

## **Indonesia Flexible Packaging - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

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### **Report description:**

The Indonesia Flexible Packaging Market size is estimated at USD 4.37 billion in 2024, and is expected to reach USD 5.51 billion by 2029, growing at a CAGR of 4.75% during the forecast period (2024-2029).

Flexible packaging allows more economical and customizable options for packaging products. Flexible packaging products are beneficial in industries that require versatile packaging, such as the food and beverage, personal care, and pharmaceutical industries. It has grown popular due to its high efficiency and cost-effectiveness.

#### Key Highlights

- The flexible packaging industry of Indonesia plays a pivotal role as the country moves towards sustainability with a gradual shift in focus from single-layer plastic films to multilayer, high-barrier, recyclable packaging material. The industry is primarily driven by the country's increasing population and high demand for low-cost, flexible packaging.
- Demand for flexible packaging in the country has been significantly influenced by the local food, beverage, and pharmaceutical industries. Indonesia's food and beverage industry substantially contribute to its overall growth. The sector has witnessed a rapid increase in revenue which was challenged during the pandemic but is expected to recover rapidly over the forecast period maintaining the demand for flexible packaging formats from the food and beverage industry.
- Economic growth and greater demand for single-serve, on-the-go convenience foods in Indonesia have fueled an increase in flexible packaging production. In response, vendors in the market are investing in capacity expansion. The fast-growing Indonesian flexible packaging manufacturer Putra Naga Indotama is investing in new, state-of-the-art machinery as a part of a growth strategy to increase business with existing and new customers.
- Various industries use plastic packaging solutions, including manufacturing, retail, and healthcare. Due to its high barrier qualities, lengthy shelf life, and durability, plastic packaging has seen substantial growth in the healthcare sector. But the

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increasing awareness about the environmental effect of single-use plastic and unsustainable business practices has empowered consumers to demand a higher standard of product that has a positive impact ecologically. This is expected to hinder the market's growth.

-Indonesia is a promising e-commerce market in the Asia-Pacific, with several local and global players competing. The pervasiveness of the internet, increasing digitization, growing tourism, and the proliferation of websites are driving the growth of e-commerce. The COVID-19 pandemic further accelerated e-commerce sales in Indonesia. Moreover, flexible packaging may expect growth in the market studied with the increasing demand for medical and healthcare supplies. Over the forecast period, industrial activity is likely to improve when the global economy begins to recover from the pandemic, which is currently happening.

## Indonesia Flexible Packaging Market Trends

### Packaging Films to Witness Significant Growth

- Polyethylene thermoplastics manufactured from petroleum include high-density polyethylene (HDPE) and polyethylene high-density (PEHD). Due to its exceptional versatility, HDPE is the most extensively used plastic. Beverage bottles, cosmetics like shampoo, and home goods are among the common uses for HDPE. HDPE makes cereal box liners and the thin plastic vegetable bags found in grocery stores and on bread. Such significant material characteristics create the demand for PE products and contribute considerably to flexible packaging in the country.
- BoPET film possesses good stiffness, a smooth surface, and good chemical and abrasion resistance. Thus, they are preferred for easy processing and achieving an ideal oxygen barrier. BoPET-primed films achieve improved adhesions with ink, adhesive, and aluminum metallization.
- In addition, these films find their applications in multiple industries, such as sustainable energy, healthcare and hygiene, food and beverage, automotive, consumer electronics, and more. Among these end-user industries, it is widely used as a surface film in laminations by the packaging industry as it helps protect food against oxidation and maintains a longer shelf life.
- BOPP films are transparent Biaxially oriented polypropylene films designed to offer high performance, attractive aesthetics, and ease of conversion for flexible packaging and other applications. These films possess numerous properties, such as high tensile strength and improved stiffness, lower elongation, higher tensile strength, better gas barrier, and lower haze than CPP. Also, BOPP films are significantly adopted for packing food materials due to stringent food packaging requirements. The package helps protect the nutritional properties of the food until final consumption.
- Polyvinyl Chloride (PVC) films are thin thermoplastic films in rigid and flexible forms with good cling, clarity, and puncture-resistant properties. Depending on the requirements of the applications, it could demonstrate rigidity or flexibility and feature a transparent, colored, and glossy finish. Due to their versatile nature, these films use in pharmaceutical and food and beverage packaging. Moreover, the consumption of flexible PVC films has increased due to their demand as a cling wrap for food service, vacuum packaging for meat and pre-cooked meals, and shrink sleeves because of their strength, transparency, processability, and low raw material cost.
- About benefits, the PVC films do not affect the packaged food, guard against contamination by preventing transmission of germs during distribution when used as cling films, and oxygen and water barrier qualities that help extend the food shelf life are preferred in the food packaging industry.

### Food Industry Holds Major Market Share

- The COVID-19 pandemic-related market volatility generated logistical challenges throughout 2021 that hampered the need for

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packaging materials. However, Indonesia's packaging sector experienced a crucial market and has shown major developments in flexible packaging for food in the last few years. This may be seen in the growth of e-commerce, which necessitates unique shipping packaging. Additionally, there has been an upsurge in frozen foods with longer expiration dates.

- The demand for flexible packaging solutions is mainly driven by millennial customers in Indonesia, as they prefer single-serving and on-the-go food. As these products are primarily designed to be portable, durable, and lightweight, flexible packaging is a well-suited option to pack such products.

- Increased spending on bakery and cereal bars, short-run ready meals and coffee or hot chocolate sticks and pouches, dehydrated and dry foods (instant soup, gravy and sauce packets, rice, and food mixes), snack foods and nuts, spice foods, chocolates and sweets, ice-cream novelties, and bakery products, such as cookies (biscuits), cakes, and chips, have increased considerably in Indonesia during the past few years.

- Flexible packaging goods, such as stand-up gusseted and pillow pouches, are commonly used in the food industry. Pillow pouches have also seen significant growth as their use in the food, beverage, and dairy industries have increased. Some essential qualities that positively influence product penetration are low cost, good sealing ability, and cost-effective transportation.

## Indonesia Flexible Packaging Industry Overview

The firm concentration ratio is expected to record higher growth during the forecast period as several players look at this market as a lucrative opportunity to consolidate their product offerings. The firm concentration ratio is expected to grow considerably over the forecast period. However, short product development cycles and relatively high exit barriers affect firms in this market. Overall, the competitive rivalry is expected to be high.

- In October 2022, PT ePacFlexible Packaging announced the offering of flat-bottom pouch packaging in addition to its extensive line of flexible pouch offerings. The company is extending its partnership with the industry-leading pouch equipment manufacturer, Totani, to bring its customers the highest quality finished products.

- In June 2022, PT Trias Sentosa Tbk (TRST), a prominent packaging manufacturer, announced that Biaxially orientated polypropylene (BOPP) and cast polypropylene (CPP), two new machines to be operational in the fourth quarter of 2022. TRST is expecting the year's sales to improve due to the inclusion of the new machine. A total investment value of USD 40 million and USD 8 million, respectively, is assigned to each of them. According to the corporation, there would be an additional 30,000 tonnes of output each year connected to BOPP. Meanwhile, the CPP engine will boost output by around 15,000 tonnes annually. The expanded production capacity totals 45,000 tonnes per year and is expected to begin operations in the fourth quarter of 2022.

### Additional Benefits:

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

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