XXV NATIONAL CONGRESS - AMEE
III INTERNATIONAL CONGRESS

“Strengths and Weaknesses in the Packaging Industry Around the World”

Ernesto Silva
President ULADE
Members of ULADE
ECONOMIC INDICATORS
### Economic Indicators

**Latin America**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009* Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Nominal (US$bn)</td>
<td>$ 3,938</td>
<td>$ 3,630</td>
</tr>
<tr>
<td>GDP per capita (US$)</td>
<td>$ 8,372</td>
<td>$ 7,625</td>
</tr>
<tr>
<td>Unemployment Rate (%)</td>
<td>6.9</td>
<td>7.5</td>
</tr>
</tbody>
</table>

*Source: Economic Outlook and Strategy - Citigroup Global Markets*
AMÉRICA LATINA Y EL CARIBE: TASA DE VARIACIÓN DEL PIB Y DEL PIB PER CÁPITA
(En dólares constantes de 2000 y en porcentajes)

Fuente: Comisión Económica para América Latina y el Caribe (CEPAL), sobre la base de cifras oficiales.

Nota: Las tasas de variación indicadas en el gráfico corresponden a la tasa de variación media de cada uno de los subperíodos del PIB per cápita.
Economic Indicators
Latin America

GDP per Cápita and Average Growth by Country

Source: Comisión Económica para América Latina y el Caribe (CEPAL)
Economic Indicators
Latin America

GDP % by Country

% GDP

-6 -4 -2 0 2 4 6 8 10 12

Argentina
Bolivia
Brazil
Chile
Colombia
Ecuador
Mexico
Peru
L A & C

Source: Comisión Económica para América Latina y el Caribe (CEPAL)

* Estimate
The Packaging Industry in Latin America

PACKAGING INDUSTRY
The Packaging Industry in Latin America

Global Packaging Industry by Region (MM USD) 2007

Source: PIRA International, Ltd
The Packaging Industry in Latin America

Growth by Type of Packaging Material

Source: PIRA International Ltd
The Packaging Industry in Latin America

Packaging Consumption by type of Material

- Cartonboard: 30%
- Plastic: 22%
- Metal: 16%
- Glass: 8%
- Wood: 24%

Source: AMEE, ABRE, CENEM, IAE Mex, Bra, Chile y Arg. (2007)
The Packaging Industry in Latin America

Packaging Growth by Market Segments

Source: PIRA International Ltd
The Packaging Industry in Latin America

Production ( M Tons)

Source: AMEE, ABRE, CENEM, IAE
Packaging per Cápita and Volume Growth in Selected Countries

Argentina
Chile
Mexico
Brazil

Source: PIRA International Ltd
Comparison of LA GDP with Packaging Industry (%)

GDP %
Pack Volume %
(Arg., Bra, Chile, Mex.)

Source: Comisión Económica para América Latina y el Caribe (CEPAL)
AMME, ABRE, CENEM, IAE

* Estimate
Survey to see changes in consumer behaviour

- Migration to less prestigious brands
- Change to less expensive presentations (refillable packs)
- Move to Institutional Packages
- Buy smaller sizes
- Buy more individual packages
- Switch to concentrated products
- Migration to less sophisticated stores
- Migration to non packaged products

Source: Procuraduría Federal del Consumidor, Abril 2009, México
POPULATION IN LATIN AMERICA
Total Population in 2008: 580 MM

Source: Comisión Económica para América Latina y el Caribe (CEPAL)
Why the continuous decrease in population growth rates?

- People getting married at older age
- Increased number of divorces
- Increased number of persons living alone
- Increased number of working women
- Increased migration of young adults to other countries

Growth Rate in 2007: 1.9%
Population in Latin America

Fecundity Rate 1950 - 2000

Life Expectancy 1950 - 2000

Gráfico III.1

AMÉRICA LATINA: TASA GLOBAL DE FECUNDIDAD PARA PAÍSES SELECCIONADOS. 1950-2000

AMÉRICA LATINA: ESPERANZA DE VIDA AL NACER DE PAÍSES SELECCIONADOS. 1950-2000

Fuente: CEPAL/CELADE, estimaciones y proyecciones de población vigentes.

Fuente: CEPAL/CELADE: Estimaciones y proyecciones de población vigentes.
Number of Persons of more than 60 and 80 years old in LA (in millions)

- <5 años
- >60 años
- >80 años

Source: Naciones Unidas Proyecciones de Población, 2006

Population in Latin America
Number of Persons of more than 60 and 80 years old by Sex (in millions)

Source: Naciones Unidas Proyecciones de Población, 2006
Average Growth Rate and % of 60 year old persons by Country

Source: Comisión Económica para América Latina y el Caribe (CEPAL)
The increased number of elderly people implies a growth and specialization of packages for pharmaceutical products:

- More packages designed for elder people, and specifically for elderly women
- Growth for pharmaceutical products
- Growth of local production
- Growth of generic products
- Growth and diversification of sales channels for pharmaceutical products

Source: Global Pharmaceutical Market, May 2008
Increased number of people living in urban areas implies changes in consumers lifestyles

- Growth of packaged products
- Growth of ready to eat products
- Growth of easy to cook and pre-cooked products
- Longer shelf life products
- Growth of convenience products (on the go, easy to open…)
- Growth of retailers

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**Percentage of population residing in urban areas by major area, 1950, 1975, 2005 and 2030**

![Bar graph showing the percentage of population residing in urban areas by major area, 1950, 1975, 2005 and 2030.](image)

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**United Nations, DESA, Population Division**

*World Urbanization Prospects: The 2005 Revision*
The growth of Retailers imply an increased growth, diversity and quality of packages

- Growth of retail chains vs. traditional markets, mom & pop stores and open markets
- Products that traditionally were not packaged, will be packaged and commercialized by retailers
- Increased power of retail chains in the value chain
- Increased influence in the packaging decisions
- Growth of retail brands
- Growth of regional and international retailers
### Effect of Socioeconomic Changes in the Packaging Industry

**Growth of Local and Regional Retailers**

<table>
<thead>
<tr>
<th>Ranking L A</th>
<th>Global Ranking</th>
<th>Company</th>
<th>Sales (Billions USD)</th>
<th>CAGR 2002 - 2007</th>
<th>Country of Origin</th>
<th>Countries of operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>106</td>
<td>CBD Grupo Pao de Acucar</td>
<td>$7.7</td>
<td>9.5 %</td>
<td>Brasil</td>
<td>Brasil</td>
</tr>
<tr>
<td>2</td>
<td>112</td>
<td>Cencosud</td>
<td>7.1</td>
<td>41.6</td>
<td>Chile</td>
<td>Argentina, Brasil, Chile</td>
</tr>
<tr>
<td>3</td>
<td>137</td>
<td>Soriana</td>
<td>6.0</td>
<td>15.2</td>
<td>México</td>
<td>México</td>
</tr>
<tr>
<td>4</td>
<td>147</td>
<td>Casas Bahía</td>
<td>5.4</td>
<td>24.2</td>
<td>Brasil</td>
<td>Brasil</td>
</tr>
<tr>
<td>5</td>
<td>154</td>
<td>Falabella</td>
<td>5.2</td>
<td>28.4</td>
<td>Chile</td>
<td>Arg, Chile, Col, Perú</td>
</tr>
<tr>
<td>6</td>
<td>168</td>
<td>Comercial Mexicana</td>
<td>4.5</td>
<td>9.5</td>
<td>México</td>
<td>México</td>
</tr>
<tr>
<td>7</td>
<td>196</td>
<td>FEMSA Comercio</td>
<td>3.9</td>
<td>28.3</td>
<td>México</td>
<td>México</td>
</tr>
<tr>
<td>8</td>
<td>213</td>
<td>El Puerto de Liverpool</td>
<td>3.5</td>
<td>13</td>
<td>México</td>
<td>México</td>
</tr>
</tbody>
</table>

Source: Global Powers of Retailing 2009, Deloitte
LAUNCH OF NEW PRODUCTS & INNOVATIONS

Launch of New Products in Latin America
Launch of New Products in Latin America

Launch of New Products by Country
2008

Source: Mintel
Launch of New Products in Latin America

Launch of New Products by Type of Packaging Material 2008

- Plastic: 15,594
- Other: 2,661
- Cartonboard: 2,621
- Glass: 2,016
- Metal: 1,495
- Paper: 495

Source: Mintel
Launch of New Products in Latin America

Launch of New Products by Type of Package
2008

Flexible: 6,386
Bottle: 6,329
Carton: 2,414
Jar: 1,697
Tube: 1,622
Bag: 1,435
Can: 1,036
Bucket: 981
Sachet: 884
Stand Up Pouch: 466

Source: Mintel
Launch of New Products in Latin America

Launch of New Products by Market Segment 2008

Source: Mintel
Gracias!
Obrigado!
Thank you!