Formosa to pay $50M in pellet pollution settlement

By Steve Toloken
Plastics News Staff

Formosa Plastics Corp. USA has agreed to pay $50 million to settle a Clean Water Act lawsuit over plastic pellet pollution from one of its Texas factories, reportedly the largest settlement brought by private citizens under that federal environmental statute.

The groups that brought the lawsuit said in an Oct. 15 news release that Formosa has agreed to pay for environmental cleanups around its Point Comfort, Texas, plant and meet “zero discharge” standards for resin pellets in the environment.

The consent decree must still be approved by Judge Kenneth Hoyt of the U.S. District Court in Houston. The groups brought the lawsuit in 2017.

“A settlement of this size sends a powerful message to corporate polluters — there’s a steep price to pay for flagrant, chronic violations of laws that protect our environment,” said Erin Gaines, a lawyer with Texas RioGrande Legal Aid, which helped fund the lawsuit.

“And with plastics pollution of our oceans at a crisis, the message comes at a vital time.”

Formosa is based in Livingston, N.J.

“The conditions agreed to in this settlement demonstrate Formosa’s commitment to manufacturing our products in a safe and environmentally friendly manner,” Executive Vice President Ken Mounger said. “We will continue to partner with local communities and stakeholders to ensure that Formosa USA environmental programs are at the top of our industry.”

The plaintiffs said that the $50 million would be paid out over five years and will support projects to reverse the impact of water pollution in Calhoun County, where the factory is located.

It includes $20 million to create a cooperative to revitalize marine ecosystems and fishing, shrimp harvesting and oyster harvesting, $10 million for park and lake development, $5 million to support environmental research for the San Antonio and Matagorda bay systems and $2 million to support Formosa’s projects.

California governor vetoes tough recycled content legislation

By Steve Toloken
Plastics News Staff

California Gov. Gavin Newsom has vetoed tough new recycled content legislation for plastic bottles, saying he supported the goals but opposed last-minute changes designed to mollify the beverage industry.

California Gov. Gavin Newsom has vetoed tough new recycled content legislation for plastic bottles, saying he supported the goals but opposed last-minute changes designed to mollify the beverage industry.

The bill, which passed the state Legislature Sept. 14, would have created the world’s toughest legal mandate for recycled content in plastic bottles — up to 50 percent by 2030.

But Newsom said in his Oct. 14 veto that he felt the last-minute changes shifted too much responsibility away from companies.

“While I support strong minimum recycled content standards, late amendments to this bill would result in a costly, burdensome process that undermines the worthy intent of this legislation,” Newsom wrote.

“The waiver petitions allowed under this bill would put the burden on the state to prove to manufacturers that their products can meet recycling goals, rather than making clear that manufacturers have the responsibility to create products that can meet those goals.”

It’s not clear what happens next. The Legislature returns to session in January, when bills can be reconsidered.

The legislation, Assembly Bill 792, passed by wide margins on the last day of the 2019 session, Sept. 14, after changes were made to address concerns from the American Beverage Association, which represents Coca-Cola.

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PlasticsEurope sees progress on its voluntary commitment

By Steve Tooken
Plastics News Staff

Düsseldorf, Germany — The PlasticsEurope trade association is making good progress toward its 2020 Voluntary Commitment around plastics sustainability but sees chemical recycling as the “ultimate solution” to plastics sustainability.

Association leaders spoke at an Oct. 17 news conference at K 2019 in Düsseldorf.

The Brussels-based group has previously announced a commitment to have 60 percent of plastic packaging in Europe recycled or re-used in 2020.

At the news conference, it unveiled a study that showed last year 42 percent of Europe’s post-consumer plastic packaging waste that is collected was recycled.

“The voluntary commitment is working,” said Javier Constanente, PlasticsEurope president and a senior executive with Dow Chemical Co.

As part of the overall commitment, the association set up several industry-specific voluntary commitments for polyolefins, styrenics and vinyl.

“I see a lot of determination from the industry to accelerate concrete solutions to fight marine litter, change business models and go beyond recycling targets,” Constanente said.

He said that various European Commission efforts have given the association a good idea of the direction it needs to go, and he told a large crowd of journalists and industry officials that the association believes chemical recycling technologies will be crucial to improving the sustainability of the industry.

“The real ultimate solution is feedstock recycling,” he said.

Constanente said it will take several years for chemical recycling technologies to become more commercialized, and he said that by 2025, much of the recycling could remain mechanical recycling, as it is now.

But he said that development of chemical recycling will escalate, and by 2030 will be a much larger portion.

As well, it made it compulsory for its PlasticsEurope member companies to follow Operation Clean Sweep, the industry’s voluntary program aimed at reducing pellet leaks from factories into the environment.

The association, which represents plastics material suppliers, said it is the first plastics trade group in the world to make OCS compulsory for its members.

Constanente, however, noted that the association would like more commitments from other parts of the plastics value chain, including converters.

And while it’s not part of the voluntary commitment, Rüdiger Baumann, director general of PlasticsEurope Deutschland e.V., said the industry should work toward not supporting the export of plastic waste to countries that do not recyle it responsibly.

The association also released economic data that said that European plastics production dropped from 64.4 million metric tons in 2017 to 61.8 million tonnes in 2018.

Teijin’s Continental Structural Plastics to invest $70M in new Texas facility

By Audrey LaForest
Plastics News Staff

Teijin-owned Continental Structural Plastics Inc. is constructing a $200 million 300,000 square-foot manufacturing facility in Seguin, Texas, near San Antonio. The project is a shared capital investment of approximately $70 million with CSP’s own parent company, the Japanese materials firm Teijin Ltd.

A groundbreaking ceremony was Oct. 1.

The project represents Teijin’s ongoing commitment to growing its automotive composites business within the global supply chain of its parent company, Teijin, a leading global high-performance materials company.

The company has manufacturing sites in Indiana, Texas, Utah, Mexico, Costa Rica and Japan that are part of the deal.

Report: Reynolds seeks $7B IPO

Lake Forest III. — Reynolds Consumer Products Inc., the owner of Hefty, Presto and Slide-Rite brands in the plastic business, is looking at a reported $7 billion valuation in a potential initial public offering.

The Bloomberg news agency is reporting the figure disclosure from undisclosed sources about the Lake Forest, Ill.-based company.

Reynolds also owns the Reynolds Wrap and Alcan brands for aluminum foil products as well as the Geosystems brand of high density polyethylene soil stabilization, porous pavement and construction mat products.

Reynolds Consumer is the consumer products portion of Reynolds Group Holdings Ltd. Other portions of Reynolds Group include Graham Packaging Co. Inc. and Closure Systems International in the beverage packaging, and Pacifi in the food packaging division.

Reynolds is owned by Rank Group Ltd. of New Zealand, which announced a sale of a portion of its business to Cerberus Capital Management.

Spartech sold to private equity firm

Maryland Heights, Mo. — Spartech LLC has a new private equity owner, with Nautic Partners LLC announcing Oct. 18 it has completed a purchase of the injection molding and foam molding business that is headquartered in Maryland Heights.

Terms of the deal were not announced.

In a news release, Nautic said it is partnering with Spartech management in the sale and that John Inks, Joe Herres, Greg Zeis, Tim Alles and other leaders of the Maryland Heights company will “continue driving the initiatives they have spearheaded over the last several years.”

Spartech operates 14 plants across the U.S. It ranked No. 24 in PlasticsNews’ most recent ranking of film and sheet manufacturers in North America with sales of $400 million, and No. 40 in PV’s ranking of thermomolders, with $40 million in sales in the region.

Rank sells closure maker CSI

Memphis, Tenn. — Rank Group Ltd. is selling off a large chunk of its plastics closures business but will retain a part of Closures Systems International in certain parts of the world.

Investment firm Cerberus Capital Management LP is acquiring CSI operations in North America, Costa Rica and Japan. Rank, an investment group based in Australia, owns several well-known companies in the plastics industry including Graham Packaging Co. Inc., Presto, Hefty and Pactiv.

Rank owns those companies through its Reynolds Group Holdings unit.

Memphis’ largest closure maker in North America, producing plastic and aluminum closures for bottles and containers, last year was the company’s closure plant in San Antonio.

The company has manufacturing sites in Indiana, Texas, Utah, Mexico, Costa Rica and Japan that are part of the deal.

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Big plans for PP recycler PureCycle

By Jim Johnson
Plastics News Staff

Düsseldorf, Germany — Breakthrough technology being developed to remove difficult-to-recycle polypropylene to near-virgin quality now is showing promise for at least one other key reason.

PureCycle Technologies Inc. is developing a commercial-scale PP recycling facility in Ironton, Ohio. The plant initially is targeting colored and dirty PP. But CEO Mike Otworth said the technology could also handle polyethylene.

PureCycle is still more than a year away from beginning commercial production at its recycling facility in Ohio, but the company already is in talks to expand into Europe.

The company, using technology developed by Procter & Gamble Co., is spending $300 million on a revolutionary approach toward PP recycling involving a combination of heat, pressure and solvents to return used PP to like-virgin quality.

“We’ve done early proof-of-concept work for polyethylene. We believe the process will work quite well for polyethylene. The pressures and temperatures are a little different. So the process wouldn’t be exactly the same,” Otworth said.

“...but we’re looking at some new and efficient separation technologies that will separate polypropylene from polyethylene and can eventually buy mixed bales and run them through lines that are side-by-side,” he said.

“There may be other resins additionally that might work with the process, but I think we can speak with confidence to polypropylene and polyethylene.”

PureCycle’s approach is proving popular as production for the first plant — again, not yet on line yet — is set for the next 20 years.

Otworth said Oct. 18 at K 2019 in Düsseldorf that project is only the beginning. Eventual plans call for plants located around the world.

At $200 million apiece for those subsequent facilities, PureCycle is betting big on the future of its technology.

Future locations will depend on the quality of used PP feedstock, Otworth said.

“There’s plenty of places from a demand standpoint that would be great. But we’ve got to think about the feedstock availability in that location. That’s where we reach out to a lot of potential partners,” he said.

“We’re evaluating potential sights in Europe right now. We’ve had several countries that have contacted us about the possibility of locating a PureCycle plant there,” he said.

Otworth was in Düsseldorf with Allen Jacoby, senior vice president of the plastics additives business for Milliken Chemicals, to talk about PureCycle’s progress.

Milliken Chemicals, a supplier of additives and colorants and a unit of Milliken & Co., is partnering with PureCycle to develop the technology as it heads toward commercialization.

“We have a twofold involvement with the project, according to Jacoby: supplying both additives and technical support to advance the project. “On the additive side, they are going to need a lot of help ingesting a lot of materials and insuring the performance of the product is virgin quality,” Jacoby said.

That’s a sweet spot for Milliken.

“The second area is technical support, helping them process the multitude of these materials. Also, on the application side, to ensure the performance of the recylced PP, he said.

“We’re a performance additives and color business. We’re really focused on the additives side on how we can enhance recycling, increase recycled content. That’s what the world wants. And that’s what the world needs,” Jacoby said.

“This is a huge, complex challenge that requires the right partners. A lot has to happen. A lot of problems have to be solved,” he said. “It’s really investing in the right partnerships and collaborating with the right people.”

PureCycle’s move into Europe could include a partner with knowledge of the market.

“Part of what we’re thinking about is might we want to co-locate with some established players. One of the reasons I’m here is we’re having conversations with several of them about might we want to co-locate. And even Milliken might be a candidate for a co-location in Europe. We’re using that as part of the criteria. Germany has approached us about the possibility of having one here. We’ve had meetings in Belgium about some sites there that they think might be good,” Otworth said.

“But we’re pretty open-minded at this point, but we really would like to narrow it down at least by year-end to a list of finalists,” Otworth said.

The CEO said that with equipment ordering lead times and permitting, planning a new location could be done in less than two years.

“Our plans right now are to build 25 plants,” Otworth said. “Twenty-five plants will hardly even scratch the surface of the demand. But it’s enough to at least move the needle and supply a good group of companies globally like Procter & Gamble. The competitive from them when they licensed the technology to us is we wanted to be supplied globally with the resin.”

Removal of additives from used PP drops the yield by about 6 percent when using like-virgin resin through the PureCycle approach. The recycling process itself results in yield loss of a couple percent.

“If it’s a process that isn’t a chemical process. It’s a process that isn’t a mechanical process. It’s actually a physical separation and purification process. The goal from the inception of the technology is wanting to be able to develop a process that could be used interchangeably with virgin without any compromise,” Otworth said.

PureCycle sees its technology fundamentally changing how companies utilize recycled PP. Typical PP recycling results in resin that’s gray or black because colors are not removed.

While recycled resin of those darker colors can be transformed into new products, those new products then likely face disposal because of the difficult to optical sorting and mixing process. The goal is to make it a recycling system for a new growing medium.

PureCycle’s approach, which strips colors and additives away, could radically reduce miniscule virgin quality and allow for repeated recycling, he said.

IK: Design for recycling needed in circular economy

By David Vink
Plastics News Europe

The IK Industrievereinigung Kunststoffverpackungen e.V. trade association for German plastics packaging producers and two member companies see work ahead for the group’s “ambitious recycling targets” for 2025.

In an online panel discussion, Jürgen Bruder, IK’s main managing director until Dec. 1, said IK strongly supported the new German packaging law, which calls for a 50% increase in the amount of recycled material in packaging and improving designs to make it easier to recycle.

“If you wish to increase recyclability, use design for recycling is a way to achieve it, if not the only way,” Bruder said. “If you create more recyclable, it has to be used sensibly. We strongly welcome the packet of measures.”

The EU plastics strategy similarly sets quantitative recycle targets and stresses cooperation through the value chain to achieve a more extensive circular economy for plastics packaging.

Bruder denied the plastics industry only responds when quotas and bans threaten. “Prohibition is not the right way to reduce littering, but, instead, voluntary measures. IK has supported the packaging law for years and is one of four founding trade associations for the packaging register, the aims of which include further development of German private collection and recycling systems and minimum standards in design for recycling,” Bruder said.

“We were already well ahead when the EU published in May its draft directive on certain single-use products,” Bruder stated. “But IK has a differential approach on, for example, recognition marking of packaging, explanations to customers or Europe-wide PET bottle collection.

“We are already halfway to a circular economy,” IK Circular Economy Manager Isabella Schmidt added.

Nearly 52 percent of plastics packaging was already being recycled in 2017, and 48 percent used via incineration to recover energy as electricity and steam. This compares with 1991, where 31.1 percent was recycled and 96.9 percent went to landfill or incinerated without energy recovery.

IK aims to have 1 million metric tons of recyclate and renewable materials in plastics packaging by 2025, compared with 400,000 tonnes today, by improvements in sorting technology and ensuring 90 percent of used plastics packaging waste is in recyclable quality or multi-trip-capable.

Some packaging companies already say they have reached 100 percent. Schmidt admitted imported packaging affects feasibility, as does ultra-thin barrier packaging, where increasing thickness to ease recycling only increases the risk of this not happening.

Achim Grefenstein, R&D manager at Vienna-based Constancia Flexibles Group GmbH, the world’s fourth-largest flexible packaging producer, said the amount of challenge is to make barrier film packaging accounts only for 300,000 tonnes out of several million tonnes of film packaging.

“We must stay with laminated films, but are working on making them more flexible, more compatible with each other. Pressure on this came first from Asia, where the production of multilayer film packaging was being considered. This was the incentive for us to develop for Ecolam product, then to build a new production plant for it in India,” Grefenstein said.

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Inovyn launches commercial-scale ‘bio-attributed’ PVC

By Shahrzad Pourriahi
Plastics News Europe

Düsseldorf, Germany — London-based Inovyn ChlorVinyls Ltd. has launched what it describes as the world’s first commercially available “bio-attributed” PVC product.

Marketed under the brand Biovinyl, the product stands out from other bio-sourced PVC products in that it uses the so-called second-generation feedstock, which does not compete with the food chain. Filipe Constant, business director for Inovyn, explained in an interview ahead of the launch. “We are using the bio-attribution principle, which means the final product does not necessarily contain the bio-based molecules, but there is a direct connection between [the molecules] and the final product,” Constant said. He declined to give further details on the feedstock supplier.

Using the mass balance principle, the supply chain for the product has been certified by the Roundtable on Sustainable Biomaterials (RSB), a European Commission-approved voluntary scheme used to show compliance with the EU Renewable Energy Directive’s sustainability criteria.

The company has not disclosed the current production volumes but expects to increase capacity considering the growing demand for circular products and materials with sustainability credentials. “As a reference, demand for biopolymers in general has tripled over the past decade. So, with this launch, we are expecting new customers to show interest in the material,” Constant said.

Biovinyl has similar properties to fossil fuel-based PVC products and can be processed the same.

The development of the material, according to Constant, was “a relatively long process,” particularly as the certification of the product was complicated. “It took us a few years to get here, as our certifier RSB uses a very stringent standard, and we had to go through all the necessary stages to acquire the certificate through the mass balance principle,” Constant added.

RSB, Constant went on to explain, does not only look at the source of the raw materials but also covers a broad set of criteria, including human rights as well as chain of custody.

But the manufacturing part of the product has been rather smooth. “We are physically connected, by pipelines, to the Ineos Olefins & Polymers’ cracker in Cologne [Germany]. So, when we get the molecules via the pipes into our plant in Rheinberg, Germany, where we manufacture the product, it will be rather smooth,” Constant explained.

Constant said the product was “a major step forward” in Inovyn’s journey to sustainability. French flooring manufacturer Tarkett will use the product in a new sustainable flooring collection, Constant said. Inovyn exhibited at K 2019 in Düsseldorf, Germany, with its sister company Ineos Styrolution GmbH.

DSM says hello to good bio for Stanyl, Arnitel resins

By Frank Esposito
Plastics News Staff

Düsseldorf, Germany — Royal DSM rolled out bio-based grades of its Stanyl and Arnitel resins at K 2019.

At an Oct. 17 press event at K 2019 in Düsseldorf, officials with DSM — based in Groven, Netherlands — said that the firm also has set a goal of offering bio-based or recycled-based grades of all of its materials by 2030.

“Today is the momentum around the circular economy,” Engineering Plastics President Shruti Singhal said at the event. “When we do well as a business, we can also do good.”

Singhal joined DSM last year and took on his current role earlier this month. He has more than 25 years of experience in plastics and specialty chemicals.

“One of the reasons I joined DSM was its sustainability message,” he said. “It goes into the DNA of every member of our team.”

“There are unmet customer needs in sustainability,” Singhal added. “So feedstock recycling will be pivotal technology.”

The new grades of Stanyl nylon 6/6 and Arnitel copolyester are aimed at applications in the automotive and electrical/electronic markets, according to Nylon Vice President Joost D’Hooge.

“They have the same functionality as our conventional portfolio, so no requalifications are needed,” he said. “Customers can start ordering today.”

The 2030 goal will include the availability of bio-based or recycled content of at least 25 percent in all DSM materials.

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K 2019: It was all about the circular economy

The K show in Düsseldorf, Germany, is held every three years, and lately there’s always a theme. Not a theme like a children’s birthday party. There are no Star Wars cups or mermaid cakes. K has serious themes related to business.

In 2013, it was all about sustainability. In 2016, the buzz was about Industry 4.0. This time, it was all about the circular economy.

In the months prior to the K show, which took place Oct. 16-23, I could tell that the circular economy was the topic that organizers and exhibitors wanted to talk about. But the pessimistic side of me thought it would be overshadowed by the loudest economy in Germany, Brexit uncertainty, the U.S.-China trade war and the growing public pressure to ban some plastic products.

People still talked about those issues, of course. But attendance at this year’s show was down only about 2 percent, to approximately 225,000, according to Messe Düsseldorf, the organizer.

I think Werner Matthias Dornscheidt, president and CEO of Messe Düsseldorf, was right when he said this at the closing news conference: “K 2019 came at precisely the right point in time. Its enormous importance at precisely the right point in this new era. One recycling equipment company told me on the last day of the show that he feels that the industry has taken an important first step on the journey to a circular economy.

There’s a long way to go, but consumers, especially younger people, are demanding change. Would anyone like to predict how much progress we’ll see by the next K show? Tune in Oct. 19-26, 2022.

Loepp is editor of Plastics News and author of the Plastics Blog. Follow him on Twitter @donloeppe.
Busy times for Mike Walter at Met2Plastic

By Don Loepp
Plastics News Editor

Elk Grove Village, Ill. — Mike Walter sleeps just fine. But it’s because he’s so busy.

“Typically I sleep like a baby, just because I’m too exhausted. You work so hard that you’re exhausted when you get home,” he said.

Walter is president of Met2Plastic LLC, an injection molder and composites processor in Elk Grove Village.

He’s busy because business is good, and also because the company has undergone changes since it was purchased by Dedienne Multiplasturgy Group in 2016.

“It’s happy exhaustion. We’ve had some pretty good, pretty steady growth over the last several years. And so with that growth, you know, it’s a challenge and it doesn’t make for eight-hour days,” he said.

He’s not doing it alone, of course, and that’s another reason he sleeps like a baby.

“We’ve been working on putting in place the right people,” he said. “Over the past few years, we’ve added a few engineers to our staff. We’ve restructured our production team. We’ve recently added a controller. “Getting the right team in place has been probably one of the toughest things to do. But it’s also really helped us with our growth,” he said.

The company was founded in Chicago in 1970 as Met Prototype Molding. Walter’s father and uncle were two of the three founders. The company was founded in 1970 as Met Prototype Molding. Walter’s father and uncle were two of the three founders. The company was founded in 1970 as Met Prototype Molding. Walter’s father and uncle were two of the three founders. The company was founded in 1970 as Met Prototype Molding. Walter’s father and uncle were two of the three founders.

Changing with the times

By the time Walter joined full time, Met had outgrown its Chicago factory and moved to Elk Grove Village, which had more

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Plastics News, October 28, 2019 • 7
Home appliance data points to solid consumer support for US economy

By now you have heard that the near-term outlook for the US economy depends on the confidence level and spending behavior of the American consumer. The other major components of the GDP calculations — business investment, government spending and foreign trade — are either maxed out or in a state of cyclical decline at the present time.

Consumers, on the other hand, are fully employed with rising incomes. They also have relatively low levels of household debt, which has been accruing at low interest rates. And most importantly, they account for more than two-thirds of all US economic activity. The conventional wisdom is that consumers are flush and relatively content at the present time. Therefore, they will continue to raise their spending levels at a pace sufficient to offset the lack of growth in the other segments of the economy. This situation will prevail for the foreseeable future.

I don’t always hold with conventional wisdom, but this time I am going along with the consensus. There is no question the rate of economic growth in this country is slowing, and the data suggests many sectors, particularly manufacturing, have been slowing for the past year or so. But the data also indicates the current economic cycle has hit a near-term bottom, and overall activity should now start to expand gradually.

A good example of this pattern is the trend in US production of appliances. I admit to having a soft spot for the data from the domestic appliance industry for several reasons. First, it is a reliable indicator of consumer spending activity. If it is a good time for the appliance industry, then it is very likely a good time for everybody. Second, it represents a large end market for plastics products. Finally, and perhaps most important given the current business environment, this industry provides great insight into topics pertaining to supply chains, tariffs and foreign trade policy.

Follow the data

So what does the data tell us? According to the Federal Reserve’s industrial production index for household appliances, the recent downturn in US appliance production hit bottom in the second quarter of this year, and it is now starting to improve.

This index posted a seasonally adjusted monthly average of 112 in the third quarter, on a scale in which 2012 is equal to 100. This was a decline of just a little more than 1 percent when compared with the same quarter in 2018, but it represented a gain of more than 2 percent when compared with the second quarter of this year.

My forecast calls for a decline of 3 percent in total appliance production in 2019. This follows a slip of just less than 1 percent last year.

The monthly data for total appliance output steadily declined from the middle of 2018, just about the time the graph dropped below the zero line on the chart, until the middle of this year when the graph stopped falling and then started to trend upward. The data from the third quarter of this year indicates the trend has hit a cyclical bottom and should now start to rise.

There is not enough time left in 2019 for this nascent upward trend to generate a positive annual growth rate for this year as a whole, but there will be enough momentum next year to produce a moderate gain in 2020. My forecast calls for a decline of 3 percent in total appliance production in 2019. This follows a slide of just less than 1 percent last year. For 2020, I expect a gain in the range of 2-3 percent. Such an increase is in line with the projected growth rates for the overall economy and the residential construction and real estate sectors. An increase of this magnitude next year will put the industry back to roughly the same overall level of output as in 2018.

This forecast is based on a continuation of the major macroeconomic trends that have prevailed for several years: A low unemployment rate combined with a gradual rise in household incomes, low interest rates and a moderate rise in residential construction spending. These are the trends that have supported the consumer sector for the past 10 years. Based on the evidence currently available, I see no reason for these trends not to prevail for at least another year.

The data on housing starts and existing home sales were solid in the third quarter. Both of these sectors are good leading indicators of demand for new appliances, but the trends in both sectors remain constrained by supply-related issues. Homebuilders continue to report difficulties in finding enough skilled laborers to meet current demand for new homes, and a shortage of listings of single-family houses is weighing down the growth rate for existing homes.

Total listings hovered at just a little more than 1.7 million units throughout 2019. History shows this is about as low as this number ever gets. The fact that mortgage rates are also near historic lows means home prices will start to rise. A rapid appreciation in home prices is perhaps the biggest, near-term threat to the residential construction market. A rise in mortgage rates, or a more moderate rise in home prices, would threaten the demand for new appliances.

My expectation is it will remain a seller’s market next year, but rising wages and confidence levels for homebuyers will still be enough to generate a moderate increase in both existing home sales and housing starts. This in turn will create enough demand for new household appliances to push the production data moderately higher.
Radoszewski starts new post as industry is in sustainability ‘war’

By Steve Tolonen
Plastics News Staff

Washington — Tony Radoszewski says he’s beginning his tenure as the new president and CEO of the Plastics Industry Association on something of a war footing. The battleground: the waste and environmental issues surrounding plastics.

“At the go, the first thing is to recognize that we have a big target on our back,” Radoszewski said. “And, in one word, that’s unfortunate. We as an industry do so many good things and have for so long.”

Radoszewski sat down for an interview in the group’s Washington office on Oct. 2, his third week on the job, and began the conversation by offering up the analogy about being a target.

He noted that two weeks earlier, at the association’s annual meeting Sept. 18-20 in Cape Coral, Fla., he told the assembled executives he believed the industry is in a “war.”

“It’s a strong word, and I chose it,” he said. “We always win on the intellectual plane.”

But the public opinion landscape as he takes over the association is probably the most challenging it’s ever been for the industry, and those challenges are not just coming from politicians or environmental groups.

“They are starting to come in the marketplace — and potentially hit the bottom line — as large consumer companies shy away from plastic.

Consumer goods maker Unilever plc, for example, said Oct. 7 it planned to cut its use of virgin plastic in half by 2025. Similarly, PepsiCo Inc. said in mid-September it would cut use of nonrecycled plastic by one-third in that time frame.

“We have to focus on changing public perception, educating the public and influencing organizations of the good things that we’re doing,” Radoszewski said. “And to demonstrate that we are all in as an industry, that we are not passive bystanders … that we are committed to the solutions that support our goal of being stewards of the environment.”

Radoszewski didn’t offer any specific new plans or programs in the interview, beyond noting existing recycling trials the association is supporting or efforts like the $1.5 billion Alliance to End Plastic Waste.

He did say he was working on a way for large companies that recently left the association under pressure from environmental groups — such as Pepsi, Coca-Cola Co. and ST. Johnson & Son Inc. — to continue to work with the group.

He said it’s important for member companies to have a venue to talk regularly with those kinds of companies about their needs around plastic packaging.

“What we want to make sure is that we have some vehicle that allows us to have ongoing dialogue with them, to understand their needs, to craft policy to help formulate new packaging designs that are more environmentally friendly,” Radoszewski said.

Preparing for NPE at K

At K 2019, the group promoted NPE2021, the biggest plastics show in North America. The event, which is owned by the association, will be May 17-21, 2021, in Orlando, Fla.

At K, the group hosted an NPE2021 reception Oct. 18.

Radoszewski also said he looked at the K show as a chance to better understand challenges that the machinery sector faces, since the show has a lot of exhibiting companies in that sector.

Radoszewski is not new to plastics. Taking over the top job at the association culminates a decadeslong career that began in resin sales in 1980. Most recently, he was president of the Plastics Pipe Institute in Irving, Texas, from 2006-19.

He takes over from Bill Carteaux, a longtime industry executive who led the plastics association from 2005 until late 2018, when he died of leukemia, and from Patty Long, the association’s chief operating officer, who was interim president and CEO for nine months until Radoszewski was hired.

On the waste and environmental issues, Radoszewski honed in on the need to boost collection and take a material-neutral approach on any legislation.

“Trash is a nonmaterial specific issue, so when you see legislation coming out attacking plastics, we have a problem with that,” he said.

But he declined to endorse a material-neutral funding plan pushed by the industry’s other large Washington trade group, the American Chemistry Council, to help pay for recycling infrastructure.

Earlier this year, ACC publicly proposed a three-tenths of one cent tax, at the wholesale level, per item on all types of disposable foodservice ware. ACC proposed it in California and estimated it would bring in about $100 million a year there to fund waste infrastructure. ACC also said it was open to talking about that in federal legislation.

But Radoszewski said he was not ready to sign on to that, or any plan.

“I think the biggest thing is how do we address the funding of effective solid waste infrastructure,” he said. “There has to be a funding mechanism. What that is, I’m not so sure, as of today.”

Radoszewski’s group has been part of a coalition working to draft federal legislation to secure funding, possibly $500 million, for recycling from any new infrastructure package in Washington. But he said there was no update on when that legislation might be introduced.

Outside of environmental issues, Radoszewski said the association would be supporting passage of the United States-Mexico-Canada Agreement, the replacement of the North American Free Trade Agreement.

And he said that the group will continue to work on workforce development issues, including with other manufacturing associations in Washington.

“It’s our No. 1 issue with our members, just like it is with every manufacturer for sure,” he said.

The longtime plastics industry executive said he looked forward to bringing his decades of experience in the industry to work for the association.

“It’s the culmination of an awesome career, you know, starting out as a young guy selling pellets to being the head of this great association,” he said. “I can’t think of a better industry than plastics. I really can’t.”

I think the biggest thing is how do we address the funding of effective solid waste infrastructure. There has to be a funding mechanism. What that is, I’m not so sure, as of today.

Tony Radoszewski, CEO and president of the Plastics Industry Association

Tony Radoszewski, CEO and president of the Plastics Industry Association, Oct. 15 at K 2019 in Dusseldorf, Germany.

Plastics News photo by Caroline Seidel
KraussMaffei rings in material marketplace
Polymore as trading officially begins

By Audrey LaForest
Plastics News Staff

Düsseldorf, Germany — On Oct. 16, KraussMaffei Group GmbH’s online marketplace Polymore went live. The following day, the German machinery maker held a launch party at WhiteLoft in Düsseldorf, where top executives and employees from both KraussMaffei and Polymore gathered with customers to celebrate the official start of trading — with a ceremonial bell ringing and all.

Polymore’s Josef Art said the response so far has been “tremendous.” “Companies are coming to us unexpectedly and want to work together with us,” Art, business director for the online marketplace, told Plastics News during the Oct. 17 event.

KraussMaffei said it has fielded more than 100 material inquiries, many of which include post-industrial and recycling material offers. The network so far consists of 19 compounders and recyclers, including BZ Kunststoff Recycling, a German company that manufactures recycled materials — some of which come from automotive bumper scrap.

Plastics News caught up with Art to learn more about the online business of materials.

Q: KraussMaffei has officially launched Polymore, an online business-to-business marketplace for buying and selling compounds, masterbatches, recycled materials and post-industrial materials in Europe. Why did the company see a need for something like this?

Art: KraussMaffei was always, and is, a pioneer in plastics. With the ability of having extensive experience in the extrusion and injection molding market, we do believe that we can add value to the current, much diversified, market of plastic material. In terms of circular economy, there is an upcoming need to allow easy and transparent trading of post-industrial waste and recyclates. We are completing the ability for circular economy with our digital marketplace Polymore.

Q: How does this differ from how plastics companies currently buy/sell material?

Art: Polymore makes the international plastics market transparent, connects converters and compounders, procurement and purchasing of plastics, to optimize business processes in terms of efficiency and effectiveness.

Q: Is this a first-of-its-kind marketplace for materials? How so?

Art: Polymore is unique. There are similarly partial platforms out there for fragmented areas and typically with very limited plastics industry background. Polymore combines the expertise of technical experts and salespeople with plastics industry background together with digital procedures and tools. We combine certain requests with the best suppliers for those, and we offer an easy-to-handle marketplace for companies who want to actively offer their material.

Q: Are there any restrictions for companies that sell or buy on this marketplace?

Art: We are open to the whole market — independent of machines, branches, etc. The past weeks have showed us a strong confirmation that the strongest need for transparency, reach, and efficiency is in the trading process of growing areas like compounds, recyclables and post-industrial waste. This is what we focus on today.

Q: Is there a fee to buy/sell in the marketplace? How does Polymore make a profit?

Art: There are different models of pricing, but mainly we are a kind of selling support platform for companies that offer their material.

Q: How will Polymore help reduce plastic waste and increase recycling efforts?

Art: There is an enormous need in the market for more recyclables and post-industrial waste to feed back into the production cycle, but almost no transparency of where to get the right materials and to assure the supply chain — right there is the huge lever Polymore can support with our digital marketplace.

Q: How will it boost sustainability efforts and contribute to the circular economy?

Art: By creating such a one-stop platform like Polymore, combined with technical and material knowledge, it is like a crystallization point for requests and offers, so for transparency. Transparency creates movement and availability.

Q: How is Polymore organized as part of KraussMaffei? Is it considered a subsidiary? A business unit?

Art: Polymore is a unique brand within KraussMaffei. It is organized as a startup and uses its own procedures and tools, and is fully focused on serving the material trading market.

Q: How does Polymore impact resin cost? Will companies price their materials more competitively?

Art: Polymore creates better transparency for all market participants, bringing the right partners together and creating movement within the circular economy.

Q: What cost benefits does Polymore offer to material buyers? And to the material sellers?

Art: Polymore allows both buyers and sellers to expand their reach and market cover in a very cost-efficient way. This will allow the market to become more efficient and for the reduction of cost of transactions in a very easy way.

Q: Is Polymore only serving certain European countries to start? If so, which ones?

Art: The first focus is on German-speaking countries and Italy, where the strongest centers for compounders are. However, very soon we will expand into all of Europe.

Q: Are there any plans to expand Polymore to other regions such as North America?

Art: We are completely blown away by the dynamics and requests we have gotten from the market worldwide in the past weeks and will respond to it. However, our current focus is still on Europe.

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Albis to break up operations as part of strategic growth plan

By Shahrzad Pourriahi
Plastics News Europe

Düsseldorf, Germany — Hamburg, Germany-based plastics distributor and compounding Albis Plastic GmbH is going through a major restructuring plan, which will see the company separate its distribution and compounding units under a holding structure.

The move is part of a strategic growth plan to turn the Albis “big tanker ship into two highly efficient speedboats,” said CEO Philip O. Krahn during K 2019 in Düsseldorf.

“By focusing on core activities, you need different skill sets,” the CEO added.

The separation process, according to Krahn, is expected to be complete by early second-quarter 2020. The company’s strategic partners are aware and supportive of the decision.

“The business, Krahn emphasized, will not be divested but instead will become an innovative, high-tech solution provider in the market.

“For those highly focused activities, you need different skill sets,” the CEO added.

The distribution arm will retain the name Albis, as the brand is highly associated with distribution and the activity forms 70 percent of the company’s current operations.

The company will focus on “resharpening” the Albis brand as a leading distributor, handling “complexities” for its partners.

The compounding unit will create a highly focused major compounding business, with a capacity of more than 200,000 metric tons, across eight manufacturing sites in Europe, China and the United States.

Unfazed by the recent outcry over the sustainability of plastics, Krahn said his company provides a broad portfolio of sustainable and recycled-content products.

Featuring more than 25 products, Albis’ sustainable solutions portfolio has recently added seven new products and includes some of its own-brand materials, such as the Altech range, with up to 100 percent sustainable content.

“Sustainable products and recycling, I could say, is part of our DNA. When we first founded the company, we started with recycled products, and they are still part of our portfolio,” Krahn noted.

Over the past two years, Albis has further strengthened its focus on supplying recycled content materials, such as the Altech range, with up to 100 percent sustainable content. Sustainable products and recycling, I could say, is part of our DNA. When we first founded the company, we started with recycled products, and they are still part of our portfolio,” Krahn noted.

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“We bought a U.S.-based company called Barnet [Polymers, the plastics recycling and compounding operations of William Barnet & Son LLC] in 2016, with operations in Europe. They are specialized in recycling nylon fiber and yarn waste,” Krahn said, adding that the operation has now been integrated into Albis, helping it improve its sustainable materials portfolio.
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Dow CEO Fitterling: Solutions to plastics waste are within reach

By Frank Esposito
Plastics News Staff

Düsseldorf, Germany — Dow Inc. CEO Jim Fitterling is confident that the plastics industry can find the answers to its current waste challenge. “On a high level, the plastics waste issue is solvable,” Fitterling said in an Oct. 18 interview with Plastics News at K 2019 in Düsseldorf. “Our efforts with the Alliance to End Plastic Waste are working to close the loop and have a positive impact on carbon emissions.”

Midland, Mich.-based Dow is one of the world’s largest makers of polyethylene as well as many specialty plastics. Fitterling was named CEO in March 2018.

Fitterling joined Dow in 1984 and worked in sales, marketing and supply chain positions before assuming a variety of leadership roles. His plastics experience within Dow includes time spent as business vice president for polyethylene and president of basic plastics.

Banning plastics “is not the answer,” Fitterling said. “Plastics have saved the world tons of carbon emissions over the years. A lot of attacks on plastics are emotional, and they tend to fade pretty quickly,” he added. “If you think back to when our lives were like 30 years ago, plastics have had a big impact on medical care and food preservation and many other areas.”

“Most brand owners know that alternatives to plastic can be worse, but they’re under a lot of pressure and they feel like they need to find alternatives. They want to take the waste out of plastics packaging,” Fitterling said.

Like many resin firms, Dow has used affordable North American shale gas to expand its PE resin and ethylene feedstock operations on the U.S. Gulf Coast. Fitterling said that all of the firm’s new capacity “is up,” but that a second wave of smaller projects — including debottlenecking to add resin capacity — could take place beginning in 2021.

“Operating rates for polyethylene are still high,” he said. “There’s been some uncertainty because of trade issues and geopolitical issues, but there’s not a big mismatch on supply and demand.”

As for the next phase of expansion from Dow and other PE makers, Fitterling said it depends on how the U.S.-China trade dispute gets resolved.

“Producers need to know where the export market is going to be and the market timing of supply/demand,” he said.

For now, Dow is working on numerous projects that could affect its supply chain, including a new propylene production method using fluidized catalytic dehydrogenation technology. PetroLogistics II LLC has licensed the technology for a propane dehydrogenation project on the U.S. Gulf Coast. Fitterling said the new process can reduce energy intensity and carbon emissions by 20-30 percent. He added that if the PetroLogistics project and a smaller unit run by Dow are successful, the process might be applied to ethylene production.

Dow is also working on a project using pyrolysis at its site in Terneuzen, Netherlands. That project is converting plastic waste into pyrolysis oil, which can then be used to make new resins.

Eleven projects are being worked on by the Alliance to End Plastic Waste. Dow is a founding member of the group, which now has 43 members. Fitterling said the alliance is on track to exceed its pledged goal of $1.5 billion in investment.

Dow and many other plastics firms are working to balance sustainability and profitability. “In the beginning, it’s been a little bit challenging,” Fitterling said. “Everybody thinks they have the solution to sustainability. Not all of those solutions will make it, but some of them will.

“If we apply advanced technology, we can address sustainability and be profitable,” he added.

Other Dow initiatives shown at K 2019 for PE and other specialty materials included:

• Innovations in industrial films, including post-consumer recyclate integration in heavy-duty shipping sacks and collation shrink films to thin stretch wrap films.

• Benefits of these uses include increased protection of goods and improved load stability and thinner high-performance films that meet regulatory and industry standards.

• V Plus Perform-brand panel insulation technology. These insulated panels help create “future-ready” buildings by putting sustainability, energy-efficiency and people at the heart of design. Benefits of these uses include increased energy efficiency and improved thermal comfort and air quality for healthy and safe indoor environments.

• Moldable optical silicone. Optical LSRs used in a Dow prototype are enabling the use of LEDs in advanced automotive applications. Benefits of these uses include resistance to high heat and lumen fluxes and stability against UV.

• The All-Dow Shoe, a shoe made with a variety of Dow materials, which can help brand owners differentiate their products in a competitive market. Benefits of the shoe include high levels of comfort and optimal performance.

Dow is a major producer of polyethylene resin as well as other specialty plastics and chemicals. The firm employs 73,000 worldwide and had sales of $50 billion in 2018. The firm became a separate public company on April 1 after a three-year merger with DuPont Co.
The tussle in Brussels: Is PHA a plastic?

By Karen Laird

Plastics News Europe

Düsseldorf, Germany — With the formal adoption of the single-use plastics directive by the European Council in May, the previously fell for the producers of disposable products such as plastic plates, cutlery, straws, balloon sticks and cotton buds. As from 2021, these products will be banned; they will no longer be permitted to be produced from “plastic,” as defined by the directive.

The directive is highly specific: Naturally occurring polymers that have not been chemically modified are exempt from the new rules, while plastics manufactured from modified natural polymers, or from bio-based, fossil or synthetic feedstocks, were not.

So where does that leave the family of polyhydroxyalkanoate bioplastics, known as PHA? Are PHAs naturally occurring polymers? Or are they simply bio-based plastic?

For manufacturers of the banned single-use plastics items who are looking at PHA as a possible alternative, the difference can be crucial to the future of their business.

For example, Hoogstraten, Belgium-based airline cutlery producer deSter Corp. is experimenting with PHA for disposable foodservice and tableware products. Yet officials still have no idea whether PHAs will ultimately be considered to be a polymer or a plastic.

“We’d like to switch to PHA immediately,” said Pieter Willot, sustainability manager at deSter. “But the jury in Brussels is still out on this.”

Willot spoke at the Oct. 20 Bioplastics Business Breakfast event held at K 2019 in Düsseldorf.

“PHA is a family of bio-benign materials that have been a part of nature for millions of years. So is it a natural material? From my perspective, it’s a ‘natural material’,” said Jan Ravenstijn, a global consultant on bio-based materials.

PHA is biodegradable, compostable thermoplastics, produced by microbial fermentation of carbon-based feedstocks. The properties of PHA polymers are tunable and dependent on the specific combinations of different monomers in the polymer chain.

“The question is whether fermentation is considered natural or not,” Willot said. “However, I’ve seen reports about birds eating berries on bushes that have started to rot — which is a fermentation process — and becoming drunk. I’d say that was natural.”

DeSter’s experiments with PHA yielded some surprising insights. Because no one could tell it was a natural polymer — “it looked too much like plastic,” Willot said — the company added natural fiber, which had the added advantage of bringing the cost down.

PHA, he added, is three to four times as expensive as conventional plastics, so the price must come down and “we need to work on clearer material availability prospects.”

“But, above all, there is still a need for clarity about the status of PHAs within the single-use plastics framework,” Willot said.

As the discussion about PHA becomes increasingly urgent, interest in the material has grown.

“The accessible market for PHA is huge,” Ravenstijn said. However, the PHA platform is currently embryonic, he added. It is not yet available in the volumes required in the case of a wholesale switch for single-use plastic products.

A nonprofit, cross-value chain called GO!PHA launched last year to raise awareness about the material globally. It is backed by more than 25 leading industrial and academic members. And a group of internationally respected polymers scientists from around the world have joined together and offered a written recommendation on exempting PHA materials from the single-use plastics directive.

PHA is truly circular,” said Anindya Mukherjee, of i2i consulting and co-founder of GO!PHA. “And it gives us another end-of-life option.”

“We have the data on its biodegradation behavior. We have the certifications. But we need an exempt situation for PHA polymers under the new directive. We are hoping Brussels will listen to the scientific opinions,” Ravenstijn said. “Plus, we are pushing hard for the exemption. And we don’t think it’s an ‘if’ but a ‘when.’”

“We expect a verdict by the end of this year.”

Jan Ravenstijn Consultant
Uniloy resumes blow molding operations in Italy

By Catherine Kavanaugh
Plastics News Staff

Twelve weeks after its acquisition by another company, Uniloy Inc. has resumed blow molding operations in Magenta, Italy.

Brian Marston, Uniloy’s CEO, Oct. 20 at K 2019 in Düsseldorf, Germany, says setup of the 100,000-square-foot facility in Italy in 2015 and consolidation of European assembly of blow molding machines in the Czech Republic. However, Uniloy CEO Brian Marston was at K 2019 to tell the industry that setup of the 100,000-square-foot facility is complete.

“The Czech Republic facility had a discontinuation of machine assembly, so it’s important that our customers know that we restarted in Italy,” Marston said at K 2019 in Düsseldorf. “We have completed the re-location of parts inventory and assets, and we have resumed machinery assembly as well. We’re back by popular demand.”

Uniloy is also continuing operations in Tecumseh, Mich., which will be the company headquarters, and Ahmedabad, India. The three locations give the company a global presence.

In Michigan, the new owners have upgraded infrastructure for chillers, power and overhead cranes for assembly. In addition, they are building out a 30,000-square-foot facility to handle incoming parts for machines and aftermarket parts for customers.

“Our staff is still with us, so the experience is there and the engineering and the aftermarket management,” Marston said. “There isn’t too much work that has to be done in terms of training and restarting.”

The company’s goal is for all three of its locations to become full technical centers with assembly, parts distribution, engineering, sales and service.

“Most of the business has been operated in a siloed fashion primarily in the management,” Marston said. “That plant housed the business of PTS GmbH, a compounder that Teknor Apex Co. is planning to open in Rothenburg was that we could retain almost all of the employees from Steinsfeld,” Teknor’s PVC garden hose division said. “It’s a big step forward. Now that we’re focused solely on blow molding, without any

Teknor Apex to open new compounding plant in Germany in early 2020

By Frank Esposito
Plastics News Staff

Düsseldorf, Germany — Materials firm Teknor Apex Co. is on track to open a new compounding plant in Germany early next year.

The new plant in Rothenburg will cover 160,000 square feet and employ almost 100 in manufacturing positions. When it opens, Pawtucket, R.I.-based Teknor Apex will close its plant in nearby Steinsfeld.

That plant housed the business of PTS GmbH, a compounder that Teknor acquired in early 2016.

“One of the primary reasons that we made the choice to build in Rothenburg was that we could retain almost all of the employees from Steinsfeld,” Teknor President Suresh Swaminathan said. Oct. 18 at K 2019 in Düsseldorf. Swaminathan has been with Teknor since 1987 and became the firm’s president earlier this year.

The new plant will make a wide range of compounds based on engineering resins and thermoplastic elastomers. Markets served by the new plant will include transportation, consumer, electrical/ electronic and medical.

Teknor also has seen recent success with new high-temperature grades of its Creamid-brand nylon compounds that it launched in late 2018. Those compounds, which are aimed at auto applications such as intake manifolds, “are starting to gain traction,” Swaminathan said.

Teknor employs more than 2,000 worldwide and ranks as one of North America’s 30 largest compounders and concentrate makers.

Plastics News, October 28, 2019
Toshiba Machine taking on Shibaura name in early 2020

By Audrey LaForest
Plastics News Staff

Düsseldorf, Germany — Toshiba Machine Co. Ltd. introduced its new identity to the plastics industry at K 2019 in Düsseldorf. The Japanese injection molding machinery maker is changing its name to Shibaura Machine Co. Ltd., effective April 1.

“We’re actually going back to our original name, believe it or not,” said Chuck Gorman, national sales manager for the United States and Canada at Toshiba Machine Co. America, the Elk Grove, Ill.-based subsidiary.

The company was founded in 1938 as Shibaura Machine Tool Co., but decades later it merged with Tokyo Electric Co. to form Toshiba Machine.

The name change also follows previous steps to achieve independence from Toshiba Corp., the machinery maker’s former parent company and top shareholder.

“The Toshiba Corporation itself is having some financial difficulties,” said Michael Werner, Toshiba Machine’s project sales manager. The 2011 earthquake and tsunami that struck the coast of Japan also packed a punch to Toshiba Corp., of Japan also packed a punch.

The purpose of this, especially in the automotive line, is that you don’t have to repaint the part after the product is made,” Werner said.

This also reduces pollution, he explained, specifically the volatile organic compound emissions from solvent-based paint spraying operations.

“We are showing a global map of three machines running: one in Chicago, Tokyo and then of course here,” Werner said, adding that customers can then remotely access that data to check on how a machine is operating.

“Part of that agreement and deal was that we would no longer use the Toshiba name after April 1 of next year,” Gorman said of the share repurchase.


For open platform options that can be used on machinery and equipment outside of Toshiba Machine, the company said it works with Austrian software and hardware company B&R Industrial Automation GmbH.

Toshiba is also looking into more preventive and predictive maintenance solutions, as well, where onboard sensors can troubleshooting different vibrations or temperatures of different circuits to create a data benchmark and reduce machine downtime, Werner said.

In sales news, Toshiba Machine echoed a phrase uttered by many plastics machinery makers at K this year: a global automotive slowdown.

The automotive industry is a little bit slow right now and soft, and I think everybody in the plastics industry is definitely feeling that,” Werner said.

Toshiba Machine has seen a reduction in sales but is “still moving forward,” he said.

Chuck Gorman, national sales manager for the United States and Canada at Toshiba Machine Co. America, at the Toshiba booth at K 2019 in Düsseldorf, Germany. Plastics News photos by Caroline Seidel


Chuck Gorman, national sales manager for the United States and Canada at Toshiba Machine Co. America.
European Commission signals industry must step up sustainability

By Steve Toloken
Plastics News Staff

Düsseldorf, Germany — The key message from the European Commission to the plastics industry at the opening day of K 2019 was around recycling — using more recycled plastic in products and doing more to make plastics a bigger part of the circular economy.

Joanna Drake, a deputy director in the EC’s Environment Directorate, urged the industry to stay focused on its commitments made earlier this year to dramatically increase use of recycled plastic in products, from an estimated 2.5 million to 4 million metric tons now to 10 million tonnes by 2025.

In a keynote speech during a conference at the PlasticsEurope booth during K in Düsseldorf, Drake said the EC and European governments applaud the commitments the industry has made.

But she also outlined government steps that could be coming, including regulations to boost public confidence in the performance of recycled plastic so it equals that of virgin materials.

Those moves could also include regulations to encourage more innovation in packaging design, more extended producer responsibility and reducing exports of some plastic waste.

She said the commission recognizes the role of plastics for society and that industry should be proud of its innovation, even as governments push for more controls on plastic pollution and more circular use of materials.

“We’re not talking about plastic bashing here. ’’ Drake told the crowd. “We’re talking about controlling pollution and making sure that what we can do most with plastic, we continue to do and put it back in the economy.’’

She highlighted a voluntary EC-led initiative with the industry, the Circular Plastics Alliance, that last month saw more than 100 organizations, governments and companies make public commitments toward reaching 10 million tonnes of recycled plastic use by 2025.

“This is a huge target which I only see growing,’’ she said.

While suppliers of recycled plastic have pledged more than 10 million tonnes, users or buyers of the material have only made pledges of about 6.4 million tonnes, she said.

Currently, she noted that only about 6 percent of all plastic used in products in the European Union is recycled plastic.

The European Union countries use about 55 million tonnes of plastic a year, so reaching 10 million tonnes of recyclates would mean that EU-wide, recycled materials would grow to about 20 percent of plastics use, according to figures presented at a separate K show event by the Euromap machinery association.

“We need to propose more dialogue and we need to intensify the cooperation within the plastics value chains themselves in Europe,” she said. “By launching the Circular Plastics Alliance, you showed you’re taking on your responsibility for having a sustainable plastics industry.

She urged the industry to develop systems of plastics use and put it back in the economy. “We’re not talking about plastic bashing here,” Drake told the crowd. “We’re talking about controlling pollution and making sure that what we can do most with plastic, we continue to do and put it back in the economy.”

She said the commission is looking at regulations to give the public the same confidence around using recycled materials in products that they have with virgin materials.

“If we don’t tackle it seriously, then people will not have trust, not even the buyers will have trust in recycled materials,” Drake said. “We have to make sure there is an evolution to safe and nontoxic plastic recyclates.”

As well, she said the EC intends to work more on waste prevention, not just recycling, and urged the industry to focus on reducing and reusing materials as well.

The European Council also wants the EC to review the packaging waste directives to strengthen requirements around recycling or reuse of packaging.

“They want us to make more real the prospect that by 2030, which is already a legal requirement, all packaging must be reusable or easily recyclable by 2030,” Drake said.

She said it could include changes in rules to trigger more innovation in packaging design and more guidelines on extended producer responsibility (EPR) programs.

While suppliers of recycled plastic have pledged more than 10 million tonnes, users or buyers of the material have only made pledges of about 6.4 million tonnes, Drake said.

“The key for us will be how can we make the EPR fees more eco-modular in a way that the more sustainable your design, the smaller fee you pay,” she said. “I think this is only fair.”

She also said the EC is in “active discussions” around illegal exports of plastic waste, after China’s ban on waste imports and changes this year to the Basel Convention on plastic waste exports, which begin enforcement in 2021.

Those rules prevent exports of more difficult-to-recycle plastic waste to countries outside the Organization of Economic Cooperation and Development.

“It makes sense that the European Union assumes its responsibility and deals with the plastics waste generated in Europe,” she said. “This is very much in line with our plastics strategy and circular economy approach.”

One plastics industry group at K seemed to endorse that approach.

The German VDMA Plastics and Rubber Machinery Association, in an Oct. 15 statement released at the K show, said it supported “a stop on exports of plastic waste to countries outside the EU which have lower environmental standards than Europe.”
Sabic debuts renewable polycarbonate resin at K 2019

By Frank Esposito
Plastics News Staff

Düsseldorf, Germany — Saudi Basic Industries has unveiled what officials said is the industry’s first polycarbonate resin based on certified renewable feedstock.

“We’re moving our renewable polyolefin technology into polycarbonate,” Petrochemicals Executive Vice President Abdulrahman Al-Fageeh said at an Oct. 16 news conference during K 2019 in Düsseldorf. “This will allow us to reduce CO2 emissions.”

He added that the new material is being made with renewable content in the phenol, acetone and cumene raw materials that are needed to make PC.

The new PC and other sustainable materials made by Sabic aren’t limited to one end market, according to Al-Fageeh. “It’s about choosing a material to match the assets in our product portfolio and throughout the entire value chain,” he said.

Sabic officials said renewable PC can offer carbon footprint reductions of up to 50 percent and fossil fuel deletion of up to 35 percent. The new material will be made at first at the firm’s production plant in Bergen op Zoom, Netherlands.

More capacity

In other news, Ernesto Occhiello, specialties executive vice president, said Sabic is adding capacity for its Noryl-brand PPO and Ultem-brand polyetherimide resins to be closer to customers. He described Sabic’s specialties business as “a pure play in the space of high-end thermoplastics.”

“Our intent is to have a competitive advantage based on our technology and to make products that aren’t available from competing materials companies,” he said.

Sustainability in general was a major topic for Sabic at K 2019. Al-Fageeh said that the firm’s range of sustainable solutions “is our most important platform to show innovation and collaboration to our business partners and customers.”

“We’ve made commitments to a changing world to deliver a more sustainable future and to work toward a circular economy,” he added. Sabic’s exhibit has numerous sustainable applications on display in the areas of automotive, packaging and building and construction.

Sabic officials said the firm recently opened a new technology and innovation center dedicated to the caps and closures end market in Geleen, Netherlands. The new center is opening a year after Sabic dedicated an industry segment to caps and closures.

To date, 2019 has been a busy year for Sabic, based in Riyadh, Saudi Arabia, with North American headquarters in Houston. Occhiello returned to Sabic earlier this year after resigning from Clariant GmbH, where he had served as CEO for less than a year. The day after Occhiello’s resignation in July, Sabic and Clariant postponed plans to combine parts of their businesses to create a stand-alone specialty chemicals and plastics firm.

In June, Sabic confirmed that it was moving ahead with plans to build a major petrochemicals unit in San Patricio County, Texas, through a partnership with ExxonMobil Chemical Co. That project will include two polyethylene resin units, as well as what the firms have said will be the world’s largest steam cracker making ethylene feedstock. Construction is set to begin later this year, with startup expected by 2022.

Sabic employs 33,000 worldwide and posted sales of $45 billion in 2018. The firm is 70 percent owned by the Saudi government.

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Kautex introduces next CEO, green bottle

By Catherine Kavanaugh  
Plastics News Staff

Düsseldorf, Germany — Less than a month into his new job as chief operating officer for Kautex Maschinenbau GmbH, Thomas Hartkämper is already getting to ready to take on a new role for the manufacturer of extrusion blow molding machines.

Next year, Hartkämper will become CEO of the Bonn, Germany-based company and replace his friend, Olaf Weiland. The pair met 20 years ago at the former Thyssen-Krupp Corpoplast GmbH.

“I know him as a strong team player — that’s his No. 1 strength, and he’s a change-maker,” Weiland said at a news conference at K 2019 in Düsseldorf.

No date is set for Hartkämper to succeed Weiland. The executives agreed they will know when the time is right.

“Is it January or June or December of next year does not matter to us,” Hartkämper said.

Change was a major theme for Kautex and the plastics industry in 2019. According to Hartkämper, the pair met in 1996 while at the German company, and nowadays Hartkämper is already getting to know when the Kautex has made a radical change that will affect all divisions of the company in terms of packaging focus, the circular economy and digitalization.

The company began taking a harder look at what was its secondary market a few years ago, he added. As sales to the automotive industry declined, Kautex heeded up its role in the packaging industry.

“A couple years ago we perceived a need to change our packaging as a strong second leg of Kautex and nowadays it’s clearly the No. 1 leg of Kautex,” Weiland said.

He spoke near a machine called the KBB Evo, short for extrusion, which is producing three-layer high density polyethylene bottles with foamed middle layers using Braskem SA’s trademarked “I’m Green” PE and post-consumer material.

Kautex officials said the bottles will have a “drastically” reduced carbon footprint compared to conventional bottles.

“It’s not something we reacted to now by accident because of all the political discussions,” Hartkämper said. “No, the idea started two years ago and now we see it.”

One of the most important recent advances Kautex has made is to develop its own die head, according to Hartkämper.

“We now have the whole plastic melt under control and we have the base for further lightweighting and more recycling opportunities,” he said.

Kautex demonstrated its role in the circular economy by closing the loop: recycling its bottles with Emera Group rather than handing them out to K 2019 attendees.

Kautex says for every kilogram of “I’m Green” PE used, more than 5 kilograms of carbon dioxide is saved. In addition, material usage is reduced by the foam technology. And, the resulting bottle has a neutral odor despite the use of post-consumer resin.

“Adding value, to me, means we have to focus as a solution provider; much, much more on the final product… and what we have started here is just the beginning,” Hartkämper said.

Founded about 80 years ago, Kautex serves the packaging industry and major automobile manufacturers and suppliers.

The company has a manufacturing plant in Bonn, a customer service center in Berlin and regional offices in the United States, Russia, China, Italy, India, Mexico and Malaysia.

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Plastics News, October 28, 2019

Plastics News, October 28, 2019
Ph.D. Whitens sat down with Plastics News on Nov. 6, he’ll receive the 2019 Lifetime Achievement Award from the Society of Plastics Engineers’ Lifetime Achievement Award from Ford Motor Co.’s Research & Innovation Center. He led the development of innovative automotive plastics structures and composites, addi- tives, connectivity, lightweighting, and manufacturing. The father of two said he finds the most joy in solving problems and mentoring others — both of which are ingrained in his career field. The automotive industry is one large team — not only at the OEM level, but all the tiers, all the way down to the shop floor and the people assembling the car,” Whitens said. “Everything that you bring to market is 10 times harder than releasing carryover. And it takes people with passion to truly innovate because the easy way out is not to innovate.” On Nov. 6, he’ll receive the 2019 Lifetime Achievement Award from the Society of Plastics Engineers’ automotive division during the 49th annual Automotive Innovation Awards Gala in Livonia, Mich. Whitens sat down with Plastics News to discuss the award, his career in automo- tive and plastics, and the big themes that have shaped his path forward in both industries. Q: You’re retired from Ford, but you’re still involved in plastics and automotive, especially as a member of SPE. What keeps you excited about both of these indus- tries, especially the role of plastics and certain materials going forward? Whitens: One thing that keeps me going is the more I learn, the more I realize I don’t know. And the innovation land- scape is getting broader and broader, so it’s exciting to see emerging developments in plastics and nanotechnologies. It’s exciting to me to see the transitions in additive manufacturing and what can do for us — not only from an innovation standpoint, but also from an environmental aspect. Think about a future world where you’re shipping resin at 99 percent densi- ty and you’re building to customer order on-site. What a difference we can make in the world. That’s what keeps me going every day. Q: You’re going to be honored with SPE’s Lifetime Achievement Award on Nov. 6. What does this mean to you? Whitens: It’s truly a wonderful recognition of the hard work of many people at Ford and also all through the supply base because one thing I learned in automotive early on is no one innovates on their own. And all of our suppliers, all of our peers, it takes a village to innovate. And I think that’s the thing I look back on. That’s the most rewarding. Q: In terms of emerging mate- rials, or emerging applications, what do you see right now as a key area focus for automotive? Whitens: Well, I think additive manufacturing is a key area of fo- cus. I think we have an opportuni- ty to take additive from purely the prototype stage to full-scale pro- duction, and I think that’s a tremen- dous journey. From a plastics per- spective, I think leveraging artificial intelligence and machine learning to tailor plastics at the nano level to solve customer problems. Those are two of the key ideas that I think are emerging. And from an innovation standpoint, it would be one of the innovations that we had in the safety realm. One of the big ones was that we wouldn’t see seamless airbags, which the integration of seamless airbags at all tempereatures. And as we get into plastic and tape drive it, it actually opens up a larger landscape. And the thing that I always learned is that the speed of light is better than great, too late. You have to develop some- thing that you would like to hit a job, one, that delivers to the cus- tomer. And it’s not innovation until you actually sell your idea. Q: And have you noticed in the course of your career the supply chain, so that all auto- makers invest in more technol- ogy startups? Whitens: The biggest change in my 30 years is the reduction in the supply base. And because of the internal capital requirements, it’s much more difficult for small companies to make inroads. So that’s the biggest thing that I’ve seen change. Q: What about all of the consoli- dation among suppliers? Whitens: I think that’s a trend that will continue as you get into autonomy. And there are big re- quirements. But then, like every other trend, it will be different generations who are following a new path, and it will be different suppliers who will be the winners. And it used to spur us on as engi- neers when we get letters from peo- ple that we actually save lives. So, to me, that’s the most rewarding thing when I think about the inno- vations that we put together. Q: What guided your path to either the plastics or automotive industries? Whitens: I gravitated to automo- tive because it was the largest and most difficult consumer product, and it was an opportunity to design things that could actually please customers — that you’d get real feedback. Q: Who has had the biggest in- fluence on your career? Whitens: My first supervisors, Dan Kazewycz in General Motors’ Buick-Olds-Cadillac C/H vehicle platform taught me how to inno- vate and the importance of elec- tromechanical components to the automotive industry. I was also exposed to plastic and tape drive window systems, which taught me the importance of lightweighting and the role that plastics play in innovation. Bill Shelton in Ford’s restraints/safety systems taught me the importance of attention to detail, focusing on the customer and the rigors required to release robust safety systems in automo- tive vehicles. Q: What was the biggest setback you faced, and how did you learn from it and move forward? Whitens: When you innovate, setbacks are part of the process. Persistence and attention to det- ail help guide you through — re- gardless of the outcome — to sat- isfy the customer. Q: What is the best piece of advice that you’ve received through- out your career? Whitens: Pay attention to the details and never let setbacks get in the way of your ultimate goal: satisfied customers. Q: You’ve mentioned additive manufacturing, which has a grow- ing role in automotive. In your experience, how is that plastics industry further influence auto- motive in the years to come? Whitens: The automotive industry in general is a building block for the automotive industry, so whether those emergent processes, continuing to change and evolve in plastics. We’ll have tailor-made plastics that use artificial intelligence to tailor to specific properties. So, plastics will always be a part of the building block of the automotive industry. Q: The automotive industry is also changing really fast. How has the focus changed throughout the course of your career, especially in terms of material use, and just the whole landscape of the automotive industry in general? Whitens: There is so much in- formation out there. And in today’s world, you are overexposed. So taking this large array of infor- mation and focusing and distilling it down to a meaningful area that you can make a difference, I think, is going to be the biggest challenge because there’s a lot more infor- mation available for younger engi- neers than when I started. Q: And what advice would you give to millennials or younger generations who are following a similar career path? Whitens: The beauty of being for me is don’t be afraid of a challenge and go after what you believe is right and it’s helpful to gain experience and to work for different companies. Don’t walk away from the challenges because those are the ones that will teach you. When you look back at your career, it’s those difficult tasks that you look back on with pride, or to improve things for the shareholder that always make a difference and that you always remember.
Met2Plastic

Continued from Page 7

space for tool building and injection molding. The company was an early adopter of computer numerically controlled machining and 3D computer-assisted design.

“At the time, we were still Met Prototype Molding. But our businesses started to transition more into low-volume production. And so in 1999 or 2000, we changed our name to Met Plastics because we realized we were losing business opportunities because companies considered us to be primarily a prototype house when we were actually doing very little prototyping,” Walter said.

The product mix was primarily business equipment, with some appliance work. As the company transitioned to low-volume molding, it picked up medical work, which was still a good fit for the aluminum tooling specialist.

Then Met picked up its first aerospace project. It turned out to be a good move.

“In the mid 2000s, we started to see a lot of the business equipment applications transition over to China. So we had to reinvent ourselves. And that’s when we really started focusing on aerospace and also medical,” he said.

“We looked at different markets and we said, ‘OK, which ones are the ones that are most likely to stick around here and can benefit from our expertise with lower-volume applications and the infrastructure that we had in place?’ And that just pushed us into focusing on high-performance plastics as well.”

The company became AS9100 and ISO 13485 certified, for aerospace and medical work, respectively, which “basically forced us to focus on those industries as well,” Walter said.

New owner

Saint Aubin sur Gaillon, France-based plastics and composites company Dedienne Multiplasturgy bought Met Plastics in 2016, giving each company a trans-Atlantic manufacturing presence. Dedienne had four factories, located in France and Romania, and a speciality in high-performance polymers.

The deal gave Met2Plastic access to more technology and better access to the North American operations of Dedienne’s European customers.

“I asked Walter if he spoke French before the acquisition, and he joked, ‘Do I speak it now? No. That’s been a tough one.

“When we were first acquired, I spent several months doing the Rosetta Stone course, and I thought I was progressing pretty well. And I went over to France for a meeting and over lunch I was with a few of my colleagues and I tried to say something, something very basic. And I kept trying, and they just kind of shook their heads. ‘We have no idea what you’re trying to say.’ Back to English. Yeah.

“So there hasn’t really been a push either, though, for, for me to learn French, because Dedienne is focusing on being an international organization and a lot of the discussions and meetings are actually being done in English.”

Walter said the integration is going very well. The companies are working on new projects together, some involving multiple facilities. Dedienne is also interested in doing more acquisitions in North America, and Walter is involved in that.

Walter is a founder of the Manufacturers Association for Plastics Processors trade group. He suggested that his industry contacts could help when it comes to M&A, and he agreed, but added: “We’re very, very selective. In terms of the companies that we’re looking for, it needs to be a very good fit at multiple levels.”

Few companies play in Met2Plastic’s niches. Walter estimated that at most a few dozen in aerospace, but more in medical.

He declined to provide sales information, but said Met2Plastic has roughly 50 employees and 14 horizontal molding machines ranging from 40-720 tons of clamping force. The tool shop has three journeymen toolmakers. They support production, do preventative maintenance and build some of the company’s new molds.

What’s a good project for Met2Plastic? From the name, obviously, the company specializes in metal-to-plastic conversion.

“We tend to take on more challenging projects. Everyone says that right?” he asked. “But we like to do work that has complexity — either with regard to materials — if it’s a high-performance plastic, we’re talking the top of the pyramid — or if it has value-added opportunities, either doing assembly work or machining work, near net molding and machining ... or if there’s any testing involved, ultrasonic welding, whatever the case may be. But we tend to be a good source if it’s more than just a molded part.”

“We see a much bigger focus on composites in the future as well. Because that’s the direction where the industry is going,” he said.

Walter is enthusiastic when he talks about the aerospace sector.

“It’s an exciting industry because flying is cool to begin with,” he said. “But they’re constantly looking for new technology to lightweight as well. So that’s exciting. And as far as thermoplastics go, the best is yet to come with regard to the aerospace industry.”

Walter still has a small stake in the company, and he enjoys his work.

“If course I like it. Yeah. Otherwise I wouldn’t be doing it,” Walter said.

Met2Plastic has roughly 50 employees and 14 horizontal molding machines ranging from 40-720 tons of clamping force. The tool shop has three journeymen toolmakers.

Focus on technology

What’s in the company’s future? Walter wants to stick with the company’s culture of being on the cutting edge of new technology.

“Our goal is to constantly be coming out with newer technologies, so that we’re not a me-too molder,” he said.

One recent example is Roc-tool, a rapid heating and cooling process that increases the flow of plastic in the mold, allowing Met2Plastic to mold thinner walls and improve the cosmetic finish on parts.

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Plastics News, October 28, 2019
Formosa

Continued from Page 1

million for beach erosion control.

As well, it includes $1 million to support “nurdle patrols,” volunteer groups that collect plastic pellets to document and research pellet pollution on the coast of the Gulf of Mexico. The nurdle patrols are organized by the University of Texas’s Mission-Aransas National Estuarine Research Reserve.

The groups said it would be the largest settlement ever paid out from a private lawsuit under the Clean Water Act and is five times larger than the previous top settlement. The largest Clean Air Act settlement of a private lawsuit is $19.95 million.

“Our engineers were key in documenting that plastic pollution would continue unabated unless dramatic changes were made to the plant,” TRLA lawyer Amy Johnson said. “We will now work with Formosa to make sure those improvements are made, and the discharges are stopped.”

The news release from the plaintiffs groups said none of the $80 million will be awarded to the plaintiffs. The groups said the settlement gives details on how the company will eliminate discharge of plastic pellets and said that plaintiffs will review decisions and make objections. It said penalties for Formosa would start at $10,000 and increase to $50,000 per discharge.

“Through reporting requirements, an independent monitor, site visits and other accountability requirements, we will have access to the process to determine whether Formosa is living up to its side of the bargain,” said Rob Lindsey, a plaintiff and a member of the group that brought the lawsuit, the San Antonio Bay Estuarine Waterkeeper.

The waterkeeper organization spent the last three years collecting and documenting evidence of pellet pollution in waters around the Point Comfort facility and presenting it in the lawsuit.

In late June, Hoyt issued a strongly worded ruling that the company was a “serial offender” of its Clean Water Act permit and had set a penalty phase in the trial for late October.

Environmental groups suggested the zero discharge requirement this settlement won should be the standard for all plastic plants across the country,” said Julie Teel Simmonds, an attorney with the Center for Biological Diversity.

“A settlement of this size sends a powerful message to corporate polluters — there’s a steep price to pay for flagrant, chronic violations of laws that protect our environment.”

Erin Gaines
Texas Rio Grande Legal Aid

California

Continued from Page 1

Co., PepsiCo Inc. and other large beverage makers.

Those changes inserted potentially significant “off ramps” into the legislation, allowing companies to petition a state agency to grant a waiver from the recycled content standards if companies felt it was not possible to meet them.

The APA removed its formal opposition to the bill after those changes, saying they made the law more “realistically attainable.”

It’s the second major piece of plastic waste legislation to die late in California’s legislative session this year.

The Association of Plastic Recyclers suggested the veto of this bottle recycled content law may be linked to the other legislation, known as Senate Bill 54. That second bill would have required packaging to have a 75 percent recycling rate by 2030 to be sold in the state.

“We are very disappointed with the decision to veto the [recycled content] bill,” said Steve Alexander, APR president and CEO. “We have heard that some parties engaged in this discussion were concerned that enactment of this bill would somehow have impacted the effort to pass SB-54, which is due to come up again next year.”

One of the main authors of the legislation, Assembly Member Phil Ting, San Francisco, wrote on Twitter Oct. 13 that he will continue to work on the bill because it tells recycling markets that California is willing to take major action on plastic waste.

“I’m disappointed that the governor vetoed AB-792,” he said. “Setting the world’s highest minimum recycled content standards for plastic beverage containers would have sent signals to the recycling market that California is serious about reducing plastic waste.”

Ting’s bill requiring 50 percent recycled content would have exceeded the 30 percent by 2030 level in the European Union.

Newsom said he wants to see recycled content standards be included in ongoing efforts to fix the state’s container deposit law.

“As we work together on next steps to evolve the California Beverage Container Recycling Program to meet the realities of recycling today, minimum recycled content standards should be established to support markets and expand remanufacturing,” Newsom wrote. “However, they must be established in a meaningful way that ensures the standards can be achieved.”

Don Loepp
Editor
Plastics News

Frank Esposito
Senior Reporter
Plastics News

Sparring over recycling

Continued from Page 1

as our expert staff looks at the state of the plastics merger and acquisition market. Frank Esposito and Don Loepp will discuss who’s buying and selling for the rest of 2019 and what’s to come in 2020.

Don Loepp
Editor
Plastics News

Frank Esposito
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For pricing information on virgin thermoplastic or thermoset resins, call Frank Esposito at 330-703-7290.
Tapping into higher sales with clever closures

By Jim Johnson
Plastics News Staff

Chicago — Tim Burns has a question. But he already knows the answer.

“Who would have thought putting dollops of sour cream on your tacos would be such an interesting phenomenon? People are infatuated with this product. And it’s not possible without a dispensing system,” he said.

The well-known packaging advisor and industry analyst said the creation of an inverted pouch with a dispensing cap for Daisy Brand LLC sour cream has absolutely energized the product, pushing both sales and per ounce pricing higher.

Dispensing systems maker Aptar Group and Daisy rolled out the packaging in 2015 and quickly gained notice and market traction, winning a slew of awards along the way.

The approach has fundamental changes in how certain products are being presented to consumers, allowing brand owners to freshen their presentation while also raising prices.

For consumers, the inverted pouch with stand-up cap also helped make dispensing Daisy sour cream less messy compared to the traditional tub-and-spoon approach.

A squeeze of the pouch forces the product through a dispensing valve and allows for greater control.

This Burns said at the recent Plastics Caps & Closures 2019 conference in Chicago, is a prime example of how dispensing closures can help drive change and profit for many categories.

The plastics caps and closures business brings in an estimated $29 billion annually and is only going to keep growing, Burns said. That’s about 56 percent of the overall caps and closures market.

The beverage market is the top segment for plastic closures at 31 percent of the total, followed by pharmaceutical at 23 percent, food at 17.5 percent and health care at 11 percent, Burns said at the conference organized by Plastics News.

Holding most of the closures market already, that segment has a projected growth rate of 7.5 percent through 2026, he said.

Dispensing closures, like the Daisy sour cream cap, currently is a $5 billion category and is expected to grow by almost 8 percent a year through 2026.

The stand-up pouch with dispensing closure is a “category booster, and we’re seeing more and more of this in the marketplace today,” said Burns, senior advisor for packaging at Pirella Weinberg Partners LP. He also founded his own firm, Cranial Capital Inc.

Fancy new caps and closures certainly cost more money to develop and produce. But Burns provided plenty of examples of consumers seeing value through the new dispensing systems even when the product price is increased.

“The bottom line from what we can see here is people don’t pay for stuff they don’t need. People don’t pay for products they don’t feel they are getting good value,” Burns said.

“Brand owners are marketing upscale using largely dispensing technology for better efficacy, better functionality and the consumer likes it and is paying for it,” he said.
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