GLOBAL TRENDS IN FLEXIBLE PACKAGING

October 2018

Tim Trovillion
Business Development Account Manager
Introduction / Overview

Global Packaging overview – by type

Global Flexible packaging by industry

Global Flexible packaging by type overview

Regional Flex Pack growth stand outs

Regional Flex Pack growth stand outs

Latin America

Western Europe

Asia pacific

Eastern Europe

Middle east and Africa

North America
About Euromonitor International

**Our services**
Syndicated market research
Consulting

**Expansive network**
1000+ on-the-ground researchers in 100 countries
Complete view of the global marketplace
Cross-comparable data across every market

**Our expertise**
Consumer trends and lifestyles
Companies and brands
Product categories and distribution channels
Production and supply chains
Economics and forecasting
Euromonitor International network and coverage

- **14 OFFICE LOCATIONS**: London, Chicago, Singapore, Shanghai, Vilnius, Santiago, Dubai, Cape Town, Tokyo, Sydney, Bangalore, São Paulo, Hong Kong and Seoul
- **100 COUNTRIES**: in-depth analysis on consumer goods and service industries
- **210 COUNTRIES**: demographic, macro- and socio-economic data on consumers and economies
Research Methodology

**ECONOMIES & CONSUMERS**
- National Statistics
- Central Banks
- Government Ministries
- International Organizations

**INDUSTRIES**
- Productions/Trade Statistics
- Store Checks
- Trade Associates
- Trade Press
- Company Reports
- Broker Reports
- Trade Surveys

**QUALITY CONTROL**
- Research
- Analyse
- Harmonise Definitions Coverage
- Cross Check Validate
- Estimate Model Forecast

**DELIVERABLE**
Packaging System Industry Coverage

EUROMONITOR INTERNATIONAL

Packaging System by Industry: Across 52 countries

- Food
- Beverage
- Beauty & Personal Care
- Home Care
- Dog & Cat Food
Packaging System by Type

- Metal
- Rigid Plastics
- Glass
- Liquid Cartons
- Paper-Based Containers
- Flexible
- Other
Introduction / Overview

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Regional

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Global Overview: Packaging overview by type: Global total 2017

- **Total Packaging will grow 12.7% by 2022**
- **Absolute Growth of 443 billion units**
- **Flexible Packaging: 193 billion**
- **Glass: 18 billion**
- **Liquid Cartons: 20 billion**
- **Metal: 24.5 billion**
- **Other Packaging: 871 million**
- **Paper-based Containers: 26.8 billion**
- **Rigid Plastic: 159.5 billion**

**Global Volume share of pack types, 2017**

- Flexible Packaging 40%
- Rigid Plastic 27%
- Paper-based Containers 7%
- Metal 11%
- Liquid Cartons 6%
- Glass 9%

**Total 2017 market size**: 3.49 Tn

**Total 2022 market size**: 3,93 Tn

**Forecast Absolute Growth (2017-2022)**: 12.7%
Global Totals By Industry 2022 – CAGR %

Retail/off-trade Unit Volume (billions of units)

- Beauty and Personal Care Packaging
- Beverages Packaging
- Dog and Cat Food Packaging
- Food Packaging
- Home Care Packaging

2017 2022 Growth
Global growth of flexible packaging by type

Retail/off-trade Unit volume (billions of units)
Regional Flex Pack growth stand outs

Latin America
Western Europe
Asia pacific
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North America
Flexible packaging to grow across the world, with Asia Pacific ahead making up 50% of global totals

Absolute volume totals (2017) by region in billions of units

INDUSTRIES TRACKED
- Beauty and Personal Care Packaging
- Beverages Packaging
- Dog and Cat Food Packaging
- Food Packaging
- Home Care Packaging
Global Flexible packaging retail 2022 outlook

Flexible Pack retail volume

INDUSTRIES TRACKED
- Beauty and Personal Care Packaging
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Economic challenges continue, slower growth estimates for forecast

Flexible packaging consolidates as a key type during economic crisis

- **Stand-up Pouches** continue to be a growth driver in multiple categories, including Beauty & Personal Care and Pet Food
- **Smaller presentations** are growing across several industries due to **reduced disposable incomes** impacting consumer behavior in key markets
- **Increased portability** a priority for food packaging and snacks

### Volume share of pack types in Latin America, 2017

<table>
<thead>
<tr>
<th>Pack Type</th>
<th>Volume Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rigid Plastic</td>
<td>26%</td>
</tr>
<tr>
<td>Flexible Packaging</td>
<td>42%</td>
</tr>
<tr>
<td>Paper-based Containers</td>
<td>6%</td>
</tr>
<tr>
<td>Metal</td>
<td>10%</td>
</tr>
<tr>
<td>Liquid Cartons</td>
<td>6%</td>
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<tr>
<td>Glass</td>
<td>10%</td>
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<tr>
<td>Rigid Plastic</td>
<td>26%</td>
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<table>
<thead>
<tr>
<th>Total 2017 market size</th>
<th>392 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 2022 market size</td>
<td>433 bn</td>
</tr>
<tr>
<td>Forecast CAGR (2017-2022)</td>
<td>2.0%</td>
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</table>
Economic challenges continue, slower growth estimates for forecast
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Western Europe

Asia pacific

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Middle east and Africa

North America
Flexible Plastic remains dominant pack type in the region

Volume share of pack types in Western Europe, 2017

- Flexible Packaging 35%
- Rigid Plastic 31%
- Paper-based Containers 8%
- Metal 9%
- Liquid Cartons 6%
- Glass 11%

Dynamic growth in smaller packaging size due to health awareness

- Packaging size declines as consumers look for reduced guilt in snacking and treats
- Expecting highest growth rates in the 0-50g pack size, steady growth in 51-100g
- Single-use plastics may see tougher regulation in the future

Total 2017 market size 654
Total 2022 market size 690
Forecast CAGR (2017-2022) 1.1%
Flexible Plastic remains dominant pack type in the region
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Regional Flex Pack growth stand outs
- Latin America
- Western Europe
- Asia pacific
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- Middle east and Africa
- North America
Asia Pacific sees varied growth in many Flexible Packaging types

Overall packaging to register continued growth in, driven by further development of economies

- **Flexible plastic** will remain popular as price-conscious consumers seek value for money
- **Convenience** a major focus and creates demand for on-the-go packs

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**Volume share of pack types in Asia Pacific, 2017**

- **Flexible Packaging** 47%
- **Rigid Plastic** 25%
- **Glass** 7%
- **Liquid Cartons** 8%
- **Metal** 7%
- **Paper-based Containers** 6%

**Total 2017 market size**: 1,491
**Total 2022 market size**: 1,762
**Forecast CAGR (2017-2022)**: 3.4%
Asia Pacific sees varied growth in many Flexible Packaging types

2017 units in Mn  CAGR through 2022
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Growth remains steady but slow in key markets

Volume share of pack types in Eastern Europe, 2017

- Flexible packaging: 44%
- Rigid Plastic: 25%
- Paper-based Containers: 6%
- Metal: 8%
- Liquid Cartons: 5%
- Glass: 12%

Flexible packaging to benefit from economic challenges due to low cost

- Modest Growth rate in Dog and Cat Food Packaging, as well as Home Care
  - As compared to slow growth in the other categories
- Food Packaging will be the source of almost all the unit volume growth
- Stand-up pouches are the largest pack type in dog and Cat Food

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Market Size</th>
<th>2022 Market Size</th>
<th>CAGR 2017-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 2017</td>
<td>253</td>
<td>278</td>
<td>1.9%</td>
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<tr>
<td>Total 2022</td>
<td></td>
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Flexible Plastic sees significant volume growth in the region

Volume share of pack types in Middle East & Africa, 2017

- Flexible Packaging: 37%
- Rigid Plastic: 30%
- Metal: 11%
- Liquid Cartons: 6%
- Glass: 7%
- Paper-based Containers: 9%
- Total 2017 market size: 161 bn total units sold in 2017

Flexible Plastic to grow across the region, replacing traditional packaging in key market

- Improving income levels and development of retail systems is increasing consumption of packaged foods and beverages, overall
- Flexible plastics are the largest Flexible type and maintain the highest Flexible growth rates
- Food Packaging remains the largest category by far

Total 2017 market size: 161
Total 2022 market size: 200
Forecast CAGR (2017-2022): 4.5%
Flexible Plastic sees significant volume growth in the region
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North America
Top three pack types represent over 80% of total units sold in 2017

Volume share of pack types in North America, 2017

- **Flexible Packaging**: 26%
- **Metal**: 23%
- **Rigid Plastic**: 33%
- **Liquid Cartons**: 2%
- **Paper-based Containers**: 9%
- **Glass**: 7%

**501 bn** total units sold in 2017

**Plastic Pouches see important growth in key Food Packaging**

- In Shelf Stable Fruit, we expect to see **Pouches outsell Thin Wall Plastic Containers** by 2022
- Convenience also drives **multipacks and combination products** designed to be consumed on-the-go
- High growth of **Blister and Strip Packs in Dog and Cat Food Packaging based on treats**

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<tbody>
<tr>
<td>Total 2017 market size</td>
<td>501</td>
</tr>
<tr>
<td>Total 2022 market size</td>
<td>529</td>
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<tr>
<td>Forecast CAGR (2017-2022)</td>
<td>1.1%</td>
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Top three pack types represent over 80% of total units sold in 2017.
Food Packaging in North America

*Food Packaging to stagnate, less than 1% growth for the category overall*

**Liquid Cartons only growth highlight for the category**

- Metal is expected to decline 1.1% annually through 2022
- Movement towards foods that can be eaten on the go has impacted most food categories, even spreads
- Stand-up pouches in Confectioneries sees the strongest retail unit volume growth of 13% in 2017

![Image of Flexible Packaging](image-url)

- **Flexible Packaging** 51%
- **Rigid Plastic** 22%
- **Paper-based Containers** 17%
- **Metal** 6%
- **Liquid Cartons** 2%
- **Glass** 2%

231.5 bn total units sold in 2017
Beverage Packaging in North America

Dominant pack types continue to grow, others decline

Rigid Plastic remains the dominant pack type

- Expecting 3.0% growth annually for Rigid Plastic, led by PET bottles due to popularity of bottled water
- ½% CAGR for Metal beverage containers
- Forecasting slight negative growth in all other categories – less than 1% decline

![Graph showing packaging types and units sold in 2017](image)

- Rigid Plastic: 43%
- Metal: 40%
- Glass: 12%
- Liquid Cartons: 1%
- Flexible Packaging: 3%
- Paper-Based Containers: 9%

232.9 bn total units sold in 2017
Beauty and Personal Care in North America

*Beauty and Personal Care sees slight growth through 2022 – less than 1% overall*

**Metal and Rigid Plastic only areas of growth for BPC**

- **Small-sized packaging** gains in popularity in 2017 as consumers demand convenience

- Convenience drives **stick formats in rigid plastic and specialty cosmetic containers** in 2017, particularly among color cosmetics, skin care, and sun care

- Glass continues to communicate **premium** positioning

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**16.1 bn**

Total units sold in 2017

- **Rigid Plastic**: 54%
- **Paper-based Containers**: 20%
- **Metal**: 6%
- **Glass**: 4%
- **Flexible Packaging**: 16%
Total volume sales in Dog and Cat food continues to grow as consumers demand convenient sizes.

Premiumization within dog and cat food drives demand for flexible packaging

- **Blister and strip packs** sees dynamic growth within cat treats and mixers.
- Convenient smaller pack sizes such as **85g** are proving very popular in dog and cat food.
- **Smaller dogs are becoming more popular**, leading to more wet dog food, supported by flexible packaging.

**Chart:**
- Total units sold in 2017: **12.3 bn**
- Metal: **64%**
- Flexible Packaging: **23%**
- Rigid Plastic: **11%**
- Paper-based Containers: **2%**
- Blister and strip packs: **Dynamic growth within cat treats and mixers**
Home Care in North America

Home care packaging total retail volume sales contract 1% to 8.0 billion units in 2017

- Retail volume sales of plastic pouches in laundry care grow 12% in 2017 as the amount of shelf space retailers devote to detergent tablets expands

- Continued success of unit dose product formats in laundry care and dishwashing exerts downward pressure on retail volume sales of home care products packaged in rigid plastic and paper-based containers
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Bonus Market Tracker Overview
International Markets

Click on a country to learn more

How to use

Country list
The Flexible Packaging Association has served as the voice of the flexible packaging industry for over 80 years, connecting, advancing, and leading the flexible packaging industry. FPA members are manufacturers of flexible packaging material or equipment suppliers to the industry. Flexible packaging is produced from paper, metal, plastic, or any combination of those materials, and includes bags, pouches, labels, liners, wraps, rollstock, and other flexible forms.
### Overview

**Packaging Overview**

- **2016 Total Packaging Market Size (million units):** 93,579
- **2011-16 Total Packaging Historic CAGR:** 0.4%
- **2016-21 Total Packaging Forecast CAGR:** 0.7%

### Packaging Industry

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FPA + Euromonitor Flexible Packaging International Market Tracker

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<tr>
<td>Glass</td>
<td>9,194</td>
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<td>Liquid Cartons</td>
<td>3,005</td>
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- Total French packaging market is expected to experience almost current CAGR in 2021, but that number doubles from a low base of 0.4% to 0.7%.
- Food packaging dominates, with beverage packaging far behind.
- Rigid plastic leads in size and growth.

Key Trends

Packaging Legislation

Recycling and the Environment

Packaging Design and Labelling
### Overview

#### Packaging Overview

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Flexible Packaging Landscape

Trends

Outlook
- Total retail/off-trade unit volume sales of dairy packaging decline slightly to 24 billion units.
- Packaging retail/off-trade unit volume in sauces, dressings and condiments increases 1%.
- Total retail/off-trade unit volume sales of processed meat and seafood packaging increase slightly to reach 7.1 billion units in 2016.
- Confectionery packaging records static volume growth to remain at 7.9 billion units in 2016.
Trends

- Average dairy weight per unit wanes due to single-serve formats and reducing eco tax.
- Pouches and progression of transparent PET in drinking yogurt and fresh milk bottles and thin-wall containers in yogurt and chilled desserts contribute to this lightening.
- The home cooking trend and need for more convenient formats enable volume sales of sauces, dressings and condiments packaging to grow.
- Transparency is the main buzzword in 2016, in the guise of transparent plastic dispensing closures, transparent peel-off foil and the progressive replacement of opaque HDPE bottles with PET bottles. Many mainstream innovations in sauces, dressings, and condiments are packaged in glass jars and glass bottles, which underlines the resilience of glass in the category.
- In spite persisting distrust and health warnings about farmed salmon or the carcinogenicity of red meat and processed meat, sales in the category recover in 2016.
- Winners in 2016 are PET-based thin wall plastic containers and blister and strip packs and alternatives to declining metal cans, primarily glass jars for foie gras and premium terrines.
- Sharing formats perform a bit better than single-portion, due to the ongoing cocooning attitude, a trend which boosts volume sales of plastic stand-up pouches and other rigid containers in chocolate confectionery.
- Due to the mature demand for, and non-modern image of, most products in the category, total primary retail/off-trade product volume stagnates in 2016.
- Aluminum/plastic pouches of fruit purées remain the most dynamic packages in volume terms.
- Appreciable increases stem from the recovery of baby food from 2015 thanks to reviving consumer confidence and notable success of more convenient pack types.
- Plastic and aluminum/plastic pouches see astonishing breakthrough with unit volume growth of 80% and 14% respectively in 2016.
THANK YOU

October 2018

Tim Trovillion
Business Development Account Manager