



## DEFINING THE INDIAN MARKET FOR PULP, PAPER & BOARD

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## Background to the report

- Our recent market review provides an update to the more detailed market studies undertaken in 2008 and 2013.
- According to the leading paper companies and the national Association (IPMA), Indian paper & board demand is assumed to be 15-16 million tonnes in 2017, of which 2.8 million tonnes was imported. Demand is assumed to be growing at 6-8% pa. Such growth assumptions are generally predicated on a young and growing population with rising levels of literacy and consumption, and a GDP growth rate of 8-10% (which is assumed to be the minimum requirement to maintain employment levels).
- Current estimates imply per capita paper demand of just 11kg, compared to 75kg in China and a global average of 56kg. Given the demographics at play, India's unrealised potential is often summarised by adages such as "an increase of just 1 kg per capita is equivalent to 1.25 million tonnes of growth".
- The Indian paper industry remains highly fragmented, with over 750 paper mills. Only 50 have capacity of >50,000t/y, and combined output of the "organised" sector is just 4.1 million tonnes running at a capacity utilisation rate of 90%. The remaining 9-10 million tonnes of production is very small scale, uses agricultural non-wood fibres and wastepaper, and is impossible to quantify accurately. Our estimates are based on desk research using a combination of data from associations, customs statistics, trade press, corporate reports and email or telephone correspondence. The update includes:
  - Paper and board production from 2012-2017, by grade
  - Imports & exports, and implied demand
  - Pulp and recycled fibre imports 2012-2017, by grade and region
  - Recent capacity expansions in pulp, paper and board, since 2012
  - Short corporate profiles & investment plans of the leading players
  - Economic note
- More detailed historical data is available from the earlier reports published in 2008 and 2013, on request.
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