

Chennai | 24 Nov 2023

Paper imports jump 43% in H1 of FY24, says IPMA

TIMES NEWS NETWORK

Chennai: Following a 25% jump in FY23 in volume terms, India's paper imports have further gone up by a staggering 43% in the first half of FY24, reveals data released by DGCI&S. The massive growth in imports is mainly due to a humongous 257% growth in imports of paper and paperboard from ASEAN, which enter the country at zero import duty under the ASEAN-India free trade agreement, said a statement by the Indian Paper Manufacturers Association (IPMA).

In H1 FY24, imports of paper and paperboard have grown to 959 thousand tonnes as compared to 672 thousand tonnes in H1 FY23. Imports from ASEAN grew from 81 thousand tonnes in H1 FY23 to 288 thousand tonnes in H1 FY24. While imports of all grades of paper have risen sharply, imports of uncoated writing and printing paper have shown a growth of 267% in volume terms in H1 FY24 over H1 FY 23.

In value terms too, imports of paper and paperbo-



959 THOUSAND TONNES

ard have risen by 10% in H1 FY24. "Paper worth Rs 6,481 crore landed in India in the first half of current fiscal notwithstanding the adequate domestic capacities to manufacture almost all grades of paper," said IPMA.

Even as the industry is grappling with the issue of producing paper and paperboard at competitive costs in view of significant increase in raw material and input costs, the industry is hamstrung by the preferential tariff treatment to paper and paperboard imports under various free trade agreements (FTAs) signed in the past, said Pawan Agarwal, IPMA president.

Besides zero import duty on paper under the ASEAN and Korean FTAs, India has

also extended import tariff concessions to China (and other countries) under the Asia Pacific Trade Agreement (APTA) offering 30% margin of preference, thereby reducing the basic customs duty from 10% to 7% on most grades of paper. Taking advantage of the nil / low import duty rates and a burgeoning demand for paper in the country, these countries find India an attractive outlet for diverting their excess inventory, said the statement.

Going forward, imports into India are expected to accelerate in view of the economic slowdown in China, trade restrictions and import duties imposed by the US and European Union to protect their own domestic markets, and large new paperboard capacities coming up in Indonesia and China.

Apart from the overall negative impact of duty-free imports on the domestic paper industry, it is making most small and medium paper mills in India commercially unviable, said IPMA. According to DPIIT, out of over 900 paper mills in the country, currently only 553 are operational.