



Beverage Containers in China

Industry Study with Forecasts for **2012 & 2017**

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Table of Contents

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

General	4
Macroeconomic Environment	5
Recent Economic Performance	5
Economic Outlook	8
Demographic Overview	11
Population	12
Urbanization	14
Households	15
Personal Income & Expenditures	16
Beverage Industry Overview	19
Packaging Trends	22
Beverage Container Pricing Trends	26
Technology Overview	29
Environmental & Regulatory Considerations	30
Recycling Trends	33
The Eleventh Five-Year Plan	34
World Markets	37
International Trade	39

MARKETS

General	41
Nonalcoholic Beverages	43
Milk	45
Overview	46
Container Demand	48
Paperboard	49
Plastic	50
Glass	52
Carbonated Soft Drinks	52
Overview	52
Container Demand	55
Plastic	56
Metal	57
Glass	58
Fruit Beverages	58
Overview	59
Container Demand	61
Plastic	62
Paperboard	64
Glass	65
Metal	66
Water	66
Overview	66
Container Demand	68
Plastic	69
Glass	70
RTD Teas	71
Overview	71
Container Demand	73
Other Nonalcoholic RTD Beverages	75
Overview	76
Container Demand	79
Metal	80
Plastic	81
Paperboard	82
Glass	83

Alcoholic Beverages	84
Beer	87
Overview	87
Container Demand	90
Glass	91
Metal	92
Plastic	94
Distilled Spirits	95
Overview	95
Container Demand	98
Rice Wine	101
Overview	101
Container Demand	103
Wine	105
Overview	105
Container Demand	108

CONTAINER OVERVIEW

General	110
Container Demand	110

PLASTIC CONTAINERS

General	115
Resins	118
Polyethylene Terephthalate (PET)	119
Other Bottle Resins	121
Pouches & Other	121
Markets	122
Milk	125
Water	127
Fruit Beverages	129
Carbonated Soft Drinks	131
RTD Teas	134
Other	136
Other Nonalcoholic RTD Beverages	137
Rice Wine	138
Distilled Spirits	138
Beer	139
Wine	140

GLASS CONTAINERS

General	142
Markets	144
Beer	147
Distilled Spirits	149
Other	151
Rice Wine	152
Fruit Beverages	153
Wine	153
Carbonated Soft Drinks	154
Milk	154
Water & Other Nonalcoholic RTD Beverages	154

PAPERBOARD CONTAINERS

General	156
Types	157
Markets	160
Milk	162
Fruit Beverages	164
Other	166

METAL CONTAINERS

General	169
Materials	171
Steel	172
Aluminum	174
Markets	176
Other Nonalcoholic RTD Beverages	177
Carbonated Soft Drinks	179
Beer	180
RTD Teas	182
Fruit Beverages	183

CERAMIC & OTHER CONTAINERS

General	185
Markets	186
Distilled Spirits	187
Rice Wine	189

INDUSTRY STRUCTURE

General	191
Industry Composition	192
Market Share	195
Acquisitions & Divestitures	199
Manufacturing & Development	200
Marketing & Distribution	201
Integration	203
Cooperative Agreements	205
Foreign Participation in China	208
Legal & Regulatory Issues	209
Wholly-Owned Foreign Enterprises	211
Joint Ventures	212
Representative Offices	214

COMPANY PROFILES

Ball Corporation	216
Baosteel Group	218
Carter Holt Harvey	219
CPMC Holding	221
Crown Holdings	222
Ecolean AB	224
Elecster Oyj	225
Far Eastern Textile	227
Full Apex Holdings	229
Global Group	230
Great China Metal Industry	232
Guangdong Yuandong Food Packaging Machinery	233
Hangzhou Wahaha Group	234
Hebei Rixin Group	235
Hunan Vary Pack	236
International Paper	237
Jianlibao Group	238
Jpak Group	239
ORG Canmaking	240
Owens-Illinois Incorporated	241
Pacific Can	242
Qinhuangdao Fangyuan Glass	244
Qinhuangdao Suo Kun	245
Shandong Jingyao Glass	246

(continued on next page)

Table of Contents

COMPANY PROFILES

(continued from previous page)

- Shanghai Jielong Industry Group..... 247
- Shanghai Skylong Aseptic Packaging Material 248
- Shanghai Zijiang Enterprise Group 249
- Shenzhen Investment Holdings 250
- Sichuan Malaya Glass..... 251
- SIG Holding 252
- Tetra Laval International 253
- Tralin Packaging 255
- Zhuhai Zhongfu Stock Enterprise 256
- Other Companies Mentioned in the Study..... 258

List of Tables/Charts

EXECUTIVE SUMMARY

- 1 Summary Table..... 3

MARKET ENVIRONMENT

- 1 Gross Domestic Product of China 11
- 2 Population of China 13
- Cht Population of China by Age 14
- 3 Households in China by Region..... 16
- 4 Personal Income & Expenditures in China 18
- 5 Beverage Production in China 21
- Cht Beverage Production in China by Type, 2007 22
- 6 Packaging Demand in China 26
- 7 Beverage Container Pricing in China 28

MARKETS

- 1 Beverage Container Demand in China by Market 42
- Cht Beverage Container Demand in China by Market, 2007 43
- 2 Packaged Nonalcoholic Beverage Production in China by Type..... 45
- 3 Packaged Milk Production in China by Material . 47
- Cht Milk Packaging in China by Material, 1997-2017 48
- 4 Milk Container Demand in China by Material 49
- 5 Packaged Carbonated Soft Drink Production in China by Material..... 54
- Cht Carbonated Soft Drink Packaging in China by Material, 1997-2017 55
- 6 Soft Drink Container Demand in China by Material..... 56
- 7 Packaged Fruit Beverage Production in China by Material..... 60
- Cht Fruit Beverage Packaging in China by Material, 1997-2017 61
- 8 Fruit Beverage Container Demand in China by Material..... 62
- 9 Nonbulk Packaged Water Production in China by Material..... 68

- 10 Water Container Demand in China by Material .. 69
- 11 Packaged RTD Tea Production in China by Material..... 72
- Cht Packaged RTD Tea Production in China by Material, 1997-2007 73
- 12 RTD Tea Container Demand in China by Material 75
- 13 Other Nonalcoholic RTD Beverage Production in China by Type & Material..... 78
- Cht Other Nonalcoholic RTD Beverage Packaging in China by Material, 1997-2017 79
- 14 Other Nonalcoholic RTD Beverage Container Demand in China by Material 80
- 15 Alcoholic Beverage Production in China by Type..... 86
- 16 Packaged Beer Production in China by Material 89
- Cht Beer Packaging in China by Material, 1997-2017 90
- 17 Beer Container Demand in China by Material.... 91
- 18 Packaged Distilled Spirits Production in China by Material..... 97
- Cht Distilled Spirits Packaging in China by Material, 1997-2017 98
- 19 Distilled Spirits Container Demand in China by Material..... 100
- 20 Packaged Rice Wine Production in China by Material..... 102
- Cht Rice Wine Packaging in China by Material, 1997-2017 103
- 21 Rice Wine Container Demand in China by Material..... 105
- 22 Packaged Wine Production in China by Material..... 107
- Cht Wine Packaging in China by Material, 1997-2017 108
- 23 Wine Container Demand in China by Material . 109

CONTAINER OVERVIEW

- 1 Packaged Beverage Production & Beverage Container Demand in China by Material 113
- Cht Packaged Beverage Volume Production Versus Container Demand, 2007 114

PLASTIC CONTAINERS

- 1 Plastic Beverage Container Demand in China by Type..... 117
- 2 Resin Use in Plastic Beverage Containers in China by Type..... 119
- 3 Plastic Beverage Container Demand in China by Market..... 124
- Cht Plastic Beverage Container Demand in China by Market, 2007 125
- 4 Plastic Milk Container Demand in China 127
- 5 Plastic Water Container Demand in China 129
- 6 Plastic Fruit Beverage Container Demand in China 131
- 7 Plastic Carbonated Soft Drink Container Demand in China 133
- 8 Plastic RTD Tea Container Demand in China ... 136
- 9 Other Plastic Beverage Container Demand in China by Market..... 137

GLASS CONTAINERS

- 1 Glass Beverage Container Demand in China by Market..... 146
- Cht Glass Beverage Container Demand in China by Market, 2007 147
- 2 Glass Beer Bottle Demand in China..... 149
- 3 Glass Distilled Spirits Bottle Demand in China 150
- 4 Other Glass Beverage Bottle Demand in China by Market..... 152

PAPERBOARD CONTAINERS

- 1 Paperboard Beverage Container Demand in China by Type..... 160
- 2 Paperboard Beverage Container Demand in China by Market..... 161
- Cht Paperboard Beverage Container Demand in China by Market, 2007 162
- 3 Paperboard Milk Container Demand in China .. 164
- 4 Paperboard Fruit Beverage Container Demand in China 165
- 5 Other Paperboard Beverage Container Demand in China by Market..... 168

METAL CONTAINERS

- 1 Metal Beverage Container Demand in China by Type..... 171
- 2 Metal Beverage Container Demand in China by Material..... 172
- 3 Metal Beverage Container Demand in China by Market..... 176
- Cht Metal Beverage Container Demand in China by Market, 2007 177
- 4 Other Metal Nonalcoholic RTD Can Demand in China 178
- 5 Metal Carbonated Soft Drink Can Demand in China 180
- 6 Metal Beer Can Demand in China..... 181
- 7 Metal RTD Tea Can Demand in China 183
- 8 Metal Fruit Beverage Can Demand in China 184

CERAMIC & OTHER CONTAINERS

- 1 Ceramic & Other Beverage Container Demand in China by Market 187
- 2 Ceramic & Other Distilled Spirits Container Demand in China 189
- 3 Ceramic & Other Rice Wine Container Demand in China 190

INDUSTRY STRUCTURE

- 1 Revenue Data: Selected Beverage Container Manufacturers, 2007 194
- Cht Beverage Container Market Share in China by Company, 2007 196
- 2 Selected Cooperative Agreements..... 206

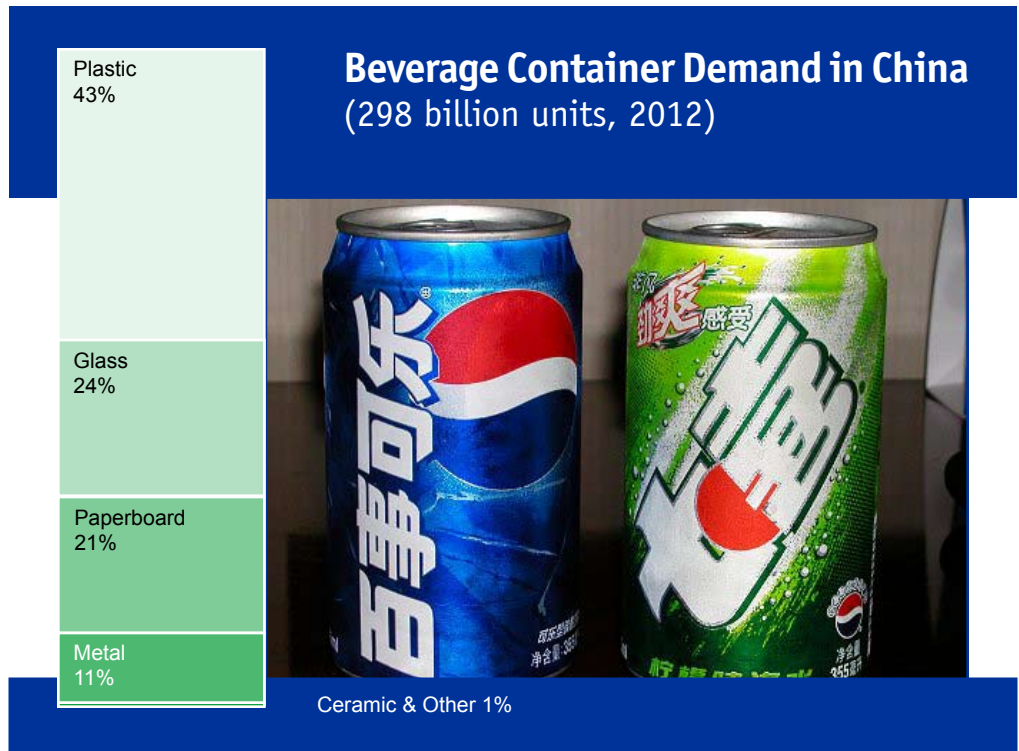
Continued utilization of single-serving containers in many markets and high levels of new products with aggressive marketing efforts will help contribute to beverage container gains.

Demand in China to grow 8.2% yearly through 2012

Demand for beverage containers in China is projected to increase 8.2 percent per annum to 298 billion units in 2012. Gains will be driven by increasing personal income levels, which in turn will support robust growth in packaged beverage consumption. Continued utilization of single-serving containers in many markets and high levels of new product introductions accompanied by aggressive marketing efforts will also contribute to beverage container gains. In value terms, beverage container demand will outpace unit gains as a result of increases in average unit prices.

Plastic to continue supplanting metal, glass

Plastic containers, which accounted for 42 percent of unit beverage container demand in 2007, will continue to lead the market and capture market share from traditional metal and glass containers. Advances will be buoyed by plastic's increasingly widespread usage in almost all market segments. The rising popularity of smaller plastic bottles, such as single-serving PET bottles, will also support unit gains. In addition, improvements in plastic barriers, hot- and cold-fill processing, and other technologies will broaden the applications for plastic containers in beverages. Milk will remain the largest market for plastic containers as a result of the popularity of small-sized plastic pouches and single-serving



bottles. Healthy growth is also expected in markets such as bottled water and fruit beverages.

Glass will remain the second largest beverage container material, with a projected market share of 24 percent of units in 2012. Gains will benefit from the upscale, premium image conveyed by glass. Beer will continue to offer the best prospects for glass bottles based on strong increases in beer consumption. Expanding use of nonreturnable beer bottles will additionally bolster sales gains in glass bottles. Increasing personal income levels will also contribute to the growing consumption of other beverages such as wine and fruit beverages, which have heavy demand for glass bottles.

Paperboard was the third largest beverage container material in 2007. Demand for paperboard containers is projected to represent the fastest growth among all beverage containers in China. Gains will track the favorable production outlook for milk, fruit beverages and other nonalcoholic beverages, benefiting from robust gains in consumer spending and sustained consumer interest in the health benefits of these beverages. Demand for metal cans will expand modestly, as they continue to lose ground to single-serving PET bottles. However, considerable production growth for beer and other non-carbonated soft drinks, which utilize a significant amount of metal cans, will boost demand.

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Sample Text, Table & Chart

PAPERBOARD CONTAINERS

Fruit Beverages

Demand for paperboard fruit beverage containers is expected to increase to 1.5 billion units in 2012. Paperboard beverage container materials which were valued at \$1.2 billion in 2007, largely as a result of transition to PET bottles. Offsetting losses to aseptic boxes with long shelf lives.

SAMPLE TEXT

Gabletop carton fruit beverage demand will benefit from fruit beverage consumption, supported by increasing personal levels and rising marketing campaigns that stimulate consumption in juices which tend to be packaged in gabletop cartons. Sales will be bolstered by several technological advances, including the advent of plastic pour spouts, which are easier to open than the traditional fold-out carton tops and offer the advantages of being leakproof and fully resealable, helping to maintain freshness; and the development of multi-ply barrier cartons, which also extend product shelf lives. However, gains will continue to be dampened by heightened competition from PET bottles for the packaging of fruit beverages.

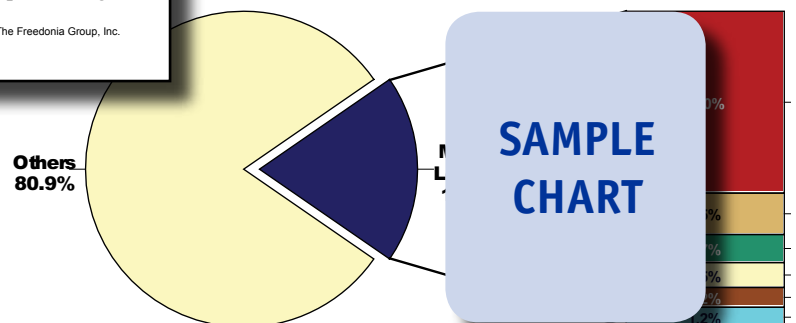
Although aseptic cartons have some performance advantages, including shelf stability and convenience, competition from plastic bottles will continue to result in limited share growth for aseptic cartons. Plastic bottles will continue to supplant aseptic cartons in the fruit juice and drink market due to advantages of lower unit costs and growing preference among consumers for this format. Additionally, heightened competition from small-sized plastic bottles will negatively impact aseptic boxes. However, stacking advantages and the availability of reclosable pour spouts will provide some opportunities for aseptic cartons in larger sizes, especially in foodservice applications. Competition from glass bottles, which are perceived as being superior in quality and better at preserving

**TABLE V-1
 PLASTIC BEVERAGE CONTAINER
 DEMAND IN CHINA BY TYPE**

Item	1997	2002	2007	2012	2017
Packaged Beverage Prdn (mil liters)	200	250	300	350	400
% in plastic	100	100	100	100	100
Bev Packaged in Plastic (mil liters)	200	250	300	350	400
ml/container					
Plastic Bev Containers (mil units)					
Bottles					
Pouches & Other					
% plastic					
Total Beverage Containers (mil units)					
¥/unit					
Plastic Beverage Containers (mil ¥)					

SAMPLE TABLE

**CHART IX-1
 BEVERAGE CONTAINER MARKET SHARE
 IN CHINA BY COMPANY, 2007
 (¥ 109 billion)**

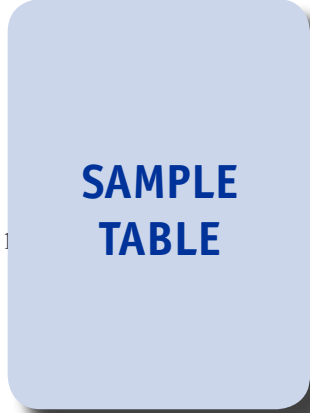


SAMPLE CHART

Sample Profile, Table & Forecast

TABLE III-3
PACKAGED MILK PRODUCTION IN CHINA BY MATERIAL
 (million liters)

Item	1997	2002	2007	2012	2017
Population (million persons)					
liters per capita					
Fluid Milk Consumption + net exports					
Fluid Milk Production % packaged					
Packaged Milk Production					
Paperboard					
Plastic					
Glass					



COMPANY PROFILES

Shanghai Skylong Aseptic Packaging Material Company

No. 1258, Zhuang Wu Road
 Zhuanghang Europe Industrial Park
 Fengxian District, Shanghai 201425
 China
 86-21-5746-27
<http://www.cn>

Annual Sales: company, 2/09)

Employment:

Key Products:

International C



Shanghai Skylong Aseptic Packaging Material manufactures multilayer, paper-based aseptic packaging and filling machines. The Company is a privately held enterprise.

The Company's multilayer, paper-based aseptic packaging is marketed under the SKYLONG brand name, and is made through a multilayer lamination process that provides oxygen barrier, thermal insulation and extended shelf-life properties. Typically, this packaging is used for such beverages as fruit and vegetable juices, milk, yogurt drinks and tea. Among the packaging products in the SKYLONG line are brick cartons, pillow pouches, wedge packs, classic packs and gabletop cartons. Shanghai Skylong Aseptic Packaging Material has developed a number of multilayer materials, including seven-layer plastic-paper-plastic compound materials designed to extend shelf life of products under normal temperatures to six to eight months. Gabletop cartons made out of this material is used by such Chinese beverage and food producers as Junyao Group Dairy Company Limited.

"Demand for milk containers in China is forecast to increase 9.6 percent per year through 2012, reaching 97.6 billion units. Gains will be stimulated by the ongoing increase of milk consumption. However, the growing popularity of milk in larger-sized packaging will prevent container demand from increasing faster. The prevalence of milk from family-raised cows or goats in rural areas will continue to limit the demand for milk containers through the forecast period."
 --Section III, pg. 48

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OTHER STUDIES

World Pharmaceutical Packaging

This study analyzes the global drug packaging industry. It presents historical demand data (1998, 2003, 2008) and forecasts for 2013 and 2018 by raw material, product (e.g., bottles and jars, blister packaging, pouches and strip packs, prefillable syringes, medication tubes, prefillable inhalers, parenteral vials and ampuls, IV containers, caps and closures), world region and major national market. The study also considers market environment factors, details industry structure, evaluates company market share and profiles major players

#2504 06/2009..... \$6100

World Caps & Closures

Global cap and closure demand is forecast to rise 4.2% yearly through 2012, supported by the continuing growth of closure-intensive plastic packaging over closureless containers. Emerging markets will lead gains, although the US will see strong value gains based on an ongoing shift toward value-added configurations. This study analyzes the \$29.7 billion world cap and closure industry, with forecasts for 2012 and 2017 by material, market, world region and for 18 countries. It also details market share and profiles industry players.

#2479 03/2009..... \$5800

Green Packaging

US demand for packaging designed to lessen environmental impact is projected to grow 3.4% annually through 2013. Biodegradable plastic packaging and recycled content plastic packaging will grow the fastest. Reusable plastic containers and intermediate bulk containers will pace gains in the reusable packaging segment. This study analyzes the \$37.2 billion US green packaging industry, with forecasts for 2013 and 2018 by type and market. It also evaluates company market share and profiles industry players.

#2471 03/2009..... \$4700

Cups & Lids

US demand for cups and lids will advance 4.3% annually through 2012. Drinking cups will remain the dominant cup type while packaging cups will grow the fastest. Growth in lids will outpace cups as more drinking cups use lids, especially higher-value specialty lids. Foodservice will remain the dominant market while food packaging grows more rapidly. This study analyzes the \$6.3 billion US cup and lid industry, with forecasts for 2012 and 2017 by product and market. It also details market share and profiles major players.

#2429 11/2008..... \$4600

Beverage Containers

US demand for beverage containers will grow 2.4% annually through 2012. Gains will be driven a healthy outlook for single serving containers and enhanced or functional beverages. Plastic containers will remain the largest and fastest growing segment. Bottled water will continue to post above-average market gains. This study analyzes the \$22.5 billion US beverage container industry, with forecasts for 2012 and 2017 by type and market. It also evaluates company market share and profiles major players.

#2423 11/2008..... \$4700

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