

Packaging Industry In The United Arab Emirates - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 110 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

The Packaging Industry in the United Arab Emirates is expected to grow at a CAGR of 4.6% over the forecast period. The most important feature to be integrated into packaging is functionality. There is an increasing demand for secondary packaging in the country, because of the rising trend of folding cartons in categories, such as perfumes and skincare. As many consumers and companies are becoming more zero-waste compliant, sustainability is becoming a key development agenda in the United Arab Emirates. Packaging manufacturers in the country are investing in innovative packaging, in terms of both design and materials used, considering the demographic and lifestyle changes.

Key Highlights

Government bodies are setting packaging requirements for food companies by making changes to comply with the regulations pertaining to beauty and personal care. New rules and regulations have been introduced for milk, juices, and other beverages. Innovative pack designs are seen in beauty and personal care. There is an increasing focus on environment-friendly packaging. There is a shift to larger pack sizes in food packaging. For example, large pack sizes, like Nutella's 750 g pack, are proving to be increasingly popular, as they offer better value, while in baby food, the rising popularity of growing-up milk formula is also supporting the sales of larger packs.

Moreover, as people become more tech-savvy and begin to value convenience and service speed, multiple online food ordering portals have emerged, significantly increasing restaurants and food service outlets' reach. An inclination toward home-grown brands and a growing cafe culture also play a role in shaping the restaurant market in the country. Such instances are expected to augment disposable food packaging such as plastic containers, cups, corrugated boxes, etc.

There is slow growth in retail unit volume, due to the economic slowdown in the United Arab Emirates that hit the packaging industry, covering many packaging categories, including food, beauty, and personal care, soft drinks, and home care. Companies are looking for alternative ways for offering multipacks and larger pack sizes, which are more economical, as well as smaller

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

packs, which are more affordable. High taxation on canned packaging is a factor that impacts the demand adversely. Food packaging is becoming a growing global concern owing to the large amount of waste it generates and the chemicals it contains that can be detrimental to health. Plastic packaging includes a broad array of plastic types, from Styrofoam to clear plastic "clamshell" packages to the lids on takeout coffee cups. The raw materials used in making plastic packaging might be harmful to the health, or there might be harmful chemicals added to the plastic to make it more functional. According to Tourism Development & Investment Company, 4 billion plastic bottles are consumed annually in the United Arab Emirates, and 40% of all plastic in the country is single-use. Plastic food packaging keeps food fresh and increases its shelf life. While disposable food containers make life easy with minimal maintenance and reduced dishwashing activities, they also pose a great health risk. ?

The UAE's food packaging industry is expected to log in record growth over the next several years, owing to the current situation with the COVID-19 pandemic and changing consumer trends. The COVID-19 pandemic led to a surge in online orders being placed for ready-to-eat meals from restaurants and cafes and also for grocery deliveries of fresh vegetables, fruits, meats, and poultry. Manufacturers indicated that this trend shifted the focus towards improving the existing product portfolio in the industry and innovating on more eco-friendly packaging.

UAE Packaging Market Trends

Food Segment is Expected to Witness Significant Growth

The adoption of sustainable packaging is one of the vital food packaging trends in the United Arab Emirates that may positively impact the growth of the packaging market in the country. Other factors contributing to the growth in the country are the increasing demand for convenience by consumers, an increase in disposable income, and changing consumer behavior.

Disposable income and improved global flight connectivity have further augmented the regional market demand.

The growth of the food service industry across the country would drive opportunities in the market. The food services sector has emerged as one of the most promising sectors in the UAE. It has been rapidly growing over the past decade owing to a flourishing economy, rising urbanization, booming tourism, favorable demographics, and a significant rise in per capita income.

According to the managing director of HotpackGlobal, the food packaging industry in the UAE is expected to grow to AED 14 billion (USD 3.81 billion) by 2025. The presence of more international food brands in the MENA markets has also contributed significantly to the growth of the sector.

With the rising environmental and health concerns, due to the accumulation of non-biodegradable waste, companies are focusing on adopting sustainable packaging options. For instance, Bemis, a leading food packaging company introduced BMET metalized sealant films, having 30% less material weight than usual three-ply films that replace materials, such as metalized OPET, OPP, or foil.

The private sector is taking initiatives to tackle such a problem. In Abu Dhabi, the Urban Retreat food hub in Yas Mall is providing customers who bring their own plates, cups, and other containers a 20% discount on their bills. Further, a ban on single-use plastic products in Abu Dhabi came into effect on June 1, 2022, under the emirate's integrated Single-Use Plastic Policy. The initiative prevents the sale of single-use plastic bags across all retailers.

Online food delivery services are burgeoning in the country with the entry of CareemNOW, Deliveroo, Talabat, and others. Foodonlick.com was the first company to come up with the concept of online food delivery in the United Arab Emirates. For instance, Carrefour, a retail stores chain, witnessed its online marketplace demand by 6-fold.

Further, new limited-service restaurants have been finding success in establishing cloud or ghost kitchens. The trend of third-party online food ordering services is expected to rise in the future as these enable many small and independent restaurants to reach out to the wider population. Moreover, the rise of quick service restaurants (QSR), such as food trucks and online deliveries, would further contribute to the demand for food service disposables.

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Growing E-Commerce Sector to Significantly Boost Market Growth Rate

UAE consumers are increasingly making purchases online, with e-commerce sales nearly doubling in 2021 compared to a year ago. The country's total e-commerce sales reached USD 4.8 billion in 2021, up by 84% from USD 2.6 billion in 2019, according to a new report by the Dubai Chamber of Commerce. In 2021, e-commerce websites accounted for the majority (73%) of retail sales. One of the major factors boosting the rapid expansion of mobile e-commerce transactions is the accessibility of apps, which has increased pricing transparency. Also, the rising popularity of loyalty reward programs provided by online retailers in the UAE has increased demand for online shopping.

Moreover, the Middle East and North Africa (MENA) region's Dubai CommerCity is a free zone established to encourage the expansion of the eCommerce market in the region. Global and local brands can start up and run their eCommerce businesses in the MENA area with the support of its special eCommerce ecosystem. The Dubai Airport Free Zone Authority (DAFZA) and Wasl Asset Management Group are partners in the endeavor. It is situated on over 2.1 million square feet of land and was built with an investment of AED 3.2 billion (USD 870 million).

UAE Packaging Market Competitor Analysis

The packaging industry in the United Arab Emirates is neither fragmented nor consolidated. Owing to the presence of some of the local producers of raw materials, the market has reached such a structure. Many companies are investing in R&D activities across the country to help the industry to grow further.

July 2022 - GMG acquired Geant to reduce the use of single-use plastics in-store, with the long-term aim to make food packaging 100% compostable, recyclable or reusable.

February 2022 - Borouge, a joint venture between ADNOC (Abu Dhabi National Oil Company) and Borealis, launched its fifth polypropylene (PP) unit in Ruwais, UAE. The new unit expanded Borouge's polypropylene (PP) capacity by over 25% to meet the growing demand for products in sectors including advanced packaging. This new unit has a polypropylene (PP) production capacity of 480,000 tons per year.

February 2022 - Al Bayader International, the UAE's sustainable and innovative manufacturer and supplier of packaging and cleaning solutions, launched a new F&B division to cater to the hospitality sector. This division is aimed to extend the company's current F&B packaging business to provide a one-stop solution for the hospitality sector.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

1 INTRODUCTION

- 1.1 Study Deliverables
- 1.2 Study Assumptions
- 1.3 Scope of the Study

2 RESEARCH METHODOLOGY

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

3 EXECUTIVE SUMMARY

4 MARKET DYNAMICS

- 4.1 Market Overview
- 4.2 Introduction to Market Dynamics
- 4.3 Market Drivers
 - 4.3.1 Increasing Environmental Awareness
 - 4.3.2 Growing e-Commerce Sector
- 4.4 Market Challenges
 - 4.4.1 Fluctuations in the Prices of Raw Materials
- 4.5 Industry Value Chain Analysis
- 4.6 Industry Attractiveness - Porter's Five Forces Analysis
 - 4.6.1 Bargaining Power of Suppliers
 - 4.6.2 Bargaining Power of Buyers/Consumers
 - 4.6.3 Threat of New Entrants
 - 4.6.4 Threat of Substitute Products
 - 4.6.5 Intensity of Competitive Rivalry
- 4.7 Technology Snapshot

5 MARKET SEGMENTATION

- 5.1 Material
 - 5.1.1 Plastic
 - 5.1.2 Metal
 - 5.1.3 Glass
 - 5.1.4 Paper and Paperboard
- 5.2 Packaging Type
 - 5.2.1 Rigid
 - 5.2.2 Flexible
- 5.3 End-user Industry
 - 5.3.1 Food
 - 5.3.2 Beverage
 - 5.3.3 Pharmaceutical
 - 5.3.4 Personal/Homecare
 - 5.3.5 Other End-user Industries

6 COMPETITIVE LANDSCAPE

- 6.1 Company Profiles
 - 6.1.1 Tetra Pak International
 - 6.1.2 Mondi Group
 - 6.1.3 Bemis Company Inc.
 - 6.1.4 Amcor Ltd
 - 6.1.5 Winpak LLC
 - 6.1.6 Rotopak LLC
 - 6.1.7 Gulf East Paper and Plastic Industries LLC
 - 6.1.8 Arabian Packaging LLC
 - 6.1.9 Amber Packaging Industries LLC

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

6.1.10 Diamond Packaging Industries LLC

6.1.11 Corys Packaging LLC

6.1.12 DS Smith PLC

7 INVESTMENT ANALYSIS

8 MARKET OPPORTUNITIES AND FUTURE TRENDS

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Packaging Industry In The United Arab Emirates - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 110 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scott's-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scott's-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-03"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott's-international.com

www.scott's-international.com

