

Ad Memoir

Waste Paper Import :

Background

Waste Paper imports into India have been under OGL & un-restricted. However, MoEF has issued a Notification dated 24th Sept.,2008 categorizing Waste paper as 'hazardous waste' and mandating MoEF's prior permission and specific licence by DGFT for the purposes of import into the country.

With effect from 18/3/2009, the Customs Authorities have started insisting on prior permission of MoEF and a licence from DGFT even for imports by Actual Users. This sudden move has adversely affected large segment of paper industry as a huge number of Waste Paper consignments have piled up at different ports of discharge due to non-clearances by the Customs across the country resulting in heavy demurrage on detention. In many cases the amount of demurrage now exceeds the value of the consignment itself.

Currently importers are facing hardships on a daily basis in order to meet new procedural compliance demanded by the Customs to the extent that it has led to a crisis situation. This is despite a recent serious endeavor by the the Commerce Secretary to put in place an adhoc mechanism in consultation with MoEF, DGFT, MoF and the Industry to ameliorate problem that has emerged.

For want of adequate availability of wood fibre, the Indian Paper Industry is highly dependent on Waste Paper as a key raw-material. Since recovery percentage of recyclable waste paper in India is abysmally low in global comparison, imports are inevitable. Even otherwise, Paper is reckoned as a recyclable material everywhere and recycling of waste Paper is encouraged all over the World.

Paper industry is fully conscious and shares the concerns of the MoEF. It also firmly believes in importing clean waste paper into the country *without any contamination of Hazardous waste, Municipal waste or Bio-medical waste.*

As a responsible members of the Society, the organized segment of the paper industry has voluntarily partnered in evolving and implementing MoEF's "*Charter on Corporate Responsibility For Environmental Protection (CREP)*" in 2003. Sudden notification of new Rules for Waste Paper Imports is therefore surprising and sad.

For the sake of clarity and focus, this submission is being split into two parts, one focusing on the Policy itself and the other part on immediate steps required to resolve the current crisis like situation.

A. Policy on Waste Paper Imports

1. As per Basel convention, to which India is a signatory, waste paper is not Hazardous. It should therefore be removed from the category of Hazardous materials.
2. There should be no need for a licence from DGFT as the item is already under OGL
3. The Industry voluntarily agrees that it will specify and import Waste Paper which is free from Municipal and Hospital Wastes and will insist on a certificate to that effect from the Exporter
4. Regarding MoEF's concerns on some undesirable material still creeping into the Country with Waste paper we would like to point out that All the registered paper mills across the country are issued a licence by the respective State Pollution Control Boards which also regularly monitor operations at paper mills to ensure that these mills take adequate environment friendly measures. Also, SPCBs renew the licences every-year only after satisfying themselves that the prescribed guide-lines of MoEF are fully complied with.

The organized sector of the paper industry is 100% compliant with Hazardous Waste Management Rules. It is well known that as a part of the annual renewal process, ***compliance with Hazardous Waste Management Rules is strictly followed and monitored by the State Pollution Control Boards***, therefore, there is no need for thrusting a new set of compliance rules on the industry now.

- 5 There are already enough penal provisions on the statute enabling the Govt to deal with errant consignments/importers.

Submission :

In view of the foregoing, there is an urgent need for bringing in the desired amendments in the MoEF's Notification dated 24th Sept., 2008. The submission to MoEF is ***to re-classify Paper, Paper Boards & Paper Production Waste under Sl. No. B3020 of Part – B of Annexure IX of Basel Convention from four(****) to one(*) category and do away with any additional stipulations introduced after 24th Sept 2008 Also this should be made effective before 30th June 2009, when the temporary ad-hoc relief measures expire.***

B. Current Issues On Hand That Need Urgent Redressal

The paper industry appreciates a prompt action taken by the Ministry of Commerce & Ministry of Environment & Forests for providing temporary relief valid till 30th June,2009 for clearing all the pending consignments at various ports of discharge and also covering immediate future imports. Yet, there are a few issues which are still not clear atleast to the Customs; as a result the consignment are still held-up at various points incurring demurrage. Major ones are listed below for redressal :

1. MoEF should not insist on issuance of NOC with condition that the 'consignment has been shipped prior to 5th April, 2009 and also that the shipments made after 5th April, 2009 should carry a certificate from an accredited agency regarding contents of the consignments as

referred in O.M. no.23-13/209-HSMD dated 15th April, 2009. ***These remarks warrant deletion*** to provide relief and avoid inconvenience to the Actual User importers for, consignments which are in pipe line and/or, under shipment at various ports can not be complied with this condition for simple reason that the material is already baled and stuffed into the containers. Material shipped upto 30th June,2009 should be cleared without any additional stipulations

2. As such, Waste Paper is not a manufactured item to standard specifications, hence, no agency can examine and clearly certify such item for quality parameters. Hence, ***pre-inspection clause should not be forced upon the actual user importers as it is impracticable and a very costly proposition as regards waste paper imports***. More so, the pre-inspection clause is still under debate; MoEF's minutes of the 16th March'2009 meeting stands testimony to it.
3. The Industrial units, whose consent renewals are under process at respective State Pollution Control Boards are not in position to give a valid consent letter.

MoEF's mandatory 'permission' should therefore be issued based on a copy of previous Consnt /NOC and a letter from Importer that renewal has been applied for.

Industry's Prayer

In view of the gravity of situation as elaborated above, the paper industry seeks immediate and urgent intervention of the Government of India on the ***Policy as well Procedural front***.