

## Packaging maker AVC invests in greener China

By Steve Toloken  
PLASTICS NEWS STAFF

California plastics packager AVC Corp. sees opportunities to make environmental packaging in China, as big-box retailers and consumer products makers try to go "green."

Torrance-based AVC, which acquired a majority stake in a mid-sized Chinese injection molder and thermoformer last year, has since invested money to raise standards at its Chaozhou operation, AVC President Moshe Begim said Jan. 29 by telephone.

AVC bought Chaozhou Sheng'An Packaging & Printing Co. Ltd. for undisclosed terms in mid-2007, in part for the time-tested reason many foreign firms come to China — to cut costs after seeing its own business migrate there, Begim said.

But AVC also plans to bring its brand of environmental packaging there as big retailers begin implementing environmental commitments and push Chinese factories to follow suit, he said.

Wal-Mart Stores Inc., for example, started using a sustainable packaging supplier score card Feb. 1, but Begim predicted that many Chinese packaging suppliers will struggle with meeting requirements.

"China is packaging close to 90 percent of all the consumer goods in the world, [but] they are not using good materials," he said. "Not many companies understand green packaging in China."

For thermoformed plastics packaging maker AVC, green packaging means using recycled PET instead of PVC for blister packaging, post-consumer recycled plastics, or bio-based, biodegradable polymers such as polylactic acid. It also means reducing everything from the materials to the toxins, and developing reusable packaging.

Design plays a role as well, Begim said. Some packaging designs lend themselves to recycling, such as packaging that allows plastic and paper components to be easily separated.

"Companies do not have the knowledge of what material they should use or how much post-consumer [material] they should use," said Begim.

The Wal-Mart packaging score card is driving a lot of decision-making in packaging, he said, predicting that 2008 will be a strong year for changing designs. He said his firm has worked with Memorex, Fuji, Belkin and others on making their packaging green.

"Because Wal-Mart has its initiative starting in February, that is pushing those [consumer product] companies to go environmental," he said. "The requests will come from the companies, rather than us trying to push them."

In particular, he sees growth opportunities for what his company calls its ERB "environmental rigid blister" pack, which is a preferred package for Wal-Mart to replace PVC, according to Begim.

He also sees strong potential for PLA resin as alternatives to traditional petroleum-based plastics, if PLA makers can improve its performance and raise the resin's deformation temperature to 140° F to make it suitable for nonrefrigerated packaging.

He said 90 percent of the work in AVC's California factory is "environmental" pack-

aging, vs. just 10 percent at the China plant. In China, most of the work was inherited from Sheng'An, including printing and corrugated-box packaging. But Begim ambitiously hopes that within a year 90 percent of its China business will shift to environmental packaging.

The Chaozhou factory employs 450, and operates 20 injection presses, four thermoforming machines and about 15 blow molders. It also does printing and silk screening, radio frequency and heat sealing, and corrugated box manufacturing.

Begim said AVC also develops packaging systems for companies that want to make their own packaging.



AVC Photo: sheng'an