Industry Outlook
US rigid bulk packaging sales are projected to rise five percent yearly to $5.7 billion in 2003. Gains will be fueled by needs for more cost effective packaging methods, with further growth threatened by competition from flexible packaging alternatives.

Overall growth will reflect the rising production of goods, especially nondurables, as well as healthy export markets. While use of steel and paperboard materials will increase marginally, plastics use will grow four percent annually, resulting in a 2.2 billion pound market by 2003.

Market Trends
Rigid bulk packaging trends have been toward the use of larger, reusable containers which typically are more cost effective than smaller, single trip containers. Concomitantly, public focus on safety and environmental issues has forced buyers to demand lower cost packaging for secure containers that can be reused and recycled. These factors will contribute to the rapid gains forecast for RIBCs.

Nevertheless, traditional 55 gallon drums, pails and bulk boxes are not expected to disappear soon. Many applications do not require the size of an RIBC, and other types of bulk packaging offer unique benefits of their own.

Shipping Drums
Shipping drum sales are forecast to increase 3.2 percent per annum through 2003 to $1.5 billion. Further growth will be threatened by strong competition from RIBCs.

Plastic drums will expand at the fastest pace based on their light weight, one-piece construction and impact and corrosion resistance. Threats to further growth include incompatibility with concentrated chemical solvents and the inability to store many flammable materials.

Steel drum sales will increase at a slow pace yet remain a mainstay of the industry due to steel’s strength and fire resistance, plus the presence of a strong national network of steel drum reconditioners.

Fibre drums will continue to face challenges and demand declines but have the advantages of being light weight and recyclable, as well as the least expensive form of bulk packaging.

RIBCs
Rigid intermediate bulk containers will provide the best opportunities and expand at a double-digit pace to $1.1 billion in 2003. Despite their high cost compared to drums, RIBCs greatly simplify handling, take up less space, cost less in the long run, and often can be integrated directly onto the processing line. RIBCs also have a longer service life than drums and offer environmental advantages.

Sales of materials handling containers will benefit from their ability to reduce packaging, waste and improve production efficiency. Shipping pails will experience below-average growth and reflect slowing end uses rather than supplantation by other types of packaging.

Leading Markets
Chemicals and allied products will remain the leading rigid bulk packaging market, reflecting increased levels of chemical production, as well as a growing preference for higher value RIBCs.

Hazardous waste applications will advance at a faster pace, largely as a result of the more stringent regulations governing the handling, transport and disposal of waste products.

The durable goods sector will also post relatively fast growth, as this is the one sector where significant initial penetration of markets is still possible.
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COMPANY PROFILES
Provided for nearly 40
US industry players
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- researching a proprietary database that includes trade publications, government reports and corporate literature
- interviewing key industry participants, experts and end-users
- establishing consistent economic and market forecasts
- using input/output ratios, flow charts and other economic methods to quantify data
- employing in-house analysts who meet stringent quality standards

This study can help you:

- determine your market & sales potential
- learn more about industry competitors
- assess new products & technologies
- identify companies to merge with or acquire
- complement your own research & planning
- gather data for presentations
- make better business decisions
- confirm your own internal data

### TABLE III-2

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### PRODUCTS

**Rigid Intermediate Bulk Containers**

Shipments of rigid intermediate bulk containers (RIBC) are projected to expand at a 4.6% compound annual growth rate (CAGR) to 4.6 million units in the year 2003, valued at $1.2 billion. The major impetus for growth will come from the supplantation of fibre, metal and plastic containers in the 30 to 55 gallon range, and increased use of RIBCs in railway transport. Further growth will be constrained by competition from more economical flexible intermediate bulk containers, which have cost advantages and are more amenable to the transport of liquid products. Plastic body RIBCs accounted for the largest share (almost 80%) of unit shipments in 1998 and will exhibit the anticipated strongest growth in the future. RIBCs are mainly rectangular in shape, are moved with lift trucks and can hold between 120 and 660 gallons of material. RIBCs are made mainly from polyethylene, carbon steel, stainless steel and aluminum and can be used for shipping, storage and processing. RIBCs with metal or rigid high density polyethylene (HDPE) bodies are the most durable and can be returned and reused. Anticipated lifetimes vary by material. A stainless or carbon steel container can last ten to 20 years, depending on end use and whether it is used for shipping or storage. A plastic rigid intermediate bulk container needs to be re-tested every two and a half years, but if it is well maintained and in a noncorrosive environment, it could last five years, with the metal cage lasting longer. This compares to ten or twelve trips for the average plastic drum’s lifetime. Fiberboard RIBCs, in contrast, are typically used on a single-trip basis for nonregulated liquids and semi-solids.

RIBC advantages include enhanced safety and efficiency, simplified handling procedures, ease of filling and dispensing, stackability, greater design integrity and complete product drainage where designed. The use of serial numbers also enables easier tracking for customers worried about container liability.

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**Freedonia’s study #1165 “Rigid Bulk Packaging”**

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