



# Indian Container Glass : Poised To Grow

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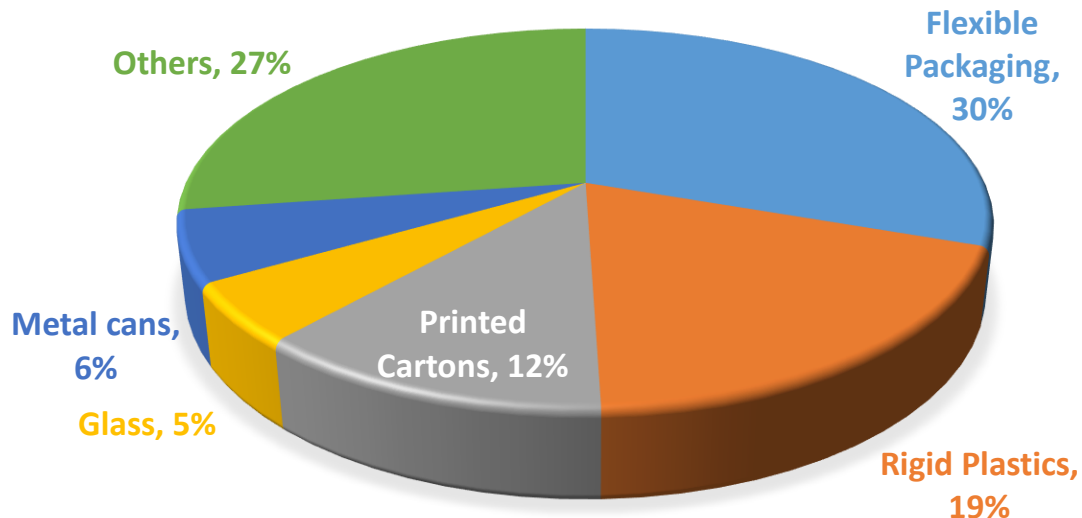


# Indian Container Glass Market

## Market Overview

- At USD 14 billion, Indian packaging industry has been growing at ~ 15% over the last few years
- Indian glass container market is growing at the rate of ~10% per annum

Indian Packaging Market

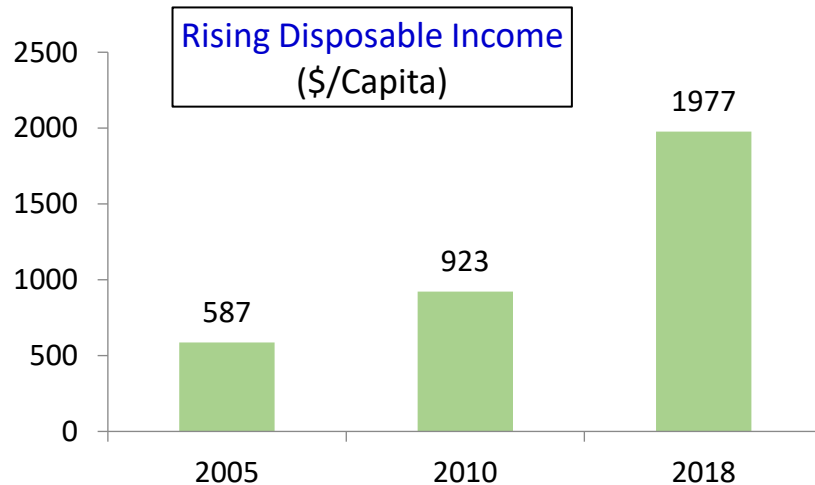
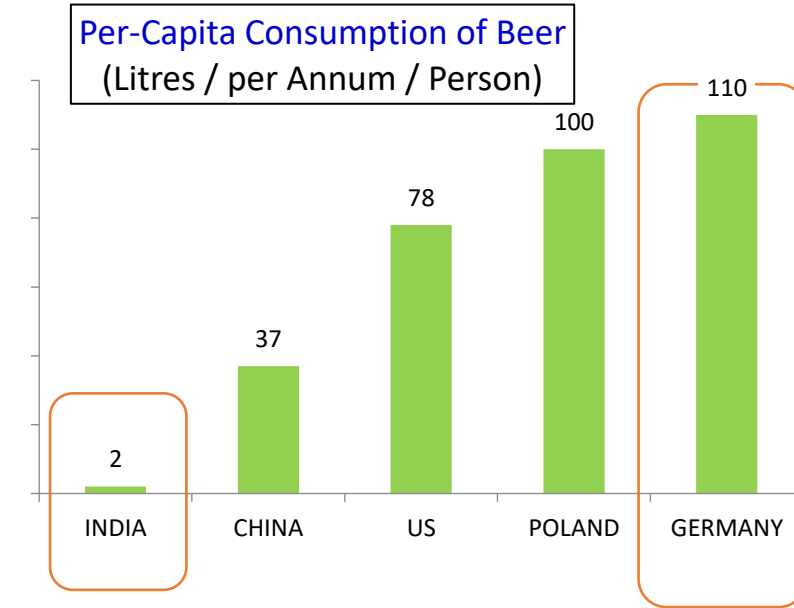
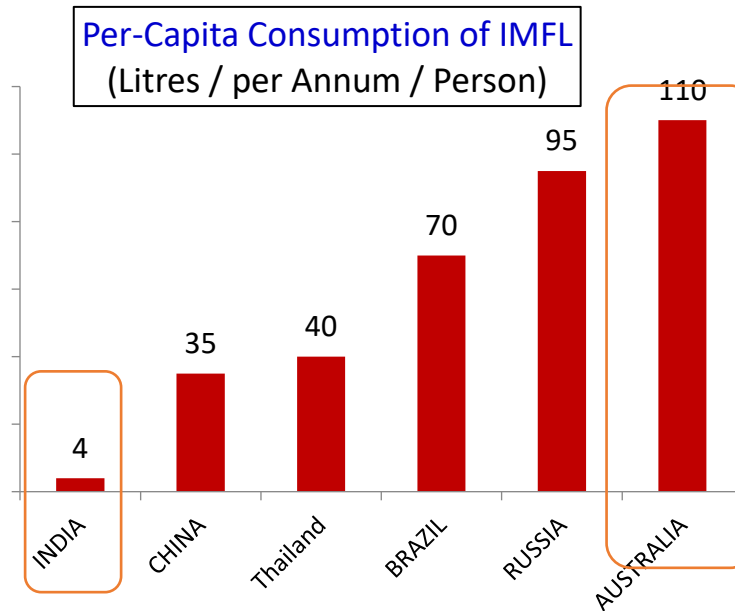
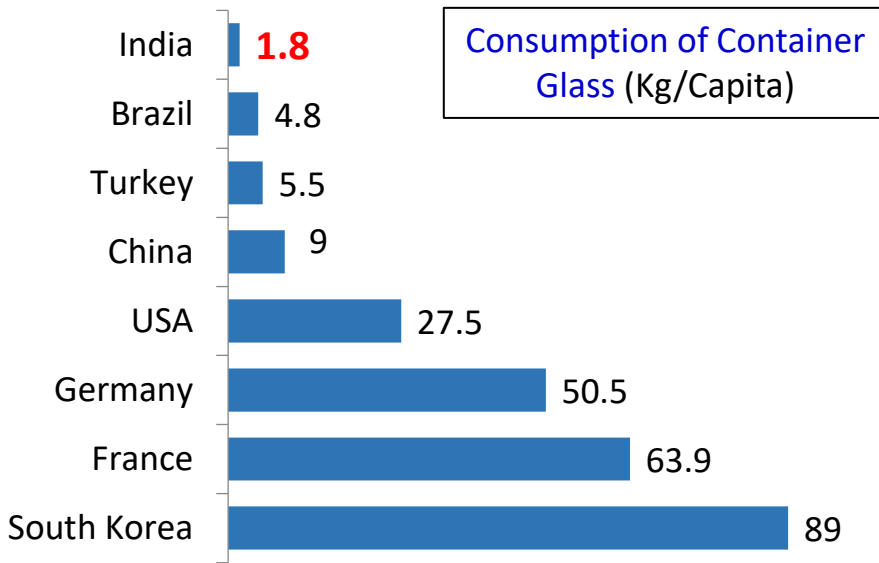


## Global Glass packaging market

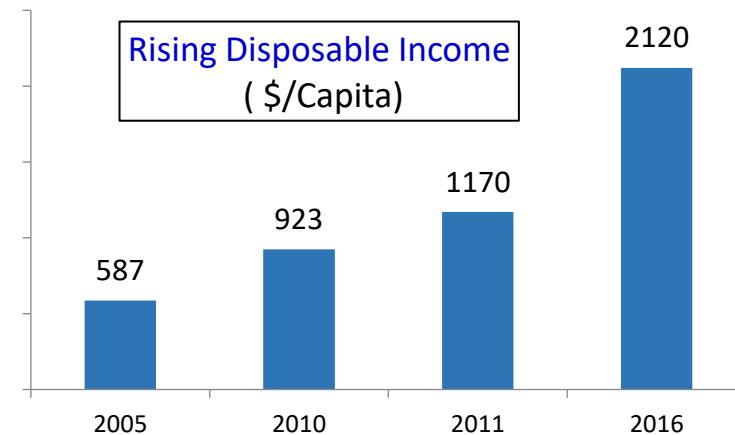
- ❑ Current market size is ~ USD 52 Billion & posed to grow at 4% during next 5 years.
- ❑ In 2016, with a market share of over 36%, EMEA (Europe, Middle East and Africa) emerged as the market leader in the global RGP market, followed by APAC (Asia Pacific) with over 34% and the Americas with close to 30%.
- ❑ Rising disposable income, changing lifestyles, and westernization are some of the factors driving the alcoholic beverage packaging market in APAC.

***Huge potential for glass industry to grow in India and Exports***

# Macro Fundamentals are Strong



Source: Anand Rathi Research

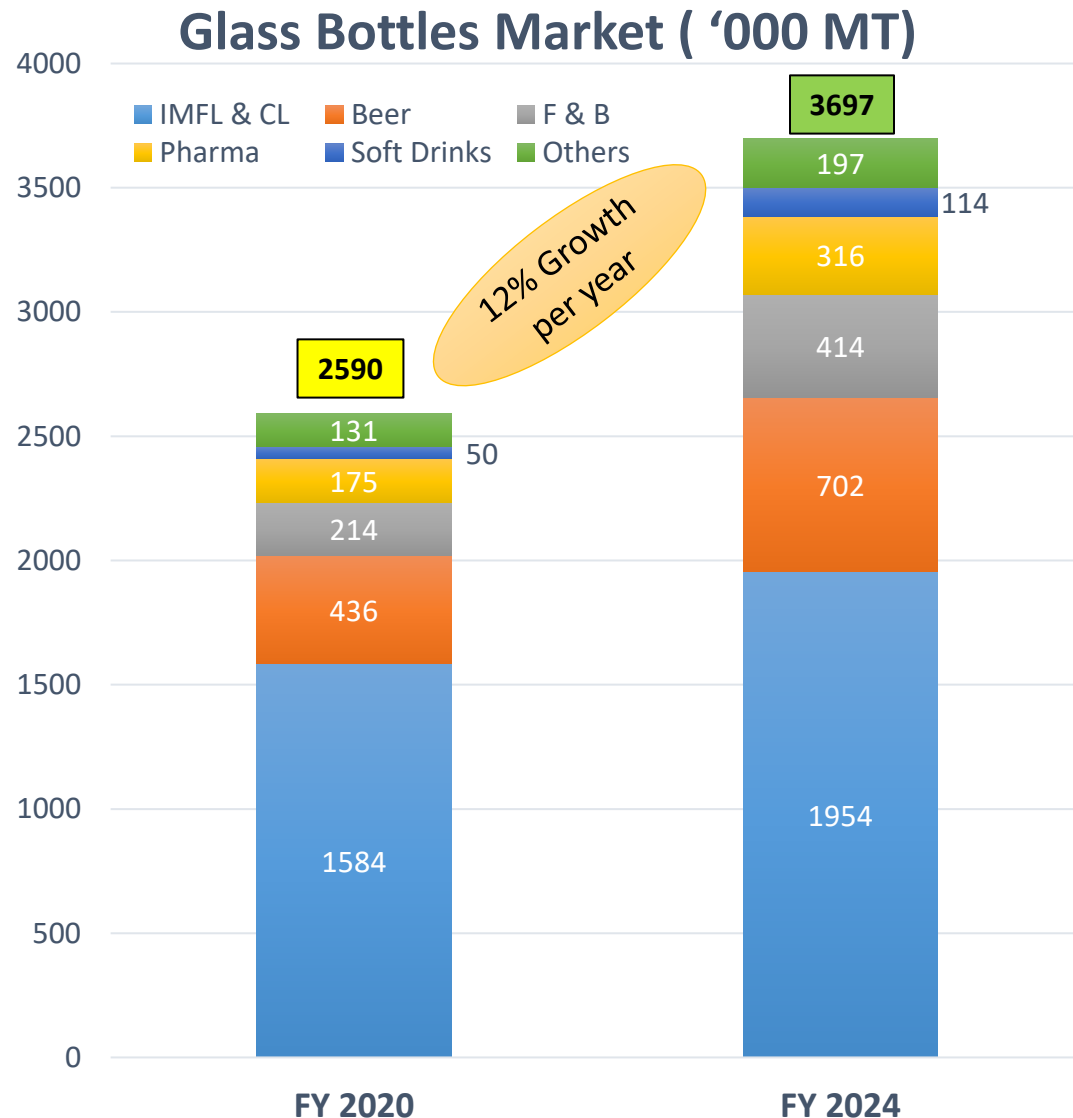


Source: Economist Intelligence Unit

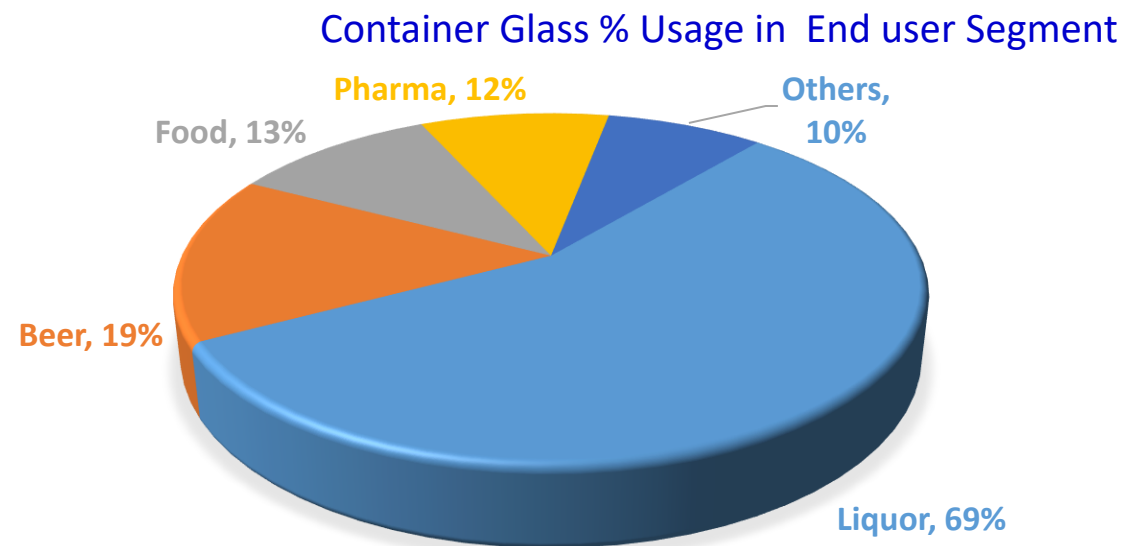
Source: Beeronomics

- ❖ Alco-Bev segment Per capita Consumption is very low compared to other countries.
- ❖ Increasing urbanisation, high disposable income and changing social ethos will boost growth opportunity end user segment.
- ❖ Increased awareness of public about health & hygiene aspects-Glass-Eco-friendly.
- ❖ Reverse Migration in Pharma has begun.

# Glass containers - Segmental Demand & Projections



- ❖ Alcobev industry is expected to grow at a very fast pace with increase in the Purchasing power of the economy
- ❖ The growth in Pharmaceutical Segment is expected as the movement towards glass from alternate packaging is expected with change in consumer demand
- ❖ Packed food segment is driving the growth with emerging market of speciality sauce, dressings , olive oil. This segment is expected to grow the fastest with the change in consumer perception towards alternate packaging.





# COVID-19 : Impact and Future Plans

# Changing Market Dynamics – Alcoholic Beverage Segment



## SHRUNK BEER DEMAND

- All big clients operating with single shift currently.
- Expect a drop of approx. 20 % in their sales/demand.
- They are Expecting to run operations to the tune of 75-80% of capacity through this fiscal

## REDUCED LIQUOR CONSUMPTION

- IN Q1, all major clients ran at reduced capacity in line with Ministry of Home Affairs guidelines
- Reduced household income adding to the reduced demand
- In Q2, the demand has picked up and are nearing to pre COVID levels
- Expect reduction in overall consumption of liquor by approx. 7-8 %

## POOR FINANCIAL HEALTH OF CORPORATES

- Low capacity utilization and reduced scale of operations would impact increased input cost.
- Their initial focus would be to maximize the use of OLD Glass.

# Changing Market Dynamics – Food and Pharma

Pharma sector is expected to have healthy growth post Covid

Health awareness and pull in organic foods shall generate growth in food segment

Govt of India's focused approach expected on development of Nutraceuticals segment

Processed food segment is expected to have double digit growth post pandemic

Life savings drugs is expected to be much in demand



# Glass Marketing – Strategy Post Covid



We will have to adapt to the new normal and changed dynamics of market.

Will have to deploy technology for sales and have increased use of digital platforms for promotion of glass.

Have to have real time connect with clients to have an edge over competition.

Will have to Strengthen customer connect at all key levels not only limiting to procurement.

Will have Focused approach on improved product mix and first mover advantage in NPDs/Innovations.

We will have to change HNG perception to that of a packaging solution provider.

We will have Centralized system of New product development and Required Infrastructure for Pharma quality requirement.

# FUTURE PLANS TO ENSURE SUPPLY-BUSINESS CONTINUITY

- COVID-19 would change the market dynamics which might result in people becoming more cautious and choosing a better packaging
- The Industry expects a second round of Stimulus to be provided by the government to boost manufacturing for the industry and boost demand
- The Indian Glass Industry expects a V Shaped recovery from the second half of FY 2020-21 with positive sentiments





THANK YOU

**ABOUT THE AIGMF:**

The All India Glass Manufacturers' Federation (AIGMF) is a not for profit National Apex Body of the Indian Glass Industry, representing all segments and sectors since 1944.

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