

Corrugated packaging units in region witnessing dusky days ahead

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CORRUGATED packaging industry in the region is witnessing dusky days ahead with the sudden surge in the prices of raw materials coupled with an appreciation in its price at home. Over 50 corrugated box makers offering direct employment to about 2,500 people, are facing the heat of inflation and are unable to deliver their goods on time through the demand-led market in the local market.

These 50 units operating in Vellore are contributing a production of 7.58 tonnes per month. However, last time for the last two months, the prices of both paper, an important raw material in making corrugated boxes, had jumped by 50 per cent making it impossible for the units to cope with the situation. There was also an acute shortage of water paper, which had made the situation pathetic for the corrugated box manufacturers.

Kraft paper is made from various species such as imported pulp and recycled local corrugated waste. Availability of these critical raw materials and chemicals used for paper making have become unpredictable and whatever is available in the market are being sold at higher prices.

Despite appreciation in paper cost, the dollar cost for just few weeks, the imported raw prices had jumped to 10-12 dollars per metric tonne, many having no scope for the Indian rupee value. As a result, the kraft paper mills had been frequently revising the prices upwards, sources disclosed.

Shortages posed by the corrugated industry are other sectors to notice. With various and many following up of inflated prices, majority of boxes are being supplied for food processing industry. As a result, corrugated containers are getting very scarce and expensive. All these factors have contributed in increasing



the prices of adhesives. The situation has worsened as the prices of diesel have made the transportation

costly affair. Every month, the diesel prices are around Rs 30 per litre. The higher cost in electricity, fuel

etc. industry had pushed the leaders of corrugated industry in region, sources added. Since normal prices

of corrugated packaging industry is serving the nation as corrugated boxes are good substitute to wood etc and plywood packaging and also helps in maintaining the ecological balance.

Corrugated packaging industry is catering to the needs of the industry and trade but now, time to step out from gloom world.

Majority of the units engaged in the sector are medium and small scale, making a number of small and medium-sized operators.

Over a period of time, the cost of labour has increased up. Corrugated boxes are used in many industries like pharmaceuticals, food and vegetable processing, food, glass goods, fast moving consumer goods (FMCG), printing and various other industries, etc. Looking at the acute problems being faced by the corrugated packaging industry, the Government should come forward and help it out, sources demanded.