

MORDOR INTELLIGENCE

Glass bottles and containers market – growth, trends, Covid-19 impact, and forecasts (2021-2026)

The Glass Bottles and Containers Market is segmented by End-user Vertical (Beverages, Food, Cosmetics, Pharmaceutical), and Geography. The report offers market size and forecasts for Glass Bottles and Containers in production units volume (in billion units) and revenue (USD billion) for all the above segments.

MARKET OVERVIEW

The Glass Bottles and Containers Market, with a production of 689.94 units in 2020, was valued at USD 58.64 billion in 2020, and is expected to be valued at USD 78.41 billion, and reach 922.43 billion units by 2026, registering a CAGR of 4.18 per cent, during the forecast period 2021-2026. The COVID-19 outbreak created a growing necessity for industries in the F&B sector to focus more on hygiene and sanitization and given the current situation, people, nowadays, are opting for a healthy and sustainable lifestyle. As most of the products in this sector are included in essential services, it becomes crucial for the packaging sector to follow conservative practice.

- Glass packaging is 100 per cent recyclable, which makes it a desirable packaging option from the environmental point of view. Six tons of recycled glass directly save six tons of resources and reduce the emission of CO₂ by one ton.
- One of the main factors driving the growth of the market is the





increase in beer consumption worldwide. Beer is one of the alcoholic beverages that use glass bottles for packaging. It is packed in dark-coloured glass bottles to preserve the contents, which are prone to spoilage when exposed to UV light. Additionally, according to the NBWA Industry Affairs, 2019, the US consumers who are 21 years and older consume over 26.5 gallons of beer and cider per person annually.

- Owing to its many benefits, glass packaging is on the rise for both the cosmetics and fragrance industries. Moreover, emerging economies are anticipated to create a favourable demand for cosmetics and perfume products and their packaging. India is one of the fastest-growing markets for cosmetic consumption and production.
- Additionally, the increasing banning initiatives by the gov-

ernment and the related regulatory bodies for using the PET bottles and containers for drug packaging and delivery is expected to see its consumption taking a hit. This is expected to boost the demand for glass bottles and containers over the forecast period.

- Glass packaging is considered for premium products and a gold standard in various industries such as pharmaceuticals, food and beverages, cosmetics, and liquor packaging. The beverage industry holds a prominent share of the global packaging demand for glass. The outbreak of the COVID-19 liquor industry is observing a significant drop in demand as it not be deemed as an essential industry by governments.
- In the case of the pharmaceutical industry, major suppliers of ingredients and generic drugs suppliers are China and India. Factors, such as the lockdown placed in India and production halt in China during the months of February and March, have negatively impacted the supply chain in the industry, which is, in turn, affecting manufacturing facilities in both North America and Europe.

Cow Milk Production, Production in million metric tons, Global, 2015-2019



Source: FAO; US Department of Agriculture

SCOPE OF THE REPORT

Glass bottles and containers provide an ideal way to keep the consumables safe, fresh, and healthy for a longer period and ease of transport. Glass bottles and containers are majorly used in the alcoholic and non-alcoholic beverage industry, due to their ability to maintain chemical inertness, sterility, and non-permeability. As part of the scope of the market, key end-user industries, such as beverage, food, pharmaceutical, and cosmetics, have been considered. The beverage segment is further divided into liquor, beer, soft drinks, and milk.



KEY MARKET TRENDS

Milk is expected to account for significant market share

- The global dairy industry has been witnessing a backward shift from plastic to glass bottles. Driven by consumer demand for environmentally friendly milk, many small dairy market players choose to sell their products in reusable bottles. The demand for glass bottles in the milk industry has been increasingly more in Europe, when compared to other regions.
- DairyDrop, based in Alderly Edge, which has 3,000 customers in Cheshire, announced a significant reversal in the glass milk bottle delivery trend. Another Cheshire-based milk supplier, Creamline Dairies, witnessed an increase of 85 per cent in the number of people getting glass bottles delivered since last year.
- Moreover, with companies, such as A.B. Munroe Dairy United States, taking several initiatives to encourage people to use glass bottles by providing door-to-door delivery of fresh milk bot-

ties, the market studied, especially in the sub-urban regions of the United States, is expected to grow over the forecast period.

- Dairy firms across the United Kingdom have witnessed a surge in demand for milk in glass bottles. About 17 out of 20 dairy businesses, researched by BBC News, have observed a surge in sales of glass milk bottles to homes and businesses amid concern over plastic waste.
- The Pan-UK company, Milk & More, and East-London dairy giant, Parker Dairies, have found a substantial increase in the demand for glass bottles. Most of the dairies from London mentioned that most of the change is from their younger consumers whose families seem more than willing to pay a little extra for the service rather than the plastic, in their efforts to help the environment.

Asia Pacific is expected to hold the largest market share

- The Asia Pacific region is expected to register a signif-

icant growth rate compared to other nations owing to an increase in demand for pharmaceutical and chemical industries, which prefers glass packaging because of the inert nature of glass bottles. China, India, Japan, and Australia among others are the prominent nations majorly contributing to the growth of the Asia Pacific glass packaging market.

- The pharmaceutical and healthcare sector in China is one of the largest markets in the world, mainly driven by its ageing population. Due to the recent regulatory changes in the country, the foreign pharmaceutical companies are facing difficulties in conducting business, especially when it comes to market entry and price control. Hence, there is a potential growth opportunity for the domestic players as they might experience an increase in demand for glass bottles and containers from these companies.
- In India, only the reuse of glass packaging solution, especially bottles, is increasing.

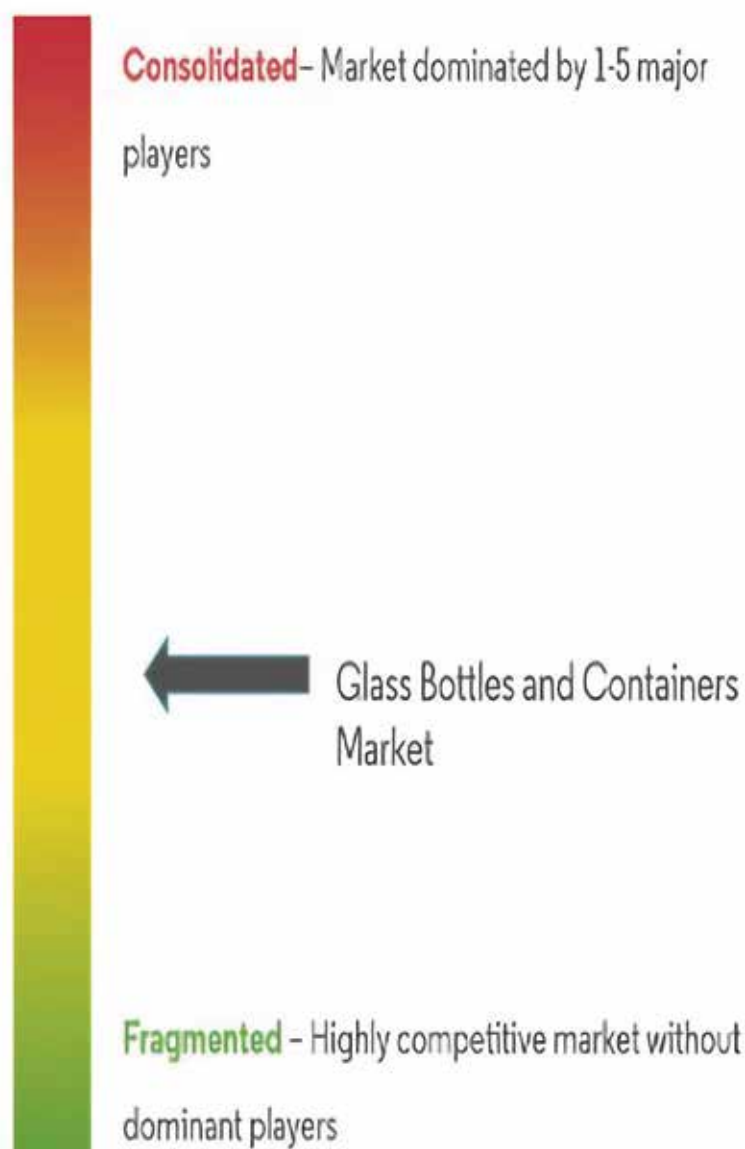
As the Indian consumers are emphasizing on health, they are showing preference toward glass packaging over other options, as it prevents leaching from its surface. Also, the country comprises many companies, including Hindustan National Glass and Asahi India Glass, offering glass packaging solutions across the industries.

- Japan boasts of one of the fastest-growing pharmaceutical industries after the United States, and is continuously focusing on strong innovation and patent drugs. The Government of Japan is also contributing to the growth through deregulations for international companies to invest, thus driving the pharmaceutical market in the country.
- Additionally, international companies are extensively investing in pitching to the Chinese market. For instance, Givaudan has invested USD 100 million for forming its new production hub for its fragrance business. The plant is expected to start operation by 2020.

RECENT DEVELOPMENTS

- November 2020 – A subsidiary of Vidrala SA and leading glass container manufacturer, Encirc, lit its new industrial furnace at its plant in Elton, Cheshire. The giant oven, which can process up to 900 tonnes of container glass per day, is the largest in the world.
- October 2020 – Owens-Illinois Inc. and Krones AG, which is a German company, registered a strategic collaboration to increase innovations in its glass packaging segment. The collaboration aims to improve glass filling, packaging speed line and efficiency with enhanced agility, flexibility by introducing sustainable glass systems and digital solutions such as the direct to glass printing technology. ■

Market Concentration



Source: Mordor Intelligence



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