

A man with a full beard and glasses is working in a factory. He is holding a long metal rod and adjusting it on a machine. In the foreground, there are many rows of cylindrical metal parts. The background is a blurred industrial setting.

# INFORM

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# RESILIENT PILLARS.



Dear Readers

As I write these lines, Ukraine and Russia are in conflict. In addition to endless pain, suffering and fear among the people in the region, the dispute also affects the economy and the entire society of Europe. After the economy timidly but with growing confidence found its way out of the Covid-19 crisis, it has suffered another setback. The shortage of certain critical raw materials will become more acute again, undoubtedly leading to supply-chain bottlenecks in a number of sectors. The prospect of interest rate hikes in various regions are weighing on the financial markets, further unsettling the economy. As if that were not enough, the conflict in Ukraine is likely to amplify the negative trends, which could result in rising inflation and sharp currency fluctuations. Despite my cautious confidence that a peaceful solution to the conflict will soon be found, we face significant challenges in the coming months.

As a family-owned Swiss company with an export share of almost 100 per cent and with almost 100 per cent of our production in Switzerland, we have learned to deal with uncertainties over the years. We know that our success rests on three resilient pillars: our loyal customers, our committed employees and our values.

We profile two outstanding customers in this issue of inform. We have very close working relationships with both of them, firmly based on mutual respect. Viewed from the outside, these two companies may look very different. But both share some important qualities: pioneering spirit, a clear commitment to quality and dynamic, entrepreneurial leaders. Elsewhere in this issue, we review the newly published Global Commitment 2021 Progress Report detailing how the plastic packaging industry is facing up to its environmental challenges. One thing the report makes very clear: the readiness to innovate will be in great demand in our entire industry in the coming years. In the Swissform section of this issue, not only will you meet another member of our motivated team here in Switzerland; you will also learn why Uznach can almost match the beaches of California!

This issue of inform. offers varied and informative reading, and I hope you enjoy it. And, coming back to business, I also hope that the improving business sentiment will brighten further and that we can all meet again, healthy and safe, anywhere in the world.

Yours faithfully Sascha Bigler

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# COURSE SET FOR GROWTH.

**Janett Rasztovits** founded **Rawoplast GmbH** in 2009 in the German town of **Kretzschau**. Today, this family-owned business produces around 320 million PET preforms per year. And now, after 13 years at the helm, the founder is retiring, handing over the business to her two sons and **three other partners**. In an interview, they talk about how Rawoplast has developed and look ahead to the future of the company.

**In just a few days, Rawoplast will celebrate 10 years of PET production. What does this anniversary mean to you?**

**Janett Rasztoivits:** This 10th anniversary has several meanings for me. On the one hand, looking back at the past decade makes me very proud of what we have achieved together as a family. For me personally, it also marks the end of my active role in the company, giving me more time for family, friends and home life again. And last but not least, this anniversary marks the beginning of the future for the company, which, thanks to its new shareholder structure, is very promising.

**What were some of the landmark events of those first 10 years?**

**Janett Rasztoivits:** We've always had a lot going on over the years. Discussions with our great customers and partners have been decisive for Rawoplast's development. Standout moments certainly include the founding of the company in mid-September 2009, the start of production in April 2012 with two production lines, the commissioning of the third line

**A family business always has an impact on the children in one way or another. How about in your case?**

**Marcus Sorge:** Rawoplast has always been at the centre for us and still is. Marc and I were involved in all decisions right from the start. When I began my apprenticeship as a plant operator in 2013, I actively joined the company.

**Marc Sorge:** I completed my apprenticeship as a mechatronics engineer as Rawoplast was still in the planning phase. I've been involved with the business since the start of production and have been able to help shape the company as it is today. We made a lot of things ourselves, helped to provide machines and supported electricians in the planning phases.

**Expanding from two to four production lines not only makes large technical demands. In organisational terms, too, decisive things had to happen. What was the biggest challenge in executing this expansion?**

**Marcus Sorge:** From a technical point of view, everything ran smoothly. In this respect, the expansion of our capa-



**"I'VE BEEN INVOLVED SINCE PRODUCTION STARTED HERE, AND I'VE HAVE BEEN ABLE TO HELP SHAPE THE COMPANY."**

Marc Sorge, Technical Director & Partner

in 2015 and the fourth in 2019. These events were always very emotional for me. I was always aware of the importance each step had for the company and how much effort we had invested in order to be able to realise these advances.

cities was more fun than a burden. In a family business of our size, the choice of employees is important. They have to share values similar to ours and fit into the existing team. From the looks of it, so far we've done a good job of getting

the right people involved. The core team has been with us since the beginning, and we have always been able to fill vacancies quickly.

**How is the handover to the new shareholders going?**

**Janett Rasztoivits:** Marc and Marcus are already finding their feet in their new roles as leaders. After a period of adjustment, the employees now also accept them as bosses and no longer see them as the colleagues they used to be. With the three new shareholders, Wolfgang Bonerath, Hanspeter Logo and Bernhard Schulte, Marc and Marcus have three very experienced entrepreneurs and industry experts at their side. The new management team is already well established and has defined a clear plan for the future.



After 13 years at the helm, company founder Janett Rasztoivits has put the management of Rawoplast GmbH in the hands of a five-member management team.

**When you set up the company and later when you expanded it, you could count on the support of the European Regional Development Fund (ERDF). That will not say much to most of our readers. Can you tell us just what the ERDF is, please?**

**Janett Rasztoivits:** The ERDF is an investment programme of the German state of Saxony-Anhalt. Its aim is to strengthen the regional economy by creating new jobs, thus enhancing the region's prosperity. Access to these funds is subject to strict controls that ensure the effectiveness of the funding. In our specific case, the ERDF supported the establishment of production here at the Kretzschau site and the two capacity expansions. For a family-owned company of our size, this was of course a great help.

**Rawoplast currently produces around 320 million pre-forms per year in 11 weights, from 0.125 to 2 litres. Who are your customers?**

**Wolfgang Bonerath:** Rawoplast's product portfolio focuses on fruit juices and dairy products. We also serve a segment in the PCO market. Our customer portfolio is very diverse and includes everything from smaller specialised companies to well-known retailers.

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**"DISCUSSIONS WITH CUSTOMERS AND PARTNERS HAVE ALWAYS BEEN DECISIVE FOR THE DEVELOPMENT OF RAWOPLAST."**

Janett Rasztoivits, company founder

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**Why do customers choose Rawoplast?**

**Marcus Sorge:** Rawoplast has a lean organisation. It's owner-led and it's of a manageable size. Decisions can be made quickly, flexibly and bindingly. Our warehouse and our own transport logistics also play a decisive role. We deliver just in time. This flexibility is certainly one of our strengths. Another reason why customers choose us as their partner is our high standards of product quality.



Marcus Sorge, the founder's younger son, completed his apprenticeship at his own company.



Rawoplast serves customers in the fruit juice and dairy sectors, as well as a segment of the PCO market.



"OUR LEAN, HIGHLY FLEXIBLE ORGANISATION MAKES RAWOPLAST A PREFERRED PARTNER."

Marcus Sorge, Plant Manager & Partner



The core team at Rawoplast has been there since the start-up of production 10 years ago and is highly competent.

**How do you assure product quality?**

**Marc Sorge:** We continuously check the product's structure, thread and weight, both optically and technically. We are also ISO:9001 and HACCP certified and are about to be BRC certified. These are all standard quality assurance measures. In the end, it is crucial for the customer that the preforms function absolutely smoothly in further processing.

**To what extent have the requirements and wishes of customers changed in the last 10 years?**

**Marcus Sorge:** More flexibility, quick solutions and better responsiveness are three important issues that customers care about. Since the beginning of the Covid-19 crisis, we have had to hold larger stocks so that any bottlenecks on the raw materials market can be dealt with. One change from the customer side affects the value-added process. In the past, customers approached us with a clearly specified preform and asked us to produce it. Today, they contact us at an early stage in the development of the bottle and the associated preform and involve us in the development process. So today, the customer gets a finished product from us. This includes, if necessary and requested, one of our technicians travelling to the customer's production site and adjusting the blow-moulding machine correctly.

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**"GIVEN THAT HDPE AND PP ARE INCREASINGLY BEING REPLACED BY PET, I FIRMLY BELIEVE THAT PET HAS A GREAT FUTURE."**

*Wolfgang Bonerath, Managing Partner*

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**As in all areas of manufacturing, price sensitivity is extremely high these days. Which cost factors affect you the most, but cannot be influenced by you?**

**Wolfgang Bonerath:** These are clearly raw materials and energy. Compared to last year, the price of energy has increased by 100 per cent this year. We can only counter such price fluctuations by integrating a so-called energy price clause into our contracts and by communicating with the customer in a very transparent and timely manner.

**Hanspeter Logo:** On the energy issue, we have concrete plans for a photovoltaic system and an energy storage system to reduce energy dependencies. According to the calculati-

ons, we should be able to reduce the amount of energy we buy by 25 to 50 per cent in the medium term. In addition to improved energy autonomy, we are also reducing the ecological footprint of our company.



**Where do you see the greatest challenges for PET production in the future?**

**Marc Sorge:** According to EU law, PET beverage bottles must consist of at least 25 per cent recycled material from 2025 and 30 per cent from 2030. However, the trend in the market is clearly towards 100 per cent rPET. At Rawoplast, we produced a preform made of 100 per cent rPET for a customer around eight years ago. In this respect, the greater use of recycled material does not give me any sleepless nights. With regard to the entire industry, I see major challenges in the areas of availability, processing and reduction of additives.

**The uncertain future, especially for plastic containers, is motivating many producers to diversify into other areas of application. How do you see this development?**

**Wolfgang Bonerath:** In my opinion, this is going in the wrong direction. With the dual system that we have here in Germany, the PET cycle is closed and the material can be completely reused, in stark contrast to cardboard packaging, for example. Also, given that HDPE and PP are increasingly being replaced by PET, I would say that PET has a great future.

**The technical and commercial challenges are likely to demand more from Rawoplast in its second decade than its first. How can Otto Hofstetter AG support you in this?**

**Marcus Sorge:** Ever since we started working together, we have had the same contacts at Otto Hofstetter AG. For us, as a family business, this is very pleasant, as a personal relationship has developed over the years. If we have questions, we quickly receive constructive answers. From my point of view, this is the kind of support that we would like to continue to enjoy in the future.

**You chose Otto Systems for the capacity expansion in 2019 – a courageous step given the fact that the provider hardly had any references at the time. What is your experience with it?**

**Marc Sorge:** From a pragmatic point of view, the answer is quite simple: we clean and overhaul the system at the beginning and the end of each week. If everything is fine between these days, we are happy. And that has always been the case with the production line from Otto Systems.

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**"WITH NEW SERVICES AND AN  
EXPANDED PRODUCT PORTFOLIO,  
RAWOPLAST'S SUCCESS  
OF RECENT YEARS WILL CONTINUE."**

Hanspeter Logo, Partner

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**Let's take a look into the future. The property owned by Rawoplast still has a lot of undeveloped space. How long will that stay this way?**

**Wolfgang Bonerath:** Our location here in Kretzschau is excellent in terms of the future because all signs point to growth. The existing building and the site offer plenty of space for increasing our capacity, expanding the value chain in the area of bottles and diversifying our product range. In addition, we are very well connected to the north–south and east–west transport axes. And the new composition of the shareholders opens up synergies that also offer potential for substantial growth.

**Hanspeter Logo:** Our plans also have a strong emphasis on ecological issues. We are in the early stages of developing our ideas for the processing of new materials and new pro-



ducts, thereby opening up new markets. Thanks to our new shareholder structure, Rawoplast's product and services portfolio will be further expanded, carrying us further along the successful path of recent years.

**Thank you all for this insightful interview, and all the best for the future.**



RAWOPLAST GmbH  
www.rawoplast.de

Manufacturers of PET preforms for the fruit juice and dairy sectors and segments in the PCO market; capable partners for both smaller specialised companies and large retailers.

Company headquarters: Naumburger Weg 2, Weissenfels  
Plant: Industriering 15, Kretzschau (OT Hollsteitz)

# LONGER LIFE.

Otto Hofstetter AG relies on **OH Cavity Lock technology** for its high-performance PET preform injection moulds. Thanks to their advanced engineering and Swiss precision manufacturing, Otto Hofstetter AG's customers worldwide achieve **top scores** in terms of **efficiency and durability** from these moulds. These two factors have a crucial, positive effect on the preform price and the total ownership costs of operating the mould.

Feedback from Otto Hofstetter AG's customers around the world confirms just how durable and reliable the moulds from Uznach are. Customers usually report tool availability of over 97 per cent and 25 million cycles or more without an overhaul, with a mould service life of more than 25 years. Performance levels like this testify to Otto Hofstetter AG's comprehensive engineering and manufacturing expertise.

**Customer benefits in focus.**

This total process know-how is the basis for the Cavity Lock technology that distinguishes the PET preform moulds of Otto Hofstetter AG. The system, developed in the 1980s by Otto Hofstetter AG's development manager at the time, Luiz Fernandez, reduces wear and optimises the maintenance and longevity of the moulds.

**More stability and less wear.**

With the Swiss mould manufacturer's Cavity Lock design, the stable mould plates take on the task of aligning the various stack inserts that shape the preform. The total surface area of the taper is around twice that of moulds from other manufacturers. The result is much more stability and much less wear. Initially, centring bushes were responsible for aligning the cores, but since 2010, this task has been done directly through a high-precision guide set in the core plate. This means that the core is positioned without coming into contact with the other stack parts. In order to achieve a long service life with low maintenance, special attention has been paid to the only dynamic separation in the OH stack. This design also has the further benefit that an additional locking ring is unnecessary. Due to its precision manufacture, the mould opens and

closes with practically no friction, which in turn has an extremely positive effect on wear resistance and, thus, service life.

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**"THANKS TO SWISS PRECISION,  
OHAG'S CAVITY LOCK TECHNOLOGY  
GETS TOP MARKS  
FROM CUSTOMERS AROUND  
THE WORLD."**

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**Holistic approach adds value.**

In addition to the precision design and manufacture of its moulds, Otto Hofstetter AG has put a lot of energy into the development of highly effective coatings. The finish applied to components that are exposed to higher forces due to their position and function, and are therefore more susceptible to wear, serves to increase the durability of the moulds. As an injection mould pioneer, Otto Hofstetter AG introduced TiN coatings on the mould's cores and neck splits as early as 1985. Since 2007, OH-Xtreme® has been the standard coating for neck splits. As the experience of operators of PET preform moulds from Otto Hofstetter AG has confirmed over the past 15 years, this exclusive coating is extremely durable, offering optimal sliding properties and assuring extremely low maintenance costs. Together with the chrome coating in the taper of the cavity, operators can achieve extraordinarily long running times. Numerous moulds have completed over 25 million shots with their original stack inserts, including the original thread splits.

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**>25 M SHOTS •**

**WITH THEIR ORIGINAL STACK INSERTS**

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**Durable and used worldwide.**

Otto Hofstetter AG has not only been perfecting its exceptional Cavity Lock system in its workshops in Uznach. It also draws on the extensive experience gathered from its customers around the world in everyday production.

To date, more than 2200 Otto Hofstetter AG moulds have been delivered worldwide, totalling over 150,000 cavities. And the company continues to actively develop new ways to offer its customers moulds with even higher performance and even longer service lives.

**Added tech for maximum effect.**

In addition to their remarkable modularity, four additional tools increase the versatility and effectiveness of PET preform moulds from Otto Hofstetter AG. OH Xport is a smart assistant that reduces expensive production downtime and supports timely, proactive preventive maintenance. OH Xblow is an automatic cleaning system that tripples the production time with rPET in between two cleanings. Then there is the proven technology of OH-Xcool®, which reduces cycle times and accelerates the cooling process by up to 15 per cent. And finally, by dedusting the hot runner on the fly, OH-Xtract® ensures more time spent in production and less time needed for maintenance.



The 144-cavity side-entry mould marks the latest generation from the PET division of Otto Hofstetter AG and is designed using the well-proven Cavity Lock technology.

MOULD AVAILABILITY 97%

# EXPENSIVE IS CHEAP.



Indonesia's **PT Sinar Jatimulia Gemilang (SJG)** produces industrial and food packaging in Bekasi, just outside Jakarta. Several well-known international consumer brands rely on the high quality of SJG's products, which has helped the company achieve significant growth in recent years. In an interview, **General Manager Albert Tanoni** discusses SJG's success and why he thinks it's incomplete if **society** as a whole does not **participate** in it.

**Mr Tanoni, allow me to start with an unusual question: How many cycles does your oldest Otto Hofstetter mould have under its belt?**

To answer your question, let's go back a bit further, please. Around 10 years ago, we got an order from Mondelez to produce cups for one of their most famous products, Oreo cookies. Two years later, the relationship was in jeopardy because the quality of our cups was being questioned. In order to regain the trust of this global brand, I made a decision, together with our board of directors. The quality of our Oreo cups must never again be an issue between Mondelez and SJG. The way to achieve this was simple. In 2014, we purchased our first mould from Otto Hofstetter. Since then, that mould has rung up almost 20 million cycles on the counter without ever needing service. It runs like a Swiss watch, and we can take on new orders with ease.

**Have you bought other moulds from Uznach in the meantime?**

If you want to produce for international brands, there is simply no room for imperfections. The moulds, the injection moulding machines and the operators, our employees, must ensure the highest quality in all areas. The success we had with the Oreo cups led us to acquire a mould for four-litre paint buckets from Otto Hofstetter, which went into operation in 2017. This mould also runs superbly and delivers the desired quality to the customer.

**Let's talk about your company now. Give us a brief overview of Sinar Jatimulia Gemilang, please.**

The company was founded in 1982. For the first 30 years, my colleague managed the firm, which was focused on manufacturing crates for PET bottles. The company belonged to the Sosro Group, the market leader in Indonesia in this field, and supplied Sosro exclusively. I joined the company in 2012 with the task of moving SJG into the broader market and generating more revenue. Our plan was to specialise in the areas of industrial and food packaging. Looking back on the past 10 years, I have to say the project has been a success. We generate 70 per cent of SJG's income from our own business.

**Which markets do you serve?**

Our paint buckets are for the Indonesian market. We supply companies around the world with the thin-walled cups and noodle cups. The Oreo cups that are produced with Otto Hofstetter's mould go to Asia, the Middle East, Australia and New Zealand. I should note here that, thanks to our Swiss mould, we were able to reduce the cup weight from 50 to 13.5 grams. The market gratefully welcomed this improvement.



To ensure that PT Sinar Jatimulia Gemilang can serve top international brands, Managing Director Albert Tanoni invests in employees and in the quality of machines and moulds.

**How many employees do you currently have?**

We started 40 years ago with about 400 employees. As the company evolved, with its focus on industrial and food packaging, many processes became automated and robot-assisted. Today, we offer around 200 people a secure and attractive job.

**"IN ADDITION TO CLEAR SEGMENTATION, A COMPANY MUST BE WILLING TO INVEST IN QUALITY."**

Albert Tanoni, General Manager, PT Sinar Jatimulia Gemilang

**In a recent interview, you said SJG is growing by around 15 per cent a year. That's a great achievement in a competitive market. How did you do it?**

I always tell my team that you need a compelling vision to be successful. For our company, the vision was to become a well-regarded player in our high-potential target markets. For this reason, we concentrate on our two areas, and we are selective when it comes to acquiring new customers. As an internationally recognised brand with worldwide distribution, Oreos, for example, corresponds to my image of an ideal customer. But you don't get into this position just like that. In addition to clear segmentation, a company must be willing to invest in quality. We did that with Otto Hofstetter. Thanks to the reliability, durability and manufacturing quality of our OHAG moulds, our production figures are very good, and annual growth of 15 per cent is achievable.

**So, your strategy is concentration. Your home market of Indonesia consists of over 17 000 islands. Does this unique geographic situation affect segmentation?**

The majority of our customers produce here on the island of Java, mostly in the metropolitan region of Jakarta. In this respect, the nature of our geography does not force us to take any special measures. The only things we have to pay attention to are delivery times and the requirements of our customers in this regard. For this reason, we are very grateful that our government is meeting the challenges head-on and is constantly expanding and improving the logistics infrastructure.

**SJG specialises in industrial and food packaging. Which areas do you think have the most potential for growth?**

Indonesia is home to about 270 million people and there is a housing shortage of around two million units every year. So the construction sector in our country is very active, and the demand for building materials is very high. That means the demand for high-quality paint cans is strong, and this is one of our specialties.

**What properties are especially important for building materials packaging?**

Resilience and stability are top priorities. Things can get hectic on construction sites, and there is always a high risk of a paint bucket falling off scaffolding. Because we are aware of this danger, our paint buckets can survive a fall from a height of four metres without damage. And, because building materials are not handled with kid gloves during transport, it's also very important that the containers are tight. A crack or a leaking lid can be devastating. Even if it is industrial packaging, the quality requirements are very high. In fact, they even tend to be higher than for food packaging.

**Your customer list includes such well-known consumer goods brands as Danone and McDonald's. These companies have a very strong focus on sustainability. How does that affect SJG's products and practices?**

The big international brands usually have their own standards that a producer has to meet. BRC certification is mandatory, in any case. We reached this milestone in 2019 and achieved Grade A in the process. Brands such as Mondelez, Oreo, Danone and McDonald's also place high demands on waste management and recycling. Customers are increasingly asking us to offer recycled plastic. Long-term cooperation with well-known companies is only possible if you can respond flexibly to their wishes. We are also open to processing bioplastics, if a customer requests it.

**SJG has an established record of corporate social responsibility, including your support of the SPS Mandiri Al Ikhlas School. What motivates you to get involved in projects like this?**

At SJG, we are convinced that the success of the company is incomplete if society at large does not participate in it. We see our commitment to the SPS school in this context. It's part of an educational programme aimed at street children and strives to enable all young people to get an education. Our company supports the facility with food, drinks, water canisters for washing up, paints and art supplies.

**Similar to the practice in Switzerland, you offer apprenticeships at SJG, something I have never encountered with other companies. How did this programme start?**

Actually, it was a visit to Otto Hofstetter AG that inspired me to start this programme. During my tour of the factory in Uznach, we came upon a big blue door with the words "Gate to the future" on it. In the room behind it, young people were working on demanding tasks with first-class machines.

I decided I wanted to do something like that at SJG. I believe that if we give young people a solid education, they will give us a lot of positive energy in return thanks to their creativity and flexibility. And this is very important in order to remain sustainable as a company.

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**"THE SUCCESS OF THE COMPANY IS INCOMPLETE IF SOCIETY AT LARGE DOES NOT PARTICIPATE IN IT."**

Tanoni, General Manager, PT Sinar Jatimulia Gemilang

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**The description of your apprenticeship programme says that candidates must be willing to live in Bekasi. Is it difficult to find suitable applicants in the metropolitan region of Jakarta, with its around 34 million inhabitants?**

Indonesia is experiencing a phase of remarkable economic growth. Like everywhere else in the world, capable and motivated young people are not in abundance and many companies are looking for the best young people.

We give preference to candidates who have completed their studies at a technical school. With this basic knowledge and our internal training programme, we can get them off to a good start in our highly specialised field.



**According to SJG's vision for the future, you want to become the best packaging company in Asia. How close are you to reaching your goal?**

When I took up my role at SJG back in 2012, my goal was to supply all of Asia and to work for international brands. At the time, that may have sounded presumptuous. As I said earlier, back then we only produced bottle crates for our parent company. Today, we work for many global players and deliver our products all over the world. We haven't quite reached our goal yet, but we're getting closer step by step.

**SJG identifies "Customer Success" as a core corporate value. To achieve this, you say that anticipating customers' needs is crucial. How do you do this?**

The key here is to forge a good relationship with each individual customers. We maintain very close, in many cases friendly, relationships with our customers. And, as you do for your friends, we think about our customers and their evolving needs even when we're not in direct contact with them. We should also note that employee satisfaction is another important factor in Customer Success. We follow the maxim, "The employees

are our most important customers.” Because if our staff is happy, they are also more motivated and more attuned to our customers. And one very important element in achieving a good working atmosphere is providing people with high-quality machines and moulds. That’s where Otto Hofstetter comes in. If you have the best people, the best system and the best equipment, customer success almost automatically follows.

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**“IN ORDER TO ELIMINATE RISKS  
WHEN IT COMES TO QUALITY,  
WE CHOSE OTTO HOFSTETTER AG.”**

Albert Tanoni, General Manager, PT Sinar Jatimulia Gemilang

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**In a very price-sensitive market, you rely on moulds and machines from Switzerland. How do you justify these higher-priced investments?**

We have a saying in Indonesia: “Cheap is expensive, expensive is cheap.” I particularly like the second part of that proverb. We prefer to spend a little more on moulds and machines for SJG because now we can reap the rewards from the superior productivity. I won’t tell you how much money we have saved with the mould we bought from Otto Hofstetter in 2014, but it’s significant.

Another reason to buy the best is our strategic goal to work for multinational brands. In order to meet their often demanding requirements, we have to use first-class machines and moulds. Otherwise, we wouldn’t be able to sleep peacefully at night.

**There are many other mould makers out there who know their trade. Why did you choose Otto Hofstetter in 2014?**

Like anyone who had been working in the plastics industry for over 20 years, I knew Otto Hofstetter AG’s excellent reputation before I contacted them. When we decided to introduce a new shape for our plastic buckets, we didn’t want to take any chances in terms of product quality.

Thus, it was only logical for me to contact Uznach. And your approach to our plans further convinced me. The final decisive factor was a glowing report I received from a friend who was already producing with moulds from Otto Hofstetter.

**What could Otto Hofstetter improve on?**

That’s a tough question. I don’t see much room for improvement in what they offer now but perhaps the offering itself

could be expanded a bit. I would be very grateful if I could also count on the quality of Otto Hofstetter AG for the production of 15- or 20-litre buckets, for example. This should be possible for a company that has been making injection moulds since 1955. That would be great.

**According to a government decision, single-use plastic will be banned in Indonesia from 2030. How will this affect your business?**

Indonesia produces around 33 million tonnes of plastic waste a year. About 30 per cent of that waste ends up in the sea, and nobody’s happy about that. The government wants to put an end to this mismanagement, and we support that effort with every means at our disposal. This does not mean that plastic should be abolished. Plastic packaging just has too many advantages.

However, we should consider, together with Otto Hofstetter, how we can use materials and energy even more efficiently, and how we can make our products even more recyclable. We should also investigate how bioplastics can be processed to yield high-quality materials. The fact is, if we don’t address these issues ourselves, government regulators are sure to place suboptimal restrictions on our activities.

**What will SJG be like in seven to ten years’ time?**

SJG will be one of the five largest packaging companies in Asia. In our home market of Indonesia, we are also aiming for a position in the top five in the food packaging sector.



**SJG**

QUALITY PACKAGING

PT Sinar Jatimulia Gemilang  
www.sjgpack.com

Manufacturer of plastic packaging for the food and construction industries, as well as food-safe packaging paper and high-quality gravure products.

Jl. Cemp. No.37, Jatimulya, Kec. Tambun Sel.,  
Kabupaten Bekasi, Jawa Barat 17510, Indonesia

# THE CIRCLE BEGINS.



The Global Commitment 2021 Progress Report gives the plastic packaging industry a positive rating. The report, from the Ellen MacArthur Foundation and the UN Environment Programme, notes that the long-term growth trend in the consumption of new plastic has finally been stopped, thanks largely to recycling. But more needs to be done.

Three years after the launch of the New Plastics Economy Global Commitment, the Ellen MacArthur Foundation and the United Nations Environment Programme have issued their 2021 Progress Report. Participants in the Global Commitment initiative include companies that, in sum, produce around 20 per cent of all plastic packaging globally. Signatories include such well-known consumer brands as Apple, Nestlé, PepsiCo, The Coca-Cola Company and Mondalez as well as packaging industry giants like Amcor and Berry Global, among the initiative's more than 500 member organisations.

According to the data collected, the affiliated companies have made significant progress in reducing their use of new plastic, cutting their consumption for the second year in a row. The rate of new plastic consumption had been growing for decades, but now the peak seems to have passed and the target – a reduction in consumption by almost 20 per cent over the period from 2018 to 2025 – appears to be achievable. This trend reversal has been largely achieved through recycling. The report also notes that more and more companies and countries have expressed support for a global agreement to reduce plastic pollution. The report notes that these voluntary actions certainly have had an impact, but they are not enough.

In addition to surveying the results achieved, the Global Commitment 2021 Progress Report includes detailed breakdowns on trends and sector data for specific areas like clothing, beverages, cosmetics, food, household and personal care and retail.

#### **Insights from the beverage sector.**

Half of the signatories from this sector have been able to reduce their consumption of new plastic by an average of 4 per cent. According to the report, increased demand for plastic containers due to the Covid-19 pandemic made it difficult to achieve a better result. Although seven of the eight companies in this area were able to increase the use of recycled plastic by 2.5 per cent, the proportion of recycled plastic

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## "NATIONS AND COMPANIES WOULD PREFER A GLOBAL AGREEMENT ON PLASTIC POLLUTION TO A VOLUNTARY PLAN."

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in the beverage sector, at 9.4 per cent, remains one of the lowest compared to other sectors.

Most of the steps taken by the beverage industry thus far have been aimed at improving the recyclability of their containers. In addition, some plastic has been replaced by paper, and some labels have been eliminated where feasible. However, success at completely replacing single-use packaging with alternative solutions has so far been limited.

Diageo, The Coca-Cola Company and PepsiCo are pushing for Extended Producer Responsibility (EPR), which commits producers and distributors to optimising management of the waste stage of the products they produce or sell. They see this as the only way to make recycling more effective. In more than 35 countries where rPET is not available in sufficient quantities, The Coca-Cola Company is also committed to supporting local deposit systems for recycling their plastic bottles.

Based on the results of the past three years, the signatories to the Global Commitment in this sector have committed to reducing the consumption of new plastic by 16 per cent by 2025.

#### **Insights from the food sector.**

Similar to the beverage sector, Covid-19 also had a significant impact on the efforts of signatories from the food industry. After all, 80 per cent of the companies reduced the amount



## What is the Global Commitment?

The Global Commitment is led by the **Ellen MacArthur Foundation** in partnership with the United Nations Environment Programme and already has **more than 500 signatories**. These include private companies, governments and non-governmental organisations. The packaging manufacturers and consumer brands that have committed to the ambitious goals of the Global Commitment account for **more than 20 per cent** of all plastic packaging produced worldwide. Consumer goods manufacturers such as L'Oréal,

Mars, Nestlé, PepsiCo, The Coca-Cola Company and Unilever, the world's largest retailer, Walmart, and large packaging manufacturers such as Amcor and Berry Global, plus two of the largest specialists in resource management – Veolia and Suez – are also among the signatories.



of plastic packaging by an average of 5 per cent. At just 2.6 per cent, this area has the lowest percentage of recycled raw material among the six sectors the report covers. Four companies nevertheless managed to raise this rate by 4 per cent. However, various initiatives by the Global Commitment signatories indicate that the trend towards reducing or substituting plastic will continue in the coming years.

In France, for example, Mars has tested refilling stations in stores for two of its rice brands. Pilot projects are also planned in Australia and Europe for pet products, among other items. Mondelez reduced various non-recyclable materials including PS, PVC and PVDC in nearly 5000 tons of packaging. The company has also joined forces with Mars UK, Nestlé, PepsiCo and Unilever to donate a GBP 1 million

### Insights from household and personal care.

The global pandemic has also left its mark on these areas. Although almost two-thirds of the companies active in this sector increased their consumption of new plastic by 5 per cent, demand has still increased significantly, particularly for hygiene products. In order to be able to reduce the use of new plastic by 2025, the signatories to the Global Commitment in this area have committed to an average reduction of 38 per cent.

As in the food sector, numerous programmes have been launched to promote recycling. The rating scale introduced by SC Johnson is one such example. All packaging is assigned a red, yellow or green status to improve recyclability. Packaging that is not readily recycled due to its pigments, materials or size gets a red rating and should be replaced.

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**"INCREASED CONSUMPTION OF HOUSEHOLD AND PERSONAL CARE PRODUCTS DROVE UP THE USE OF PLASTICS DURING THE PANDEMIC."**

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to a UK fund to increase the recycling of flexible plastics. Another initiative was launched by Nestlé. The company intends to use 2 million tonnes of recycled PP and PE for food packaging and has set aside CHF 1.5 billion to pay a premium for such materials by 2025.

Another example comes from Unilever. The company has increased its post-consumer recycled content from 5 to 11 per cent and expects to do the same in 2022. The group also plans to increase the number of recycled plastic suppliers in South and Southeast Asia and to invest in machines with artificial intelligence to help collect and sort packaging in China for subsequent reuse.



# WATER AND SUN.

**Michele Petrizzo and Otto Hofstetter AG** share a 26-year history. Much has changed during this time, which both the employer and the employee have absorbed with **great flexibility**. But if the experienced design engineer has his way, the biggest change is yet to come. Michele Petrizzo tells us what he means by that at his favourite spot near Uznach, the **Grynau swimming park**.

**You have been working at Otto Hofstetter AG for a good 26 years now. How has the company changed during this time?**

The company has grown dramatically in all areas in recent years. Various extensions have been added to the building in Uznach, and the number of employees has grown accordingly. Investments were also made on an ongoing basis to modernise the various systems we use. In short, the company as it was when I started 26 years ago cannot be compared to what it is today.

**If you compare your work then with what you do today, what is the biggest difference?**

As a young design engineer, I stood at a large drawing board and drew my plans on paper. A good spatial imagination was very much required. I had no way, for example, to model a hole in a three-dimensional space and check that it came out at the right place. I had to interpret that based on the drawing. CAD and computers only came in the 1990s and were by no means accessible to all employees. Conversely, we also had much more time for our tasks than



we do today. I'm happy about the digitalisation of my work because without these modern tools it would be impossible to complete the projects we have within today's tight time constraints. What also helps is a certain standardisation of the moulds.

**Where do you see the most significant technological advances in the moulds that Otto Hofstetter AG builds?**

The moulds for the thermoplastic sector are based on physical laws. That hasn't changed in almost 30 years. On the

other hand, huge advances have been made in manufacturing. Thanks to laser technology and high-precision systems, we are now able to build moulds that are much more compact and at the same time increase their efficiency. This means that less steel is needed to achieve the same robustness, and yet the moulds are much more productive and easier to maintain.

**From your point of view as a design engineer, where do you see the greatest challenges in the future?**

In the not-too-distant future, our design systems will be equipped with artificial intelligence. I think this will change the work of the designer even more than the move from paper to CAD did. In the future, I think that the system itself will propose how a mould must be designed to produce a specific plastic part. The task of engineering experts will be to check the plausibility of a solution and to evaluate any alternative solutions. This area of responsibility will also merge with that of production planning and control, resulting in a completely new job description. When this development will come on stream is unclear right now, but I'm sure that it will happen before I retire. So, for me, that means staying flexible.

**You worked for a number of years in a similar company, which allows you to make a comparison with Otto Hofstetter AG. In your opinion, what distinguishes OHAG?**

Despite its significant growth, Otto Hofstetter AG has managed to remain a family-run company. I see that as a big plus – for the employees as well as for customers. I also owe it to the family atmosphere that I was encouraged by the former engineering manager, Luis Fernandez, to increase my skills. I am very grateful to him for that. Another strength of our company lies in the rich know-how of the employees, which everyone is willing to share in order to obtain the best possible result for the customer.

**How could Otto Hofstetter AG improve?**

The company has a continuous improvement programme in place. In my opinion, this is worth a lot and makes me confident about the future. Due to the high levels of specialisation in individual areas these days, contact with each other has been diminished somewhat. But that may be the price you have to pay in order to be able to be successful in a competitive market at our high level.

**You spent a few months in California for a language course and got to know the Californian way of life. What could OHAG learn from this?**

When you address the balance between work and leisure that characterises the people of California, the employees of Otto Hofstetter AG can be assured they are in good hands. The company enables a good work-life balance. The fact that the climate in the Uznach region is not quite Californian can't be changed by the company.

**Bathing in a river may seem dangerous to some readers of the magazine. Don't you worry about the current?**

Since my youth, we have always jumped into the Linth – that's the name of the river in Grynau – to cool off a bit on hot summer days. There were already swimming pools, but the adventure in the river was more fun and we got there faster. Basically, it's not bathing. Rather, you let yourself drift on the water for a few hundred metres downstream and then get out again.

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**"EVERYONE IS WILLING  
TO SHARE THEIR KNOW-HOW TO  
ENSURE THE BEST  
POSSIBLE RESULT FOR THE CUSTOMER."**

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**Water is very important to you. How concerned are you that so much plastic waste ends up in water?**

In my view, the problem consists of two different issues. On the one hand, there's the plastic waste that ends up in the sea, and on the other, the microplastics. When it comes to plastic waste, we as a society have a responsibility that we must recognise. We must teach our children to respect nature and to follow proper waste management practices. As adults, we must set a good example for them. As far as the microplastics in the water are concerned, I see the task as one for us toolmakers. As part of the plastics industry, we should try to contribute to the solution with our know-how. We can do that if we all pull on the same rope.

**Do you see an approach to solving the plastic waste problem?**

First of all, in order to undertake effective measures, reliable information about the origin of the problem is necessary. Simply running off and changing something is not going to be effective. Unfortunately, discussions about this issue are often conducted in a subjective manner, with different parties pursuing different interests. I am convinced that if there is reliable data on the origin of microplastics, the



Michele Petrizzo is confident that the plastics industry can solve the waste problem if everyone pulls together.

industry will come up with solutions within a reasonable period of time. It's in our own interest. The advances made in cleanroom production show what is possible. But, of course, this will come with higher costs.

**What about the water quality of the Linth and the cleanliness of the Grynau?**

In this regard, I can only praise the users of this unique landscape. They respect its qualities and keep it clean. Plastic waste is extremely rare and, if there is any, it's usually just a plastic bag with dog waste. Because of the people's attitude, I'm confident that I'll be able to enjoy many more carefree walks through the Grynau together with my wife.

**How do you see your future at Otto Hofstetter AG?**

Artificial intelligence will eventually take over part of my work. Until then, I will use my knowledge and experience



to support the projects of Otto Hofstetter AG's customers. When AI has found its way into everyday work, I will deal with it and, with my colleagues, figure out how we can use it to get the best results for our customers.

**Thank you for the interview, Mr Petrizzo.**

## Michele Petrizzo

Design engineer in PET Development. He has been working for Otto Hofstetter AG for 26 years, with short breaks. He spent several months in California to improve his English and previously worked for Werfo AG in Haag, Switzerland – now Sulzer Mixpac AG – for nine years. Michele Petrizzo is married and has a 21-year-old daughter and a 19-year-old son.

# Otto Hofstetter, Senior

## 11 October 1924 to 29 March 2022

**After a long and fulfilling life, our company founder, Otto Hofstetter, Senior, passed away peacefully at his home on 29 March 2022. With his visionary pioneering spirit and exemplary entrepreneurship, he laid the foundation for today's company and expanded it with great care and wisdom in the course of his career as owner and managing director.**

Otto Hofstetter, Senior, founded the company on 1 April 1955 in a garage in Schmerikon, Switzerland. In the beginning, he earned money to realise his ideas with piecework. Word soon spread about the quality of his work. The company relocated to Uznach and from then on concentrated on toolmaking.

In 1962, the first mould for thin-walled packaging was designed. The subsequent specialisation in thin-walled products – mostly for the food industry – made it possible for Otto Hofstetter, Senior, to start exporting to Europe in the 1960s. In 1977, the Continental Can Company visited Uznach. On behalf of two well-known beverage manufacturers from the US, they were looking for a specialist who could construct moulds for a completely new type of product. As an innovator and entrepreneur, Otto Hofstetter accepted the challenge and designed the company's first PET mould. It had 16 cavities and produced preforms with a weight of 62 grams and a wall thickness of 4 millimetres. One mould turned into an order for 12, giving Otto Hofstetter AG a second mainstay and achieving the company's international breakthrough. In 1997, Otto Hofstetter, Senior, handed over the reins of his company to his son, Otto Hofstetter, Junior.

Until shortly before his death, however, he kept his finger on the pulse of the company and followed its impressive development with great interest.

We bid goodbye to Otto Hofstetter, Senior, with our full respect for his life's work and we deeply honour his memory.

**The management and staff  
of Otto Hofstetter AG**



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 **Otto Hofstetter**

A FAMILY OWNED SWISS COMPANY.

OUR INJECTION MOULDS FOR PET AND PAC FEATURE CRAFTSMANSHIP THAT IS UNIQUELY SWISS. OTTO-HOFSTETTER.SWISS

