

Cater For You looks at industry factors that will impact food packaging suppliers in 2025

New delivery routes and new innovative materials herald positivity for the UK food packaging industry despite legislation challenges.

NORWICH, NORFOLK, UNITED KINGDOM, January 8, 2025 /EINPresswire.com/ -- The food



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Andy Watts

packaging industry's primary concern is its viability as we head into 2025. So, what does the outlook look like for our customers? What are their input costs, and how can they pass them on to consumers? Some good news: core packaging prices appear to be stabilising and even declining with some suppliers, with some indication that prices will decrease in the New Year. Indeed, industry giant Bunzl recently reported that packaging prices are falling. Aver Logistics in Chenies provided insights on freight costs from significant hubs like China, India, and Turkey. They stated, "Freight costs soared in 2024 due to geopolitical issues, but we expect rates to remain flat in 2025.

Overcapacity from new containers built during COVID has led to supply exceeding demand, especially on China-UK routes."

They also highlighted a new rail freight service from China to the UK that passes through Russia. This route is quicker than ocean freight and more reliable than air for many sectors. Despite regional complexities, it's anticipated to be a strong option for balancing speed and cost in 2025.

These developments in freight could benefit our customer's packaging costs. At <u>Cater For You</u>, we strongly support sourcing from domestic manufacturers. However, it remains uncertain how Food To Go companies can avoid passing on increased minimum wage costs, employer National Insurance, import tariffs on raw materials, high energy costs, rising business rates and regulatory burdens.

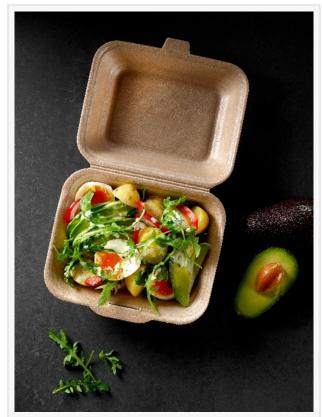
A recent regulatory change, the Extended Producer Responsibility (EPR) tax, also known as the Grocery Tax in the media, affects all packaging manufacturers and importers. This principle requires those creating waste to fund recycling and waste management efforts. At a recent FPA environmental conference, Matt Crocker from the Environmental Services Association noted that 18% of waste in England could be managed illegally, involving 92 organised crime groups. Cater For You hopes the EPR tax will enhance doorstep recycling, improve waste recovery facilities and

reduce pollution in the UK's landscapes and waterways.

Quote - Andy Watts, Co-Director of Cater For You stated that the EPR will significantly burden the UK packaging industry by raising costs and requiring significant upgrades to reporting systems. He urged the government to use the funds to improve waste management rather than fill funding gaps. Watts warned that the EPR would lead to higher food packaging prices for consumers who will be expecting clear benefits in return.

In 2025, we expect packaging trends to align with previous years, influenced by retail demands and government regulations. The transition from plastics to paper and cardboard continues, supported by waste management improvements from the EPR tax.

Recent attention has focused on packaging linings, mainly as the EU explores new legislation. These linings, often made from plastic (PE) or water-based coatings, are crucial for leak-proof takeout boxes and



Cater For You packaging

cups. However, new market entrants like Notpla are innovating with fully compostable, seaweed-based linings that retain leak-proof qualities. We look forward to more advancements in this evolving industry.

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