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D03530



United Nations Industrial Development Organization

Distr.  
LIMITED

ID/WG.104/14  
17 March 1972

ORIGINAL: ENGLISH

Expert Group Meeting on Packaging  
Vienna, Austria, 20 - 22 October 1971

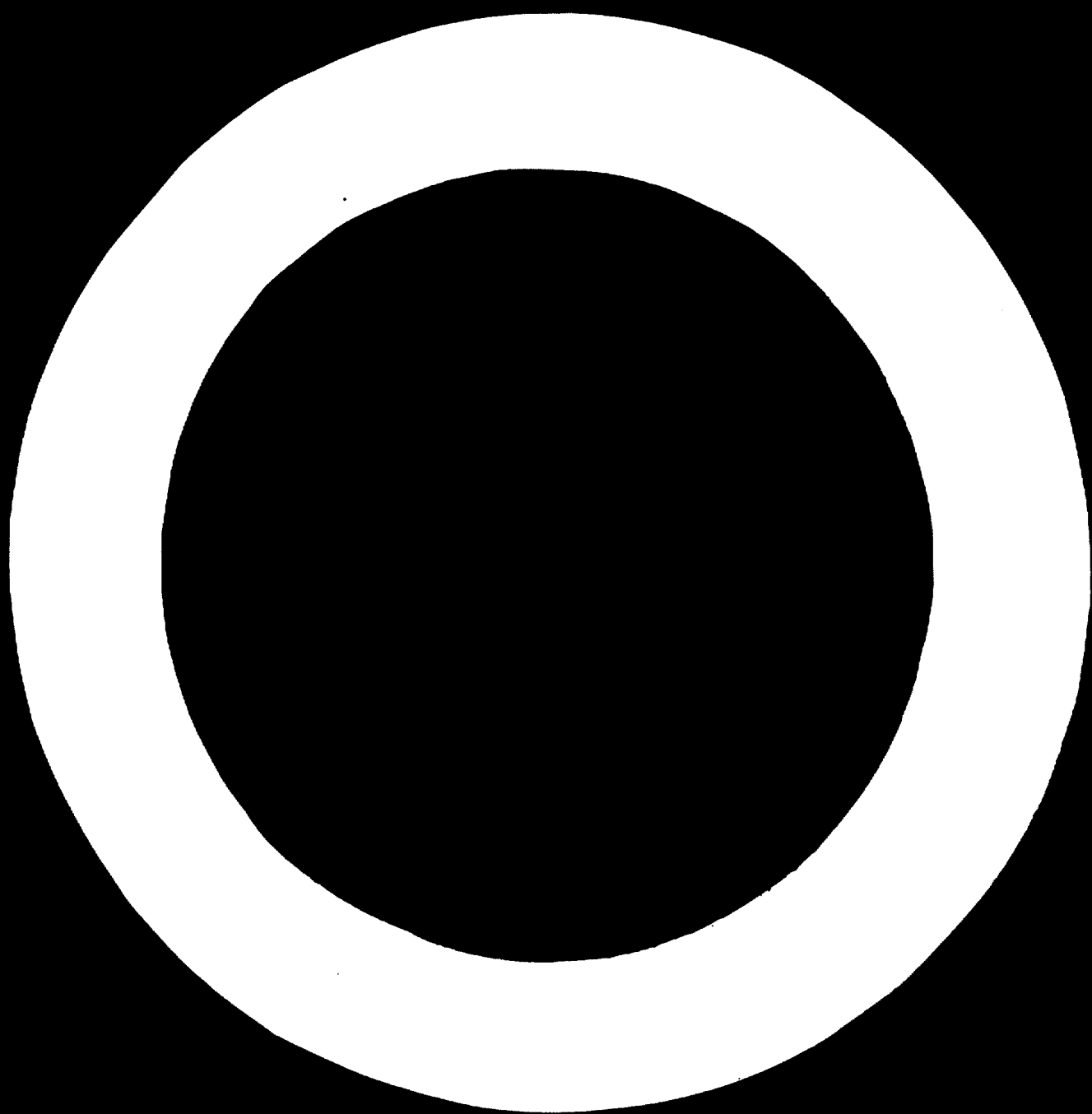
DEVELOPMENT OF PACKAGING IN HUNGARY <sup>1/</sup>

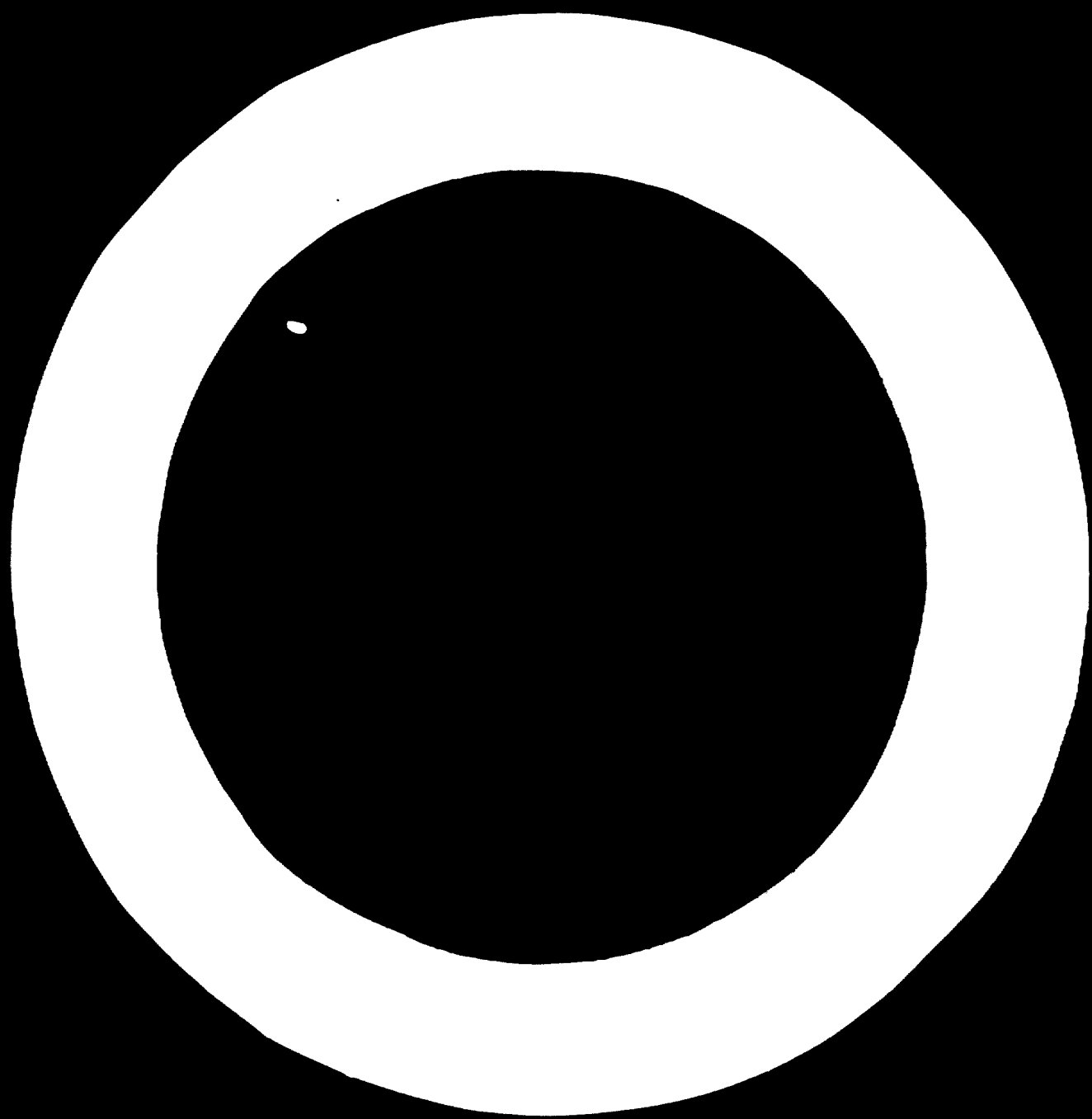
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id.72-1638





## DEVELOPMENT OF PACKAGING IN HUNGARY

Before the World War Two Hungary was basically considered a country producing and exporting agricultural articles; the role she played industrially was practically of no importance. It should also be mentioned that a considerable part of the products meant for sale abroad was exported as agricultural "raw material" /cereals, live-stock etc./.

To account for what was stated here it should be considered that the proportion of the population in the countryside in the total number of the inhabitants was considerably higher than at present, and that population was practically rated as completely self-supplying, mainly as regards foodstuffs.

Consequently, the country's quality of being an agricultural producer and exporter on the one hand, and the relative underdevelopment of the domestic turnover of goods on the other, were features that determined decisively the standard of packaging techniques. It is easy to understand that the relatively low-shored industrial export /with packaging requirements/ and the elementary needs of consumers did not raise the demands on the development of packaging and on new technological solutions that could have promoted the establishment of a relatively high standard of packaging.

After the World War Two there began a considerable industrial development in Hungary, and in the country's export structure a more and more important role was played by the industrial products. However, the lack of experience in the initial stage of the industrial development and the uncertainty following from it entailed a negligence in the development of the necessary concomitants, the special fields complementary to the main line,

such as packaging and the manufacture of packaging materials. It was not realized at that time that a good and attractive packaging not only prevents damages in the products and a fall in their value but by its features stimulating purchase, it also permits the production of a considerable excess-profit; that is to say, packaging is an integral component of the product, and essentially it is packaging that makes a product a marketable article.

Until as late as the mid-1950-s packaging still did not play the role due to it by virtue of its importance in the Hungarian economy, which is shown by the fact that packaging material consumption per capita in 1955 was worth about \$ 3 as against a value of over \$ 20 in the British and Swedish relations /\$ 21 and \$ 23 per capita, respectively/.

Under the influence of technical progress, the notices from the export markets /badly packed even a good product does not sell/, and the increasing domestic demands there began a marked development in the field of packaging as from the second half of the 1950-s, and especially from 1960; the outlines of a "Hungarian packaging industry" were gradually taking shape. A most important feature in this regard was the development of the degree of supply with packaging material. It is to be underlined that there was not only a growth in the amount of the packaging materials available, but up-to-date packaging materials, such as paper products, metal foils and various plastics also gained in importance at the expense of the conventional packaging materials /wood, textiles etc./. The basis for this advance was the establishment and development of Hungarian packaging materials manufacture, mainly for corrugated and other paperboards, aluminium foils thin tinplates and plastic films. It is to be attributed to this development that at present packaging material consumption per capita in Hungary is approximating \$ 15 as against the 1955 figure of \$ 3.

As is shown by the experience the share of the packaging industry in GDP in the industrially developed countries amounts 3 to 5 per cent, while in Hungary it lags considerably behind, since, in spite of an undoubtedly great progress, not even the 3 per cent representing the lower limit has been reached. The structure of the packaging materials used can not be considered satisfactory either. While in the industrially developed countries the packaging materials made of paper, plastics and light metals account for an 80 per cent share in the total use of packing materials, in Hungary the same share hardly comes close to 60 per cent.

Just because of this we wish to lay a greater stress on the development of packaging in the decade to come. While the rate of growth of the national income is to be expected at about 5 per cent annually, an average of 7 per cent may be reckoned with, in the opinion of experts, as an increase in the use of packaging materials in the period mentioned, which will hold good, about just as well, of the growth of the packaging industry too.

We wish to attain by about the end of the decade that the use of the up-to-date packaging materials mentioned above should also in our country account for some 80 per cent of the total consumption.

The up-to-date packaging materials permit and justify the employment of efficient packaging technologies, that is, the use of packing machines. However, the use of such machines - especially that of up-to-date /semi-/ automats - has not yet developed satisfactorily in Hungary. The outlet of a higher volume of products wrapped by an up-to-date technology is still often hindered by manual packaging or by using small capacity packing machines of elementary design at the end of modern production lines. In this respect a change of importance is to be expected

in the near future due to the launching of domestic packing machines manufacture under foreign licences covering up-to-date units and from time to time due to the import of machines and transfer lines. Of outstanding significance will be in this connection the manufacture and use of machines performing the filling and closing - by plastic film - of powders, grains and liquids and those of units applying shrink and vacuum wrapping on various products.

It is the packaging technology that combines into a homogeneous unity the packaging materials, the packing machines and the products to be packed by them, and that ensures the realization of up-to-date "ready-made packagings". The demand on up-to-date packaging is that the unity of the three components /product, packaging material, packing machine/, that is, the final outcome represented by the product in up-to-date packaging, shall be provided by a packaging systems engineering requiring a comprehensive knowledge and survey, embracing the entire packaging process related closely to the distribution process ranging from the manufacture of the products to their utilization. This complex and in Hungary new work requires considerable intellectual resources. These, as is proved by international experiences, are concentrated in the firms manufacturing and processing the products, in independent packaging ventures /contract packaging/, or in independent designing and technical consulting organizations commissioned by the manufacturer to design the packaging.

In Hungary the course of packaging development was managed centrally 10 years ago by the National Committee for Technical Development sponsored by the Government, which organisation by providing concrete financial aid for the introduction of modern packaging technologies and by making studies and



formulating concepts, has practically established an efficient team of packaging specialists. This National Committee for Technical Development, seeing the importance of this line, set up a development base too in the form of the Institute for Material Handling and Packaging, the activity of which covers the preparation and stimulation of the development, manufacture and use of the up-to-date packaging materials and packing machines spoken of, and also the complex engineering and marketing of the same. By that means the Institute promotes considerably the domestic packaging material and packing machine manufacture both directly, and indirectly, - by the revealing of the realization possibilities for the manufacturers. Simultaneously it does its best to provide, through an extensive regular educational activity, the knowledge required for the development for an ever larger number of packaging specialists.

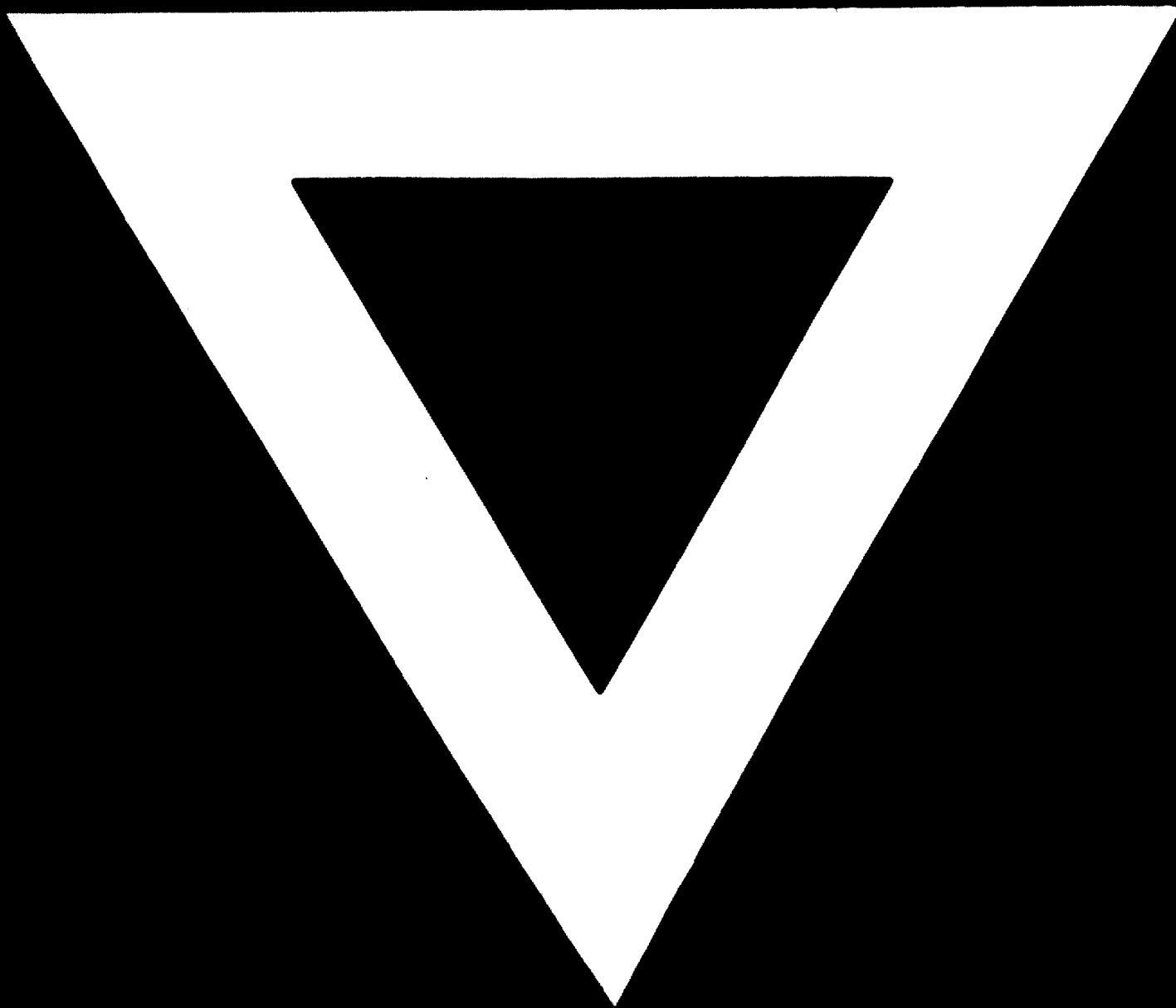
The Association of Technical and Scientific Societies also recognized the importance of packaging for the national economy, and set up therefore a committee, the task of which is to reveal in detail the problem for the interested specialists, and to establish a wide-spreading social background demanding and simultaneously promoting by its active participation the solution of the problems. In Hungary every second year a packaging conference concerned with some special issue <sup>x/</sup> and packaging competitions are arranged, at which the packing techniques of the highest standard and the most successful specialists are received with recognition, both moral and material.

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<sup>x/</sup>The subject of the next conference /28-30 Sept 1972, in Budapest/ is "The role of packaging in distribution".

In Hungary a particularly good stimulation and possibility was provided for the development of packaging by the new economic management system having been introduced as from 1968, which stimulates the enterprises, much more vigorously than earlier, for the enhancement and improvement of their realization activity. A very important factor for this is represented by the exterior and getting up of the products to be exported, in brief: the standard of packaging. The considerable development started in the latest decade - as it has been outlined above - and the stimulating effect of the new economic management system together hold out the hope of doing away, in the years to come, with the backwardness of long standing in the field of packaging in Hungary, ensuring thereby a higher level of exports on the one hand, and a supply of higher standard of the consumers on the other.





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