

# Tissue World

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## Magazine

The independent news  
provider for the global  
tissue business

## INDIA

**Dramatic social change underway  
in the world's largest market  
of 1.45 billion people**

Plus

### MARKETISSUES

Tissue World Istanbul 2024

Industry-leading exhibition and conference

Set to return in 2026

### WORLD NEWS

Global projects update

A tissue legend passes

### EXITISSUES

Türkiye's '360 degrees of diplomacy and trade'

2025 – challenges and opportunities

in the international order



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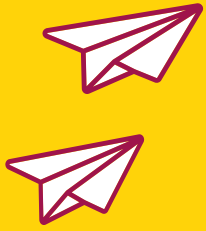
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Cover: India's 1.45 billion society is changing dramatically, and its tissue companies fit and ready for the newly emerging era.

Image by Stefano Vuga, Founder, PurplePrint Creative, Spain/ Italy, [www.purpleprint.eu](http://www.purpleprint.eu)

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Indian tissue consumption is rising slowly ... but a tenfold increase would still leave it below the world average. Impressive long-term capacity growth of 11.8% is stalling, but a modest rise in the birth rate of only 0.72% shows that usage is still moving forward. By ResourceWise.

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'Dual focus on hygiene and sustainability positions India's tissue industry for a bright and impactful future. A highly fragmented and disorganised market means limited consumer knowledge of tissue benefits ... and a drive for the cheapest options. Now, brands are gearing up to increase consumer awareness and establish distinct identities. By Euromonitor International.

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Recent PM2 start-up and further growth ambitions will help meet India's projected 12% CAGR in decade ahead. Director Abiali Jani explains the advancing production strategies and changing consumer choices behind India's buoyant market.

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## OPERATIONS REPORT: BEETA TISSUES

As tissue paper mills mushroom and India's growth continues, the stylish Beeta Tissues sees online selling and upselling as vital. In 1992, Sumit & Meena Khanna set out to create innovative, high- quality tissue products from a small garage. Now, their FSC-certified face tissues, napkins, and rolls are found in boutique stores and supermarkets across the country. Here, Sumit discusses their evolving business model.

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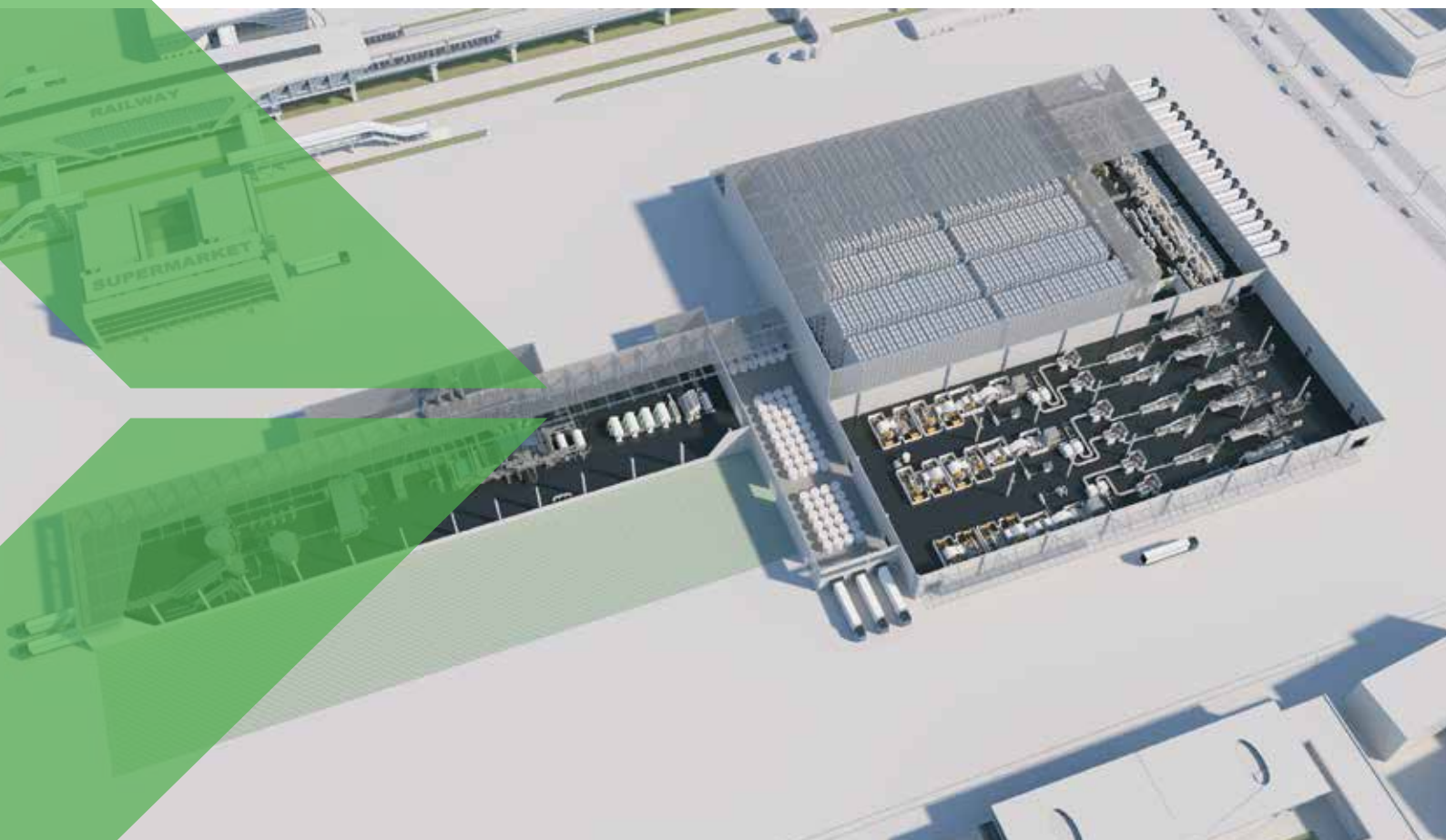
## EXITISSUES

'360 degrees of diplomacy and trade' – Türkiye reforming its geopolitical and economic positions. 2025 will see dramatic changes in the international order. At Tissue World Istanbul 2024, Mark Goddard, Director, Risk, Business Intelligence, Government Relations at SecureValue, accessed the volatile years ahead. Here, he summaries the talk for TWM.

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## Indian society is changing dramatically, say tissue bosses – but the demographic and infrastructure challenges remain formidable

Helen Morris, Senior Editor, Tissue World Magazine

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A tissue market growing very quickly, 13.3% at present, with 18 to 20% expected in the coming years. Previously, tissue was seen as a luxury. Now, in different places across the country, you can see that changing dramatically. Society is changing, lifestyle changes are happening.

The pandemic sparked heightened concern over hygiene. The younger generation is demanding product quality and greater choice linked to wider sustainable manufacturing, and easier retail access.

Ashwin J Laddha, Managing Director and Chief Executive of the pioneering Orient Paper Industries, makes all these points and more online from his factory in Kolkata. TWM last visited the factory in 2016, and he stresses fundamental market changes since then - not least the company itself going through a root and branch reassessment of its business model, with much more emphasis placed on value products and closed loop production.

Laddha also outlines agroforestry projects in rural villages, a key area of potential growth as 64% of India's population of 1,450,935,791 people (1.45 billion for ease of reading) live in rural areas ... almost 930m people.

The company's advancing eucalyptus plantations are coupled with working across 1,089 villages, home to 450,000 individuals, empowering 90,000 smallholders to improve farming practices. "This isn't just about ESG; it's about building vibrant, self-sustaining communities."

In the west in Sarigam, north of Mumbai, the local Indian market looks "very promising", with a consistent growth trajectory for Jani Sales Director Abiali Jani. The main source is AfH, the growing demand from institutional consumers through HORECA ... but with an extra category in hospitals.

Nationally, tissue CAGR exceeding 12% is projected in the decade ahead. The general economy is the fastest growing globally in 2024, the seventh largest, and with a GDP of 7.6%.

In urban India, home to roughly 523m people living in variously more developed economic circumstances, tissue usage growth is already well underway. The contrast with the rural hinterland is extreme.

Ten years ago Narendra Modi, the newly elected Prime Minister, famously stated: "Building toilets is a priority over temples." Since then, more than 110 million toilets have been built through the Swachh Bharat (Clean India) campaign. An impressive number, but poverty levels, nationwide infrastructure issues and deep-rooted cultural traditions remain.

Society is changing dramatically: the companies are fit and ready for the newly emerging era, investing heavily in green energy, leveraging digitalisation, implementing quality control systems for raw material and drying energy savings, reducing plastic use, implementing recycling programmes, optimising supply logistics, improving inventory, and prioritising personalisation of products to enhance value.

It is not yet a Chinese scale surge, but it is moving.



# MARKETISSUES: TISSUE WORLD ISTANBUL 2024

Peers from across Türkiye, Asia, Italy, Germany, and the UK, attend region-leading exhibition and conference – return of event announced for 2026.

**T**issue World Istanbul 2024 has successfully welcomed almost 700 tissue colleagues to its exclusive exhibition and conference held between 20-21 November, as event organiser Informa Connect announces the event's return to the Hilton Istanbul Bomonti Hotel on 18-19 November 2026.

The two-day event hosted over 45 global exhibitors, 30 conference talks, and recorded a total of 894 visits/682 unique visits.

In terms of regional breakdown, 55% of attendees were from Türkiye, and they were joined by colleagues from Italy, Germany, and the United Kingdom.

Some 60% of attendees visited from Asia, 12.3% visited from the EU, as well as peers from non-EU countries and Africa.

Gerry Dunphy, Tissue World Event Director, said: "It was fantastic to be back in Istanbul for the first time in six years with a brand new integrated conference and exhibition, hosted at an absolutely top drawer location.

"The format allowed exhibitors and delegates to enjoy maximum time together and from the feedback, we've heard there were some substantial conversations and business deals concluded.

"The Hilton Istanbul Bomonti proved to be the perfect setting for the event and we're excited to announce we will be returning with Tissue World Istanbul on 18-19 November 2026."

The conference – with a theme of Resilience and Innovation: Building Businesses for Tomorrow – offered insights from over 30 speakers.

They included Lila Kağıt's Orhan Ögücü, Hayat Kimya's Tugba Erdogan, SecureValue's Mark Goddard, and ResourceWise's Luis Norton Sampaio.

Technical talks also included speakers from Valmet Tissue Converting, Futura Converting, TietoEvry, Maflex, Buckman, Toscotec, and BW Converting Solutions.

*For those who couldn't attend, below TWM summarises a handful of key topics raised at the event.*



**Tissue World Istanbul 2024:** the two-day event hosted over 45 global exhibitors, 30+ conference talks, and recorded a total of 894 visits – of which 682 were unique visits

## Growth and expectations in the Turkish tissue sector

**ORHAN ÖĞÜCÜ, LILA KAĞIT, CHAIRMAN**

Global outlook – World tissue consumption (2007-2023) million tonnes

### Annual consumption:

26 million tonnes (2007)

45+ million tonnes (2023)

### Consumption by region in 2023:

China 27%  
North America 22.1%  
Western Europe 15.2%  
Latin America 10.7%  
Asia Far East 7%  
Eastern Europe 5.5%  
Japan 4.5%  
North and Middle East 4.4%  
Africa 2.5%  
Oceania 1.2%.

### Capacity change – world

Capacity change China – China's Capacity Utilisation 60%.

Pulp capacity changes – Four million tonnes of indefinitely idled/closed capacity since Q1/2022.

All the capacity is furnished with softwood, and most of it is in North America (3.120mt).

### TÜRKİYE IS CHANGING!

We knew Türkiye as a young country that consisted of large families, steady population increases, and that was a cheap country to live in.

Now in 2024, the countryside is diminishing and people are moving to cities. By 2039, we will have a population rate of 14% of people aged over 65 years old. 5.2 million single person households, and a micro family rate of 40.4%. And a cup of coffee is now priced between €4-6 in Turkey.

### OUTLOOK FOR TÜRKİYE

Capacity: Consumption X2. Capacity has increased by 40% in the last five years

### Problems

- Domestic Demand (Stagnation): Consumption only grew by 20% in total in the last five years (arguably including the acceleration caused by inflation, refugees and uncontrolled export due to devaluation of Turkish Lira).
- Desheeting: Brands gained market share by reducing the number of sheets on a roll.
- Stocking: Growth in recent years was driven by inflation (Bigger packs provoking with the message 'Cheaper today than tomorrow').

**For the first time in Türkiye's history, tissue exports in tonnage have reached almost the same level as the domestic market.**



#### Export

For the first time in Türkiye's history, tissue exports in tonnage have reached almost the same level as the domestic market. Tissue parent roll exports (metric ton) are now 410.436. Tissue product export is now 98.885. Total export is 509.321.

Export Q3: Turkish total tissue exports (metric ton) jumbo roll plus converted products.

#### 09/2023

Tissue parent roll export (metric ton) – 299.419.

Tissue product export (metric ton) – 71.575.

TOTAL: 370.994.

#### 09/2024

Tissue parent roll export (metric ton) – 383.549.

Tissue product export (metric ton) – 71.538.

TOTAL: 455.087.

Export value: Tissue exports have increased by 62.5% in value in the last five years, from \$318m to \$516.8. However, in 2023 the value fell while exports increased.

#### RISKS TO THE MARKET

Total export rates; UK: 21%, new investments 2025-27 – Israel: 15%, suspended – Iraq: 10%, unstable – USA: 5%, new investments and logistics – Greece: 5%, Euro/Dollar parity and potential new investments – Bulgaria: 5% – Georgia: 4% – Morocco: 4% – Ukraine: 3%, war.



**Region-leading:** 55% of attendees were from Türkiye, and they were joined by colleagues from countries such as Italy, Germany, and the United Kingdom



**Growth and expectations in the Turkish tissue sector:** Lila Kağıt Chairman Orhan Ögücü addresses the crowd

## GROWTH EXPECTATIONS – TÜRKİYE

Can we expect new investments in a market where domestic growth is stagnant? Significant investments have already been made in Türkiye, and capacity has increased. As Lila we expect the growth in the Turkish market to be between 1% and 3% in the coming years.

For a country with over 1.4m tonnes of capacity (probably among the top eight countries in the world for tissue production capacity), this corresponds to less than 7% of the full capacity to be further utilised within the domestic market by 2028.

## HOW CAN THE MARKET GROW?

### Challenges

- GDP: If Türkiye's GDP grows, so will consumption and growth.
- New markets and localisation: in an environment where existing export markets are so volatile, Turkish exporters must find new markets.

- New Products: We need to develop new products to serve with a bigger portfolio. We shall not imitate but create original ideas for a healthy market.
- Cost Management: To remain globally competitive, we need to lower costs through investments in renewable energy, reducing water consumption, and recovering production waste energy.
- Sustainability: Türkiye is eager and open to innovation when it comes to sustainability. To grow in European markets, we must take holistic steps in sustainability. (Carbon footprint and certificate pulp consumption.)

New markets: Lila Kağıt, Erzurum. New Tissue Factory Investment. 100+ million population, 300,000+ tons market.

We cannot win by repeating what has been done. Time to set sail for new markets!



**"Mills have to work on their export potential":** Luis Sampaio, Vice President Business Development Europe, ResourceWise

## Tissue market, challenges and outlook

**LUIS SAMPAIO, VICE PRESIDENT BUSINESS DEVELOPMENT EUROPE, RESOURCEWISE**

### TRADE MARKET FOR TISSUE IN TÜRKİYE: GLOBAL TISSUE EXPORTER/ IMPORTERS IN VALUE

Türkiye has a tissue capacity of 2.5m, and growth here is expected to be flat next year. Consumer tissue in Türkiye increasing the most, but the country has had an issue with internal growth which is why it's looking for export opportunities.

Italy is also exporting a lot, as well as China and Indonesia. Türkiye needs to export half a million tonnes every year, so if we're looking at tissue capacity, we have a problem.

The UK is Turkey's largest exporter in value at 29.3%, followed by Israel at 13.9%, Iraq at 10.4%, Greece at 10.1%, the USA at 7.1%. The largest import origins into Türkiye were Germany at 34%, France and Italy both at 15.7%, and Spain at 6.58%.

### Turkish tissue capacity: a total of 26 tissue machines

- Valmet: 31% of the market with eight TMs
- Toscotec: 12% with three TMs

- Metso: 15% with four TMs
- Voith, Erwepa, Escher Wyss and Gorostidi: each have 4% with one TM each
- A.Celli, Recard, and Beloit: each have 8% of the market with two TMs each.

### WHERE IS TURKISH TISSUE GOING TO IN TERMS OF CAPACITY?

- 181,000 tonnes across Europe
- 143,000 tonnes to the UK
- 44,000 tonnes to the USA
- 119,000 tonnes to the Middle East.

Regionally, there are two tissue projects in Saudi Arabia, and Greece is looking interesting also with a new tissue machine start-up planned. This is more than 400.000t of new capacity in Turkey's export territory that will put pressure in their natural export region.

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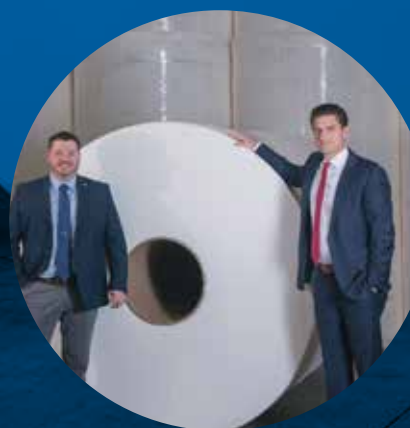


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Turkey tissue paper is well regarded in terms of quality which will help maintain quota but there will be fierce competition.

## PULP PRODUCERS ARE MOVING INTO TISSUE

In 2024, several pulp producers increased capacity on tissue. This allows these businesses to integrate vertically, benefiting from cost competitiveness that allows them to make tissue profitable in export markets. The big players are coming, which is resulting in a big challenge for tissue mills. Suzano, Navigator Group... they have expansion plans. Will Asian companies do the same? There are strong opportunities for integrated tissue producing mills to expand.

## THE TISSUE CARBON BENCHMARK IS BECOMING INCREASINGLY IMPORTANT FOR CONSUMERS AND CUSTOMERS

Türkiye's tissue machines are well positioned for carbon, the main question is how their competitors compare with CO<sub>2</sub> emissions. Türkiye compares well with Portugal, Brazil has some old assets that need new investments but low CO<sub>2</sub>. Big brands are demanding this. In the EU, North America, and China, mills are differently placed for tissue. Export markets are diminishing. New and better companies are going into the markets that are better than Türkiye's tissue machines' quality exported into the UK, etc, with the big brands. Geopolitical tensions will reduce exports also.

## WHAT ARE THE SOLUTIONS FOR THESE CHALLENGES?

Replacement by recycled fibres? Hiccups in EU virgin fibre production will cause problems. Fibre will become more expensive.

## COULD ASIA BE THE NATURAL PARTNER FOR TÜRKIYE?

ESG/Decarbonisation forces are coming from everywhere now. How are Turkish mills compared with some major competitors?

- Swedish mill: 63% recycled integrated – 0% energy self-sufficient – 80% biobased steam and electricity purchased.
- Turkish mill: non-integrated – 100% kraft pulp – 78% Gas – 22% waste heat – 68% energy self-sufficient.

- Italian mill: 35% recycled integrated – 78% Gas – 22% waste heat – 96% energy self-sufficient.
- Middle East mill: 75% Hi Herecycled integrated – 100% Gas – 44% energy self-sufficient.
- German mill: 86% recycled integrated – 80% Gas – 20% biogas – 50% energy self-sufficient.
- Russian mill: 90% virgin integrated TMP and sulphite – 70% Gas – 20% Pulping liquor – 10% oil – 90% energy self-sufficient.

Solar panels have considerably reduced prices. 81 tissue mills globally are now running solar panels and this could further help CO<sub>2</sub> reduction.

Mills have to work on their export potential, going East is challenging as there are many big players. I would be very careful to invest in big capacity. Keep working on fibre, tissue follows the markets that pay 10% or more. You have to find your market and grow where you are now. Markets like the UK will become more difficult in the coming years.

## CHALLENGES OF TURKISH TISSUE INDUSTRY

### Short term:

- Export markets: pulp producing companies with more competitive cost structures in the Turkish export markets important markets (UK, US).
- Stagnation in internal market: inflation continues to be high with unemployment rate on the rise.
- New capacities in Greece, UK, USA, Saudi Arabia.

### Long term challenges:

- Sourcing of pulp: increases in costs of raw material (fibre) consequence of other value streams (e.g. Biofuels) for wood based feedstocks and EUDR.
- Geopolitical tensions in the region reduce exports to Israel, Iraq, Lebanon, Ukraine.
- CO<sub>2</sub> emissions: FMCG companies will be more demanding on the sustainability of their products. Some Turkish mills are nevertheless well positioned on the CO<sub>2</sub> curve.



**360-degree view across Istanbul:** the exclusive event included a networking drinks reception held on the 34th floor of the Hilton Istanbul Bomonti Hotel

## MEA tissue market and challenges with resilience strategies

**TUGBA ERDOGAN, TISSUE GROUP PURCHASING AND RAW MATERIALS SALES DIRECTOR, HAYAT KIMYA**

World tissue consumption 45,6m ton, 3,2% CAGR – Per Capita Consumption 5,6kg, 2,4% CAGR

1. China (27%) Consumption: 12,2 M 22 vs 30 CAGR: 6,5% per capital consumption: 7,3 22 vs 30 CAGR: 6,8%
2. North America 22% Consumption: 10 M 22 vs 30 CAGR: +1,2% per capital consumption: 28,2 22 vs 30 CAGR: 0,2%
3. Western Europe (15) Consumption 6,95 M 22 vs 30 CAGR: 0,8% per capital consumption: 16,3 22 vs 30 CAGR: 0,5%
4. Latin America (11%) Consumption: 4,95 M 22 vs 30 CAGR: 4% per capital consumption: 7,2 22 vs 30 CAGR: 2,9%
5. Asia Far East (7%) Consumption: 3,2M 22 vs 30 CAGR: %3,6 per capital consumption: 1,1 22 vs 30 CAGR: 2,7%
6. East Europe (6%) Consumption: 2,5 M 22 vs 30 CAGR: 3,8% per capital consumption: 7,5 22 vs 30 CAGR: 3,2%
7. Japan (5%) Consumption: 2M 22 vs 30 CAGR: 0,3% per capital consumption: 16,4 22 vs 30 CAGR: 0,7%
8. Near and Middle East (4%) Consumption: 1,95 M 22 vs 30 CAGR: 4,8% per capital consumption: 5 kg 22 vs 30 CAGR: 3%
9. Africa (2%) Consumption: 1,13M 22 vs 30 CAGR: 4,4% per capital consumption: 0,7 22 vs 30 CAGR: 1,8%

10. Oceania (1%) Consumption: 0,55 M 22 vs 30 CAGR: 1,7% per capital consumption: 12,7 22 vs 30 CAGR: – 0,3%

### OVERVIEW OF MEA TISSUE MARKET\*

- Turkey – 33 TMs – 1,510 installed tissue capacity – 1,502 operational tissue capacity – 105 new capacities 2024-2027
- South Africa – 46 TMs – 554 installed tissue capacity – 554 operational tissue capacity – 30 new capacities 2024-2027
- Egypt – 15 TMs – 382 installed tissue capacity – 375 operational tissue capacity – 70 new capacities 2024-2027
- UAE – 9 TMs – 322 installed tissue capacity – 322 operational tissue capacity – 0 new capacities 2024-2027
- Iran – 10 TMs – 280 installed tissue capacity – 280 operational tissue capacity – 0 new capacities 2024-2027
- Saudi Arabia – 5 TMs – 230 installed tissue capacity – 230 operational tissue capacity – 220 new capacities 2024-2027
- Algeria – 9 TMs – 137 installed tissue capacity – 125 operational tissue capacity – 0 new capacities 2024-2027

- Israel – 6 TMs – 112 installed tissue capacity – 112 operational tissue capacity – 0 new capacities 2024-2027
- Tunisia – 6 TMs – 102 installed tissue capacity – 102 operational tissue capacity – 0 new capacities 2024-2027
- Nigeria – 28 TMs – 99 installed tissue capacity – 80 operational tissue capacity – 0 new capacities 2024-2027.

\*Source: RISI

Saudi Arabia and Türkiye are the most promising countries for tissue growth in our region. Africa needs more time to reach its potential. We need to adapt to market conditions and gain a deep understanding of local culture.

## MEA TISSUE MARKET CONSUMPTION AND PRODUCTION

Although we see a balanced supply and demand within the region import/export matrix shows different results.

- Türkiye, Egypt, UAE, South Africa, and Tunisia are net exporters.
- 45% of the export from the region goes to non-MEA countries.
- Türkiye and Indonesia are significant sources of tissue imports with smaller amounts from China and Italy.
- Egypt's counted as a producer in the region, but it is becoming a substantial source with recent investments

## TISSUE PRODUCT COST COMPARISON

- Türkiye, Italy, and Indonesia are established tissue exporters.
- The two main components determining the total costs are fibre and energy. Production cost gives an advantage to MENA producers which are not far behind Indonesia, the cost leader.
- Türkiye and Italy are slightly higher, but they may well provide preferred product performance

## MEA TISSUE IMPORTS

- Türkiye and Indonesia are significant sources of tissue imports with smaller amounts from China and Italy.
- Egypt is counted as a producer in the region, but it is becoming a substantial source with recent new investments.

## KEY MARKET CHALLENGES AND RESILIENCE STRATEGIES

- Supply chain and infrastructure issues:
- Supply Chain Innovation: we develop regional distribution hubs to improve logistics efficiency and reduce delivery times.
- Invest in Technology: we use digital tools for inventory management, demand forecasting, and route optimisation to minimise delays and cost. (IBP S & OP, RBP Robotics, etc.)
- Local Sourcing: we invest in local producers and increase the product quality of our local suppliers.

## OVERCOMING IMPORT DEPENDENCY AND HIGH COSTS:

- Vertical Integration: we manufacture raw materials like PE Packaging or nonwovens creating sustainable supply and lowering costs.
- Diversify Supply Chains: we build relationships with multiple suppliers across different regions to reduce risk from import disruptions.
- Stock Management: we manage our inventory levels and keep our flexibility to reduce our cost and enhance our cash flow.

## ENVIRONMENTAL AND SUSTAINABILITY CHALLENGES:

- Sustainable Sourcing: we source materials from certified sustainable suppliers to reduce environmental degradation and meet regulatory requirements for sustainability.
- Reduce Fresh Water Consumption: we use sea water treatment plant to reduce freshwater consumption. (Ultra-filtration and reverse osmosis)
- Solar Panel: we source over 10% energy from solar panels.
- Cogeneration: we optimise our energy consumption by cogeneration system at 86% utilisation.
- We manage all energy consumption preference by AI.
- Varying regulations and quality standards.
- Stay Updated on Compliance Requirements: we partner with local regulatory consultants to navigate compliance processes efficiently and ensure we follow all changes in local trade regulations.
- Advocate for Harmonised Standards: engage with trade bodies to push for harmonization of regulations across regions.

## LOW DISPOSABLE INCOME AND PRICE-SENSITIVENESS:

- Affordable Packaging: we develop smaller, more affordable product sizes to serve to

different income levels and make hygiene products accessible.

- **Tiered Product Offerings:** we introduce a range of products, from budget to premium, to meet the diverse needs of consumers.
- **Promotions and Loyalty Programmes:** we build brand loyalty through promotions, discounts, and customer loyalty programs that incentivize repeat purchases.
- **Competition from both low-cost local producers and global FMCG brands.**
- **Digital Transformation:** we use data analytics for better market analysis and customer engagement
- **Brand Localization:** we customise marketing strategies and product features to resonate with local cultural preferences and practices.
- **Product Innovation:** we introduce innovations like moisture-lock tissues or B-side technology to attract a broader consumer base and remain competitive.
- **Differentiate Through Quality:** we focus on product innovation, such as introducing new product features (e.g. antibacterial tissues), to differentiate the market.

### OPERATING ACROSS DIFFERENT CULTURES:

- **Cultural Awareness:** we train teams on cultural norms, communication, and business etiquette.
- **Establishing Mentorship and Rotation Programmes:** we develop mentorship and

rotational working programs globally which pairs employees from different regions.

- **Providing Language and Communication Resources:** we offer language classes for employees working in regions.
- **Promoting a Culture of Continuous Learning:** we encourage ongoing learning thru workshops, courses, personal improvement programs and access to our platform "Hayat Digital Academy" offering relevant skills training.
- **Feeling the Common Purpose and Shared Values:** a common company vision and core values that emphasize respect, inclusivity and impact has been promoted globally.

MEA Region's expanding population and urbanisation present great market potential.

MEA Tissue Market has a growth potential which would need more time to reach maturity.

Growth opportunities come with challenges that must be addressed through resilient strategies.

By leveraging local partnerships, investing in sustainability, and adapting to market conditions are the key resilience strategies.

Success lies in agility, innovation, and a deep understanding of local dynamics to navigate challenges and capitalize on opportunities.



**MEA's expanding population and urbanisation present great market potential:** Hayat Kimya's Tugba Erdogan address the hall

# NEWS IN BRIEF

A roundup of news from across the global tissue industry. To get the very latest news go to [www.tissueworldmagazine.com](http://www.tissueworldmagazine.com)

## NORTH AMERICA

### SOFIDEL FINALISES ACQUISITION OF CLW TISSUE; BOOSTS PRODUCTION CAPACITY BY 25%

Italy's Sofidel Group has finalised the \$1.06bn acquisition of Clearwater Paper Corporation's tissue division (CLW Tissue), a move it said makes it the fourth largest tissue manufacturer in North America.

The transaction is the largest carried out in the group's history and means Sofidel has increased its production capacity by 25% (340,000tpy), as well as improving its geographic coverage in North America.

The acquisition includes the purchase of four production plants – Shelby (North Carolina), Lewiston (Idaho), Las Vegas (Nevada) and Elwood (Illinois) – and the integration of 1,700 employees.

It has also expanded its commercial offerings: two out of the six paper machines acquired are TAD.

Luigi Lazzareschi, Sofidel Chief Executive, said: "This transaction makes Sofidel the fourth largest tissue paper manufacturer in North America, and strengthens its leadership in the private label sector, a market that is growing further.

"A step that brings the goal of having equivalent revenues on both sides of the Atlantic Ocean much closer. A crucial acquisition for the future of Sofidel as a whole."

Terms of the sale were first announced on 22 July 2024.

Sofidel said it is also pursuing "other consolidation and development plans in the North American market."

This includes looking at the Circleville, Ohio, plant, where it is working on increasing paper mill capacity by 50%, and at the Duluth plant in Minnesota, which it said will be equipped with converting lines and a new automated warehouse.

Clearwater Paper Corporation said the move represents "a significant step in the company's transformation" into an independent supplier of paperboard packaging products to North American converters.



**"This transaction makes Sofidel the fourth largest tissue paper manufacturer in North America,"**

**Luigi Lazzareschi,  
Sofidel Chief Executive**

## SAUDI ARABIA

### MEPCO TO BOOST CAPACITY BY 60,000TPY WITH TM INVESTMENT

The Middle East Paper Company (MEPCO) is to increase its production capacity after investing \$92m in an Andritz-supplied tissue machine to be installed at its Juthur subsidiary.

Start-up of PM6 at the Juthur Paper Manufacturing Co. site in the King Abdullah Economic City is expected to take place in the third quarter of 2026. The line is designed for speeds of up to 2,100mpm and will double the KAEC mill's capacity by 60,000tpy to a total of 120,000tpy.

Production will primarily serve domestic and export markets, focusing on jumbo rolls. It will not include converting equipment.

Ahmed Fazary, MEPCO's Executive Vice President of Commercial Affairs, said the reason for the investment was the robust growth seen in Saudi Arabia's tissue market – and a growing supply-demand gap.

## **"HIS WIT, GENEROSITY, AND FEARLESS SPIRIT WILL BE DEEPLY MISSED BUT NEVER FORGOTTEN": ESKO UUTELA PASSES AWAY**

Esko Uutela – global tissue expert, beloved father, and cherished friend – has passed away.

Esko passed away last week after a brief illness. He leaves behind sons Kaarlo and Konsta and the rest of his family, many friends, colleagues, and loved ones across the world.

Having studied forestry at the University of Helsinki, Esko went on to have an esteemed career as a lead tissue economist and distinguished consultant to Pöyry and Fastmarkets RISI, as well as a speaker at Fastmarkets and Tissue World's global conferences.

As a trusted authority in market analysis and forecasting, his reports, articles, and talks reflected a deep love and passion for our industry.

Matt Graves, Fastmarkets Editorial Director, said: "I'm very sad to learn of Esko's passing. Having worked with him for many years, I have never met anyone with a deeper understanding of the global tissue industry.

"He had an incredible and almost uncanny ability to dive deep into the subtle complexities which made his work so valued. My heart goes out to his sons Kaarlo and Konsta and the rest of his family."

A passionate world traveller and fluent in many languages, Esko's "wit, generosity, and fearless spirit will be deeply missed but never forgotten," Graves added.

Agnes Gehot, Tissue World Conference Producer, said: "In loving memory of someone who shaped our industry for over 30 years, sharing his tremendous knowledge, support and advice.

"I'll never forget his generosity, kindness, and the way he always made time to answer all my questions! He'll be deeply missed."

Hugh O'Brian, Founder of TissueStory.com and Tissue World, said: "Esko was totally unique, being that very rare combination of an absolute worldwide expert and super nice guy at the same time.

"We first met in 1989 and became friends



immediately. He knew more about the tissue business than anyone in the world but, in addition, he was very knowledgeable about so many other topics.

"A true gentleman who was always fun to meet. You will be sorely missed my dear friend!"

Bodo Kottwitz, BKay Tissue Advice, said: "Similar to the few headliners of our industry, Esko focussed on less popular niches like recovered paper and tissue long before the segments' dynamic growth, establishing a decision basis for investments, and laying a fundament for the increasing importance of the industry.

"He was straight and passionate in what he did – whether it was a single market data of a printed napkin, or a final drink with colleagues and friends. He will be dearly missed in both roles."

He said: "Saudi Arabia has evolved into a quality-driven tissue market, with annual growth stabilising at 7% over the past decade.

"Looking ahead, we conservatively forecast growth of 3-4% annually."

According to Fastmarkets, tissue consumption in

Saudi Arabia reached 280,000 tonnes in 2022. Fazary added he estimates this figure has since increased to 300,000tpy. With TM6 in operation, MEPCO expects to secure a 28-30% share of the domestic market.

The expansion follows the start-up of a tissue machine launched at the same facility in June 2023.

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## MEXICO

### GCP BOOSTS CAPACITY WITH YANKEE DRYER INVESTMENT

Grupo Corporativo Papelera (GCP) has invested in an A.Celli-supplied iDEAL FORGED Yankee Dryer to be installed at its Huehuetoca site.

TM5 will produce 100 tons per day of 13-35 gsm tissue paper. It has a diameter of 15" and will be used in a production line with a design speed of 1,800m/min to obtain reels with a width of 2.7m at pope reel.

Luis Fernandez, Deputy Chief Executive of Grupo Corporativo Papelera, said: "This latest order placed to complete the TM5 is a clear indicator of our intentions, and we look forward to working together with A.Celli again, confident of achieving another great result."

With over 20 years in the market, GCP is a Mexican company that manufactures private label tissue paper products.

It operates four paper manufacturing machines and operates with customers in Mexico and the United States.

Currently, 85% of its products are sold in Mexico and 15% in the United States.

## ALGERIA

### WAFA GROUP BOOSTS CAPACITY WITH TM INVESTMENT

Tissue producer WAFA Group is to boost its production capacity after investing in a Toscotec-supplied AHEAD tissue line for its plant in Ain Oussara, Algiers.

Start-up of PM1 is planned for 2026, and the machine has a sheet trim width of 2.8m and an annual production capacity of over 40,000 tons.

It is equipped with the latest press generation, a third-generation design TT SYD Steel Yankee Dryer with a patented heads insulation system, and high-efficiency TT Hood.

It will process 100% pre-dried virgin pulp and converting broke.

Lamine Zebda, General Manager at WAFA Group, said the project "represents a milestone" in WAFA Group's growth strategy.

The turnkey scope of supply includes the complete stock preparation system, Toscotec's patented Short Approach Flow system TT SAF, fibre recovery and water clarification systems, the complete tissue line with electrification and controls including Toscotec's TT Brain DCS, as well as dust and mist removal systems.

Toscotec will also supply the rewinder section.

Established in 1998 in Algeria, WAFA Group is a family-owned company and a leading producer of tissue products in the region.

It operates three facilities in Algeria specialising in the production of converted tissue paper, wet wipes, aluminium foils, buckets, stretch film, and various cosmetic products.

## SOUTH KOREA

### MSPEA COMPLETES SALE OF MSS HOLDINGS TO APP

Morgan Stanley Private Equity Asia (MSPEA) has closed the sale of MSS Holdings (MSS) – a portfolio company of a private equity fund that MSPEA manages – to Asia Pulp & Paper Group (APP).

MSS manufactures wet tissue, feminine hygiene, and diaper products in Korea, with lifestyle brands, CODI and Monalisa.

It operates under a unique vertically integrated business model, with capabilities across the value chain, from procurement and manufacturing to sales and distribution.

Michael Hwey Hoon Chung, head of MSPEA Korea, said: "With this closing, we believe MSS is well-positioned to embark on the next phase of its development with its new parentage of a globally established pulp and paper group."

Nishant Grover, Chief Executive, Tissues International, APP, said: "We are delighted to welcome MSS to APP and with APP's global expertise, MSS can offer APP's global high-quality tissue and hygiene products to Korea, providing Korean consumers with more innovative choices at competitive prices.

"MSS is expected to benefit from APP's operational expertise and global network. By leveraging its existing brands in Korea, MSS will gain access to international markets and benefit from synergies that will enhance its production efficiency and overall cost competitiveness. For APP, the transaction provides a meaningful presence in the Korean tissue and hygiene market, with instant access to iconic consumer brands and a nationwide domestic sales network."

Founded in 1972 and headquartered in Indonesia, APP is a global pulp and paper manufacturer with sales of pulp, tissues and paper and packaging products in over 150 countries.

## INDIA

### JANI SALES BOOSTS CAPACITY WITH PM2 START-UP

Jani Sales has expanded its tissue production capacity at its Sarigam mill to 57,000tpy after starting up a Baosuo-supplied tissue machine.

Based in Valsad, Gujarat, PM2 produces a range of 100% virgin pulp-based tissue products including facial tissues, paper napkins, toilet paper, and



**Production boost:** Jani Sales expands its tissue production capacity with PM2 start-up at its Sarigam mill, India

kitchen towels. An additional 21,000tpy of capacity has been started up, with the products varying in weight from 11.5 g/m<sup>2</sup> to 42 g/m<sup>2</sup>. They will cater to domestic and international markets.

The new line complements Jani Sales' existing PM1 machine, which manufactures recycled tissue paper products.

Originally a paper trading company, Jani Sales diversified its operations by establishing a paper manufacturing plant in September 2020.

With the addition of PM 2, Jani Sales said it is poised to strengthen its position in the tissue paper market, producing high-quality products to meet growing demand both domestically and globally.

## IRELAND

### ALDAR TISSUE BOOSTS CAPACITY WITH DUBLIN PLANT OPENING

Ireland's Aldar Tissue has increased its production capacity after opening its €15m manufacturing facility in Rathcoole, Dublin. The 100,000sq ft facility features fully automated, high-speed production lines, robotic packing, and wrapping technologies.

It manufactures consumer and professional tissue products, offering over 60 variations of kitchen towels and bathroom tissue.

The company said the machinery innovations will enable Aldar Tissue to transition from a 24/5 to a 24/7 operation by 2026, further increasing capacity.

Aldar Tissue was acquired by European independent packaging manufacturer and distributor Zeus Group in 2019.

## GLOBAL

### BUCKMAN ANNOUNCES 5-12% PRICE INCREASES

Buckman has announced a series of price hikes across North America, Europe, the Middle East, and North Africa.

The company announced a 5% – 9% price increase for all product lines in North America.

It said the price adjustment was necessary "to overcome pressure from inflation, transportation, labour costs and key material costs."

Across Europe, the Middle East, and North Africa, Buckman has announced 5% – 12% price increase for all pulp and paper lines.

All became effective on 1 December 2024, or as contracts allow.

Here, the business said the price hike was also necessary to overcome increased regulations, associated regulatory costs and key material costs.

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# INDIAN TISSUE CONSUMPTION IS RISING SLOWLY ... BUT A TENFOLD INCREASE WOULD STILL LEAVE IT BELOW THE WORLD AVERAGE

Impressive long-term capacity growth of 11.8% is stalling, but a modest rise in the birth rate of only 0.72% shows that usage is still moving forward. Report by Bruce Janda, Senior Consultant, ResourceWise.

In April 2023, India surpassed China as the world’s most populous nation. Over the past two and a half decades, China has emerged as the global leader in tissue production, holding the top spot in purchasing tissue equipment and supplies. However, tissue manufacturers and their supporting industries are closely monitoring India’s tissue industry’s rapid development, eager to establish another Asian hub for tissue production.

India’s tissue industry’s growth potential has long been a subject of interest. Despite its vast population, the country has consistently experienced anomalously low

tissue demand compared to other developing countries. Therefore, this historically low tissue consumption per capita has constrained the industry’s growth prospects. Understanding the reasons behind this low consumption and its potential for growth is crucial for the global tissue industry.

Given the anticipated growth in tissue consumption and, consequently, the demand for tissue fibres, it is important to acknowledge that large populations in Southern Asia and regions of Africa remain underserved or unserved. The question is how swiftly these latent demands will be realised. In a speech delivered a decade

TISSUE CONSUMPTION (KG/PERSON/YEAR)			
County	Microsoft Copilot	Perplexity	Author Opinion
Bangladesh	4.1	0.4	0.7
China	6.5	10.0	12.0
India	<0.5	<0.5	0.3
Indonesia	2.7	1.0	6.0
Nigeria	0.7	0.5	0.5
Pakistan	0.6	0.2	0.4
United States	25.0	25.0	24.0

As Reported by AI Web Searches



ago, Narendra Modi, then the newly elected Prime Minister of India, famously stated: "Building toilets is a priority over temples." India serves as a prime example of the challenges and opportunities presented by expanding global tissue product penetration. Toilets and indoor plumbing are essential catalysts for the adoption of toilet paper.

Generally, tissue consumption per capita reflects economic and cultural influences related to hygiene and sanitation standards. The United States stands out globally due to its advanced tissue market and high consumer demand, averaging around 25kg annually. This consumption is primarily for personal care and hygiene products. For perspective, the global average tissue consumption is a mere 5kg per person.

In stark contrast, many emerging markets such as India, Pakistan, and Bangladesh, have significantly lower usage at below 0.5kg per person. This disparity stems from varying habits and limited access to tissue products in these regions. While China's tissue consumption is lower compared to developed countries, it has experienced a rise due to economic growth and shifting consumer preferences, which are expected to further increase tissue consumption in the coming years.

To compare industry and consumer differences, a set of developed and developing countries was selected for this report. The United States was chosen as the world leader in tissue consumption per capita. This is attributed to cultural factors, economic growth, and the increasing penetration of products like kitchen roll towels used at home for cleaning and cooking instead of reusable fabrics. Additionally, the United States holds the world's largest share of commercial tissue products sold to businesses for use away from home.

Bangladesh and Pakistan share similar factors with India, including a predominantly Muslim population, while China serves as a direct comparison. Indonesia represents another Asian country that has rapidly developed its paper industry over the past quarter century and has become a net tissue exporter. Nigeria, an African nation that also uses English as a second language like India, is struggling to develop its hygiene industries.

To gain a global perspective, a web search was conducted using two AI platforms to retrieve tissue consumption per person data. Adjusted values are presented in the third column based on personal experience and direct calculations. These results are summarised in Table 1.

These results generated by large language model artificial intelligence demonstrate the vast range of variations in expert opinions that can be anticipated. For instance, Bangladesh's 4.1 Kg/per capita consumption seems quite high. In contrast, Microsoft's CoPilot does not provide as much documentation regarding the sources of its data as Perplexity does. Perplexity first acknowledges that a significant amount of specific data is unavailable, but then lists the references used to infer the data. Notably, several of these web references include Tissue World Magazine.

## SPECIFIC PERPLEXITY REFERENCES GENERATED:

- <https://www.tissueworldmagazine.com/departments/marketissues/global-average-per-capita-tissue-consumption-stands-at-above-5kg-but-10kg-is-possible/?t>
- <https://www.tissueworldmagazine.com/departments/exitissues/chinas-state-of-the-nation-tissue-report-overcapacity-a-serious-concern-as-market-competition-and-innovation-increase-with-dual-carbon-goals-extended-2/>
- <https://www.tissueworldmagazine.com/departments/operations-report/a-southeast-asian-premier-titan-embarks-on-visionary-expansion/>
- <https://www.tissueworldmagazine.com/departments/marketissues/india-tissue-market-growth-insights/>
- <https://www.tissueworldmagazine.com/country-report/indonesia-country-report/indonesia-poised-to-get-back-on-its-fast-growth-pathway/>
- <https://www.thepulpandpapertimes.com/india/news/Outlook-of-Paper-Tissue-Industry-in-Bangladesh-587>
- <https://www.polarismarketresearch.com/industry-analysis/tissue-paper-market>
- <https://www.fastmarkets.com/insights/tissue-demand-revived-globally-but-china-weak-in-2022/>

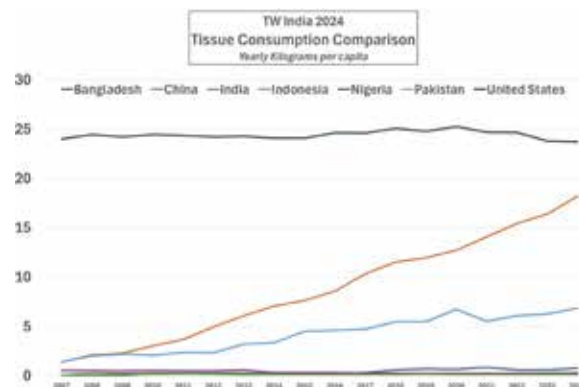


Figure 1: Tissue Consumption Comparison (Calculated using FisherSolve data)



Figure 2: India Tissue Mills

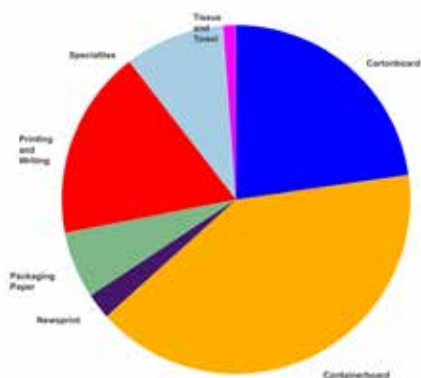


Figure 3: India Paper Capacity

- <https://www.indexbox.io/store/pakistan-toilet-or-facial-tissue-stock-towel-and-similar-paper-market-analysis-forecast-size-trends-and-insights/>

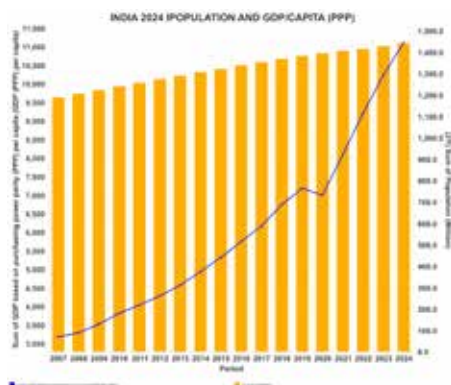


Figure 4: India Population and GDP/CAPITA (PPP)

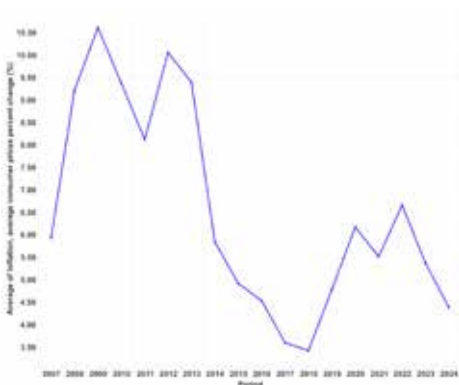


Figure 5: India Inflation

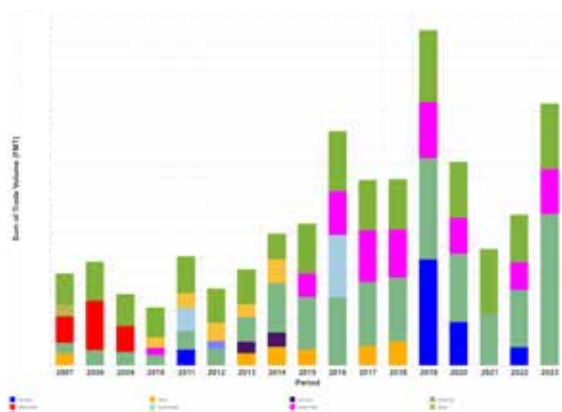


Figure 6: India Tissue Imports

or-facial-tissue-stock-towel-and-similar-paper-market-analysis-forecast-size-trends-and-insights/

- <https://www.indexbox.io/store/pakistan-toilet-or-facial-tissue-stock-towel-and-similar-paper-market-analysis-forecast-size-trends-and-insights/>
- <https://www.yuanhuapaper.com/tissue-paper-products-market-in-bangladesh-2023/>
- <https://www.mordorintelligence.com/industry-reports/global-tissue-paper-market-industry-market-size>

The straightforward approach to calculating annual tissue consumption per capita involves noting the current installed capacity in each country and adjusting it based on the net effect of trade to determine domestic supply. This supply is then divided by the country's population.

Figure 1 illustrates a trend line for each country in the comparison set using FisherSolve data. While this approach is suitable for accountants and engineering mindsets, it has the potential to be misleading. UN Comtrade data may not always be accurately reported and could be out of sync with the current time. Tissue industry capacity data is a forecast for the current quarter and may not reflect downtime that occurred. Additionally, new capacity and debottlenecking may be counted early or late. Furthermore, tissue in storage or transit volumes are assumed to be steady-state, disregarding any changes in customer or consumer storage. One way to mitigate timing or measurement errors is to analyse the data in a trend, as depicted in the chart.

India, Pakistan, Bangladesh, and Nigeria all have significantly lower per capita fibre consumption rates, which makes the scale misleading. Surprisingly, the United States rate has been declining since the pandemic. This is likely due to reduced hoarding (in homes and small businesses) and the continued rise in advanced technology products that require less fibre per person. On the other hand, China's rate appears excessively high. This is attributed to China's tissue industry issues, including overcapacity and other economic factors affecting domestic consumer demand. These factors were considered when developing the figures presented in the opinion column of Table 1. The bottom line is that Indian tissue consumption could increase tenfold and still be below the world average. How quickly this happens depends on how quickly India solves some of the issues holding back the development of toilet access, consumer product distribution, consumer tissue benefit awareness, tissue expectations in the hospitality and industrial sectors, and more.

India does indeed have tissue mills, as the current locations are indicated on the map in Figure 2. Approximately 28 sites are currently producing tissue in India, and there are around 35 existing tissue machines. India's total tissue capacity has experienced

a remarkable growth rate of 11.8% (compound annual growth rate) from 2007 to 2024. However, the announced capacity from 2025 to 2028 suggests a growth rate of only 6.7%, indicating that the growth rate is not accelerating. Nevertheless, India's population growth rate in 2024 is estimated to be a modest 0.72% indicating that issue consumption is slowly increasing.

India's tissue industry, though small compared to its population, has a rich history with papermaking technology. Figure 3 presents a breakdown of paper grades produced, with containerboard and cartonboard being the most prominent. The remaining grades each exceed tissue capacity.

Most Indian paper production, across all grades, relies on recovered fibre from recycled papers. The FSC has recognised and acknowledged India's recycling of waste raw materials. To obtain FSC recycling certification, an organisation must demonstrate that over 70% of its waste raw materials are recycled. Notably, the Indian paper industry exclusively sources raw materials from non-forest trees, preserving natural forests. Approximately 1.8 lakh hectares of plantations in India are certified by the FSC. Notably, most tissue production is also based on recovered fibre.

India's population and GDP/Capita (PPP) is shown in Figure 4. India's rapid population growth is over, but its demographics support growth better than that of the ageing United States or China.

Real GDP has been growing at 7-10% in the past three years. This also supports increased tissue consumption.

India's experience with inflation was typical during the recent pandemic and European war years. However, an earlier bout of high inflation during the Great Recession appears to have been corrected. This represents another positive tissue consumption growth factor.

The country's unemployment statistics are notably absent from the usual country report chart. The World Factbook provides India's unemployment rate, which has decreased from 6.38% in 2022 to 4.17%.

India imports more tissue than it exports. Figure 6 shows that tissue imports are increasing with expected pandemic upsets. Tissue imports have rotated through a variety of regions. The latest and most recent imports are from Indonesia, South Korea, and Australia.

The corresponding export trend is shown in Figure 7. The scale on the exports chart is somewhat smaller as imports exceed exports. Qatar has purchased most recent exports along with Sri Lanka.

Figure 8 plots the relative tissue capacity of each country in the comparison set. China has a vast tissue capacity, followed by the United States. India shows a larger tissue capacity than Pakistan, Bangladesh, and Nigeria. Again, tissue consumption rates are very different. Interestingly, China has developed a significant share of commercial tissue business outside the home, like the United States. Indonesia is starting to create a commercial tissue business while India's is a small one, just visible on the chart.

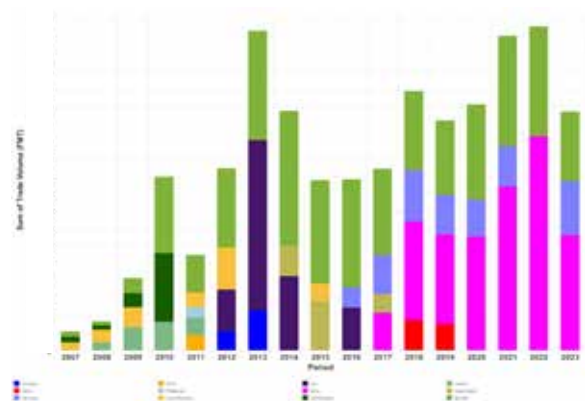


Figure 7: India Tissue Exports

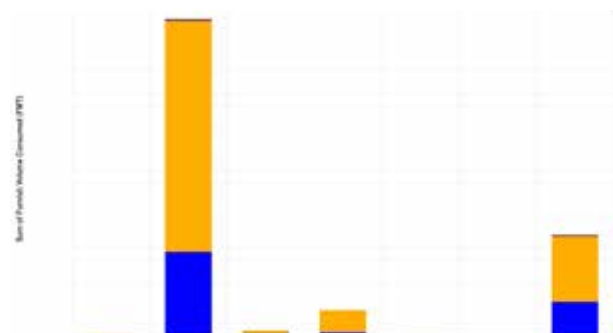


Figure 8: India Tissue Capacity Comparison by Grade

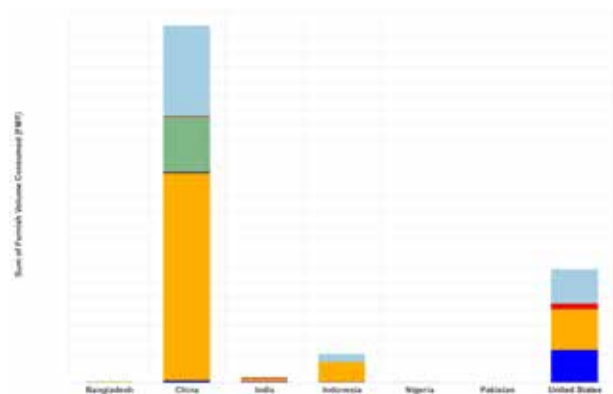


Figure 9: India Tissue Capacity Comparison by Fibre Type

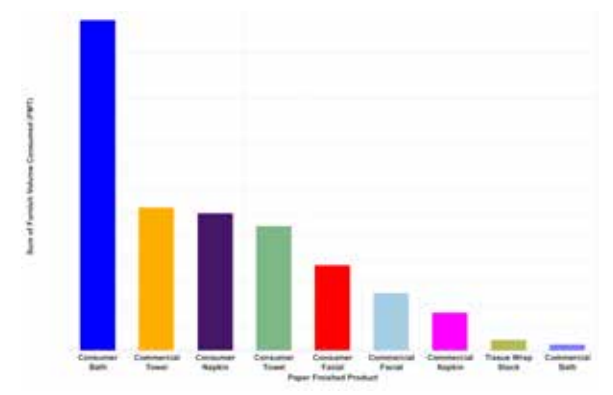


Figure 10: India Tissue Production by Finished Product

Figure 9 provides the same chart type but shows each country's typical fibre type used for tissue production. Indian tissue uses deinked, non-deinked, hardwood, and softwood. China is about 15% non-wood fibre.

The United States, on the other hand, uses a huge proportion and absolute amount of deinked fibre in tissue production. India's tissue production is broken out by tissue product format in Figure 10. Consumer bath is the largest category. Commercial towels, being the second largest category, are worthy of further study as this is unexpected.

Figure 11 illustrates this comparison, plotting the average technical age of each country's machines on the X-axis against the average tissue machine line speed on the Y-axis. The size of each bubble represents the total capacity of each producing country. India's tissue fleet is the 2nd newest, just ahead of Indonesia. However, India's tissue machines are slower than those of Bangladesh or Nigeria. This indicates that the quality of India's relatively new machines may not be very high. Pakistan is somewhat of an anomaly due to the world-class speeds achieved by its tissue machines.

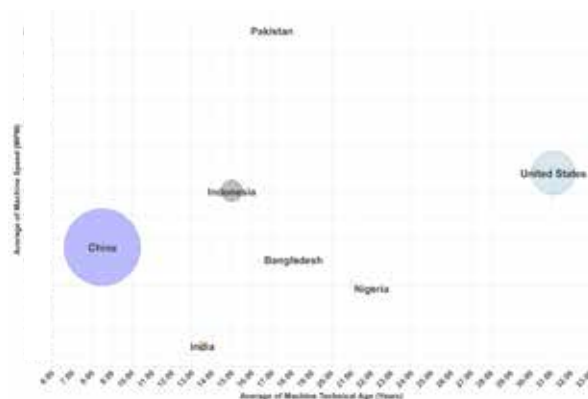
Figure 12 compares the same countries alongside India, focusing on the average cash cost of producing a ton of tissue. The height of each bar indicates the production cash cost for each country, while the width represents their relative tissue capacity. Additionally, the coloured segments within each bar illustrate the costs involved, including raw fibre materials, market pulp, chemicals, energy, labour, materials, overhead, and any credits.

India has the third lowest production costs among the group. A comparison of the color-coded bar stacks reveals differences, particularly in the larger proportion of costs from energy expenses faced by Indian tissue mills.

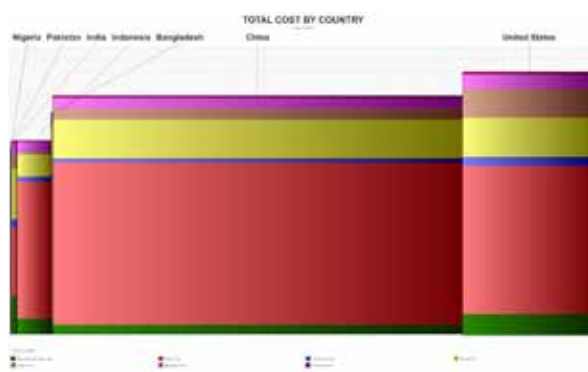
A snapshot of the average tissue machine and mill viability is shown in Figure 13. In this case, the cost of the bar height is determined by viability factors, where cost is only one of the eight factors considered. The legend shows these factors as capital required, cost, grade risk, internal company risk, competitiveness, size, technical age, and tons per unit trim. India, Bangladesh, and Nigeria have the worst viability scores. India's deficiencies are the size of operations and low trim width, indicating lots of room for improvement.

India's tissue consumption is on the rise, and its tissue production capacity is expanding to meet this demand. If India were to achieve the global average annual tissue consumption of 5kg per person, its tissue production capacity would need to increase by tenfold. This growth phase has already commenced, but there's still a long way to go to reach the pace seen in China. While India's tissue consumption has the potential for rapid growth, it's unlikely it will receive the same level of government support and investment as China's tissue sector. Indian tissue consumption requires more than just favourable consumer economics. Structural issues related to home and commercial hygiene facilities, cultural differences from Pakistan and Bangladesh, and consumer habits will take time to address. Therefore, we shouldn't expect Indian tissue to develop at the same pace as China's experience. Slower growth is more probable.

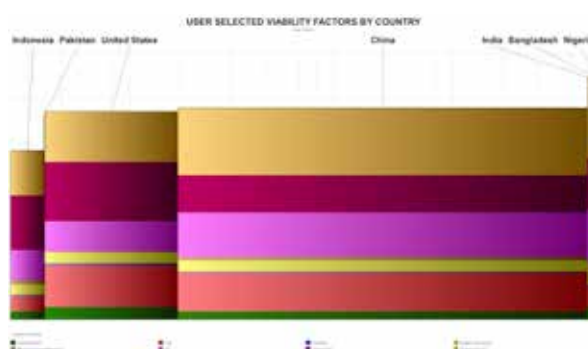
Tissue consumption estimation goes beyond a simple calculation. Developed economies have access to



**Figure 11:** India Tissue Machine Quality Comparison by Technical Age and Speed



**Figure 12:** India Tissue Average Cash Cost Comparison



**Figure 13:** India Average Tissue Machine Viability Comparison

scanner data that directly measures the sales of each product. Notably, the United States is now missing some of this data due to confidentiality concerns from warehouse club stores with significant tissue sales.

A detailed understanding of tissue producers and individual machines is essential for analysing the competitive landscape. This article offers an overview of the current tissue industry in India. Fluctuations in fibre prices, exchange rates, and environmental regulations present both advantages and challenges for industry participants. Additionally, ownership changes and consolidations are expected to continue among tissue mills in India, while investments in tissue-making capacity from neighbouring countries could influence imports and exports.

The top half of the advertisement features a dark red background. On the left, there is a circular graphic with concentric rings. The innermost circle is dark red and contains the text 'TAD+®' in white. A thin white line extends from the right side of this circle towards a larger circular inset on the right. This inset shows a microscopic view of a white, textured surface with a repeating cross-like pattern.

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# 'DUAL FOCUS ON HYGIENE AND SUSTAINABILITY POSITIONS INDIA'S TISSUE INDUSTRY FOR A BRIGHT AND IMPACTFUL FUTURE'



A highly fragmented and disorganised market means limited consumer knowledge of tissue benefits ... and a drive for the cheapest options. Now, brands are gearing up to increase consumer awareness and establish distinct identities. Report by Pallavi Arora, Research Analyst, Euromonitor International.

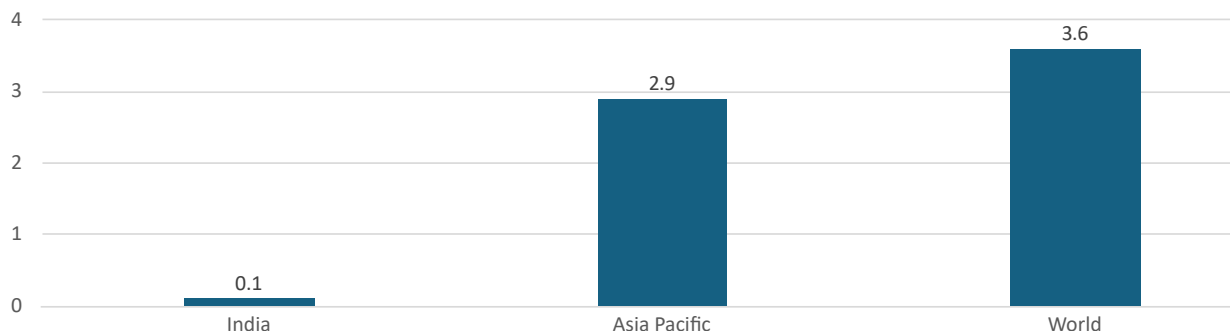
India - home to the highest population in the world - exhibits remarkably low tissue consumption compared to global and Asia-Pacific averages. While China's per capita retail tissue consumption stands at 6.7kg, India lags significantly at just 0.1kg. Given the close population figures, the disparity in retail tissue consumption between the two nations is striking.

Several factors contribute to India's low tissue consumption, including traditional practices, economic constraints, and limited awareness.

Many Indian households have historically relied on reusable textiles, such as cloths and towels over disposable tissue products for personal and household hygiene. This cultural norm positions disposable tissues as less of a priority. Additionally, economic factors play a significant role; a substantial portion of the population still grapples with financial constraints, leading many consumers to favour more cost-effective, reusable alternatives. For lower-income segments, tissue products are perceived as luxuries rather than necessities.

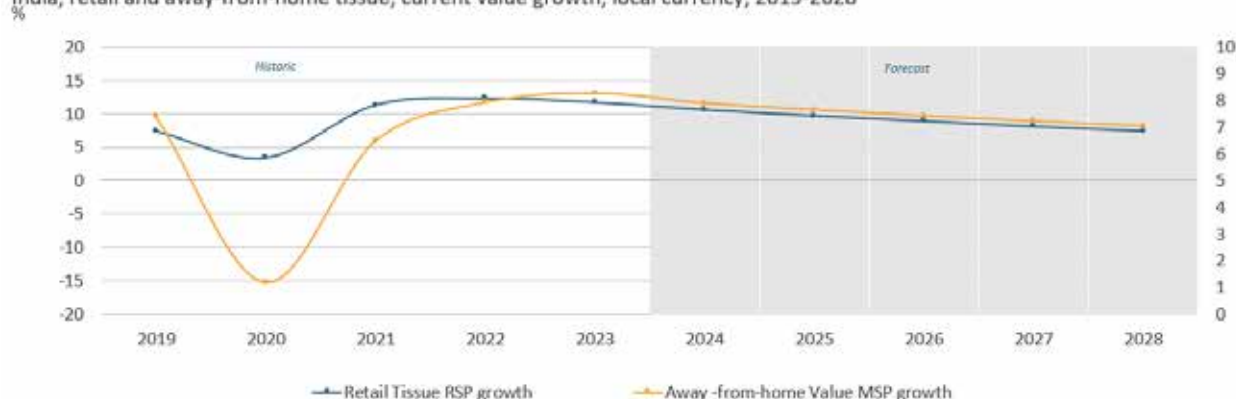
Per capita retail tissue consumption, 2023

kilogram



Source: Euromonitor International Tissue and Hygiene data published in February 2024

India, retail and away-from-home tissue, current value growth, local currency, 2019-2028



Source: Euromonitor International Tissue and Hygiene data published in February 2024

Additionally, awareness of the benefits of tissue products, such as convenience and hygiene, remains low, particularly in rural areas where about 64% of the population resides. Many in these regions are unaware of the advantages and uses of disposable tissues, continuing to rely on reusable cloths due to economic limitations and limited knowledge.

However, this landscape is beginning to change, presenting significant growth opportunities, especially within urban populations. Post-Covid, there has been a heightened focus on hygiene and health, resulting in increased demand for disposable tissue products. Urban consumers are realising the importance of personal hygiene and convenience, driving a shift towards adoption of tissue products. This trend is further supported by the expanding middle class, which is more inclined to invest in hygiene-related goods. Additionally, the rise of e-commerce and quick commerce platforms has made these products more accessible, allowing consumers to purchase them online and receive deliveries in as little as 10 minutes, all from the comfort of their homes.

Meanwhile, AfH tissue consumption is becoming a key growth area in India's tissue industry. As urban lifestyles evolve, consumers are dining out, travelling, and spending more time in public spaces, which has led to an increased demand for disposable tissues. Restaurants, cafes, and workplaces are recognising that providing these tissues enhances the customer experience by promoting a clean and hygienic environment. Facilities that focus on sanitation are particularly appealing to hygiene-conscious consumers, making tissues an essential component of the hospitality experience. This shift highlights a growing awareness of hygiene in AfH settings.

The growth in AfH tissue consumption is also positively influencing at-home usage. As consumers become accustomed to the convenience and hygiene benefits of tissues in public settings, they are more likely to adopt similar practices at

home. This trend is fostering greater awareness and acceptance of tissue products as essential household items.

Overall, the interconnected rise of tissue consumption in both public and private settings is creating a ripple effect, encouraging broader adoption of tissue products in everyday life across India.

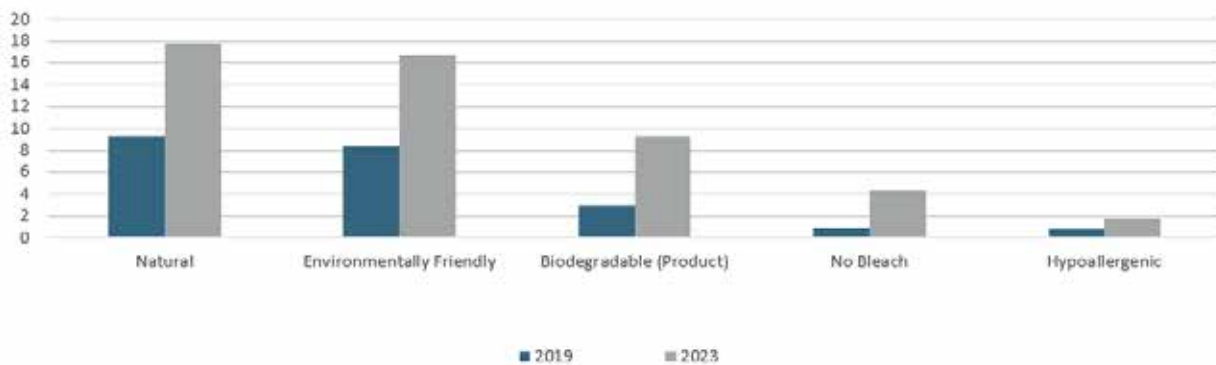
### OUTLOOK: POSITIVE PROSPECT WITH SUSTAINABILITY AS AN EMERGING TREND

Looking ahead, India's disposable income is expected to grow at a compound annual growth rate (CAGR) of 11.1% in local currency (current) terms from 2024 to 2029. This growth is set to outpace the average for the Asia Pacific region, highlighting India's robust economic trajectory. With increasing disposable income, consumers are expected to spend more on disposable tissue and hygiene products, contributing to the growth of the tissue industry. The convenience and hygiene offered by disposable tissue products are expected to play a crucial role in influencing purchasing habits, especially in urban settings where lifestyles are evolving rapidly.

Consumers in India are becoming increasingly concerned about the environment and are eager to take action to make a positive impact. According to Euromonitor Sustainability Consumer Survey, in 2023, about one-third of Indian respondents reported that they strive to contribute positively through their everyday actions. This growing commitment to environmental issues highlights the importance of sustainability in consumer decision-making. Consequently, sustainability is emerging as a key factor in the tissue industry, where eco-friendly practices and products are shaping market trends and meeting the evolving preferences of environmentally conscious consumers.

In response to the sustainability trend, tissue brands are increasingly focusing on eco-friendly

Top 5 Product Claims in Retail Tissue, India, 2019-2023  
% of online SKUs with claim



Source: Euromonitor International

Source: Euromonitor International

practices, including sustainable sourcing, production, and packaging. This shift involves using recycled materials and adopting biodegradable and compostable options to minimise environmental impact. Companies are also likely to invest in transparent supply chains to reinforce their commitment to sustainability. An example of this trend is Beco, a direct-to-consumer home grown brand in India that offers unbleached bamboo tissues made from 100% bamboo pulp. These tissues are biodegradable and sustainably sourced, contributing to reduced landfill waste. Additionally, their eco-friendly packaging reflects a growing commitment to sustainability.

### BRAND DIFFERENTIATION AND PRIVATE LABELS WILL RESHAPE CONSUMER PREFERENCES

The tissue market in India is currently highly fragmented and unorganised, with more than 80% of the market categorised as "others", predominantly consisting of unbranded products. This lack of brand awareness stems from limited consumer knowledge regarding tissue quality, leading many to opt for the cheapest available options, including unbranded products. However, during the forecast period, as brands focus on differentiating themselves through quality enhancements, innovative packaging, targeted marketing, and sustainable practices, they will have the opportunity to establish a distinct brand identity.

As a result, consumers are expected to seek out specific brands in retail tissue products, moving away from the purely price-driven mentality.

Additionally, the rise of private labels is anticipated as retailers launch their own branded tissue products. The growth of private labels can be attributed to several factors: increased consumer trust in retailer brands, competitive pricing, and the ability to offer unique value propositions. Retailers are leveraging their market position to introduce

**The tissue market in India is currently highly fragmented and unorganised, with more than 80% of the market categorised as "others".**

high-quality private label tissue products that can compete with established brands. This trend is particularly effective in driving tissue market growth, as consumers are willing to explore these alternatives that promise quality at an attractive price point.

In conclusion, the overall tissue industry in India is likely to thrive in the forecast period. As consumer awareness of hygiene and environmental issues increases, the demand for sustainable tissue products is expected to rise. Companies that embrace sustainability, transparency, and innovation are likely to capture market share while also contributing positively to environmental goals. This dual focus on hygiene and sustainability positions the tissue industry for a bright and impactful future in India.

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# OPII'S ROOT AND BRANCH REVIEW ADVANCED ITS VALUE CHAIN AS IT EXPECTS MARKET GROWTH OF 18-20%

Ashwin J. Laddha, Managing Director and Chief Executive of the pioneering Orient Paper Industries, explains the dramatic changes taking place in tissue consumption. Report by TWM Senior Editor Helen Morris.

**F**or several decades, actualising India's tissue potential has remained tantalising close. The country's low tissue consumption per capita – 0.1kg compared to the global average of 6kg – has historically constrained its growth potential. Yet now in 2024, it is witnessing a transformative shift. With an ever-increasing number of the country's 1,450,935,791 inhabitants having access to disposable income, urbanisation, and a post-Covid hygiene awareness have planted the seeds for robust market growth.

TWM first visited India's tissue mills – including integrated pulp producer and tissue manufacturer Orient Paper Industries (OPIL) – almost a decade ago, in 2016. Back then, the question remained: when, not if, will tissue consumption take off among India's then population of 1.25bn? Our Country Report discussed how top industry managers were preparing for that "momentous cultural change." On meeting OPIL's then Managing Director, Mr. ML Pachisia, at the company's Kolkata site, Mr. Pachisia discussed the vast potential of India's tissue industry, and how the business was rapidly responding to the changes.

Founded in 1936, OPIL is a part of the \$3bn CK Birla Group and diversified into tissue production in 1997. It has since become a market leader, with an annual production capacity exceeding 100,000 tonnes and a presence in 15+ countries.

A 9,000tpy Toscotec-supplied tissue machine to produce a range of facial, toilet tissue, napkin, and towel grades was initially started up, with a second Toscotec-supplied Crescent former with a capacity of 16,000tpy later installed. At the time, Mr. Pachisia described how people "thought we were mad" to be investing in tissue: "And while it takes time, ever since we've been reaping the benefits," he'd said.

To further cement the company's presence in the tissue market a third tissue line – supplied by Valmet – has also been added.

Ashwin J. Laddha, OPIL Managing Director and Chief Executive, is at the forefront of this change, steering the company with a bold vision to seize emerging opportunities: "We anticipate 18-20% growth in the tissue segment by revitalising the entire value-chain ecosystem," he says, speaking from his Kolkata office. "Our strategy involves engaging deeply with stakeholders, targeting micro-markets, and innovating specialty tissues to meet specific demands."

The company has reimagined the business: "We've leveraged our rich 88-year-old heritage to pioneer advancements in the tissue industry. From early investments in Toscotec and Valmet machinery to producing India's first

high-quality virgin tissue, we've consistently set new benchmarks."

Laddha says OPIL has "transformed from a product-centric to a solutions-driven organisation." He adds: "Over 60% of our portfolio now consists of value-added products (VAP), reducing dependence on commodity offerings and shielding us from market volatility."

This shift has been driven by investments in advanced technology, which he says has enabled the company to diversify its product range and optimise its product mix, including GSM gains: "While we have no plans to enter tissue converting, we are addressing broader market needs through innovative offerings."

As an integrated pulp producer, digital transformation has also been a cornerstone of OPIL's recent advancements. "In 2024, we upgraded our production units with state-of-the-art QCS and DCS systems, stabilised SAP-HANA infrastructure, and laid the groundwork for Integrated Control Systems (ICS) by FY25," he says. "There is an extreme sense of urgency. We aim to make the whole business agile, that will be one of our USPs. This will give us our 100/150 business point margin cover and will help with our efficiency. As an industry, pulp producers have technology that has a lot of competition and is much larger in total volume. We must look at the overall overheads, cost efficiencies, and economies of scale. That is how we're using digital technology, partnering with the best companies in the world such as BTG. Here, we will be one of the first companies to have total migration towards closed

**"We've leveraged our rich 88-year-old heritage to pioneer advancements in the tissue industry. From early investments in Toscotec and Valmet machinery to producing India's first high-quality virgin tissue."**



loop systems in our category. We have already started the journey here."

On the sustainability front, OPIL has adopted Elemental Chlorine-Free (ECF) processes, upgraded pulp and digester capacities, and embarked on initiatives to make its Amlai unit water-positive. "Our virgin bamboo tissue—biodegradable, eco-friendly, and made with minimal chemicals—represents a significant innovation aligned with our commitment to sustainability."

How is the demand for environmental-friendly tissue products and production? "I see that the main question is how much premium do we want to pay for sustainable products? Companies want to do this, but only if it doesn't cost them. It's only some places such as Scandinavia that are truly sustainable. In India, I think it's a long way to go."

Elsewhere, Laddha highlights the Orient Stars Converter Accreditation & Recognition (OSCAR) programme, which he says is "a game-changer" for India's tissue market. "This first-of-its-kind initiative elevates 800+ tissue convertors to exclusive partners, offering them co-branding opportunities, training, and access to premium product lines." Through OSCAR, OPIL has created a collaborative ecosystem, helping convertors transition from distributors to brand ambassadors. "It's not just about selling products; it's about knowledge sharing, strategy building, and fostering innovation in the tissue segment," he adds.

OPIL the company's agroforestry initiatives span 1.2m acres across 1,089 villages, benefiting 450,000 individuals. "We've empowered 90,000

smallholders through training and empowered 6,000 women entrepreneurs, with a target of 10,000," Laddha says. "By promoting cash crops alongside eucalyptus plantations, OPIL is creating sustainable income opportunities for farmers. This isn't just about ESG; it's about building vibrant, self-sustaining communities."

India's tissue market is growing at 13.3% annually as per IPMA report, with the AfH segment dominating consumption. However, Laddha sees significant potential in the At-Home segment, particularly in kitchen towels and napkins. "Lifestyle changes, such as dual-income households and increased dining-out culture, are driving demand for new tissue categories," he observes. "Our comprehensive mapping of the tissue value chain helps us cater to these evolving needs effectively."

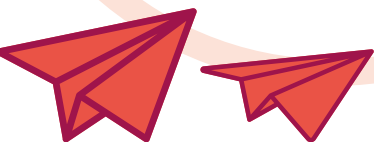
How will the business modernise its facilities in the short term? "Timing is not very favourable right now because of the global pulp pricing, but we are taking the right course and investing. At a macro level, in the hygiene category we are also solving a bigger need for society. Earlier using a tissue here in India was a luxury - even as recently as TWM's last report in 2016. This contrasts to these post-Covid times where tissue use has very much become part of people's routines and lifestyle. This change has been dramatic and fast. We are driving that change."

India currently imports more tissue than it exports: when does he think the country's potential will be realised? "Yes in India, the market size is currently around 7,000 tons per month for virgin tissues. And combined with recycled, it would be close to 15,000 tons per month." The tissue market is growing at a rate of 13-15%, it's growing very fast. Over the next two years there are also new players coming into the business and one aspect is that the domestic supply will increase, so India will become a net exporter as a country. But more importantly, this will accelerate growth."

Looking ahead, Laddha says he envisions OPIL as "a leader in innovation, sustainability, and community impact. We aim to increase tissue's share of our business from 45% to 55%, driven by capacity expansions and targeted investments."

Despite challenges like global pulp pricing, OPIL remains focused on long-term goals. "Our legacy, coupled with a futuristic vision, positions us to shape the future of India's tissue industry, creating value at every stage," he adds.

**"We've empowered 90,000 smallholders through training and empowered 6,000 women entrepreneurs, with a target of 10,000."**



# JANI SALES' RECENT PM2 START-UP AND FURTHER GROWTH AMBITIONS WILL HELP MEET INDIA'S PROJECTED 12% CAGR IN DECADE AHEAD

Director Abiali Jani explains the advancing production strategies and changing consumer choices behind India's buoyant market. Report by TWM Senior Editor Helen Morris.

**"O**ur local Indian market is looking very promising", Jani Sales Director Abiali Jani says from his office at the company's tissue plant in Sarigam, north of Mumbai. "It has a consistent growth trajectory - the tissue industry in India is growing in double digits, driven by factors such as changing buying patterns and the growing influence of the younger population."

Over the next decade, he says that India's tissue paper market is projected to experience substantial growth, with a compound annual growth rate (CAGR) exceeding 12% during the forecast period. "This growth is primarily driven by the growing demand from institutional consumers such as hotels, restaurants, and hospitals," he adds.

Established in 1979 as a trading company for Paper & Paper Board products, Jani Sales is a family-run business led by Saifee Jani and his sons Abiali, Abizer and Abilfazal. In June 2020, the company diversified into MG grades production with the start-up of its first jumbo reel on PM1 at its plant in Sarigam.

In October 2024, the company further expanded its tissue production capacity at its Sarigam mill to 18,000tpy, after starting up a Baosuo-supplied tissue machine. PM2 produces a range of 100% virgin pulp-based tissue products including facial tissues, paper napkins, toilet paper, and kitchen towels. An additional 18,000tpy of capacity has also been started up as part of the \$10m project, with products varying in weight from 11.5g/m<sup>2</sup> to 42g/m<sup>2</sup>, and they will cater to domestic and international markets.

With a combined annual capacity of 50,000MT, Jani Sales is now one of India's largest producers for tissue (jumbo rolls) and

MG paper, selling its products into over 10 countries across four continents.

It is the company's second plant, with the first being an MG machine that produces 100MT/day of kraft and poster grades. "Together, these plants will achieve an annual production capacity of 50,000MT," he says. "Our products are FSC and food-grade certified, and we are also planning to diversify further and invest in converting lines in the near future."

With the recent addition of PM2, Jani adds that the business is now "poised to strengthen its position in the tissue paper market, producing high-quality products to meet growing demand both domestically and globally."

**Over the next decade, India's tissue paper market is projected to experience substantial growth, with a compound annual growth rate (CAGR) exceeding 12%.**





**Production boost:** the company started up a Baosuo-supplied TM at its Sarigam mill (pictured) in October 2024

**With a combined annual capacity of 50,000MT, Jani Sales is now one of India's largest producers for tissue (jumbo rolls) and MG paper, selling its products into over 10 countries across four continents.**

How does the business plan to play its part towards that projected 12% CAGR for the decade? "As we approach the end of 2024, we are focusing on our converting lines. We are also hopeful that we can install a PM3 by the first quarter of 2026."

Indian consumers, he adds, are increasingly environmentally conscious: "This is leading to a surge in demand for sustainable and eco-friendly tissue products, and this is a big potential area for our company. Responding to that surge in demand, manufacturers such as ourselves are developing products made from recycled materials and biodegradable ingredients."

The Covid-19 pandemic "significantly impacted" tissue purchasing habits and consumer behaviour. India's AfH market has "largely recovered" from the impact of the pandemic, which Jani says has been driven by the increasing demand from the hospitality, healthcare, and foodservice sectors. "With increased focus on health and hygiene following the outbreak of the pandemic, people have become more conscious of their tissue usage. This has resulted in a surge in demand for essential tissue products such as toilet

paper, paper towels, and tissues. This increased demand has led to a shortage of these products in some areas, highlighting the need for manufacturers to ramp up production."

Consumers are increasingly seeking hygienic and sustainable tissue products such as bamboo toilet paper and eco-friendly paper towels: "This shift in consumer preference is driving innovation in the tissue industry, with manufacturers developing new products that cater to these demands. Overall, the Covid-19 pandemic has had a significant impact on tissue buying habits and consumer behaviour, driving changes in demand, preferences, and habits."

Previously, there was a gap in demand for tissue products in India: "This gap has now been filled. There were very few virgin tissue manufacturers, while recycled tissue manufacturing was much higher. Now, due to urbanisation and a shift in hygiene-based habits, virgin tissue requirements are on the rise. We expect that smaller units will see consolidation."

The Indian tissue market is also witnessing a "significant shift" towards e-commerce and digital channels. Jani says this is driven by increasing internet penetration and the need for convenience. "Manufacturers are responding by developing

online sales platforms and partnering with e-commerce companies."

There is also a move towards green energy as it is "more sustainable and financially viable for plants". The company is investing heavily in wind and solar energy to reduce its energy costs. "We are committed to reducing our environmental footprint and increasing sustainability. To achieve this, we have set several goals and plans in motion.

"We are leveraging digitalisation to improve efficiency and sustainability, and this includes implementing new technologies such as quality control systems to reduce raw material and drying energy savings."

It is also committed to reducing plastic use in its operations: "This includes exploring alternative packaging materials, reducing plastic waste, and implementing recycling programmes," he says. "We are working to optimise our supply chain to reduce carbon emissions and improve efficiency. This includes implementing sustainable logistics practices, reducing transportation costs, and improving inventory management. We are committed to continuous improvement and will continue to explore new ways to reduce our environmental footprint."



**Family-run Jani Sales:** (L-r) Abizer Jani, Saifee Jani, Abiali Jani, Abil Fazal Jani



**Demand boost:** people have become more conscious of their tissue usage, resulting in a surge in demand for essential tissue products such as toilet paper, paper towels, and tissues

There has been a significant shift in tissue prices post-pandemic: "The market experienced a substantial change, prompting numerous brands to prioritise personalisation which enhances the value of their products. This trend presents a promising future for the industry."

As for the next few years, he concludes that as the company and sector are "heavily reliant on market pulp, pricing stability emerges as a crucial factor." Yet the current global political and economic conditions make it "challenging to predict the market's trajectory."

**PM2 start-up:** (L-r:) Saifee Jani, Farzana Jani, and Abiali Jani in front of the new 18,000tpy tissue machine



# AS TISSUE PAPER MILLS MUSHROOM AND INDIA'S GROWTH CONTINUES, THE STYLISH BEETA TISSUES SEES ONLINE SELLING AND UPSELLING AS VITAL

In 1992, Sumit & Meena Khanna set out to create innovative, high-quality tissue products from a small garage. Now, their FSC-certified face tissues, napkins, and rolls are found in boutique stores and supermarkets across the country. Here, Sumit discusses their evolving business model.



**Above:** Founders Sumit (far right), Meena Khanna (middle), and colleagues; the company is enthusiastic about the future and is planning to increase its installed capacity by three-fold.

**T**he growth trajectory of India has taken many by surprise. The country continues to grow at a healthy pace despite world-wide recessionary trends. This buoyant mood has paid dividends across industries to a varying degree. As an outcome, tissue paper mills have been mushrooming across the country. Consequently, the issue of additional capacity and intense competition must be managed. We expect to see mergers and acquisitions over the next five years.

Fortunately, the energy crisis due to the wars has not adversely affected India and inflation trends have been controlled.

Post Covid, there has been an upward trend in tissue consumption mostly in the kitchen towel segment. The dependence on cloth for cleaning in the kitchen sector is seeing a lower trend.

Traditionally, Indians use water for personal cleaning in toilets. Despite a 43% increase in international travel since 2022, toilet tissue is not a preferred choice. Toilet tissue has found a place

in most urban toilets and the AfH sector for drying post cleaning.

The increase in disposable incomes and being the fastest growing economy will surely increase the gross sale of towel and tissue products, but the advent of more players is going to make margins bleaker.

Like most other countries, in India we are also trying to find the environment, economy, and equity balance. Sustainable solutions are being implemented as most are getting regulated and mandated by government agencies. There is a preference amongst the youth and the well-travelled Indians to look for these products, though currently this market is in the nascent stage. To keep up with the evolving world, we have also shifted our packaging to more eco-friendly options.

Brand loyalty in India is not too high in the tissue segment, yet surprisingly private labels don't find their place in many Indian homes or offices. The only private label that manages to dent the existing brands is Amazon's private label.

Beeta Tissues has always prided itself on its innovative products. Strategic marketing being the enabler for our brand presence, our products are appreciated for their quality and reliability. We are enthusiastic about the future and are planning to increase our installed capacity by three-fold. Despite the lower consumption pattern in India compared to the west, we are planning to progress to automated packaging machines. We intend to aggressively market these aesthetically packaged products and increase our pan India presence.

India has an impressive 54% adoption of digital solutions and 78% of the population have active cellular connections, which amounts to 1.12 billion connections. Post Covid, shopping modes are moving online slowly but steadily.

As we move forward, a comprehensive and thorough strategy focussing on, online selling and upselling in conventional offline retail chains is imperative.



**Examples of Beeta Tissue's products include exotic kitchen towel to packaged tissue:** the company has always prided itself on its innovative products



# '360 DEGREES OF DIPLOMACY AND TRADE' – TÜRKİYE REFORMING ITS GEOPOLITICAL AND ECONOMIC POSITIONS



2025 will see dramatic changes in the international order. At Tissue World Istanbul 2024, Mark Goddard, Director, Risk, Business Intelligence, Government Relations at SecureValue, accessed the volatile years ahead. Here, he summaries the talk for TWM.

## Türkiye's post-Covid recovery and the reformulation of its geopolitical and trade positions

### GEOPOLITICAL UNCERTAINTY – IT IS HERE TO STAY!

*"As we have a business in which three quarters of full production is international, everywhere is a market, so we must follow all the markets...as a result of disrupted supply chains and rising energy prices due to geopolitical events."*

*"...And who knows what's going to happen in Panama, if the channel is open or not. Or what's going to happen in the war in Ukraine or Palestine. They all have effect..."*

*"The EU's economy has been hit by the ongoing Russia-Ukraine war... uncertainty from Hamas-Israel... the US election is also adding market uncertainty..."*

*"Market uncertainties, including conflicts in the Middle East and in Ukraine and political elections."*

#### Tissue World Magazine, Sept/Oct 2024

2025 will see changes in the international order:

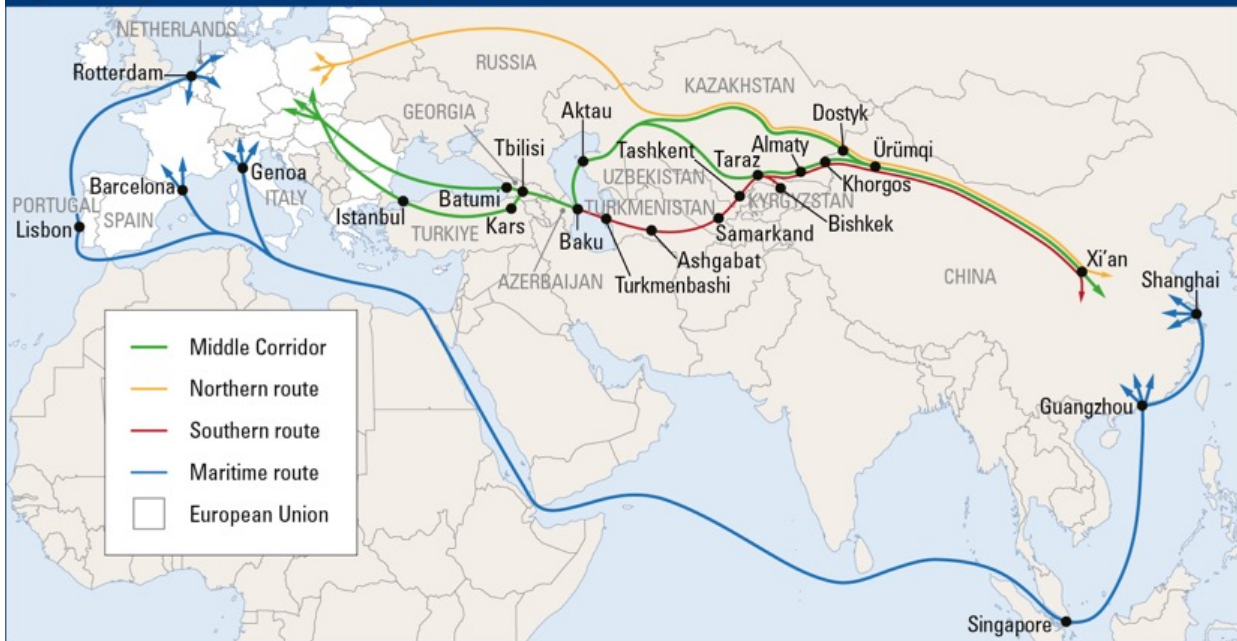
- New Norms: Navigating shifts in political and economic power.
- Defence and trade security are now paramount.
- New sources of political and economic power need to be recognised and adapted to.

- The Trump 'Chaos Premium' – chaos and unpredictability are the rule.
- Supply chain disruption by protectionist forces.
- Continuing weaponisation of vital supply routes.
- Challenge to existing global order and the undermining of global institutions.
- Foreign policy statements by the African Union, GCC & BRICS+ – a new norm.

In 2025, we expect that chaos will be the order of the day: we expect to see further supply chain disruption, and the key issue of security within many regions globally.

Populism is about short-term promises. Key questions will remain about the realignment in the EU, the long-term potential of the Central Asian "... stan" countries – which are becoming increasingly important and bring up questions of the BRICS' member states' status – whether Türkiye will become a member of BRICS, and Türkiye's relationship with Greece.

Figure 1: Major East-West transportation routes



Source: World Bank (2023). 'Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030'. Washington, DC: World Bank.

## TÜRKİYE: HARMONISING; REALIGNING; INITIATING GEOPOLITICAL RELATIONS

Globally, Türkiye is a key logistical power, especially for energy. The country is surrounded by regions where many of the world's most crucial issues are in dispute, and is implementing a 360-degree diplomacy policy. Transport and infrastructure are key issues for the world and the global tissue market.

Türkiye has always had these links which make the country invaluable for China's Belt and Road Initiative (BRI), and the Middle Corridor. The Middle Corridor crucially harmonises with China's BRI to create a seamless transport route, avoiding countries of potential contention.

We expect that transport here will increase threefold by 2030 – emphasising the increasing importance of secure supply corridors in the short and medium term.

- "Regional Integrated Transport Corridors" 2018. Early recognition of key routes for Central Asia, Caspian, Black Sea.
- GCC – Türkiye Joint Action Plan renewed 2024-2029.
- Minerals Security Partnership September 2024.
- Harmonise relations with the Quartet: Bahrain, Egypt, KSA; UAE.
- BRICS+ member application September 2024.
- US-Türkiye Energy and Climate Dialogue May 2024.
- Promotion of the Organisation of Turkic States – OTS (2021 – 2023).
- COP 29 – Baku. President Erdoğan Speaks at COP29 World Leaders Climate Action Summit.
- Ukraine conflict has renewed international interest in the Middle Corridor.
- European Free Trade Association (EFTA) and Türkiye hold 1st JCM (2023).
- EU relations realignment initiatives (2023-2024).
- 2022 Black Sea Grain Initiative – scope to restore and secure.
- European Political Community (November

**Globally, Türkiye is a key logistical power, especially for energy. The country is surrounded by regions where many of the world's most crucial issues are in dispute.**



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2024) – key themes, economic security and connectivity.

- Shanghai Cooperation Organisation (July 2024) – declared intention for membership.

## CHALLENGING EXISTING NORMS AND SHIFTS AWAY FROM UNIPOLARITY

### African union:

- Emergence as a united voice – rejected Russia's attempts to defer reform of UN 'pact for the future'.
- 2023 – G20 membership.
- The Third Africa-Türkiye Ministerial Review Conference November 2024.

### Gulf Cooperation Council (GCC):

- GCC States and EFTA – June 2024, broaden co-operation to liberalise their trade.
- Foreign policy statements on the Israel/Palestine/Lebanon conflicts.
- Strategic Dialogue Meeting in June 2024 extended the GCC – Türkiye Joint Action Plan until 2029.

### BRICS Russia 2024, the sixteenth annual BRICS summit, held in Kazan, Russia:

- First ever BRICS+ summit.
- BRICS+ now accounts for half of the world's population, 40% of its trade, 40% of crude oil production and exports.
- Foreign ministers issue joint statements.
- Five new members: Egypt, Ethiopia, Iran, Saudi Arabia, UAE.
- Türkiye, latest applicant and only member of NATO – rejected.
- But Türkiye given 'partner state' status.

**European countries increasingly see Türkiye as a competitor to the EU in the Western Balkans, Central Asia and Africa.**

### EU-Türkiye realignment

- European countries increasingly see Türkiye as a competitor to the EU in the Western Balkans, Central Asia and Africa.
- Debate over EU Accession vs Partnership, with the latter becoming the prevailing norm.
- Co-operation in areas such as energy, foreign policy, and migration – discussions about updating the customs agreement.
- August 2024, Turkish Foreign Minister Hakan Fidan attended an informal meeting of EU foreign ministers for the first time in five years.
- November 2024: Fidan meets his Greek counterpart in Ankara, building on the 2023 Athens Declaration.





### Central Asia – renewed importance for energy supply security

- Mutual security and strategic alignment.
- Uzbekistan, Kazakhstan, and Türkiye, all now given BRICS ‘partner state’ status.
- Geopolitical threats to shipping routes forces a change of focus.
- C5 initiatives to seek alignment and cooperation, by US, China, and India.
- Türkiye’s Middle Corridor and China’s BRI all link with Central Asia.

### Secure supply corridors – Middle Corridor

- Focus is on energy security and resilience.
- Links with the China–Central Asia–West Asia Economic Corridor (CCAWECE).
- Both Middle Corridor and CCAWECE includes links with South Caucasus, most importantly with Azerbaijan.
- 2021 trade volumes are expected to triple by 2030.

### Türkiye occupies a key strategic position

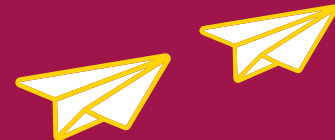
- The Bosphorus straight is a key supply bottleneck.
- The Black Sea is the transit point for 22% of global grain supply.

Any secure corridor is key, and we will see the Middle Corridor emerge further in 2025. This is very important because other supply routes have come under immense stress. Countries are starting to militarily defend these corridors – this is creating points of volatility, resulting in more uncertainty, and more volatility. The fear is it escalates even further by the weaponisation of traditional supply corridors (Suez/Red Sea).

Because of the conflict between Ukraine and Russia, Türkiye’s role in the Black Sea is vital. The hope is that Türkiye will help create a resolution, as it did with the Black Sea Grain Initiative (2022–23). There is a push for change, and there are opportunities here: it’s about security and stability. There is a lot of opportunity for Türkiye to emerge as an increasingly important player in the current geopolitical climate.

**Because of Ukraine and Russia, Türkiye’s role in the Black Sea is vital. We hope Türkiye will help create a resolution.**





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