

Title: Need to abolish duty on products made of non-conventional raw material to protect the interests of domestic newsprint industry.

SHRI C. KUPPUSAMI (MADRAS NORTH): Madam Chairperson, at present, there is a crisis in the domestic newsprint mills which are plagued with huge stocks for want of buyers. The Tamil Nadu Newsprints and Papers Limited, which is a joint venture of the Government of Tamil Nadu and IDBI, is using non-conventional raw material other than wood, i.e., bagasse for large scale production of printing and writing paper. Printing and Writing Paper was completely exempt from excise duty up to 1994-95. Thereafter, a duty of five per cent was charged on the first 1,500 MTs and a further levy of eight per cent in excess of that quantity was also charged. This measure has a penalising effect on the large unit which has to spend much more on capital intensive infrastructure and pollution control equipment to handle higher quantities.

The hon. Chief Minister of Tamil Nadu, Dr. Kalaingar Karunanidhi has also requested the Union Government to reduce the excise duty on the newsprint produced in the country and to impose higher customs duty on the import of newsprint to help the domestic industry.

I, therefore, urge upon the hon. Minister of Finance to abolish the duty on the products made of non-conventional raw material or do away with the slab system and the entire output may be charged at a lower rate. Similarly, paper meant for printing of school textbooks by Government institutions should be charged nil rate of excise duty.

Further, I would request the Government to levy anti-dumping duty on the import of newsprint, as recommended by the Designated Authority of the Ministry of Commerce, which practice is also prevalent in China.