed to make certain adjustments to the provisions of BMBC's supply arrangements with Miller. Ball did not reveal the nature of Miller's claim nor the full details of the settlement which will result in a third quarter charge to Ball of about \$86 million (around \$52 million after tax).

The payment represents about a quarter of Ball's expected earnings before tax of about \$325m, or about 0.7 of a cent for

each of the 12 billion cans it sells to Miller each year.

"We are pleased to have this dispute behind us and that the good faith mediation process resulted in this settlement," said chief executive David Hoover.

"We value Miller Brewing Company's business and are proud to have been a past recipient of numerous supplier awards from Miller. We look forward to performing to the same high level that merited these awards during the remaining eight-plus years of our contract."

told at The Canmaker Summit in Chicago



Time to catch up — John Friedery, Ball Corporation's senior vice president; David Gill, director of technical services at Novellis; and Glenn Yee, Pacific Can's chief executive, at last month's canmaking convention. (Previous) Ball Aerosol & Specialty Packaging's engineering manager Bob Brashear received metal packaging's top award from Allan Sayers, publisher of The Canmaker

between \$2,700 and \$2,800 a tonne, explained Patel, for the period 2003-2005 it has risen to \$3,800 a tonne and to about \$4,600 in 2007. "We are in a prolonged period of capital cost increase.

"There's a huge opportunity for competing materials against aluminium," he said. "This has created an opportunity for PET, particularly for carbonated soft drinks.

"In Europe, there is also a chance for tinplate to gain market share. In terms of economic costs there is an incentive — whether they'd do it or not is another issue, D&I material is only a fraction off the overall steel products market."

CRU Analysis and associated researchers PCI PET Packaging

Resin & Recycling have published a report that details the threat presented to the can by PET.

- They were responding to an upbeat presentation by Arthur Stupay of Tower Research that showed how customers cannot easily change to other packaging materials from the metal can, the manufacture of which is meeting rising demand despite raw material price rises.

- The bottle can market in North America is evolving into two sectors: one for high volumes that will be met by D&I cans like Ball's and another described by Ed Martin, sales and marketing manager for CCL Container, as a "white space product" in which there was "an opportunity to create

value driven by design equity". It was a market of immediate consumption in bars in which was less price sensitive, he said.

"Nothing does it like the hardest-working pack, the D&I can," he said. "but there will also be a market for more stylish and better-designed bottles."

- On a more sober note, Neil Robson, a leading specialist on packaging for exports, described how waste is viewed differently between the industrialized world and developing countries. Packaging is equated with waste in the mature markets, while there is a need to reduce food waste elsewhere. Though metal packaging could help reduce food waste, organizations are discouraged because we "cannot be seen to encourage packaging".

Former Metal Box manager Robson said, "The packaging sector could prove its worth by concrete contributions to third-world hunger alleviation — and thus gain the moral high ground it rightly deserves."

Drinks can sales buoy strong Crown results

Strong beverage can sales in Europe contributed to better-than-expected third-quarter results for canmaker Crown Holdings.

Sales of beverage cans in Europe were up by a fifth to \$314m and segment income almost doubled to \$60m.

Every sector except food cans showed significant improvement and lifted net sales in the quarter

to \$2.15 billion, up 7.6 percent.

Analysts had expected beverage can sales and margins in North America, where Crown has a 20 percent market share, to be higher. Sales grew 4 percent to \$455m, but with tighter margins, segment income was up 2 percent to \$54m.

Food can manufacturing in Europe is Crown's biggest sector, but — as expected because of poor weather denting demand from customers — sales were up just 0.5 percent to \$577m with income flat at \$55m. In North America, food can sales grew 1 percent to

\$260m.

Net profit after tax and expenses was \$92m, up from \$88m in the same quarter last year.

Sales for the first nine months of 2007 were 10.4 percent up at \$5.9bn reflecting, says Crown, higher sales unit volumes, the pass-through of higher raw material costs and foreign currency translation.

Chief executive John Conway said: "Global volumes were firm reflecting the growing contribution of emerging markets to our portfolio."

Other news

Fourth beverage can plant for China's Baoyi
See page 13

Microwaveable food in cans given the green light
See page 14

In brief

- Lindgens, a Sweden-based manufacturer of coatings and inks specifically for metal packaging, opened a Russian office in September. "We have two distributors for the CIS countries," said chief executive Jan Koivula, "but it is not enough to serve and develop these markets." Dmitry Deriglazov (pictured above) is the sales manager at the new office. Contact: Lindgens MDC&I, 3 p/o, 59a, office 423, 140003 Moscow reg., Lubery, Russia. Tel: 7 495 983 34 84. Fax: 7 495 983 34 84.



- The iconic red and white cans of the Campbell's Condensed Soup brand are soon to be pulled from UK shops. Food manufacturer Premier Foods acquired Campbell Soup Company in the UK and Ireland for £450m (\$917m) in 2006, but only received a limited licence to use the Campbell's brand. After March 2008 the soups will be relaunched under the Batchelor's brand, although cans will carry messages before and after the changeover informing consumers. Campbell Soup Company will continue to produce the Campbell's brand soups elsewhere in the world.

- Third-quarter US beverage can shipments continued to decline in 2007, falling by just under one percent year-on-year, according to figures released by the Can Manufacturer's Institute. Shipments for the first nine months of 2007 are down 1.7 percent year-on-year, with first-quarter shipments dropping by more than four percent.

- Cadbury Schweppes, which manufactures beverages including Dr Pepper and 7UP, plans to demerge its North American beverage business after it failed to find a buyer. Cadbury Schweppes Americas Beverages will become an independent company if the move is approved. Larry Young, the current head of Cadbury's US bottling business, will be chief executive, replacing Gil Cassagne.