

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

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Abstracts

The Packaging Industry In The UAE Market size is estimated at USD 9.56 billion in 2024, and is expected to reach USD 12.44 billion by 2029, growing at a CAGR of 5.41% during the forecast period (2024-2029).

The UAE packaging market studies the rising need for consumer goods, including food, beverages, pharmaceuticals, personal care products, etc, in the Gulf nation. Innovations in the packaging techniques and materials obtained by the packaging manufacturers are expected to improve the market during the forecast period.

Consumers and packaging manufacturers are becoming more zero-waste compliant, and sustainability is a critical development plan in the United Arab Emirates. Packaging manufacturers in the country focus on innovative design, considering the demographic and lifestyle changes.

Moreover, as people become more tech-savvy and value convenience and service speed, multiple online food ordering portals have emerged, significantly increasing the reach of restaurants and food service outlets. An inclination toward home-grown brands and a growing cafe culture are also playing roles in shaping the restaurant market in the country. Such instances are anticipated to augment disposable food packaging such as plastic containers, cups, corrugated boxes, etc.

The United Arab Emirates has a robust urbanization rate that positively impacts the consumer's food habits and lifestyle changes. According to the World Bank report published in September 2023, the share of the urban population in the country was around 87%. Therefore, growth in the urban population would proportionately increase

demand for food service and food and beverage packaging across the metropolitan region.

As per the Dubai Chamber of Commerce and Industry data, the country's organic food sales are anticipated to rise by around USD 52 million by 2025. Paper-based eco-friendly packaging is the safest medium for packaging organic food, as consumers gradually gravitate toward harmless food contact material. Therefore, with the rise in organic food packaging, the demand for sustainable paper packaging would also rise across the country.

Moreover, in the United Arab Emirates, the packaging industry is essential, increasing food safety and offering convenience to consumers as this trend grows. Adequate package labeling enables food manufacturers to understand the product's source, the appropriate holding temperature, and the necessary amount of cooking needed.

According to the Tourism Development & Investment Company, people in the United Arab Emirates consume about 4 billion plastic bottles annually, and 40% of all plastic in the country is single-use. Plastic food packaging keeps food fresh and increases its shelf life. While disposable food containers make life easy with minimal maintenance, they also pose a significant environmental risk.

UAE Packaging Market Trends

The Food Segment is Expected to Witness Significant Growth

The adoption of sustainable packaging is one of the critical trends in the United Arab Emirates that may positively impact the packaging market in the country. Another factor contributing to the country's growth is the consumers' increasing need for convenience. According to the Government of Canada, the country's per capita expenditure on food and beverage products in 2024 is expected to be USD 16,442.7 and is projected to reach USD 17,046.3 in 2025. Increasing expenditure on food products would leverage the studied market.

The use of food packaging materials in the United Arab Emirates is regulated by the Emirates Authority for Standardization and Metrology (ESMA) to protect consumers and maintain product quality. ESMA regulates the suitability of food packaging materials. It is important to note that food packaging materials should not present any health hazards or contaminate food. Food packaging materials directly in contact with food (plastics, glass, or metals) must meet specific safety requirements.

The growth of the food service sector across the country drives opportunities in the market. The food service is emerging as a rapidly growing industry owing to a flourishing economy, rising tourism, etc. According to the managing director of HotpackGlobal, the food packaging industry in the United Arab Emirates is expected to be valued at AED 14 billion (USD 3.81 billion) by 2025.

The highly anticipated Fast Food and Cafe Convention (FFCC), organized by Oddbox, returned to Dubai on November 22, 2023, for its third edition. This annual event has cemented itself as the exclusive platform for the QSR, fast casual, caf?, and cloud kitchen segments, providing a unique opportunity for networking, collaboration, and innovation.

Therefore, there is a growing need for innovative and sustainable packaging solutions in quick and full-service restaurants in the United Arab Emirates. Manufacturers can explore opportunities to provide customized packaging designs and create unique and unique brand experiences and solutions that align with the specific branding strategies of different QSRs in the country.

Growing E-commerce Sector to Significantly Boost the Market's Growth

One of the major factors boosting the rapid expansion of mobile e-commerce transactions is the accessibility of apps, which has increased pricing transparency. Also, the rising popularity of loyalty reward programs provided by online retailers in the Emirates has increased demand for online shopping.

The United Arab Emirates has become one of the fastest-growing online markets in the Middle East, led by a tech-savvy population and an ambitious government determined to foster a digital economy. The infrastructure, efficient logistics capabilities, business-friendly legislation, and the potential of Dubai as a leading center for the Middle East e-commerce expansion further enhance its potential. Due to increasing online commerce activities in the entire value chain, Dubai is becoming the preferred destination for e-commerce startups and global businesses to set up their companies.

Furthermore, to attract more foreign direct investments to the e-commerce sector, the Government in Dubai set EZDubai as a dedicated e-commerce zone in the city's south logistics district, next to the airport's cargo terminals, to save time on the journey to the

customer. The zone is connected to Jebel Ali port via a bonded logistics corridor, allowing cost-effective inbound movements through sea freight. This facilitates cost-effective inbound and time-effective outbound and provides customized, tailor-made services to meet companies' specific and individual business requirements.

According to PPRO Financial Ltd, the leading e-commerce segments include toys, DIY, and hobbies, with 29% of the share taking the top position. Fashion and electronics took the second and third positions with 27% and 18%, respectively. Rising online shopping is expected to promote the market for the packaging industry in the country.

Global e-commerce companies are also spreading their presence in the region and collaborating with different domestic manufacturers and delivery partners, which boosts the need for packaging in various end-user segments. Ras Al Khaimah Economic Zone and Amazon United Arab Emirates entered a strategic collaboration on October 2023 to ensure domestic businesses established within the hub can sell their products on Amazon.ae, which will serve millions of customers throughout the region.

The initiative aims to support SMEs by allowing them to use Amazon's expertise to manage a digital economy and grow their online businesses. Moreover, by 2026, Amazon is projected to have 100,000 firms listed on its website in the United Arab Emirates, including local small and medium enterprises that drive the market for different packaging needs. The constant need for products through online modes pushes the sales of end-user sectors, which drives the demand for different types of packaging solutions.

UAE Packaging Industry Overview

The packaging industry in the United Arab Emirates is moderately fragmented. The market has reached such a structure due to the presence of some local and international players, such as Tetra Pak and HotPack. Many companies are investing in R&D activities nationwide to help the industry flourish.

In February 2024, Tetra Pak, one of the world's leading food processing and packaging solutions companies, participated in the Gulf Food exhibition at the Dubai World Trade Center, delivering the ideal platform to explore new business opportunities and offer solutions to the evolving global challenges within the industry. Tetra Pak showcased its latest innovations, technologies, and sustainable packaging solutions designed to meet

the needs of the food and beverage industry.

In November 2023, Amcor, one of the global leaders in developing and producing packaging solutions, announced a memorandum of understanding (MOU) with leading sustainable polyethylene producer NOVA Chemicals Corporation, wholly owned by Mubadala Investment Company of the Emirate of Abu Dhabi, UAE, for the purchase of mechanically recycled polyethylene resin (rPE) for use in flexible packaging films.

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