

RIISING·PRICES OF MAJOR INPUTS MAKE SURVIVAL IMPOSSIBLE, SAYS EICMA

# Corrugated box makers face closure, call strike

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About 700 corrugated box manufacturing units in eastern India are facing closure due to rising input costs without a corresponding rise in their final product prices.

These small manufacturers have called a strike on 2 and 3 May to draw everyone's attention to their plight. The sector employs two lakh people in West Bengal and three lakh people in eastern India directly.

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After a meeting of the Eastern India Corrugat-

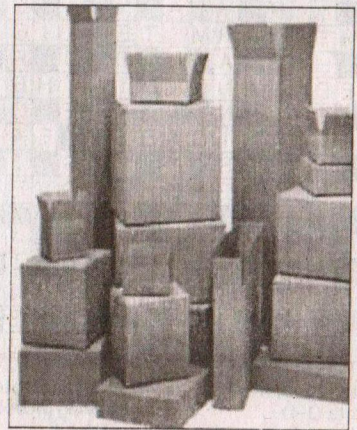
ed Box Manufacturers' Association (EICMA) that decided to down shutters, its president, Mr Milan Kumar Dey, told reporters that the Rs 1,500 crore corrugated box manufacturing industry in eastern India is reeling under tremendous pressure due to rising input costs.

Calling for a 20 per cent rise in corrugated box prices that are used by several industries such as pharmaceuticals, consumer durables, processed food, textiles, distilleries and tobacco, he said the corrugated box makers are mostly micro, small and medium enterprises (MSMEs).

The margin for corru-

**PACKAGING PROBLEM**

- 1** The two-day strike will cost the industry 4,000 tons business. However, wages will not be cut due to the strike
- 2** The margin for corrugated box manufacturing industry has shrunk to almost nil because of the price rise in almost all raw materials, mainly Kraft Paper, which accounts for 70-75 per cent of the total input cost
- 3** There are more than 12,000 corrugated box manufacturers spread across India of which around 700 are from Eastern India. The average tonnage conversion is 45 lakh tons per annum in India, according to EICMA



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price rise in almost all raw materials, mainly Kraft Paper, which

accounts for 70-75 per cent of the total input cost. In the past few

months, paper mills have hiked their prices by around Rs 3,000 per ton and fuel prices have gone up sharply, the EICMA president said.

"There will be no production or despatch during 2 and 3 May and this will cost us heavily. But we have no alternative as we are facing closure in any case."

Despite these adverse conditions, customers are in no mood to agree to an adequate price increase. Due to this the industry is suffering heavy losses. If the paper mills keep increasing their prices and if box users resist any price increase, Mr Dey said, then many manufactur-

ing units, most of which are family-run small enterprises will have no option but to shut down.

EICMA is one of the 12 associations under the Federation of Corrugated Box Manufacturers of India and has 150 members at present.

There are more than 12,000 corrugated box manufacturers spread across India of which around 700 are from Eastern India. The average tonnage conversion is 45 lakh tons per annum in India, according to EICMA.

The EICMA covers West Bengal, Bihar, Odisha, Jharkhand, Sikkim, Assam and other north-eastern states.