



Plastic Industry News | QBR – Q4

SPOTLIGHT ON PLASTICS: OPPORTUNITIES, CHALLENGES, AND INNOVATIONS





The Domestic Market INDUSTRY BRACES FOR UAW STRIKE RIPPLE EFFECTS

On October 30, 2023, the United Auto Workers struck a deal with General Motors, signaling the end of an **unprecedented** six-week-long strike against the “Detroit 3” motor companies.

For **plastics manufacturers**, the strike marked another in a series of events that have led to uncertainty and disruption in the industry. From COVID-era supply chain shortages to market uncertainty, plastics and auto manufacturers have faced adversities as of late.

Plastics comprise nearly a third of the **30,000 parts** of making a single vehicle. 2022 the American auto industry spent around **\$28 billion** on plastic products. While the true impact of the UAW strike may not be known until the November release of October’s data, the **disruption in production is sure to make waves in the plastics industry**.

Evaluating the nature of those repercussions isn’t an exact science. Auto worker strikes in 1998 and 2019 had **differing impacts** on the plastics industry, and extrapolating for 2023 is mostly guesswork. Additionally, inventory shortages due to labor disputes sometimes only manifest in later stages of production or distribution. **We may not be fully aware of the 2023 strike’s impact until further down the line.**

This time, though, plastics manufacturers may benefit from their COVID-era experience. Developments in manufacturing **resource planning software** and **lessons learned** from pandemic supply shortages will help evaluate challenges and opportunities in production post-strike.

While the exact repercussions of the UAW strike on plastics manufacturing remain uncertain, one thing is clear: the plastics industry must continually **assess its ability to weather unforeseen disruptions and make adjustments as needed.**



Notes from Fakuma 2023

INNOVATIONS IN SUSTAINABILITY

Known as a prestigious trade fair for plastics processing since 1981, the 2023 iteration of **Fakuma** took place from October 17–21 in Friedrichshafen, Germany.

Chief among the topics addressed at this year's Fakuma was the industry's **focus on sustainability efforts and moving toward a circular economy**.

Ohio-based company Avient impressed with its **"three-pillar"** approach to **greener plastics**, including flame retardant additives and internally lubricated formulations made without PTFE. Their new **Cesa Unify A4R**, a compatibilizer additive, was designed to enhance the recycling of polyolefins by bringing incompatible polymers (like PP and PE) together to form a homogenous polymer mixture. This mixture can be used to **create new plastic products within the framework of a circular economy**.

German machinery company **Sumitomo Demag** debuted its IntElect S machine, an **all-electric injection molding machine**, as part of its strategic plan to **produce all-electric presses for every market**.

Additionally, **Asahi Kasei Corp** introduced their continuous glass-fiber-reinforced thermoplastic called "Lencen." The material's tensile strength, high heat resistance, and "metal-like properties" are meant to **reduce the weight of EV batteries**, among other uses. Asahi Kasei also displayed cooling pipes made with PPE, mirrors made of Leona nylon, and a microwave-based method of recycling nylon 6/6.

While meeting **industry sustainability goals** is an ongoing challenge, innovations like the ones presented at Fakuma 2023 bring excitement and optimism for **the future of greener plastics**.



Food & Beverage

RECYCLED PLASTICS FOR CONSUMER PRODUCTS

The Coca-Cola Co. is adding Canada to its growing list of markets, switching to **all-recycled PET plastic bottles** by early 2024. Canada joins Ireland, and Northern Ireland is **changing materials for all 500-milliliter sparkling beverage bottles**. Caps and labels will still need to be made of recycled plastics.

Not to be outdone, McDonald's announced on October 24 that their famed **"McFlurry" spoon** will soon be replaced in the name of sustainability. Previously, the treat-specific utensil was designed to double as both a spoon and a blender spindle. McDonald's announced that it will **supply reusable blender parts** for its McFlurry machines to reduce plastic use, eliminating the need for the bulky, square-shaped scoop.

Finally – and perhaps most dramatically – Nissin Food USA, the maker of Cup Noodles, announced it is **eliminating its famed polystyrene cup** in 2024 for all flavors of instant ramen. "... We continue to find ways to evolve the brand to **support the needs of our consumers, the environment, and the world,**" said the brand's president and CEO, Michael Price.

These food and beverage industry titans are leading the charge toward a more sustainable future by opting for recycled plastics and reducing the need for virgin PET plastics. By collaborating with **innovators and manufacturers in the plastics industry, food and beverage could be the sustainability partner plastics has been looking for.**



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