

Mixed Bag: Plastics Producers Face a Changing Landscape

By Michael Youren

Rising environmental concerns and regulatory changes are yet to significantly affect demand for single-use plastic products.

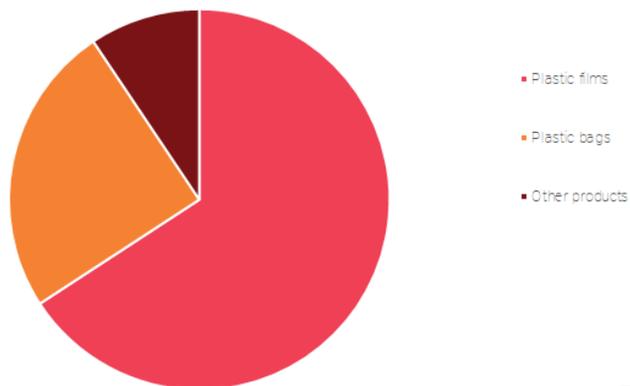
Plastics producers have had to contend with increasing import competition and greater regulatory attention

Rising environmental concerns have not yet had a significant effect on single-use plastic product manufacturing in Australia. Consumers have become increasingly conscious about the ecological impact of plastics, such as bags and bottles, over the past five years. These concerns have largely arisen due to the significant imbalance between the products' short use-times and comparatively long degradation lifespans. Consumer concerns about plastics have also grown over the period as single-use plastics can cause harm and damage to ecosystems when disposed of incorrectly.

'As the effects of environmental destruction become more visible, consumer demand for single-use plastic products is forecast to fall. However, the convenience and affordability of these types of products is still prevalent, and has been driving solid demand for manufacturers,' said Senior Industry Analyst Michael Youren.

Revenue for the Plastic Bag and Film Manufacturing industry is expected to increase at an annualised 0.7% over the five years through 2018-19, to \$2.4 billion. Rising import competition from countries with lower production costs has constrained industry revenue growth over

Breakdown of Plastic Bag and Film Products



Mixed Bag: Plastics Producers Face a Changing Landscape

Subscribe and become an industry expert

Subscription packages can be tailored to meet your individual or company's needs. Benefits of subscription include substantial discounts on report prices, exclusive data access and rates on customised research to help you move quicker than the competition.

Including key statistics, analysis, historical data and future forecasts, IBISWorld Industry reports provide the information you need to make sound business decisions – now and into the future.

For more information, please call us today on (03) 9655 3881

the past five years. Imports of plastic bags and films are anticipated to account for an estimated 46.4% of domestic demand in the current year.

The Plastic Bottle Manufacturing industry has recorded a stronger performance, with revenue anticipated to rise at an annualised 1.5% over the five years through 2018-19, to \$1.6 billion. Industry manufacturers have faced growing competition from imported products over the past five years, limiting revenue growth. However, increasing demand from beverage producers has supported the industry over the period.

Public concerns over environmental issues are projected to intensify government regulation of plastics over the next five years. Bans on lightweight plastic bags have already been introduced by most state governments around Australia. At present, all states except Victoria and New South Wales have banned the use of single-use plastic bags. Victoria has proposed legislation to ban single-use plastic bags from 1 November 2019. As a result, local plastic bag manufacturers will have to focus on different products or target export markets to continue operations.

The Federal Government also partners with the Australian Packaging Covenant

Organisation (APCO), which aims to reduce the environmental impact of packaging. In April 2018, ministers agreed for the APCO to set the ambitious target of 100% of Australian packaging being recyclable, compostable or reusable by 2025. This agreement will threaten manufacturers of single-use plastics that cannot be disposed of or reused in the ways outlined by the APCO.

However, increased environmental concerns could also offer opportunities to some plastics manufacturers. Companies that use recycled materials in their production processes are forecast to benefit from rising demand over the next five years. Furthermore, increasingly stringent regulations may remove some cheaper imported products from the market over the period. This trend will likely reduce competition and aid plastics manufacturers that focus on sustainable products.

Related industries:

[Plastic Bag and Film Manufacturing in Australia](#)

[Plastic Bottle Manufacturing in Australia](#)

Breakdown of Plastic Bottle Products

