

## Corrugated box makers prepare index to back price rise

Dilip Kumar Jha / Mumbai March 12, 2010, 0:45 IST

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Western India Corrugated Box Manufacturers' Association (WICMA) is preparing an "index" that would give detailed information about raw materials and the finished product (corrugated boxes). This, according to sources, would initiate a process that would enable the association to convince customers that a price rise is indeed the need of the hour for the industry. If implemented, this would be the first such initiative by the paper and raw materials sectors.

Confirming the development, a WICMA member said the Index is at its preliminary stage, but once completed it would help the association pass on the proportionate price increase to consumers. "At present, this proves to be a big challenge keeping in mind the long-term trading relationships we have with our customers."

WICMA is also in discussion with 400 of its member to form a cartel to identify a domestic or international paper mill that would supply quality kraft paper at a reasonable price. The cost of corrugated boxes went up by 24-26 per cent following several price rises for kraft paper and adhesives over past few weeks. Other components that added up to the price rise are stitching wires, labour wages and transport cost.

The corrugated box manufacturing sector currently has a market size of Rs 7,500 crore and it is expected to grow at 5 per cent in 2010.