



# Key Trends

## Packaging

This content has been collated to provide information on the **Packaging** industry in Scotland. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)).

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Sourcing Packaging for your Product:

- ◆ [Scottish Packaging Society \(SPkgS\)](#) and [Scottish Plastics & Rubber Association \(SPRA\)](#) – these societies are affiliated to IOM3(Institute of Materials, Minerals and Mining) and aim to represent the interests of packaging professionals in Scotland. The website also offers event listings, industry resources and news. ([www.iom3.org/group/scottish-packaging-society-spkg.html](http://www.iom3.org/group/scottish-packaging-society-spkg.html)) and (<https://spra.org.uk/>).
- ◆ [The British Contract Manufacturers and Packers Association \(BCMPA\)](#) – this organisation offers a map of member companies, which may help finding local suppliers, and online resources which include tips for start-ups. (<https://bcmpa.org.uk/>)
- ◆ [WRAP](#) ([www.wrap.org.uk](http://www.wrap.org.uk)) is a collaborative organisation with global offices, promoting the role of waste prevention and recycling. They offer various online guides and resources and research into packaging.
- ◆ [The Packaging Federation](#) ([www.packagingfedn.co.uk](http://www.packagingfedn.co.uk)) is a trade association representing companies in the UK Packaging Manufacturing Industry and associated activities. Their site offers a list of Industry Contacts, including Packaging Companies and relevant Trade Associations. There are also downloadable factsheets with useful industry overviews. This may be a good first point of contact for finding information about packaging a specific product.
- ◆ [Web Packaging](#) ([www.webpackaging.com](http://www.webpackaging.com)) is an information portal for consumer-packaged goods. Here you can search the directory of [packaging suppliers](#) for your product.
- ◆ [Packaging News](#) ([www.packagingnews.co.uk](http://www.packagingnews.co.uk)) is an online magazine covering various industry news. This also includes information on various markets, industry events and a supplier directory.

About the Packaging Industry:

- ◆ Mintel reports that within the packaging industry, the use of AI reached a reported value of US\$2.3 billion in 2022 and is projected to increase at a CAGR of 55.7% over the next ten years. The benefits of artificial intelligence are being felt across the packaging industry with technologies such as machine learning, natural language processing and computer vision anticipated to revolutionise the industry in several areas including production, environmental responsibility and packaging design. (Mintel, *2024 Global Packaging Trends*, January 2024).
- ◆ In the Cardboard Packaging & Paper Bag Manufacturing sector, IBISWorld reports that industry revenue is forecast to grow at a compound annual rate of 1.4% over the five years through 2028-29 to exceed £5.6 billion. Competition from low-cost overseas manufacturers has weighed on industry revenue, but accelerating online expenditure will broaden the downstream market size for cardboard packaging and paper bag manufacturing, while public concerns regarding plastic waste should drive revenue growth. Smaller manufacturers face stiff price competition and are more vulnerable to soaring input costs, denting their profitability and survival prospects. (IBISWorld, *Cardboard Packaging & Paper Bag Manufacturing in the UK*, August 2023).
- ◆ Plastic packing goods manufacturing revenue is forecast to grow at a compound annual rate of 5% over the five years through 2023-24 to £5.7 billion. IBISWorld



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reports that bio-plastics are the future of packaging products. Food and beverage manufacturers in particular are embracing bio-plastics. In October 2023, the UK government introduced a ban on the sale of particular single-use plastic items in England, even when made in compostable, biodegradable or recycled materials. Developments in 3D printing offer design freedom and scalability for plastic packaging manufacturers. (IBISWorld, *Plastic Packing Goods Manufacturing in the UK*, September 2023).

- ◆ The light metal packaging manufacturing sector in the UK has been significantly disrupted by Russia's invasion of Ukraine as the costs of key inputs like electricity, steel and tin rose in 2022. According to IBISWorld, light metal packaging manufacturers will continue to face stiff competition from cheaper imports and plastic substitutes. However, they will gain market share in both the alcoholic and non-alcoholic beverage industries as consumer opinions of metal cans improve thanks to environmental concerns and better can designs. IBISWorld estimates that over the five years through 2027-28, light metal packaging manufacturers' revenue is forecast to increase at a compound annual rate of 1.7% to £1.6 billion. (IBISWorld, *Light Metal Packaging Manufacturing in the UK*, August 2023).
- ◆ 56% of food product launches in 2022 used plastic packaging within their primary or secondary packaging, a share that has remained consistent for the past five years. However, this data doesn't reflect plastic reduction through initiatives such as redesigning packaging to use less material. Recyclability has an important role to play in lowering the concerns that individuals have about plastic packaging, but there is widespread uncertainty about the green credentials of packaging types, with 64% of people deeming it difficult to know which is the most sustainable. 76% of consumers see cardboard food packaging as better for the environment than plastic. (Mintel, *Attitudes Towards Food Packaging – UK*, March 2023).
- ◆ According to IBISWorld, industry revenue is anticipated to grow at a compound annual rate of 2.6% over the five years through 2027-28 to reach £6.8 billion. The recovering economy post-2021 helped boost revenue, lifted by solid demand from pharmaceutical manufacturers and online retailers. However, growth was constricted by persisting supply chain disruptions through 2023-24, creating shortages in key inputs. Nonetheless, the shift towards high-quality packaging has aided in driving revenue growth, with packaging service providers offering active functions beyond the containment and protection of the product. (IBISWorld, *Packaging Services in the UK*, August 2023).
- ◆ In April 2024, the **UK Plastic Packaging Tax** is changing from £210.82 per tonne to £217.85 per tonne. The aim of the tax is to incentivise the use of recycled material in the production of plastic packaging. Guidance on the tax and who needs to pay can be viewed on [www.gov.uk/guidance/check-if-you-need-to-register-for-plastic-packaging-tax](https://www.gov.uk/guidance/check-if-you-need-to-register-for-plastic-packaging-tax).

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