

Business Standard

Increase import duty on paper, paperboards to 25% in Budget: Industry body

IPMA President Pawan Agarwal urged the government to keep paper and paperboard on the negative list while reviewing the existing FTAs (ASEAN, South Korea and Japan) and formulating new ones

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Domestic paper and paperboard manufacturers have demanded a hike in import duty to 25 per cent on paper products and the imposition of a quality control order in the upcoming Budget to discourage cheap inward shipments.

The Indian Paper Manufacturers Association (IPMA), in a statement on Monday, said that in its pre-budget submissions to the government, it has urged for increasing the basic customs duty on the import of paper and paperboard from 10 per cent to 25 per cent as India's WTO Bound rate is 40 per cent on these products.

The association has also asked for the issuance of quality control orders (QCOs) for different grades of paper to ensure the supply of quality products to Indian consumers and check the import of sub-standard products into the country.

IPMA President Pawan Agarwal urged the government to keep paper and paperboard on the negative list while reviewing the existing FTAs (ASEAN, South Korea and Japan) and formulating new ones.

He mentioned that any increase in customs duty will not impact the duty-free imports coming into the country under the FTAs.

"Suitable safeguard, anti-dumping and countervailing duties on imports of various grades of paper should be expeditiously imposed, especially after the recommendation of the Directorate General of Trade Remedies (DGTR).

"With a 43 per cent increase in imports of paper and paperboard in H1 of FY24 on the heels of a 25 per cent increase in FY23 in volume terms, India's Paper Industry has asked for suitably increasing import duty on Paper in the upcoming Budget to provide a level playing field for domestic manufacturers," IPMA said in the statement.



The Association Noted That The Paper Industry Has Been Reeling Under Stress With The Underutilisation Of Capacity In View Of The Indiscriminate Increase In The Import Of Paper And Paperboard

The association noted that the paper industry has been reeling under stress with the underutilisation of capacity in view of the indiscriminate increase in the import of paper and paperboard.

"What is hurting all the more is the fact that the imports of paper and paperboard into India have been increasing in spite of adequate domestic production capacity straddling all kinds of paper," according to IPMA.

Imports are growing at a rate higher than the growth in domestic production, leading to underutilisation of domestic installed capacity in the country, IPMA President Pawan Agarwal said.