



# Lignin Market is Anticipated to Grow at a CAGR of 3.60 % | 2029

The [Lignin Market](#) is expected to undergo a **CAGR of 3.60%** during the forecast period. This indicates that the market value, which was USD 2.17 billion in 2021, would rocket up to **USD 2.88 billion** by **2029**. “Lignuosulfonate” dominates the product type segment of the lignin market owing to the high usage of lignin in by the gas industry to control mud viscosity in deep oil well drilling and in the preparation of smooth clay slips for ceramics.

Lignin is highly complex chemical in nature and is responsible for binding cellulose fibre in certain plants. Lignin is majorly used as a by-product by the paper industry. Green Value SA (US), LENZING AG (Austria), Northway Lignin Chemical (Canada), Tembec (Canada), Innventia (Sweden) and WestRock Company (US) are the major players operating in this market.

## Some of the major players operating in the lignin market are:

- Borregaard LignoTech (US)
- Rayonier Advanced Materials (US)
- Domtar Corporation (US)
- Domsjo Fabriker (Sweden)
- Stora Enso Oyj (Finland)
- Burgo Group Spa (Italy)
- The Dallas Group of America (US)
- Chengzhou Shanfeng Chemical Industry Corporation (China)
- NIPPON PAPER INDUSTRIES CO LTD. (Japan)
- Metsa Group (Finland)

## Lignin Market Dynamics

### Drivers

#### Raw Material Availability Influenced the Market Growth

Rising availability of raw material availability and easy production is widening the scope of growth for the market. In other words, lignin can be extracted using a range of methods such as sulfite pulping, kraft pulping, organosolv pulping, soda pulping, and hydrolysis techniques which is directly influencing the market growth of the market. Also, growth and expansion of agricultural industry is directly influencing the market growth rate.

#### Growing Awareness to Direct the Market Demand and Supply

Increased awareness about the range of application of lignin is inducing increased demand and supply on global scale. Low purity lignin can also be extracted from wastes produced in various sectors, such as pulp and paper and bio refineries which is inducing a good market growth rate.

### **Growing Demand for Paints and Coatings to Direct the Market Growth**

Lignin is an ideal substitute for crude-oil-derived naphtha which in turn is inducing the market growth rate. Lignin is a primary source of aromatic substrate and aromatic compounds are vital for the production of paints and coatings. This will yet again bolster the growth of the market.

### **Opportunities**

#### **Rising Research and Development Operations**

Increased funding from federal government pertaining to the research and development proficiencies is also bolstering the growth of the market. Research and developmental operations directed towards sustainable development will ensure optimum and judicious use of resources, thereby improving the market value.

### **COVID-19 Impact on Lignin Market**

COVID-19 had a negative impact on the market. This was because of the shutdown of the manufacturing facilities and plants owing to the lockdown and restrictions. Supply chain and transportation disruptions further crated hindrances for the market. In other words, the industry faced a backlash owing to the disruptions in value chain, including workforce losses, raw materials supply, trade and logistics, and uncertain consumer demand. Manufacturers from lignin market are taking efforts to recover from the losses.

### **Global Lignin Market Scope**

#### **Source**

- Kraft Pulping
- Sulphite Pulping
- Cellulosic Ethanol

#### **Product type**

- Lignuosulfonate
- Kraft Lignin
- BTX
- Other Product Types

#### **Application**

- Activated Carbon
- Animal Feed

- Carbon Fires
- Bonding Agent
- Other Applications

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