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6. Paper other than newsprint is more plentiful. Twelve pulp mills manufacture 90,020 tons a year, which meets India's current domestic needs. Therefore no pulp is imported except a small amount of the sulphite variety, which comes from Scandinavia and the U.S. India also makes 15,000 tons of wrapping paper ([] the annual consumption was 30,000 tons) and 22,880 tons of other varieties such as straw, mill, duplex, ticket and file boards. It is the Indian industry's claim that some of the writing and foolscap paper it produces is the cheapest in the world, at 13 cents a pound.
7. Almost all the pulp and paper mills have shown a good profit during the last two years. The biggest among them (the Titagbar Paper Mills, West Bengal, Shri Gopal Mills, Punjab and Rohtas, Bihar) have bought new machinery from Germany, Sweden and the U.S. to step up production, which is expected to increase by 10% to 15% during the last three years. However, at a recent meeting of the Calcutta Paper Traders' Association, its President pointed out that China had booked practically all Europe's newsprint output for the first three quarters [] Since stocks have not been built up, India is likely to face a newsprint shortage between now and the time when the output of Nepa Mills will be on the market.
8. Newsprint is on Open General License. All paper, other than board, is liable to a customs duty of 33% plus 5% surcharge. (Board has a duty of 66%.) On writing, printing and wrapping paper, which is under license and quota, the quotas vary from 5% to 45% of each importer's previous imports when there was no restriction.
9. What irks the newsprint and paper dealer is the sales tax which is charged in 20 of the 30 states of the Indian Union. The paper and newsprint business works on a narrow margin with dealer profits ranging from 12% to 3%. When 10% in sales tax is demanded from the consumer, he prefers to import direct. Most newspapers buy their newsprint direct from overseas thus removing the traders. Trade and Industry have led a public agitation on this issue in Bombay state but the tax seems to have come to stay - a useful source of revenue for financially hard-pressed administrations.

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