

Corrugated Box Industry in distress over rising Kraft Paper Prices

Chennai: The Corrugated Box Industry is reeling under the twin blows - 4 massive Price Increases in a short span of two months on one hand by Kraft Paper Mills & cascading hikes in other Conversion Input Costs on the other hand over the years. The Industry is staring at huge losses on account of these hikes during COVID Pandemic.

Kraft Paper Mills are citing the most important reasons behind these hikes are both domestic and imported waste paper prices are up by Rs. 4500-5000 pmt in last couple of months during COVID Pandemic. Both China and India import their Waste paper primarily from USA and Europe.

As China has proposed ban of Waste Paper Imports from any country with effect from 1st January 2021, Chinese Paper mills are lapping up whatever supplies available in overseas markets before ban becomes effective. This extra demand has pushed up the prices of Imported Waste paper. Kraft Paper mills are indicating that, even post-Chinese ban, waste cuttings prices would remain at elevated levels in the foreseeable future for various reasons. Lock-downs all over the globe due to COVID have dented the generation & collection of waste and scarcity in supplies.

Indian Paper Mills could not import adequate volumes during COVID lockdown periods resulting in lower inventory of required grades and shortage in some lower grades at this point of time.

Mr. Sandeep Wadhwa, President, Indian Corrugated Case Manufacturers' Association (ICCMA), requests all the Kraft Paper Mills Associations to bring stability in prices & to ensure that supply chains are not hampered during the recovery phase of the Indian economy. The Industry growth is of vital importance to our honourable Prime Minister's cherished dream of MAKE IN INDIA. The support of all Kraft Paper Mills as well as our valuable clients is very crucial to achieve that mission.

In addition to the increase in costs of Kraft Paper, all other inputs namely Man-power costs, Starch, Freight & other Overheads have also witnessed a huge increase in the range of 60%-70% over the last few years.

Corrugated Box Industry in the country with 350+ Automatic Corrugators & more than 10,000 Semi-automatic Units are facing immense stress on account of these hikes on top of the recent lockdowns caused by COVID pandemic. This Industry is employing over 6 Lakhs workforce and is playing a pivotal role in the Indian Economy by maintaining supply chains of essential public consumption items at all times & more importantly during the current challenging times. The Industry produces about 6 million tons of production with a total market size of Rs. 24,000 crores p.a. and uses 100% recyclable & environment-friendly inputs.