

Paper Straw - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Paper Straw Market size is estimated at USD 2.11 billion in 2024, and is expected to reach USD 4.98 billion by 2029, growing at a CAGR of 18.73% during the forecast period (2024-2029).

Key Highlights

The paper straw industry is expected to witness robust demand during the forecast period due to the packaging industry's transition from plastic products to sustainable, non-plastic alternatives. Notably, users have become environmentally conscious. Consequently, the use of paper straws at home, at events, for on-the-go beverages, foodservice outlets, in schools, institutions, and elsewhere has increased.

The demand for biodegradable paper straws is increasing quickly due to the many governments across several nations implementing bans on single-use plastics, especially plastic drinking straws. With government regulations on single-use plastic, the demand for paper straws is expected to increase proportionately.

Many global firms are constantly moving toward innovating products to provide their customers with 100% sustainable options. Recently, SIG India launched recyclable paper straws. It launched various recyclable paper straws with multiple dimensions, shapes, and applications. SIG's paper straws provide the best biodegradable, non-plastic alternative to plastic straws due to the huge environmental impact caused by plastic straws.

The foodservice industry consumes a lot of paper straws, and due to increased food outlets, this industry is anticipated to proliferate. Global restaurants and food outlets

have already started implementing new strategies to keep up with this cultural transition by developing new products that promote sustainability, wellness, and health.

Businesses are abandoning plastic straws, and food wholesalers are seeking ecologically sound alternatives. However, the availability of a low-cost alternative and the high cost of paper straws may limit the market's expansion. According to Adam Merran, the CEO of PacknWood, a biodegradable food packaging company, paper straws cost roughly 2.5 cents, and plastic straws cost only 0.5 cents.

Paper Straw Market Trends

The Rise of Environmentally Friendly Straws in Response to Stringent Regulations

Environment-friendly straws are made of non-toxic and biodegradable materials. They are rapidly used in restaurants, bars, pubs, and homes. Increasing food and beverage consumption in catering areas necessitates a large number of eco-friendly straws to meet the demand. Additionally, the expansion of the eco-friendly straw market is anticipated to be fueled by the significant influence of environmental and political reforms and legislation to ban single-use plastic products worldwide.

The European Union is taking active action to combat plastic pollution. Starting on July 3, 2021, single-use plastic plates, cutlery, straws, balloon sticks, and cotton buds were banned from the markets of EU member states. The same regulation also applies to cups, expanded polystyrene food and drink containers, and all products made of oxo-degradable plastic.

Also, in December 2022, the Government of Canada announced its comprehensive plan to address pollution, achieve its goal of zero plastic waste by 2030, and assist in lowering greenhouse gas emissions, including the Single-use Plastics Restriction Rules (SUPPR). These strong regulations made by the government against the use of plastic have positively impacted the demand for paper straws across the world.

Several businesses worldwide are reintroducing the most common single-use plastics, such as straws, plastic cups, lids, cutlery, stirrers, and food containers, which account for the largest amount of marine waste. Abu Dhabi planned to outlaw all single-use plastics from the end of 2022. To align with the country's sustainable ambition, luxury hotels and high-end stores in the United Arab Emirates started using premium sustainable straws as part of a global movement to eliminate conventional plastic use. This marked change in perspective toward single-use plastic is a practical step toward a

more sustainable and cleaner environment.

A further factor driving market expansion in the foodservice industry is changing consumer behavior. The foodservice industry is a primary end-use consumer of paper straws, and the increasing number of food outlets significantly boosts the need for paper straws.

According to reports published by selected fast-food restaurant chains, the number of McDonald's restaurants increased from 40,275 in 2022 to 41,822 in 2023, Domino's Pizza stores reached 20,591 in 2023 from 19,880 in 2022, and Kentucky Fried Chicken restaurants rose from 27,760 in 2022 to 29,900 in 2023. The consistent growth of food chains is expected to boost the market growth.

Expanding Hospitality Sector in Asia-Pacific to Impact the Market Growth

The market is predicted to grow during the projected period due to the expansion of the hospitality sector in Asia-Pacific. The need for paper straws has been dramatically improved by the development of food shops and the hospitality sector, which account for a sizable portion of their end users. The restaurant industry has expanded due to rapid urbanization, increased awareness of Western lifestyles, a surge in working women, and rising disposable income.

The National Restaurant Association of India (NRAI) anticipates an exponential expansion in kiosks and food courts in India. According to the NRAI, decreased rental rates compared to restaurant space, higher return on investment, brand penetration, and new location opportunities are among the factors contributing to this rapid rise.

In the struggle against plastic waste, Asia is the most affected by the harmful repercussions of plastic pollution. Several Asian nations, including India, China, Bangladesh, Singapore, and several other national legislations, introduced restrictions on single-use plastics. These bans are expected to propel the demand for paper straws in Asian countries in the upcoming period.

Additionally, according to a report by the International Project Management Association (IPMA), the paper industry believes that India has the technological capability and capacity to produce paper for paper straws.

Many manufacturers across the region are consistently investing in products to meet the rising demand. In the past couple of years, UFlex Limited announced its initiative to bring a sustainable shift to its fold by establishing India's first U-shaped paper straw manufacturing line in Gujarat, India. The paper straw production line is equipped with Dutch technology and has a production capacity of about 2.4 billion straws per year.

The rise in consumer demand for sustainable products across the region, coupled with the government's regulatory policies against the use of plastic, is expected to propel the growth of paper straws in the future. Also, the upswing in the Asia-Pacific hospitality sector and the rise in disposable income would boost the market growth in the future.

Paper Straw Industry Overview

The paper straw market is fragmented in nature. The key players in the market include Hoffmaster Group Inc., Huhtamaki Oyj, Fuling Global Inc., Transcend Packaging Ltd, Tembo Paper BV, and Karat Packaging Inc. (Lollicup USA Inc.). The players operating in the market are focusing on offering innovative products to stay competitive.

In August 2023, Transcend Packaging Ltd announced its partnership with Kluber Lubrications to make paper straws using vegetable-origin lubricants and reduce the use of mineral oil aromatic hydrocarbons (MOAH). The partnership will help the company evolve its production process, eliminate traces of mineral oil residue, and offer products that are compliant with future legislation that is expected to come into effect across Europe.

In May 2023, IPI SRL announced the acquisition of Oji Holdings Corporation. The acquisition will help Oji Holdings Corporation leverage IPI's technology and knowledge, leading to further development in the paper market.

Additional Benefits:

The market estimate (ME) sheet in Excel format

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