

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:401
ANSWERED ON:19.12.2006
GROWTH OF PAPER INDUSTRY
Kalmadi Shri Suresh

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

e :

- (a) Whether there is a shortage of raw materials required for manufacture of paper ;
- (b) If so, the details thereof alongwith the reasons therefor; and
- (c) The steps taken by the Government to sustain the growth of the country ?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a)&(b) : Yes, Sir. There is a shortage of good quality cellulosic raw material required for manufacture of paper. At present, the raw material base for manufacture of paper in the country is wood (30%), agro-residue (32%) and recycled fibre (38%). There is inadequate supply of wood and recycled fibre for manufacture of paper. Consequently, 0.38 million tons of wood pulp and 1.76 million tons of recycled fibre were imported during the financial year 2005-06.

(c) : The steps taken by the Government to sustain the growth of the paper industry inter-alia include; rationalization of duty structures, funding of Research & Development projects, de-licensing of the paper industry, permitting 100% FDI through the automatic route, etc.