

Eastern India Corrugated Box Manufacturers' Association

(Affiliated to: Bharat Chamber of Commerce, Kolkata)

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Corrugated Box Manufacturers To Protest - Paper Price Hike Opportunism

Kolkata, 20th April 2016: Paper Mills in W.B. state that waste paper has become dearer and scarce, which in turn has triggered the escalation of Kraft paper prices by leaps and bounds. The fact of the matter is that the quantum of increase in the paper prices is highly disproportionate to the rise in waste paper prices. Corrugated Board Boxes are used in the packaging of fruits, flowers, vegetables, consumer goods etc., any escalation in its prices will ultimately have to be borne by the "Common Man (Manush)", thereby contributing to the inflationary trajectory of the domestic economy, which the Government is already trying to grope with.

The Corrugated Box industry comprising of Micro to Small Scale entrepreneurs has been suffering immensely, as it neither has any control on the unabated increases in input costs nor over escalating Kraft Paper prices. The situation is critical and the very survival of the industry encompassing about 750 Units in the Eastern Region & livelihood of .35 lakh families directly dependent on it is under threat. Corrugated Box Manufacturers have been serving its' clients as one of the most crucial supply chain partners to provide an eco-friendly alternative to wooden packaging.

Paper & Board prices are increasing relentlessly since December last year. There is an increase of **20 to 25%** so far. The costs of steel stitching wire, starch, labour, energy, freight and others components have also witnessed an unprecedented rise which translates into an increase in the conversion cost by **60 – 70%**. This has crippled the industry since regular production has been impacted adversely.

EICMA, request all Corrugated Packaging Manufacturers; whether they are members or not; to demonstrate their deep felt protest, by not accepting any supplies of Kraft paper from 24th April to 1st May 2016 from Mills who have been arbitrary increasing the prices

We are compelled, much against our wishes, to take this initial step, with further action to follow, if required, to draw the attention of:

Paper Mills In West Bengal

- To adapt a policy of price stability & transparency for a mutually fair, medium to long term pricing policy

West Bengal State Government

- To enquire & substantiate the legitimate increase by paper mills which looks suspicious and may be the case of cartelisation against small & micro units.
- To develop a systematic waste management policy for adequate availability of waste paper. NGOs can be requested to create requisite awareness amongst the general public of the benefits of channelized waste disposal as is practiced in the Western countries

Consumers of C.B. Boxes

- Awareness amongst consumers of corrugated boxes of the situation and better understanding of the ground realities so that the industry is paid what is legitimately due to it towards the Conversion costs and the Paper Price hikes.

About EICMA - EICMA is an industrial organization set up in 1972, representing the interest of Corrugated Box Manufacturers in West Bengal, Bihar, Orissa, Jharkhand, Assam, Sikkim, & other North Eastern States. EICMA is also affiliated with Bharat Chamber of Commerce. The organisation has own R&D Centre in Kolkata. EICMA is a member of Federation of Corrugated Box Manufacturers (FCBM) of India at Mumbai, which comprises of 12 such regional associations from different states.