

# ROLLING ON

*Manufacturing in Indonesia and China, The Rolling Paper Co. combines the best of both worlds.*

TR Staff Report

The Rolling Paper Co. reflects the internationalism that the tobacco industry is famous for. The firm is headquartered in Guangzhou, China, managed by a U.K. citizen of Indian descent and manufactures in both China and Indonesia. Its products, meanwhile, sell in some 20 countries worldwide, including markets that other suppliers may find daunting, either because of stiff regulatory requirements or due to security and infrastructure concerns, as is the case in many African markets. In this respect, The Rolling Paper Co. also exhibits another quality often associated with tobacco firms—tenacity.

A member of the Anup Group, the company offers a selection of rolling papers, roll-your-own (RYO) filters, leaf grinders, rolling machines and other related products. Its paper weights range from 12.5 grams per square meter (gsm) to 20 gsm, and the company has the technology to produce hemp papers, unbleached papers and regular wood pulp papers. It also supplies various promotional items, such as T-shirts, caps, umbrellas, clocks and ashtrays.

The only tobacco-related product The Rolling Paper Co. does not produce is tobacco. “My wife would get upset,” jokes Ashwyn Daryanani, managing director of The Rolling Paper Co. While The Rolling Paper Co. also supplies accessories for nontobacco uses, such as cannabis smoking—a practice that is being accepted and legalized in an increasing number of jurisdictions—the majority of its business is for tobacco applications.

But The Rolling Paper Co.’s offerings to customers in this segment are not limited merely to tangible products. According to Daryanani, the firm offers a holistic marketing package, including conceptualization, branding, manufacturing, quality control and distribution for a wide

variety of paper weights and sizes. Needless to say, its services appeal especially to independent manufacturers.

In recent years, the firm has been quite successful in Africa, even though rolling cigarettes is not a traditional



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Leaf Tobacco and Added Value Products

custom on much of the continent. "At first, smokers didn't know what to do with it," recalls Daryanani. Many customers are illiterate, so The Rolling Paper Co. trained its vendors, who in turn passed on their knowledge to their customers through product demonstrations. "We got big with some of our brands in West Africa," says Daryanani. "People are still asking for our paper." The company is in the process of replicating its vendor-led model in other African markets.


For the time being, competition remains limited, according to Daryanani, who suspects that some of the established players may be uncomfortable doing business in what they view as a challenging market environment. "Fortunately for us, the impression persists among our competitors that Africa is not for the fainthearted," he says.

But even as Africa is gaining importance in The Rolling Paper Co.'s portfolio, it makes most of its money in the developed world. Currently, the company's biggest markets are the U.S., Spain and the Czech Republic. Spain and Greece are among The Rolling Paper Co.'s fastest-growing markets because of the impact of the economic crisis, which has caused smokers of factory-made cigarettes to embrace less expensive alternatives such as RYO and make-your-own products.

To spread its risk and to offset rising labor costs in

China, The Rolling Paper Co. recently opened a factory in Indonesia. The raw materials for paper are cheaper in Indonesia than they are in China, according to Daryanani, while the cost of labor is about the same. "But Indonesian workers are focused more on the long term," he says. Working in a rapidly growing economy, Chinese workers are constantly on the lookout for other opportunities. "They will jump ship for even the slightest pay increase," he says. A high turnover of personnel can be problematic for labor-intensive businesses that require slightly skilled workers. Needless to say, if you must constantly reinvest in worker training and education, production efficiency declines.

Daryanani is aware that some customers may be hesitant to embrace goods manufactured in China and Indonesia due to perceptions about poor quality. To help them overcome such reservations, The Rolling Paper Co. offers starter packs of 1,000 custom booklets. "This allows them to try out the quality at very low cost," he says.

The managing director is convinced that once customers try out his products, their hesitations will quickly melt away. As an international operator, The Rolling Paper Co. is able to combine the best of the various countries it works in—and it remains committed to passing on those benefits to customers around the world. 

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