

Paper makers want interest-free loans to turn green and competitive

Industry association flags raw material shortage amid growing demand for paper and paperboard

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The paper manufacturing industry wants interest-free loans to develop energy-efficient and environment-friendly technologies to become more competitive.

Rohit Pandit, Secretary General, Indian Paper Manufacturers Association (IPMA), said the industry badly needs modernisation assistance as it has been hit by high wood prices, rising cost of inputs, high fuel costs and cheap imports of paper under trade agreements.

The association reiterated its demand in its pre-Budget consultation with the Finance Ministry, stating that huge investments are need for the technology up-gradation and capacity enhancement of pulp and paper mills.

In a country deficient in wood fibre , raw material availability is a major constraint in meeting the growing demand for paper.

Apart from the growing economy and education sector, the surge in demand for paper and paperboard is due to the Government's push against single-use plastic, especially in organised retail.

Organised paper industry has invested ₹25,000 crore in the last few years, but raw material constraints are a dampener.



Wood demand in India's paper industry is about 11 million tonnes per annum (mtpa), against the domestic availability of 9 mtpa, and is projected to rise to 15 mtpa by 2024-25.

AS Mehta, President, IPMA, said the Government should allot degraded land to the industry for pulpwood plantation. This would lead to employment generation, especially in rural areas, apart from mitigating the adverse impact of climate change, he said.

The paper industry has helped bring over 1.2 million hectares under plantations and plants more trees than it harvests, the association says.