



Industrial Packaging of Metal Products in Russia: Problems and Perspectives

MIKHAIL KORENEV, PRESIDENT OF THE GROUP
IRENA ARKHIPOVA, MARKETING DIRECTOR

EUROPACK IS A GROUP OF COMPANIES WITH MAIN ACTIVITIES CONCENTRATED IN DEVELOPING TECHNOLOGIES AND PRODUCTS FOR SAFE AND SECURE INDUSTRIAL PACKAGING AS WELL AS OUTSOURCING OF PACKAGING SERVICES.



Packaging of steel and non-ferrous products in Russia has been one of the issues, attracting close attention of the domestic producers since not so long ago. Earlier the quality of the metal products, mostly primary steel and Aluminum, excluded any necessity to pack it, if only except for simple transport strapping.

However, investments done since 1995 to nowadays into modernizing the Russian metal industry, which allowed to significantly improve the quality of the final goods, required in due turn investments in protective packaging.

EUROPACK started with studying the packaging processes at European plants. With the HQ in Riga, Latvia it allowed easy access to the modern by that time technologies. Bringing them to Russia required quite an adaptation to severe climate, long distances and general economical and political situation. All that dictated the production of the packaging consumables to be placed directly in Russia. First investments followed in early 2000 and by now EUROPACK Group has several production sites and R&D center in Russia, which provide the metallurgy, service metal centers, car manufacturers and machine builders with the necessary range of consumables for protective packaging: be it against anti-corrosion, transport or mechanical damages. Whatever else, we keep close contacts with our European part-

ners, representing packaging tools and automatic machinery by FROMM AG, storage systems by LANKHORST Mouldings BV, automatic marking machines by RONMAS BV, slitting tools by IKS Klingelberg.

The experience, gathered during all these years, shows that there are some positive tendencies in domestic industrial packaging market development. Most of them are connected with merging of Russia into global world economy: high requirements of the end-users to whom the metal goods are exported, opening of local production in Russia by world-known brands (Arcelor Mittal, ALCOA, RUUKKI, Thyssen Krupps, Toyota, Nissan, Hyundai, GM, etc.) or M&A going both ways.

But there is still a number of problems to be solved as well, among them a very slow progress in accepting modern packaging technologies; unwillingness to change old Soviet time regulations, some of which are backdated to 1960-s; insufficient attention to the right choice of packaging materials, low level of personnel's safety and many others.

The process has to be literally pushed forward by the producers of packaging materials rather than initiated by the metal producers themselves. EUROPACK is so far the first and only company to combine production with the practice of outsourcing the packaging. Since 2010 we had to engage ourselves into this business to know exactly what goes on: all weak points, what could and should be improved or completely changed, find solutions to quality claims from the end-users by overtaking financial responsibility for any claim resulted from corrosion or mechanical damages, which may occur during transportation (actually, after 3 years of experience there are none of those by now anymore).

Such a practical approach, although a difficult and hard one, surely not attractive financially, allowed us to gain a vast and irreplaceable knowledge of how and where to move forward in developing our own production. And even if the current market in Russia is not ready yet for this kind of packaging outsourcing, but we consider any challenge as a driving force of the future success. We are only making the first steps to it. ■