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PACKAGING - THE CURRENT SCENARIO

Packaging is ubiquitous in today's world as it serves to fulfill several basic needs. It is constantly evolving to meet the ever changing social, economic and environmental needs. One such need is to service a growing world population.

It is known that packaging acts to reduce the sickness and disease often associated with non-packaged food in less-developed countries, meaning people in the more industrialized nations, are enjoying healthier food today than ever before.

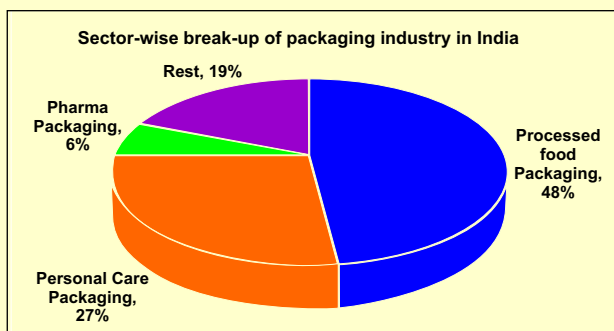
Packaging use reflects these consumption patterns. Paper and paperboard are the most important packaging material accounting for nearly 40% of the global packaging market.

PACKAGING IN INDIA

The recently concluded India Pack 2013 and concurrently conducted International Summit for Packaging Industry drew deeper insights on Indian packaging industry.

"India is the sixth largest packaging market worldwide. The packaging industry is expected to grow at 12.3% CAGR during next 4-5 years to become the fourth largest global market, with sales of \$42.7bn."

The processed food packaging segment is the largest (48%) consumer of packaging. The food packaging sector grows in tandem with food processing industry, which is surging at 6-7%.



According to a study by Tata Strategic Management Group, the Indian 'Ready-to-Eat' food market is estimated to grow to Rs. 2900 Crores by 2015 from the level of Rs. 215 Crores (2006). The growth trend of Indian packaging industry is in line with the global packaging industry.

The per capita consumption of packaging in India is a mere 4.3 kg. compared to others eg. Germany : 42kg, Taiwan : 20kg.

Mr. S.K. Ray, Chairman Indian Institute of Packaging says,

"We are today a 1.8 trillion dollar economy. The Indian packaging industry is worth 30 billion dollar, but constitutes only 10% of the world packaging industry, hence has a huge potential. Innovation in the field would lead to eco-friendly packaging that can go a long way in sustainable development."

All in all, with the expanding middle class, changing consumer habits, and the retail boom expected with FDI, the Indian packaging industry has definitely a long way to go.

CONSUMERS DICTATING CHOICE OF 'PACKAGING'

Global consumers are guided by product packaging in their buying behavior, not least in India. These are the results of an international study by Innventia Packaging 2020, carried out in association with Kairos Future. The survey was carried out among consumers in the US, India and Sweden.

The Report states "We're seeing purchasing decisions being guided by the packaging material itself, not just the appearance of the packaging. We're also seeing a clear demand and a great need for smarter packaging".

FUTURE TRENDS

There are significant challenges ahead for paperboard packaging suppliers in the years ahead as these new retailer-driven initiatives trickle down the supply chain. The emerging trends are clear: 'Sustainable' and 'Smart' Packaging.

SUSTAINABILITY

The focus on sustainability and environmental packaging will probably be the most significant dynamic, driving retail change into the foreseeable future. Sustainable packaging brings environmental considerations to the forefront. Applied rigorously, this approach considers the full lifecycle of packaging with the intent of reducing the environmental impact and ecological footprint of the selection process. It also requires that the whole supply chain be considered including the package design, choice of materials, processing and life cycle.

While some of the goals of sustainable packaging may take longer than desired, leading retailers and brand owners are taking on the challenge:

- A Global Protocol on Packaging Sustainability (GPPS) has been released by The Consumer Goods Forum (CGF), a global parity-based industry network driven by members such as Tesco, Kraft Foods and Unilever. The aim of the

INDUSTRY NEWS

Check Your Paper (CYP) is an initiative of the World Wildlife Fund. It assists paper purchasers in estimating the environmental footprint of the papers they buy- and allows responsible paper producers to demonstrate what they are doing to minimize negative environmental impacts of the papers they sell. ITC-PSPD is the only Indian paperboard manufacturer to register its environmental score on WWF-CYP.

Protocol is to help member companies reduce the environmental impact of their packaging. The system is based on existing indicators and metrics to evaluate sustainability.

- Walmart has established a Sustainable Packaging Scorecard to guide work with its suppliers. It has reduced its waste by 16% since 2007 and has vowed to eliminate all packaging waste by 2025. The Wal-Mart scorecard will exist in different forms with most major retailers employing similar models to evaluate suppliers and their products.
- Unilever recently announced its "sustainable paper and board packaging securing policy" whereby it has targeted sourcing 75% of its paper and board packaging from sustainably managed forests or from recycled material by 2015 (it is currently at 62%).
- European 'cradle to cradle' requirements: 'cradle to cradle' refers to the continuous lifecycle of a product. It requires not only disposal and recycling of products, but ultimately the reuse of the industrial materials. Officially, this cycle is known as 'technical metabolism'.
- While product cost is an important consideration, there are visible signs of a distinct shift in emphasis toward products that offer value-added solutions that attract consumers. An example is Wal-Mart's decision to use biopolymers for fresh produce, despite their higher cost.

'SMART' PACKAGING

Smart packaging is commonly associated with technology, like radio frequency identification (RFID) tags. Experts predict that "this technology will move the ability to track and electronically enhance packages beyond the checkout counter. So, for example, markets will be able to put video or collateral messages on packages and use other electronic tools to make

packaging an even more effective sales person." RFID tags are already used in industry as "smart labels" to track and trace packages and unit loads throughout a product's distribution. From an environmental/recycling perspective, these tags are being considered as a possible way to measure, sort and track used packages at the other end of their life.

While food and beverage are the two largest markets for smart packaging, accounting for 75% of demand, the pharmaceutical industry is expected to become a major market in the future.

CONCLUSION

For manufacturers and suppliers of paper packaging boards following precepts may be wise to pursue:

- Be ready to respond to an even more fragmented customer base, shorter run lengths, and quicker changeover requirements. Also, be prepared for more complicated product development and design processes.
- Review the capabilities of your key suppliers and what new technologies are under development. Make sure your suppliers are on the leading edge of technologies such as RFID, variable printing, high performance fibers, and substrate additives.
- Meet with your retail and packaged goods customers on a regular basis to identify source reduction and process improvement ideas that will reduce costs and material usage.

The thought is echoed by Thomas Schneider, President, World Packaging Organisation, "In coming years Indian packaging industry will see substantial growth. The increasing awareness and concern for clean water, safe food and pharmaceuticals will drive this growth. Smart technology products like 2D barcodes, RFID etc. will penetrate aggressively into the Indian packaging industry."

QUOTABLE QUOTE	A gentleman is one who puts more into the world than he takes out -George Bernard Shaw	
SCRABBLE	What does S R B stand for? (Hint : Generates slime) First correct answer will win a Parker Vector Roller Pen (Maximum two prizes for one person in a year). Email your answers to snippets@wirefabrik.com by 20 th March, 2013.	
WINNER FEB'13	Mr. Tushar Udgata, VP, Gemini Graphics Pvt. Ltd., 44/45, Naubad Indl. Area, Naubad, Bidar, Karnataka-585403 Answer : M B F : MOVING BELT FORMER	
?QUIZ	Which of the following polymer products can be suitable as a : 1) Coagulant 2) Flocculant a) Low MW high cationic charged b) High MW medium cationic charged c) High MW non-ionic d) Low MW low cationic charged Email your answers to snippets@wirefabrik.com by 20 th March, 2013.	
WINNER FEB'13	Mr. Pradeep Kumar Shibahare, Dy. Manager, ITC Ltd. PSPD, Unit : Bhadrachalam, Sarapakka-507128 (A.P.) Quiz : Brightness values of paper vary as per testing method. Which of the three will give the highest and the lowest value for the same paper sample? a) TAPPI (GE) b) ISO c) D 65 Answer : c) D 65 - Highest a) TAPPI (GE) - Lowest	
ANNUAL WINNER 2012	Mr. Pradeep Kumar Shibahare, Dy. Manager, ITC Ltd. PSPD, Unit : Bhadrachalam, Sarapakka-507128 (A.P.)	
Prizes	1. Best / first correct answer received will win one-year subscription to IPPTA Journal (Maximum one prize for one person in a year). 2. Best of the 12 monthly winners in a year, will win one-year subscription to Paper 360° Magazine, USA.	
Short Talk	<i>The teenage girl was speaking on the phone for half an hour, before hanging up. Her father, used to her hour- long telecalls was surprised. "Wow! That was short. What happened?" said he. "Oh! Just a wrong number" said the girl.</i>	
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