Changing Trends In Indian Paper Industry With Focus On Increased RCP Imports

Twentieth Annual
Fastmarkets RISI Asian Conference
May 22-24, 2019
Shanghai, China

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- Recovered Papers
- Wood Pulp
- Fluff Pulp
Changing Trends in Indian Paper Industry with focus on increased RCP imports
Indian Economic Outlook

- Expected to rank Top 3 in the next 10-15 years
- Global out performer with 7% plus growth in GDP
- Ease of doing business – India ranked 77 among 190 countries in 2019
- Make in India initiative
- Rising income
- Rapid urbanization
India is the 5th largest paper producer and contributes 4-5% of global paper production.

Paper industry growth - 7-8% Year on year basis for last 5 years.

Paper production - 17.5 million MT and consumption - 20 million MT.

750+ Mills in India.

More than 65% of the mills in India are based on recovered paper and non-wood fibers.

50% of imports are from USA.

Low Grades – Mixed paper & OCC comprise of more than 80% of the imported RCP.

Source: IPMA

Indian Paper Industry

FDI

Nine Dragons
APP
WestRock

Movements in Exports

Middle East, Sri Lanka & China

Movements in Imports

FY – 2015-17
FY – 2018-19

India Containerized Trade benefited

Increase in Import & Export by 7% inbound & outbound

Domestic Players

South India Paper
Khanna Paper
NR Paper
### Growth 2018-19

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>9.14%</td>
</tr>
<tr>
<td>Printing and Writing</td>
<td>5.89%</td>
</tr>
<tr>
<td>Specialty</td>
<td>11.64%</td>
</tr>
<tr>
<td>Newsprint</td>
<td>2.60%</td>
</tr>
<tr>
<td>Tissue</td>
<td>21.11%</td>
</tr>
</tbody>
</table>

Source: IPMA

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### Recovered Paper Imports to India

**Estimated 2018-2019**

- **7.5 Million Metric Tonnes**
  - USA: 50%
  - Europe/UK: 35%
  - Middle East: 10%
  - ROW: 5%

Source: Paper Trade
Impact of increased RCP imports

- The domestic recycling industry in India is going through its 3rd recession cycle
- Reduce demand for locally produced waste
- Buying prices of recyclable categories e.g. OCC, mixed paper and certain plastic types have reduced by 30 to 60 % in the last 6-8 months
- Informal sector recycles 70% of plastic waste and up to 56% of all recyclable waste
A New Landscape in India

Future of RCP

- New home for Mix Paper & OCC – India, Vietnam & Indonesia
- Fastest growing Paper Market
- Largest Importer for US Recovered Paper
- Investments by recycling plants to produce cleaner recovered paper
- Increase usage of RCP in USA
Developmental Challenges

- Infrastructure, Port and Roads
- Efficient use of water
- Distribution of Paper

Under India- ASEAN FDA import duties of almost all tariff lines under paper & paperboard has been minimized and from a base MFN rate of 10% the basic custom duty has come down to 0%

India Next…

- The pulp and paper industry will have the highest growth internationally with production expected to touch 25 million MT by 2025 and almost doubling from current 17-18 million to 35 million and up next 10 years
- India current population of 1.35 billion and forecasted to surpass China by 2024
- India is expected to surpass US economy in next 10 years
- India’s per capita consumption of paper 15kg per person will grow exponentially being at the bottom of the curve
- Indian paper mills main source of raw material shall continue to be recovered paper- Imports and domestic going forward
Thank You!