



By Tom Seymour

Opportunities for growth based on flexible packaging trends

Packaging is one of the most critical, universal, and complex parts of every supply chain. As an industry, it is robust and growing rapidly, with innovation, sustainability, and market differentiation driving growth. Today's packaging market conditions are unlike any to date in large part because of developments in machinery, automation, processes, materials, and demand for packaging products. Let's highlight trends and emerging growth opportunities so packaging professionals can capture a summary of these booming markets.

Research shows that leading into 2022, packaging demand will grow steadily at 2.9% to reach \$980 billion in 2022. Key opportunities for industry growth include machinery, digital printing, sustainable packaging, and smart packaging.

Machinery is leading the way, with the world market valued at \$36.8 billion and estimated to grow to \$42.2 billion by 2021. Trends in the marketplace include using automation and robotics to allow for more streamlined process flow. With the continued rise in the cost of labor in the U.S., robotics and automation are making a significant case for repayment and return on investment.

Complexity increasing

Today, machinery is more complex than ever, offering high speeds, customizable features, and diversity in function. An example is the invention of high-pressure processing (HPP). This technology challenges packaging options, "old-school thinking," and drives production, food safety, and food quality to a whole new level. These considerations are shaping the needs for packaging equipment. As a result, this segment will continue to grow rapidly.

Sustainable packaging is now a key factor in brand owners' commitments to good stewardship of the environment. Bioplastics have attracted much attention and provide opportunities for growth. This market segment includes biodegradable, marine-degradable, compostable, PCR, and recyclable packaging options. Companies such as **DowDuPont** are leading the way with advancements in flexible film. The market value and anticipated expansion are valued at about \$5 billion in growth and an estimated 30% CAGR.

Many large brand owners have made commitments to have comprehensive sustainable packaging programs in place by 2025. The CEO

of Unilever called on the consumer goods industry to "abandon the linear take-make-dispose model of consumption and turn to a truly circular model that emits no waste." Walmart has pledged to have 100% of its private label products in recyclable packaging by 2025. In 2018, there was a visible movement waging a "War on Plastics." This consumer mindset will continue to challenge us as professionals in the packaging and plastics world to innovate more quickly and drive out to market what the consumer is demanding.

Digital print for packaging will continue to climb rapidly to \$11.9 billion with an 18.9% CAGR by 2020. Digital printing is making innovation pace and speed-to-market better and faster than ever, allowing

just-in-time (JIT) systems to operate more efficiently as well as allowing for customization, portion packaging, and small-run printing. **HP** is currently leading the industry in digital printing technology, driving others to create and compete in this space.

The global market for smart packaging is expected to reach \$26.7 billion by 2024. Because smart packaging is still a relatively new concept, this segment is ripe for innovation, technological advancement, and investment. Smart packaging refers to packaging with embedded sensors,

and it is used with foods, pharmaceuticals, and many other types of products. Smart packaging can be used to extend shelf-life, monitor optimum freshness, display information on quality, act as a reorder mechanism for e-commerce, and improve product and customer safety. According to Rock LaManna, a 30-year packaging veteran, "Smart packaging is much more than just new bells and whistles. The implications are enormous in terms of the potential savings to companies and consumers."

Packaging is a product that touches virtually everything a consumer handles, and it spans widely across supply chains. The packaging market is expanding based on consumer demand and innovation. Today, in a world that relies on instant gratification, speed to market can be the most critical factor in success. The modern packaging market is enabling products to meet and exceed the demand of the consumer by using machinery, sustainable packaging, digital printing, and smart packaging. These are significant opportunities for packaging professionals to drive innovation. **PW**

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