

**Table V: Announced Newspaper Capacity Expansion (global)
1997**

Country	Tons
South Korea	280,000
<i>India</i>	<i>225,000</i>
China	150,000
TL	655,000

Source: Moody's Investors Service (March, 1996)

**Table VI: Announced Newspaper Capacity Expansion (global)
1998**

Country	Tons
Malaysia	200,00
<i>India</i>	<i>125,000</i>
TL	325,000

Source: Moody's Investor Service (March 1996)

Table IV reflects India's drive to become more self reliant and less dependent on imports for newsprint. The increase in domestic production is impressive, but India's pulp and paper industry is in a bullish mood. Tables V and VI illustrate this. India is among the only three countries to announce expansion for 1997 and among only two to announce expansion for 1998. In the case of 1997, India's announced capacity expansion exceeds that of China. India does not have the domestic resources to keep expanding. Imports are the only way (in the short term) to meet their expansion goals. Table IV indicates that long term opportunities may lie in Joint Ventures to assist India in augmenting its production, while short to medium prospects lie in continued imports.

The newspaper industry has led the domestic charge to decanalise newsprint imports and all other related raw materials and products. Several years ago when public sector mills raised their prices four or five times (in less than six months) the industry threatened a general strike. This along with domestic political pressure and the earlier mentioned economic pressures forced the Indian Government to place newsprint under the Open General Licence.

RESOURCES

Any discussion on pulp and paper in India cannot go far before the issue of a shortage of raw materials comes up. It is not a perceived problem, it is a very real problem. India's forest resources consist of tropical moist and dry deciduous forests. About half have a crown density of over 40%. Although relatively rich in flora and fauna, India's forest resources