

Nigeria Packaging - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Nigeria Packaging Market size is estimated at USD 0.89 billion in 2024, and is expected to reach USD 1.03 billion by 2029, growing at a CAGR of 2.96% during the forecast period (2024-2029).

Increasing investments in several end-user industries, such as the food processing industry, cosmetics, household care, and others, are driving the packaging industry in Nigeria.

Key Highlights

The packaging industry in Nigeria is expected to grow in the coming years due to the rise in the FMCG industry. Nigeria offers growth opportunities to FMCG packaging companies, with an increase in small and medium enterprises (SMEs) in various end-user industries.

The growing food and beverage industry is another factor attributed to the significant demand for packaging in the country. This has resulted in increasing investment in packaging technologies and new product launches in the market.

Moreover, the growing e-commerce industry, owing to the increasing youth population, growing consumer spending, and rising internet penetration, is expected to generate the demand for packaging solutions in the country.

The necessity of providing economical and sustainable packaging solutions across various end-user industries in the country offers opportunities for manufacturers to invest in packaging. Various governments are also investing in food packaging solutions

in Nigeria to promote the packaging industry. In April 2023, the Italian government invested EUR 346 million (USD 374.43 million) to promote the food packaging industry in Nigeria. Through this investment, Nigeria became the largest investor in food and packaging technology in Africa.

Infrastructure limitations for the packaging industry and inadequate transportation networks in Nigeria pose challenges to the market's growth.

Nigeria Packaging Market Trends

The E-commerce Industry is Growing Rapidly

The landscape of commerce in Nigeria has undergone a significant transformation in recent years, fueled by the rapid growth of digital technology. The emergence of the e-commerce industry has not only altered the way businesses operate but has also reshaped consumer behavior in Nigeria.

The rise in e-commerce drives the demand for packaging solutions, specifically in the corrugated packaging industry, which requires sturdy and protective packaging. Improvements in printing technology make corrugated packaging more visually appealing when used for branding. The demand for affordable and environmentally sustainable corrugated solutions is increasing due to urbanization, population growth, and regulatory compliance.

The rise in online shopping has resulted in an increasing need for packaging materials that are both long-lasting and capable of protecting delivery. Corrugated packing is the best option because it offers resistance and strength. Additionally, since corrugated materials are customizable, e-commerce companies can use packaging as a branding strategy to increase product visibility.

Nigeria has not been left behind in the e-commerce revolution, as it has become one of the fastest-growing industries in the country. With the increase in internet penetration, e-commerce platforms have seen significant growth in recent years. According to the National Bureau of Statistics (NBS), e-commerce spending in Nigeria was estimated to be USD 13 billion in 2022 and is projected to rise to about USD 75 billion by 2025. This growth can be attributed to factors such as the mobile revolution, the rise of social media, and increasing consumer confidence.

The burgeoning industry has seen the birth of homegrown e-commerce platforms such

as Jumia (Nigeria). Nigeria is witnessing a boom in the e-commerce industry owing to growing urbanization and consumer spending, growth in internet users, and the emergence of several startups in the region. The growing e-commerce industry in the country is expected to increase the demand for packaging solutions, such as plastic packaging, carton boxes, and corrugated packaging.

Furthermore, according to the country's e-commerce market outlook released by the National Bureau of Statistics (NBS), the number of online shoppers in Nigeria is expected to hit 122.5 million by 2025 from 76.7 million in 2021. Such investment by e-commerce companies, the government's plan to increase the investment in the e-commerce sector, and growth in the number of online buyers in the Nigerian market are likely to create a demand for different packaging solutions, especially paper and paperboard and plastic packaging solutions.

The rising internet penetration and smartphone usage in Nigeria have resulted in unprecedented growth in the e-commerce industry, thus boosting the demand for packaging in the country.

Increasing Demand from the Food Industry

The online food delivery industry in Nigeria has seen tremendous growth over the past few years. The increasing internet penetration and advancements in food delivery apps boost the market growth. Food delivery apps and websites are transforming how people order and access meals in major cities across the country. The rising popularity of food tech companies like Jumia Food, Glovo, and Bolt Food has introduced convenience and simplicity in ordering meals from the comfort of home or office.

Nigeria is majorly driven by rapid urbanization and an increasingly tech-savvy population. In line with this, the rising adoption of digital services, including online food delivery, is catalyzing the market. The convenience offered by these platforms aligns with the busy lifestyles of urban residents, making it an attractive option for quick and hassle-free meal solutions. Moreover, the proliferation of smartphones and affordable internet connectivity has expanded the reach of online food delivery services, allowing a larger population to access and utilize these platforms.

As these platforms continuously enhance their technology, optimize delivery logistics, and collaborate with an expanding network of restaurants, the market is poised for

sustained growth, providing economic opportunities and convenience to consumers nationwide.

The ease of online food ordering has made it accessible to a wider audience, thus driving market growth in the country. Also, the rising population in the country has increased the demand for convenient food ordering services.

In recent years, the market has grown more sophisticated with the entry of on-demand delivery platforms like Glovo, Bolt Food, and Sendy. These companies maintain their fleet of delivery riders and have expanded food delivery options for consumers, enabling them to offer quick doorstep deliveries from a wider range of restaurants and food businesses.

With rising investment, maturing business models, and rapid digitalization across Africa, the food delivery industry in Nigeria is estimated to grow exponentially in the coming years. Consolidation is also on the horizon, and major players could acquire smaller startups once the ecosystem matures. Overall, seamless online food delivery looks set to become an integral part of modern urban lifestyles in cities across Nigeria.

An increase in the number of challenges for key brands and new market entrants that offer lower-priced products in key categories as consumers become increasingly price-conscious and more eager to experiment with new, lower-priced products. Thus, manufacturers are adopting the trend of smaller packs for the various product categories.

Growing investment in Nigerian retail chains boosts the demand for food packaging. In January 2023, Africinvest, a private equity firm in Africa, invested in the Nigerian supermarket chain Justrite via its Africinvest Fund. Justrite will likely use this investment to expand its footprint in Nigeria.

Further, when exporting fruits and vegetables, packaging is a critical aspect that cannot be overlooked. Not only does it ensure the produce reaches its destination in good condition, but it also determines the efficiency of the export process. In recent years, lightweight foldable export crates have gained popularity among exporters due to their numerous advantages over rigid crates and cartons.

In April 2024, the AgroFood Trade Show in Lagos exhibited growth opportunities for Nigeria's agriculture packaging sectors. ADECO, a Nigerian processing and packaging company, exhibited its products at the exhibition.

Packaging is a critical aspect of exporting fruits and vegetables, and exporters need to choose the right packaging option to ensure their produce reaches its destination in good condition. While cartons and rigid crates have been popular packaging options for a long time, lightweight foldable export crates offer several advantages that make them a better option for packaging.

According to the latest data published by National Bureau Statistics, Cocoa beans, sesamum seeds, cashew, and seven others top the list of agricultural commodities Nigeria exported in the first quarter of 2023, generating NGN 279.64 billion in revenue. The growth of import and export business in the country for food products required proper packaging solutions, which boosts the packaging industry growth in Nigeria.

Nigeria Packaging Industry Overview

The competitive landscape of the packaging industry in Nigeria is fragmented owing to the presence of many manufacturers in the country holding a large market share. The market players are forming strategic partnerships and collaborations to attract maximum market share in a developing economy.

March 2023 - Ardagh Glass invested in its local facility in Nigal with a third new furnace, which started at the end of 2023. In addition, the debt package will provide additional liquidity to fund its operations in Nigeria, Kenya, and Ethiopia. This investment from a leading global manufacturer demonstrates international confidence in South Africa and Africa as a whole and will help to enable sustainable job creation and economic growth.

Additional Benefits:

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Contents

1 INTRODUCTION

- 1.1 Study Assumptions and Market Definition
- 1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET INSIGHTS

- 4.1 Market Overview
- 4.2 Industry Value Chain Analysis
- 4.3 Industry Attractiveness - Porter's Five Forces Analysis
 - 4.3.1 Bargaining Power of Suppliers
 - 4.3.2 Bargaining Power of Buyers
 - 4.3.3 Threat of New Entrants
 - 4.3.4 Threat of Substitute Products
 - 4.3.5 Intensity of Competitive Rivalry
- 4.4 Nigeria Country Analysis
 - 4.4.1 Analysis of Key Macro - Economic Indicators
 - 4.4.2 Regulatory and Legal Landscape
 - 4.4.3 Major Industries Contributing to the Economic Growth

5 MARKET DYNAMICS

- 5.1 Market Drivers
 - 5.1.1 Increasing Demand from the Beverage Industry
 - 5.1.2 Rising Adoption of Online Shopping
- 5.2 Market Restraints
 - 5.2.1 Increasing Environment Concerns and Recycling

6 MARKET SEGMENTATION

- 6.1 By Material
 - 6.1.1 Plastic
 - 6.1.2 Paper and Paperboard

- 6.1.3 Glass
- 6.1.4 Metal
- 6.2 By Product Type
 - 6.2.1 Bottles
 - 6.2.2 Bags and Pouches
 - 6.2.3 Corrugated Boxes
 - 6.2.4 Metal Cans
- 6.3 By End-user Industry
 - 6.3.1 Beverage
 - 6.3.2 Food
 - 6.3.3 Pharmaceutical and Healthcare
 - 6.3.4 Cosmetics and Toiletries and Household Chemicals

7 COMPETITIVE LANDSCAPE

- 7.1 Company Profiles
 - 7.1.1 Avon Crowncaps & Containers Nigeria Limited
 - 7.1.2 Greif Inc.
 - 7.1.3 Nampak Ltd
 - 7.1.4 Beta Glass PLC
 - 7.1.5 Twinstar Industries Ltd
 - 7.1.6 PrimePak Industries Nigeria Ltd
 - 7.1.7 Sonnex Packaging And Plastic Industries Limited
 - 7.1.8 UB Packaging Nigeria Limited
 - 7.1.9 Quantum Packaging Nigeria Limited
 - 7.1.10 Victor Oscar Plastics & Packaging Company

8 INVESTMENT ANALYSIS

9 FUTURE OUTLOOK OF MARKET

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