

Global Packaging Trends

Flexible plastic and PET bottles in pole position by 2020

Bottled water will grow the most by volume by 2020 (+55 billion units) of all packaged products. These increases will be concentrated primarily in 5 regions: Asia Pacific (+46.7%), Western Europe (+10%), North America (+12.3%), Eastern Europe (+2.3%) and Middle East & Africa (+6%), driving the production of PET bottles, which take second place in the rankings, predicted at an increase of 5% (equivalent to a volume increase of 67 billion units). First place will be taken by flexible plastic, which is predicted to register the best performance by volume above all in the Asia Pacific region (+92 billion units), Western Europe and

Middle East & Africa, both at +12 billion units. These are some of the figures presented in Global Packaging Trends 2017, run by Euromonitor International in collaboration with the major international industrial associations (APPMA, PPMA, PMMI and UCIMA), which examines the opportunities for global growth in packaging for the period 2015-2020. The survey also analyses the major trends in 80 world economies, and predicts increased awareness of wellness issues among consumers along with a strong demand for recycling and environmental sustainability in mature markets, and also highlights the impact of macro-economic factors on the choice of packaging.

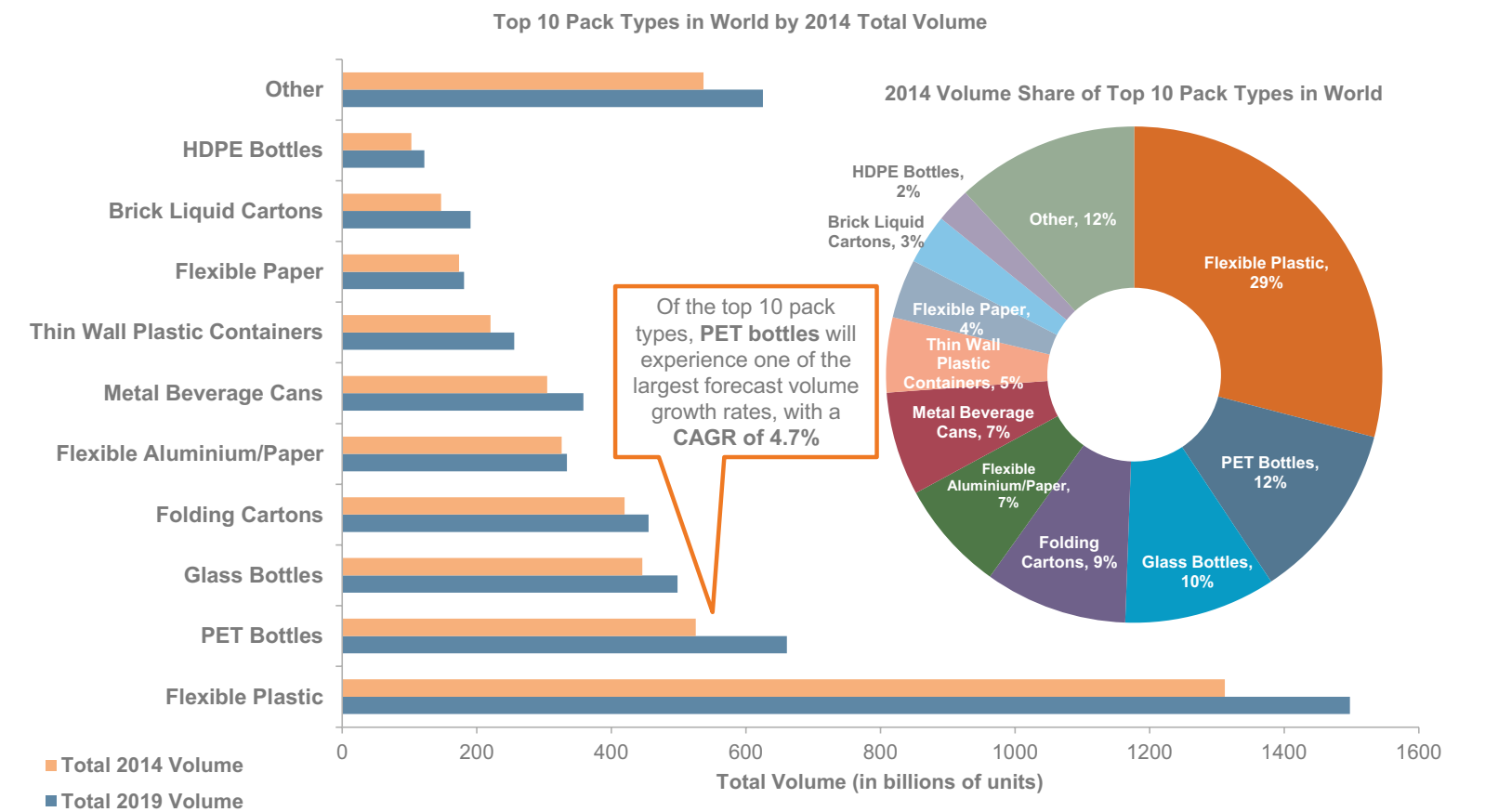


NOTE
Global Packaging Trends, run by Euromonitor International in collaboration with the major international industrial associations (APPMA, PPMA, PMMI and UCIMA)

GLOBAL PACKAGING TRENDS: EXECUTIVE SUMMARY

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



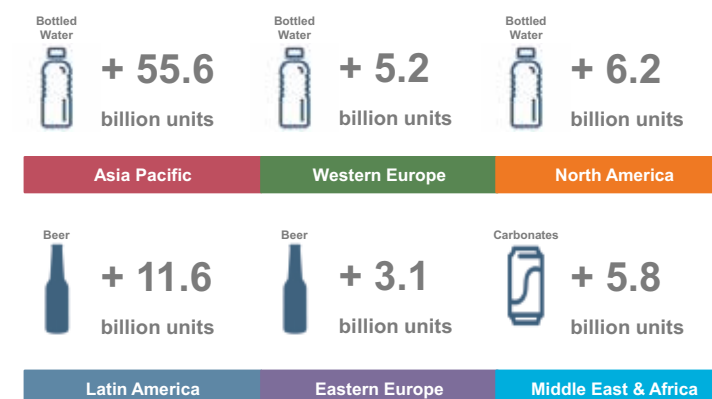
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GLOBAL PACKAGING TRENDS: EXECUTIVE SUMMARY

Bottled water will see the largest unit growth in three regions

Asia Pacific will account for 70% of global absolute volume growth in bottled water from 2014 - 2019

Top Categories of Absolute Volume Growth by Region



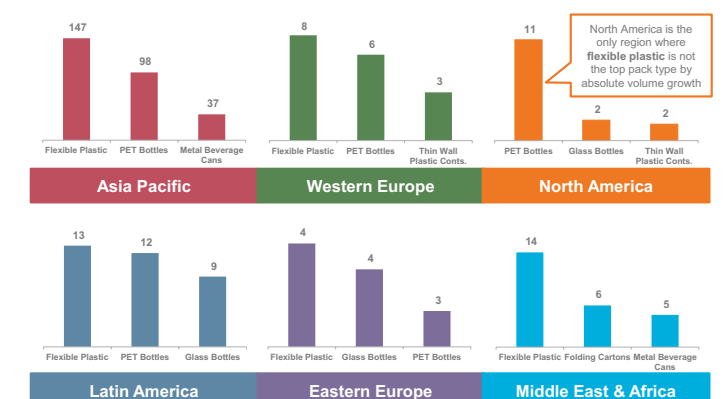
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GLOBAL PACKAGING TRENDS: EXECUTIVE SUMMARY

Flexible plastic will see largest absolute volume gains in 5 of 6 regions

PET bottles, with global forecast growth of 4.7%, appear in the top three pack types in nearly every region

Top Pack Types by Absolute Volume Growth by Region (in billions of units)



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Eastern Europe: slowdowns, with positive notes for plastics

According to the study, macroeconomic and political turbulence should slow down growth in key Eastern European markets.

The growth estimated by 2020 is in fact just 1.2%, for 279 millions in value. The use of sustainable packaging and of cheaper materials such as plastic (stand-up pouches first and foremost), driven by the consumption of the middle class and residents in urban centers is expected to increase.

PET bottles will grow at a CAGR of 2.2%, reaching around 4 billion units sold by 2020, while glass bottles will be the preferred packaging for premium food and beverages.

Among the product categories, energy drinks will have the highest growth (+6.1%), especially in Hungary and Poland.

In addition to thin walled plastic containers, which will reach +2.6% in 2020, the food market will be driven by flexible film (155 billion units sold in 2015).

The Beauty and Personal Care sector (8.7 billion units in 2015) will grow more slowly, with cardboard packaging leading the way, followed by glass packaging (+3%).

The Home Care sector (4.4 billion units in 2015) will generate low volumes, due to weak economic conditions.

Middle East and Africa: up by +5.3%

The Middle East market is estimated to grow by 5.3% to 211 billion. An acceleration of flexible packaging is expected (CAGR 5.7%), which will replace traditional packaging.

Thin-walled plastic containers (+7.8%) and PET bottles (+6.6%) also showed strong growth, while glass bottles will see smaller increases of +2.2%.

In the period forecast, the most attractive product category for consumers will be cookies, with sales that, by 2020, will add 750 million packs to the 2.2 billion units sold in 2015. The food segment (86.1 billion units in 2015), in addition to driving the growth of thin-wall plastic containers (+7%) thanks to the increased consumption of yoghurt and milk, will see a surge in the stand-up pouches (+11.5%), while in the beverage segment (68.5 billion units in 2015) there will be a 4.7% increase in packaged products, driven in particular by PET bottles (+9.4%) and metal cans.

The Beauty and Personal Care sector (5 billion units in 2015) will put in a good showing, with a CAGR of 6% forecast between 2015 and 2020, with flexible packaging leading the way at +7%, followed by cardboard packs (+6%).

The pet food market (282 million euros in 2015) remains marginal, where the aluminium/plastic bags will be replaced by cheaper tins. Home Care (3.4 billion products sold in 2015) is expected to grow by 2020 (4% CAGR), driven by flexible plastics (+5%) and recyclable containers.

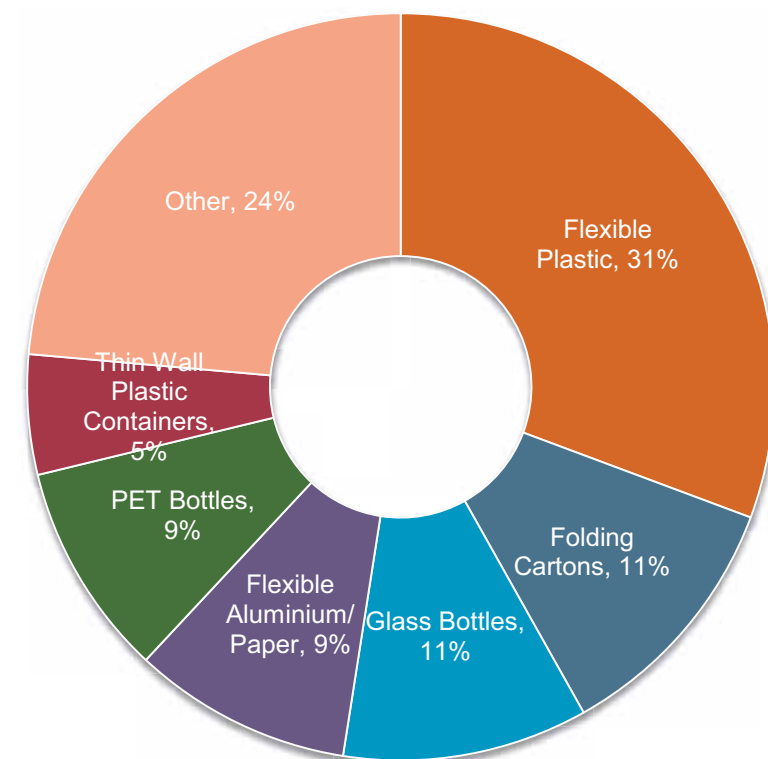


GLOBAL PACKAGING TRENDS: EASTERN EUROPE

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



Volume in billions of units

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

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Latin America grows by 1.8%

Compared to 456.2 billion packaged products in 2015, 500 billion units will be reached in 2020 (+1.8%).

The flexible packaging, which in the years of crisis was prevalent, will continue its development trend driven by the demand for multi-packs and economical products. Due to the reduced spending power of the population, small packs will also increase.

In the period of forecast 2015-2020, PET bot-

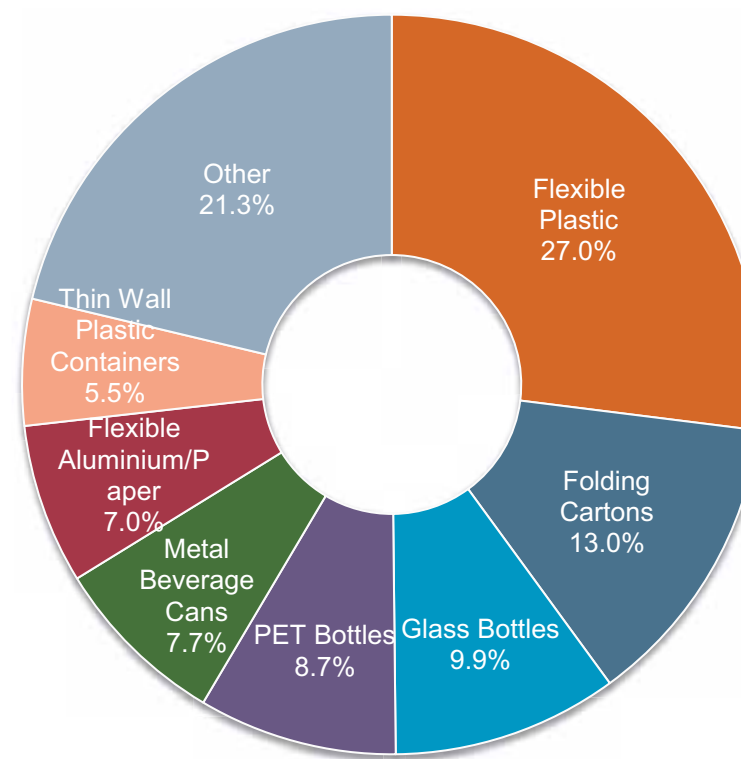


GLOBAL PACKAGING TRENDS: MIDDLE EAST & AFRICA

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



Volume in billions of units

Total 2014 market size	167
Total 2019 market size	215
Forecast CAGR (2014-2019)	5.3%

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les will nevertheless produce the most consistent growth, with bottled water at +5.3%. In the food segment (219.9 billion units sold in 2015), the flexible plastic film will drive the market, reaching 2.5 billion units, thanks above all to the greater consumption of salted snacks. The use of cardboard bricks (CAGR +2.5%) and small plastic containers (1.6 billion units) is also expected to increase thanks, respectively, to the greater consumption of dairy products and yoghurt.

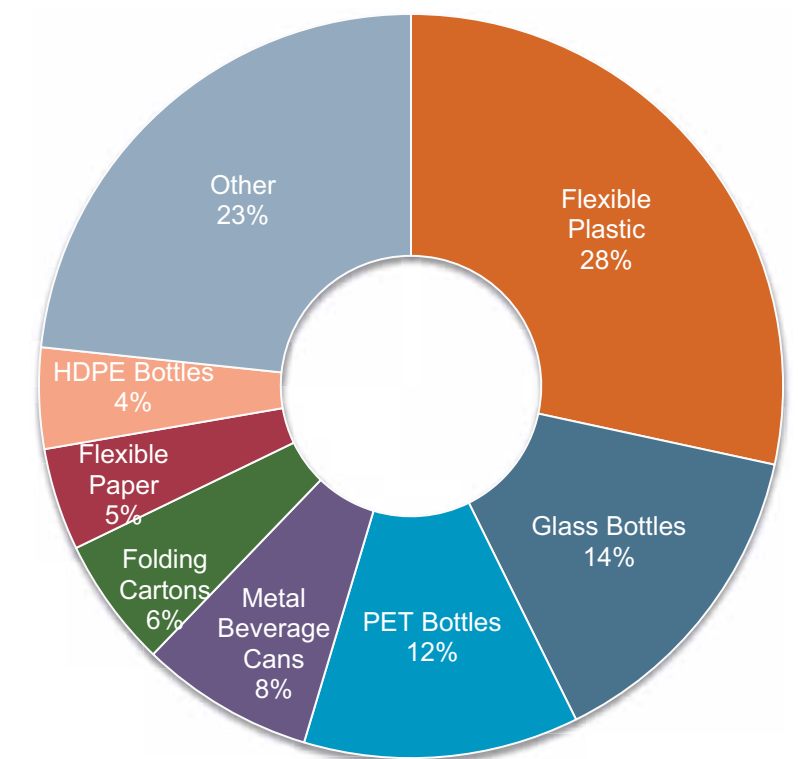


GLOBAL PACKAGING TRENDS: LATIN AMERICA

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



Volume in billions of units

Total 2014 market size	508
Total 2019 market size	582
Forecast CAGR (2014-2019)	2.8%

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In the beauty and personal care sector (24.9 billion units in 2015), spray cans will grow at an estimated CAGR of 6% while plastic pouches at 13.3%.

The pet food market (11.2 billion products sold in 2015) will be driven by products made of flexible aluminium and plastic bags, with an estimated growth of 10% in the forecast period. Finally, in the field of Home Care (11.6 billion in 2015), PET bottles (+3%) followed by HDPE bottles (+1%) will make up the lion's share.