

CORRUGATED BOX

# Makers miffed with hike in cost of raw material

## BURDENED Over 250 industries to suspend production, su

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**SOLAN:** Upset over the frequent hike in the cost of raw material, coupled with alleged intransigent attitude of managements of recycled craft paper mills in not withdrawing the increased rates, the state unit of the Federation of Corrugated Boxes Manufacturers has decided to suspend the production and all related operations in the second week of this month across the state.

Notably, the managements of the paper mills had made frequent hikes in the cost of raw materials over the past one year, forcing the managements of the packaging industries to further increase the prices of finished goods, putting unwanted financial burden on the customers.

Currently, over 250 packaging units are operating in the state, of which around 200 units are established in the Baddi-

Barotiwala-Nalagarh industrial belt. Over 50 per cent of them were Himachali domiciles.

Out of 250 units, most of the entrepreneurs had established their units by securing loans to the tune of lakhs of rupees from different financial institutions.

It may be mentioned that the recycled craft paper mills of north India have made a price hike of Rs 4000-6000 per metric tonne in the past one month. Craft paper being the major raw material of corrugated box industry was now subjected to frequent price increases and hence was jeopardising the viability of this industry.

"Since all the paper mills in north are supplying the raw material to the corrugated box industries and reportedly forming a cartel and creating a shortage with intention of increasing price of raw material is totally unjustified as in the industry other cost of inputs like starch has already been

increased by 40% and other inputs like wire has registered an increase of 15%," said Gareesh Sardana, president of Himachal Pradesh Corrugated Boxes Manufacturers Association (HPCBMA).

He said that industrialists from across the country have set up large and medium scale units to fulfil the demand of corrugated boxes in north India but the frequent increase in raw materials not only hampering their business but also creating shortage of boxes in the market.

"The paper mills collectively implement the price increase and enforce it with immediate effect, whereas the corrugated box suppliers have to go through the process of submitting the revised offers to these customers and this was leading to financial losses to the industry," said Surender Jain, general secretary of Baddi-Barotiwala-Nalagarh Packagers Association.

He said that the alleged unethical business practices being adopted in the industry would be to the detriment of the government.

"We have urged the government to allow the craft paper at zero customs duty, to tide over the present crisis and also to provide an opportunity to this industry to upgrade its qualitative standards and reduce prices," Jain added.

This industry was established based on the recycled paper and has been adhering to the packaging norms of the country since its inception, contributing to the environmental protection and maintaining the ecological balance.

"In case price increase is not immediately addressed, the corrugated packaging industry would be forced to shut down the units, rendering thousands of workers unemployed," he

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