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Title: Exempting wood pulp from GST and ensuring its fair price-Laid.

SHRI LAVU SRIKRISHNA DEVARAYALU (NARASARAOPET): I would like to bring to your attention the plight of group of farmers who have in the course of their trade faced hardships, merely in order to promote the environment and good health practices by committing themselves to social forestry. Despite this, the Government has not been kind towards them nor taken notice of their plight. In 2013 the average price per tonne of pulpwood was Rs.4300 and it started to fall by Rs. 400 annually until its current price fell to Rs.1800 to Rs. 2300 per tonne in 2019. This fall in price has not been due to market forces but rather due to cartelization of the paper mill industries and unthoughtful government tariffs. Firstly, the major Paper mills have formed a cartel to bring down the prices artificially by paying poor prices while claiming that Paper mills are facing losses and that pulpwood availability in the country exceeds demand. Both these grounds are not correct. Secondly, not only are these farmers engaging in social forestry, they have also taken it up as an alternative to the Tobacco crop on the advice of the Ministry of Health and Family Welfare. Despite this what is disheartening to see is that while the government imposes a meagre 5% GST on the tobacco crop it imposes a 18% GST on an environmentally and health-friendly product like Pulpwood. To make matters worse, the Government has imposed countervailing duties of not more than 6% and special countervailing duties of 4%. It has also exempted import tariff on waste paper and wood pulp. This has led to the dumping of more than 15th lakh tonnes of ware paper and 25 Lakh tonnes of pulpwood.

Therefore, through you, Mr. Speaker I request the Finance minister to exempt wood pulp from GST, impose import tariff on waste paper and pulpwood and ensure that there is no cartelization and that fair price of Rs.4300 is restored.