

# Market Overview: Vacuum Coated Films & Papers

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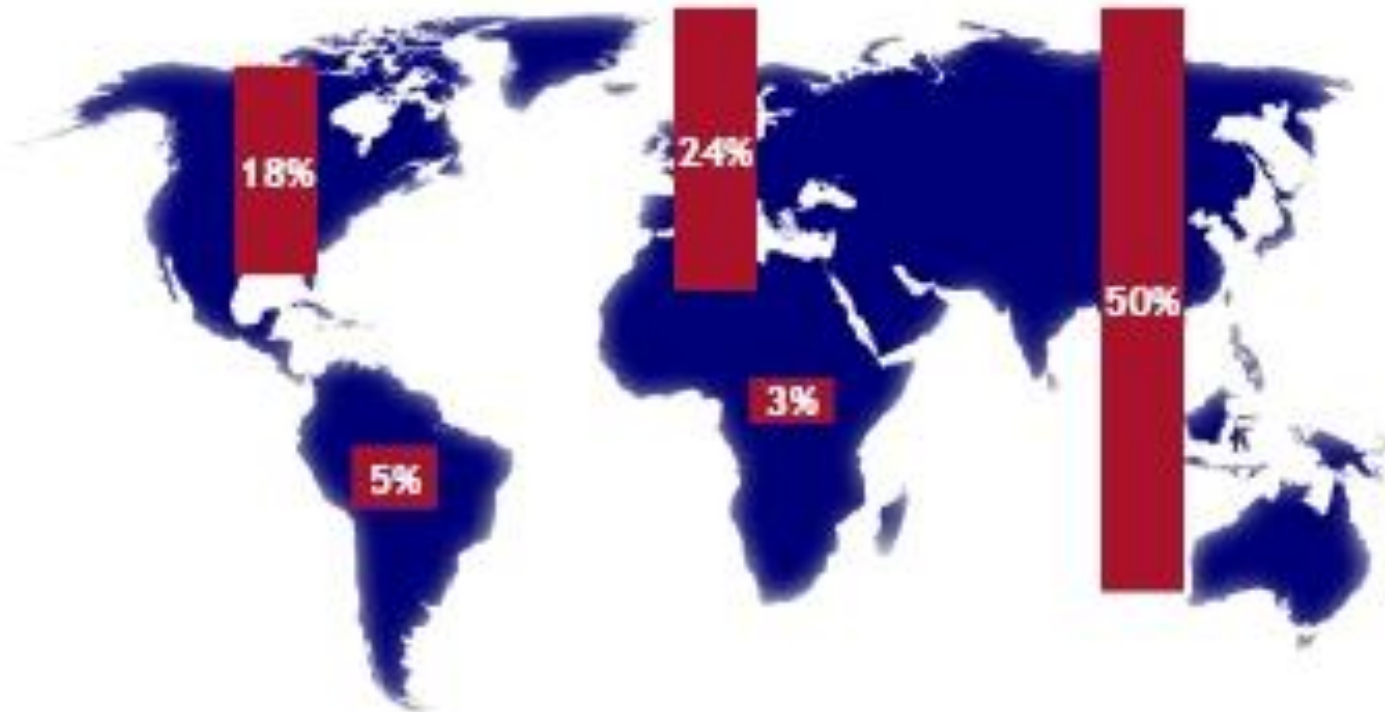
# Agenda

- Global & Regional Markets
- Materials
- Trends & Developments
- Challenges

# Global & Regional Markets

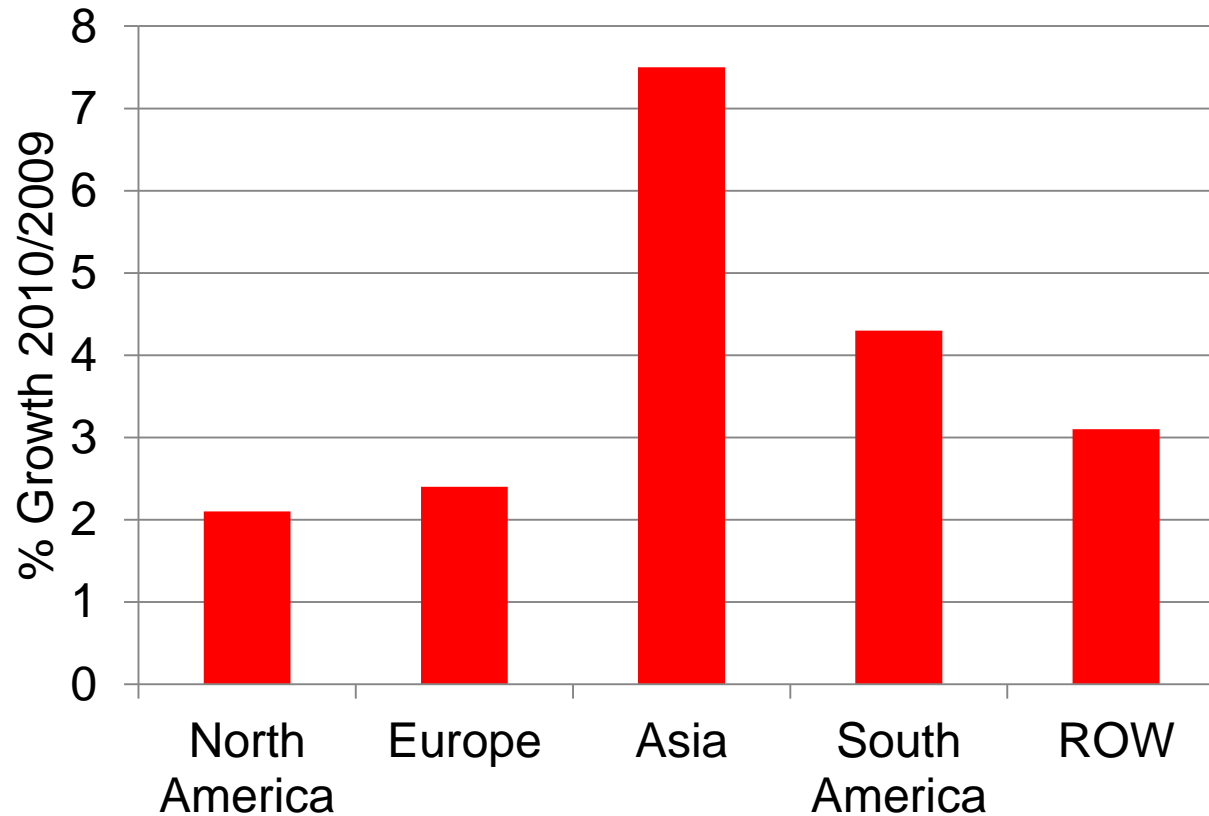
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# Global Vacuum Coated Material Demand, 2010



Source: AWA

## Regional Growth, 2010/2009



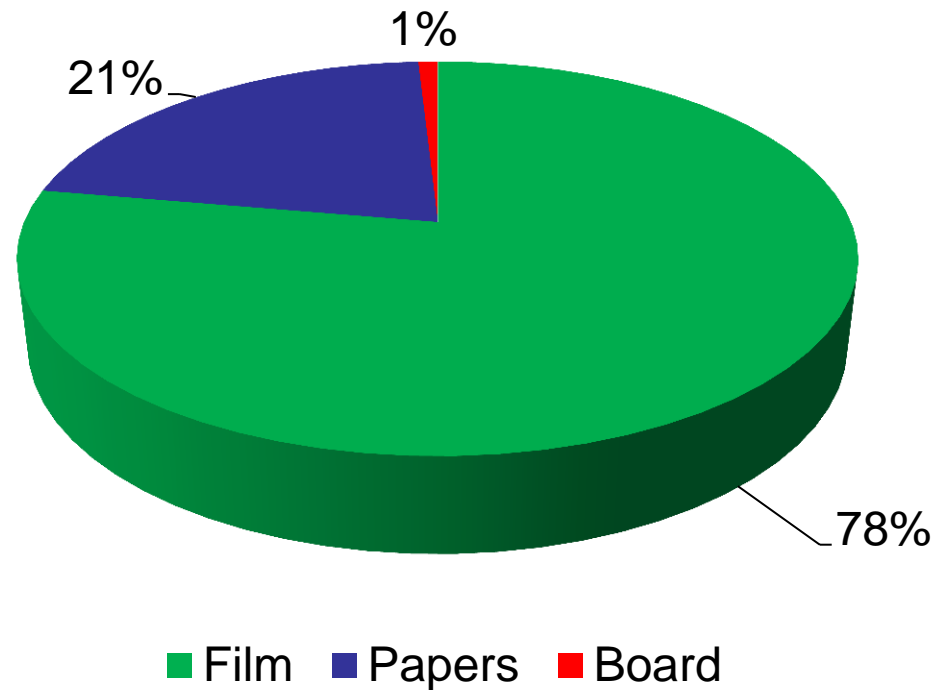
Source: AWA



# Materials

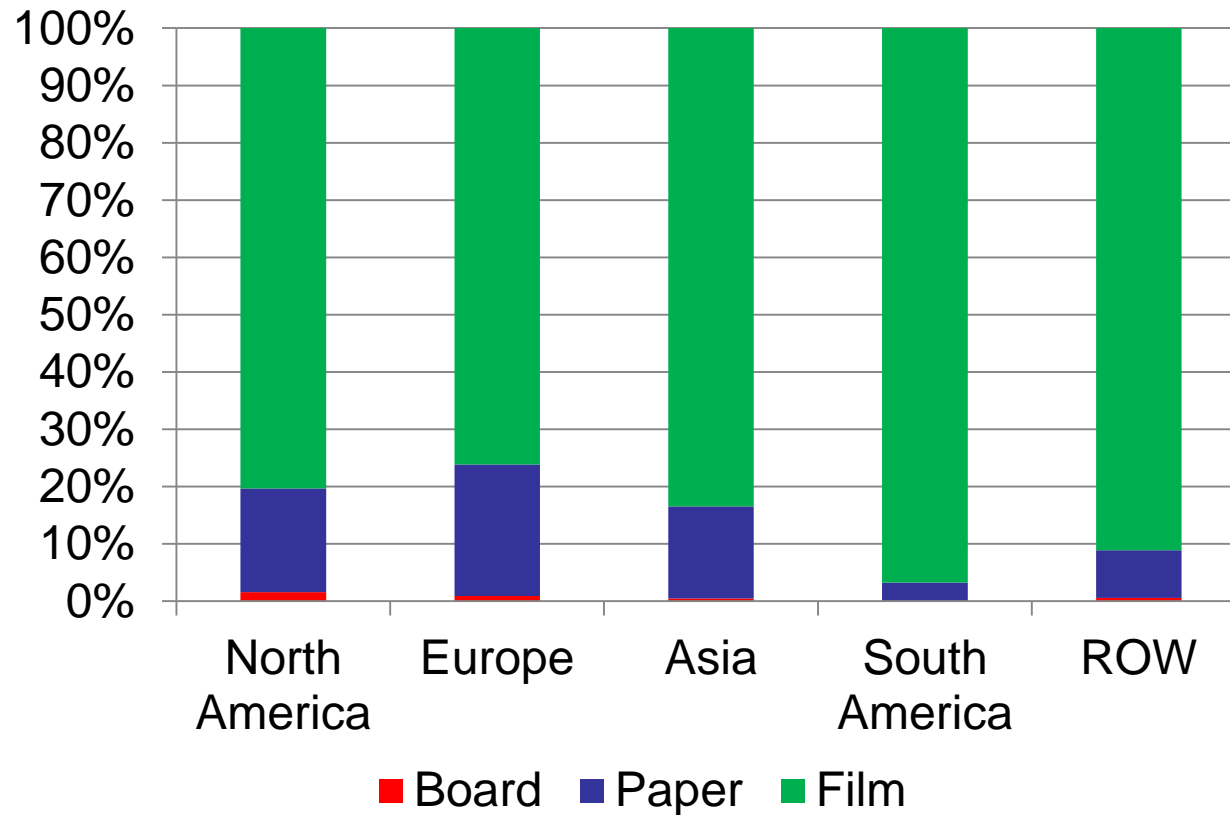
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# Global Vacuum Coated Market by Materials, 2010



Source: AWA

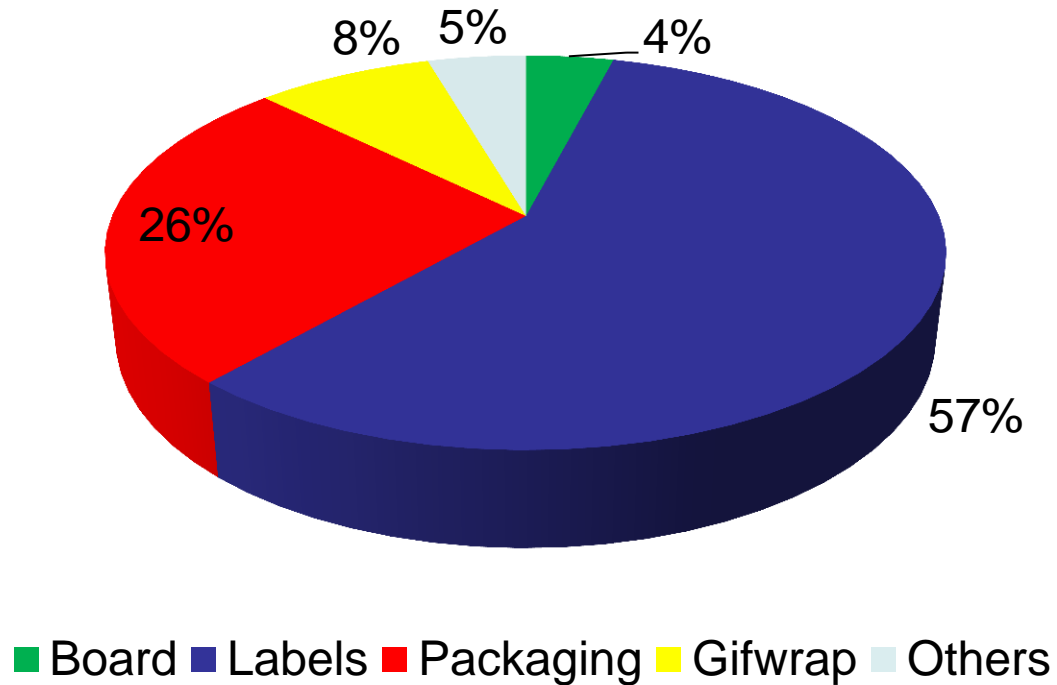
## Regional Markets by Materials, 2010



Source: AWA

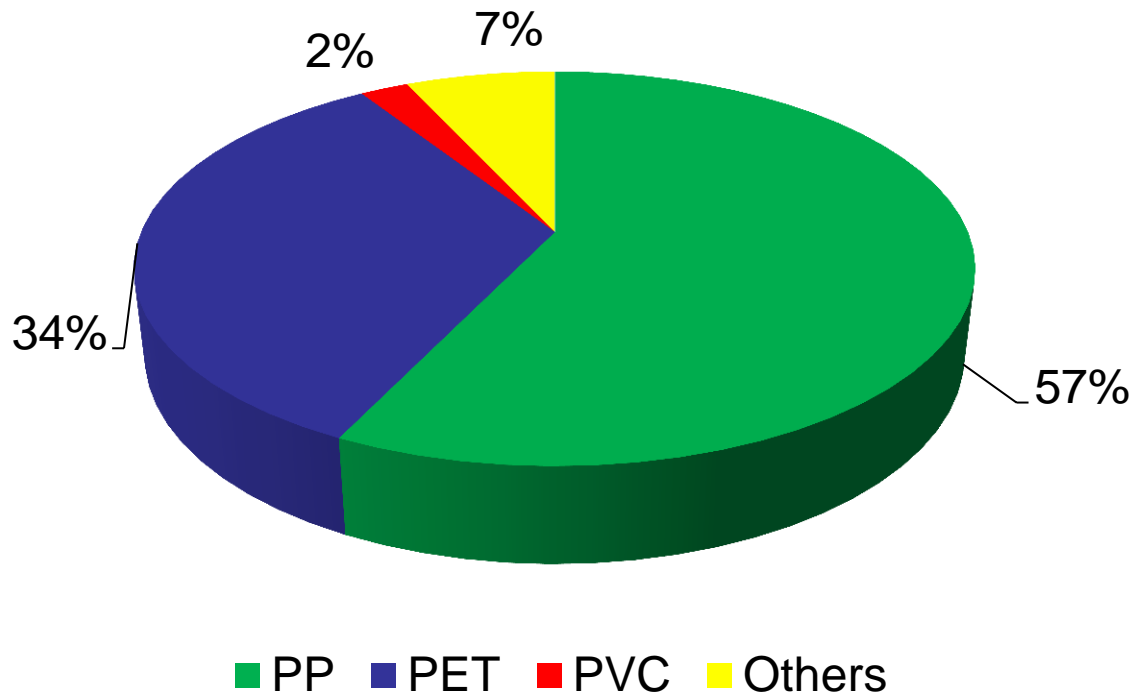


# Global Vacuum Coated Paper Market, 2010



Source: AWA

# Global Vacuum Coated Film Market, 2010



Source: AWA

## Materials - Films

- Issues of availability of PET thru 2010 and into early 2011. Freer availability from mid 2011:
  - Commissioning of new PET manufacturing capacity in late 2011/early 2012
  - Legislation banning use of PET in Indian tobacco packaging freeing capacity
- Metallized OPP films largest component of vacuum coated film market – packaging is main use, but growth in use as labels

## Materials – Board/Papers

- Growth in European use of transfer metallized board:
  - Improved yield over met PET/board laminates
  - Improved machinability – less twisting in high speed packaging lines
  - End uses – toothpaste cartons, cigarettes, cosmetics
- Competition to metallized papers for European cigarette packaging from printed papers – cost & environmental perception
- Met paper label growth influenced by slowing beer market in developed regions, positive growth in China, and competition from clear film PS labels



# Trends & Developments

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# Trends

- Global growth for all vacuum coated materials estimated at 5% in 2010
- Growth in North American and European markets recovered and stabilizing at around 3% depending on material
- Growth in vacuum coating technologies/capacities in China, India, Korea, and Taiwan
- Growth in demand for vacuum metallized papers greatest in South America and China
- South American metallized paper demand for labels served by high levels of imports – base and finished labels

# Trends

- Competition in met label markets from clear film PS labels
- Growth in exports of metallized films and papers from China and India – improved quality but need to maintain developments to serve European and North American markets with latest materials
- Low cost metallized films from integrated vacuum coaters/film manufacturers throughout South America



# Developments

- Active developments for further end uses of metallized papers at all leading paper metallizers
- Barrier film applications strongest area of growth for films
- Growth in vacuum coated biodegradable films
  - PLA
  - Bio PET
  - Cellulosic films





# Developments

- Investments in new coating equipment dedicated to clear, oxide coatings (e-beam)
  - Clear, barrier packaging
  - Security holograms
- Interest in coatings other than aluminum – copper, metal alloys



# Challenges

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# Challenges

- Increasing polymer prices
- Competition for polymers/shortages of polymers/lead times
- Global dynamics – increased sourcing of quality vacuum coated barrier films from India and China
- Prices/costs
- Commoditization of decorative holograms – Asian sourcing



## Challenges

- Increased level of environmental and sustainability concerns at materials used for packaging
- Perception of aluminized films as environmentally unacceptable
- Mixed material laminates and issues of recyclability