

# Middle East And Africa Contract Packaging - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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## Abstracts

The Middle East And Africa Contract Packaging Market size is estimated at USD 7.32 billion in 2024, and is expected to reach USD 11.58 billion by 2029, growing at a CAGR of 9.38% during the forecast period (2024-2029).

Bottling and filling services have particularly experienced promising growth in the Middle East and Africa. Owing to the increased demand for food, beverage, and pharmaceutical needs, many businesses have outsourced their packaging for increased safety.

The Middle East and Africa have emerged as key players in the global e-commerce market, offering substantial potential for growth. Numerous countries in the region and their tier-two cities are actively participating in this trend. This surge is driven by increased accessibility to technology and higher internet penetration rates, amplifying online shopping prospects. According to a report published by mFilterIt in December 2023, retail penetration in the region stands at approximately 11% to 12%, with over 80% of buyers utilizing mobile devices and 70% leveraging social media to engage with sellers, creating opportunities for contract packaging services. To keep up with the growing demand, businesses outsource their packaging end-to-end or standalone services to consumers who prefer to shop online.

Over the upcoming years, injectables are anticipated to gain a market share that surpasses that of other administration methods, such as oral. As a result, contract packaging demand for injectable solutions is expected to rise, and significant pharmaceutical vendors are anticipated to increase their regional

capabilities.

Many regional brands opt for co-packing instead of building their manufacturing operations, including food safety and the need for financial and business agility. Co-packers play an essential role for ample food and beverage companies in the region that may be unable to justify spending on new equipment or divert production from equipment to produce new and less profitable products.

However, the growing demand for in-house packaging is anticipated to hinder the market growth for contract packaging. For instance, businesses that use outside contract packagers can extend their distribution cycle by up to seven days, during which their product is less visible. Companies looking to distribute their goods quickly and effectively may find this a barrier.

With most consumers prefer online shopping channels, companies have been outsourcing their packaging end-to-end or standalone services to meet the growing demand.

## Middle East And Africa Contract Packaging Market Trends

### Increasing Demand in E-Commerce will Significantly Drive the Market

E-commerce packaging companies are significant adopters and drivers of modern technology. The increasing number of global e-commerce companies is also fueling the industry's demand for packaging solutions to better cater to customers' needs.

Additionally, with high variability requirements from Consumer-packaged goods (CPG) providers, customization along with speed in the supply chain creates a challenge for product offering companies via e-commerce, thus escalating the requirements from contract packaging companies for a customized e-commerce packaging solution, as they are built for flexibility, agility, and resourcefulness.

Contract packers and fulfillment service providers operate on a smaller scale with limited volumes and fewer people involved in decision-making. As a result, they can implement e-commerce-ready packaging innovations more quickly. Furthermore, collaborating with e-commerce companies can shorten the path to optimized packaging for this rapidly growing channel.

According to the USDA Foreign Agricultural Service, in 2023, the retail value, excluding sales tax of retail e-commerce in the United Arab Emirates, reached around USD 6.2 billion, up from USD 5.6 billion in the previous year. As retail sales increase, there is typically a higher demand for packaged goods, leading companies to outsource their packaging needs to contract packaging firms. This surge in demand can lead to increased opportunities for contract packaging providers, potentially prompting them to expand their operations or invest in new technologies to meet the growing needs of retailers.

### Beverage Industry to Witness Significant Growth

With the increasing demand for essential infrastructure to process, beverage, and juice manufacturers have started focusing more on core activities. Manufacturers are looking forward to packaging vendors with a dedicated area to store the raw material by providing the right technical expertise and timely and cost-effective solutions while keeping in mind hygienic processing standards, which has given rise to the demand for contract beverage packaging services in the region.

Many new-age beverages have widespread distribution but limited volume, necessitating multiple manufacturing locations for volumes far too small to justify plant involvement. Due to the high demand for hot-fill products, large corporations with well-known brands have turned to contract packers to meet their production requirements.

As per Statistics South Africa data in February 2024, the Consumer Price Index (CPI) in South Africa was measured at 113.9 points regarding food and non-alcoholic beverages. There is an uptick in demand for contract packaging services in the country as manufacturers seek efficient and cost-efficient solutions to meet consumer demand while maintaining competitive pricing.

Contract manufacturers also provide bundling services such as bottling and filling, pallet displays, promotional packaging, product displays, custom assembly, manual packaging, etc., for cans, bottles, jars, cartons, etc. The food, beverage, and pharmaceutical industries are some of the biggest adopters of primary packaging. Therefore, the growth in the overall production capacity of these industries is expected to drive the adoption of primary contract packaging

services across the region.

By leveraging the expertise and infrastructure of contract packaging firms, manufacturers can focus on their core competencies, such as product development and marketing, while benefitting from efficient and flexible packaging solutions. This trend reflects a growing recognition of the value proposition offered by contract packaging companies in optimizing supply chain operations and enhancing market responsiveness in a dynamic business environment.

## Middle East And Africa Contract Packaging Industry Overview

The Middle East and Africa contract packaging market is moderately fragmented. The development of regional markets and the increasing shares of local players in foreign direct investments are the major factors promoting this fragmentation.

September 2023 - Wrapsa, a South African third-party pharmaceutical manufacturing and packaging company offering pharma manufacturing, packing, and an in-house laboratory, revealed its plan to focus on more localization. The company can cater to all medicine formats and packaging, including tablets, syrups, ointments, powders, effervescent, or gummies.

January 2023 - StrongPack announced the installation of a blow-molder from Sidel as part of a high-speed PET water line in Nigeria in early 2023. StrongPack is one of Nigeria's co-packers of non-alcoholic beverages. The new 86,000 bottles per hour (bph) high-speed line is set to be the fastest in Africa, indicating StrongPack's entry into the still water co-packing market.

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