

India's packaging industry set to reach USD 92 billion by FY30, growing at 9% CAGR: Avendus Capital

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Avendus Capital, India's premier investment bank, has released its latest report on the domestic packaging industry, highlighting the sector as a key beneficiary of the country's consumption-led growth, with rising investor interest and deal activity across segments. The report estimates that the Indian packaging industry is expected to grow at c.9% CAGR over the next five years, reaching USD 92 billion by FY30.

According to the report, India is now the world's fastest growing packaging market, projected to outpace GDP growth by 1.3x, driven by rising demand from end-use segments such as food and beverages, pharmaceuticals, personal care, agriculture, durables and e-commerce, along with growing penetration of organised retail and quick commerce. Globally, packaging is already a USD 1 trillion industry, making it one of the largest manufacturing ecosystems across paper and board, plastics, metals, glass, and composites. In India, per-capita plastic packaging consumption remains materially underpenetrated compared to developed markets, with the US at nearly 7x and Europe at around 4x, signaling strong headroom for growth.

Among substrates, rigid plastic packaging (RPP) stands out as the fastest-growing segment in India, set to grow at 10.3% CAGR over the next five years, owing to its durability, cost efficiency, and suitability for mass distribution. Flexible plastic packaging (FPP) remains the largest segment, accounting for 27% of the Indian packaging market, supported by strong demand from packaged food, FMCG, personal care, and pharma. Beyond plastics, the report sees paper packaging gaining from the shift toward recyclable, fiber-based materials, while glass and metal packaging are expected to witness growth at 7.5% and 7% CAGR respectively.

Koushik Bhattacharyya, Managing Director and Head, Industrials Investment Banking, Avendus Capital said, "The packaging industry has emerged as one of the strongest proxies to India's consumption growth. Moving well beyond its traditional role as functional input, packaging is now being leveraged to enable high-value differentiation through branding and customer experience. With rising incomes, premiumisation, and formalisation of retail and supply chains, the Indian packaging industry is structurally well-positioned to cater to a broader shift towards organised and branded consumption. We believe these structural tailwinds will continue to drive deal activity, consolidation, and capability-led scale building, keeping the sector firmly on the radar of both strategic and financial investors."

The report also highlights sustainability as a major structural theme. While flexible packaging remains critical due to its low per-unit material usage, recycling rates in India are still below 10%, highlighting a significant gap. Regulatory tailwinds, including Extended Producer Responsibility (EPR) norms are accelerating the adoption of recyclable and eco-friendly materials. In response, Indian consumer companies are increasingly shifting from multilayer laminates to mono-material and recyclable structures.

In India, deal activity has remained steady over the past decade, with increasing participation from private equity and strategic investors. Financial sponsors have accounted for 76% of minority transactions and 25% of majority transactions, reflecting growing investor confidence in the sector's long-term growth potential. As the industry evolves, M&A is expected to play a key role in driving scale, enhancing capabilities, and enabling entry into high-growth segments and geographies.

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Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus' wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

Avendus Capital Inc., New York and **Avendus Pte Ltd.**, Singapore are both Avendus Group entities offering services to clients in the US and Southeast Asia respectively.

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