



Packaging Industry in India

As per research reports global packaging is growing at 3% per annum and reach \$ 1.2 trillion in 2028. Packaging is clearly enabling the perceived value of the product and is liked by most as the preferred cover for their use. Demand for packaging products is increasing rapidly as people increase consumption and purchases online. A number of manufacturers in India are looking to scale their production to gain better expansion and lead to higher output.

Packaging solutions that deliver protective cover and sustainability of products like corrugated boxes, flexible packaging, RF tags, and NFC chips are in demand. People are consuming more medicines, electronics, and food from purchases online and in increasing numbers. Images, visual qualities, print logos, and other additions make packaging more viable in the long run and develop consumer affinity as a preferred option.

In India packaging is a huge market and in terms of industry ranking it is the fifth largest in the country. Industry insights have predicted it is expanding globally with manufacturers acquiring machines that are fully automatic from Europe and USA. Paper as the main ingredient in box production is scarcely available mainly because it is exported and very less is available for Indian producers of packaging products like corrugated boxes.

The internationalization of brands at the global level has accelerated the use of packaging. In India as more products like groceries, food, electronics, and medicines are being consumed, there is likely a need for better packaging safer from counterfeits, breakages, and pilferages. Using Rf tags, geo location chips, and innovations from research into biodegradable packaging, the rising demand for versioned packaging, and packaging solutions of high quality and sustainability is met. A less-known choice of packaging has largely been less dependent on the brand, the packaging solution from local production is also more preferred. Corrugated boxes are used mainly for shipping, and large box requirements, these are available from recycled paper used in manufacturing. High-precision machinery called corrugators manufacture recycled paper for the production of corrugated boards. As a source of pulp fiber, these corrugated boards made from recycled paper can be used again and again. The production of a corrugated liner is almost near 8 million tonnes per year in India alone.

Corrugated boxes are of many types from single, twin to multiple walls, and from different characteristics, performances, and strengths. Depending on the weight and moisture of the paper, corrugated boards can offer varied strength to the boxes manufactured. Domestic manufacturers largely control the Indian packaging industry; although some leading global

packaging companies established a strong presence in India. The M&A activity in the packaging sector in India has been on the rise and M&A activity has picked up speed with over 15 transactions in the packaging industry in India since 2012. Despite a visible transition from a 70% unorganized share, roughly 45-50% of this industry still remains unorganized. According to the Packaging Industry Association of India, the Indian packaging industry was the fifth largest in the world in 2016. The Indian packaging industry, which constitutes about 4 percent of the global packaging industry, has been growing at an annual rate of 18 percent and is expected to touch \$73 billion by 2020.

The per capita packaging consumption in India is quite low at 8.6 kg, compared to countries such as Germany 42 kg, USA 71kg, China 21kg, and Taiwan 19 kg. However, organized retail and the boom in e-commerce, with huge potential for future growth of retailing, is a boost to the packaging sector.

India has 22,000 packaging units operating in the area of glass, plastic, paper, metal, and corrugated packaging, and 85 percent are SMEs. These packaging companies further focus on four different categories-raw of materials, converting industry, machinery, and ancillary. Packaging growth is directly linked to GDP growth. Thus, packaging in India is growing at high speed than before and due to the focus on industry features it is expected to grow further in the future.



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