GLOBAL PACKAGING LANDSCAPE: GROWTH, TRENDS & INNOVATIONS

A custom report compiled by Euromonitor International for the Packaging Machinery Manufacturers Institute (PMMI)

November 2015
INTRODUCTION

EXECUTIVE SUMMARY

REGIONAL ANALYSIS

ASIA PACIFIC
WESTERN EUROPE
NORTH AMERICA
LATIN AMERICA
EASTERN EUROPE

CONCLUSIONS
Euromonitor International network and coverage
### Category Coverage

<table>
<thead>
<tr>
<th>Packaging</th>
</tr>
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<tbody>
<tr>
<td>Beauty and Personal Care</td>
</tr>
<tr>
<td>Beverages</td>
</tr>
<tr>
<td>Dog and Cat Food</td>
</tr>
<tr>
<td>Home Care</td>
</tr>
<tr>
<td>Packaged Food</td>
</tr>
<tr>
<td>Tissue and Hygiene</td>
</tr>
<tr>
<td>Tobacco</td>
</tr>
</tbody>
</table>

### Regional Coverage

<table>
<thead>
<tr>
<th>Asia Pacific (including Asia and Australia)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
</tr>
<tr>
<td>North America</td>
</tr>
<tr>
<td>Latin America</td>
</tr>
<tr>
<td>Eastern Europe</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
</tr>
</tbody>
</table>

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**Presentation Background & Euromonitor Solution**

- This presentation will explore **key trends driving development and innovation in packaging**, and will seek to **identify hot spots** for packaging growth in all regions throughout the world.

- In building this report, Euromonitor leverages its internal Passport database, which compiles data points and qualitative analysis in **80 countries**, covering nearly **30 industries**, including packaging.

- **Data used in this presentation includes only final consumer product packaging.** Excluded from this presentation is data regarding shipping packaging or other non-final consumer product packaging.

- **Primary (touches the product) and secondary (faces the consumer) consumer packaging are included** in this presentation.

- All data presented in this presentation is **retail unit volume in billions of units**, unless otherwise noted, and **includes online purchases**.
Asia Pacific is the region with the largest potential growth opportunity. In terms of pack type, PET bottles show the strongest growth rates, while bottled water leads category potential.

<table>
<thead>
<tr>
<th>Region</th>
<th>Forecast growth rate</th>
<th>Volume Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>4.3%</td>
<td>+487 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pack Type</th>
<th>Forecast growth rate</th>
<th>Volume Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>PET bottles</td>
<td>4.7%</td>
<td>+186 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Forecast growth rate</th>
<th>Volume Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottled water</td>
<td>7.8%</td>
<td>+63 billion</td>
</tr>
</tbody>
</table>
### Three trends affect the packaging market in every region of the world

<table>
<thead>
<tr>
<th>Trend</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater consumer awareness of health and wellness</td>
<td></td>
</tr>
<tr>
<td>Stronger influence of recycling and environmental issues</td>
<td></td>
</tr>
<tr>
<td>Increasing disposable income and purchasing power</td>
<td></td>
</tr>
</tbody>
</table>
Other key trends are observed in certain regions, pack types and categories around the world.

<table>
<thead>
<tr>
<th>Urbanization</th>
<th>Branding strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>Internet retailing</td>
</tr>
<tr>
<td>Smaller pack sizes</td>
<td>Premiumization</td>
</tr>
</tbody>
</table>

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Globally, flexible plastic remains the dominant pack type.

However, pack types such as brick liquid cartons and PET bottles will register the highest growth rates.

Globally, flexible plastic remains the dominant pack type.

However, pack types such as brick liquid cartons and PET bottles will register the highest growth rates.

Top 10 Pack Types in World by 2014 Total Volume

- **Other**: 200
- **HDPE Bottles**: 50
- **Brick Liquid Cartons**: 40
- **Flexible Paper**: 40
- **Thin Wall Plastic Containers**: 300
- **Metal Beverage Cans**: 400
- **Flexible Aluminium/Paper**: 300
- **Folding Cartons**: 400
- **Glass Bottles**: 400
- **PET Bottles**: 600

**Total 2014 Volume**

- **Flexible Plastic**: 4,515bn
- **PET Bottles**: 1,200bn
- **Folding Cartons**: 1,000bn
- **Other**: 1,200bn
- **Flexible Paper**: 800bn
- **HDPE Bottles**: 500bn
- **Metal Beverage Cans**: 500bn
- **Thin Wall Plastic Containers**: 500bn
- **Flexible Aluminium/Paper**: 500bn
- **Glass Bottles**: 500bn

**Total 2019 Volume**

- **Flexible Plastic**: 1,600bn
- **PET Bottles**: 1,600bn
- **Folding Cartons**: 1,600bn
- **Other**: 1,600bn
- **Flexible Paper**: 1,600bn
- **HDPE Bottles**: 1,600bn
- **Metal Beverage Cans**: 1,600bn
- **Thin Wall Plastic Containers**: 1,600bn
- **Flexible Aluminium/Paper**: 1,600bn
- **Glass Bottles**: 1,600bn

Globally, flexible plastic remains the dominant pack type.

However, pack types such as brick liquid cartons and PET bottles will register the highest growth rates.

**2014 Volume Share of Top 10 Pack Types in World**

- **Flexible Plastic**: 29%
- **PET Bottles**: 12%
- **Glass Bottles**: 10%
- **Folding Cartons**: 9%
- **Flexible Paper**: 4%
- **Thin Wall Plastic Containers**: 5%
- **Metal Beverage Cans**: 7%
- **Flexible Aluminium/Paper**: 7%
- **Brick Liquid Cartons**: 3%
- **Other**: 12%
Global Packaging Trends: Executive Summary

Bottled water has the highest category absolute volume growth. Juice, yogurt and sour milk products and drinking milk products are the three categories with both large absolute volume growth and forecast volume CAGR.

Top Categories in World by 2014 Volume

- Bottled Water
- Yogurt and Sour Milk Products
- Drinking Milk Products
- Juice
- Sugar Confectionery
- Biscuits
- Carbonates
- Baked Goods
- Beer
- Cigarettes

Size of bubbles represents total 2014 volume in billions of units.
GLOBAL PACKAGING TRENDS: EXECUTIVE SUMMARY

Though from smaller base, Middle East & Africa register largest growth

Due to economic conditions, North America and Europe will see comparatively smaller packaging growth

Forecast Volume CAGR 2014 – 2019 by region

- North America: 0.4%
- Europe: 0.5%
- Middle East & Africa: 5.3%
- Asia Pacific: 4.3%
- Latin America: 2.8%

Number within bubbles represents forecast volume CAGR (2014 – 2019) in billions of units

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Asia Pacific region maintains a 46% volume share of total market

With about 1,300 billion fewer units, Western Europe is the second largest region with volume share of 18%
### Top Categories of Absolute Volume Growth by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Bottled Water</th>
<th>Beer</th>
<th>Carbonates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>+ 55.6 billion units</td>
<td>+ 11.6 billion units</td>
<td></td>
</tr>
<tr>
<td>Western Europe</td>
<td>+ 5.2 billion units</td>
<td>+ 3.1 billion units</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>+ 6.2 billion units</td>
<td></td>
<td>+ 5.8 billion units</td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Middle East &amp; Africa</td>
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</table>
INTRODUCTION

EXECUTIVE SUMMARY

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WESTERN EUROPE
NORTH AMERICA
LATIN AMERICA
EASTERN EUROPE

CONCLUSIONS
Flexible plastic remains dominant across multiple categories

However, increasing consumer demand for premium packaging is driving growth in other pack types.

Wide application drives strength of flexible plastic

- Key subcategory applications of flexible plastic include:
  - Instant noodles
  - Sugar confectionery
  - Biscuits
  - Cigarettes

PET bottles show aggressive growth rates

- Key subcategory applications of PET bottles include:
  - RTD tea
  - Juice
  - Carbonates

Volume share of pack types in Asia Pacific, 2014

<table>
<thead>
<tr>
<th>Pack Type</th>
<th>Volume Share (%)</th>
<th>2014 Market Size</th>
<th>Total Units Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible Plastic</td>
<td>34</td>
<td>2,091 bn</td>
<td>2,091 bn</td>
</tr>
<tr>
<td>PET Bottles</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible Paper/Aluminum/Paper</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Folding Cartons</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glass Bottles</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal Beverage Cans</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brick Liquid Cartons</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Forecast CAGR (2014-2019): 4.3%
Bottled water will grow at CAGR of 8.4% from 2014 – 2019

Other categories will post strong growth as well, including RTD tea, yogurt, and Asian specialty drinks.
RTD TEA

While PET bottles are dominant, other pack types show large forecast growth

$43.8 billion
Value sales of RTD tea in 2014*

7.4%
Forecast value sales CAGR* of RTD tea (2014 – 2019)

* In USD, RSP, constant 2014 value

- PET bottles will remain the dominant pack type with a 8.7% forecast CAGR
- Metal beverage can growth will be driven by China, where consumers perceive this pack type to be of higher quality
RTD TEA

China’s volume share of RTD tea packaging will increase, while Indonesia will overtake Japan

CHINA LEADS PACKAGING IN RTD TEA; INDONESIA RISES TO SECOND PLACE IN 2019

- RTD tea packaging is heavily concentrated within China – largely driven by metal beverage cans and PET bottles

- Indonesia will overtake Japan in the forecast period, partially due to increased efforts of packaging companies to introduce different pack types and designs for the Indonesian consumer
  - RTD tea was observed in seven pack types in Indonesia as compared to only three pack types in China
### Three countries account for 77% of total packaging volume

**Within these three countries and throughout the region, flexible plastic packaging remains dominant**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1. Flexible Plastic</td>
<td>Cigarettes, Instant Noodles, Sugar Confectionery</td>
<td>3.3%</td>
<td>358</td>
</tr>
<tr>
<td></td>
<td>2. Flexible Aluminum/Paper</td>
<td>Cigarettes, Impulse Ice Cream, Biscuits</td>
<td>2.3%</td>
<td>135</td>
</tr>
<tr>
<td></td>
<td>3. PET Bottles</td>
<td>Bottles Water, Juice, RTD Tea, Carbonates</td>
<td>8.7%</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td><strong>Total packaging volume share in region:</strong> 53%</td>
<td><strong>Total packaging forecast CAGR (2014 – 2019):</strong> 4.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>1. Flexible Plastic</td>
<td>Sugar Confectionery, Drinking Milk Products</td>
<td>7.2%</td>
<td>135</td>
</tr>
<tr>
<td></td>
<td>2. Flexible Paper</td>
<td>Chewing Tobacco, Gum, Bar Soap</td>
<td>-0.5%</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>3. Flexible Aluminum/Paper</td>
<td>Cigarettes, Chewing Tobacco, Cooking Sauces</td>
<td>-7.2%</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td><strong>Total packaging volume share in region:</strong> 13%</td>
<td><strong>Total packaging forecast CAGR (2014 – 2019):</strong> 6.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1. Flexible Plastic</td>
<td>Baked Goods, Cigarettes, Chilled Fish/Seafood</td>
<td>0.04%</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>2. Metal Beverage Cans</td>
<td>Beer, RTD Coffee, Carbonates, RTDs/Premixes</td>
<td>-1.8%</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>3. PET Bottles</td>
<td>RTD Tea, Bottled Water, Carbonates, Juice</td>
<td>1.1%</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td><strong>Total packaging volume share in region:</strong> 12%</td>
<td><strong>Total packaging forecast CAGR (2014 – 2019):</strong> -0.02%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

EXECUTIVE SUMMARY

REGIONAL ANALYSIS
  ASIA PACIFIC
  WESTERN EUROPE
  NORTH AMERICA
  LATIN AMERICA
  EASTERN EUROPE

CONCLUSIONS
Flexible plastic, though dominant, will see a meager 0.7% forecast CAGR

- Increasing pack size options will allow flexible plastic to remain the mainstay of Western European packaging
- New pack type competition will appear over the forecast period, such as stand-up pouches.

PET Bottles will see largest growth of top pack types

- Bottled water, juice and sports and energy drinks will drive large PET bottle growth over the forecast period

Flexible plastic remains widely used across many categories

However, popularity of PET bottles is eating away at the volume share of other top pack types

Volume share of pack types in Western Europe, 2014

- Flexible Plastic, 25%
- Glass Bottles, 12%
- PET Bottles, 11%
- Thin Wall Plastic Containers, 10%
- Folding Cartons, 9%
- Metal Beverage Cans, 5%
- Other, 29%

Total units sold in 2014: 798bn

Total 2014 market size: 798
Total 2019 market size: 819
Forecast CAGR (2014-2019): 0.5%
Bottled water will see the greatest absolute volume gains

However, smaller overall categories such as RTD tea and coffee will register strong forecast CAGRs.
GLOBAL PACKAGING TRENDS: WESTERN EUROPE

BOTTLED WATER

*PET bottles dominate, but alternative pack types gaining traction*

Bottled Water by Pack Type

$54.8 billion
Value sales of bottled water in 2014*

2.7%
Forecast value sales CAGR of bottled water (2014 – 2019)*

* In USD, RSP, constant 2014 value

- Bottled water will see a large absolute volume gain of 5.2 billion units to be the largest packaging category by 2019
- PET bottles dominate category packaging with **78% volume share**; however, newer pack types such as thin wall plastic containers are becoming more common
BOTTLED WATER

Category growth driven by demand of Turkey, who represent 20% of bottled water packaging in the region.

TURKEY DRIVES DEMAND FOR BOTTLED WATER AND GLASS BOTTLES IN REGION

- In 2014, Turkey had the highest volume of bottled water packaging of any Western European country, with 12.3 billion units.

- General trends that drive this growth in Turkey are rapid urbanization, the demand for convenience, and the general perception of tap water as unhygienic.

Absolute Volume Growth of Bottled Water Packaging by Country, 2014-2019

- Turkey, 58%
- Rest of Western Europe, 42%
- Abs. volume growth of bottled water: 5.2bn
### Top three countries represent 49% of regional volume

*All three countries will experience forecast CAGRs at or below the regional forecast CAGR of 0.5%*

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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Germany</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Flexible Plastic</td>
<td>Baked Goods, Chocolate Confectionery</td>
<td>0.04%</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>2. Glass Bottles</td>
<td>Beer, Bottled Water, Wine, Carbonates, Spirits</td>
<td>-1.7%</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>3. PET Bottles</td>
<td>Bottled Water, Carbonates, Juice, Beer</td>
<td>0.9%</td>
<td>20</td>
</tr>
<tr>
<td><strong>U.K.</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>1. Flexible Plastic</td>
<td>Chocolate Confectionery, Baked Goods, Biscuits</td>
<td>0.4%</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>2. Thin Wall Plastic Containers</td>
<td>Yogurt and Sour Milk Products</td>
<td>1.5%</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>3. Folding Cartons</td>
<td>Cigarettes, Breakfast Cereals, Baked Goods</td>
<td>-0.6%</td>
<td>10</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Flexible Plastic</td>
<td>Biscuits, Cigarettes, Baked Goods, Cheese</td>
<td>0.8%</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>2. Thin Wall Plastic Containers</td>
<td>Yogurt and Sour Milk Products</td>
<td>0.4%</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>3. Folding Cartons</td>
<td>Biscuits, Cigarettes, Frozen Processed Foods</td>
<td>0.2%</td>
<td>12</td>
</tr>
</tbody>
</table>

**Total packaging volume share in region: 21%**  
**Total packaging forecast CAGR (2014 – 2019): -0.2%**

**Total packaging volume share in region: 15%**  
**Total packaging forecast CAGR (2014 – 2019): 0.5%**

**Total packaging volume share in region: 13%**  
**Total packaging forecast CAGR (2014 – 2019): 0.4%**
INTRODUCTION

EXECUTIVE SUMMARY

REGIONAL ANALYSIS

ASIA PACIFIC
WESTERN EUROPE
NORTH AMERICA
LATIN AMERICA
EASTERN EUROPE

CONCLUSIONS
Top three pack types have similar packaging volume share

*PET bottles will see forecasted growth while metal beverage cans will see forecast volume decline*

### Volume share of pack types in North America, 2014

- **PET Bottles**, 19%
- **Flexible Plastic**, 18%
- **Glass Bottles**, 7%
- **Folding Cartons**, 10%
- **Metal Beverage Cans**, 16%
- **Thin Wall Plastic Containers**, 5%
- **Others**, 24%

**Total 2014 market size**: 589bn total units sold in 2014

- **PET bottles** driven by bottled water and carbonates; Flexible plastic large but sees stagnant growth

- **Bottled water and carbonates comprise 75% volume share of PET bottle packaging**

- **Flexible plastic will see a forecast CAGR of -0.01% from 2014-2019**, mainly due to slow forecast growth of cigarette packaging

### Plastic pouches small, but growing quickly

- **While still a small component in 2014, with 0.8% volume share, plastic pouches will see a large forecast CAGR of 5.7%**

- **Categories driving this growth are sugar and chocolate confectionery along with dried ready meals**

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Global Packaging Trends: North America

In absolute volume terms, bottled water will see largest growth

*Cider/perry, though starting from a low base, will see massive forecast growth of more than 32% from 2014-2019*
CIDER/PERRY

*Increased popularity of cider/perry has resulted in massive packaging growth*

- **$2.3 billion**
  - Value sales of cider/perry in 2014*

- **30.6%**
  - Forecast value sales CAGR of cider/perry (2014 – 2019)*

*In USD, RSP, constant 2014 value

- The leading metal beverage can size across the region is 355ml (12oz), with 473ml (16oz) size gaining traction
WINE

Glass is the volume leader, but will be challenged by new packaging innovations

GLOBAL PACKAGING TRENDS: NORTH AMERICA

$51.4 billion
Value sales of wine in 2014*

4.8%
Forecast value sales CAGR of wine (2014 – 2019)*

* In USD, RSP, constant 2014 value

• Glass bottles remain the volume leader in 2014, with a 83% volume share

• PET bottles, shaped liquid cartons, bag in box, and pouches drive the growth in the wine category
WINE

Creative pack types in various pack types are driving packaging growth in the wine category

GLOBAL PACKAGING TRENDS: NORTH AMERICA

BRANDS WILL EXPERIMENT WITH NON-GLASS PACK TYPES

- Manufacturers throughout the region will experiment with pack types such as PET bottles, shaped liquid cartons, bag in box, pouches

Volume Share of Wine Packaging in North America

9.0bn total units of Wine sold in 2014

Glass, 83%

Other, 24%

Other, 17%

Glass, 76%

Inner circle: 2014 volume share
Outer circle: 2019 volume share
U.S. accounts for 91% of total packaging volume in region

*PET bottles lead packaging type in region, though is not as popular in Canada as the U.S.*

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1. PET Bottles</td>
<td>Bottled Water, Carbonates, Drinking Milk Products</td>
<td>1.8%</td>
<td>216</td>
</tr>
<tr>
<td>2. Flexible Plastic</td>
<td>Cheese, Other Sweet and Savory Snacks, Biscuits</td>
<td>-0.1%</td>
<td>195</td>
</tr>
<tr>
<td>3. Metal Beverage Cans</td>
<td>Sports and Energy Drinks, RTD Tea, Cider/Perry</td>
<td>-0.4%</td>
<td>175</td>
</tr>
</tbody>
</table>

**Total packaging volume share in region:** 91%

**Total packaging forecast CAGR (2014 – 2019):** 0.4%

Canada

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1. Flexible Plastic</td>
<td>Chilled Processed Meat, Chocolate Confectionery</td>
<td>0.4%</td>
<td>22</td>
</tr>
<tr>
<td>2. Metal Beverage Cans</td>
<td>RTD Tea, Beer, Cider/Perry, Bottled Water</td>
<td>0.3%</td>
<td>15</td>
</tr>
<tr>
<td>3. Folding Cartons</td>
<td>Chips/Crisps, Coffee, Boxed Facial Tissues</td>
<td>-0.7%</td>
<td>14</td>
</tr>
</tbody>
</table>

**Total packaging volume share in region:** 9%

**Total packaging forecast CAGR (2014 – 2019):** 0.5%
INTRODUCTION

EXECUTIVE SUMMARY

REGIONAL ANALYSIS

ASIA PACIFIC
WESTERN EUROPE
NORTH AMERICA
LATIN AMERICA
EASTERN EUROPE

CONCLUSIONS
Flexible plastic and glass bottles retain top market shares

But PET bottles and metal beverage cans are forecasted to gain significant volume market share

**Volume share of pack types in Latin America, 2014**

- Flexible Plastic: 28%
- Glass Bottles: 14%
- PET Bottles: 12%
- Metal Beverage Cans: 8%
- Folding Cartons: 6%
- Flexible Paper: 5%
- HDPE Bottles: 4%
- Other: 23%

**Flexible plastic registered 144 billion units in 2014**

- Categories of particular strength include **biscuits, baked goods and confectionery** products
- Cigarettes also have a strong presence in flexible plastic, but with a negative outlook due to health and wellness concerns

**Growing significance of PET bottles and metal beverage cans**

- **Returnables** within PET bottles will continue to grow in popularity and help drive this pack type
- Metal beverage cans will also experience positive growth in the forecast thanks to categories such as beer and sports and energy drinks
Beer continues to dominate packaging in Latin America

In terms of forecast CAGR, however, sports and energy drinks and juice show strong packaging growth.
**BEER**

*Glass bottles and metal beverage cans continue to dominate beer packaging*

- **$129 billion**
  - Value sales of beer in 2014*

- **16.9%**
  - Forecast value sales CAGR of beer (2014 – 2019)*

  *In USD, RSP, constant 2014 value*

- Glass bottles will remain the primary pack type for beer mainly due to a perceived image of higher quality

- The returnable feature of glass bottles remains important, especially in Argentina
BEER

Unlike the rest of Latin America, metal beverage cans are the most popular pack type for beer in Brazil

Brazil: 56%

Rest of region: 19%

Metal beverage cans as a percent of total pack type for beer, 2014

101 – 300ml: 9.5%

301 – 500ml: 0.2%

Metal beverage cans as a percent of total pack type for beer, 2014

Volume CAGR of metal beverage cans by size (2014 – 2019) in Brazil

269ml CANS IN GREATER DEMAND THAN 350ml CANS

- In Brazil, the 2014 World Cup saw increasing demand for beer in 269ml cans because it enabled the consumer to more easily finish drinking the product while still cold.
**JUICE**

*Brick liquid cartons remain popular, shaped liquid cartons see high growth*

### Juice by Pack Type

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brick Liquid Cartons</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>HDPE Bottles</td>
<td>4</td>
<td>8%</td>
</tr>
<tr>
<td>Gable Top Liquid Cartons</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>PET Bottles</td>
<td>1</td>
<td>4%</td>
</tr>
<tr>
<td>Shaped Liquid Cartons</td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>Other Pack Types</td>
<td></td>
<td>2%</td>
</tr>
</tbody>
</table>

#### $17.1 billion
Value sales of juice in 2014*

**15.1%**

Forecast value sales CAGR* of juice (2014 – 2019)

* In USD, RSP, constant 2014 value

- **Due to its healthy image,** juice and juice packaging will continue to demonstrate high growth rates in the forecast period.

- **Pack types other than brick liquid cartons will see positive outlooks as companies such as Coca-Cola, Jugos Del Valle SA, and Grupo Jumex SA de CV will branch into other pack types such as shaped liquid cartons.**
GLOBAL PACKAGING TRENDS: LATIN AMERICA

JUICE

Mexico controls the Latin American juice packaging market, but Brazil drives demand for shaped liquid cartons

Juice Packaging Volume
Sales in Latin America, 2014

16.3bn units of Juice sold in 2014

Mexico 49%
Rest of region 51%

HDPE BOTTLES WILL SEE MOST DYNAMIC GROWTH IN MEXICO

- The popularity of HDPE bottles in Latin America is driven by Mexico – 98.5% of the absolute volume growth of this pack type in juice will originate in Mexico

DEMAND FOR SHAPED LIQUID CARTONS STEMS FROM BRAZIL

- Coca-Cola’s 2014 launch of its Del Valle Reserva brand in shaped liquid cartons can explain high growth for this pack type
### Three countries account for 78% of total packaging volume

*Flexibe plastic leads across the region, but country specific-differences emerge in subsequent pack types*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>1. Flexible Plastic</td>
<td>Biscuits, Gum, Cigarettes, Sugar Confectionery</td>
<td>2.1%</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>2. Metal Beverage Cans</td>
<td>Beer, Carbonates, Sports and Energy Drinks</td>
<td>3.8%</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>3. Glass Bottles</td>
<td>Beer, Carbonates, Spirits, Bottled Water</td>
<td>2.9%</td>
<td>22</td>
</tr>
<tr>
<td>Mexico</td>
<td>1. Flexible Plastic</td>
<td>Baked Goods, Concentrates, Sugar Confectionery</td>
<td>1.4%</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>2. Glass Bottles</td>
<td>Beer, Carbonates, Bottled Water, Spirits</td>
<td>2.5%</td>
<td>22.4</td>
</tr>
<tr>
<td></td>
<td>3. PET Bottles</td>
<td>Carbonates, Bottled Water, Vegetable &amp; Seed Oil</td>
<td>3.6%</td>
<td>22.3</td>
</tr>
<tr>
<td>Argentina</td>
<td>1. Flexible Plastic</td>
<td>Biscuits, Cigarettes, Gum, Chocolate Confectionery</td>
<td>1.3%</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>2. PET Bottles</td>
<td>Bottled Water, Carbonates, Vegetable &amp; Seed Oil</td>
<td>2.0%</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>3. Flexible Aluminum/Paper</td>
<td>Concentrates, Cigarettes, Gum Sugar Confectionery</td>
<td>1.8%</td>
<td>6</td>
</tr>
</tbody>
</table>

**Total packaging volume share in region:**
- Brazil: 40%
- Mexico: 29%
- Argentina: 10%

**Total packaging forecast CAGR (2014 – 2019):**
- Brazil: 3.3%
- Mexico: 2.2%
- Argentina: 1.6%
INTRODUCTION

EXECUTIVE SUMMARY

REGIONAL ANALYSIS

ASIA PACIFIC
WESTERN EUROPE
NORTH AMERICA
LATIN AMERICA
EASTERN EUROPE

CONCLUSIONS
Flexible plastic growth slower than total packaging growth

Of the top three pack types, glass bottles are the only growing pack type with a forecast CAGR of 1.9%

Volume share of pack types in Eastern Europe, 2014

- Flexible Plastic, 31%
- Glass Bottles, 11%
- Folding Cartons, 11%
- Flexible Aluminum/Paper, 9%
- PET Bottles, 9%
- Thin Wall Plastic Containers, 5%
- Other, 24%

Total 2014 market size: 362 billion units
Total 2019 market size: 383 billion units
Forecast CAGR (2014-2019): 1.1%

Flexible plastic dominant, but has stagnant growth

- With nearly 1/3 of total regional pack types, flexible plastic is present in nearly every category
- This pack type’s largest category contributors are cigarettes and chocolate confectionery

Emerging pack types, like glass bottles, PET bottles and thin wall plastic containers are driving growth

- Of the top pack types in region, only glass bottles, PET bottles and thin wall plastic containers have forecast growth greater than growth of total packaging
Bottled water registers the largest forecast growth of 3.6%.

*Beer, however, with a large total packaging market size but lower CAGR of 1.8%, will see the largest volume gains.*
While glass bottles are widely dominant, metal beverage cans are growing faster.

- Beer packaging is the second largest category in Eastern Europe and growing at a forecast CAGR of 1.8%.
- Manufacturers in the region have recently turned towards more economical, convenient, and lightweight packaging.
BEER

*PET bottles for beer packaging are decreasing in Russia and Ukraine, but increasing throughout the rest of the region.*

**THOUGH DECREASING OVERALL, PET BOTTLES ARE WIDELY POPULAR IN REGION**

- In Russia and Ukraine, *government regulations* and declining *consumer purchasing power* due to economic conditions pushing PET packaging in beer down.

- The rest of the region will see *large growth* in PET bottle packaging.

- Consumers purchased *more off-trade beer*, and PET bottles allow easier on-the-go and at-home consumption.

---


- **Russia**, -5.3%
- **Ukraine**, -1.7%
- **Romania**, 8.1%
- **Rest of Eastern Europe**, 8.8%
### Global Packaging Trends: Eastern Europe

**Top three countries represent 81% of total packaging volume**

*Russia, the largest packaging market by volume, typically dictates the overall packaging trends for the region*

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Russia</strong></td>
<td>1. Flexible Plastic</td>
<td>Cigarettes, Baked Goods, Sugar Confectionery</td>
<td>0.9%</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>2. Folding Cartons</td>
<td>Cigarettes, Tea, Laundry Detergents</td>
<td>0.7%</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>3. Flexible Aluminum/Paper</td>
<td>Cigarettes, Gum, Butter, Cooking Sauces</td>
<td>-1.0%</td>
<td>21</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>1. Flexible Plastic</td>
<td>Chocolate Confectionery, Cigarettes, Baked Goods</td>
<td>0.9%</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>2. Glass Bottles</td>
<td>Beer, Spirits, Carbonates, Juice, Wine, Bottled Water</td>
<td>1.7%</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>3. PET Bottles</td>
<td>Bottled Water, Carbonates, Juice, RTD Tea</td>
<td>2.6%</td>
<td>5</td>
</tr>
<tr>
<td><strong>Ukraine</strong></td>
<td>1. Flexible Plastic</td>
<td>Cigarettes, Chocolate Confectionery, Baked Goods</td>
<td>-0.2%</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>2. Folding Cartons</td>
<td>Cigarettes, Tea, Chocolate Confectionery</td>
<td>-2.0%</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>3. PET Bottles</td>
<td>Bottled Water, Carbonates, Beer, Vegetable/Seed Oil</td>
<td>0.5%</td>
<td>4.7</td>
</tr>
</tbody>
</table>

*Total packaging volume share in region:* 55%  
*Total packaging forecast CAGR (2014 – 2019):* 1.4%

*Total packaging volume share in region:* 14%  
*Total packaging forecast CAGR (2014 – 2019):* 1.0%

*Total packaging volume share in region:* 12%  
*Total packaging forecast CAGR (2014 – 2019):* -0.3%
INTRODUCTION

EXECUTIVE SUMMARY

REGIONAL ANALYSIS
  ASIA PACIFIC
  WESTERN EUROPE
  NORTH AMERICA
  LATIN AMERICA
  EASTERN EUROPE

CONCLUSIONS
Asia Pacific is the region with the largest potential growth opportunity. In terms of pack type, PET bottles show the strongest growth rates, while bottled water leads category potential.

**Region**

Asia Pacific is the **region** with the largest packaging growth opportunity.

| Forecast growth rate of **4.3%** |

**Pack Type**

PET bottles is the **pack type** with the largest packaging growth opportunity.

| Forecast growth rate of **4.7%** |

**Category**

Bottled water is the **category** with the largest packaging growth opportunity.

| Forecast growth rate of **7.8%** |

+ 186

absolute volume growth (in billions of units, 2014-2019)

+ 63

absolute volume growth (in billions of units, 2014-2019)

+ 487

absolute volume growth (in billions of units, 2014-2019)
THANK YOU – QUESTIONS?

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Appendix
Flexible plastic represents a quarter of the region’s pack type

Following more than 10% value share behind are folding cartons and glass bottles

Volume share of pack types in Middle East & Africa, 2014

- Flexible Plastic: 27%
- Folding Cartons: 13%
- Glass Bottles: 10%
- PET Bottles: 9%
- Metal Beverage Cans: 8%
- Flexible Aluminum/Paper: 7%
- Thin Wall Plastic Containers: 6%
- Other: 21%

Flexible plastic maintains stronghold on regional packaging format

- This pack type is widely represented among various categories, including cigarettes, baked goods, biscuits, chips/crisps, and rice, which combined represent a 56% value share of total flexible plastic

- Projected growth of this flexible plastic is 5.5%, which is slightly higher than the total packaging growth of 5.3%

Volume in billions of units

<table>
<thead>
<tr>
<th></th>
<th>2014 market size</th>
<th>2019 market size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>167</td>
<td>215</td>
</tr>
<tr>
<td>Forecast CAGR (2014-2019)</td>
<td>5.3%</td>
<td></td>
</tr>
</tbody>
</table>
Carbonates will pass cigarettes in packaging volume by 2019

Other packaged food categories remain popular in packaging, especially biscuits, rice and chips/crisps.
### Top three countries represent 78% of total regional volume

*Flexible plastic appears in the top two pack types of all three largest countries*

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Egypt</strong></td>
<td>1. Flexible Plastic</td>
<td>Cigarettes, Biscuits, Baked Goods, Rice</td>
<td>6.6%</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>2. Folding Cartons</td>
<td>Rice, Cigarettes, Biscuits, Tea, Gum</td>
<td>6.4%</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>3. Flexible Aluminum/Paper</td>
<td>Cigarettes, Gum, Sugar Confectionery</td>
<td>4.5%</td>
<td>11</td>
</tr>
<tr>
<td><strong>Saudi Arabia</strong></td>
<td>1. Flexible Plastic</td>
<td>Baked Goods, Cigarettes, Chips/Crisps, Rice</td>
<td>6.2%</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>2. Folding Cartons</td>
<td>Boxed Facial Tissue, Cigarettes, Rice, Tea</td>
<td>4.4%</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>3. Metal Beverage Cans</td>
<td>Carbonates, Beer, Sports and Energy Drinks</td>
<td>9.4%</td>
<td>8</td>
</tr>
<tr>
<td><strong>South Africa</strong></td>
<td>1. Glass Bottles</td>
<td>Beer, Carbonates, Cider/Perry, Wine</td>
<td>2.8%</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>2. Flexible Plastic</td>
<td>Baked Goods, Chips/Crisps, Cigarettes</td>
<td>3.0%</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>3. PET Bottles</td>
<td>Carbonates, Bottled Water, Juice</td>
<td>5.3%</td>
<td>8</td>
</tr>
</tbody>
</table>

- **Total packaging volume share in region:** 30%
- **Total packaging forecast CAGR (2014 – 2019):** 6.7%

- **Total packaging volume share in region:** 25%
- **Total packaging forecast CAGR (2014 – 2019):** 6.0%

- **Total packaging volume share in region:** 22%
- **Total packaging forecast CAGR (2014 – 2019):** 3.1%