



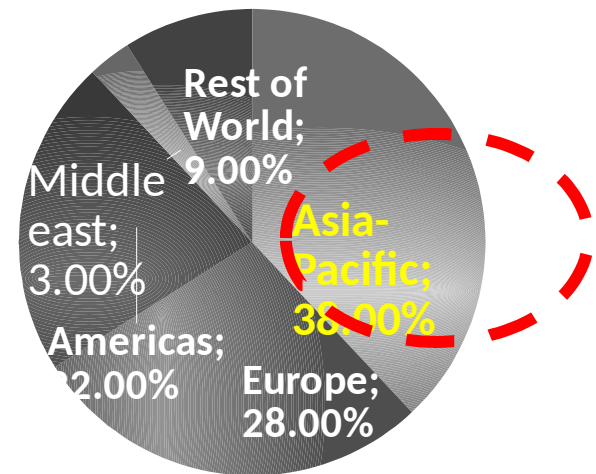
THE INDIAN PACKAGING INDUSTRY: POST COVID-19 AS AN OPPORTUNITIES IN PACKAGING BUSINESS

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PACKAGING SCENARIO

- ◆ Packaging is one of the world's largest & diverse manufacturing sectors
- ◆ Value of global packaging market > \$ 850 billion
- ◆ Growth rate- 3-4% pa
- ◆ Asia-pacific – world's 3rd largest packaging market & Growing @ over 5-6%

SHARE OF GLOBAL PACKAGING MARKET
BASED ON GEOGRAPHICAL DISTRIBUTION



INDIAN PACKAGING INDUSTRY

- ❑ Indian packaging industry is becoming a preferred hub for global packaging industry & it is 5th largest sector in India's economy.
- ❑ Present market of Indian Packaging Industry - US\$ 72.6 billion (2020)
- ❑ Growing @ CAGR of 18% during 2016-21.
- ❑ With steady growth over the past years, even after COVI-19 challenge, the industry is showing firm potential for expansion, including in the export markets.

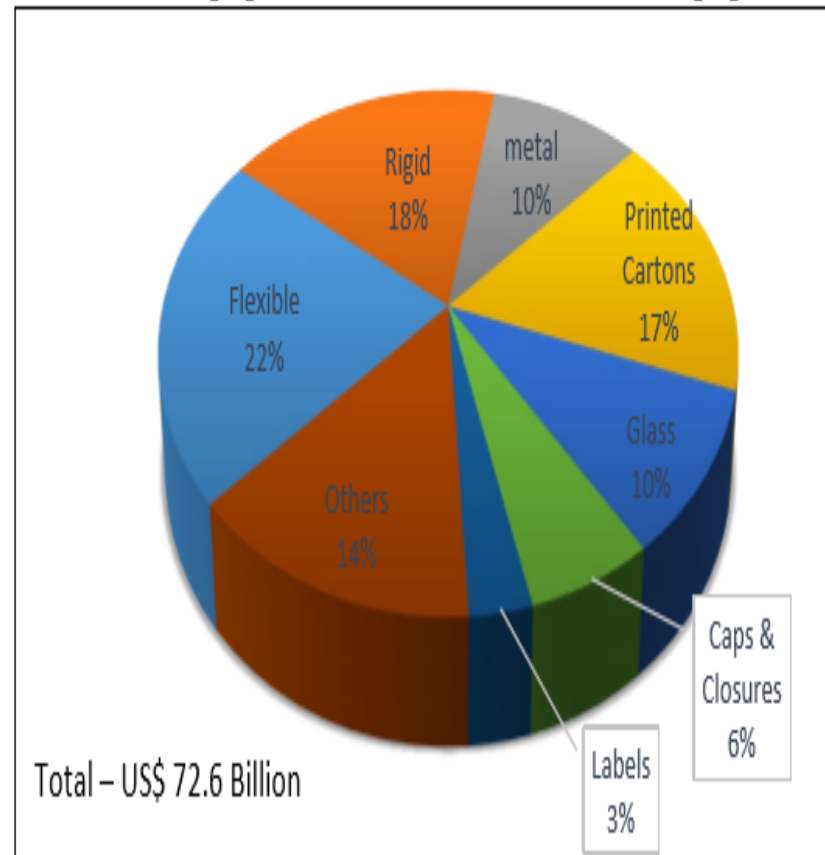


PACKAGING – PER CAPITA CONSUMPTION

- ❑ Global per capita consumption of packaging in terms of value estimated is US\$ 115 per person per year; and for India, it is - US\$ 55 per person per year.
- ❑ Per capita packaging consumption in India, in terms of volume, significantly low at 10.5 kg, compared to US is 109 kg, 65 kg in Europe, 45 kg in China, 42 kg in Germany, 32kg in Brazil & 19 kg in Taiwan
- ❑ The per capita consumption of packaging in India, is on a lower side as compared to other countries.
- ❑ Low consumption level indicates the untapped potential in the sector.

INDIAN PACKAGING INDUSTRY – PACKAGING MATERIAL BREAK DOWN

- Packaging - divided into two categories viz, rigid packaging & flexible packaging.
- Packaging market consist of various materials, which are flexible, rigid, metal, glass & printed cartons.
- Flexible materials share with 22% of the total packaging market, followed by the rigid packaging material with 18% share
- Printed cartons with 17% share of the total packaging market.

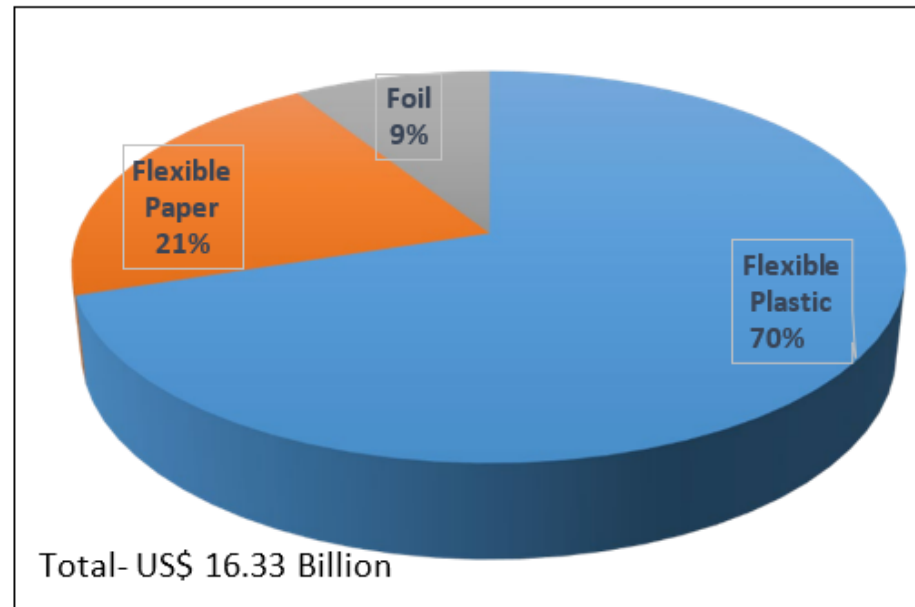


Source: Industry Sources



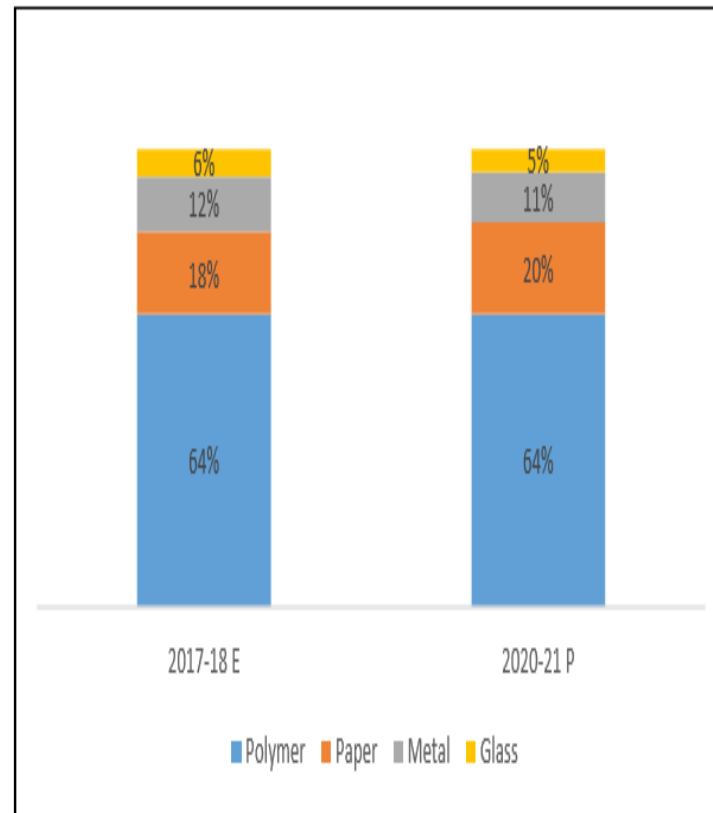
SHARE OF FLEXIBLE PACKAGING MARKET

- Flexible plastic packaging- highest share among the different materials used, & having market value of US\$ 11.43 billion with 70% share of in the total flexible packaging market (2018-19)
- Share of flexible paper & foil, is 21% & 9%, respectively.
- Value of flexible packaging market in India during 2018 was US\$ 17.5 billion, growing@3%
- Strong demand for flexible packaging material has been arising from food & beverage industries, personal care, & pharmaceutical industries



INDIAN PACKAGING INDUSTRY – PACKAGING MATERIAL REVENUE SHARE

- Plastic packaging has the highest share in the Indian packaging sector.
- The revenue share of plastic packaging is 64%
- The revenue share of paper packaging, - 18% of total packaging revenue
- Share of glass & metal packaging is expected to be stagnant.

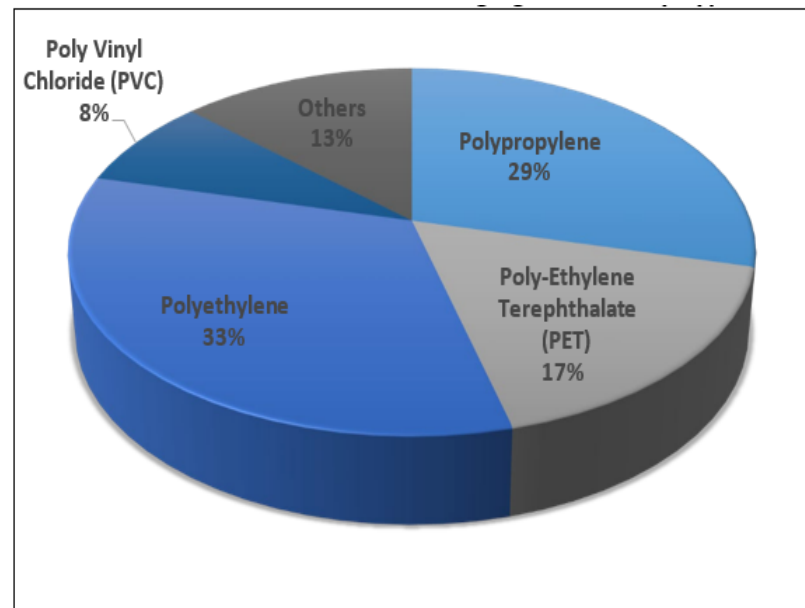


Source: CRISIL Research



SHARE OF FLEXIBLE PACKAGING MARKET

- Flexible packaging are mostly monolayer, multilayer films and multi layered laminate sheets of plastics, which mainly include PE, PP, PET and PVC. Around one-third of the plastic products used by the packaging industry in India is composed of polyethylene and 29% of the products are polypropylene.

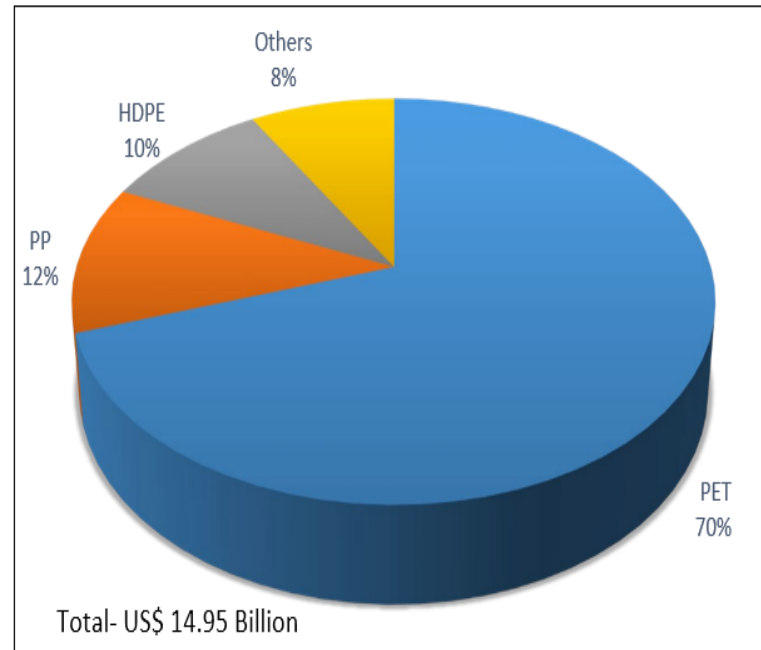


Source: Research on India, Flexible Packaging Market



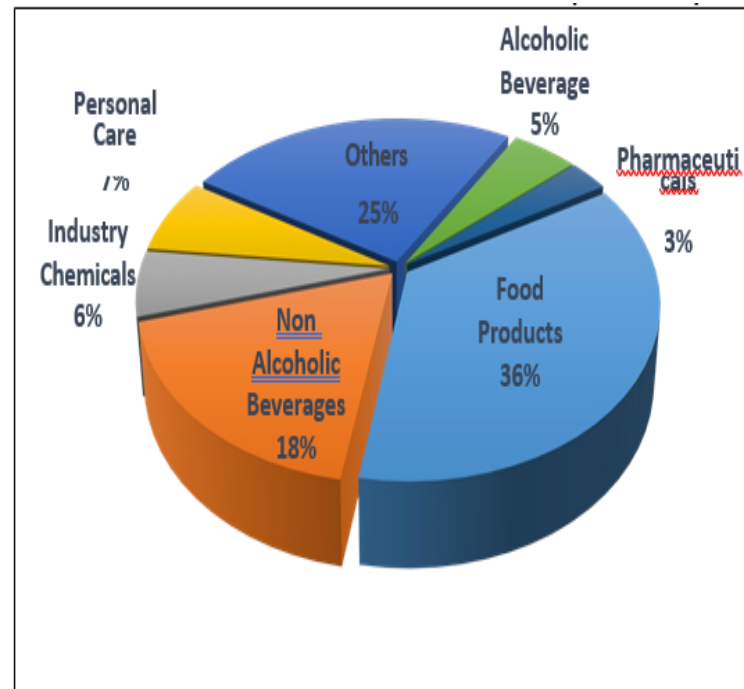
SHARE OF RIGID PACKAGING MARKET

- Rigid packaging market includes materials made of hard plastic, glass, aluminum, tin or cardboard.
- The value of rigid plastic packaging market in India was US\$14.9 billion in 2018.
- It is projected to reach US\$ 24.02 billion in 2024 growing at a CAGR of 7.5%. Poly- Ethylene Terephthalate (PET) material has the highest share among the materials used in rigid plastic packaging.
- The estimated share of PET was 70%, followed by Polypropylene (PP) with 12% share in the total rigid plastic packaging market in India.



INDIAN PACKAGING INDUSTRY – USER PROSPECT

- Food & beverages products -highest demand with 59% share in total demand generated for packaging.
- Food products have a share of 36% while non-alcoholic beverages have 18% and alcoholic beverages has a share of 5% of total demand for packaging in the packaged food segment.



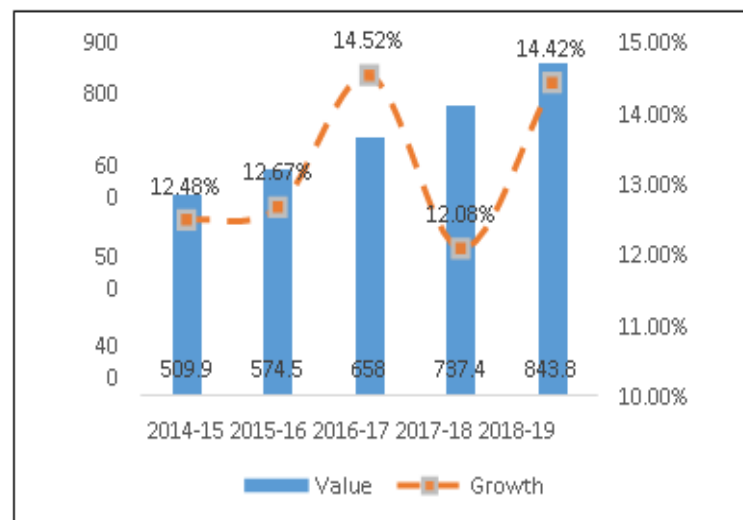
Source: CRISIL Research



THE EXPORT OF PACKAGING MATERIALS

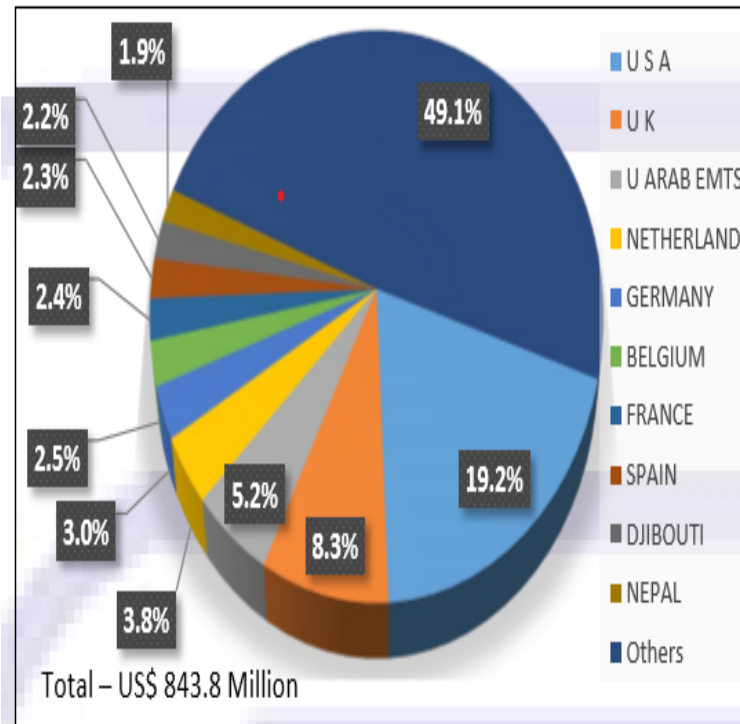
- The share of export packaging was US\$ 843.8 million in 2018-19, witnessing a growth of 14.12% from the estimated value of US\$ 737.4 million previous year.

- Global export of packaging material was US\$ 56.6 billion (2018).
- The share of export packaging materials is 1.4%.
- USA - major export destination with >19.2% of the total share of export packaging materials
- Other major five export destinations are UK (8.3%), the UAE (5.2%), the Netherlands (3.8%) and Germany (3%).



THE EXPORT OF PACKAGING MATERIALS

- Export basket comprises mainly of flattened cans, printed sheets & components, crown cork, lug caps, plastic film laminates, craft paper, paper board & packaging machinery, while the imports mainly include tinplate, coating & lining compounds.
- Laminates & flexible packaging, especially PET and woven sacks (FIBC Jumbo bags) have been registering fastest growth in exports from India



Source: DGCIS, EXIM Bank Research



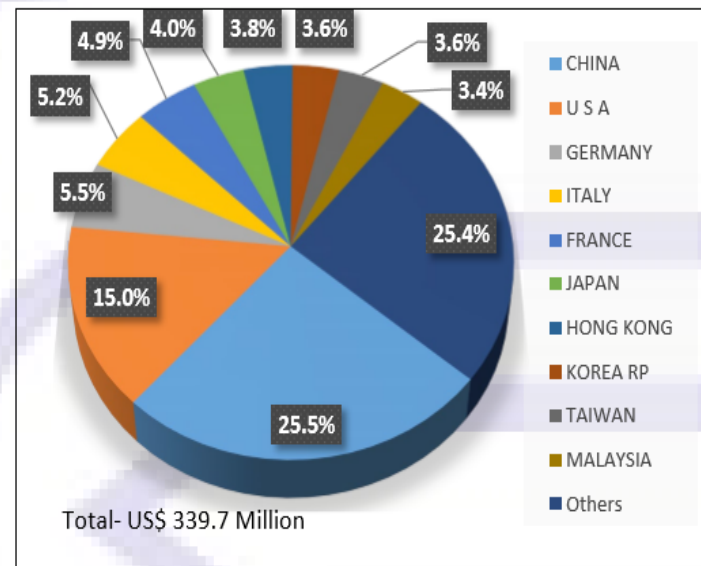
POTENTIAL FOR EXPORT PACKAGING OF DANGEROUS GOODS

- DG SHIPPING & DGCA have authorized the IIP as a nodal agency to conduct the various performance tests on bulk packages for Hazardous goods to issue the UN Certificates
- Export packaging of dangerous goods from India has zoomed by nearly 70 per cent in last ten years, mainly due to superior quality of packaging, testing and other aspects packaging materials.
- Earlier, IIP used to issue around 7,000 certificates for packaging of hazardous goods; now, it has increased to 12,000 per annum,"



THE IMPORT OF PACKAGING MATERIALS

- China has been persistently the top import source for packaging materials for India. Other major suppliers are the USA (15%), Germany (5.5%), Italy (5.2%), France (4.9%) and Japan (4%).



Source: DGCIS, EXIM Bank Research



FUTURE DEMAND POST COVID-19

CHALLENGES

- There will be demand for 3S Packaging which mainly covers safety, security and sustainability of Packaging.
- We have seen during lockdown online/ e- commerce has huge demand.
- Need to focus on developing active packaging specially antivirus packaging in future, no touch packaging, Intelligent Packaging to track & trace the product during whole supply chain.
- Apart from these I would like to mention the automation, end line solution, aseptic packaging, Robotics, Packaging 4.0 will be in demand.
- To see these potentials, It is visualised as a requirement of packaging professional worldwide.
- This is BLESSINGS IN DISGUISE (COVID 19)

FUTURE DEMAND POST COVID-19 CHALLENGES....

- More than 20,000 packaging professionals are working.
- However, it is estimated that annually there is requirement of more than 35,000 packaging professionals annually.
- Upward packaging demand in market, with sustainable job opportunities at entry level in packaging field.

