

**22160 N. Pepper Road
Lake Barrington, IL 60010
(847) 382-1000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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(847) 382-1000**

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**Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
 Accelerated filer
 Non-accelerated filer
 (Do not check if a smaller reporting company)
 Smaller reporting company
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (1)
Units consisting of shares of Series A Convertible Preferred Stock, no par value, and warrants to purchase shares of common stock, no par value	\$10,000,000	\$1,245
Non-transferable rights to purchase units (2)	—	—
Series A Convertible Preferred Stock included as part of the units	Included with units above	—
Warrants to purchase shares of common stock included as part of the units (3)	Included with units above	—
Common stock issuable upon conversion of the Series A Convertible Preferred Stock (4)(5)	—	—
Common stock issuable upon exercise of the warrants (5)	\$[_____]	\$[_____]
Total	\$[_____]	\$[_____]

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended (the "Act").

(2) The rights are being issued without consideration. Pursuant to Rule 457(g), no separate registration fee is payable with respect to the rights being offered hereby since the rights are being registered in the same registration statement as the securities to be offered upon exercise of such rights.

(3) Pursuant to Rule 457(g) of the Act, no separate registration fee is required for the warrants because the warrants are being registered in the same registration statement as the common stock of the Registrant issuable upon exercise of the warrants.

(4) Pursuant to Rule 457(i) of the Act, no separate registration fee is required for the common stock issuable upon conversion of the Series A Convertible Preferred Stock because no additional consideration will be received in connection with the exercise of the conversion privilege.

(5) In addition to the shares of common stock set forth in this table, pursuant to Rule 416 under the Act, this registration statement also registers such indeterminate number of shares of common stock as may become issuable upon conversion or exercise of these securities as the same may be adjusted as a result of stock splits, stock dividends, recapitalizations or other similar transactions.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated September 18, 2018

PRELIMINARY PROSPECTUS

**Subscription Rights to Purchase Up to _____ Units
Consisting of an Aggregate of Up to _____ Shares of Series A Convertible Preferred
Stock and Warrants to Purchase Up to _____ Shares of Common Stock
at a Subscription Price of \$1,000 Per Unit**

We are distributing to holders of our common stock, at no charge, non-transferable subscription rights to purchase units. Each unit consists of one share of Series A Convertible Preferred Stock and ___ warrants. Each warrant will be exercisable for one share of our common stock. We refer to the offering that is the subject of this prospectus as the rights offering. In the rights offering, you will receive one subscription right for every share of common stock owned at 5:00 p.m., Eastern Time, on _____, 2018, the record date of the rights offering. The Series A Convertible Preferred Stock and the warrants comprising the units will be separate upon the closing of the rights offering and will be issued separately, however, they may only be purchased as a unit, and the units will not trade as a separate security. The subscription rights will not be tradable.

Each subscription right will entitle you to purchase one unit, at a subscription price of \$1,000 per unit, which we refer to as the basic subscription right. Each warrant entitles you to purchase ___ share of common stock at an exercise price of \$__ per share from the date of issuance through its expiration five (5) years after the date of issuance. If you fully exercise your basic subscription right, you may also exercise an over-subscription privilege to purchase additional units that remain unsubscribed to at the expiration of the rights offering, subject to the availability and pro rata allocation of units among stockholders exercising this over-subscription privilege. If all the rights are exercised, the total purchase price of the units offered in the rights offering will be approximately \$__ million.

The number of units you may purchase in the rights offering is limited by the number of shares of our common stock you held on the record date and by the extent to which the offering is oversubscribed due to other shareholders exercise of their basic subscription rights and/or over-subscription privileges, which we cannot determine prior to the

completion of the rights offering. The subscription rights will expire if they are not exercised by 5:00 p.m., Eastern Time, on _____, 2018, unless we extend the rights offering period. You should carefully consider whether to exercise your subscription rights prior to the expiration of the rights offering. All exercises of subscription rights are irrevocable, even if the rights offering is extended by our Board of Directors.

We have not entered into any standby purchase agreement or other similar arrangement in connection with the rights offering. The rights offering is being conducted on a best-efforts basis and there is no minimum amount of proceeds necessary to be received in order for us to close the rights offering.

Our Board of Directors is making no recommendation regarding your exercise of the subscription rights. The subscription rights may not be sold, transferred or assigned and will not be listed for trading on any stock exchange or market or on the NASDAQ Capital Market. Our Board of Directors may cancel the rights offering at any time prior to the expiration of the rights offering for any reason. In the event the rights offering is cancelled, all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

We have engaged Maxim Group LLC to act as dealer-manager for this offering.

We are conducting this offering to raise capital that we intend to use for repayment of certain outstanding indebtedness, for capital expenditures, for working capital and general corporate purposes (See "Use of Proceeds").

Broadridge Corporate Issuer Solutions, Inc. will serve as the subscription agent for the rights offering. The subscription agent will hold in escrow the funds we receive from subscribers until we complete, abandon or terminate the rights offering. If you want to participate in this rights offering and you are the record holder of your shares of common stock, we recommend that you submit your subscription documents to the subscription agent well before the deadline of the rights offering period. If you want to participate in this rights offering and you hold shares through your broker, dealer, custodian bank or other nominee, you should promptly contact your broker, dealer, custodian, bank or other nominee and submit your subscription documents in accordance with the instructions and within the time period provided by your nominee.

Our Board of Directors reserves the right to terminate the rights offering for any reason any time before the closing of the rights offering. If we terminate the rights offering, all subscription payments received will be returned within 10 business days, without interest or deduction. We expect the rights offering to expire on or about _____, 2018, subject to our right to extend the rights offering as described above, and that we would close on subscriptions within five business days.

Our common stock is currently quoted on the NASDAQ Capital Market under the symbol "CTIB". On September [], 2018, the last reported sale price per share of our common stock on the NASDAQ Capital Market was \$[_____]. We do

not currently intend to apply for listing of the Series A Convertible Preferred Stock or warrants on any securities exchange or recognized trading system.

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Our principal executive offices are located at 22160 N. Pepper Rd., Lake Barrington, IL 60010. Except as otherwise indicated herein or as the context otherwise requires, references in this prospectus to the “Company,” “CTI,” “we,” “us,” “our” and similar references refer, collectively, to CTI Industries Corporation, its Mexico subsidiary (Flexo Universal, S. de R.L de C.V.), its United Kingdom subsidiary (CTI Balloons Limited), its German subsidiary (CTI Europe GmbH) and CTI Supply, Inc.

	Per Unit	Total (2)
Subscription price	\$1,000	\$_____
Dealer-manager fees and expenses (1)	\$_____	\$_____
Proceeds to us, after fees and before expenses	\$_____	\$_____

(1) In connection with the rights offering, we have agreed to pay Maxim Group LLC as the dealer-manager a cash fee equal to 7.0% of the gross proceeds received by us directly from exercises of the subscription rights. We have also advanced the dealer-manager \$35,000 and agreed to reimburse the dealer-manager for its expenses up to a maximum of \$90,000. Please see "*Plan of Distribution*."

(2) Assumes the rights offering is fully subscribed, but excludes proceeds from the exercise of warrants included in the units.

You should read this prospectus, the documents incorporated by reference, any prospectus supplement or free writing prospectus that we may authorize for use in connection with this offering, in their entirety before making an investment decision. You should also read and consider the information in the documents to which we have referred you in the section of this Prospectus entitled “Where You Can Find Additional Information.” These documents contain important information which you should consider when making your investment decision.

We are only responsible for the information contained in, or incorporated by reference into, this prospectus, any prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not authorized anyone to provide any information other than that contained in this prospectus, in any prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We are offering to sell, and seeking offers to buy, securities only in jurisdictions where such offers and sales are permitted. The information in this prospectus, in any prospectus supplement or in any free writing prospectus is accurate only as of its date, regardless of its time of delivery or of any sale of securities. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share is based on information from our own management estimates and research, as well as from industry and general publications and research conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such knowledge, which we believe to be reasonable. In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors". Those and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Cautionary Note Regarding Forward Looking Statements".

Investing in our securities involves risks. You should carefully consider the Risk Factors beginning on page [24] of this prospectus before you make an investment in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Dealer-Manager

Maxim Group LLC

The date of this prospectus is _____, 2018

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Neither we, nor the dealer-manager, has authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the units offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date. We are not, and the dealer-manager is not, making an offer of these securities in any jurisdiction where such offer is not permitted.

For investors outside the United States: Neither we nor the dealer-manager has done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of securities and the distribution of this prospectus outside the United States.

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You should read this prospectus, any applicable prospectus supplement and the information incorporated by reference in this prospectus before making an investment in the securities of CTI Industries Corporation. See "*Where You Can Find Additional Information*" on page [55] for more information. You should rely only on the information contained in or incorporated by reference in this prospectus or a prospectus supplement. The Company has not authorized anyone to provide you with different information. This document may be used only in jurisdictions where offers and sales of these securities are permitted. You should assume that information contained in this prospectus, or in any document incorporated by reference, is accurate only as of any date on the front cover of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain, in addition to historical information, certain forward-looking statements. within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, that include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation and availability of resources. Such forward-looking statements include those that express plans, anticipation, intent, contingency, goals, targets or future development and/or otherwise are not statements of historical fact. These forward-looking statements are based on our current expectations and projections about future events and they are subject to risks and uncertainties known and unknown that could cause actual results and developments to differ materially from those expressed or implied in such statements.

In some cases, you can identify forward-looking statements by terminology, such as "expects," "anticipates," "intends," "estimates," "plans," "believes," "seeks," "may," "should," "could," or the negative of such terms or other similar expressions. Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this prospectus or incorporated herein by reference.

You should read this prospectus and the documents we have incorporated by reference or filed as exhibits to the registration statement, of which this prospectus is part, completely and with the understanding that our actual future results may be materially different from what we expect. You should not assume that the information contained in this prospectus or any prospectus supplement or free writing prospectus is accurate as of any date other than the date on the front cover of those documents, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus or any sale of a security.

Risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from those expressed or implied in our written or oral forward-looking statements may be found in this prospectus

under the heading "Risk Factors" and in our Report on Form 10-K for the period ended December 31, 2017, under the heading "Business," as updated in our Quarterly Report(s) on Form 10-Q.

Forward-looking statements speak only as of the date they are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of the information presented in this prospectus and incorporated herein by reference, and particularly our forward-looking statements, by these cautionary statements.

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PROSPECTUS SUMMARY

The following summary highlights certain of the information contained elsewhere in or incorporated by reference into this prospectus. Because this is only a summary, however, it does not contain all the information you should consider before investing in our securities and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information included elsewhere in or incorporated by reference into this prospectus. Before you make an investment decision, you should read this entire prospectus carefully, including the risks of investing in our securities discussed under the section of this prospectus entitled "Risk Factors" and similar headings in the other documents that are incorporated by reference into this prospectus. You should also carefully read the information incorporated by reference into this prospectus, including our financial statements, and the exhibits to the registration statement of which this prospectus is a part.

Unless the context otherwise requires, references to "we," "our," "us," "CTI" or the "Company" in this prospectus mean CTI Industries Corporation on a consolidated basis with its wholly-owned subsidiary, as applicable.

Our Company

We have been engaged in the business of developing flexible film products for over 40 years and have grown to become a leading global provider of innovative consumer and commercial products which employ this technology. We are a leading designer, developer and producer of plastic, foil and latex balloons that we market and sell throughout the United States and in more than 30 countries worldwide. We have developed, produced and marketed consumer vacuum sealing systems for the home and we produce printed and laminated films for commercial packaging applications.

Our principal lines of products include:

Novelty Products consisting principally of foil and latex balloons and other consumer products.

Vacuum Sealing Containers and Sealing Devices for home and consumer use to vacuum seal, store and preserve food and personal items. These products are sold under the Ziploc® brand name, under license agreement and the Clever Fresh™ brand.

Flexible Films for food and other commercial and packaging applications.

In addition to these principal product lines we engage in (i) the assembly and sale of Candy Blossoms (small gift bouquets of arranged candy items often including ribbons and/or a small foil balloon), (ii) the distribution in Mexico of party goods products, and (iii) the sale and distribution of home containers and organizing products (some of which we produce) to and through a related entity which distributes these products through a network of independent distributors.

We leverage our creative and technological expertise to design and develop proprietary products and introduce those new products each year. We have acquired significant technology and know-how since commencing operations. We currently hold several patents, related to flexible film products including specific films, zipper closures, valves and other features of these products.

Our principal production processes include:

Coating and laminating rolls of flexible film. Generally, we adhere polyethylene film to another film such as nylon or polyester.

Printing film and latex balloons. We print both plastic and latex films, with a variety of graphics, for use as packaging film or for balloons.

Converting printed film to balloons.

Converting film to flexible containers.

Producing latex balloons and other latex novelty items.

Assembling and inflating of novelty products and balloons and Candy Blossoms.

In 1978, we began manufacturing metalized balloons (often referred to as "foil" balloons), which are balloons made of a base material (usually nylon or polyester) often having vacuum deposited aluminum and polyethylene coatings. These balloons remain buoyant when filled with helium for much longer periods than latex balloons and permit the printing of graphic designs on the surface.

In 1985, we began marketing latex balloons and, in 1988, we began manufacturing latex balloons.

In 1999, we acquired extrusion coating and laminating machines and began production of coated, laminated and printed films, which we have produced since that time. These flexible films are used in the coating, laminating, and printing of flexible films for our container and novelty products and sold to other companies that use them in the production of flexible containers for the storage of liquids, food products, household goods, and other items. In 2012, we commenced the distribution of home container and organizing products, some of which we produce, to and through a related entity that distributes those products through a network of independent distributors in the United States.

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In 2014, we began assembling and producing Candy Blossoms which include candy inserted into a container, and at times, decorated with air-filled balloons.

In 2015, we commenced the distribution of party goods in Mexico.

We market and sell our foil and latex balloons and related novelty items throughout the United States, Canada and Mexico and in a number of other countries in Latin America and Europe. We supply directly to retail stores and chains and through distributors, who in turn sell to retail stores and chains. Our balloon and novelty products are sold to consumers through a wide variety of retail outlets including general merchandise, discount and drugstore chains, grocery chains, card and gift shops, and party goods stores, as well as through florists and balloon decorators.

Most of our foil balloons contain printed characters, designs and social expression messages, such as “Happy Birthday,” “Get Well” and similar items. For some of our balloon designs, we obtain licenses for well-known characters and print those characters and messages on our balloons.

We produce pouches and rolls of film for use as flexible containers in a variety of applications, including (i) zippered pouches with valves for vacuum sealing of food and household products, and (ii) pouches and rolls of film for use with vacuum sealing machines to vacuum seal, store and protect food and household items. We market and sell flexible containers and rolls of film for consumer storage uses through retail chains and outlets throughout the United States, and we provide flexible containers to others for resale. We market and sell vacuum sealing machines for use with pouches and rolls of film for the vacuum storage of food and household products.

We provide customized laminated films and printed films to customers who utilize the film to produce bags or pouches for the packaging of food, liquids and other items.

In 2017, our revenues from our product lines, as a percent of total revenues were:

Novelty Products	69% of revenues
Vacuum Sealing Containers and Devices	14% of revenues
Flexible Film Products	4% of revenues
Other Products	13% of revenues

We are an Illinois corporation with our principal offices and plant at 22160 N. Pepper Road, Lake Barrington, Illinois.

Business Strategy and Developments

Beginning in 2017, we implemented a series of initiatives that we believe have stabilized our operations and created a foundation for improved performance in 2018. These actions are expected to strengthen profitability, enhance efficiencies, improve product quality, catalyze business development, and expand our geographic and product footprints. As a result of these actions, and while acknowledging the existence of certain operational and general industry challenges, for the full year of 2018 we expect higher net sales, lower total operating expenses, and more profitable operations when compared to 2017.

Our business strategy and recent developments related to our business include the following:

New Management. Significant management changes occurred on or about December 1, 2017. John Schwan retired as CEO and continued as Chairman of the Board. Mr. Stephen Merrick, then President, assumed the role as CEO. Mr. Jeffrey Hyland joined CTI as President. Messrs. Merrick and Hyland both report directly to the Board of Directors. Mr. Frank Cesario joined as CFO, and Mr. Jeffrey Memenga joined as Plant Manager for our domestic locations. Finally, the Manager of our European operations (based in Germany), Mr. Manfred Jakobi, was promoted to be the Manager over both our European and U.K. operations. New management immediately developed and implemented an extensive 100-Day Action Plans to address immediate needs of the organization.

Expense Reductions. In order to improve results, during 2017 and 2018, management has implemented approximately \$3.0 million in annualized expense reductions. As part of our ongoing improved profitability and efficiency initiative, additional expense reductions are in process during 2018 that, if appropriate, will be implemented during late 2018 and 2019.

Refinancing. During December 2017, we secured new financing from PNC Bank, National Association, and immediately repaid all tranches of our prior credit facility including senior debt, term debt, and mezzanine debt along with the related warrants.

Manufacturing Capacity Expansion. In order to meet growing customer demand, during 2018, we installed two new foil balloon converting machines that, operating at full capacity, increases our foil balloon manufacturing volume by approximately 35%. While significantly increasing capacity, these new machines are also an important factor in another workstream, our quality improvement initiative. We plan additional capital investment with the proceeds of this offering to upgrade and maintain our production systems and to add new production capacity.

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Sales Initiative. We are transforming our business to focus on organic, profitable sales growth. In working with existing and new customers, we have developed a new Sales Pipeline report that represents substantial sales opportunities. In our vernacular, we include items on the Sales Pipeline report as specific opportunities that we are actively pursuing for new business. By definition, opportunities included on the Sales Pipeline report have not been awarded to us and we may not win as new business. The opportunities dramatically range in size and are across all our product lines and geographies. We intend on adding sales people and/or third-party distributors in the future. Our sales initiative is a critical driver of our strategic vision in order to aggressively take market share in the competitive markets that we compete.

Continuous Profit Improvement. In 2018, as part of a continuous profit improvement initiative, we are challenging our business model and are in various stages of assessment. We are evaluating what we are manufacturing, where we are manufacturing, how we are manufacturing, and the suppliers we are using. We are also evaluating our strategic alternatives as they relate to investments. In response to the new U.S. tariffs implemented and potentially being implemented by the U.S. government on other countries, we are addressing the pricing of our products with our customers. Our senior management team is committed to continuously improving the Company's profitability and we have multiple workstreams with the objective to achieve that result.

New Products. Given the competitive nature of our industries, we must continue to develop new products to stay at the forefront and provide fresh ideas to our customers. In 2018, we have presented and are presenting several new products to the marketplace. Our Creative Department has developed several new potential foil balloon products. We have also redesigned our Candy Blossom product, and as such, have enjoyed significant growth in that category with also a great deal of interest from potential customers. In our commercial films business, we are continually designing new products based on customer needs.

Acquisitions. While there is no guarantee that we would ultimately be successful, we intend actively to pursue acquisitions in 2019. During 2018, we evaluated two potential acquisitions and passed on them due to strategic reasons. Potential acquisition targets would be in our existing product lines of balloons, commercial films, and party goods in order to achieve synergistic benefits from the acquisitions. The targets range in revenue size as compared to the Company from smaller to larger and vary across domestic and international geographies.

Growth Strategy

Our growth strategy entails pursuing organic opportunities with our existing customer base, developing new product lines, pursuing new customers, expanding our geographic presence and pursuing strategic acquisitions. We are currently aggressively pursuing existing and new customers in our current markets and product lines. In order to achieve our growth plans, we are implementing the following tactics:

- ***Pursue domestic sales opportunities with existing customers.*** We see growth opportunities by expanding sales to existing domestic customers, which to some degree has been limited in the past by capacity constraints. This year our capital investment in equipment has increased our foil balloon manufacturing capacity by approximately 35% and we are continuing to add capacity. We intend to capitalize on this added capacity to capture more market share from our competitors. We have continued to increase capacity as a result of the demand of our products from our customers as well as capitalizing on other current opportunities across our other product lines that we offer. This growth will require our creative department to continue to create new and exciting balloon products.
- ***Develop and introduce new customer and end user-focused products.*** Given the growth we are experiencing and anticipate to experience with new products such as our small format vacuum sealing machine, U Fill 'Ems/Fun Fills, balloon shapes, and the redesigned Candy Blossom line, our customers are coming to expect CTI to introduce creative new and redesigned products. We have an active new product and R&D initiative to stay at the forefront of consumer trends.
- ***Pursue new customers.*** We are actively pursuing multiple new customer opportunities. Historically, with our limited foil balloon manufacturing capacity, we were unable to pursue all new customer opportunities. With our increased balloon capacity, we are now aggressively approaching new customers or customers that we previously were unable to fully service. We believe we will grow our customer base which will enable us to capture new market share as a result of this new manufacturing capacity. In regards to our commercial films product line, we have a substantial opportunity to better utilize our existing equipment. Currently, our commercial films equipment is only utilized approximately 14%, whereas the equipment is designed to run continuously. We have active sales strategies and opportunities for both tolling and end-user applications to fill the available machine time.
- ***Expand our geographic presence.*** We have several current and potential international customers with whom we have opportunities to expand our relationship. Our international sales teams are establishing relationships and developing new relationships to grow their business. In certain situations, we are pursuing sales opportunities by utilizing a partnership with a separate party goods manufacturer that allows CTI to sell more products to our existing buyers and to become a one-stop-shop for party and balloon products. In other situations, we are opening doors utilizing our existing product line with customers that not are offering our products in their merchandising strategy.

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- ***Pursue strategic acquisitions.*** We believe there are significant synergistic opportunities to acquire companies that operate in our existing product lines. Acquisitions in the commercial films industry would allow greater inroads into that growth segment and better utilize our equipment while reducing our current customer concentration and seasonality. Additionally, we believe we will be able to rationalize significant cost savings from potential acquisition targets as a result of our fully integrated operating and manufacturing platform. Acquisitions in balloons and party goods would provide the framework for a greater breadth of product offering, geographic footprint, and manufacturing expertise and capacity. We also believe that acquisitions in non-core vertical segments will allow us to better monetize our customer relationships.

Products

Foil Balloons. We have designed, produced and sold foil balloons since 1979 and, we believe we are the second largest manufacturer of foil balloons in the United States. Currently, we produce several hundred foil balloon designs in different shapes and sizes.

In addition to size and shape, a principal element of the Company's foil balloon products is the printed design or message contained on the balloon. These designs may include figures and licensed characters many of which are well known. We recognize that consumer trends and preferences, and competing products, are constantly changing. In order to compete effectively in this product line, we must constantly innovate and develop new designs, shapes and products.

Latex Balloons. Through our subsidiary in Guadalajara, Mexico, Flexo Universal, S. de R.L. de C.V. (“Flexo Universal”), we manufacture latex balloons in a wide variety of sizes and colors. Many of these balloons are marketed under the name Partyloons® and other balloons are also marketed on a private label basis. We also manufacture toy balloon products including punch balls, water bombs and “Animal Twisties.”

Vacuum Sealing Pouches and Systems. We produce, market, and sell consumer vacuum storage pouches and systems for the vacuum storage of food and other household items. We produce (i) vacuum sealable bags and rolls of film for use with vacuum sealing device