

Eastern India Corrugated Box Manufacturers' Association

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SURVIVAL AT STAKE

CORRUGATED BOARD BOX MSME. INDUSTRY IN WEST BENGAL & NORTH EAST INDIA

Kolkata, February 22nd, 2017: The demon of demonetization, had hit the industry badly, due to a fall in demand for C.B. Boxes as a result of slow movement of FMCG & other consumer goods from the retail counters, leading to retrenchment of work force & financial losses for the industry!

The situation has further worsened since **January 17'** with the Paper Mills in rest of India, increasing the prices of the primary raw material Kraft Paper by about **Rs. 3,000/- P.M.T.** on the pretext that the prices of their raw material – waste paper have gone up considerably in the international & domestic market. Manufacturers of Corrugated Boxes are also sellers of waste paper generated at their factory and they have NOT witnessed any significant rise in the price of waste paper.

The mills in the Eastern part of the country; who were already getting an enhanced realization, by charging the highest ex mill rates in India; factoring in the additional cost of Freight, CST & W.B. Entry Tax in importing Kraft Paper from other states; have grabbed the opportunity by joining in, in the Pan India Paper Price Rise Band Wagon & announced weekly & bi weekly increases since the start of February 17' amounting to **Rs. 3,000/- P.M.T.** **The mills are expected to ride the upper trajectory wave, with further & frequent increases in rates in the near future.**

In addition, the cost of human resources, freight, overheads & other inputs such as stitching wire, gum, printing ink, binding cloth etc. have also witnessed a extensive increase in the last few years, leading to a direct impact on **conversion costs by 50 to 60%.**

The industry is now in a precarious situation, where the very survival of the industry is at stake, owing to the north ward movement of the prices of Kraft Paper & Other Costs. This if left unchecked, may lead to closure of most of the units in the Micro & Small Sector, adversely affecting the livelihood of 35 lakhs of workers & their families and also affect the supply chain of perishable & Non perishable goods.

Since Corrugated Packaging is the mode of packaging for most consumer products, rise in its cost will lead to inflation and products will be dearer at the hands of the general public.

- **To appeal to the consumers of corrugated boxes to revise prices keeping parity with raw material costs and keep in touch with market reality.**
- **To appeal to the paper mills not to increase the prices irrationally and indiscriminately.**
- **To appeal to the Government to reduce or waive customs duty on import duties**
- **To appeal to the Government to implement a scientific waste management system.**

About EICMA & The Industry - 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. 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 13 such regional associations from different states. EICMA is also affiliated with Bharat Chamber of Commerce. There are about 900 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 for packing of Horticulture, Fruits & Vegetables, FMCG, Exports, Defence, etc. etc. To know more kindly refer www.eicbma.com

For Eastern India Corrugated Box Manufacturers' Association

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