



# INDONESIAN PRINTING INDUSTRY



foods and beverages packaging



packaging daily necessities

**Jimmy Juneanto**, Chairman of the Indonesian Association of Printers, provided a comprehensive outline of the current marketing opportunities within the country's printing industry. Indonesia has the largest economy in Southeast Asia. The country boasts a population of 240 million, the fourth largest in the world. The Indonesian economy has grown steadily over the past decade as a result of high demand for exports of its consumer goods and industrial products.

Similarly, the growth rate for Indonesia's packaging industry is approximately 6.3% - higher than that of the country's newspapers and magazines. For printing techniques, web offset printing and sheet-fed offset printing account for approximately 80% of the total output value of Indonesian printing.

Flexography accounts for 7% of Indonesia's total output value and, while this is low in comparison to the figures for traditional printing techniques, digital printing is experiencing a period of high growth so this figure should catch up over time.

There are currently 28,910 printing enterprises in Indonesia, employing nearly 322,000 people, and with an annual output of 177 billion sqm. The export value of its printing industry is USD 216 million and imports are valued at USD 155 million. The growth rate of Indonesia's printing industry is almost equal to that of the country's GDP, between 6-7% annually.



medicines packaging



## Installations

**Eventhough Indonesian market** is down since last years, but expansion still on the go in Indonesia. Surprisingly beside Rotogravure installation from W H, Cerutti and Rotomec, there are quite some installation of Flexo the last 3 years from WH, FK and Uteco. The installation for flexo mainly is for LLDPE, especially for diapers. Diapers in Indonesia is booming – the main players are Unicharm, Kao and P & G. This year 2 more big players will be start on their manufacturing plants.

## Market

A dynamic packaging industry to support Indonesia's growing food and beverage sector Indonesia's plastics industry also is growing healthily: + 22.5% in 2011 and + 7.5% in 2012, to 3.6 million tonnes. This growth is in line with the country's increased consumption, including food and beverage products Indonesia's plastic packaging industry grew by 8% to around US\$5.3 billion in 2013, according to the Indonesian Packaging Federation. At present Indonesia's per capita consumption of plastic goods remains low at 10 kg annually compared to 56 kg in Thailand and 45 kg in Malaysia (according to the Ministry of Trade and Industry) This leaves plenty of scope for future growth "The packaging market in Asia is at a major transition point, with better performance packaging expected to improve both food safety and quality for consumers." Roger Kant Asia Pacific Marketing Director, DuPont Packaging & Industrial Polymers "[Indonesia's] 45 million middle class consumers will triple by 2030. With the largest Muslim population in the world and a per capita consumption rate for poultry that's low by devel-

oped nation standards, it offers among the best long term growth potential of any market." Richard Wong, Executive Vice President, Keystone Foods (Marfrig Group).

## Modest film growth driven by food packaging

When it comes to films, degradable plastics' star is on the rise while PVC's star value is waning, according to this new study that forecasts plastic film growth at 1.5% yearly through 2018. The U.S. demand for plastic film is expected to grow 1.5% per year through 2018 to 15.4 billion pounds, valued at \$24.9 billion, according to a new study from The Freedonia Group. Linear low density polyethylene (LLDPE) is the largest volume film resin, comprising 45% of total resin usage in 2013, and LLDPE will maintain solid growth through 2018. Above average growth is forecast for polypropylene film, driven by its use in packaging for the increasingly popular fresh produce market and its growth in snack food packaging. High-density polyethylene (HDPE) film is expected to see minimal growth through 2018, with increasing opposition to single use plastic retail bags offsetting gains in food packaging markets. Polyethylene terephthalate film demand will post near average growth through 2018, with healthy gains in food packaging.

Below average growth is expected for polyvinyl chloride (PVC), hampered by competition in nonfood applications such as pharmaceutical and medical products. Degradable plastic resins will experience the highest growth rate of all film types, with falling prices prompting packaging converters to adopt their use.

Source : Flexible Packaging

## Flexible Packaging Preferable by Protein Market

Flexible food packaging growth is outpacing rigid packaging growth in the meat, poultry and seafood market, a new study finds. According to the study, growth in flexible packaging (including barrier films) is expanding at 4% and higher. The study attributes this to flexibles' advantageous properties including lighter weight, reduced material use and larger advertising space. Although plastic containers will see the fastest growth among rigid plastics, they will still face competition from flexibles such as windowed bags and handled pouches for prepared foods, according to the study. The one rigid format that is seeing growth is corrugated boxes, which the study predicts will benefit from shipping requirements and the adaption of moisture-resistant boxes for meats. The full study, "Meat, Poultry & Seafood Packaging," is available from The Freedonia Group, Inc., Cleveland, Ohio.



## Hay Balancer - Horse Food

Change the package from a simple 20 kg pack to beautiful box pouch of 8 kg. "This makes the package easier for our key demographic--40-65 year-old women horse owners—to handle, and it drives them back into the retailer more often than would a larger package. Finding a manufacturer that could meet our technical specs and at the same time make the bag economical for us in relatively low quantities was a challenge.

Flex-Pack was not only able to meet our technical requirements, but they were able to meet our needs for an economical bag in relatively low quantities for our first runs. We were also delighted when we were told that the bags would be manufactured domestically and not overseas."

