

# GROWTH AND DEVELOPMENT OF PAPER INDUSTRY IN INDIA

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*Abstract* : Paper industry in India faces many serious problems and prospects do not seem very bright. The biggest problem faced by this industry is the scarcity of raw materials. Most of the materials used for manufacturing paper are derived from the forests. With the increasing degradation of forest and fast depletion of forest based raw materials, like bamboo, the paper industry is facing a severe raw material crisis.

## I.INTRODUCTION ON PAPER INDUSTRY

The new millennium is going to be the millennium of the knowledge. So demand for paper would go on increasing in times to come. In view of **paper industry's** strategic role for the society and also for the overall industrial growth it is necessary that the paper industry performs well.

Government has completely delicensed the paper industry with effect from 17th July, 1997. The entrepreneurs are now required to file an Industrial Entrepreneur Memorandum with the Secretariat for Industrial Assistance for setting up a new paper mill or substantial expansion of the existing mill in permissible locations.

The Paper industry is a priority sector for foreign collaboration and foreign equity participation up to 100% receives automatic approval by Reserve Bank of India. Several fiscal incentives have also been provided to the paper industry, particularly to those mills which are based on non-conventional raw material.

## II.OBJECTIVE OF PAPER INDUSTRY:

The main objective is to facilitate continuous improvement of energy, water and environmental performance in Indian paper industry and help them in achieving the world class standards.

## III.SCOPE OF PAPER INDUSTRY:

With the view of increasing demand paper industry in India is expected to rise with the 100 percent growth in next 8 to 10 years. The annual turnover is approximately 35 corers and we are one of the major players of paper industry at global level

## IV.PROBLEMS AND PROSPECTS:

Paper industry in India faces many serious problems and prospects do not seem very bright. The biggest problem faced by this industry is the scarcity of raw materials. Most of the materials used for manufacturing paper are derived from the forests. With the increasing degradation of forest and fast depletion of forest based raw materials, like bamboo, the paper industry is facing a severe raw material crisis.

With the exploitation of forests based raw materials reaching its saturation, any substantial capacity expansion in the near future is practically ruled out and the growth of industry has come to a standstill. In order to survive and expand, the industry will have to look for unconventional raw materials. This will require new advanced technology which a developing country like India may not be able to afford.

## **V.GROWTH OF PAPER INDUSTRY IN INDIA:**

Paper is one of the core industries and is linked to the basic human needs. Paper is the pre-requisite for education and literacy and its use is an index of advancement in these two fields as well as the overall well being of the society.

This is the most important of all the forest based industries. Some people treat it as a chemical industry due to its manufacturing process and because of certain chemicals used for its manufacturing.

Still some other people include it in the group of agro-based industries because some of the agricultural products and residuals are used as raw materials. As large proportion of the basic raw materials is derived from the forests, it seems logical to treat it as a forest based industry.

## **VI.GROWTH AND DEVELOPMENT:**

Paper manufacturing has been carried on in India since tenth century as a small cottage industry by the traditional craftsmen called kagzis. They used gunny bags, rags, ropes, etc. for making paper. This industry could not survive the onslaught of the machine made paper and declined considerably. However, a part of it has managed to survive and even today, a large number of small units are producing handmade paper.

The beginning of modern paper industry goes back to 1816 when a factory was set up near Chennai. This venture proved abortive. Another papermill was set up in 1832 at Serampore on the bank of Hugli in West Bengal. This venture also failed and the first successful effort was made in 1870 with the setting up of the Royal Bengal Paper mills at Ballyganj near Kolkata.

## **VII.Localisation of the Industry:**

Paper and paper board manufacturing uses coarse, cheap and weight losing raw materials and seeks raw material oriented locations. Chemicals used in this industry are needed in small quantity and are easily transported even over long distances from the place of production to the place of consumption.

Therefore, there is a strong tendency among the paper mills to be located near the forest tracts along the Western Ghats, the Eastern Ghats, central India and the Tarai-Bhabar area at the foot hills of the Himalayas. There are vast stands of temperate forests in the Himalayan region which can provide large quantities of soft woods.

These soft woods can provide excellent cellulosic material for the paper industry. But because of the rugged terrain and poor means of transportation, these areas are inaccessible and the possibility of extraction of these soft woods and their supply to paper-mills in the adjoining areas is remote.

Moreover, the regeneration of wood pulp forests takes about 50-60 years, while bamboo forest is ready within 2-3 years. So far, no paper mill has been set up in the Himalayan region. Since the supply of cellulosic raw materials falls short of the demands of the paper industry, efforts are being made to bring more land under plantation of eucalyptus and other fast growing sort wood trees. Some of the paper mills are located near the market where cheap labour is also available.

## **VIII.CONCLUSION:**

The study had indicated inadequate availability of good quality of cellulosic raw material and obsolete technology, among others as the constraints for the paper industry. High cost of basic inputs and environmental issues are the other two major problems required to be addressed by the paper industry to become globally competitive.

However, one encouraging aspect is that Indian paper industry has trained manpower whose skill can be gainfully used to adopt modern technology for manufacturing paper and paper board of international standard at relatively lower manpower cost inputs.

The country has vast reservoir of unemployed rural labour which can be deployed for development of raw materials. Thus, we can overcome some of the weaknesses which have plagued the paper industry for a long time.

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