



INDIA'S PAPER INDUSTRY POISED FOR STRONG GROWTH ON RISING DEMAND IN PACKAGING AND HYGIENE SEGMENTS



SEPTEMBER- 2025

Indian paper & pulp industry has been a vital contributor to the country's economy, providing essential products while supporting livelihoods across the country. The industry is highly diverse, encompassing large integrated mills, small and medium-sized enterprises and agro-based and recycled fiber mills. It is a significant segment of the country's manufacturing sector & also plays a crucial role in supporting other sectors such as education, e-commerce and publishing. The industry has the potential to emerge as a global hub for both high-quality paper production & responsible industrial growth, with strategic investments in modernization & a strong focus on environmental sustainability.

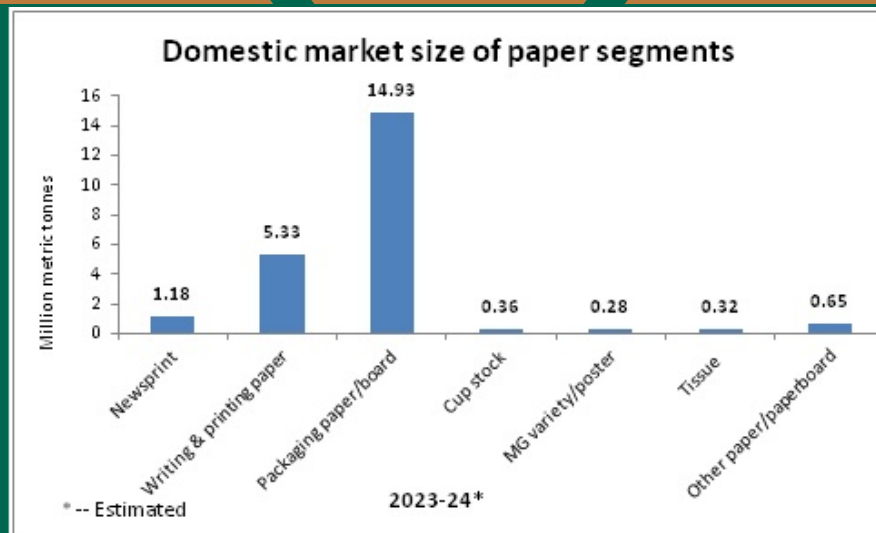
The industry has been heavily dependent on natural resources, particularly trees, making sustainability and environmental stewardship central concerns. However, the sector has undergone momentous changes, taking landmark initiatives in renewable raw material sourcing, offering eco-friendly alternatives to single-use plastics, and adopting processes with minimal environmental footprints. Adoption of eco-friendly technologies, water conservation systems, and renewable energy have led to improvements in energy efficiency, waste reduction, and water usage, helping the industry reduce its ecological footprint.

Raw material sourcing in India is diverse and unique. Indian paper Industry produces majority of the paper pulp by recycling Waste paper, pulping agricultural residues like wheat straw, paddy straw and sugarcane bagasse. In India, 74-76% of the paper is produced using recycled fiber/recovered paper. Around 6-8% of the Paper is produced using agricultural residues like wheat straw, paddy straw and bagasse. Only 18-20% of the Indian paper industry uses wood as the raw material for manufacturing paper. Due to growing environmental concerns and restrictions on deforestation, there is an increasing emphasis on recycling and sustainable sourcing practices.

DOMESTIC MARKET SIZE OF PAPER SEGMENTS

India is a significant producer of various types of paper, driven by its large and growing domestic demand, expanding packaging sector, educational needs, and an emerging interest in sustainable alternatives to plastic. Indian paper industry produces a diverse range of paper types, broadly categorized based on their end use such as newsprint, writing, printing, packing and specialty papers like tissue papers and textured papers. Newsprint is a lightweight paper commonly used for printing newspapers and periodicals. It is one of the most widely consumed types of paper in India due to the country's large population and high newspaper circulation. Writing & printing category encompasses a wide range of papers used in education, offices, publishing, and government documentation. Besides, India produces a wide range of papers and boards designed for industrial and consumer packaging.

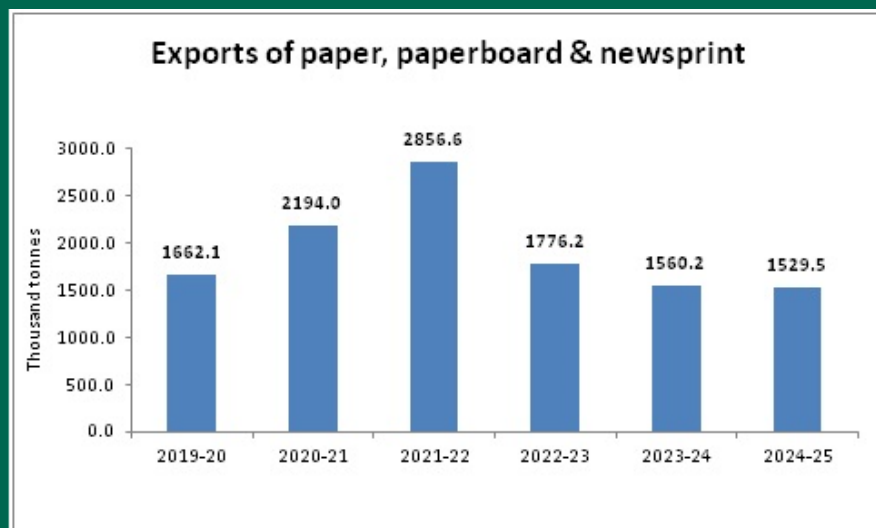
The rise of e-commerce, retail, and food delivery has significantly boosted demand for durable and sustainable packaging solutions. Moreover, specialty papers are value-added products manufactured for specific industrial, commercial, or consumer applications. During 2023-24, the estimated domestic market size of newsprint paper in India was around 1.18 million metric tonnes, with a negative annual growth rate of approximately 2%, while writing & printing paper's estimated domestic market stood at 5.33 million metric tonnes with annual growth rate of 2.91%. The estimated domestic market size of packaging paper/board, cup stock, MG variety/poster paper and tissue in 2023-24 stood at 14.93 million metric tonnes, 0.36 million metric tonnes, 0.28 million metric tonnes and 0.032 respectively, with annual growth rates of 8.20%, 10.50%, 1% and 13.33%, respectively.



EXPORTS OF PAPER, PAPERBOARD & NEWSPRINT

From being a primarily domestic-focused sector, Indian paper and pulp industry has gradually entered the global market, exporting a variety of paper products including paper & paperboard coated on one/both side, newsprint, uncoated paper & paperboard for writing, printing or other graphic work, and uncoated kraft paper & paperboard. Despite this progress, past few years have seen fall in export performance due to a combination of factors including reduced global demand, increased international competition, and rising raw material costs. The global economic slowdown has led to lower demand for the paper products in international markets. Besides, increased production capacity in countries like China and Indonesia, has intensified competition for Indian exporters.

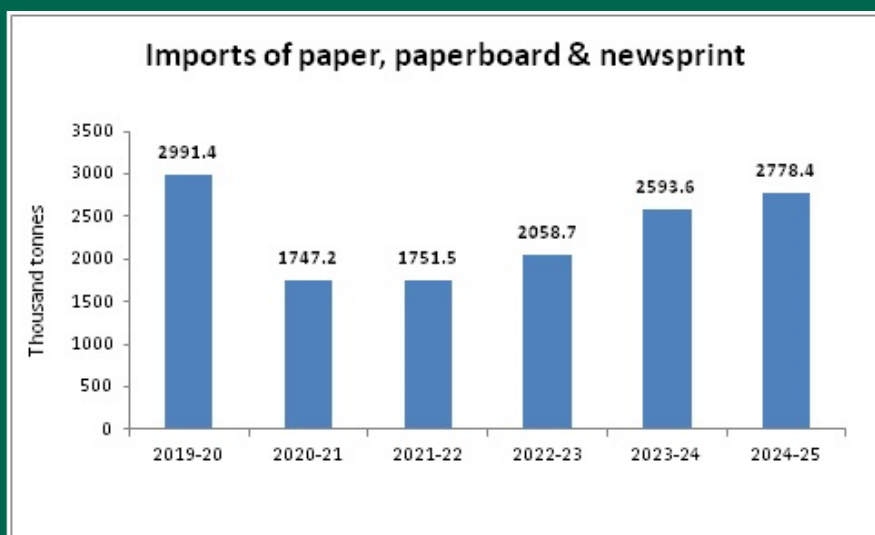
Therefore, Indian exports of paper, paperboard & newsprint declined by 1.97% to 1529.5 thousand tonnes during 2024-25, as compared to 1560.2 thousand tonnes in 2023-24. In 2024-25, paper & paperboard coated on one/both sides category has major contribution at 623.3 thousand tonnes, followed by uncoated paper & paperboard for writing, printing or other graphic work at 409.8 thousand tonnes, other uncoated paper & paperboard at 280.0 thousand tonnes, uncoated kraft paper & paperboard at 178.9 thousand tonnes, toilet or facial tissue stock, towel or napkin stock at 26.6 thousand tonnes, newsprint at 7.3 thousand tonnes and paper & paperboard, corrugated, creped, crinkled, embossed or perforated at 3.6 thousand tonnes.



IMPORTS OF PAPER, PAPERBOARD & NEWSPRINT

India remains the fastest-growing paper market in the world, yet the domestic manufacturing sector is struggling since the rising demand is being increasingly met by imports. This rise in imports has emerged as a significant challenge for the domestic paper industry, undermining its growth potential and threatening investments in capacity expansion. The unprecedented imports of paper and paperboard pose a significant threat to India's Make-in-India initiative Aatmanirbhar Bharat. Imports are rising despite substantial investments by the domestic industry in recent years to upgrade technology, improve product quality, and enhance agro/farm forestry practices.

Imports of paper, paperboard & newsprint in the country surged 7.13% to 2778.4 thousand tonnes in 2024-25 as against 2593.6 thousand tonnes in 2023-24, on account of higher shipments from ASEAN countries, hurting the domestic industry. The Association of Southeast Asian Nations (ASEAN) is a 10- member bloc. The members include Singapore, Thailand, Cambodia and Laos. The major paper grades which are coming from these nations include printing paper, coated paper, and paperboard. In 2024-25, India imported majority of paper and paperboard coated on one/both sides of 1063.9 thousand tonnes, followed by newsprint of 723.1 thousand tonnes and uncoated kraft paper & paperboard of 437.7 thousand tonnes.



LITERACY FUELING PAPER'S FUTURE

Education has been a cornerstone of India's development since independence, with the Government of India striving to improve literacy rates across the country through the targeted education programmes and policies such as the Samagra Shiksha Abhiyan (2018-19 to 2025-26), Saakshar Bharat (2009-10 to 2017-18), Padhna Likhna Abhiyan (2020-21 to 2021-22), and ULLAS-Nav Bharat Saaksharta Karyakram/NILP (2022-23 to 2026-27). Moreover, the National Education Policy and campaigns like Padhe Bharat Badhe Bharat are transformative in advancing literacy in India. Result of this, the rural literacy has shown remarkable growth, with an around 10 per cent rise in the decade. Rural India's literacy rate surged from 67.77 per cent in 2011 to 77.50 per cent in 2023-24 among individuals aged seven and above. Female literacy improved from 57.93 per cent to 70.4 per cent, while male literacy increased from 77.15 per cent to 84.7 per cent.

With the increase in literacy rate, more and more students are entering the education system and this will create the demand for notepads, textbooks and supplementary materials and give a positive boost to the industry. Moreover, a literate population tends to read more newspapers, magazines, and books, fueling the print media and publishing sectors that are heavily reliant on paper. Besides, in regions where digital infrastructure is limited or less accessible, the printed educational resources remain the most practical and affordable medium for learning, especially in rural areas. Further, as awareness about sustainability also grows among the educated population, there is greater support for recycled paper products, creating new avenues for growth in the paper industry. Overall, the expansion of literacy creates a ripple effect that strengthens nearly every segment of the paper and pulp industry, from traditional printing to modern packaging and recycling initiatives.

PACKAGING – A KEY GROWTH DRIVER

The e-commerce industry in India has experienced swift expansion over the past few years, driven by various factors such as increased internet penetration, smart phone adoption, rising disposable incomes and a growing preference for online shopping. Supportive government policies, the proliferation of digital payment systems, and the rapid development of logistics infrastructure have also accelerated this growth, making India one of the fastest-growing e-commerce markets in the world. The global B2C (business-to-consumer) e-commerce market is likely to grow from \$5.7 trillion in 2022 to \$8.1 trillion by 2026 at a compound annual growth rate (CAGR) of 9.1 per cent. Correspondingly, India's B2C e-commerce market which was worth \$83 billion in 2022 is anticipated to grow to \$150 billion by 2026, showing a CAGR of 15.9 per cent.

The primary area where e-commerce benefits the paper & pulp industry is packaging. Every online order requires a package that ensures product safety, branding & convenience. Paper products are being favored over non-renewable and non-biodegradable alternatives, as businesses strive to meet customer expectations while aligning with environmental goals. Therefore, cardboard boxes, corrugated sheets, paper wraps, & paper-based fillers are now essential components of e-commerce logistics. Although many e-commerce firms are digitizing invoices & order summaries, paper inserts such as bills, promotional flyers & user manuals are still widely used. These small but significant paper products contribute to steady demand. This trend is likely to continue, encouraging innovation & expansion within the paper and pulp industry. Thus, the e-commerce revolution, while rooted in digital technology, will create a strong and sustainable future for the paper & pulp industry.

RECENT DEVELOPMENTS

IPMA URGES GOVERNMENT TO ALLOT DEGRADED LAND FOR PULPWOOD PLANTATION

The Indian paper industry has urged the government to provide degraded land on a long-term lease to paper mills for pulpwood plantation to address raw material shortage and boost rural employment. Industry body, the Indian Paper Manufacturers Association (IPMA) said that the paper industry has faced shortage of wood, the key raw material, and it is the biggest concern for mills in India.

The IPMA stated that while the paper industry is continuing with agro forestry efforts, pulpwood plantations need to be enhanced rapidly to meet the requirements of domestic industry.

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It said even if a fraction of the degraded land available in the country is provided on lease to the industry for pulpwood plantation, the same can be a game changer for growth of domestic manufacturing, rural empowerment and greening of India.

PAPER INDUSTRY SEEKS BAN ON INFERIOR GRADE MATERIAL IMPORTS, POLICY ACTION

The Indian Paper Manufacturers Association has urged the government to ban inferior-grade material imports, impose quality control orders and monitor inward paper shipments to protect local manufacturers from predatory imports. As per the Association, the situation is likely to worsen significantly amid the recent baseline and reciprocal tariffs imposed by US President Donald Trump on key Asian exporters, including China and Indonesia. IMPA has called for urgent policy action to safeguard the domestic paper industry while flagging the threat of global inventories being diverted to India.

The association has sought a ban on imports of rejected and inferior-grade material (stocklot), along with appropriate trade remedial measures, to check cheap paper and paperboard shipments. IPMA has also sought monitoring of paper imports under the proposed Inter-Ministerial Import Monitoring Group. The association has demanded the inclusion of paper and paperboard in the exclusion list of the ASEAN-India FTA and the issuance of Quality Control Orders to curb the influx of sub-standard imports.

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PAPEXPO 2025

India's first national-level exhibition exclusively dedicated to the paper industry, PAPEXPO 2025, scheduled from June 6 to 8, 2025, brought together industry professionals, manufacturers, suppliers, and enthusiasts from the paper, printing, packaging, and allied sectors. This event showcased the latest innovations and trends, offering valuable networking opportunities.

Despite being one of the fastest-growing economies, India still ranks among the lowest in per capita paper consumption. PAPEXPO aims to change that. A key focus of PAPEXPO is to dispel the long-standing myth that paper consumption contributes to deforestation. In reality, nearly 80% of the paper produced and used in India comes from recycled sources – making it one of the most sustainable industries in the country.

OUTLOOK

Indian paper and pulp industry is amidst promising future, as it continues to play integral role as a carrier of knowledge, history, literature, and an essential medium in everyday life, aided by structural economic factors like improvements in literacy rates, higher spending on education and phenomenal growth in print and media industry. Besides, the government and corporations are increasingly seeking alternatives to plastic, and paper packaging has emerged as a solution. This shift is boosting innovation in the paper industry, leading to the development of eco-friendly coatings, compostable packaging, and paper-based laminates that can replace plastic films. Demand for paper-based packaging materials will improve further, with the rise of e-commerce, food delivery services, and consumer awareness about plastic pollution, as the paper has become a preferred material due to its biodegradability and recyclability.

Going further, the tissue and hygiene paper segment will also expand rapidly on the back of rising standards of living and increased awareness of personal hygiene, especially during and after the COVID-19 pandemic, which fundamentally changed consumer behavior, as consumers are now more inclined to use disposable tissue products in homes, workplaces, public transportation, restaurants and hospitals to minimize germ exposure. However, the industry has been navigating through various challenges stemming from technological advancements, environmental concerns and shifting consumer preferences, as sustainability has emerged as a paramount concern, with manufacturers needing to invest in eco-friendly processes and materials to mitigate environmental impact. Failure to keep up with technological advancements could result in a competitive disadvantage for the industry players.

Besides, the recent declines in exports have raised concerns, though this also presents an opportunity for the industry to reassess its strategies, modernize operations, and focus on high-value, sustainable products. With the right combination of policy support, technological upgrades, and market diversification, Indian paper exports can not only recover but thrive in the coming years. Further, rising imports will significantly dent the commercial viability of Indian paper mills and will discourage further investment by domestic industry. This will lead to loss of employment opportunities, apart from depriving lakhs of farmers of their income from wood supply to paper mills. Therefore, there is need to adopt protective measures such as quality-control orders, import monitoring systems, and safeguard duties to prevent dumping and protect indigenous industry. But overall, in the digital era, the paper and pulp industry will continue to hold a prominent position, offering accessibility and serving multifaceted purposes including communication, branding, packaging, and much more.



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