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PRESS RELEASE

Eastern India Corrugated Box Manufacturers' Association declares a One Day Token Strike on 30th March 2010

Eastern India Corrugated Box Manufacturers Association organized a press meet on Friday, 26th April 2010 with a view to express their concern over the future of their industry in India. Even though this industry maintains a low profile, it is undeniable that it plays a vital role in new India's economic growth and also serves to maintain the ecological balance in the country. The President of the Federation of Corrugated Box Manufacturers was also present at the meet and expressed his views in consonance with those of EICMA. Kraft Paper is the basic raw material for Corrugated Boxes. USA and other European countries like Sweden make this KRAFT paper from wood pulp making its strong and high quality. India and China being developing countries recycle old corrugated boxes (OCC) to manufacture Kraft paper. The mills in our country use these in various percentages, combined with local waste OCC depending on the quality they need to manufacture.

Since December 2009 KRAFT paper prices have risen considerably. The consumers of corrugated boxes refuse to increase prices at the end of the financial year. The manufacturers of corrugated boxes feel that the paper mills are creating cartels. On the other hand imported OCC prices have also risen considerably. The price of imported waste paper has shot up from \$ 210 (CIF)- Haldia in September 2009 to \$ 362 in March 2010. Speculation in International market indicates that in a couple of weeks OCC will be sold through International auction where the price will exceed \$ 400. The cold wave weather affecting the forests in USA and Northern Europe has been a factor for this rise. Since the timber industry could not maintain proper supply for the paper manufacturing mills in USA and Europe and because the US government has withdrawn \$ 125-150 subsidy per tonne from them for treatment of black liquor, the costs have escalated. On 27th Feb'10 the massive earthquake in Chile devastated the two biggest pulp manufacturing mills which accounted for 8% of the world's supplies. The SME sector is facing imminent closure due to the exorbitant rise of KRAFT paper, Rs.6, 000 per MT since November 2009 expected to increase to 8-9,000 per MT by next month. The Indian industry is facing a threat from China which is a government supported sector and presently controls 14% of the market.

In the present global context, it is shameful that due to the apathy of consumers, raw material suppliers and the Government one of the most eco friendly industries face a threat of extinction in India. Manufacturers and distributors of all consumer goods in this country have failed so far to understand and appreciate the value and use of the corrugated boxes in which their products are packed.

EICMA has decided to call a ONE DAY token strike on 30th March 2010 for the following reasons:

- To appeal to the consumers of corrugated boxes to revise prices based on raw material prices and keep in touch with market reality. The Association appeals to the consumers to be sensitive to the increasing prices and create awareness and sensitizing the consumers.
- To appeal to the paper mills not to increase the prices irrationally and indiscriminately.
- To appeal to the Government to reduce or waive customs duty on import duties
- To appeal to the Government to implement a scientific waste management system.