NEWS RELEASE

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The Paperless Society: Myth or Reality?

Paper use in Singapore is still the same or rising among more than 80% of companies surveyed compared to 2005, but more companies are pushing paper-saving efforts.

High Paper Consumption among Singapore Companies

Although there are greater efforts by Singapore companies to reduce paper usage and put in place guidelines to prevent wastage, far more companies are still increasing their usage of paper (43%) versus those reducing it (18%), noted Spire Research and Consulting (Spire) in a recent survey.

“Despite all the talk that increasing computerization and environmental concerns will result in less paper usage, more than half of the locally-based companies still had no existing guidelines on minimizing paper usage,” said Spire’s Group Managing Director Leon Perera.

The survey of 100 companies in Singapore conducted in March 2007 found that:

- More offices are noting a drop in paper consumption from Spire’s last survey in 2005, from 12% to 18%, while the proportion that increased paper use is down from 51% to 43%.
- The rest – 39% – reported consistent usage.
The survey spanned a range of industries, from business services, through to construction and manufacturing. Respondents comprised executives with knowledge of and/or responsibility for paper purchasing patterns in each company.

**Lack of Guidelines on Paper Use in most Singapore Companies**

In spite of the increasing attention given to document management:

- 61% of the companies surveyed said that they had no existing policies or guidelines governing the use of paper – employees were free to use as much as they needed. However this was a marked improvement over the 2005 figure of 88%.

- Offices that have guidelines for paper usage have more than doubled in the last two years to 25%, out of which:
  - Policies included double-sided printing and/or recycling,
  - Only 8% had measurable, concretely enforced guidelines such as limits on paper consumption per employee,
  - The remaining companies limited their paper conservation guidelines to mere encouragement and voluntary efforts.

- Only 17% confirmed that the company orders paper that is PBSM (Produced by Sustainable Method). Although more firms have expressed interest in using recycled paper in recent years, many are deterred by the premium pricing

Companies with paper conserving measures in place were typically motivated by ISO standards or were multi-nationals implementing directions on paper conservation from overseas head offices².

Administration and Human Resource (HR) departments were cited as the heaviest users of paper. Construction, transport and logistics, and manufacturing were the industries

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that consumed the most paper, with each employee using an average of more than one and a half reams of paper in a year.

**Asia-Pacific set to be Key Market for Paper**

The Asian paper market is estimated to account for approximately 32%\(^3\) of total global consumption. Its principal markets comprise China, Japan and India.

From figure 1, we can see that while paper consumption in Singapore has been volatile in the last decade, it is gently sloping towards stable negative growth.

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**Figure 1. Annual growth of paper consumption per capita (1996 – 2005)**

![Figure 1. Annual growth of paper consumption per capita (1996 – 2005)](image)

*Asia excluding Middle East
Source: World Resources Institute

At present, Singapore consumes the lowest amount of paper per capita among the more developed Asian countries including South Korea, New Zealand, Australia and Japan (see figure 2).

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\(^3\) Star Paper Mills Ltd, annual report
The consumption of paper is linked not only to the GDP per capita of a country but more so to IT penetration. Typically paper consumption sees a jump with the advent of mass computerization and office automation, but then slows down to a stable, single digit growth rate as a result of increasing awareness of cost issues and environmental concerns.

Asia offers great potential for the paper and paper-related products industry, given the economic development in the region and the growth of computerization in the emerging countries. More paper, printing equipment and consumables will be used for work and leisure. A strong growth in the education sector and urbanization are also factors driving demand in these countries.

**Conclusion – Office Paper Use is still Up**

It appears from the survey that multinationals have the upper hand when it comes to paper reduction – they enjoy greater economies of scale and other benefits from paperless solutions compared to small and medium enterprises (SMEs). It is, after all, harder for SMEs to justify the outlay for bringing processes online as they have fewer resources to cut and short-term savings would be limited.

However, recycling among Singapore offices has seen an improvement: 75% now send their paper to third parties for recycling, up from less than 20% in 2005. While the paperless society is currently still a long way from reality, recycling and reducing paper usage has clearly taken off within the business community. As a double-edged sword, though, recycling may feed the impression that paper reduction is unnecessary and, paradoxically, increase the tendency to use paper.

Most people have a deep-seated familiarity with processing information in paper form. As such, any drive towards complete “paperless-ness” should perhaps be reconsidered,
in favor of policies promoting sensible recycling of paper and sustainable paper production.
Annex

Sustainable paper use

Paper minimization office practices in the office and at home hold out the prospect of at least 20% reduction in paper use. These techniques make use of technology and result in cost savings by reducing paper purchases, decreasing storage space for filing cabinets, lowering postage costs, reducing long-distance phone charges for faxes and lowering energy costs of operating office machines.

Techniques:

Memos and internal documents
- Distribute memos via email.
- Share internal documents through the intranet.
- Store office records on CD-ROMs.
- Request electronic or CD-ROM versions and share subscriptions.
- Share one “master copy” of hard documents and edit documents on a single circulating draft.
- Adjust page settings (e.g., margins, line spacing and font size) on drafts to give smaller allowance of page wastage.
- Use scrap paper for drafts or notepaper.
- Print on both pages of a sheet.

Business documents
- Use electronic business forms.
- Print letterhead directly from staff computers.
- Eliminate cover or divider pages.

Fax
- Replace fax cover sheets with stick-on labels.
- Send and receive faxes via personal computers to avoid printing.
- Print fax confirmation sheets only when there is a failed transmission.

About Spire Research and Consulting

Spire Research and Consulting is Asia's leading strategic market intelligence consultancy. Spire's competitive advantage lies in its ability to deliver to its clients actionable intelligence on the external business environment in support of their strategic decision-making in marketing and business development. Spire is one of the few companies in its industry to be headquartered in Asia. Spire's clients include over 20 Fortune 500 organizations as well as Government agencies in nine countries. Spire has undertaken multiple projects for Hewlett-Packard, Yamaha Motor, Black & Decker, LG Chemical, Thomson Multimedia and Panasonic, among others. For more information, visit us at www.spireresearch.com.

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5 www.woodconsumption.org/products/paper.pdf
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