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## Challenging market for European aluminium foil across all segments in 2023

Demand for European aluminium foil remained well below 2022 levels throughout 2023 as all segments, both at home and abroad, recorded double digit falls in the final quarter of the year. Overall total shipments were 14,6% lower compared to the year before (2023: 831,700 tonnes; 2022: 973,300t) with exports down 22%, according to figures just released by the European Aluminium Foil Association (EAFA).

This reflects the very soft market conditions seen throughout the period which were a combination of very high stock levels and weak demand in all sectors and end applications. Higher prices and interest rates have forced end consumers to limit their spending, which directly affects foil in packaging and household goods particularly.

Even thinner gauges, used mainly for flexible packaging and household foils, were not immune from the drop in demand. Year on year deliveries fell almost 16%. Exports were particularly affected, down 30% in the year. But normally resilient domestic deliveries were well below the final quarter of 2022, down 16% - although this was slightly better than Q3 – and 13% over the year as a whole.

Volumes for thicker gauges, used for semi-rigid containers, technical or other applications, were down by 12% across 2023. Exports fell 4%, but again deliveries to Europe were 13% lower than the previous year. In Q4 alone deliveries of these gauges were down by 20% with another sharp decrease in exports, which declined by more than 40%. This category of products makes up a smaller volume of the total production, therefore its impact on overall output figures is less.

It was noted that even foil used for technical applications (automotive, construction) had its worst quarter in Q4 2023, reflecting a general downturn in car production and building activity, due to continuing supply chain difficulties as well as weak demand, fuelled by continued high interest rates.

Bruno Rea, Chair of the EAFA Roller Group commenting on the figures said, “While uncertain economic conditions and continuing supply chain issues, such as disruption in the Red Sea, do not make these results unexpected, they are, nevertheless, not what the industry wants to see continuing for too long. As customer stock levels are now at very low levels there is very cautious optimism in the sector supported by market demand slightly picking up since Q1. Lower interest rates and stabilising economic circumstances certainly help to stimulate the strengthening demand further.”

*The European Aluminium Foil Association (EAFA) is the main trade association, specifically representing companies engaged in the rolling and rewinding of aluminium foil and the manufacturing of semi-rigid alufoil containers and household foil in Europe. With its more than 40 members, the organisation represents the total aluminium foil rolling market in Europe. [www.alufoil.org](http://www.alufoil.org)*

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