

Middle East And Africa Pulp And Paper Industry - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Middle East And Africa Pulp And Paper Industry is expected to grow from USD 16.81 billion in 2024 to USD 20.32 billion by 2029, at a CAGR of 3.54% during the forecast period (2024-2029).

Key Highlights

The market for pulp and paper products is expanding in the Middle East and Africa, mainly due to the growing demand for paper-based products and rising awareness of the need to lessen the carbon impact of traditional packaging materials. To reduce the use of non-renewable resources by limiting trash output in the nation, the Qatari government has launched several green economy programs under the National Vision 2030.

The need for green packaging materials, particularly paper packaging solutions, is driving the market. This is further fueled by the enforcement of strict legislation regarding the ban on single-use plastic in the food and beverage sector. Also, unsustainable business practices have empowered consumers to demand a higher standard of product with a favorable ecological impact.

The expansion of e-commerce sales and the rising demand for cartons and container boards are two significant factors driving the market under consideration. Consumers now prioritize recyclability and biodegradability over reusability as crucial packaging parameters. This reflects customers' increased concerns about the future environmental impact of packaging waste. Due to these factors, the market studied may continue to grow over the forecast period.

Furthermore, according to the Saudi Press Agency (SPA), in the first three months of 2023, Saudi Arabia saw a more than three-fold increase in revenue from tourism, amounting to SAR 37 billion (USD 9.86 billion), as one of the largest oil exporters sought to draw in more foreign tourists and diversify away from oil-based revenues. The country's incoming tourism revenue increased by 225% over the same period. The rapidly growing tourism sector presents many opportunities for developing the food and beverage industry in Saudi Arabia, accelerating the necessity of different paper-based packaging like folding cartons, paper bags, corrugated boxes, and more.

The increasing price of raw materials is expected to challenge the growth of the pulp and paper industry. However, as living standards in Africa improve, the continent's demand for pulp and paper products may also increase. The market is expected to grow in the coming years due to urbanization and rising disposable income. Moreover, there is reason to acknowledge that paper consumption in the region will increase, creating business opportunities and no longer affecting the demand for paper-based products during the forecast period.

Increasing environmental awareness is also driving the growth of paper products, with governments in the region, particularly the United Arab Emirates, clamping restrictions on using non-renewable products like single-use plastics. Consumer attitudes and preferences have changed. Recently, health and hygiene-conscious consumers have fuelled the market for paper packaging and disposables like tissues, with per capita consumption of these products on the rise. The demand for paper and pulp products in the Middle East and Africa market is driven by the demand for green packaging solutions.

Middle East And Africa Pulp And Paper Market Trends

Printing and Writing to Hold Significant Market Share

The use of paper in writing and printing has shown exceptional penetration in countries such as the United Arab Emirates, Israel, and Saudi Arabia, with an increasing number of shopping malls and supermarkets in the retail sector in developed countries. A strong distribution network in the countries, including multi-brand stores and online retailers, creates opportunities for writing and printing papers in the Middle East and Africa.

The Middle East printing industry has accelerated the need for print service providers to transform their objectives and operational models and to look toward new avenues to

diversify their offerings. With environmental regulations being adopted in the region, increasing the pressure on governments and businesses to follow sustainable business practices, print service providers will eventually have to invest in sustainable technology to remain competitive. This insight presents an opportunity for print businesses and their customers in the immediate future.

The growing educational system and the focus of governments on it have boosted the market value of paper in the region, leading to increased demand for paper in writing and printing. For instance, in February 2023, the consumption of printing and writing grades was up fairly. The Paper Manufacturers Association of South Africa (PAMSA) surveyed the position of paper and print in modern society. From reading habits to the importance of labels and packaging, the survey recorded that 82% of South Africans acknowledged paper as a part of their daily lives.

Furthermore, the Middle East's growing market for paper, stationery, and printing products is becoming increasingly attractive to global manufacturers. The regional trade hub status of the United Arab Emirates presents a key to emerging markets throughout the region. According to the General Authority for Statistics (Saudi Arabia), the industry revenue of "publishing activities" in Saudi Arabia has increased significantly. It was USD 1,119.29 million in 2020, expected to increase to USD 1,336.06 million by 2024. This significant growth trend shows the region has potential for printing and writing and creates demand for paper throughout the region.

The Saudi market is one of the fastest-growing economies in the world, and with it comes many investment opportunities for paper products and related industries. Saudi Arabia is also one of the countries where production is increasingly shifting to the domestic market. For instance, in January 2024, the Public Investment Fund announced the completion of an investment agreement with Middle East Paper Company, a manufacturer specialized in producing and recycling paper-based products in the Middle East and North Africa. PIF's investment will allow MEPCO to increase its production capacity, improve operational efficiency, and promote environmental sustainability through recycled products, including paper goods, which are in line with Saudi Arabia's sustainable development targets.

Saudi Arabia to Hold Major Share in the Market

The growing demand for customer-friendly packages and heightened product protection

is expected to boost paper and paperboard packaging as a viable and cost-effective solution in Saudi Arabia. Furthermore, Saudi Arabia is one of the leading markets in the packaging industry in the Middle East. The country has a huge consumer base and a wide range of industrial activities (apart from the oil and gas sector), adding to the rapid demand for paper-based packaging.

Substantial investment, economic liberalization, and social reforms are generating massive opportunities for international and domestic packaging players in Saudi Arabia. With the constantly growing demand for food and beverages, Saudi Arabia attracts SAR 232 million (USD 61.8 million) in investments in the food industry. The Saudi Industrial City and Technology Zone Authority signed these agreements. Seven contracts with a total area of 99,400 square meters, mainly to benefit the Kingdom's food and beverage sector, have been granted by MODON. Furthermore, to facilitate financing solutions, support business development, and encourage entrepreneurship during the opening ceremony of Saudi Food 2023, MODON also signed two additional agreements.

Moreover, in April 2023, the UAE-based Hot Pack Global unveiled a project for specialized food packaging in Saudi Arabia for an estimated SAR 1 billion (USD 266 million) to provide environmentally friendly goods. The initial factory is anticipated to create 70 million packaging units annually for quickly moving consumer items. In order to foster long-term, sustainable national economic growth, the aim is to market Saudi Arabia as a top international investment location, draw in new capital, keep existing investors, and increase their investments.

Moreover, the country's vision for 2030 has strongly emphasized sustainability. The Kingdom of Saudi Arabia strives to achieve Net Zero by 2060. This declaration is consistent with the larger goals of Vision 2030, which include accelerating the energy transition, achieving sustainability targets, and spurring new investment. Due to its recycling capabilities, paper packaging is a sustainable option. It is made using wood fiber, which is an entirely renewable resource. Being made from a renewable resource whose production benefits the environment makes it a sustainable option. Consequently, the consumption of disposable packaging in various industries in Saudi Arabia is expected to grow.

Sustainable and eco-friendly packaging is on the list of requirements from different manufacturers after consumer behavior shifts toward environmentally friendly packaging. Corrugated boxes and folding cartons fulfill all requirements because they are inexpensive and made from recyclable resources. Corrugated items are increasingly popular as attempts to minimize the use of single-use plastics continue, and consumers

show increased interest in sustainability. Suppliers of corrugated cardboard are introducing innovations in sustainability, and one of the primary features of this development is the production of packaging from entirely recyclable materials in the personal care and household packaging segments.

According to the General Authority for Statistics (Saudi Arabia), the industry revenue of paper and paper products was USD 5.48 billion in 2023. Thus, the paper and paperboard market in Saudi Arabia is expected to witness significant growth owing to rising demand and changing consumer preferences, particularly in the food and beverage industry. A growing number of online food delivery apps and fast-food restaurants, along with the growth of the e-commerce market, are benefiting from paper-based packaging.

Middle East And Africa Pulp And Paper Industry Overview

The pulp and paper market in the Middle East and Africa is fragmented, with major players like International Paper Company, Smurfit Kappa, Lions Gate Paper & Pulp, and Billerud. The significant factors governing this market are a sustainable competitive advantage through innovation, levels of market penetration, barriers to exit, power of competitive strategy, and firm concentration ratio.

In July 2023, Smurfit Kappa, Europe's most extensive paper and packaging company, planned to open its first-ever North African site in Morocco, paving the way for growth in a rapidly developing market for consumer goods. The company invested over EUR 35 million (USD 38.49 million) in the 25,000 sq. m facility.

In May 2023, Billerud launched a renewable, recyclable, and biodegradable wrapping solution for toilet and kitchen rolls. Billerud presented a machine-glazed kraft paper, which was specially adapted and validated for wrapping toilet and kitchen paper rolls.

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