

78% of SMEs in packaging industry to expand

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IN LINE with the optimistic trend seen since December 2010, 78.3 per cent of the SMEs in the packaging industry which participated in a survey carried out by IndiaMART Knowledge Services said that they were planning to increase their production capacity, while 21.7 per cent felt otherwise.

A majority of the respondents – 69.8 per cent – are looking to expand their employee base, while the remainder is not so keen to do so. Only 48.1 per cent of the participants were interested in expanding their office network, while a majority (51.8 per cent) did not feel so inclined. Some 63.2 per cent of respondents had high expectations for the next quarter in terms of business prospects, 16.9 per cent had low expectations, and 19.8 per cent believe there will be no change. Forty-nine per cent expect the market to grow in the next quarter, 30.1 per cent expect negative growth, and only 20.7 per cent said they expect the market to remain the same.

The participating SMEs are involved in flexible packaging, glass packaging, liquid cartons packaging, metal packaging, paper-based containers and rigid plastic packaging. When asked whether their order book had increased after December 2010, around 30.1 per cent of the participants said that it had increased by more than 20 per cent, while 34 per cent said that the orders increased between zero and 20 per cent. There was no change for 31.1 per cent of the respondents and only 4.1 per cent witnessed a decline.

Some 54.7 per cent reported that poor infrastructure was a major hurdle to growth, while 45.2 per cent did not share this opinion. Around 66.9 per cent of the respondents said that hiring skilled manpower was a big challenge for them, while 33 per cent disagreed.

Getting adequate finance was seen to be another obstacle for SMEs by 63.2 per cent of the respondents, while 36.7 per cent disagreed.