

Gist of discussions

IPPTA's webinar on 7th Nov 2020

**“Covid 19 , its effect
&
head wind
that
Paper industry faces months
ahead”**



Mr Sanjay Singh – President IPPTA



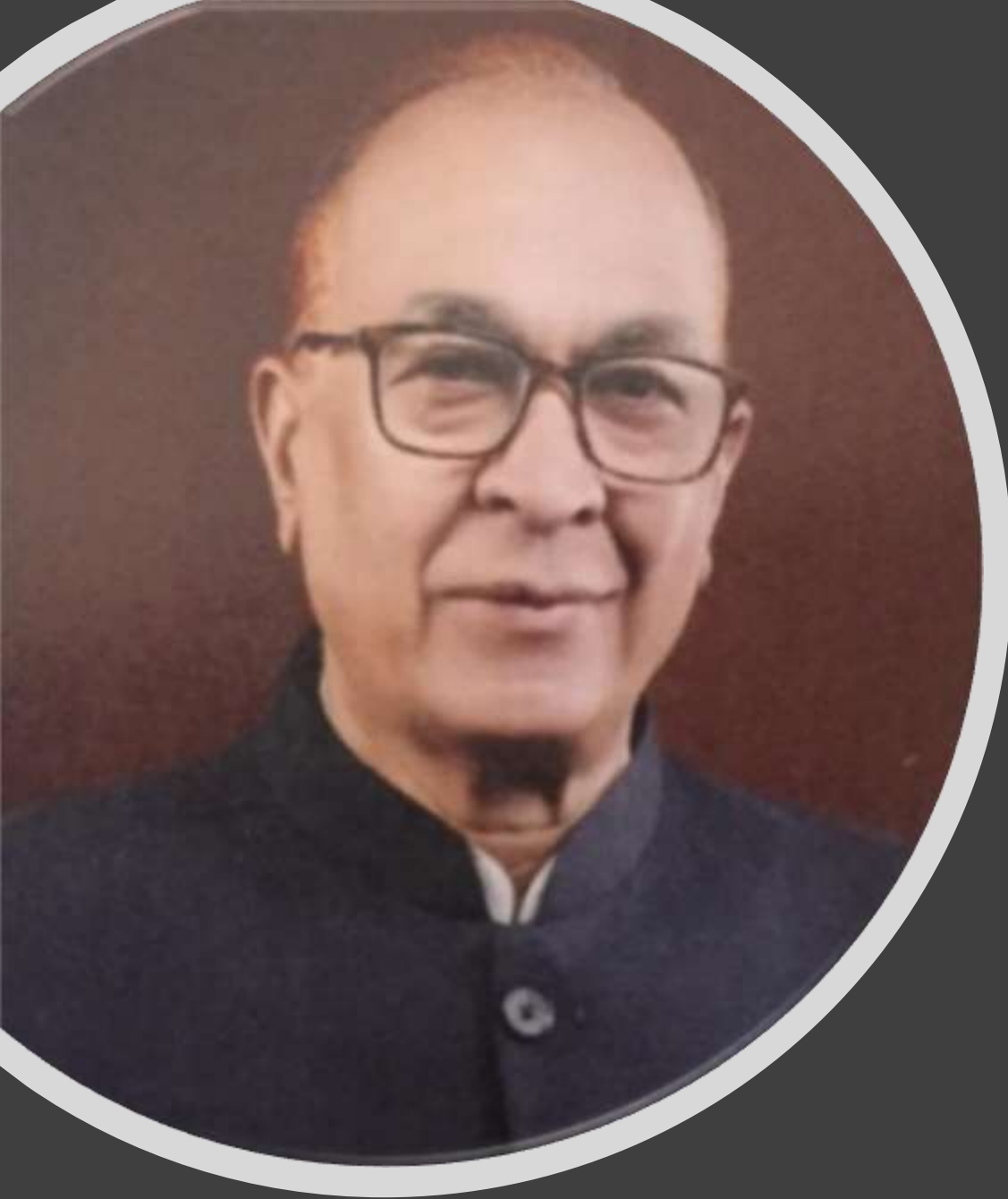
Mr M. K Goyal

Hony. Secretary General - IPPTA

- It was first of its own kind of webinar organized by any paper mill association in India where representatives of 8 paper mills association along with 4 eminent personalities from paper trade and 2 from corrugating industry joined the discussions.
- There were 228 unique participants and webinar lasted close to 2 hours time.
- All the speakers shared insight of industry and brought forward interesting data.
- let us join hands to make our industry as never before.
- For complete video proceedings please click on below link

<https://ippta.co/webinar.php>





Mr. Chandradev Chaudhary

President, Federation of Paper Traders Association of India

Owner - SD Chaudhary & Co.

- Paper trade faced one of its worst period during Covid. The pain continues.
- Due to closure of schools and offices writing printing sector has seen its demand down to 20%.
- NON Publication of books / journals / diaries and calendars have given a big jolt.
- However with schools opening slowly , it is expected that demand will pick up by March 2021
- Packaging sector is doing extremely well.
- Federation is working closely with mills in mutual benefit.



Mr. Pawan Agarwal

Chairman, Paper Unit Chapter-KGCCI
Director - Naini Group of Industries

- Uttarakhand has about 35 mills producing 1.6 million tons/year. Kraft is 2000 TPD, W&P – 130 TPD and some qty of board.
- Kraft & board are working on full capacity while W&P is under pressure and operating at 30 to 50% capacity.
- Kraft paper sales price has gone up by 15 % and so the input cost.
- Many mills based on agro fiber have diversified their production to Industrial grade/ carry bag segment.
- For survival mills need to have hard look at their asset utilization and product mix.



Mr. Anil Kumar

Sr. Vice President, Indian Agro & Recycled Paper Mills Association

&

ED & CEO - Shreyans Industries Ltd.

- Talking about bleached variety of paper the region has fared well.
- Current order book is healthy but price realisation is poor
- Silver line is that GST collection for last few months on all india basis is healthy.
- No doubt education sector demand is awfully poor but demand for W&P paper is picking up.
- Things should be back to normal in 3-4 months time.

Mr. Punkaji Agarwaal

President, Paper Manufacturer Association-UP

MD - Bindlas Duplex Ltd. &
Director , Tirupati Balaji Fibres Ltd.

- The association has 125 mills producing 4.5 million tons of paper/ year. This is largest paper producing center.
- About 65 % mills produce kraft paper who are operating at full capacity.
- Amazon and Flipkart have shown increase in demand by 30 % in recent months. Kraft paper has registered some price increase.
- While environment & availability of raw material remains a source of worry , the future looks bright.



Mr. D.K. Singhal

Representative, NCR Paper Mills Association
Director - Chandpur Enterprises Ltd

- **NCR Paper mills association has 60 members**
- **Combined production is 4500 TPD or 1.5 million tons/ year.**
- **Currently mills are operating at 66% capacity.**
- **Covid has created uncertainty for W&P segment**
- **Mills should work hard to replace plastic from packaging segment and claim bigger piece of the cake.**
- **We need to develop anti virus paper.**



Mr. Deepak Mittal

Speaks on writing Printing segment

Incoming President, Federation of Paper Traders Association of India.

Managing Partner - Mittal Trading Company.



- W&P segment accounts for 5.5 million tons of paper/ year
- 60% demand comes from education sector which is in ICU
- The situation has been compounded by consumers not going for diaries/calendar/brochure and catalogues
- In 2020 global demand shrank by 18% while in india it shrank by 21%
- Mills operated in Q1 @ 40% , Q2 @ 70%, Q3@ 90% and Q4 is expected at 110%.
- Global demand for W&P is 19% now (30% 10 years back) . In India it is 28% now (40% 10 years back)
- Copier and coated paper account for 1 million tons/year each.
- In next 5 years global demand for W&P is expected to shrink by 5% in India it is expected to grow @ 2-3%.
- Currently India consumes about 7% of global demand of W&P papers which is expected to grow to 11 % in next 5 years.
- Import of coated papers have dropped by 60% during Covid.
- Anti China sentiments boosting local demand and export potential.
- Restriction on stock lot import and other government policies helping restrict the imports.
- Blocked working capitals are biggest challenge for trade partners



Mr. Mahesh Gandhi

**Representative, Hyderabad Kraft Paper Mills Association
&
Director (Tech) - Tirumala Venkateshwara Paper & Board Pvt.
Ltd.**

- *Telangana has 30 paper mills producing 0.8 Million tons of paper annually. Majority of this is kraft.*
- *AP produces 0.5 million tons of paper/ annum*
- *Mills are now operating at full capacity.*
- *Processed food / Pharma/ and alcoholic beverage segment offers maximum business.*
- *Fiber shortage remains a big source of worry.*
- *Local demand is a big plus factor of the state.*

Mr. Prakash Rathi

Maharashtra Paper Mills Association

MD - Kaygaon Paper Mills

- **Most of the mills produce kraft paper in the region.**
- **Export to China has helped the mills in their operation. Nearness to seaport is a big locational advantage.**
- **Our combines export has been 1.5 lakhs ton/ year.**
- **Agri sector has been a big market but demand emerging from both Mango and grapes segment has been poor.**
- **Govt. has formed committee to look at plastic waste issue. We are demanding for a area wise facility to burn plastic waste in line with pollution control norm.**
- **Zero liquid discharge would be compulsory which will affect export due to its effect on quality of paper. New technology to mitigate the hardship is sought.**
- **Despite so much head wind caused by Covid mills bottom lines are good enough to survive.**





Mr. Sunil Agarwal

President, Gujarat Paper Mills Association
&

MD - Gajanan Paper Mills

- GPMA has 40 members and jointly they produce 1.5 million tons of paper .
- Morbi location has about 35 mills producing over 2 million tons of paper/ annum
- Gujarat alone produces over 5 million tons of paper/ annum
- During Q1 production went down to 25% but since last 3 months kraft and duplex have achieved 100% capacity utilisation.W&P & NP are operating at around 25% capacity utilization.
- Both locations together export over 1.25 lakhs tons of kraft paper/month mostly to China & Gulf countries.
- The region enjoys benefit for being close to port and hence are able to export. Morbi is seeing growth of 100% EOU units.

Mr. A. Venkat,

Past President, Federation of Paper Traders Association of India

Partner of Jeyam & Co

- Headwind created by Covid during initial lock down turned into tail wind soon as government allowed e delivery.
- From 25% operational level demand soon grew to 100% level.
- India consumes about 8 million tons of kraft paper in packaging sector.
- Carton board consumption is about 3.5 million tons. Recycled share is 2 million tons and virgin share is 1.5 million tons.
- The segment is growing @ 7.5 to 9% annually
- There is not much imports in this segment.
- Growth engines are Food/ Pharma/ Home care/ Garments/ Paper cups/ automobile / leather & White Goods.
- Industry to develop in new application like moisture resistance paper/ Plastic substrate and encourage research work. They should also support start ups.
- FPTA takes pride in taking head on any individual or corporate which makes any unfavourable publication about our industry.

Speaks on writing Packaging segment





Mr. P.S. Patwari
Vice President IPPTA & President INMA
&

ED & CEO - Emami Paper Mills Ltd.

- News print sector is in doldrum. Production is around 15 to 20%
- Most of the mills have either closed down or have changed product mix.
- The segment is not expected to bounce back in near future due to dumping and government policies.
- Packaging sector is doing well we expect that other sector will be fully operational in next 2 -3 months
- Year 2021 -22 should witness packaging boom.
- Higher GST collection in last few months than pre Covid time is heartening.

Mr Ramkumar Sunkara

Chairman R&D – Federation of Corrugated Box Manufacturers



- Demand of corrugation segment started dropping from July/ Aug 19. As such I shall take 2018 as base year.
- Current capacity utilization of corrugation activity is over 2018 level.
- Amidst fear , new capacities that came in 2020 are doing well.
- Confidant of robust growth in 2021 onward.
- Paper mills have to address odour issue on SOS basis to help meet global demands.
- Paper mills to improve score line/ cracking and folding properties of paper.



Speaks on Corrugation

Mr. Sandeep Wadhwa

President, Indian Corrugated Case Manufacturer Association.
CMD - Wad pack PVT Ltd

- ICCMA was formed in 2009 and has 250 members
- Corrugating industry consume 7 Million tons of paper/ year.
- Turn over is Rs 28000 crores/annum.
- ICCMA members & Auto Plants account for 40% of India's turn over.
- West and north account for 30% each of India's production.
- South accounts for 28% while east accounts for 12%.
- Currently demand is lower by 15% than pre COVID-19 level but things may improve if other sectors of the economy improve.
- Industry is facing challenges of steep price increase and demand supply imbalance which would lead to huge losses.
- Kraft Mills need to gear up in providing paper quality which includes other parameters like Cracking free, odour free, Bigger Dia rolls, proper joints.



Speaks on speciality segment

Mr. Hiren Karia

Hony. Secretary, Federation of Paper Traders Association of India

Managing Director - Jay Raj Fine Paper Co.

- Global demand of speciality paper is 34.3 million tons.
- Speciality papers are used by health care, construction, hospitality and food industry in general .
- Commercial printing paper is one of the fast moving grades in India.
- These are used in high end brochures/ coffee table book/ wedding cards and packaging of jewellery.
- Current market volume of commercial printing paper is 18000 Tons/ year which Covid made it to Zero. The growth otherwise was
- Demand is now at around 20% which is expected to grow to 40% by Jan.
- Most of it is imported from South Korea/ Japan / China.
- The demand is directly linked to marketing efforts.
- Let us use PAPER DAY to spread good words about PAPER.



Mr. Sanjay K. Singh

President-Indian Pulp & Paper Technical Association
Group Head Paper & Packaging- ITC Limited

- Mr Sanjay Singh summarized the discussions and thanked the participants in general and in particular from trade and corrugation.
- He appreciated various state associations for sharing health of their region and trade for bringing vital data on the table.
- It is heartening to note that such huge quantity of paper is being exported in packaging segment in particular.
- News print segment due is in very bad shape to global dumping / Government policies. The ray of any hope is dim.
- Writing printing paper is in distress and its bounce is closely connected with control of Covid and opening of schools and offices. It is hoped that year 2021-22 should bring cheers.
- Investment in Technology would decide the winner.



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