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# Emhart Glass in Russia

Leading glass-packaging machinery supplier Emhart Glass is developing its Russian business in leaps and bounds. We speak to Michael Funkler, Regional Sales Director and Edward Munz, Vice-President of Corporate Development, to learn more about the company and its ambitions in the Russian market.

Emhart Glass is the world's leading international supplier of equipment, controls and parts to the glass container industry, with broad-based expertise in glass container forming, glass conditioning, gob forming, ware handling, cold end inspection,

refractory parts and quality assurance. Emhart also provides services including installation, training, production assistance, and maintenance services, as well as consultancy on the optimization of the production process.

The group has its headquarters in Cham, Switzerland and thirteen offices in ten countries around the world, including a sales and support facility in Moscow.

Although a world leader, Emhart Glass is proud to support customers both large and small. "We sell to all glass container companies and groups, regardless of size," confirms Michael Funkler. "Our customers are based around the world and our skilled after-sales service team supports them wherever they are."

## **Innovative solutions**

One of Emhart Glass' key strengths is its ability to develop and commercialise new solutions that add value for its customers, as Edward Munz explains. "We regard ourselves as a world leader in innovative container-forming and container-inspection equipment," he says. "In the realm of container forming, Emhart Glass is the only company to offer AIS machines — the best-performing pneumatically driven IS machines — in addition to classical pneumatic IS machines. We are also unique in offering the NIS-machine, the



only fully servo-electric-driven IS machine on the market. Both the AIS and NIS machines have the advantage of parallel mold motion, and they also open up the possibility of achieving more effective production of standard glass containers through the triple-gob production method. The NIS can also operate in quadruple-gob mode.

"In terms of inspection machines, Emhart Glass provides the most comprehensive range in the industry," he adds. "The Veritas range is the most advanced family of inspection machines on the market, providing online inspection of both round and non-round containers. The Veritas iM is currently the best-performing star-wheel machine for finish gauging, check detection and non-contact wall thickness control. The Veritas iB is a fully visual inspection machine for finish and bottom inspection. Finally, the Veritas iC is the leading optical sidewall inspection machine on the market."

As well as developing its own solutions, Emhart Glass has also expanded its inspection portfolio through acquisition. "Following our purchase of ICS/Inex in March 2007, our range of inspection equipment now also includes the Minilab, a state-of-the-art device for sample inspection of con-

tainer dimension, container weight, and, in combination with the pressure tester, container volume and internal pressure too," says Edward.

### Emhart Glass in Russia

Michael Funkler tells the story of Emhart Glass' trading in Russia. "We've been active in this market since the 1960s," he says. "From 1972 to 1985 we sold about 55 machines into the former Soviet Union. The years from 1985 to 1991 were a quiet period in terms of machine sales, obviously because of the major economic and social changes of that time. Since 1991, however, our business in Russia has been growing again, in IS machine sales and also in the sale of inspection equipment."

He goes on to summarise the activities of Emhart Glass in Russia. "Our business in Russia falls into three main categories: the sale of glass-container forming equipment, the sale of glass-container inspection equipment and spare parts for both types of machines. We also provide support in the installation and start-up of our equipment, as well as emergency call-out services, from our Moscow office. Our global customer profile also holds true for Russia – we sell to glass container manufacturers of all types and sizes."

Emhart Glass is delivering continuing growth, both worldwide and in Russia. "2006 was our best year in recent times," confirms Michael. "At the global level, we increased the number of IS sections sold by around 20%. In Russia and the CIS countries we continued to grow at an average annual rate of 5%."

### Fast-growing markets

Michael Funkler offers his thoughts on the attractions of Russia as a place for Emhart Glass to do business. "The CIS countries generally, and the Russian container glass market specifically, represent some of the fastest growing markets in the world today," he says. "Of course, every geographical market has its own peculiarities, and each is interesting for its own reasons. However, working in Russia is very rewarding for me personally. That's partly because of the significant commercial potential, but also because of the fascinating country and people of Russia."

Does Emhart Glass see any constraints on its development in Russia, or any major challenges to overcome? "Just the fact that there are only seven days in a week!" laughs Edward Munz.

"We're genuinely excited about participating in the growth of a wonderful industry in an exceptional country."

### Economic and industry trends

According to some sources, the productive capacity of Russian industry grew by 50% during 2006 alone. How has that affected Emhart Glass' target market? "We're seeing capacity in the glass container industry increasing to meet demand for bottles, as a consequence of the sustained economic growth in Russia," replies Edward Munz. "Demand will continue to grow hand in hand with economic growth, and capacity will be added as it's required and wherever it's economically justifiable. To avoid damping, customers may choose to diversify into different geographical markets that have a supply shortage – as far as is possible – and keep a tight rein on their costs as well."

Michael Funkler comments on the key trends in the market for glass container equipment today. "The major move we're seeing is towards the adoption of the triple-gob process to produce standard glass containers," he says. "As a consequence, about 40% of the machines we sell are AIS or NIS models. The three main reasons for choosing them are the lower investment per produced container, better operation and easier maintenance. For example, the life of a mould set is about 30–50% longer on an AIS machine than on a standard IS machine. That's because of the accuracy of the mould motion on the AIS machine, a key benefit of our patented Parallel Mould Motion system."

### Believing in glass

Concluding our interview, Edward Munz sums up Emhart Glass' mission. "We work to provide value to our customers through advanced technological automation solutions," he says. "We also aim to provide a fair return to our owners, to provide security and stimulating challenges for our employees and respect the communities and environments that sustain us in the long term."

He adds some positive thoughts about the future of the glass packaging industry. "We are confident of the future of glass as the healthiest and most environmentally friendly packaging material in the world," he says. "Premium products will always come packed in glass, and discerning consumers will always demand it. Environmentalists will lobby for it. We believe in it!" ■