

Plastics News

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Business stays strong for blow molding machine builders



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Bekum America

Bekum America expanded this year to handle high demand for extrusion blow molding machines. It added 38,000 square feet of manufacturing space and 7,400 square feet of office space to its existing 115,000-square-foot building.

The demand for blow molding machines has remained strong since the start of the pandemic when the makers of hand sanitizers, wipes and food packaging struggled to respond to consumers.

At the onset of the pandemic, panicked shoppers snatched up disinfecting wipes and bottles of hand sanitizers as fast as essential workers restocked store shelves. Demand for wipes to clean surfaces and gels to clean hands often outpaced what container manufacturers could supply as COVID-19 virus infections and deaths mounted.

Fred Piercy, president and general manager of R&B Plastics Machinery LLC in Saline, Mich., recalled the whirlwind pace for manufacturers of personal hygiene products and household and workplace cleaners.

"In 2020, people tried to get any machine they could to make any container," Piercy said.

A year ago, Clorox Co. Chief Operating Officer Eric Reynolds was pushing back the availability date for wipes for the third time as the company scrambled to handle a 500 percent surge in demand in 2020 from 2019.

About the same time, Gojo Industries, the family-owned maker of Purell hand sanitizer, was dealing not only with a 600 percent increase in sales compared with 2019 but also a halt in production caused by a shortage of containers. Gojo then put \$400 million toward capital investments, added 500 employees and started making its own bottles and pumps.

The dust has settled since then.

"We saw some stabilization within 2021," Piercy said. "People weren't reacting to things at breakneck speed. This year they were back to longer-term strategic fits of equipment for their business."

R&B Plastics Machinery manufactures blow molding machines, single-screw plastic extruders, extruder process screws and trimming systems for food and beverage, personal care, household, pharmaceutical, motor oil and lubricants, automotive, lawn and agricultural chemicals, and industrial specialties markets.

"2021 continued to be pretty busy for us. Very steady," Piercy said. "We'll probably be up 25 percent to 28 percent from last year as a conservative number."

At Bekum America Corp. in Williamston, Mich., Gary Carr, vice president of sales, said the North American blow molding market hasn't let up for almost two years.

"The unprecedented machinery surge demand experienced at the start of the COVID-19 pandemic transitioned in 2021 into steady new machine orders, and 2021 will conclude as a very solid year," Carr said.

To handle the consistent high demand, Bekum America completed a facility expansion this year, adding 38,000 square feet of manufacturing space and 7,400 square feet of office space to the company's existing 115,000-square-foot building.

"With our building expansion now complete, 2022 will be an opportunity for Bekum America to focus on increased machinery build output, shortened lead times and the necessary expansion of our workforce," Carr said.

In addition to the medical and cleaner markets that kept machine builders busy, Carr said Bekum experienced healthy business in the markets for food and beverage, personal care, household chemicals and agricultural chemicals.

Blow molder Meredith-Springfield Associates Inc., which serves the food and spice, liquor, and health and beauty markets, was among the companies expanding production. The

company recently bought six machines for its Ludlow, Mass., site to meet demand from customers like American Distilling, B&G Foods, Henkel, Honeywell LifeMade Products and PepsiCo.

Meredith-Springfield invested \$7 million into manufacturing and warehouse space. The expansion includes new machines built by Bekum and R&B and automation for bottle discharges, conveyors for leak checks and visual inspections, and baggers to palletize the products and eliminate the use of corrugated boxes.

Globeius Inc.

Most blow molding machine manufacturers have a significant backlog on machines, says Ernesto Sosa, president of Globeius Inc., which allied with Platiblow srl in Corsico, Italy, to offer their all-electric technology in North America.

Cleaning up on sales

Earlier this year, Miami-based Globeius Inc. sold 10 all-electric blow molding machines built by Plastiblow srl in Corsico, Italy, to a manufacturer of household cleaning products in Mexico. The machines, which are being delivered this year and next year, are valued at \$12 million, according to Globeius President Ernesto Sosa.

"The customer decided on the Plastiblow technology because they understand the financial and production benefits of all-electric machines: high cavitation, high volume and faster cycles, which amounts to

substantially lower kilowatt cost per pound," Sosa said. "One electric Plastiblow machine can essentially replace or do the work of two conventional hydraulic machines. That's money in the customer's bottom line."

Plastiblow allied with Globeius in 2020 to offer its all-electric technology. The principals of the two companies also have agreed to a joint venture, Plastiblow NA, which will be responsible for all aftermarket sales and service of machines sold in the U.S. and Mexico.

"Plans are to continue to grow the tech center in Miami from where blow molding sales and service are currently available for U.S. customers," Sosa said.

Blow molding machine buyers also are meeting demands for cleaning products and additives for recreational vehicles and outdoor activities, Piercy said.

"Big converters in the blow molding space were still readjusting capacities from last year and seeing where the market was," Piercy said. "There were a lot of projects on the table and a lot in the pipe line, and a few of those broke loose, but we expect next year to be even stronger."

Pluses for plastics

Carr described the last 12 months as a year of increased interest and progress toward addressing the environmental impacts of plastic products. He pointed to growing sales of machines with three-layer capabilities.

"2021 has seen a renaissance in industry efforts toward sustainability, including three-layer blow molding systems integrating PCR [post-consumer resin], yielding package and article performances equivalent to the previous all-virgin construction," Carr said.

Piercy said he also is sensing that the reputation of plastics has gotten a boost from medical devices, vaccine components and cleaning products helping save lives and slow the spread of COVID-19.

"There's a general acceptance that there are certain plastic items absolutely necessary," Piercy said. "I think these things will be viewed more favorably."

R&B Plastics Machinery LLC

A confidential customer recently installed this RBS-E1050 extrusion blow molding machine by R&B Plastics Machinery LLC. The machine produces plastic cannisters for wipes among other containers.

Sourcing challenges

In the meantime, machine builders are trying to keep lines on microchips for machinery control technology and other components.

Bekum has experienced some lead time increases, Carr said, and that may affect machinery build times.

"But we are still able to source our required controllers," he added.

Piercy is concerned about the availability of other parts.

"Aside from the chip issue, common items like core components, whether its fuses or breakers or disconnects, are running in very short supply," he said.

In response, R&B has been building up inventory to meet customer needs.

"We believe in strategic partnerships with our vendors and supply base so for us that's been a benefit," Piercy said. "When you shop to be the lowest purchase price for people, if you use the scorched earth approach, you'll find yourself on the short end of the stick. We believe our supply base should be in a position to make money and reinvest the same as we would. It makes for a better continuity of supply."

Tight staffs, virtual work

Staffing levels and employee retention are other big challenges facing the industry, Carr said.

Bekum has an in-house training program for apprentices to keep its talent pipeline active with prospective electricians, welder/fabricators, machinists and machine assemblers. The company offers a four-year program that pays apprentices a salary to train and work at Bekum, and it covers their costs for community college, including books.

While the apprentices follow a traditional training and studying program, Bekum has been using the latest online tools to conduct business.

"We have become very proficient in both virtual meetings and even virtual machinery run-off/acceptance for our customers," Carr said. "Factory acceptance tests are now commonly conducted for Bekum customers from our facilities in Austria and in Williamston, Mich."

The situation is similar at R&B Machinery, where the staff offers remote customer support and troubleshooting.

"People have learned to accept at some level that they can get assistance without always getting on a plane to fly or in a car to drive," Piercy said. Even so, he added, "Virtual works to a certain degree, but in our business, customers need to see it, touch it and watch a demonstration."

Positive outlooks

At Globeius, Sosa expects continued growth in the blow molding sector in the U.S. and around the world.

"Most blow molding machine manufacturers are currently experiencing a significant backlog on machines," he said. "We are also confident that all-electric technology will continue to gain acceptance as more customers look for cost reductions in the face of significant increases in their costs in production."

Piercy thinks 2022 will be very strong for R&B, probably with continued growth of 20-25 percent.

"The pandemic created situations way out of the norm for the supply chain and seasonality," Piercy said. "Companies that are fast and flexible and responsive will be the favored. They will excel over the next couple years. You have to be mean and lean and focused."

At Bekum, Carr expects another "excellent" year for extrusion blow molding machinery in 2022.

"Continued broad market needs for blow molded packaging will bring business balance and security," Carr said.

Inline Play

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