

Business Trends & Opportunities in the Global Packaging Market



Packaging must be:

Adaptive





Packaging must be:

Adaptive

Diverse



Why Care About Packaging in Other Countries?



Packaging must be:

Adaptive

Diverse

Complex



Packaging is:

A Common Denominator



- Multi-national global business strategies
- Cultural norms and customs
- Sustainability
- Technology
- New materials
- Energy conservation/efficiency
- Retail branding



- Geopolitics
- Regional regulations
- Shifting market channels
- Food and pharmaceutical safety
- Theft prevention
- Product protection throughout the supply chain
- Shifting global economic strengths

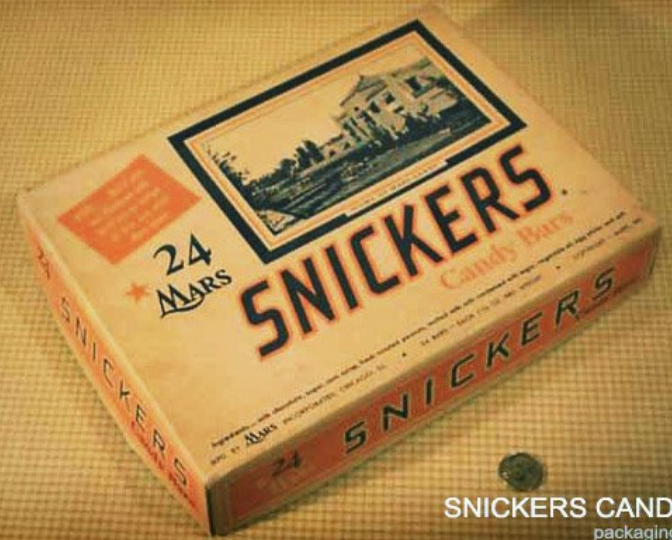


A Material-Related Design Trend





WELCH'S GRAPE JUICE
packagingsoftheworld



SNICKERS CANDY BARS
packagingsoftheworld



SUNMAID ZANTE CURRANTS
packagingsoftheworld



Flexible Packaging



“The tonnage for the global consumer flexible packaging market is projected at 18.1 million tons in 2011 and is forecast to reach 22.5 million tons by 2016.”

Pira Study

24% increase in 5 years!



Flexible packaging is maturing in North America and Western Europe... but not elsewhere.

- Asia is the fastest-growing market with a forecast compound annual growth rate for 2011-2016 of 7.9%.
- The region is forecast to represent 55.0% of total world flexible consumption growth during the period 2011-16.



India and China are the fastest-growing national markets for consumer flexible packaging according to Pira, together accounting for 44.0% of world flexible packaging consumption growth during the forecast period.”



Technology

RFID – What is its place?

Vision Systems at the grocery store = no more barcodes?

What about 2-D codes?

- DotCode
- Dot Code A
- USS Code One
- Maxi Code
- Data Matrix
- Aztec Code
- QR Code
- Datastrip 2D
- Grid Matrix



Technology

Track & Trace Tools are the
future of safe food and
pharmaceuticals

*Nanomaterials have a great
future too, **but are they safe?***



Sustainability and the Business of Packaging

“No such thing as inherently ‘sustainable’ packaging... There can only be a more sustainable way of manufacturing a certain product.” *EUROPEN*

Is the main driver *social commitment* or just *cost reduction*?



Proctor and Gamble example:

By 2020:

- Replacing 25% of petroleum-based materials with sustainably sourced renewable materials in products
- Reducing consumer use packaging by 20%
- Providing 30% of the power to plants from renewable energy
- Reducing manufacturing waste to less than .5% of total waste to landfill



China – A world leader in recycling waste paper!

By 2015, domestic paper recycling rate will reach 72.1% !



Packaging has become a strategic tool!



Business Opportunities Outside North America



Today...

Packaging is a \$600 Billion Business



By 2020 or soon after...

Packaging will be a \$1 Trillion Business

**= A Potential of \$940 Billion in
Materials Business**



What's driving this growth?

- **Population Growth**
- **Emerging Middle Class, World-Wide**
- **Demand for Safe Food/Clean Water**
- **Innovation and Sustainability**



Population Change – 2000-2050

Region	2000 (000's)	2050 (000's)	# Change (000's)	% Change
World	6,122,770	9,306,128	3,183,358	52%
Less developed regions, excluding China	3,635,693	6,668,507	3,032,814	83%
Sub-Saharan Africa	641,566	1,891,711	1,250,145	195%
Asia	3,719,044	5,142,220	1,423,176	38%
Europe	726,777	719,257	-7,520	-1%
Northern America	313,289	446,862	133,574	43%

Source: United Nations - <http://www.un.org/esa/population/unpop.htm>

It's the Middle Class!



**50% of food that goes to
developing nations never gets used**

***PACKAGING is an important
part of the solution!***



India...

A progressive country when it comes to packaging:

- Strong packaging education programs
- Good government support
- Protective of Indian manufacturing base

Source: Indian Institute of Packaging - <http://www.iip-in.com/Network.htm>

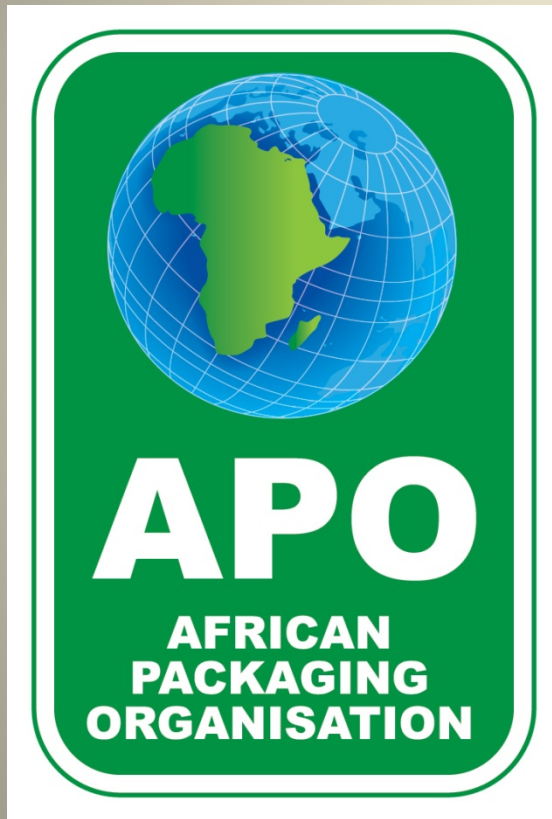


Africa...

- Relatively small countries
- Limited infrastructure
- In need of development funding
- Generally good government cooperation
- Good communication among packaging organizations



African Packaging Organisation



Ghana

Kenya

Nigeria

Tanzania

Tunisia

South Africa



APO Objectives

- Address major development challenges
- Facilitate competitiveness
- Promote packaging industry
- Increase collaboration
- Promote Sustainability
- Increase capability through education and international collaboration



Real and Perceived Barriers...

- US innovation is second to none
- High standards in design and engineering
- Limited investment capital
- Trust
- Protection of intellectual property
- Language and culture differences
- Government regulations bias



Manufacturing processes should be “fit for purpose”

- 500 bottles/minute = high tech
- 50,000 bottles/day = not high tech maybe?

Think: “simple” value added



Some of the uncommon elements of success in reaching international markets:

- Vision
- Openness to different cultures
- Courage



World Packaging Organisation

48+ Countries Dedicated to

**“Better Quality of Life
Through Better Packaging
for More People”**



World Packaging Organisation

- Encourage development of packaging technology
- Contribute to international trade
- Stimulate education/training



WPO is...

- Education
- Trade
- Standards

www.worldpackaging.org

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Use its resources!*

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