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## Prices of corrugated boxes in TN, Puducherry hiked 20%

**fe Bureau**

**Chennai, March 21:** Chennai-based South India Corrugated Box Manufacturers' Association (SICBMA) has increased the prices of corrugated boxes by a minimum of 20% in Tamil Nadu and Puducherry in the wake of rising prices of raw materials and escalating labour wages.

To save the industry from the impending financial crisis and losses, the member units of the association have unanimously decided to hike prices.

The prices have been revised after a gap of three years.

SICBMA president Bala Vassudevan said, "Kraft paper is the main raw material and it takes about 60-70% of the manufacturing cost in making corrugated boxes.

The procurement price of kraft paper has been increasing drastically every year. Kraft paper was sold at Rs 20,000-30,000 per tonne during 2011 (year of last price hike), cost of which has now gone up by 20%.

In addition, labour cost has gone up by 50%, transport cost, adhesive and other consumables by 30%.

In rural areas where most of the small-scale units are present, manufacturers are forced to use generators due to frequent power cuts in the state. This has also led to an additional cost of up to 50%."

Across Tamil Nadu and Puducherry, there are more than 1,000 small and medium units.

Due to frequent increase in the price of kraft paper by the paper mills, corrugated box units have been facing severe problem, according to the association.

It said corrugated boxes are used for packaging of tea, biscuits, edible oil, liquor to processed foods, among others.

Its role in exports- shipping of the consignments in safe packages is also immense, the association said. In Tamil Nadu and Puducherry alone, turnover of the industry is around Rs 2,000 crore.