

# Eastern India Corrugated Box Manufacturers' Association

(Affiliated to: Bharat Chamber of Commerce, Kolkata)

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## **Snowfall Overseas - Corrugated Packaging Manufacturers Succumb To Storm of Snowballing Inflation**

Kolkata, 25<sup>th</sup> Jan, 2011: Paper Mills state that severe winter with snowfall overseas has been the main reason for making the waste paper dearer and scarce, which in turn has triggered the escalation of Kraft paper prices by leaps and bounds. Not only the Corrugated Packaging Industry but also the whole domestic economy is suffering, while the government is trying to grope with an all-time high inflation on all fronts.

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. In the last few years, all commodity prices have skyrocketed as have the Corrugated Box industry's inputs. This has crippled the industry since regular production has been impacted adversely.

Paper & Board prices are increasing relentlessly since December last year. There is an increase of 25% to 30% so far.

Cost of steel stitching wire, starch, labor, energy, freight and others components have witnessed an unprecedented rise which translates into an increase in the conversion cost by 60 - 70%.

Our sincere intention is to seek:

- 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
- Price stability and transparency from paper mills. It is necessary to meet them at the negotiating table to frame a mutually-fair medium to long term pricing policy
- The argument given by paper mills of non-availability of adequate waste paper needs thorough research. It also needs to be counter-acted by the systematic waste management policy by the Government. 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
- Reduction of Customs Duty by the Union Government on Paper & Board imports to Nil to check the unabated price increases by domestic paper mills.

### 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.