Rigid Packaging Markets

by

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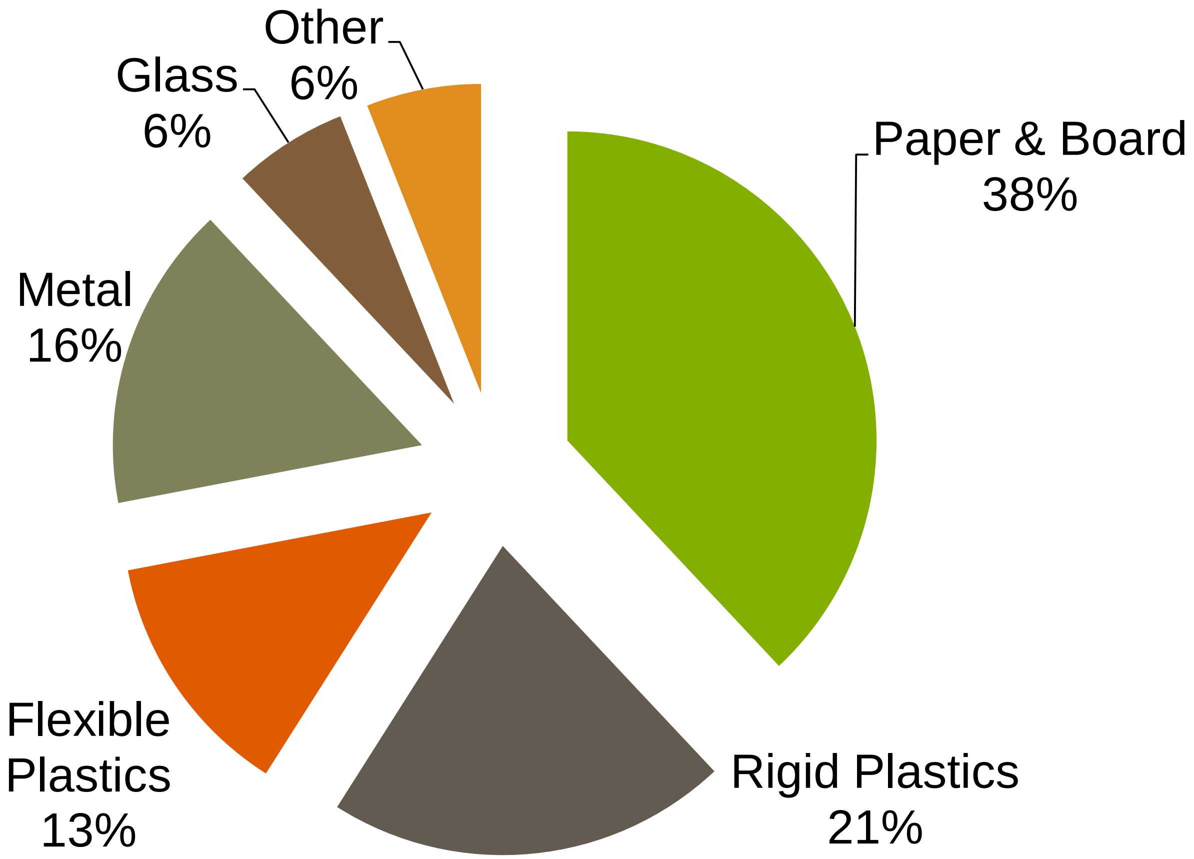
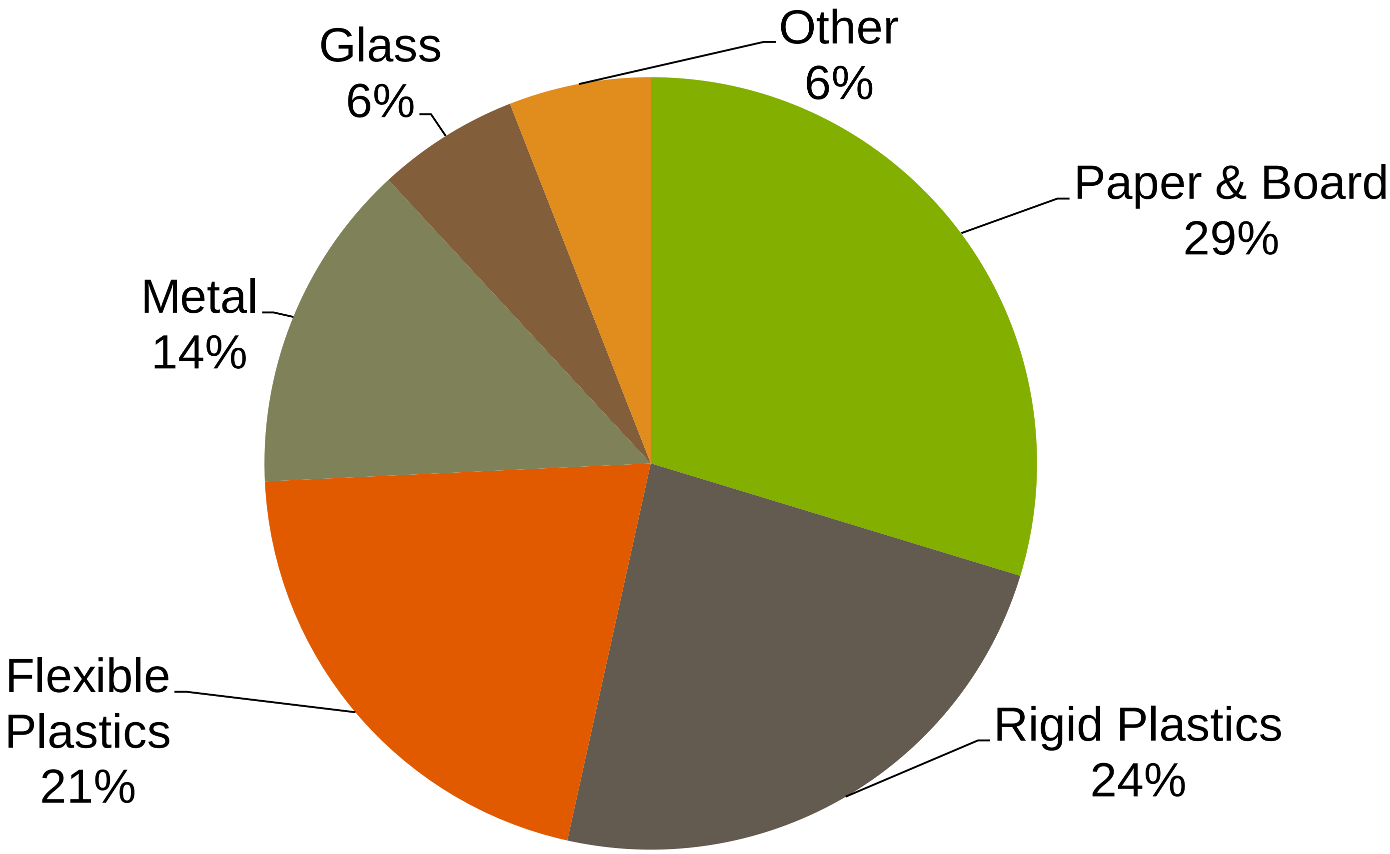
The global packaging market is expected to reach $820 billion by 2016.

according to The Future Global Packaging Report
from Pira International.

Global Packaging Market 2009



Global Packaging Market 2016



Plastics Packaging

- Rigid plastic packaging will continue to be the fastest growing sector of the market with consumption forecast 2016 to reach US$ 200 billion.
- Flexible plastic packaging sales are set to grow as Asian markets such as India and China, as well as to an extent by the rising incidence of pack substitution in developed markets from cans, etc. to stand-up pouches.
- Across other sectors, metal packaging sales are set to grow steadily, but will lose further share to plastics in beverage markets. Food cans will also lose share, and container glass will lose share across food, beverage, healthcare and other key end-use sectors.

BRIC Countries

- The Brazil, Russia, India and China (BRIC) markets comprise approximately 30% of global demand, increasing as their economies further develop. Packaging sales in the emerging markets are expected to continue to show strong growth as both increased consumption and demand for consumer goods drives the need for more sophisticated packaging, due to a growing middle class.
- The global consumer packaging market is valued at approximately US$400b and an estimated US$500b if industrial end-markets are included.

Rigid Plastics Packaging

- Rigid plastic packaging is often favoured over traditional pack types for a combination of properties, including lighter weight, lower comparative cost, design flexibility and the ease of recycling.
- Public pressure is mounting towards brand owners and retailers to reduce the environmental impact of packaging. In response, packagers are reducing the weight and using materials that are either biodegradable or derived from sustainable sources. Technology, economic, social and demographic influences all play key roles in growth markets. Developments such as better barrier solutions, improved resin formulations, faster and more efficient processing machinery and solutions for hot-filling and aseptic filling of plastic packaging are driving consumption.

Rigid Plastics Packaging

- While opportunities still exist for the further adoption of rigid plastic packaging at the expense of traditional pack types, key application areas such as carbonated soft drinks and mineral water, have reached market saturation in developed markets. Light-weighting and the growing uptake of recycled plastics will also restrain consumption of virgin polymer. Rigid plastic packaging faces growing competition from flexible plastic packaging, and in particular flexible stand-up pouch packaging in various food and beverage applications.

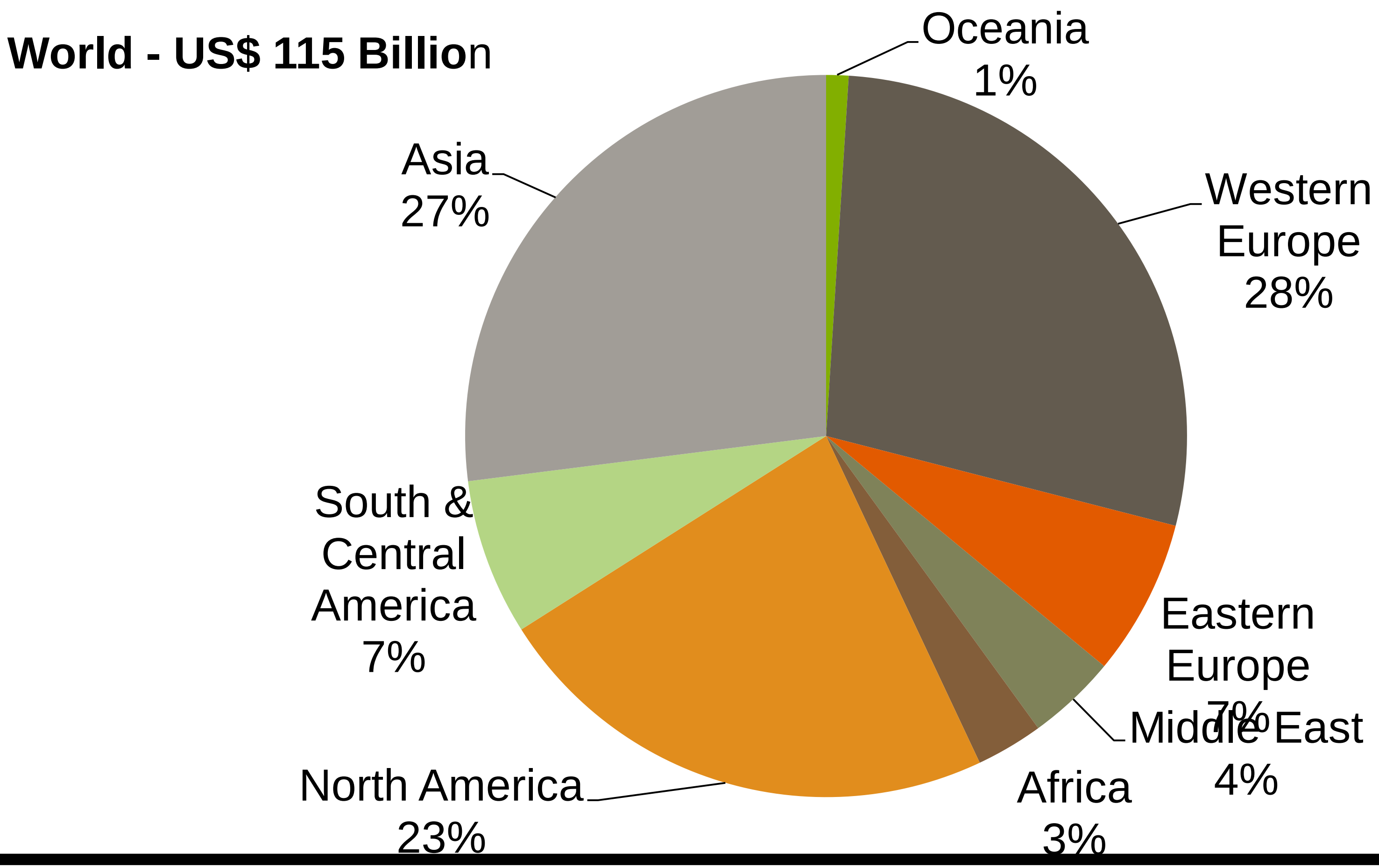
Rigid Plastics Packaging

- Growth will be lower than the global market average rate in the more mature regional markets of Western Europe and North America over the 5 years included in the forecast. However, this will be offset by forecasted higher growth in the less developed markets of Eastern Europe, South & Central America and the Middle East & Africa. Asia is also projected to grow sales at higher than the global average rate with China and India growing demand at double-digit rates.

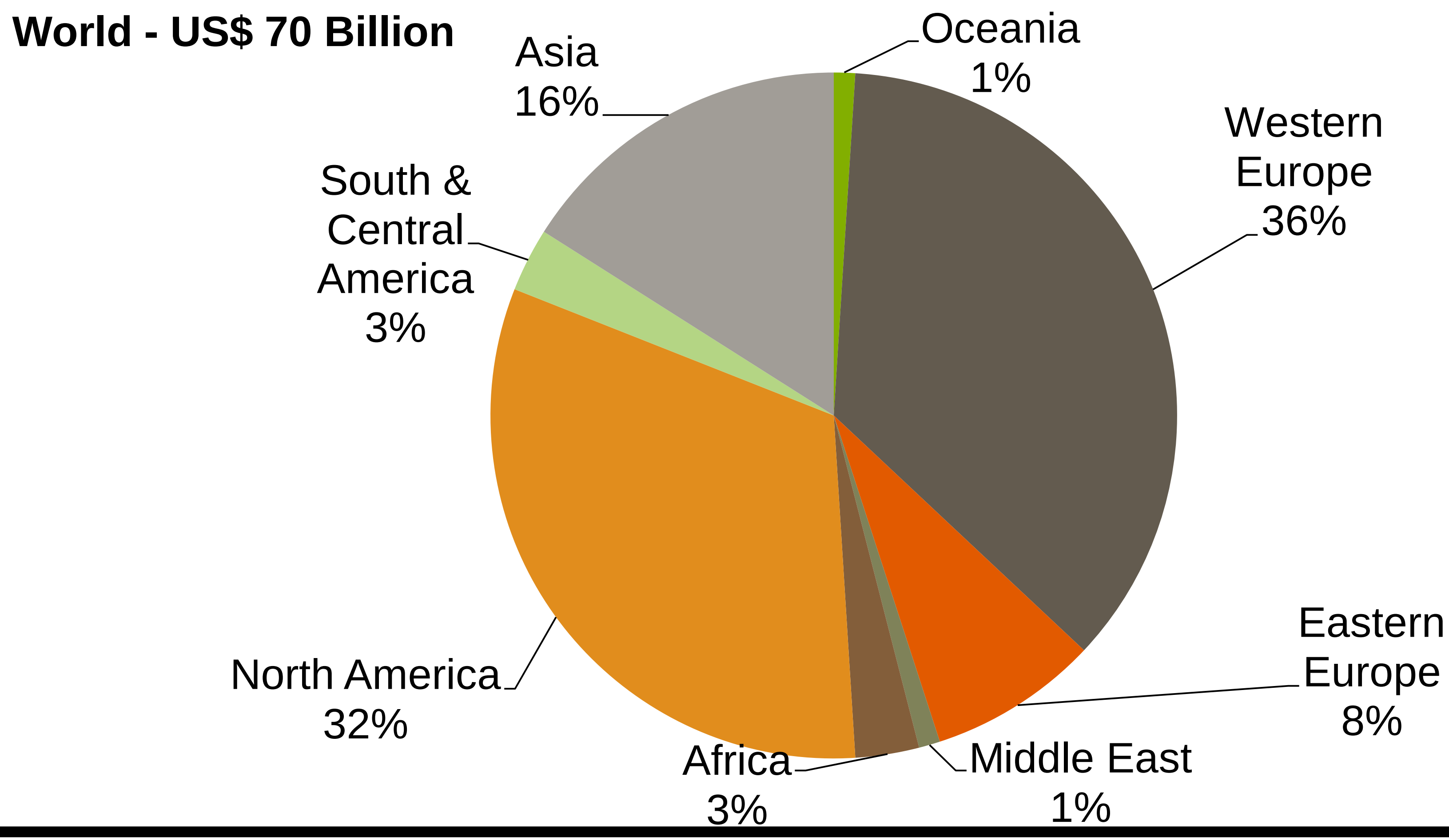
Rigid Plastics Packaging

- PET has overtaken PE as the leading polymer for rigid packaging overall accounting for a projected share of just over one-third of world rigid plastic packaging consumption in 2013. While PE is losing market share, PET and PP are continuing to gain share. PVC is now only a minor polymer for rigid plastic packaging, and both PS, and more particularly EPS, have also lost ground to PP. Other polymers, most notable including bioplastics, and barrier polymers such as EVOH, are also gaining market share.

World Rigid Packaging Market by Region 2009

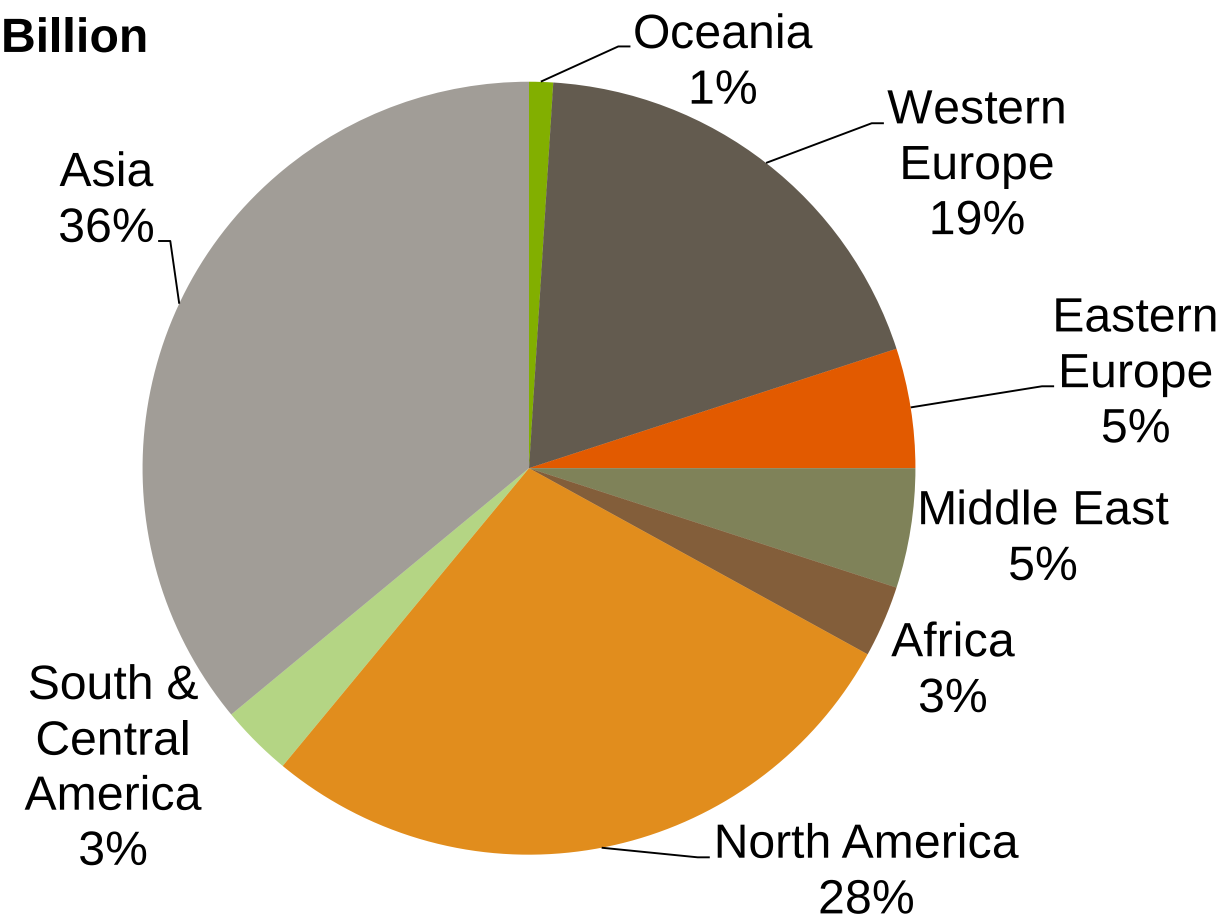


World Flexible Packaging Market by Region 2009



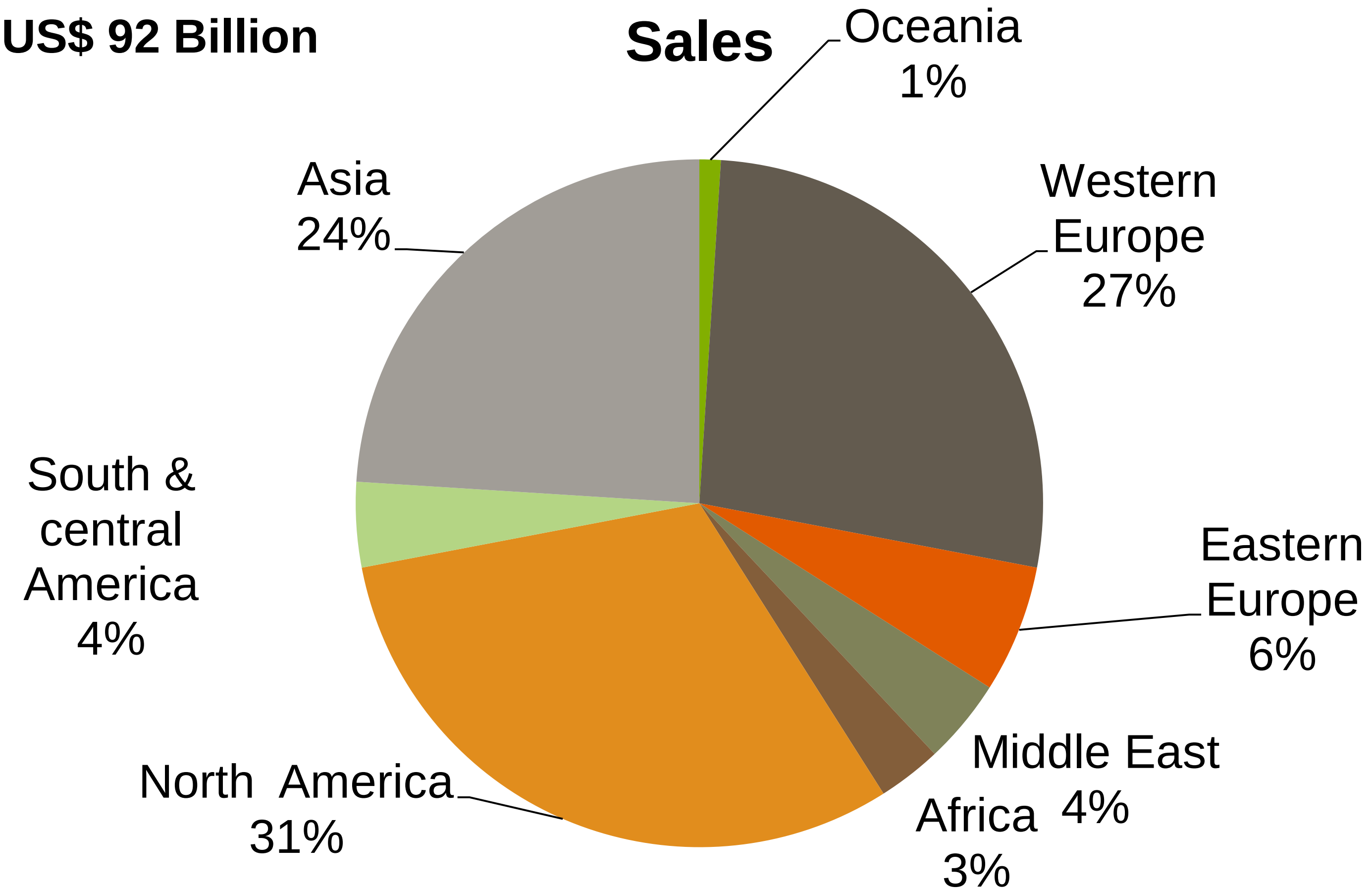
World Paper & Board Market by Region 2009

World US$ 216 Billion



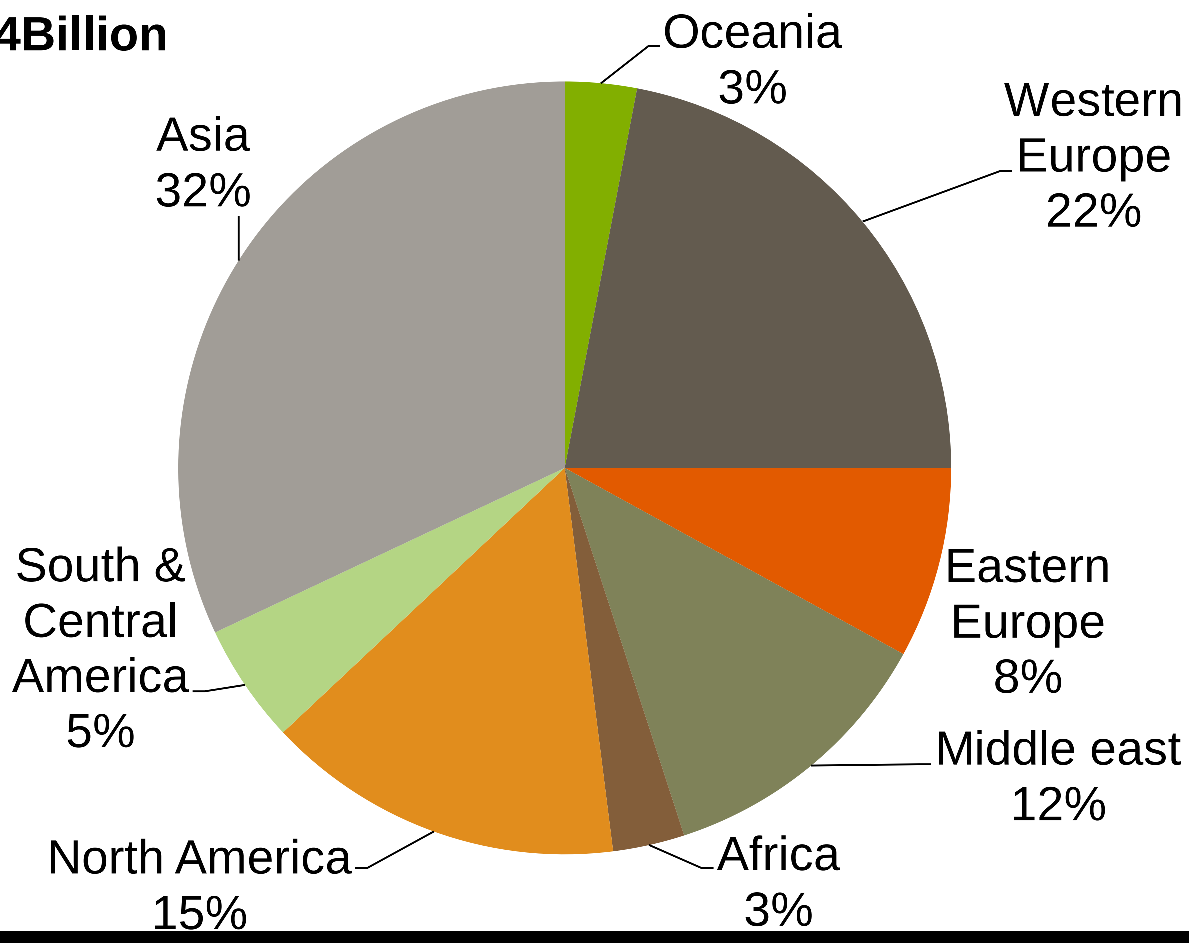
World Metal Market by Region 2009

World – US$ 92 Billion

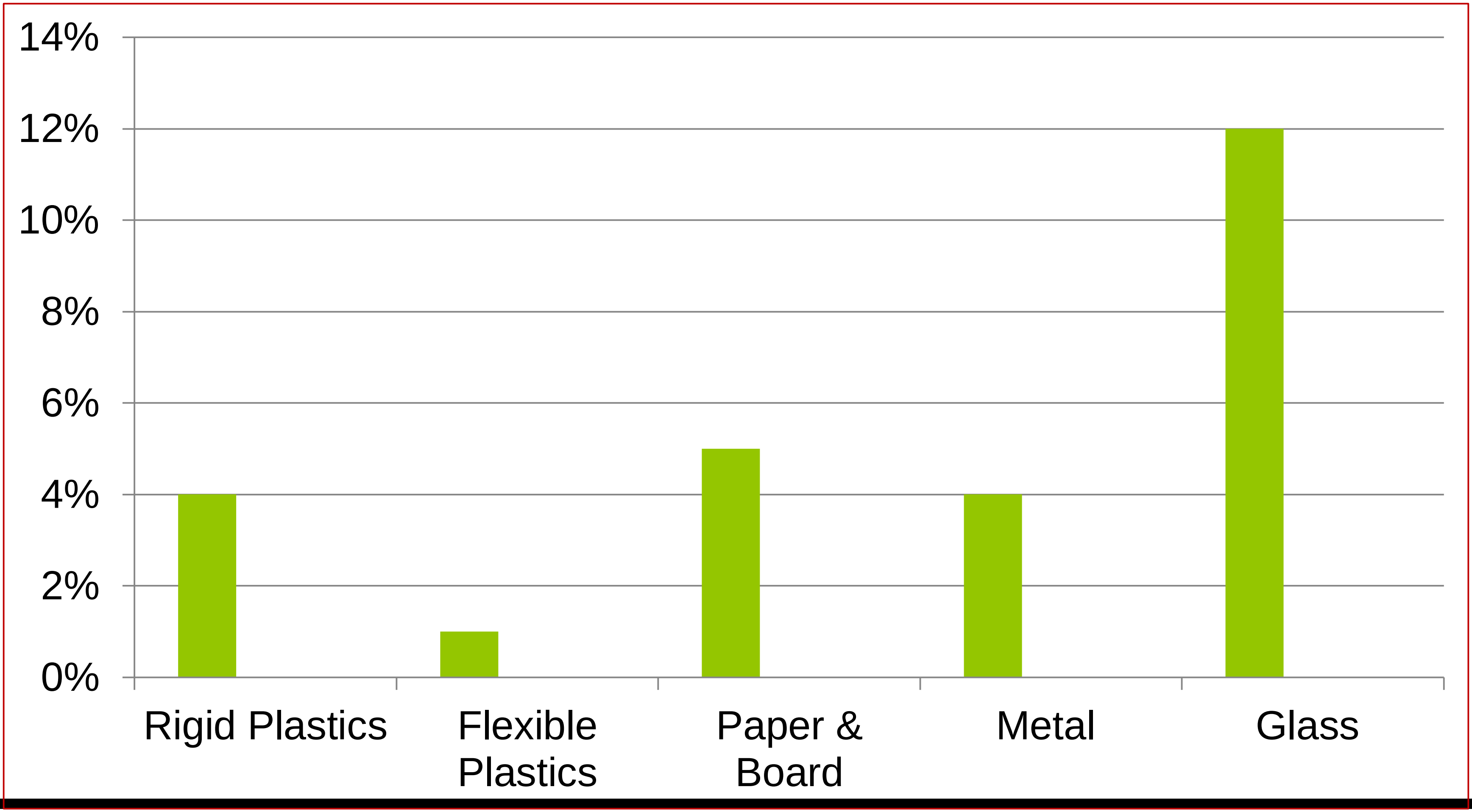


World Glass Market by Region 2009

World – US$ 34Billion



Middle East
Percent Share in World Market



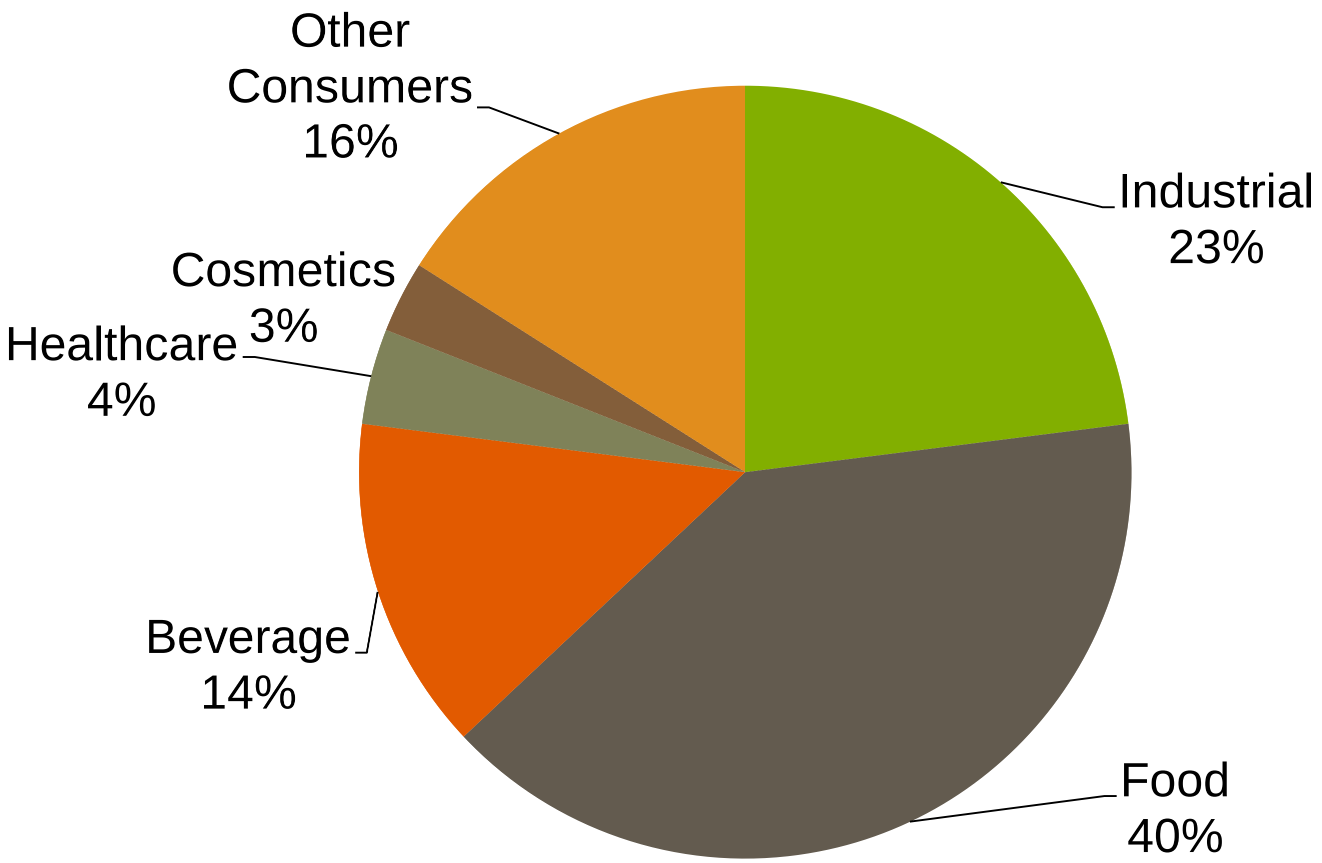
Middle East
Percent Share in World Market

- Middle East is one of the fastest growing market of the world.
- Opportunity for rigid packaging lies in replacing metal and especially glass of which the consumption is very high for the region.
- In the developed marker of North America the percent share of glass is 15% and in the Middle east region the percent share of glass consumption is 12%.

End Use Sectors

- Within consumer packaging, food packaging represents the single largest element. Demand for food packaging has been growing throughout the world, with few markets reaching saturation points as opportunities still exist for packaging in areas such as fresh produce and ready meals, and strong growth being registered in emerging markets for food packaging.
- Any prepared beverage requires packaging and penetration is already global, but opportunities still exist for suppliers in the context of rising beer and mineral water consumption in many countries.

World Packaging Consumption by End Use sectors 2009

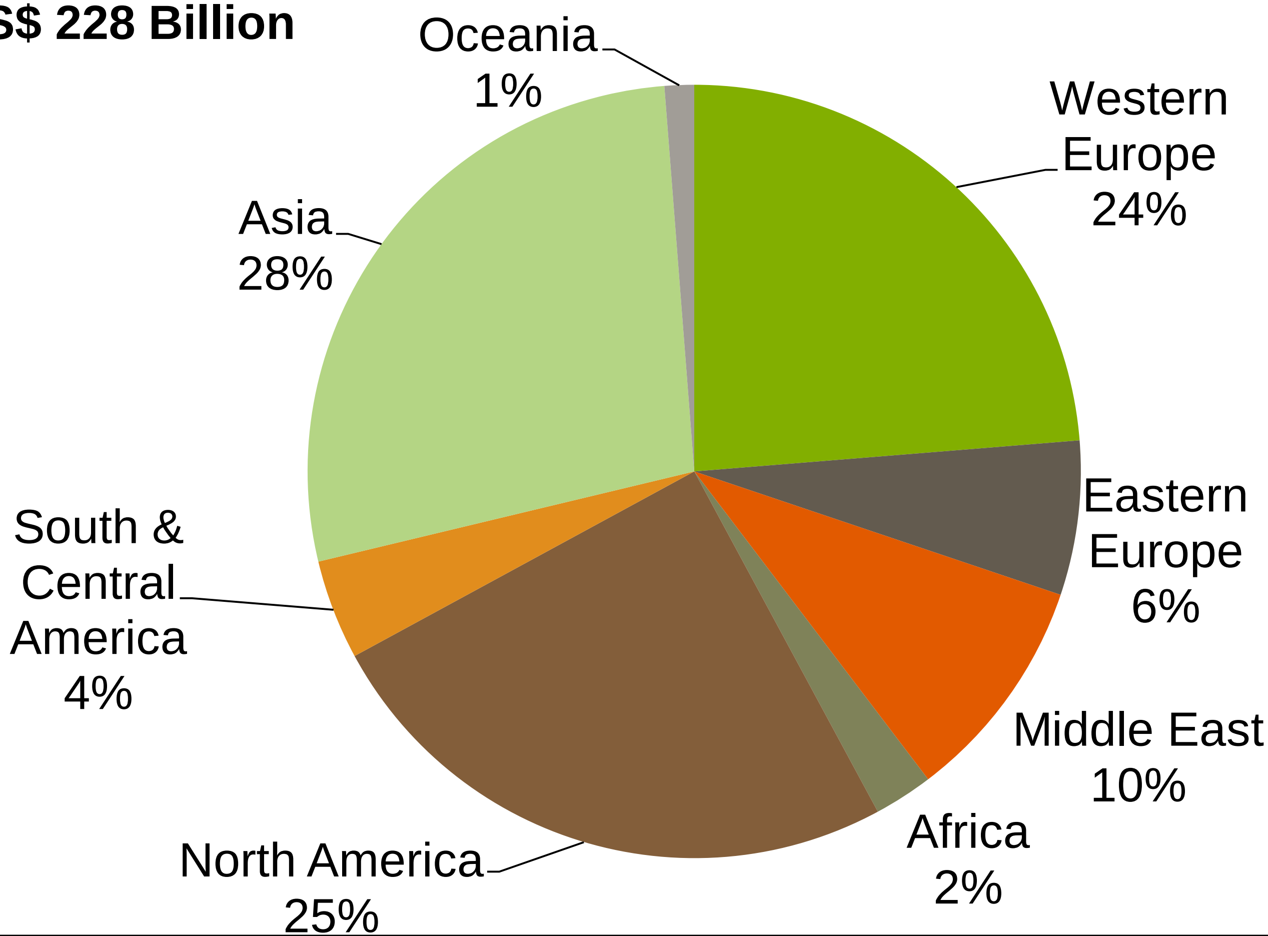


Food Sector

- A number of drivers to growth in food packaging consumption are apparent. First and foremost of these is the growing usage of packaged food as grocery multiples take share away from specialist butchers and fruit/ vegetable shops, and increasingly shift to central packaging operations to reduce waste and control stocks more effectively.
- Beyond that, there has been rising demand for ready-prepared foods, including microwave meals for time-poor consumers – including some who were unlikely to eat frozen processed foods in the past. Other key trends include the rise in smaller households, leading to increasing units of smaller pack sizes, as well as the shift from metal, glass and other packaging to plastic packaging in areas such as soups, sauces, pet food and other products.

Food Sector 2009

World – US$ 228 Billion

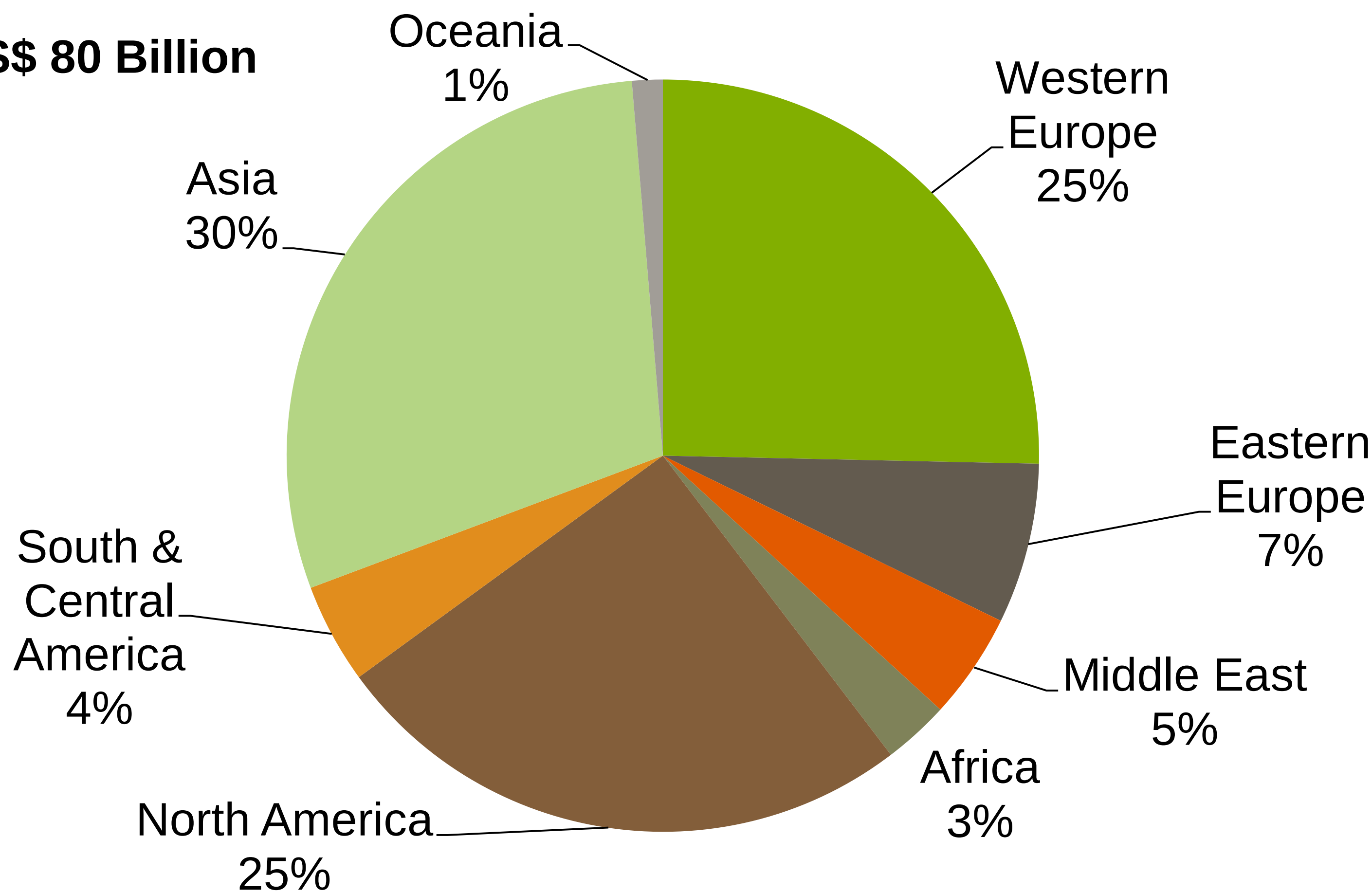


Beverages

- Tea is the most regularly consumed drink, but bottled water represents the fastest growing sector of the market with strong growth in both emerging markets and developed economies driving PET bottle volumes.
- Soft drink volumes, by comparison, have been static in western markets but growing strongly elsewhere.
- Across alcoholic drinks markets, there has been a general trend whereby wine consumption has been falling in the traditional wine-producing nations such as France and Italy, losing share to beer, while the reverse is true in the UK
- Consumption has grown in traditional markets, such as vodka sales in Russia and beer sales in the Czech Republic. Russia and the Czech Republic rank one worldwide in per capita consumption of spirits and beer respectively.

Beverage Sector
2009

World – US$ 80 Billion



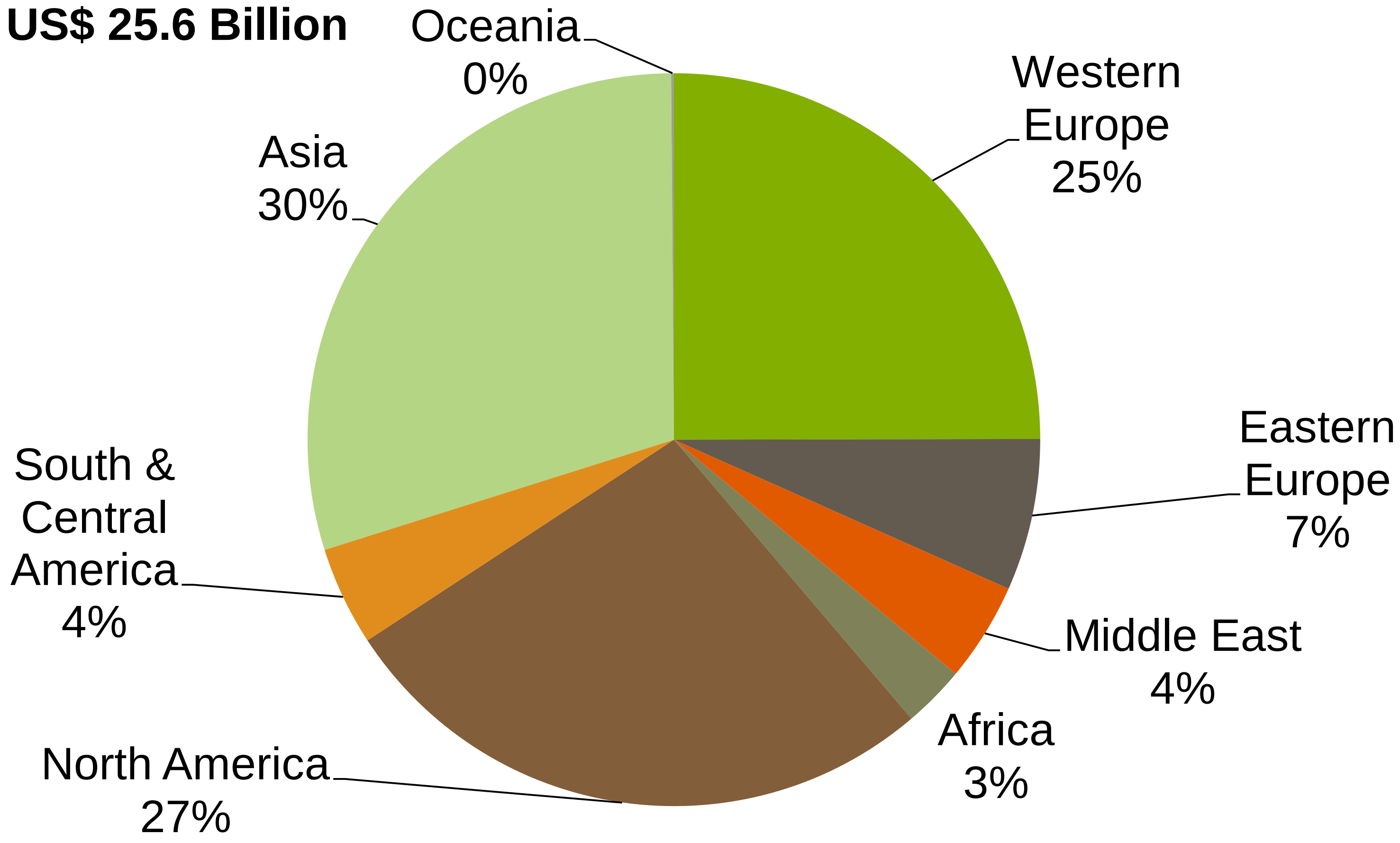
Healthcare Sector

- North America represents the largest regional market ahead of western Europe and Asia,

- Healthcare is the fastest growing of all end-use sectors. The healthcare packaging sector has been the focus of great interest by packaging suppliers, various multinational phama companies as well as governments all over the world.

Healthcare Sector 2009

World – US$ 25.6 Billion

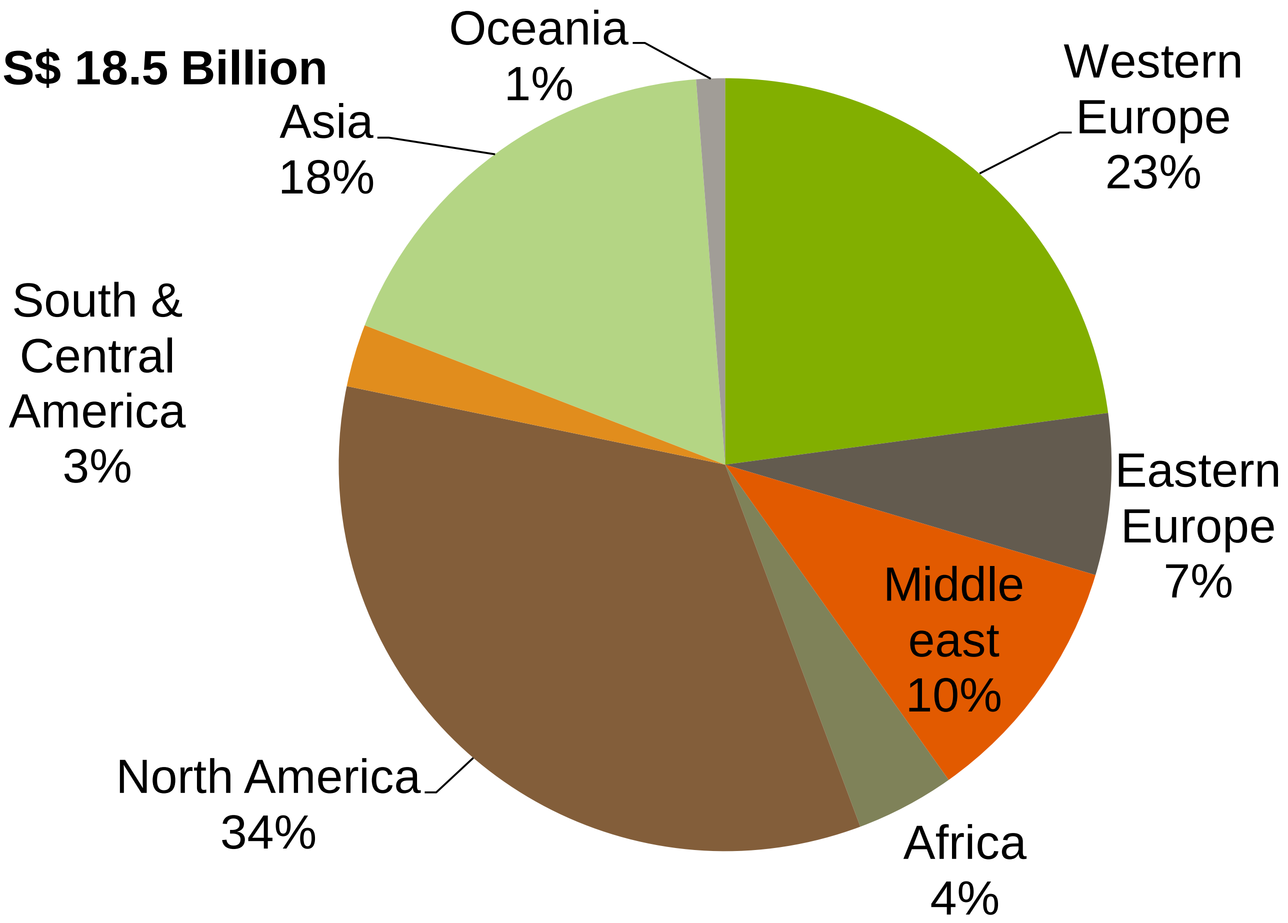


Cosmetics & Toiletries

- Within this definition including cosmetics, fragrances and toiletries, cosmetics has been one of the fastest growing areas of consumer goods in recent years, with solid growth in sales of skin care products and also make-up.
- Plastic packaging accounts for around two-thirds of all cosmetics packaging sales, with paper accounting for a further 15% of the market with the remainder split between metal and glass containers.

Cosmetics & Toiletries 2009

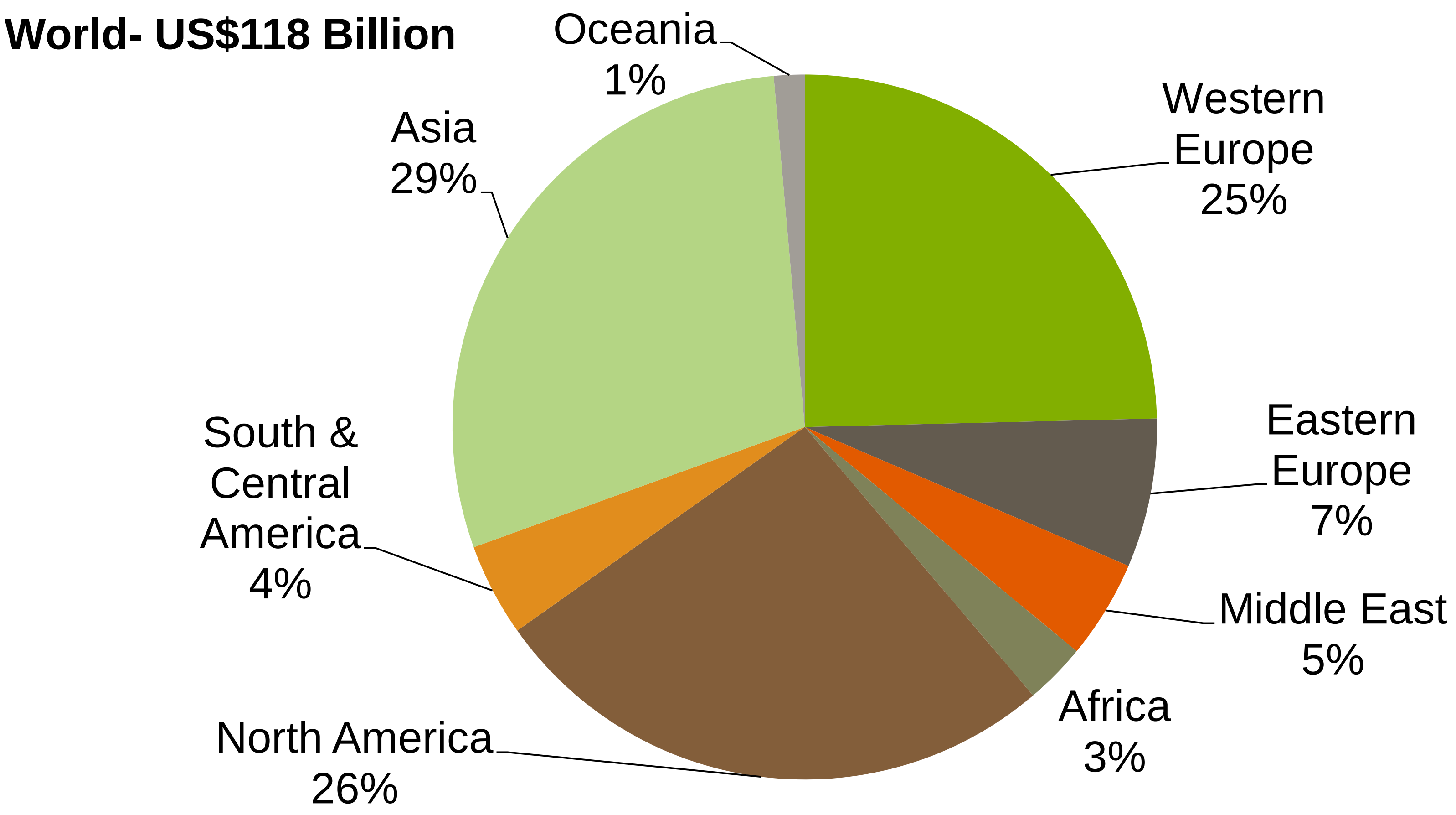
World US$ 18.5 Billion



Industrial & Other Markets

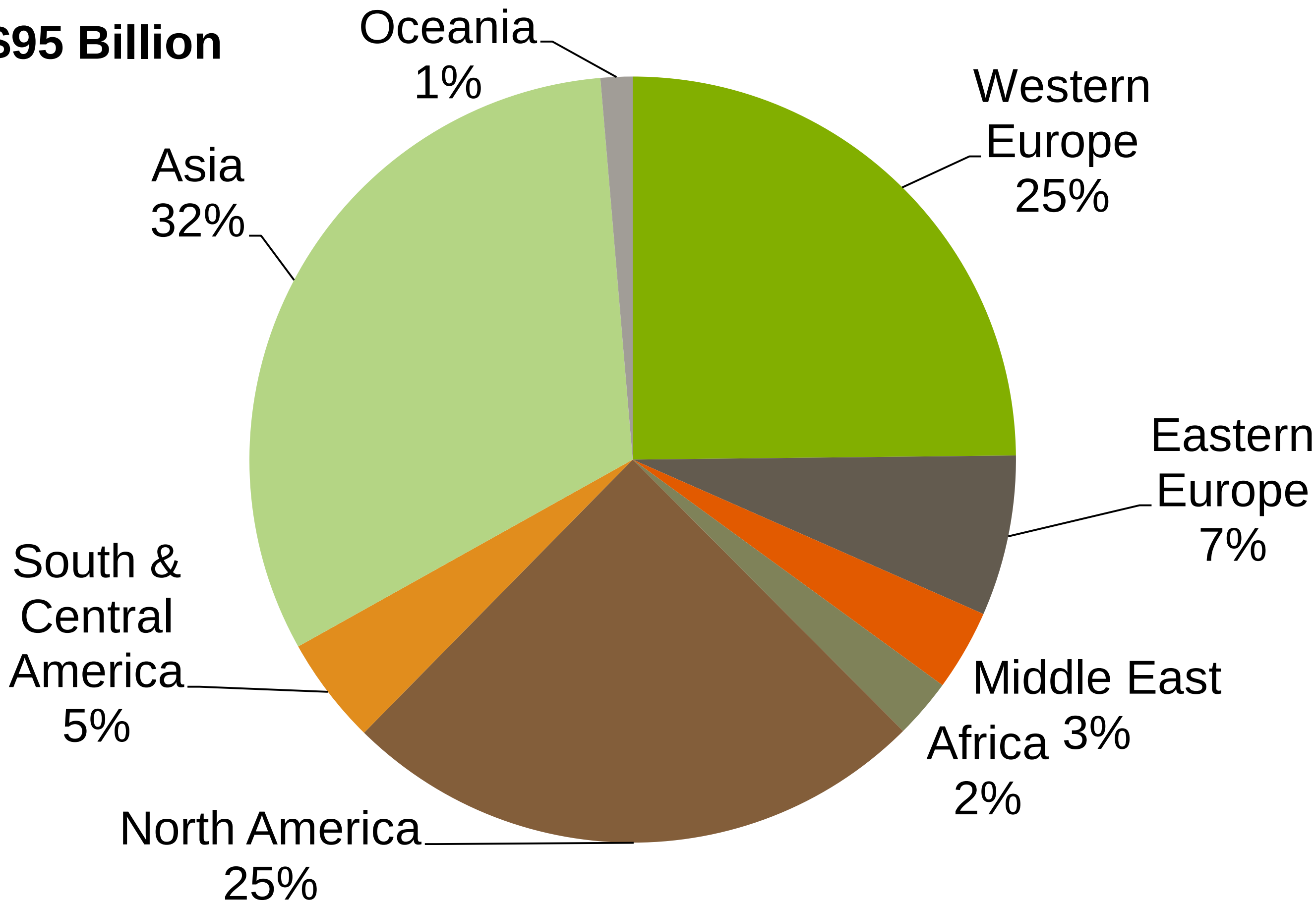
- North America, Europe and Asia are represents large markets for Industrial goods
- Other markets mainly are the tobacco products markets.

Industrial Markets 2009



Other Markets
2009

World – US$95 Billion



Future

- A future where packaging plays a more important role and where regulations will play a more influential role.
- Flexible packaging continuing to replace rigid packaging structures.
- Plastics continuing to replace metal and glass.
- Recycling concerns hindering the use of mixed material.
- Consumers value convenience and shelf appeal would remain in focus.
- Consumers valuing sustainability features, specifically perceived “greenness” of the materials, recyclability and reusability.
- Recyclability of the package will be most important

Thank You