

South Africa Flexible Packaging Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 103 pages | Mordor Intelligence

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Report description:

The South Africa Flexible Packaging Market is anticipated to register a CAGR of 3.17% over the forecast period. There is an increasing demand for fresh food packaging in the country during the forecast period. Rising household expenditure in the country is driving the demand for convenient food products, further propelling the market for fresh food packaging in the coming years.

Key Highlights

During the COVID-19 pandemic, the market studied faced slow growth due to imposed lockdown that has disrupted the supply chain process and the closure of production plants to curb the effect of the virus. Further, the Russia-Ukraine war has an impact on the overall packaging ecosystem.

Growing consumer markets in South Africa will benefit from introducing biodegradable polymers. Over the next few years, the market share of traditional plastic packaging materials will decline due to packaging businesses' adoption of materials, including polyvinyl alcohol, polyanhydrides, and polylactic acid. Environmental compliance requirements, which rely on severe fines to force industry reform, will play a part in this.

Recyclability and decomposability make paper-based packaging more sustainable than other materials. Furthermore, convenience, low cost, and fewer weight attributes have made flexible packaging the most sought-after packaging material that helps to drive market growth.

In addition, the industry is looking into expanding the use of feedstocks obtained from the first generation of chemical recycling processes to use more recycled post-consumer resin in polymer packaging films. For instance, in March 2022, CCL Label, a worldwide packaging business with a new production facility in Midrand, offered solutions at ProPak Africa 2022 that would help companies become more environmentally friendly, whether through increased recyclability, PCR, or bio-based contents.

The flexible packaging industry in South Africa is characterized by its strong use in the food industry. Consumers tend to look for cost-effective, sustainable, lightweight, reusability, recyclability, convenient, and heat-resistant products, which helps drive

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demand for packaging in food products. The rising demand for packaging foods in portable and convenient formats has helped drive the use of packaging products across various industries.

South Africa Flexible Packaging Market Trends

Increasing Demand for Cosmetics Products

The demographics in the country have been gradually changing, leading to a rise in demand for beauty products. The growth in population aged below 30 is the most likely to be interested in beauty products and hair care products. As the country's economy has strengthened and expanded over the past year, cosmetics sales have risen significantly.

Consumer concerns about sustainability and the use of harmful ingredients have resulted in a growing demand for natural-ingredient cosmetics. The number of cosmetics startups has increased as a result of consumers' complaints about a lack of products for their skin and hair needs, which has led to the creation of new brands. According to the Department of Trade and Industry South Africa, cosmetics imports have almost doubled in the last ten years, presenting opportunities for localizing production.

With the changing technology, it becomes possible for companies to identify the number of sales and interest that arises from South Africa and other countries in the African region. Many beauty companies have identified a market gap and found an enthusiastic audience for their products in South Africa. Thus, multinational beauty brands are expanding their presence in the country with product launches and investments.

For instance, in May 2022, Rihanna's cosmetics brands Fenty Beauty and Fenty Skin were launched across Africa in key countries such as Botswana, Ghana, Kenya, Namibia, Nigeria, South Africa, and Zambia-Zimbabwe as a reaction to the growth of the continent's beauty and personal care industry.

In addition, the access to natural ingredients with a large number of natural plants generally required to produce organic cosmetic products has further attracted international players in the country. Thus, the availability of abundant raw ingredients for cosmetics provides opportunities for cosmetics manufacturers further rising demand for flexible packaging products.

Bags and Pouches Expected to Account for the Largest Market Share

South Africa's access to processed and fast food has increased due to economic expansion and rapid urbanization. Due to busy lifestyles and a large population of working-class professionals, the country has a high market penetration of ready-to-eat meals, which is also anticipated to support the expansion of bags and Pouches-based flexible packaging during the projection period. Moreover, retail sales have been steadily growing post-COVID-19 pandemic, resulting in the high demand for packaging bags and pouches in the country.

These types of packaging require much less material to manufacture and have lower transportation costs overall, increasing the profit margin of businesses in the application industry. As a result, these are being adopted more frequently, which helps the market expand.

Stand-up pouches function as a marketing tool in supermarkets where people make quicker purchasing decisions because they have a higher surface area on which graphics can be printed to entice customers. As the country's shopping malls and retail industries grow, this presents opportunities for the bags and pouches packaging market in South Africa.

In October 2021, to prevent up to 2 million plastic bags from entering the waste streams each month, Mondi and Taurus Packaging developed a wet-strength paper shopping bag for the South African retail industry. According to Mondi, the bag features Advantage Kraft Plus with wet strength, making it appropriate for carrying groceries. According to reports, the shopping bag's wet strength characteristic prevents it from breaking even when cold items and liquids within condense, allowing it to fulfill

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the 16kg standard requirement of the South African market.

South Africa has adopted strict regulations mandating recycled plastic to be used in the manufacture of plastic bags. According to new government regulations, starting on January 1, 2023, all plastic carrier bags and flat plastic bags used in South Africa, including imported bags, must contain at least 50% recycled materials. Bags must be made from 75% recycled material starting on January 1, 2025, and 100% recycled material starting on January 1, 2027. It will drive the recyclable plastic bags and pouches in the market and create an opportunity for paper bags and pouches in the country.

South Africa Flexible Packaging Market Competitor Analysis

The South Africa Flexible Packaging Market is highly competitive, with many market participants. Low levels of product differentiation, increasing product penetration, and intense competition define this market. Design, technology, and application innovation can help businesses acquire a sustainable competitive advantage.

November 2022 - Multi-Color Corportation (MCC), Coca-Cola and Extrupet, partnered to bring a certified shrink sleeve solution, RecycLABEL Shrink Sleeves, to the South African market. It is a Polyolefin film shrink sleeve label that can easily separate at the container grinding stage.

April 2022 - Caxton announced that CTP Limited (CTP), a completely owned subsidiary of the company, made an agreement for the acquisition of the Amcor Cape Town Bag in Box and Pouching operations as well as the Amcor Port Elizabeth operations in South Africa of Amcor Flexibles South Africa Proprietary Limited.

Additional Benefits:

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

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