



**PAPER**  
MANUFACTURERS ASSOCIATION  
OF SOUTH AFRICA (PAMSA)

# PULP AND PAPER SECTOR STRATEGY

**Complied by**

**Paper Manufacturers Association of South Africa (PAMSA)**

**and**

**Forestry Based Industries**

Department of Trade Industry and Competition

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**PAPER**  
MANUFACTURERS ASSOCIATION  
OF SOUTH AFRICA (PAMSA)



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

# EXECUTIVE SUMMARY

**The South African pulp and paper sector is a critical industry within the country's economy, contributing to the GDP and supporting employment across multiple provinces.**

## KEY INSIGHTS AND RECOMMENDED ACTIONS

to enhance the sector's growth and sustainability:

### 1. Economic Contribution

- **GDP and Trade:** In 2023, the pulp and paper sector contributed 0.76% to South Africa's GDP, with a significant 6.7% contribution to the manufacturing GDP and 30% to the agricultural GDP. The sector's trade balance was positive; pulp exports were valued at R19.3 billion and paper imports were valued at R8.5 billion, resulting in a net trade surplus of R10.8 billion.
- **Provincial Investments:** Key industry players have invested R33.2 billion since 2019, with further capital expenditure of R11.2 billion expected in the next three to five years, particularly in provinces like KwaZulu-Natal, Mpumalanga, and Gauteng.

### 2. Employment Impact

- **Jobs:** The forestry and forest products sector – from planting trees to recycling – employed 149,271 people in 2023, an increase of 5.9% from the previous year. Considering indirect effects, the industry supports the livelihoods of over 560,000 people, largely in rural areas.
- **Contractor Ecosystem:** The sector also relies on contractors for some operations, creating additional employment opportunities in areas such as silviculture, harvesting, and transportation.

### 3. Key Challenges

- **Resource Constraints:** The unavailability of virgin fibre remains the largest growth constraint. To address this, increased tree planting is recommended in line with the forestry master plan.
- **Market Dynamics:** Due to limited economies of scale in certain grades of paper, South Africa imports coated grades of printing and writing paper, however it has capacity to more than meet demand of uncoated woodfree paper like cut size/copier paper and reels. Global overcapacity has led to dumping of these products which threatens the viability of ongoing production of papers essential for our young population's education and literacy needs. With worldwide geopolitical instability, it is best to be self-sufficient in these papers.

- **Environmental Management:** Forest certification covers 80% of plantations, and local schemes exist to support carbon reporting to ensure smallholder farmers' access to the market is not limited. However, the issue of water use licences and limited support from the Department of Forestry, Fisheries and the Environment (the greater forestry sector's lead department) hampers growth. Efficient and effective separation-at-source infrastructure in municipalities could do with improvement.

#### 4. Opportunities for Government Collaboration

- **Policy Alignment and Support:** Government involvement is integral across departments, including Trade and Industry, Forestry and Environment, and Water and Sanitation. Continued alignment with industrial policies, economic empowerment goals, and resource management initiatives will strengthen the forestry and forest products sector's resilience.
- **Investment Incentives:** The Department could explore tax incentives to attract further investment, especially in value-added processing facilities, which would enhance competitiveness against imported products and promote downstream beneficiation.
- **Support for Small Growers:** Providing financial and technical support for small-scale growers, especially those from previously disadvantaged backgrounds, would bolster inclusivity and sustainability in rural economies. Initiatives that support training, access to financing, and participation in the value chain through SMMEs would align with economic transformation goals and further existing private sector support.

#### 5. Sustainable Growth and Environmental Stewardship

- **Enhancing Recycling and Waste Management:** Investment in recycling infrastructure, including better systems for collection and sorting, would support circular economy goals. Innovative solutions are needed for processing complex paper products that currently lack adequate recycling options.
- **Just Energy Transition:** Opportunities exist for partnerships across disciplines to ensure the wood value chain grows in areas previously dependent on coal for livelihoods. This could involve the Seta and cross-cutting Government departments, and access to international grant funding.

## CONCLUSION

The South African pulp and paper sector holds substantial potential for economic growth, rural development, and environmental stewardship. Through targeted policies, investment incentives, and collaborative efforts across Government departments, the Department of Trade, Industry and Competition can help strengthen the sector's position, maximise local beneficiation, and foster long-term sustainability.

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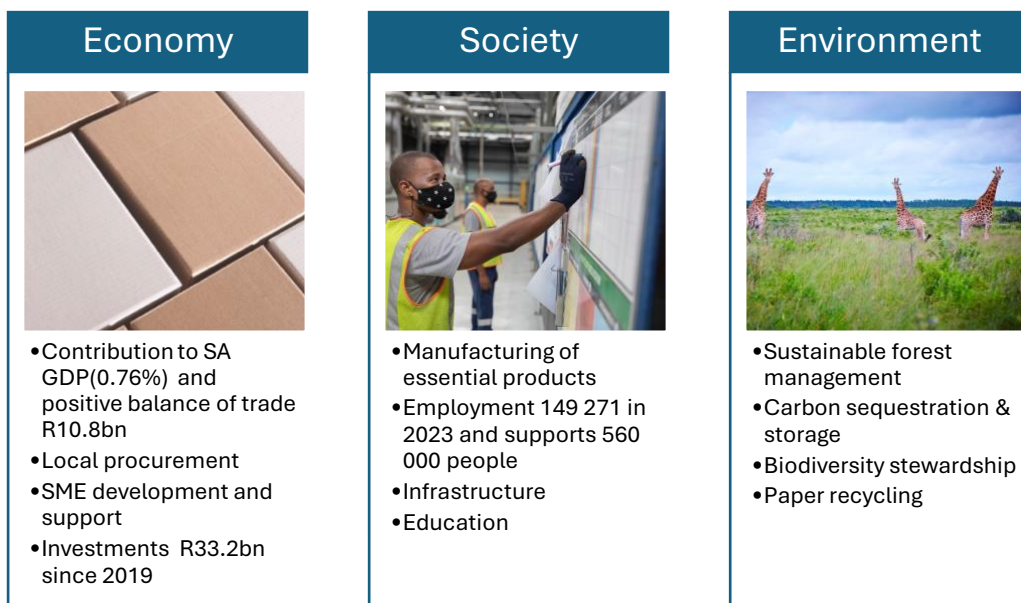
# Chapter 1

## INTRODUCTION AND INDUSTRY SIGNIFICANCE

The pulp and paper industry in South Africa, represented by the Paper Manufacturers Association of South Africa (PAMSA) is an essential industry producing a wide range of pulp, paper, packaging, tissue and biotech products for industrial conversion and consumer use, both domestically and for export markets.

At a broader level, through the forestry sector, it also plays a vital role in sustainable forest management, carbon sequestration by trees and carbon storage in harvested wood products which collectively demonstrate unmatched environmental stewardship.

The forestry and forest products sector provide a multitude of environmental, social and economic benefits and opportunities that are crucial for local communities and the global economy. The pulp and paper industry is evolving steadily, driven by market dynamics, consumer demands, globalisation, and increasing competition.



### 1.1 SECTOR CONTRIBUTION TO THE SOUTH AFRICAN ECONOMY

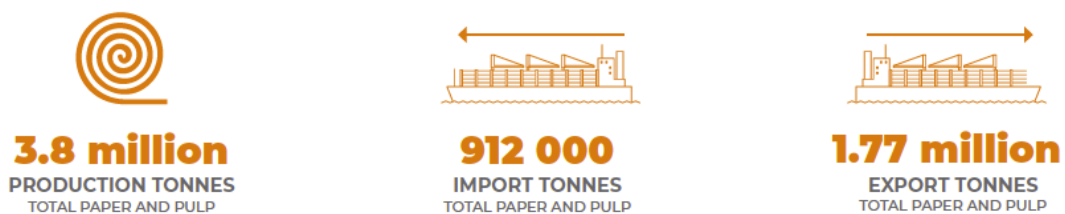


Figure 1 Total production, export and import volumes (PAMSA, 2023)

CONTRIBUTION TO GDP	Pulp and paper to SA GDP	Sector contribution to manufacturing GDP	Sector contribution to agricultural GDP
2023	0.76%	6.7%	30%
2022	0.74%	6.5%	25.5%

Source: Summary of GDP contributions (PAMSA, 2023)

*In 2023, the trade value of pulp exports was R19.3 billion. This was offset by R8.5 billion in paper imports, resulting in a net contribution to the balance of trade of R10.8 billion.*

South Africa generally exports relatively un-beneficiated pulp products, while importing more value-added items especially with some paper grades not made in South Africa due to too small a market. In many cases, products for local consumption are less competitive in terms of price, against imports, particularly from competitors that benefit from direct and indirect subsidies. A weak Rand may favour local production where there is sufficient demand; if there is a global oversupply of a particular grade then South Africa is an easy target for dumping.

*The largest barrier to the sector's growth is the availability of fibre, particularly virgin fibre. For this reason, more trees to be planted in terms of the existing master plan.*

## INVESTMENT

Since 2019, key industry players have invested R33.2 billion with a large portion invested in Kwazulu-Natal. An additional R11.2 billion in capex expenditure excluding maintenance, safety and environmental spending is projected for the pulp and paper sector over the next three to five years. Investment in the sector is addressed in the forestry master plan.

*Summary of the investment per subsector and across different provinces*

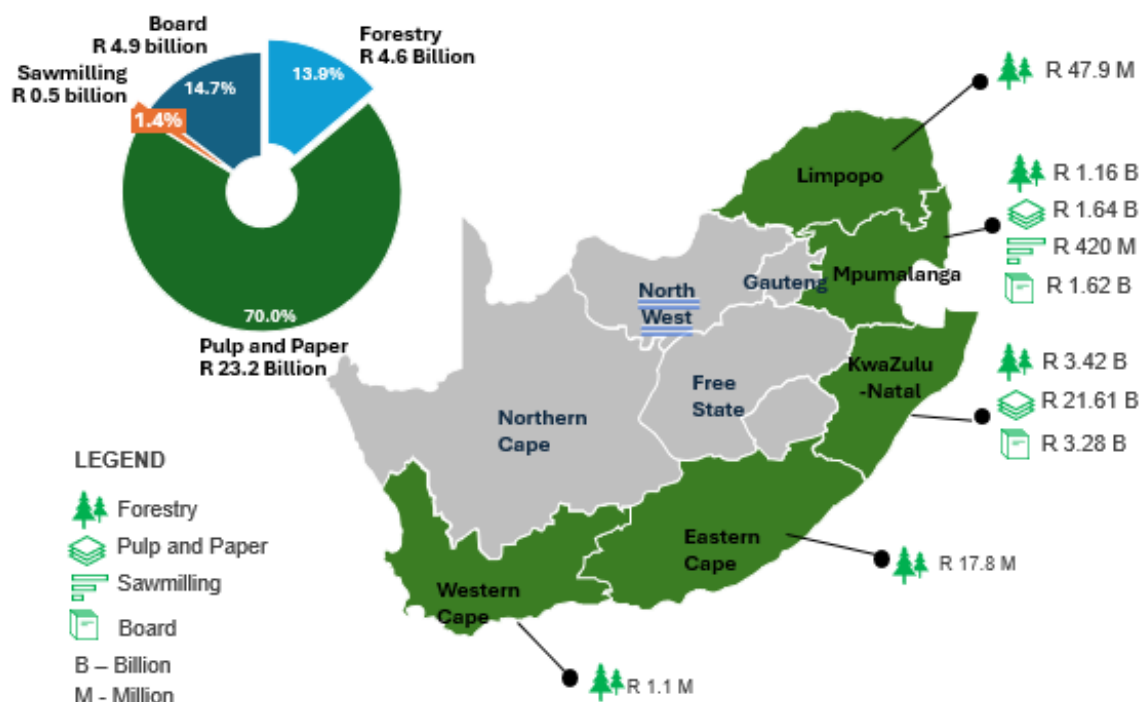


Figure 2 Investment into the sector by key industry players from 2019 to date

## EMPLOYMENT

In 2023, the estimated number of employed persons in forestry and forest products sector was 149,271 (Stats SA, 2024), an increase of 11.2% compared to 132,447 in 2022. Considering the dependant multiplier effect of 4 people per income, some 597,084 are reliant on the sector for their livelihoods.

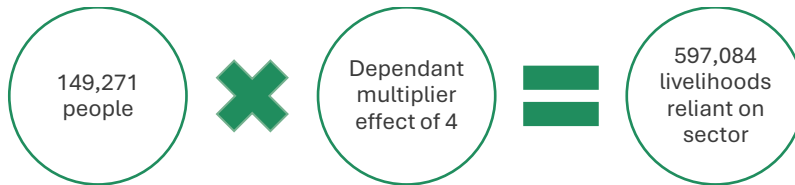


Figure 3 Sector employment figures for 2023 (Stats SA, 2024)

The sector supports a strong SMMES culture through the contractors often hire individuals to perform labour-intensive tasks that support operations such as silviculture, harvesting and transport of logs to mills. (Employment data above does not include those employed by contractors.)

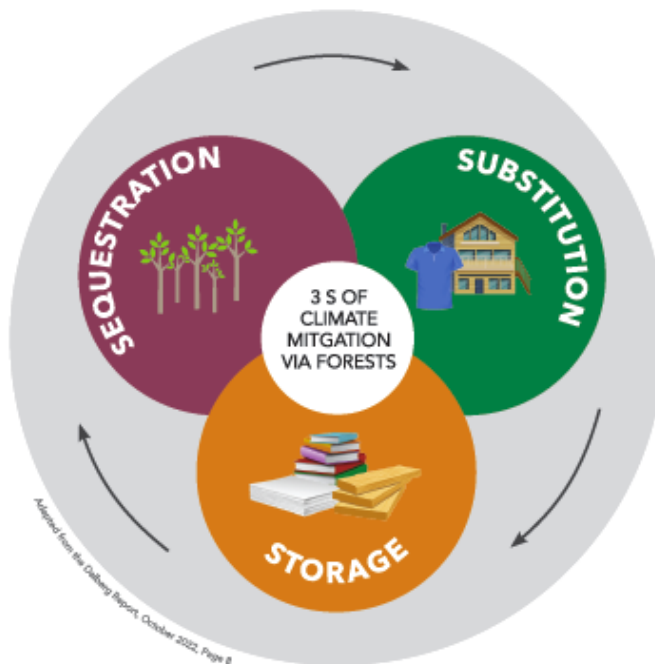
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*To boost growth within the South African context, it is essential to actively seek out and explore new opportunities with the assistance of Government especially in terms of localisation.*

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## 1.2 ENVIRONMENTAL BENEFITS

There is significant potential for carbon sequestration and storage through forestry activities and harvested wood products, as illustrated below



**SEQUESTRATION** takes place during photosynthesis. Trees absorb carbon dioxide (CO<sub>2</sub>) for growth, storing the carbon and releasing the oxygen. Carbon then accumulates in the form of biomass, deadwood, organic litter and soils.

**SUBSTITUTION** occurs when wood-based products replace carbon-intensive materials. To keep the goal of limiting warming to 1.5°C in play, countries need to use more timber in construction, more wood-based fibre in packaging, and more sustainably sourced cellulose in a vast range of products, from biofuels to clothing to car parts and even pharmaceuticals.

**STORAGE** is maintained when trees are harvested, and wood products become a pool of stored carbon. With half of the dry weight of timber as carbon, the carbon storage potential in long-life wood products and reductions in emissions from the use of wood products is significant.

Figure 4 The 3S framework (Dalberg, 2022)

## Chapter 2

### VALUE CHAIN OVERVIEW

The effective management of the entire forestry paper chain is challenging due to its multi-stage, interconnected, and in some, vertically integrated nature.

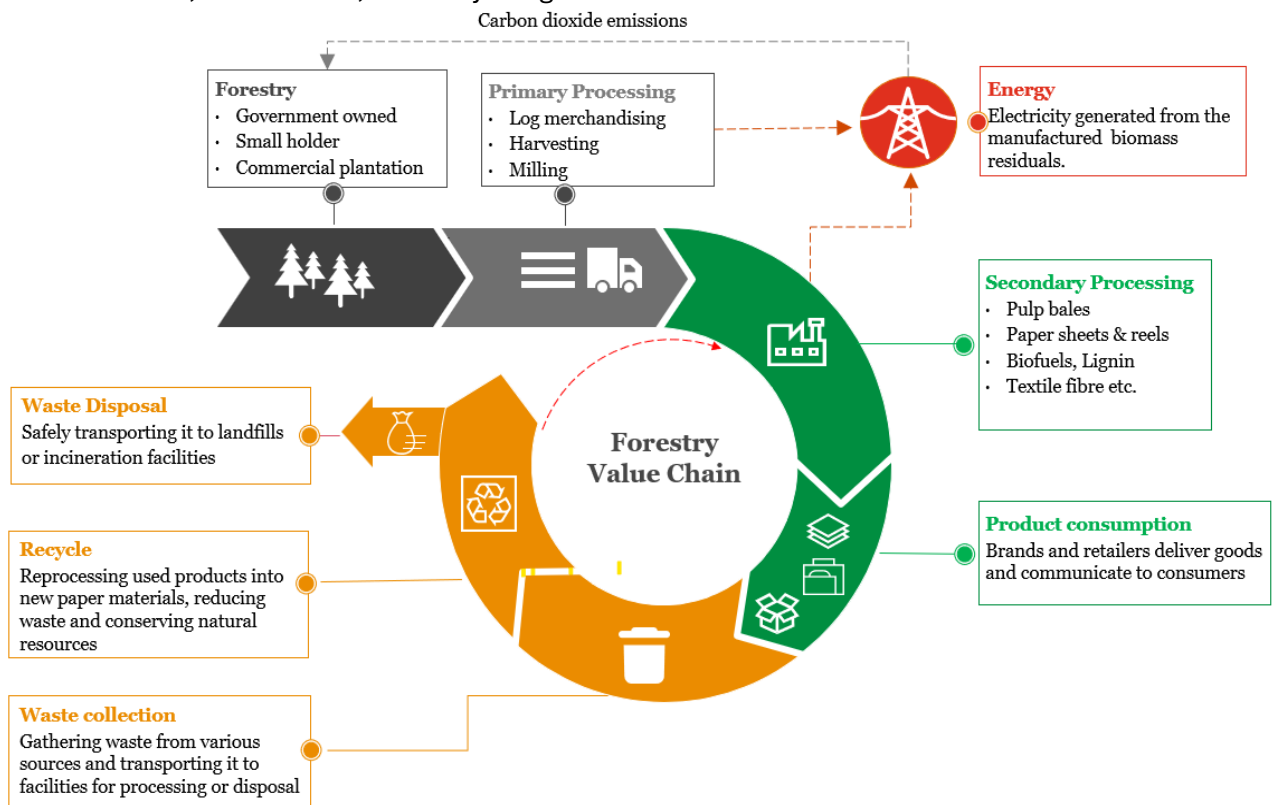


Figure 5 Diagram of the Forestry Value Chain

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*The value chain supports economic and social upliftment by creating jobs, especially in rural areas, and fostering sustainable economic growth.*

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### 2.1 FIBRE SOURCES

Some 850 million trees are growing on more than 676,000 hectares the purpose of pulp and papermaking (Source: Forestry South Africa). While **sustainable plantations** supply the raw material (virgin fibre), the industry also relies on recycled paper as an alternative fibre.

More than 80% of South African plantations have **International Forest certification** such as the Forest Stewardship Council®; Sustainable African Forest Assurance Scheme (SAFAS), a local PEFC body, has pioneered a pilot method that will assist plantation owners to meet their carbon reporting obligations.

South African forestry uses about **3% of the country's water** resources.(Source: Forestry South Africa).

## 2.2 PROCESSING

**Pulp processing**, the mechanical or chemical recovery of fibres, can have environmental implications, particularly through chemical processing and bleaching, which must be managed to reduce the ecological footprint.

**Water and energy** are critical inputs in paper manufacturing. In paper production, water is reused multiple times. **Energy** needs are met through a mix of fossil fuels and biomass, such as “black liquor,” a by-product of pulping

## Chapter 3

### GLOBAL AND LOCAL SECTOR OUTLOOK

#### 3.1 GLOBAL TRENDS

**Rise in Demand for Paper-Based Packaging.** There is a rising demand for paper-based packaging and a shift away from single-use plastics and lower carbon footprint. Two significant factors driving the packaging market:

- Expansion of e-commerce sales
- Rising demand for cartons and paper-based packaging
- 

**Recycling paper-based products** to achieve sustainable goals. Internationally, the waste recycling services market has grown from \$58.53 billion in 2023 to \$62.22 billion in 2024 at a growth rate of 6.3% (Benchmark International, 2024). Additionally, **recycling paper has a positive environmental impact** by diverting useful recyclable paper fibre from landfills. The **demand for dissolving wood pulp (DWP)** is growing at more than 5% per annum as supplies of global cotton production flatten and fail to match increasing demand, creating a gap in the textile market which DWP is filling.

Globally, the **printing and writing paper segment** is forecast to have the slowest growth of approximately 2.9% in FY28. Printing, writing and newsprint segments are declining in developed countries due to increasing emphasis on digitisation and digital marketing. Growth is driven by the high demand for educational activities in developing countries such as China and India due to the rising literacy rates and growing population. In general, the pulp market is projected to grow by a CAGR of 3.5 % for a forecast period of 2024 to 2028 as shown in Figure 7. The **sanitary (tissue product) segment** is projected to register healthy growth, backed by rising disposable income and awareness of personal hygiene in emerging economies.

#### 3.2 REGIONAL TRENDS

**Asia Pacific (49%)** is the leading region in production and is projected to dominate the market growth. **China** is the largest manufacturer and consumer of the product globally (*Fortune Business Insights, 2024*). **Africa** shows growth potential in the packaging sector. **North America (12,8% production) and Europe(24.4% production)** have mature markets for pulp and paper products and are expected to grow at a slow CAGR during the forecast period (2024-2029). **Europe** is the second-largest consumer of paper in the global market and the region holds the second-largest share in the production of paper. During the last decade, paper and board industry players focused heavily on a forced restructuring, with asset closures and mill conversions.

**Latin America** (5.5% production) is expected to show growth in the global market during the forecast period. Middle East, Africa and Gulf Cooperation Council (GCC) are expected to provide

growth opportunities for paper-based products owing to the growing paper and packaging industry. The **Middle East and Africa(3.3%)** pulp and paper Industry is expected to grow from \$16.81 billion in 2024 to \$20.32 billion by 2029, at a CAGR of 3.54% during the forecast period (Mordor Intelligence, n.d.).

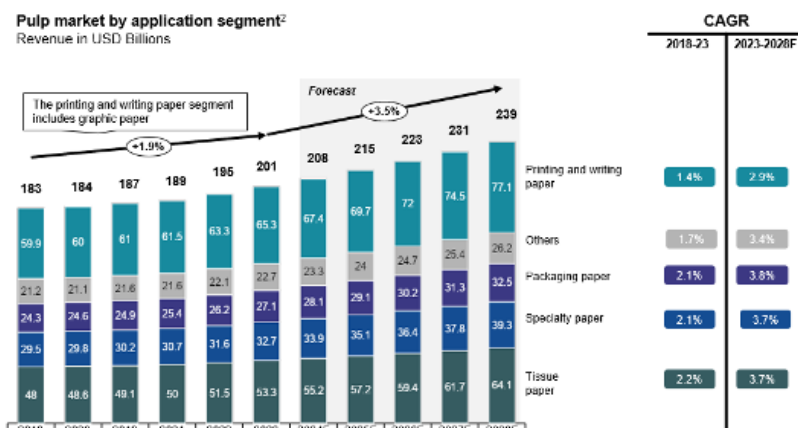


Figure 7 - Pulp market by application segment, Revenue in USD Billions (Technavio, Public information, PwC analysis)<sup>1</sup>

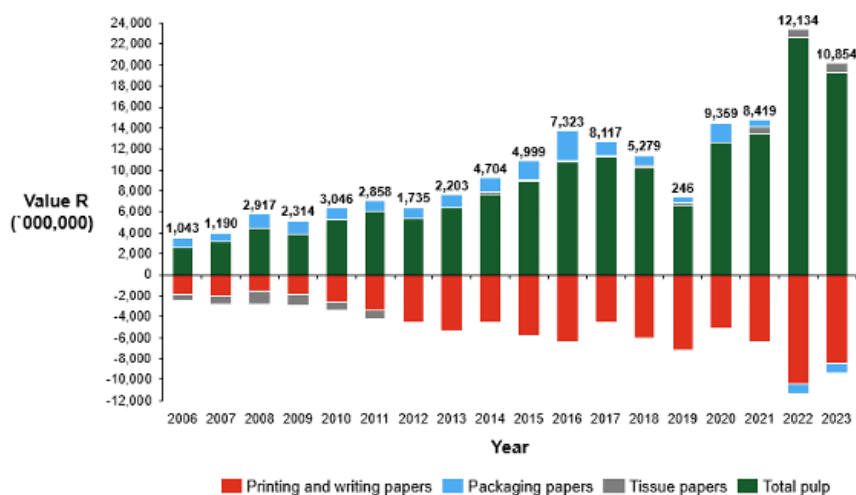


Figure 6 Balance of Trade from 2006 to 2023 (Data sourced from PAMSA) - Nominal values used in analysis

### 3.2 LOCAL TRENDS

There has been a marked increase in the demand for pulpwood as compared to timber for saw logs and in mining. The ongoing rise in imports has pressured local manufacturers to streamline their operations, focusing solely on producing grades that are economically sustainable. This relates primarily to printing and writing grades – international oversupply has caused dumping of products into South Africa.

In general, South Africa tends to export pulp, while importing more value-added products. In line with global trends, there is an increased demand for flexible paper/sack kraft packaging which is imported for conversion by South African manufacturers. Unfortunately, flexible paper (sack kraft) that contains wet-strength resins is not easily recycled, nor is it made locally. We are seeing pressure from retailers to have 100% recyclable packaging material. *This means that retailers like Woolworths, having initially switched to paper products, are switching back to single-material plastic that claims local recyclability.*

South African products, for local consumption, can be less competitive in terms of price, against imports, particularly from competitors that benefit from direct and indirect subsidies. South African exports are often relatively competitive due to a weak rand. The recycled paper fibre trade is subject to supply and demand dynamics. Of importance is the quality of recycled fibre received by mills. With no mandatory separation-at-source regulations imposed on South African households, businesses and schools, the recycling industry relies on informal waste pickers, SMME collection entities, as well as conscientious householders who separate their waste.

## Chapter 4

### KEY INDUSTRY PLAYERS

Forestry	Processing and manufacturing	Government Departments and agencies	Value chain associations & partners
Forestry South Africa	Paper Manufacturers Association of South Africa	<ul style="list-style-type: none"> <li>▪ Forestry, Fisheries and Environment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Forest Sector Charter Council</li> </ul>
Timber growers <ul style="list-style-type: none"> <li>▪ Corporate</li> <li>▪ Medium-scale</li> <li>▪ Small-scale</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corruseal (packaging)</li> <li>▪ Kimberly-Clark (tissue)*</li> <li>▪ Mondi (pulp, printing and writing, packaging)*</li> <li>▪ Mpack (packaging, recycling)</li> <li>▪ Neopak (packaging, recycling)</li> <li>▪ Sappi (pulp, printing and writing, newsprint, packaging)*</li> <li>▪ Twinsaver (tissue)</li> </ul> <p>*International footprint</p>	<ul style="list-style-type: none"> <li>▪ Agriculture Land Reform and Rural Development</li> <li>▪ Trade Industry and Competition</li> <li>▪ Industrial Development Corporation</li> <li>▪ Water and Sanitation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Packaging South Africa</li> <li>▪ Sawmilling South Africa</li> </ul>
	Processors of recycled fibre		

## Small growers

Emerging and small-scale growers are an important link in South Africa's forestry value chain. Based in rural, impoverished areas, they receive significant support through various initiatives aimed at promoting sustainability, economic empowerment, and transformation.

Key programmes include:



### MONDI ZIMELE

- Focused on accelerating community empowerment in forestry value chain
- Provides financial support, business mentorship, and discounted funding to small businesses
- Offers skills transfer, financial support, secure markets, and quality seedlings to emerging growers
- Since inception, more than 3,785 growers benefitted with a combined 6,600 ha of plantations
- 60% of growers are women



### SAPPI KHULISA

- Initially known as Project Grow
- Supports subsistence farmers with access to 1-20 hectares of land for tree farming
- Provides sponsored seedlings, technical advice, training, and guaranteed market access.
- Loans also available to cover farming input costs
- Expanded to include community forestry projects
- Currently around 1,200 active suppliers managing over 37,028 hectares of land (Sappi, n.d.)

## Chapter 5

### SECTOR CHALLENGES, THREATS, OPPORTUNITIES AND INTERVENTIONS

#### 5.1 SECTOR CHALLENGES AND THREATS

- **Security of Supply of Raw Material:** Insufficient planted trees are the biggest constraint to growth, due to the limited availability of land suitable for commercial forestry and the challenge in obtaining water use licences from DWS and limited support from DFFE.
- **Cheap Imports:-** Preference for cheaper imports from China. This undermines the local market, reducing competitiveness and increasing the potential for job losses.
- **Perceived Dumping of Printing and Writing Grades.** This is because of overcapacity internationally; a small quantity at a low price kills the local market.
- **Decline of newsprint demand** and consumption in South Africa. Although slower than the decline in the rest of the world, this is nevertheless in line with the trend as a result of the increased use of digital forms of communication and the growth of electronic device use.
- The **availability of recycled fibre** is key to several mills. However, building an efficient collection, sorting, and recycling system to effectively reintroduce materials into the production cycle remains a key challenge.
- Linked to this is **the downside of plastic substitution.** To perform similar functionality to plastic, paper or paperboard is altered in such a way that it is difficult to recycle using

conventional technology. With the exception of liquid board packaging used in milk and juice cartons can be recycled at two operations in Gauteng, with opportunities for circular economy activity with the poly alu waste.

- New regulations on products such as the **European Union Deforestation Regulations** (EUDR) will mandate that companies selling wood will have to prove their products are deforestation-free and legal, impacting the entire global supply chain. These measures will alter market dynamics and create financial incentives to find solutions, as non-compliant products will incur higher costs through taxes and penalties.
- Forests are impacted by **climate change** through increased average annual temperatures, altered precipitation patterns, wildfires and more frequent and severe weather events.
- Substantial **cost increases** in transport, labour, raw material inputs, energy and licences have also hurt the local paper industry's ability to trade competitively in producing, recovering and recycling paper. .
- The USD/ZAR **exchange rate** plays a crucial role in determining the competitiveness, revenue stability, and overall profitability of South African exports. Businesses must carefully manage these fluctuations to optimise their financial performance.
- Current **limited ownership and participation** of small growers and local communities in the processing value chain.

## 5.2 OPPORTUNITIES AND PROPOSED INTERVENTIONS AND GROWTH AREAS

The forest products industry is not disappearing but evolving and transforming. It is important to recognise that there are also significant opportunities to improve the industry's performance and drive growth in the sector.

### *Forestry, fibre security and supplier support*

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*Additional timber availability would boost the annual sales value of the pulp and paper industry by 44%, from approximately R50 billion to R72 billion.*

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Overcoming the regulatory challenges around availing the 100 000ha in Eastern Cape will create employment for approximately 6,000 people in forestry alone and a further 24,000 downstream employment opportunities in sectors such as:

- Suppliers: *Industries providing raw materials, machinery, and other inputs.*
- Services: *Sectors offering logistics, maintenance, and other support services.*
- Retail and consumer goods: *Increased spending by employees in the paper and packaging industry boosts demand in these sectors.*

Agroforestry initiatives, such as beekeeping, vegetable farming and macadamia farming, play a significant role in community development within forested areas. Given the long rotations of planted trees, it is necessary for growers to benefit from alternative forms of income.

## PROGRAMME 1: STRATEGIC TRADE PROTECTION

### *Strategic objective*

Provide appropriate trade protection to the local printing paper industry from low-priced and dumped deep-sea imports.

## *Interventions*

- Simplifying the trading system for printing paper products by reducing the number of tariff lines and by operating at a 6-digit rather than 8-digit level
- Considering the introduction of specific trade remedies
- Reporting on the combined impact of discrete trade measures operating in the sector such as tariffs, anti-dumping measures, countervailing measures and preferential trade agreements
- Implementing tariffs on imports for local manufacturers can protect the local industry.
- Use standards and regulations in strategic trade protection for imported products to adhere to South African standards.

## *Key Stakeholders*

PAMSA, ITAC, **the dtic**

## **PROGRAMME 2: EXPORT-LED GROWTH**

### *Strategic objective*

- Work with provincial governments, industry players, development agencies and non-profit organisations to provide support to tissue converters and packaging companies.
- Improve competitiveness in the sector through use of various industrial development tools.

### *Interventions*

#### **1. Enhancing market access**

- The development of sustainable and renewable energy technologies; Rebate provisions for certain raw materials can also be applied in the sector to improve competitiveness.
- By negotiating trade agreements and reducing tariffs, can improve market access for South African pulp and paper products in BRICS countries. This can help South African companies expand their market reach and increase exports.
- The African Continental Free Trade Area (AfCFTA) presents significant opportunities for the industry. Reduced trade barriers and tariffs can benefit other African countries that require forest products.
- Support small and medium black producers and exporters to continue to export low-value products, increasing domestic and export capacities.
- Benefit from opportunities through the AfCFTA and growth in Middle East to deepen regional exports.
- Strengthen and facilitate export promotion programme access.
- Development of a paper products export strategy.

#### **2. BRICS Collaboration**

- Facilitating investment missions and fostering technology transfer agreements between South Africa, Brazil, and China can help expand market access, increase exports, and adopt advanced technologies for sustainability and productivity.

#### **3. Investment/Trade missions**

- The industry, in collaboration with **the dtic**, can organise investment missions and business forums, bringing together key stakeholders to help identify mutual interests, explore investment opportunities, and establish joint ventures.

### *Key Stakeholders*

PAMSA, ITAC, **the dtic sector desk, EMIA and Trade desk, Provincial gvts and DFIs**

## PROGRAMME 3 STRATEGIC PARTNERSHIPS

### Joint Initiatives for Transport Infrastructure Improvement

- Joint funding for rail and port upgrades, as well as improvements to road networks would result in a cost reduction that would enhance global competitiveness and develop a more resilient supply chain.
- Public-private collaboration to resuscitate and modernise transport infrastructure. This would need to be a cross-industry initiative from forestry to processing.

### Green incentives

- GHG Sequestration - The industry can contribute significantly to greenhouse gas reduction through sustainable forestry.
- Enhancing financial incentives in the carbon tax framework is crucial for greater participation in emission-reducing projects.
- **The government** can launch initiatives to encourage more companies from various sectors to participate in carbon offset projects with a focus on promoting small plantation growers and SMMEs.

### Key Stakeholders

PAMSA, ITAC, Provinces, **the dtic, FSA, SSA, DOT, NT, DFFE**

## PROGRAMME 4: LOCALISATION (DESIGNATION OF PRINTING PAPER)

### Strategic objective

- Support the industry through the designation of paper and paper products.
- Government-supported domestic strategies that protect and strengthen the local market, and ensure its sustainability and growth in the face of global competition.

### Interventions

- Develop the proposal for *Paper and Paper product* designation.
- Develop guidelines for the designated products.
- Implementation of high-impact transformation and empowerment initiatives for black producers and exporters,
- Strengthen skills development programmes for enterprises and entrepreneurs to increase productivity and competitiveness
- Tax allowances: Explore 12I, SEZ incentives and other available programmes.
- Black industrialist support: Support small and medium producers and black industrialist exporters.

### Key Stakeholders

PAMSA, ITAC, **the dtic, IDC, NT, Organs of State**

## PROGRAMME 5: RESEARCH, INNOVATION AND PRODUCT DEVELOPMENT

### Strategic objective

- Ensure sustainability and scale-up of financial support for production capacity and export industry competitiveness and improve the viability of the country's pulp and paper sector through additional employment opportunities, profitability and growth.
  - Harvested wood products are regarded as a green alternative to petrochemicals in manufacturing various products.

- DWP produces diverse products with applications in food and beverages, health and hygiene, wrapping and packaging, and pharmaceuticals. It is also used as a raw material in the production of regenerated cellulosic fibres like viscose, modal and lyocell, which are then spun into textile yarns and fabrics.

### *Interventions*

- Streamline IDC, NEF, DST, FP & M Seta, DFIs, and **the dtic** with its funding process so that these are more accessible for small and medium-scale producers.
- Strengthen infrastructure capabilities with priority in transport, energy, and sustainability.
- Tapping into niche products such as DWP and bio-products, which range from applications for nanofibres to composite materials and lignin-based chemicals and binders, is very important.
- Using residual biomass for power generation can extract more value from the available forest area.
- Harnessing waste beneficiation opportunities to enhance sustainability and economic value
  - Converting mill sludge into higher-value products such as ethanol\* and biopolymers.
  - Waste from forestry, timber, and paper processes can be used to produce bio-based chemicals through fermentation and other green chemistry technologies. These initiatives create valuable by-products that can be used in various industries, such as automotive, textiles, and packaging.
  - The use of residual biomass-based energy for power generation has the potential to extract more value from the available forest area. This could improve the viability of the country's pulp and paper sector through additional employment opportunities, profitability and growth.
  - Upscaling of new products for example pilot project implemented by PAMSA in collaboration with Stellenbosch University funded by the DST

### *Key Stakeholders*

PAMSA, ITAC, **the dtic**, IDC, NEF, DST, FP & M Seta, DFIs

## **PROGRAMME 6: SMME SUPPORT IN THE RECYCLING SECTOR**

### *Strategic Objective*

- Provide requisite support for SMMEs to grow and Small businesses' role is being increasingly recognised worldwide.
- The perceived potential of small businesses to create employment has shifted governments' attention in many countries towards SMMEs. Paper recycling facilities can create employment in the informal sector. This can increase labour productivity, create jobs, improve living conditions at a grassroots level, and provide the environmental benefits of recycling.
- DFFE has already mandated Extended Producer Responsibility (EPR) regulations to extend companies' responsibility for certain identified post-consumer products, ensuring that the end-of-life is effectively and sustainably managed to increase diversion from landfills and encourage a circular economy.
- Separation-at-source programmes, as well as informal collection at household and business levels, could also significantly increase the annual average of 1.1 billion kilograms collected. This recycling effort supports job creation and provides significant economic benefits.

- This should present more job opportunities than landfilling or incineration of waste. Despite 10,000 jobs being anticipated in this sector over five years of the master plan, Fibre Circle claims 300 jobs to date.

#### *Interventions*

- Implementation of high-impact transformation and empowerment initiatives for black producers and importers,
- Implementation of outcomes of the Competition Commission Market enquiry to open up the market for SMMEs,
- Strengthen skills development programmes for SMMEs to increase productivity and competitiveness.

#### *Key Stakeholders*

PAMSA, ITAC, **the dtic**, **DBSD**, **NEF**

## **Chapter 6**

### **CONCLUDING REMARKS**

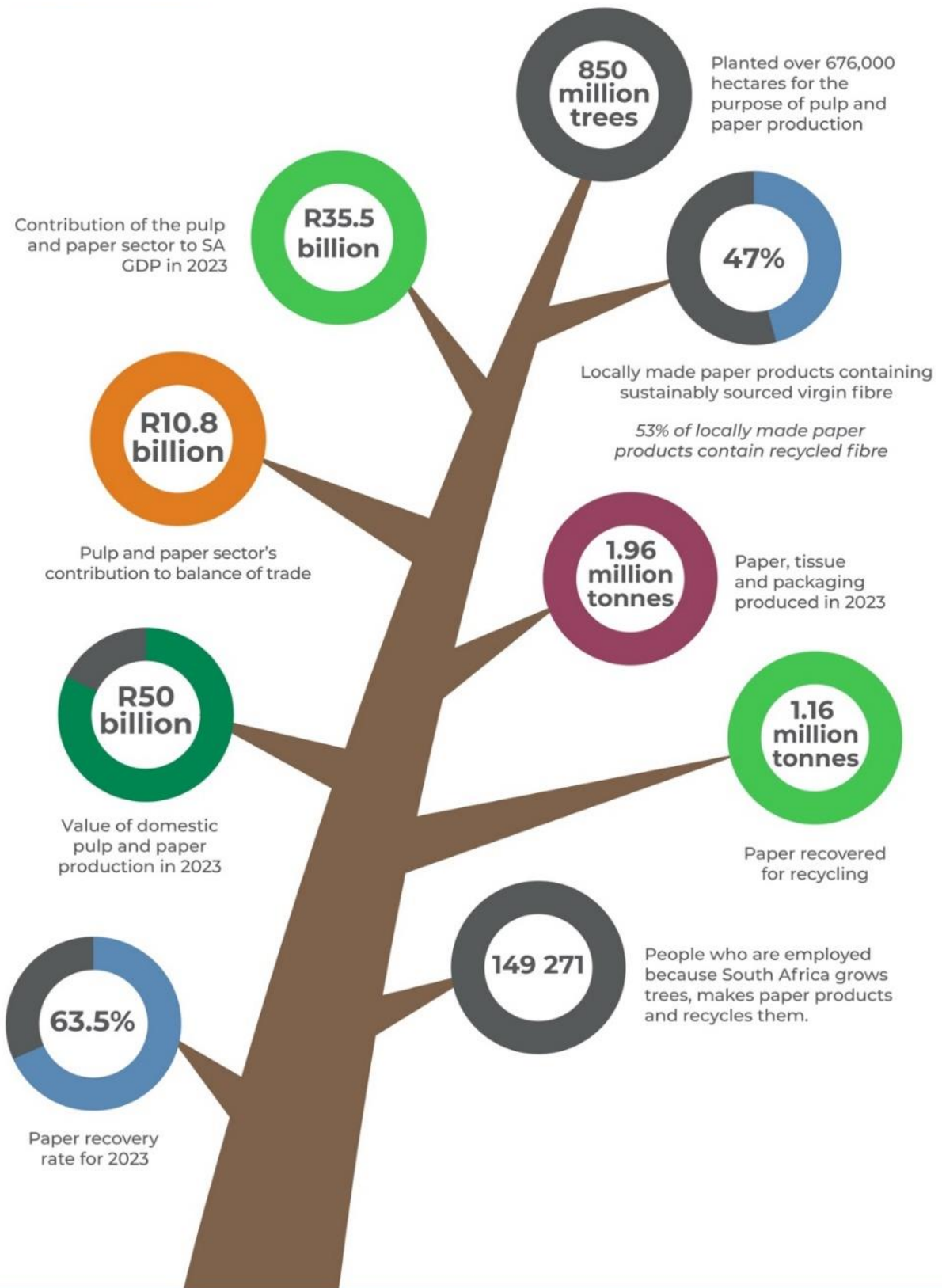
The pulp and paper industry requires a nimble ITAC to address dumping. This will provide some protection against the structural decline in printing paper demand and consequential global oversupply. Recognition of the forestry sector's greater role in climate mitigation, economic development, employment growth and as a key player in achieving national development goals by the whole of government, will ensure the existing masterplan is implemented and the sector thrives.

Population growth, urbanisation and rising living standards drive growth in demand for packaging and tissue paper products. This could also benefit from the African Continental Free Trade Area (AfCFTA). Lastly, empowering small-scale timber growers can be an effective way to achieve developmental objectives and at the same time target climate objectives and grow the pool of fibre available to the industry.

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