

Biodegradable Packaging Market Is Booming Worldwide With BASF SE, Smurfit Kappa Group, Mondi Group

The biodegradable packaging market is estimated to be valued at USD 118.48 Bn in 2025 and is expected to reach USD 180.63 Bn by 2032

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-- The [Biodegradable Packaging Market](#)

is estimated to be valued at USD 118.48 Bn in 2025 and is expected to reach USD 180.63 Bn by 2032, growing at a compound annual growth rate (CAGR) of 6.2% from 2025 to 2032. The biodegradable packaging market is growing rapidly, driven by rising consumer demand for sustainable products and increasing environmental awareness. Stricter government regulations on plastic usage and stronger corporate commitments to eco-friendly practices are accelerating adoption. Advances in bioplastic technologies are also enhancing material performance, making biodegradable packaging a viable and attractive alternative to conventional plastics.



The image shows a promotional graphic for a market research report. It features a dark red background with a Christmas tree on the left, decorated with gold and red ornaments. A large pink gift box with a gold ribbon is in the foreground. The text 'CHRISTMAS SALE' is at the top in a serif font. Below it, 'Market Research Report' is written in a large, bold, sans-serif font. Further down, 'Future Trends and Industry Analysis With Top Company Profiles by 2032' is written in a smaller, bold, sans-serif font. The Coherent Market Insights logo is in the bottom right corner. Below the graphic, the text 'Biodegradable Packaging Market' is written.

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Global Biodegradable Packaging Market Key Takeaways

Global biodegradable packaging demand is likely to increase at a CAGR of 6.2% from 2025 to 2032.

Currently, plastic packaging dominates the market with a prominent share of 62.1% in 2025, owing to rising adoption of biodegradable plastic packaging.

Food industry is slated to remain the leading consumer of biodegradable packaging, accounting for a market share of 42.1% in 2025.

North America is projected to account for 36.0% of the global biodegradable packaging market share in 2025, owing to growing demand for sustainable and compostable packaging from various industries.

Asia Pacific is anticipated to offer lucrative growth opportunities to biodegradable packaging manufacturers during the forecast period. This is mostly due to expanding industrial sectors, booming e-commerce packaging sector, and rising demand for biodegradable food packaging.

Growing Environmental Concerns Spearheading Market Growth

Coherent Market Insights' latest biodegradable packaging market analysis highlights major factors driving the industry's growth. Rising environmental concerns, growing awareness about the advantages of biodegradable packaging, and implementation of stringent regulations on single-use plastics are some major biodegradable packaging market growth factors. Growing consumer demand for eco-friendly products and surging popularity of paper packaging in the food & beverages sector are further supporting market growth.

Growing awareness of plastic pollution and environmental damage is encouraging consumers, businesses, and governments to shift towards sustainable packaging alternatives. This trend is boosting demand for biodegradable packaging solutions like bioplastic packaging and paper packaging. Biodegradable packaging helps reduce solid waste accumulation because it can break down through the action of microorganisms such as bacteria and fungi.

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High Production and Materials Costs Limiting Market Growth

The global biodegradable packaging market outlook remains positive, owing to rising environmental awareness and growing demand for eco-friendly packaging solutions. However, higher production and materials costs might slow down biodegradable packaging market growth to some extent during the forecast period.

Biodegradable packaging is more costly than conventional plastic packaging because of expensive raw materials like biomass and biopolymers and processing infrastructure. Biopolymers like PLA and PHA often cost 2 to 4 times more than petroleum-based plastics, which increases overall production expenses. For many manufacturers, especially small and medium enterprises, this higher cost may outweigh the perceived benefits, deterring them from switching to biodegradable alternatives.

Stringent Government Regulations Opening Revenue Streams

There is a notable increase in plastic pollution levels, especially from plastic packaging. The global plastic waste is likely to reach around 225 million tonnes in 2025. This is prompting nations like the U.S., India, and the U.K. to impose bans, restrictions, or taxes on single-use plastics, driving companies to switch to biodegradable packaging materials to comply. Regulatory pressure, extended producer responsibility (EPR) frameworks, and waste-management policies have created a compliance-driven incentive for adoption. These factors are expected to create lucrative growth opportunities for manufacturers of biodegradable packaging solutions during the forecast period.

Emerging Biodegradable Packaging Market Trends

Rising consumer demand for eco-friendly products is an emerging growth-shaping trend in the biodegradable packaging market. Modern consumers, especially in developed and developing regions, increasingly prefer products packaged sustainably, even if it means paying a premium. This is positively impacting sales of biodegradable packaging solutions. Brands offering biodegradable packaging is enabling them to attract environmentally conscious buyers and enhance brand image.

There is a rising preference for packaging derived from renewable sources like starch, cellulose, and sugarcane because they are compostable. This shift towards compostable and plant-based packaging solutions will likely bode well for the biodegradable packaging industry.

Expanding e-commerce and food & beverage sectors is expected to fuel demand for biodegradable packaging during the forecast period. E-commerce companies and online retailers are increasingly adopting sustainable packaging solutions to reduce their environmental impact as well as woo more and more eco-conscious customers. Similarly, food and beverage industry continues to remain the major adopter of biodegradable packaging.

Many companies in the FMCG, retail, pharmaceutical, and personal care sectors are utilizing eco-friendly packaging as a part of their corporate social responsibility (CSR) or ESG goals. For instance, they are now replacing single-used packaging solutions with biodegradable films, wraps, bags, and other green packaging alternatives. This trend is expected to drive demand for biodegradable packaging in the coming years.

Advances in biodegradable materials and packaging technology are supporting market expansion. Top players are using bioplastics like polylactic acid (PLA), PHA, PBAT, compostable films, and plant-based polymers to improve the performance, durability, and viability of biodegradable packaging alternatives. Innovative packaging solutions like bioplastic-based packaging and bagasse-based packaging are making their way into the market.

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Analyst's View

"The global biodegradable packaging market is set to grow steadily, owing to increasing environmental awareness, stringent government regulations on single-use plastics, rising demand for sustainable packaging solutions, and shifting consumer preferences toward eco-friendly products," said a senior CMI analyst. "Companies that invest in innovative, compostable, and recyclable packaging materials are well-positioned to capture opportunities in the expanding sustainable packaging landscape."

Competitor Insights

Key companies in the biodegradable packaging market research report:

Smurfit Kappa Group
BASF SE
Mondi Group
Stora Enso
Rocktenn
Clearwater Paper Corporation
Novamont S.P.A.
Amcor
Kruger Inc.
Solenis
International Corp.
DuPont
Ball Corp
Tetra Pak International SA
Novamont
Biopak PTY
Imex Packaging
Elevate Packaging Inc.
Reynolds Group Holding Limited
Elevate Packaging

Key Developments

In November 2025, Mondi expanded its range of corrugated and solid board packaging for the food industry. The new portfolio now features solid board options and digital printing capabilities.

In June 2025, ATP launched a new eco-friendly packaging made from natural cardboard with a single-color design. This sustainable solution aims to reduce environmental impact.

In May 2025, Mondi partnered with ZARELO to develop a new recyclable paper-based packaging solution for fire starters. This solution is intended for use in barbecues and fireplaces.

In June 2024, BASF added a new biopolymer called biomass-balanced ecoflex® (PBAT) to its product range. This new material helps the packaging industry use more renewable resources.

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