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Domestic paper industry frets as H1 imports under FTA zoom 257%

Our Bureau

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Import of paper and paperboard continues unabated. After a 25 per cent jump in volume during the 2022-23 fiscal, paper imports increased further by 43 per cent in the first half of the current fiscal, according to DGCI&S data.

The surge in imports is mainly due to a 257 per cent growth in import of paper and paperboard from the ASEAN region at zero import duty under a free trade agreement.

In April-October 2023, import of paper and paperboard increased to 9.59 lakh tonnes from 6.72 lakh tonnes in the same period a year ago. Imports from ASEAN grew from 81,000 tonnes to 2.88 lakh tonnes. While imports of all grades of paper have risen sharply, imports of uncoated writing and printing paper have risen 267 per cent in



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volume terms in the first half compared with the year-ago period.

RISING INPUT COSTS

In value terms, too, import of paper and paperboard increased by 10 per cent and paper worth ₹6,481 crore landed in the country, notwithstanding the adequate domestic capacities to manufacture almost all grades of paper, according to the Indian Paper Manufacturers Association.

Even as the industry is grap-

pling with the issue of producing paper and paperboard at competitive prices in view of the significant increase in raw material and input costs, it is hamstrung by the preferential tariff treatment of paper and paperboard imports under various free trade agreements, said Pawan Agarwal, IPMA president. Besides the zero import duty on paper under the ASEAN and Korean FTAs, India has extended import tariff concessions to China (and other countries) under the Asia Pacific Trade Agreement (APTA), offering 30 per cent margin of preference, thereby reducing the basic customs duty from 10 to 7 per cent on most grades of paper.

IPMA has urged the government to keep paper and paperboard in the negative/ exclusion list, where there is no preferential treatment in terms of import tariff, while urgently reviewing existing FTAs (ASEAN, South Korea and Japan).