



Plastics Packaging in Australia

Volume 2: Flexible Packaging

14th Edition, 2008 – 2010

“Creativity is the saviour of the troubled plastics packaging industry, besieged by environmental issues and rising costs. Those who continue to create innovative products in response to government, business and consumer demands will be the winners.”



EXTRACT TO INDICATE THE GENERAL NATURE OF THE REPORT

PACKAGING

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1 INTRODUCTION

This biennial study – now in its 14th edition – provides a valuable insight into the current status and short-term outlook of the plastics packaging industry and provides a benchmark of market performance of the major suppliers.

The bulk of the information presented is based on two main surveys:

- a survey of over 300 end-user companies
- a survey of 50 plastics packaging converters.

In addition, we have carried out comprehensive desk research of Australian and international publications and data banks. Major polymer manufacturers, converters and end-users were interviewed by senior consultants to verify market trends and market size estimates.

Our study reflects typical business plan modules, so that the information can be combined easily with internal company data to prepare individual market plans.

The study is presented in two volumes:

- Volume 1: Rigid Packaging
- Volume 2: Flexible Packaging.

In each of the two volumes, the **Market overview (Chapter 3)** identifies the plastics packaging segments in the context of the total plastics and total packaging markets.

The report format is as follows:

- **Chapter 4 (Target markets – End use applications)**, covers a comprehensive profiling of end user market segments in terms of flexible packaging demand, market trends, material values and rates of growth for each segment from 2008 to 2010.
- **Chapter 5 (Target markets – Packaging technology and type applications)**, summarises the data and information developed in Chapter 4 by packaging technologies and types in more detail including material values and volume projections through to 2010.
- **Chapter 6 (Target markets – Polymer types)**, summarises the demand for specific polymers by market segment and rates of growth through to 2010.
- **Chapter 7 (Competitive insight – Converters)**. Major plastics packaging converters are rated on key product and customer service factors. Ratings are compared – where possible – with those reported in our previous reports to identify significant variations in their market performance.
- **Chapter 8 (Competitive insight – Polymer suppliers)**. In similar vein, major polymer suppliers are rated by converters on key product and customer service factors. Ratings are compared – where possible – with those reported in our previous report to identify significant variations in their market performance.
- **Chapter 9 (Outlook to 2010)**, the concluding section, provides BIS Shrapnel's assessment of medium-term economic growth in Australia and the outlook to 2010 for the flexible plastics packaging market.

The interviews for this study were conducted in the months of October 2008. Copies of the two questionnaires used are provided in Appendix 1. Details of the sample are given in the 'competitive insight' sections. The full list of respondent companies is attached in Appendix 2. All survey respondents will receive a brief summary of key issues of interest to them, in appreciation for their co-operation with our survey.

We wish to record here our appreciation to the many industry executives and experts contacted by our consultants, for their assistance and co-operation in this major research project.

Growth projections for 2008-2010 are consistent with BIS Shrapnel's projections of a slow economy over this period. At the segment level where many are mature markets, recent growth is unlikely to continue through to 2010 underpinned by a weaker Australian economy. This assumption is widely applied in this study.

Appendices 3 and 4 provide tabulations of flexible packaging consumption by end-use application and product category, and a complete listing of flexible packaging import statistics from the ABS.

The objective of this report is to identify all key market segments of flexible packaging consumption. While the line of demarcation is blurred, demand for non-packaging based applications for flexible plastic materials are beyond the scope of this report.

Methodology for demand estimations – Demand by market segment is determined by estimating the total number of units consumed per annum and multiplying this total by the weight of an 'average' unit. Estimating the total number of units is derived from publicly available information (e.g. Retail World and ABARE), ABS data compilations and data extracted from BIS Shrapnel reports, such as Australian Foodservice, 2008 and Route Trade in Australia, 2007. Where none of these sources are relevant, estimations are gleaned from industry sources.

Note (1): Market estimates presented in this report refer to fiscal years ending June 30, except for Retail World statistics which relate to calendar years. Our projections to 2010 also relate to calendar years.

Note (2): The data tables have been copied from spreadsheets and any small error in column or row totals, that may arise, is as a result of rounding of numbers.



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