

Growth of liquid cartons cannot be contained



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Raising awareness about safe and secure liquid packaging cartons solutions in developing countries is a factor expected to contribute significantly to the growth of the global liquid packaging cartons market, according to the Market Research's 'Global Liquid Packaging Cartons Market Trends, Applications, Analysis, Growth, and Forecast: 2018 to 2027' report.



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The growth of liquid cartons in emerging markets is set to influence global business, impacting the bottom-line and larger landscape in South Africa, so much so that the market has the potential to present many opportunities for South Africa, from boosting GDP growth to opportunities for employment.

The economic value and employment opportunities of the market could be realised through recycling, increased manufacturing capacity, increased exports, as well as a rise in consumer spending. Indirect benefits such as job creation and cost savings from redirecting recyclable waste away from landfills could add further value.

Demand is high

As the world becomes more environmentally conscious, liquid cartons are fast becoming a favourite amongst consumers and manufacturers alike due to the recyclable nature, manoeuvrability, aesthetic appeal, convenience, and eco-friendly attributes.



Consumers and companies urged to recycle milk and juice cartons

21 Nov 2018



<u>Emerging markets</u> such as China and India are expected to show the greatest increase in demand for environmental liquid carton packaging. So, there is real potential for countries such as South Africa to cater to this growing demand for liquid cartons and reap the benefits in turn.

Growth

The liquid carton packaging market accounted for revenue of \$14,310m in 2017 and is anticipated to reach \$20,747m by 2025, according to the 'Liquid Packaging Carton Market Outlook – 2025.

The market shows no signs of slowing down, as an increase in the consumption of soft drinks, demand for sustainably packaged water, as well as a demand for smaller, ready-to-drink packs is expected to boost the growth of the liquid cartons packaging market.

Sustainability boosts benefits

Retailers and brand owners' primary sustainability strategy has been to reduce packaging materials, making use of more lightweight options in order to minimise waste and their carbon footprint, as well as reduce transport costs.

Reducing the weight and thickness of packaging is often the best way to minimise the impact on the environment while keeping costs down, according to the 'Comparison of Carton and Plastic Packaging Sustainability report'. Using less packaging provides an economic benefit, not only in material costs but also in transportation and disposal, helping companies reduce carbon dioxide (CO2) emissions and operate more efficiently.

The market is poised for take-off. However, innovation is key to its growth.

Legislation is a driver

There are also legal drivers behind businesses primary sustainability strategy, such as South Africa's Carbon Tax Act, which aims to incentivise companies to become more energy efficient by taxing them on the use of carbon offsets for primary greenhouse gas emissions (GHG).

Creating a circular economy

The European Commission has adopted a Circular Economy Package to stimulate Europe's transition towards a circular economy in a bid to boost global competitiveness, foster sustainable economic growth, and generate new jobs.

According to the <u>Commission</u>, in a circular economy, the value of products and materials is maintained for as long as possible; waste and resource use are minimised, and resources are kept within the economy when a product has reached the end of its life, to be used over and over again to create further value.

Public perception is powerful

Living in today's digital era, with empowered consumers making use of online platforms to raise their concerns, brands are more vulnerable than ever to negative publicity. This is helping shape customer preferences, including that for sustainable packaging alternatives, according to Plastic Planet.

Packaging that is not recycled has far-reaching waste-related environmental impacts, which pose an increasing risk to brands through tightening of waste legislation in addition to negative public perception.

Liquid cartons, on the other hand, that are easy to recycle and reuse, making them a positive packaging choice for the circular economy.

Drivers of change

Growing urbanisation and industrialisation are prompting further advancements and innovative solutions being seen in the packaging processes.

With the rising demand for liquid cartons, Nampak Liquid Cartons opened a new Technical Hub in 2019 to better maintain and service the growing pool of liquid carton machines for the food and beverage industry.



Nampak unveils new liquid carton facility

7 Jan 2020

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The liquid carton packaging market shows no signs of slowing down as the world becomes more and more environmentally aware, with businesses heeding the call while enjoying the benefits this form of sustainable packaging brings, from extended shelf life to a revitalised look and feel of their products.

ABOUT QUINTON SWART

Quinton Swart is packaging manufacturer Nampak's Group Executive for Paper and Eastern Africa where he is responsible for Nampak's liquid carton business operations in South Africa as well as paper, plastic and metal packaging operations within Zimbabwe, Zambia, Malawi, Kenya, Tanzania and Bhiopia. With a BCom (Hons) in Statistics from the University of Pretoria.

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