

# F Foreign countries, foreign ways: Innovative packaging is in demand everywhere!

The packaging industry is unquestionably an important international economical factor. With a production volume of more than EUR 400 billion, the industry is booming worldwide. Today, modern packing machines allow the economical, flexible and hygienic production of a wide variety of packaging for diverse markets. Whereas the population in Europe and Japan is aging, younger consumers are gaining ground in Latin America. But although the demands partially differ between industrial and emerging nations, major trends such as convenience, protection of original state, product safety, cost efficiency and traceability are nearly identical on all five continents.



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Variety of packaging types and sizes plays a major role in Germany. Lifestyle habits have changed; society has altered itself, in turn strongly modifying consumer behaviour.

Convenience products and age-suitability are noticeably gaining importance. Also typical for Germany: modern packaging must be economically and ecologically disposable. The industry has continuously grown with the increasing demands on packaging machinery manufacture. Packaging machines "made in Germany" are at the lead internationally with a production volume of EUR 4.4 billion. According to the VDMA, Germany is number one worldwide with a market share of 20%. More than 80% of the machines manufactured in Germany are exported. This represents a 34% share of worldwide export, making Germany the world champion in packaging machines. The secret of German manufacturers seems to lie in concept development: high throughput and availability as well as enormous flexibility enable the rapid fulfilment of ever-changing customer demands thanks to realisable, custom-tailored solutions.

After Germany, the Italians are among the most significant packaging machinery manufacturers. Far more than 80% of the manufactured packaging machines are exported while national use continues to decline. According to the UCIMA (Italian Association of Automatic Packing and Packaging Machinery Manufacturers), the food industry is the largest packaging machinery customer with around 37%. The pharmaceutical/ cosmetics/hygiene industries follow with more than 25%, then the chemical and petrochemical industry with five percent.

*A specific container transport solution: installed on the floor and suspended under the ceiling*

*Speziellisch gelöster Behältertransport: am Boden und unterhalb der Hallendecke installiert*

The rest is divided among various sectors such as tobacco goods etc. Traditional retail is losing importance in Italy as well, while organised retail is growing. Hypermarkets, supermarkets, discounters – the growth trend is expected to continue to gain ground until 2010. Nonetheless, Italy is behind most other industrial nations in terms of modern retail development, although the demographic and social transformation does not stop here. Key trends here are also convenience, increased product variety, traceability and efficient consumer response. Packaging is extremely important in Italy. Whereas increased efficiency and output were key in past years, the ability of the machines to process thinner packaging materials with minimal tare weight is of prime importance today.

Like Italy, the USA has a 16% share of worldwide production of packaging machines. The strongest trend in the US buyer industries remains that to healthier food: organically grown foods with fewer calories, sugar, fat and carbohydrates, as well as whole-grain products, are popular with

*State-of-the-art juice bottling*

*Modernste Saftabfüllung*

the Americans. This is directly followed by ease of use: convenience foods, snacks and "heat-and-eat" foods are booming in the USA as never before. Meanwhile the topics of environmental consciousness and sustainability have caught on there as well. Lower material and energy use are now important criteria in the selection of packaging systems. Also naturally of importance: flexibility, safety, traceability and the growing tendency to use packaging as a marketing tool and with that as a competitive advantage in terms of differentiation from the competition. Russia has been on a reform course since the mid Eighties. Higher income and a raised standard of living create increased consumer confidence. The Russian market for pre-packaged food is one of the largest worldwide. In 2006 sales of pre-packaged food in Russia reached a volume of US\$ 51 billion. According to the VDMA, this represents almost half of the total market volume in Central and Eastern Europe. Above-average growth is expected there in coming years primarily in the areas of meal-replacement products, frozen foods and baby food. Increased popularity of canned goods, snacks, dairy products and complete products is also expected, which will give the entire supply chain a healthy push.



*Photo/Foto: Krones AG*

The outlook in the Far East is also exciting: due to its enormous population of roughly 1.3 billion, China is one of the world's largest markets for food and beverages. The food industry's production volume has grown an average of 11-12% in past years, putting it on the same growth level as the gross domestic product. Modernisation and restructuring in the food and beverage industry have been able to increase efficiency; there are, however, still many smaller manufacturers using outdated machinery with no consideration of hygiene and health regulations whatsoever. The Chinese government plans to pay more attention to their compliance in the future. The food and beverage industry is growing solidly, having become the second strongest industrial sector. Moreover, it is now the largest buying industry for packaging machines – around one half goes to this sector. Whereas almost all Chinese retail businesses were small shops or market booths in the early Nineties, large supermarkets are now an everyday sight in the major cities, and corporations such as Carrefour and Wal-Mart are investing heartily. Simultaneously the population continues to grow in the cities, while changing lifestyles and consumer behaviour add their influence. Although the consumption of the Chinese population is still not satisfactory, experts are optimistic and expect further growth. Expenditures for food, beverages and tobacco reached US\$ 276 billion in 2006; an increase to US\$ 470 billion is expected by 2011.

As much as the markets differ, as much as the demands on packaging function, design and production vary, the main trends and topics are very similar. Basically, packaging variety is increasing worldwide, as well as the demand for environmental sustainability, storability, better dosage, resealability and controlled removal. This demand on the design, size and functionality of packaging requires enormous flexibility, productivity and product quality on the part of packaging machines. The internationally present investment and cost awareness of individual companies places high demands on the upgrade and conversion potential of a packaging line. The trend is unquestionably toward high-tech packaging –



Source: VDMA

The global export market for packing machines grew by approximately 11% in 2006 to EUR 12.9 billion. With a 34% share, German packaging machinery manufacture secured the largest portion and dominates the worldwide export business along with Italy at almost 26%.

packaging machinery manufacture is a high-tech industry. It is one of the leading industries in the use of drive, control and automation technology and the second largest market for robot systems after the automotive industry. Modern packaging machines ensure product safety through hygienic construction; they also document and monitor the entire packaging process, cut packing costs by integrating packaging production, and transfer important information directly onto the packaging. Fully automated and enormously productive, a new generation of packaging machines is conquering the world markets. interpack PROCESSES AND PACKAGING 2008 bundles these developments centrally in one location and offers individual, effective solutions for regionally differing requirements.