

# LATIN AMERICA sees glass bottles market primed for growth

Prompted by an expansion of the middle class in LATIN AMERICA, a recent report by 'Research and Markets' examines why current regional investments in pharmaceuticals will likely add more traction to the glass bottles market whilst further boosting economic growth.

**A**ccording to Latin America Glass Bottles and Containers Market - Growth, Trends, COVID-19 Impact, and Forecasts (2021 - 2026), the region's glass bottle and container industry was valued in 2020 at an estimated USD 5215.1M. Now it's expected to reach USD 6731.97M by 2026, signaling growth at a projected CAGR of 4.4 percent over the forecast period 2021 to 2026 - a market drive accounted

for by an increasing demand from the beverage industry. As reported by Argentina's Secretary of Integral Policy on Drugs, the country consumes more alcohol per capita than any other in Latin America. Yet besides alcohol consumption being considerably high nowadays amongst Brazilians, rising consumption of such non-alcoholic beverages as milk and juices is also expected to create further scope for the glass bottle and container market in the region.

The market is being further driven by such innovations as lightweighting and effective recycling. Here newer production methods and the effects of recycling both facilitate quantitatively higher manufacturing - all with thin-walled, lightweight glass containers. Not only. The development in Latin America of the Narrow Neck Press and Blow process has allowed for a significant reduction in glass-bottle weight.

Moving to the downsides, high competition from substitute products is presently restraining the market. This sees changes in existing con-







sumer trends toward convenient and comfortable handling solutions anticipating a drive in demand for flexible solutions, with incremental enhancements in plastic packaging solutions posing a threat to the glass packaging market.

#### REPORT SCOPE

The Latin America glass bottle and container market is currently growing and has become

attractive to both foreign glass bottle makers and other companies owing to such factors as rich natural resources, low-cost labour and increasing consumer expenditure. Apart from cosmetics and carbonated drinks, the region has also registered an upsurge in alcoholic beverages. As an alcoholic beverage, beer is in especially high demand in such regions as Columbia,

Mexico (including Caribbean) and Argentina.

#### MILK AND OTHER DAIRY PRODUCTS TO HOLD SIGNIFICANT SHARE

Latin America's dairy market is among the fastest-growing in the world. While wider prosperity has helped shift demand from glass to rigid plastic and metal, that of value-added packaging







-like reusable glass- remains nonetheless high. For a long time now, refillable glass bottles have made beverages like milk more affordable for consumers in the region.

Amcor has developed 'glass-look-alike' clear polyethylene terephthalate (PET) bottles to address the growing demand for transparent dairy packaging in Latin America. Here, to protect its contents, the container includes a 38-mm finish as well as an ultraviolet (UV) blocker.

According to the US Department of Agriculture, the production of fluid milk in Mexico increased by 12 percent from 2010 to 2019. Given that they preserve the flavour of dairy products -much longer than other packaging types- glass bottles are mainly used for milk packaging. This is because glass is less likely to allow contents to mix - either with air or with chemicals.

Many companies in Mexico have increased the shelf-life of pasteurized fresh milk from 7 to 15 days, which is achieved by incorporating silver-based micro-particles that include antimicrobial, bactericidal and self-sterilizing properties into the plastic bottles used in milk packaging.

### COSMETICS SECTOR SET TO DRIVE MARKET GROWTH

Shifting our attention to cosmetics packaging, this segment includes skincare products, hair care products and perfumes. Here, Latin America is currently seeing an increase in the incorporation of high-end luxury products, which continues to gain traction as glass endows fresh elegance to the appearance of products - imparting premium status besides.

It doesn't end there. A rise in disposable income within countries like Brazil adds still further to the global demand for premium cosmetics products. Here the cosmetics industry is expanding continuously, placing itself among the fastest-growing and most vibrant of its kind the world over.

With cosmetic product sales increasing from eight to ten percent over the last decade alone, Brazilians are also expressing new interest in self-grooming and personalization. Indeed growing sales has made Brazil the largest consumer of cosmetic products in Latin America, with men's products continuing to be popular especially among young people, who are now ever more conscious about their appearance. All this

boosts the demand for glass packaging in cosmetics today.

Especially relevant in this area, and just hot-off-the-press, is the purchase of Verescence do Brasil by Wheaton Brasil Vidros. Already a leading producer of high-end glass packaging for the cosmetics, perfume and pharmacy markets, Wheaton Brasil Vidros here buys the Brazilian subsidiary of Verescence (formerly SGD), thus consolidating its position within the country's market while ranking itself among the world's leading glass manufacturers for the luxury sector.

### A COMPETITIVE LANDSCAPE

The Latin American glass bottles and containers market is a fragmented one, with both regional players and international vendors all jockeying for their share in the market. Key players here include (among others) Vitro, Cattorini Hnos SA, Wheaton Brasil Group, all of which attract customers by way of moderate market competition that arises from pricing, as well as other powerful competitive strategies.

Finally, recent developments in the market include the announcement by Vitro of a USD 60M investment in new technologies over February 2019. These investments will focus upon North America - all to strengthen its market leadership in automotive glass while supplying original equipment manufacturers and aftermarket customers. ■

