

Food and Drink Packaging: Inc Impact of COVID-19 - UK - December 2020

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“COVID-19 resulted in plummeting demand for packaging in the foodservice and hospitality sector, but this was partly offset by a shift to in-home consumption and a surge in demand from food and drink into retail. While the pandemic has shifted demand and disrupted supply chains, the food and drink packaging market has shown resilience.”

– Claudia Preedy, B2B Analyst

This report looks at the following areas:

- The impact of COVID-19 on the UK food and drink packaging market
- How the increased focus on sustainability is driving innovation across the food and drink packaging sector
- Key market drivers for food and drink packaging
- How the market is expected to develop over the next five years

Paper and board packaging has seen its share of the food packaging market rise from 48% in 2017 to 50% and now represents the largest sector. With plastic packaging coming under increased scrutiny, this has benefited paper and board packaging as the material is seen as an obvious natural and sustainable substitute for plastic food packaging.

COVID-19 resulted in plummeting demand for packaging in the hospitality sector, but this was partly offset by a shift to in-home consumption and a surge in demand from food and drink into retail. While the pandemic has shifted demand and disrupted supply chains, the food and drink packaging market has shown resilience.

Sustainability and plastic replacement have become a major focus for retailers and food and drink manufacturers, with many working towards packaging sustainability targets by 2025. Government regulations are also becoming more stringent, with a new tax on plastic packaging with less than 30% recycled plastic to be introduced in April 2022. Thus plastic packaging is set to further lose market share to alternative materials over the coming years.

The rise in grocery ecommerce is set to increase demand for smart packaging, with an increased focus on any technologies that will improve security, transparency and traceability in the supply chain. By embedding digital capabilities in product packaging, brands will also be able to push more information to customers to enhance brand engagement. Intelligent packaging can also lead to improved efficiencies in the supply chain via communication and item-level tracking of products in the factory, through logistics, and distribution.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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O-I commits to largest investment in Europe in 20 years to meet growing demand for sustainable glass packaging

Merger of Ardagh's food and speciality metal packaging business with Exal creates one of the largest metal packaging companies worldwide

RPC Group acquired by Berry Global, creating one of the world's largest plastic packaging companies

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