

Packaging is 'repackaging' for the future

Kulbushan Malik, Global Business Head, Cosmo Films, decodes the Indian packaging industry's growth in 2023 and trends for 2024 while suggesting that it has the potential to support India's economic growth.



It has been an exciting year for the packaging industry as it pivots to increased demand for packaging solutions for growth and ride out market turbulence. With the government of India focusing on strengthening the Indian economy with its 'Make in India' initiative, Production Linked Incentive (PLI) scheme, and the Union Minister of Commerce and Industry, Piyush Goyal, aptly states, "The packaging industry is the backbone of the manufacturing sector", therefore, it will play a central role in the coming days to boost the Indian economy.

Additionally, the growth in this sector is also attributed to rising disposable incomes, the rise of e-commerce players and the integration of technologies across verticals. The demand for packaging solutions from sectors such as food and beverages, pharmaceuticals, consumer goods, and automotive has propelled the industry to shift gears and efficiently cater to their evolving needs.

While in 2023, the packaging industry achieved robust growth; it is set to become stronger in the coming period. As per a report, India's packaging market is expected to reach US\$ 204.81 Bn. by 2025, registering a CAGR of 26.7% from 2020 to 2025, which is promising. Interestingly, a recent Invest India report revealed that the packaging industry attracted US\$ 2.2 billion in foreign direct investments (FDI) between April 2020 and March 2023. Lastly, the Ministry of Commerce & Industry reports that exports of packaging materials from India grew by 12.5% in the first half of 2023.

Moving ahead, the expansion of e-commerce and increased online purchases will further propel the industry's scope and expand its opportunities. For instance, the e-commerce market in India, expected to touch US\$ 380 billion by 2025, has fuelled demand for innovative and secure packaging solutions. The demand for tamper-proof, lightweight, and sustainable packaging solutions catering to the unique needs of online retail is on the rise. For the F&B sector, premium packaging has translated into brand consciousness. Rising disposable incomes and changing lifestyles have nudged Indian consumers towards a preference for premium packaging that not only protects but also enhances brand perception.

GROWTH TO CONTINUE IN 2024: FOCUS ON SUSTAINABILITY, PERSONALISATION, UP-SKILLING

The packaging industry is growing at a time when pressing environmental concerns necessitate efforts to focus on sustainable actions. This is crucial as consumers increasingly shift to products or brands prioritising sustainability to combat climate change. Moreover, governments worldwide and in India are implementing stricter regulations, including a focus on Extended Producer Responsibility (EPR) to combat environmental concerns. Companies will need to adopt by investing in environmentally friendly alternatives like investing in renewable energy sources, investments in sustainable manufacturing practices, moving towards recyclable packaging materials and recyclable laminate structures, innovative designs, and adopting circular economy practices. Reducing, reusing and recycling packaging material will gain more prominence and will be in focus in the coming year to balance the industry's growth and sustainability. Companies that navigate these changes will thrive and contribute to a more sustainable future.

Another key trend which is set to grow stronger in 2024 is personalisation. In a competitive business landscape, brands are constantly navigating ways to enhance customer experience, and personalised packaging is one of the ways they can achieve it. As companies increasingly invest in offering customisable packaging solutions for differentiation and brand loyalty, the packaging industry will have to ramp up efforts to meet their evolving needs in the coming period.

The packaging industry has a promising future, which also means it will produce substantial career opportunities. Moreover, as the manufacturing processes undergo digital transformation and integrate the latest technologies, a future-ready, tech-savvy workforce would be required to join and contribute to its growth. Thus, equipping talents with the right skills and technical know-how, especially in manufacturing packaging solutions, shops, and even technical functions, will be essential.

The Indian packaging industry, which achieved remarkable progress in 2023, is poised to achieve promising results in the coming year. Focusing on sustainability, technology integration, personalisation, innovation, and up-skilling, it will continue its growth momentum in 2024 and emerge as a critical force in helping India achieve its US\$ 5 trillion economy dream. ♦