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## THE MARKET OF FLEXIBLE PACKAGING: MAJOR TRENDS

**Statement of the problem.** In recent years, flexible packaging is widely used in the food market in the world and in our country. Because of its efficiency, ease of use and lower prices in the flexible packaging products are popular with customers. Leading manufacturers of this type of packaging in Ukraine are the PJSC "Pro-Pack" (Dnepropetrovsk), LLC "Ithaca" (Kyiv), LLC "new measures" (Donetsk), LLC "Cossack - Don" (in Donetsk), PE "Yun-Chen" (Kharkiv), and we have studied Limited Liability Company "DPA", which demonstrates the high performance of economic activities in the domestic and global flexible packaging market for 18 years. Given this, it is appropriate to examine the situation and prospects of development of the flexible packaging in the context of global trends.

**Analysis of recent research and publications.** In general, the research questions of industrial potential of Ukraine in the works paid attention to such scholars as A. I. Sobkevich, A. I. Sukhorukov, Y. A. Zalila. In turn, I. B. Vysotska explored issues and challenges of innovation industry in Ukraine. However, the development of the flexible packaging industry is in the works of Ukrainian scientists highlighted enough.

**Problem.** Identify trends in flexible packaging market.

**The main material of the study.** Despite the unfavorable macroeconomic processes, European market of flexible packaging in 2011 showed an increase of 5.1%. Also, there was an increase in demand for it by almost 2%. This indicates that the flexible packaging in an economic downturn suffered less than other industries [1].

According to the British consulting firm PCI Films Consulting Limited overall demand for flexible packaging in Europe in 2012 amounted to 13 billion euro's. About a quarter of global sales accounted for flexible packaging materials from the raw material. Overall in Europe, sales of recycled materials were 11.6 billion euro's, and primary materials - 1.4 billion euro's. Sector recycled materials in the European market has grown in value terms: sales growth in the city is 5.1%,

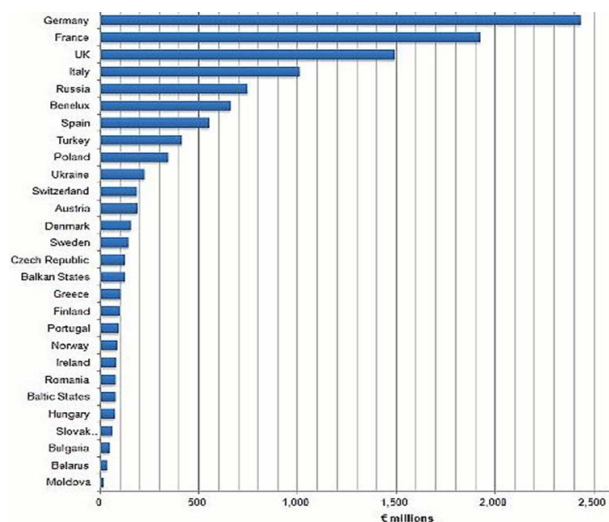


Figure 1. The output of flexible packaging in Europe (according to PCI Films Consulting Limited) [2]

particularly in Western Europe - 4.8% in Eastern Europe - 7%. Much of the surplus was the result of an increase in raw material costs, including substrates, inks, adhesives and energy costs. The output of flexible packaging in Europe increased by 5.4% overall, 55% of which were caused by four major producing countries: Germany, France, Italy and the UK. Exports outside the European region are estimated at 980 million euro's, representing about 8% of their production. Imports from other regions amounted to 200 million euro's, which covers about 2% of European demand. Almost three-quarters of global production and consumption of flexible packaging in 2012 accounted for foodstuffs. Also, PCI Films Consulting specialists say that most manufacturers include the consumption of meat, poultry and fish for them are confectionery and bakery products. Total value of the 2012 production growth industry declined compared to 2011 by approximately 4%. This is due primarily to rising prices for raw materials. This continued growth in consumption of flexible packaging sector food, feed, beverages and pharmaceuticals [2].

It should be noted that according to consumers the benefits of this type of packaging are the resistance to high loads. It does not strain load, and gives it the most beneficial form. Everything else, it is second in value to many other alternatives. In recent years, research focused on providing the largest environmental safety and optimization of polymer package to improve further processing. This type of packaging by flexor-printing capabilities, can carry as informative and advertising functions. These benefits increase the popularity of plastic packaging materials, and hence the stability of the industry [6, 7, 8].

Common trends in the industry also found in Ukraine, as evidenced by official statistics.

According to a study by PCI Films Consulting Limited production of flexible packaging Ukrainian enterprises for 2011 is over 200 million. Ukraine occupies tenth place in the ranking of European countries - manufacturers of flexible packaging after Poland (Fig. 1) [2].

According to the classification of the main types of economic activity refers to the flexible packaging industry packaging plastic. She closes the top ten industries, the growth rate of output in 2011 compared to 2010 increased more than 60% (Table 1). According

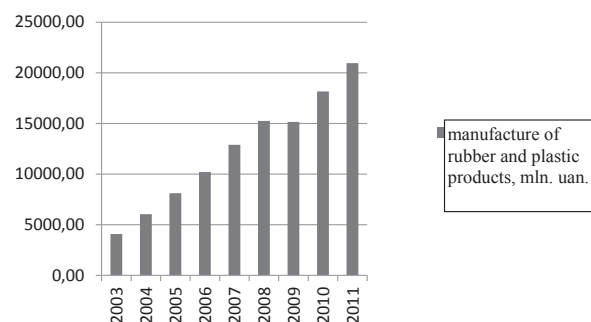


Figure 2. Volume of industrial production for the years 2003-2011\*

Table. 1

**Growth rate of output of major industrial products in Ukraine for 2003-2011 years\***

Type of product	Years	Manufacturing							
		2004/ 2003 pp.	2004/ 2005 pp.	2005/ 2006 pp.	2006/ 2007 pp.	2007/ 2008 pp.	2008/ 2009 pp.	2009/ 2010 pp.	2010/ 2011 pp.
Harvesters, pcs.		201,98	0,98			125,55	-81,88	73,21	311,34
Steam boilers and steam generating other boilers that operates on superheated water units.		2144,57	88,48	-64,63	-76,23	35,2	-53,17	117,71	207,48
Bridge cranes on fixed supports, pc.		48,42	-27,66	127,45	1,29	-14,89	-55,5	-3,37	145,35
Acyclic hydrocarbons, thousand tons		4,76	-16,99	2,02	-1,69	-61,49	-98,36	5581,82	118,4
Washing machines, thousand pieces.		37,45	-6,67	-35,4	-16,83	32,95	-28,7	1,83	86,83
Sodium hydroxide (caustic soda), thousand tons		31,25	-0,48	-12,44	-26,23	-34,96	-11,28	9,88	85,75
Drills, thsd.pcs		23,75	14,14	-20,35	-21,11	39,44	-74,75	12	75
Cyclic hydrocarbons, thousand tons		18,38	-27,78	-6,56	-1,69	-50,25	-50	85,15	65,24
Plastics in primary forms, thousand tons		23,61	5,31	15,37	12,66	-14,92	-28,47	10,83	61,21

to the State Statistics Committee of industry sales volume grew over the last nine years (Fig. 2). Only in 2009 they remained almost unchanged by 2008, due to the general crisis in the economy [3, 4].

Thus, an increase in production and sales industry, despite the economic crisis encountered by the Ukraine and Europe.

Materials research has examined the situation Academy industrial markets, the following reasons for the growth in sales of flexible packaging:

1) during the drop in the economy of any country, food consumption, though declining, but declining relatively slowly, so the manufacturers packaging are not faced with the problem of "avalanche" of collapse in demand, what happened to the other sectors of the economy;

2) there is room for growth in manufacturing industry: in a crisis, people will consume less food, but the volume between the packed product will increase;

3) if the consumer production cycle is set to filling the packaging with printing, then abandon it will not be, however, is the role of flexible packaging is growing as never before;

4) flexible packaging is a more economical option than paper or glass;

5) crisis contributes to the process of consolidation in the industry and to strengthen the position of leading enterprises [5].

**Conclusions from the research.** This study suggests that the market for flexible packaging is not static. It develops not only quantitatively but also qualitatively, absorbing all possible technical innovations, improving the properties of packaging materials, while giving them until recently unimaginable features.

Ease of use, practicality and ease of packing will find popularity in sophisticated modern consumer. Production of flexible packaging certainly has a broad perspective in the implementation of the food and

chemical industries, and thus new opportunities for growth and enhances the attractiveness of the industry. Production competitive packaging materials based on high technologies will enable domestic enterprises to strengthen their position in the domestic and foreign markets.

The aim of further research is to evaluate the place of «DPA», Donetsk in the overall ranking of companies flexible packaging Ukraine.

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\* Developed by the authors according to literary sources 3.

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