

Table II: Growth in Indian Mills Over A Forty Year Period:

Year	Unit/Mills	Capacity (1,000 tons)
1950-51	17	116
1960-61	25	345
1970-71	57	759
1980-81	135	1,145
1990-91	340	2,065

Source: Pulp and Paper International

The first newsprint mill NEPA Newsprint Mill was commissioned in 1956, followed by others like Mysore Paper, Hindustan Paper, and Tamil Nadu Paper. Since the introduction of economic reforms and trade liberalization measures the industry has changed. That change is destined to continue as the Indian Government presses on with its policies of economic reforms and trade liberalization. The industry is becoming increasingly competitive and is rationalizing itself.

India is a country with a severe shortage of traditional raw materials for paper making, ie. wood. Therefore, paper is made from a variety of alternative raw materials. Raw materials used to make paper in India include:

- bagasse*;
- bamboo*;
- cotton liners;
- eucalyptus trees* (other trees are normally not allowed to be cut for producing paper);
- jute sticks;
- kenaf;
- newsprint;
- sabai grass;
- waste paper*; and
- agricultural waste (e.g. wheat straws, rice)

* = Main Sources

Two-thirds of mills are small producing 50 ton/day, mainly from wastepaper, and with an average capacity of 4,500 tons. Just over a quarter produce 50-100 ton/day, mainly from agricultural crop fibre, and 29 mills produce more than 100 ton/day.

There is an optimistic mood in the pulp and paper sector as demand for paper and paperboard, including cultural varieties continues to grow. As in other countries there is a trend towards higher consumption of packaging paper with annual growth of 20%. With increasing literacy rates, rising population and a growing demand for higher quality consumer paper, the cultural sector will eventually catch up. The total capacity required by the end of this decade is