



Which packaging is ticking all of the boxes?

Opportunities for container glass

Susan Hansen, Global Strategist Supply Chains
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Rising sustainability concerns globally - plastic packaging takes the most hits



*Lavazza
Unilever
Heineken
P&G
Co-op
IKEA
Adidas
Many others....*

*India
Kenya
Denmark
Italy
Individual cities/states
and institutions
Many others....*

India's Pursuit to Curb Plastic Packaging Waste

June 2016

2016 seems to be the year of the 'plastic discussion'. There are daily media reports from around the world about the issues related to pollution caused by plastic usage by consumers. Both the infamous 'plastic soup' in the ocean and polluted land areas are caused by a lack of efficient local collection and recycling systems, and the lack of consumer awareness and behavior in this regard. This particularly holds true for emerging consumption markets such as India, that show a strong growth in plastic packaging. Government initiatives will need long-term commitment, serious implementation and the adoption of innovative practices by stakeholders.

Susan Hansen
Global Strategist - F&A Supply Chain

BAN THE BOTTLE

NEWS | NEWS | SUSTAINABILITY | WATER PARTNERS | WATER ACTIVITIES

19 2016 MONTREAL TO BAN THE BOTTLE

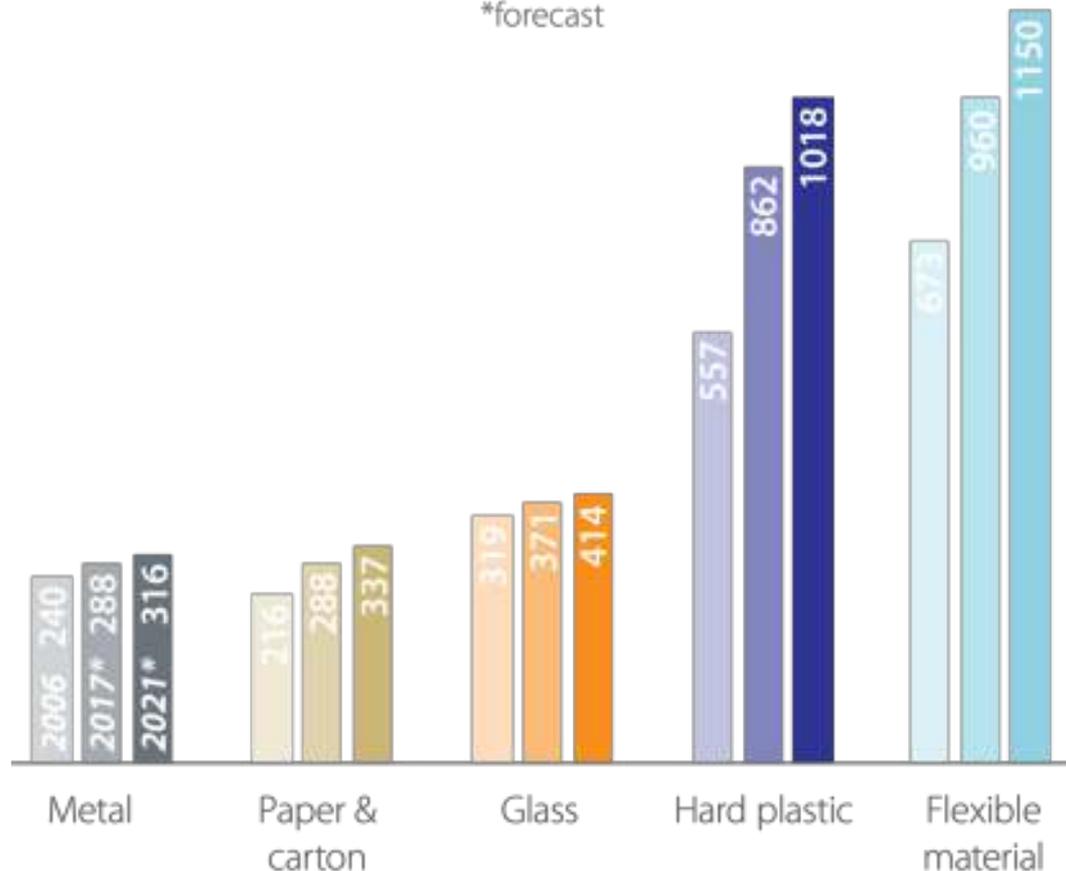
Yet, the use of primary packaging for food & beverages continues to grow



PARADOX:
Plastic packaging (# units) worldwide is by far outgrowing the use of other materials

Glass packaging does not benefit much from this global growth – increased demand largely linked to Chinese beer consumption

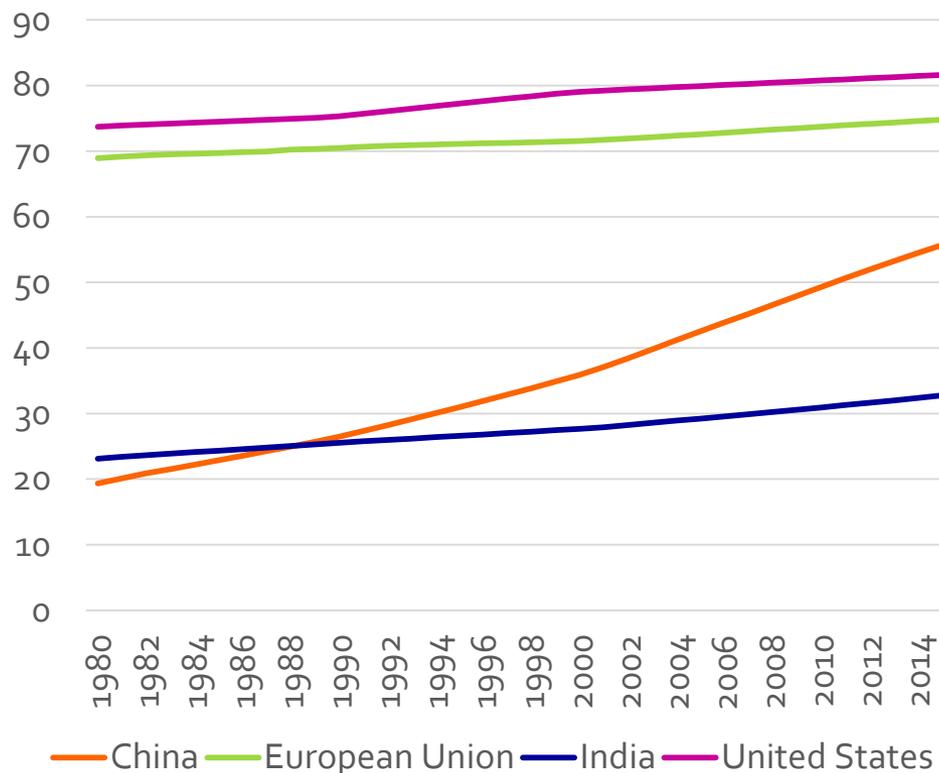
billion units - 2006 / 2017* / 2021*
*forecast



Population, GDP and urbanisation is growing fast in Asia; China in particular



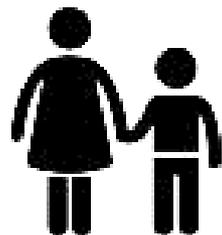
Urban population in % of total
Selected countries, 1980 - 2015



In 2015, US consumers used 1,418 packages per capita for food and beverages. In China, this was 291

China's GDP/cap increased 4-fold in 10 years (to USD 8,000 in 2015) – this is still only 25% of the EU's GDP. India's GDP/cap is 5% of the EU's

Europe and North America: different demographic trends than in Asia



OR



10kg =
1 bag



400gr =
25 packs



2
potatoes



Loose
potatoes

Growing demand for convenience & snacking; at home and on-the-go....



.... plastics packaging largely dominates this space



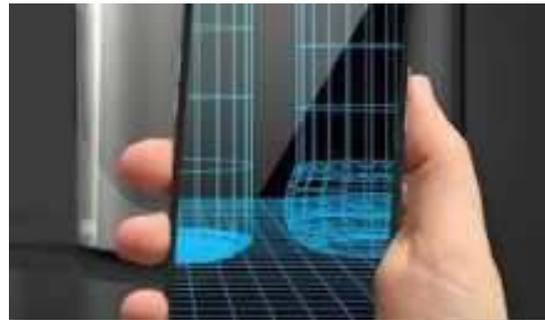
Cans/aluminum bottles (U.S.) and paper/ box packaging also win terrain...



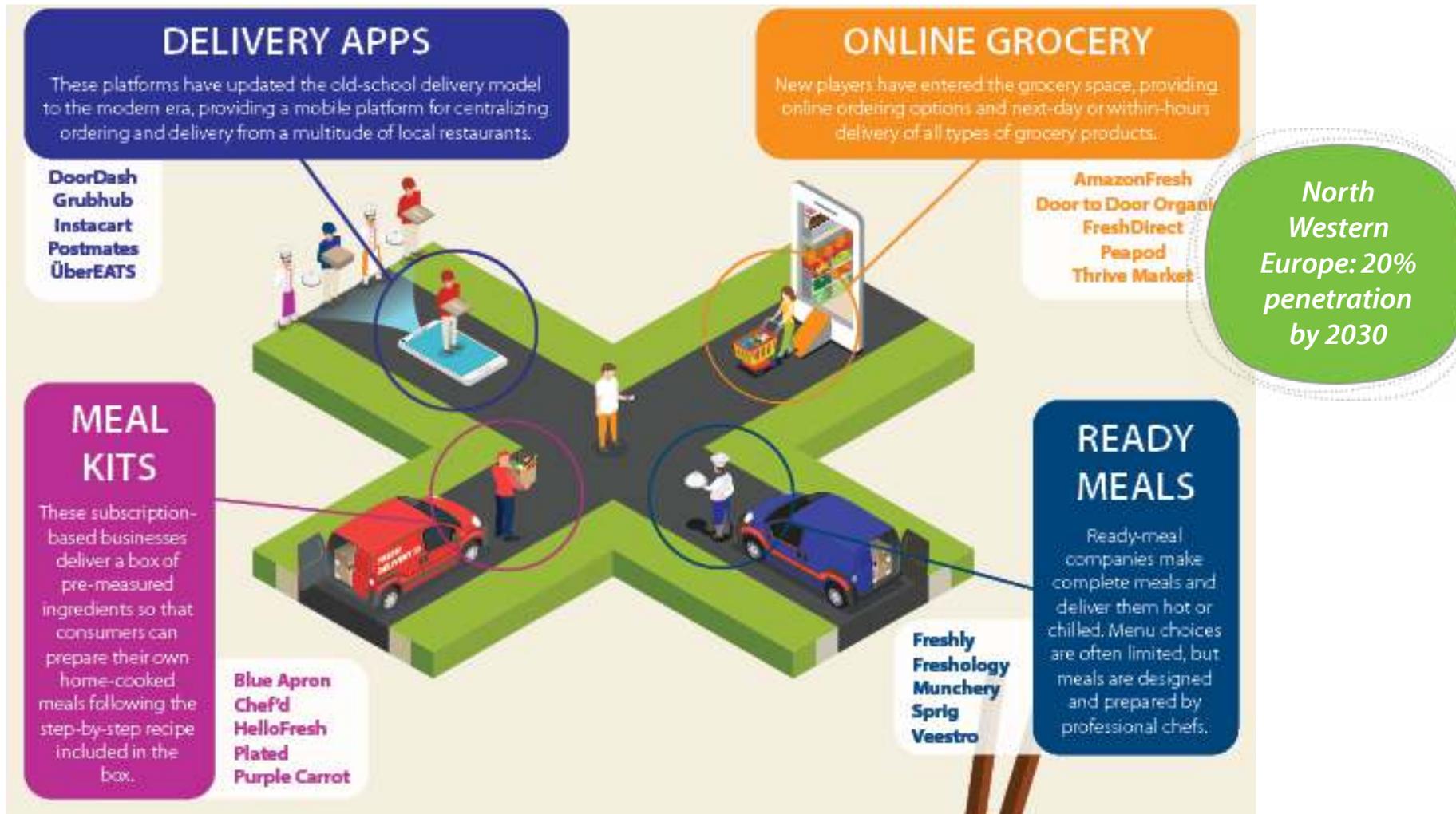
Rabobank



...partly also due to (print) innovations and special features like fluorescent ink



Convenience growing in importance for food and groceries purchasing





Opportunities for glass?

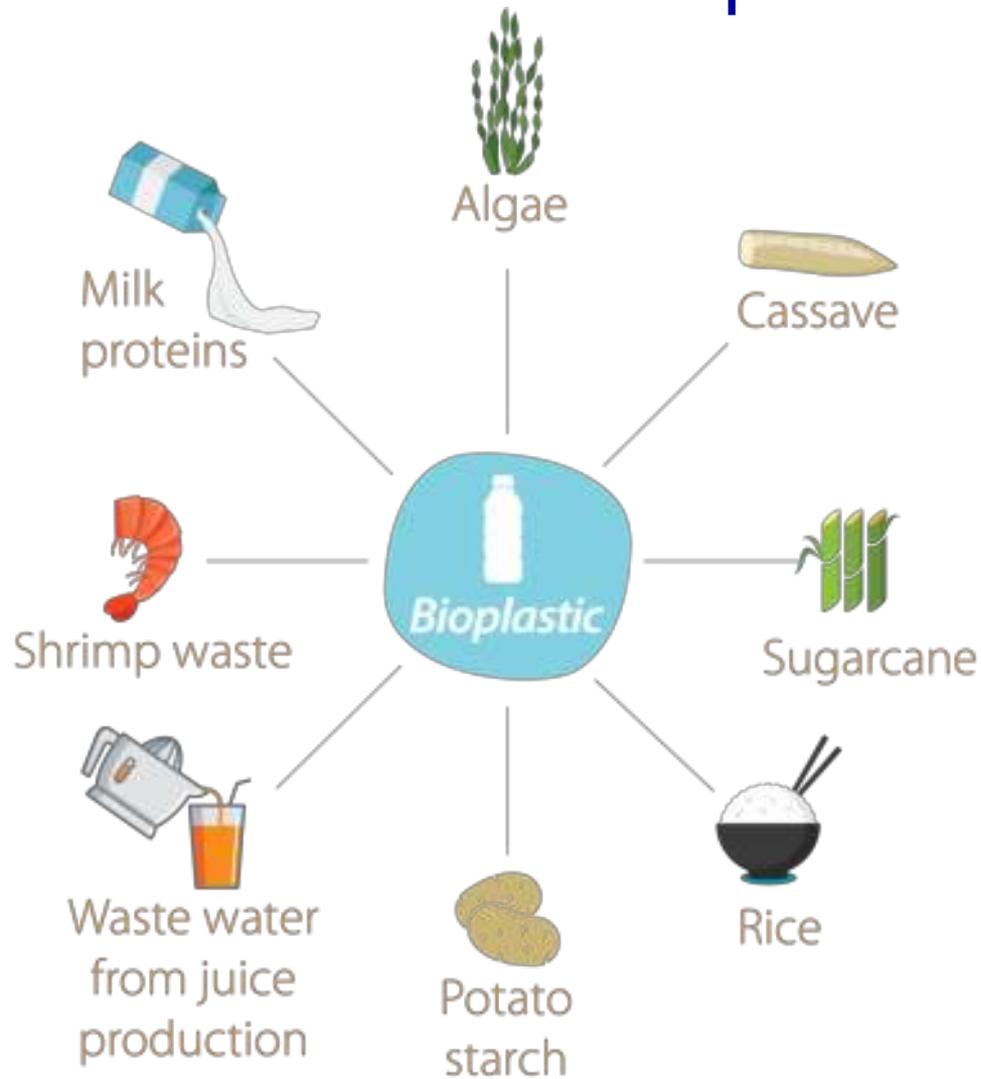
No growth market: value creation and innovation through packaging is key



.....and could also be combined with new logistics solutions....



....or making use of new sustainable materials – but no option for glass



*Much effort to develop solutions that lower the negative environmental impact from plastics
Still far from large scale solutions*

Glass hasn't lost its consumer appeal!



Coke
advertises
glass bottles,
but sells in
PET and cans.
Glass is
"nowhere" to
be found



There are still opportunities for glass, even in the “lost” (C)SD segment



Alcoholic beverages: front runner special editions, premium, mass-customized



Ticking all the boxes: the future of glass?



- ✓ **Paradox: plastic packaging** stands to gain the most from consumer trends despite the countless initiatives to curb its use
- ✓ **Glass packaging** benefits less from growth trends; demand is likely to at best remain **stable** in Europe and North America
- ✓ **Container glass** is increasingly under **pressure from substitute** packaging materials that are very lightweight, highly flexible in terms of design, order size, printing, caps, closures, customization, (pricing???)....
- ✓ Yet, there are still **opportunities through innovation**:
 - ✓ Continue lightweighting developments
 - ✓ Operational flexibility – cater for smaller batches and quick response
 - ✓ Premium segment
 - ✓ Get inspired by developments and trends in cans, paper, plastics
 - ✓ Continue to develop more smart packaging solutions



Thanks for your attention!

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