

Waste paper's crisis may stretch longer; Kraft paper price succumbs to the demand-supply equation

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The 2nd wave of corona pandemic in Europe has completely shaken the waste paper market in India. It is anticipated that there is a shortage of 2,00,000 tons waste paper all over India. Waste paper prices may go up by Rs. 2 to 2.5 per kg in the coming days, due to the disruption of imported waste paper supply chain.

"The waste paper dilemma will continue for the next two to three months more, Imports have been interrupted due to lock down, Shipping lines have increased freight up to \$100 to \$200 per container. We are also incurring losses on our export orders due to the increase in freight," Said Mr. Abhishek Agarwal, Director at Resonance Paper Mill, Morbi, Gujarat.

Many Shipping carriers announced general rate increases of \$100-\$150 per container in mid-November, and another round of increases is expected to come into effect from the start of December. Containers started piling up in the US and Europe, but were slower in coming back to Asia, where coronavirus lockdowns have hurt demand for imported goods.

"Local waste paper supply and price are under pressure because of the restriction on import, no doubt that collection of waste paper in India dipped due to pandemic, but post lock down, there has been remarkable uptrend in the collection," said Mr. Atul Bansal, Director of Maruti Papers Limited situated at Shamli Northern India.

Paper mills have no ways, but to cut their paper production according to their raw material availability and stock inventory. This situation of waste paper shortage may stretch to next year January end. Container freight prices on most routes within Asia have more than doubled since the start of October, amid the capacity crunch.