

role of paper mills in import substitutions[†]

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The need for Import Substitution cropped up during late 1965 and Import restrictions have affected one and all. Efforts in all Sectors,—Public and Private, are directed towards reduction in Imports. Paper Mill Machinery suppliers and Mill Engineers have taken up this problem seriously and they are making all round effort to reduce the imports. In this paper, an attempt has been made to review the role of the Paper and Board Manufacturers in reducing the Imports of different grades of paper used by Consumers.

The need for 'Import Substitution' cropped up during late 1965 due to lack of foreign exchange. The 'Import' restrictions have affected one and all—including Food and Defence. All round nation-wide efforts are being made to meet this challenge. Industries both in Public and Private Sectors have set up agencies and committees to devise means and plans to reduce their imports. Trade Associations, Research Laboratories and Government Agencies have all joined together to work out details so as to reduce imports. Designers and Engineers are busy in different industries to design machinery parts and components, so far been imported, to manufacture them in India; technicians in distinctive fields are adopting and attempting improvised techniques to conserve imported goods; Research Workers are out to invent substitutes and give alternate receipts. While all industries are fighting against the odds, the Paper Mill Machinery Suppliers and our Mill Engineers are not lagging behind; they have risen to the occasion and are fully conscious of their responsibilities. Most of the Paper Mills have taken up the problem of import substitution on priority basis—they are tackling the issue in their own way but with the common aim to reduce imports. Summarising their activity we see that efforts are being made to manufacture spares in India; substitution of imported items by alternate arrangements and conserving the imported goods. The paper mill technicians have fully joined hands with Engineers in the drive to reduce imports. The results are encouraging.

The present Seminar has given us an opportunity to know what we are doing individually in our sphere—the manufacturers and suppliers have told us about their efforts; the mill Engineers have described the various attempts they are making to reduce imports and to take maximum life out of imported items. While everybody is playing his role towards 'self-sufficiency' let us see what paper and Board manufacturers have done or are doing to reduce imports of different

grades of papers used by the consumers; and what we propose to do to reduce import of papers and boards. An attempt is made here to study what we have been doing in this area. The way the figures are available it does not lead to a quick and correct assessment: moreover, survey has not been done yet to gather facts and figures from various trades where paper is imported for a particular purpose.

Tracing back the history of paper making in India we find that the actual paper production on mill scale started in 1870 and by 1925 when 'Protection' was granted to Paper Industries the number of mills was 6 with a total production of about 27,000 tonnes, the then import was about 85,000 tonnes. The Indian Paper Industry faced severe competition from imports of cheap European paper. During 1925—35 the demand and production constituted mainly for newsprint, ordinary printings, writing and cheap wrappings. The wrapping demand was met by importing old news papers (22,000 tonnes in 1925). With passing of time the demand for paper increased and the Table I gives an idea about the production, imports and demands for papers, paper boards (including newsprint) in India.

TABLE I.
Production, Import and apparent consumption for
Paper (including Newsprint) and Paper Boards
(figures in thousand tonnes) ...

Year	Production	Imports	Apparent consumption
1924—25 ...	27.0	84.9	111.9
30—31 ...	39.6	114.7	154.3
35—36 ...	48.0	166.6	214.6
40—41 ...	87.7	105.1	192.8
45—46 ...	108.4	54.9	163.3
47—48 ...	93.7	112.9	206.6
50—51 ...	107.6	109.4	217.0
55—56 ...	187.7	148.0	335.7
60—61 ...	366.1	108.3	474.4
64—65 ...	523.0	120.5	643.5
65—66 ...	558.0	111.3	668.3

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From Table I we find that the import during 1925 was about 75% of total requirement and within 40 years the demand has increased to 6 times but the imports have come down to 15/16%. Out of the present imports of 1,11,000 tonnes, the News print is about 85,000 tonnes and the remaining 26,000 tonnes falls under Paper and Paper Boards. During the early stages the production of only writing and printing paper was taken up; the requirement for newsprint and packing was totally met from imports. With advancement of literacy, industrialisation and increase in national income the demand for papers like toilets, drawings, packing paper, kraft paper, boards of different varieties and other industrial papers etc. increased; but our mills concentrated in production of writings and printings and allowed consumers to import the other varieties.

Table II gives the figures of different grades of paper imported during last 3/4 years.

TABLE II
Imports of Paper, Paper Boards etc. during 1963-66.

Category :	Import Quantity (MT)		
	1963-64	1964-65	1965-66
A. Newsprints ...	95520	102454	85252
B. Paper and Paper Boards :			
1. Coated papers & Boards	3281	3357	2000
2. Writings & Printings — (Cartridge, duplicating, lithos, air mails, banks, bonds, manifolds) ...	8168	3870	7052
3. Wrapping & Packing (Kraft & Manilla) ...	5234	4259	5187
4. Boards (Art boards, pressphan, vulcanised)	4405	3494	776
5. Tissues (coloured and white) ...	1137	1590	1867
6. Glassines including vegetable parchment	1289	1419	1557
7. Special paper (Grease- proof, filter, blottings tracings, photographic, fancy papers, oil papers)	1147	2878	2315
8. Misc. varieties e.g. Cable condensers, Matrix boards, insula- ting paper, sensitized paper base, special parchment ...	...	...	3404
	24660	20966	26118

Summary : (Quantity in tonnes)

Newsprint ...	95520	102454	85252
Paper & Paper Boards ...	24660	20966	26118
	120 80	123420	111370
Import Value (in thousand Rs.)			
Newsprint ...	69340	73980	61811
Paper & Paper Boards ...	46177	45906	69434
	115517 (Rs. 11.6 crores)	119886 (Rs. 12.0 crores)	131245 (Rs. 13.0 crores)

In order to fully study the exact position of imports of papers we will divide it into two major groups :

- A. Newsprint.
- B. Paper and Paper Boards.

A. Newsprint :

The demand for this group of paper has increased from 10,000 tonnes to 1,20,000 tonnes during 1925 to 1966. On account of its cheapness and non-availability of raw material, the industry did not take up the manufacture of Newsprint till 1955-56 when NEPA came into production in Public Sector. The present production of NEPA is only 30,000 tonnes/annum which is only 25% of the total requirement. Table III gives the figures related to Production, imports and Consumption for newsprint in India.

TABLE III
**Production, Imports and Consumption of
newsprint in India.**

(all figures in thousand tons)

Year	Production	Imports	Consumption
1924-25 ...	...	10.0	10.0
30-31 ...	...	21.5	21.5
40-41 ...	...	30.7	30.7
50-51 ...	...	75.2	75.2
55-56 ...	3.6	74.7	78.3
60-61 ...	22.9	75.5	98.4
64-65 ...	30.0	95.5	125.5
65-66 ...	31.0	85.2	116.2

The position as far as indigenous production is concerned is far from satisfactory. The demand for News Print is bound to increase rapidly and if the production is not increased we have to totally depend

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hartening—this is definitely a big step towards reducing the imports.

B. Paper and Paper Boards :

This group can be sub-divided into 4 classes of paper depending on their end use :

1. Printing and writings.
2. Wrapping and packing,
3. Paper Boards ; and
4. Special varieties including industrial papers, tissues, blottings, filter papers, condenser tissues, carbon tissues, tracing bases etc.

from a theoretical point of view the consumption or printing and printing may be expected to increase by factors like literate population, school going pupils and national income. Consumption of wrappings may be determined by advancement in industrial products. Demands for boards are linked with industrialisation, and national income. The requirement for special grades increases with national income.

The present pattern of demand is as follows :

Printing and Writings	...	...	65 %
Packing and wrapping	...	...	15 %
Paper Boards	...	...	15 %
Special grades	...	...	5 %

Compared to newsprints, fairly good progress has been made in this group excepting in the field of specialities. Table IV gives the figures for production, imports and consumption for this group.

TABLE IV.

Production, Imports and Consumption for paper and Paper Boards in India.
(all figures in thousand tonnes)

Year	Production	Imports	Consumption
1924-25	27.0	74.9	101.9
40-41	87.7	74.4	162.1
47-48	93.7	67.9	161.6
50-51	107.6	34.2	141.8
55-56	187.0	50.0	237.0
60-61	343.2	22.8	366.0
62-63	387.6	23.4	411.0
64-65	493.0	25.0	518.0
65-66	527.0	26.1	553.1

The figures in Table IV clearly show that the consumption of paper and paper boards has increased from 1,01,900 to about 5,53,000 tonnes, whereas, the imports have gone down from 74,900 tonnes to 26,000 tonnes. The present imports are only 5% of the total consumptions —this is definitely an encouraging sign towards realising the aims of 'Import Substitution'.

A further analysis of production and import for different categories are enumerated in Table V.

TABLE V.

Percentage of production and Import of different grades of papers in India (% on total consumption)

Year	Printings & Writings.		Packing & Wrapping		Paper Boards		Special Grades.	
	Production	Imports	Production	Imports	Production	Imports	Production	Imports
1948-49	51	49	50	50	66	34	65	35
50-51	89	11	70	30	85	15	18	72
55-56	86	14	64	36	88	12	16	84
65-66	98	2	90	10	95	5	60	40

It would be worthwhile to give the list of papers that are allowed to be imported (Public Notice No. 29-ITC (PM)/66 dated 9th February, 1966).

1. Currency paper stamp and other special types of papers for Security Printing (only for the Government of India).
2. Newsprint and Glazed Mechanical Printing Paper.
3. Art and Chrome paper.
4. High strength and special grade Kraft paper (e.g. sack kraft paper, electrical grade kraft).
5. Greaseproof, glassine, glazed Imitation Parchment and vegetable Parchment papers.
6. Tabulating Manila paper.
2. Specialised Tissues (e.g. Carbonising Tissues, Eltoline Tissues for Stencil, tracial and Toilet Tissues, Cellulose Wadding, coloured and pectoral cigarette tissues).
8. Base paper for waxing and coating and photo and sensitizing base.

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9. Electrical insulation papers and Boards (e.g. cable paper, condenser paper, Pressphan, fish paper, leatheroid).
10. Vulcanised fibre sheets for electrical insulation, rail joining and abrasives.
11. Sterco flongs and Metrix Boards.
12. Wood free glazed boards for waxing and laminating purposes.
13. Abrasive body paper.
14. Bible Paper and featherweight paper.
15. Filter paper.
16. Chart paper.
17. Indicator Paper.
18. V. P. I. Paper.

Writing and Printing $\alpha\lambda\mu\omega\tau\alpha\ \eta\pi\iota\sigma\iota\varsigma$

The Indian Paper Industry right from the beginning has stressed only on Printing and Writings. At present almost all mills are manufacturing this group. The planning of paper mills in India have been made to make only Ordinary papers, though modern methods have been adopted during the last 10 years to make better qualities; yet the demand for high grades of Printings and Writings are met from imported sources. In order to cut the import under this category the use and quality has to be rationalised to suit indigenous production.

Packings and Wrappings :

This class includes Krafts, Sack Krafts, Greaseproof, glassines, parchments, porous tissues—papers used in packaging industries.

During early days the demand for this grade was limited to ordinary wrappings and this met with imported old news papers. With industrial growth and increase in living standard, demand for alternative and right type of packaging have come in and it has necessitated the consumption of specialised grades of packings and wrappings. At present our production is confined to Krafts and tissues; however, attempts are being made to manufacture greaseproof and glassines—this a further step towards 'self-sufficiency'.

Paper Boards :

Duplex, triplex, Ticket boards, Mill boards, Coated boards, art and chromo, pulp boards and special grades of boards are included in this class. Excepting for special grades of boards and coated boards we are practically self-sufficient in Boards field.

Special variety of papers :

We are most deficient in this group which includes special tissues, document papers, security papers, carbon tissues, condenser tissues, filter papers, drawing papers, base papers for sensitization. Due to specific quality nature and low demand for these grades the Indian Paper Mills have not taken up the production. However, some mills have now diverted their attention towards this class.

Difficulties for not meeting the demand :

The difficulties are many but broadly they can be enumerated as follows :

1. Lack of knowledge and technical 'know-how'.
2. Lack of facilities—raw materials and machineries.
3. Low demand for special grades does not favour economic production.
4. The co-ordination between supplier and consumer is lacking hence the exact demand for quantity and quality is not known.
5. Suitable raw materials to impart specific quality are not available.

It is encouraging to note that in spite of above difficulties, mills are making attempts to meet demands with improvised facilities—but the quality does not come to the required standard, the paper lacks uniformity and the production cost go up higher—these factors retard the progress.

How to meet the Consumer's Demand :

Armitting the difficulties, the question arises shall we sit tight and allow consumers to import paper and make no concrete attempt to meet the demands. Obviously the answer should be 'NO'. Courage and devotion is needed at this stage and technicians have to rise to the occasion to meet challenges. Extensive and exhaustive survey regarding quality and quantity has to be carried out. Technicians are to be sent out to learn the techniques of making special papers; extensive research

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activities are to be directed in right lines. Equipped with these knowledge and techniques extensive mill scale trials are to be conducted for which active support from the management is a must. Added with this, our attempts to design and fabricate required machineries have to be continued vigorously, if self-reliance, is to be achieved. If we can direct our activities on above lines the challenge to reduce Imports of paper can definitely be met in the years to come. The above steps i.e. studying the techniques, conducting trials, research work, attaining proficiency in design and fabrication—are time-consuming and slow paced and it may take decade before we are able to stop imports. In the mean time will it not be worthwhile to import basic raw materials

and essential equipments for manufacturing special grades of paper and try making final products. While trying to make the final product with imported means, we may have to import technical know-how and thereby gain experience in the line. By importing raw product and intermediates the import values can definitely be brought to a lower figure as against import of finished product.

I do not claim that I have done full justice to such a vast subject; however, I have tried to put before my colleagues one aspect of Import Substitution which should serve as a nucleus for the thought towards the direction of reducing import of papers and paper boards.