The Economic Times

GST 'disparity' poses threat to survival of corrugated box makers: Industry association

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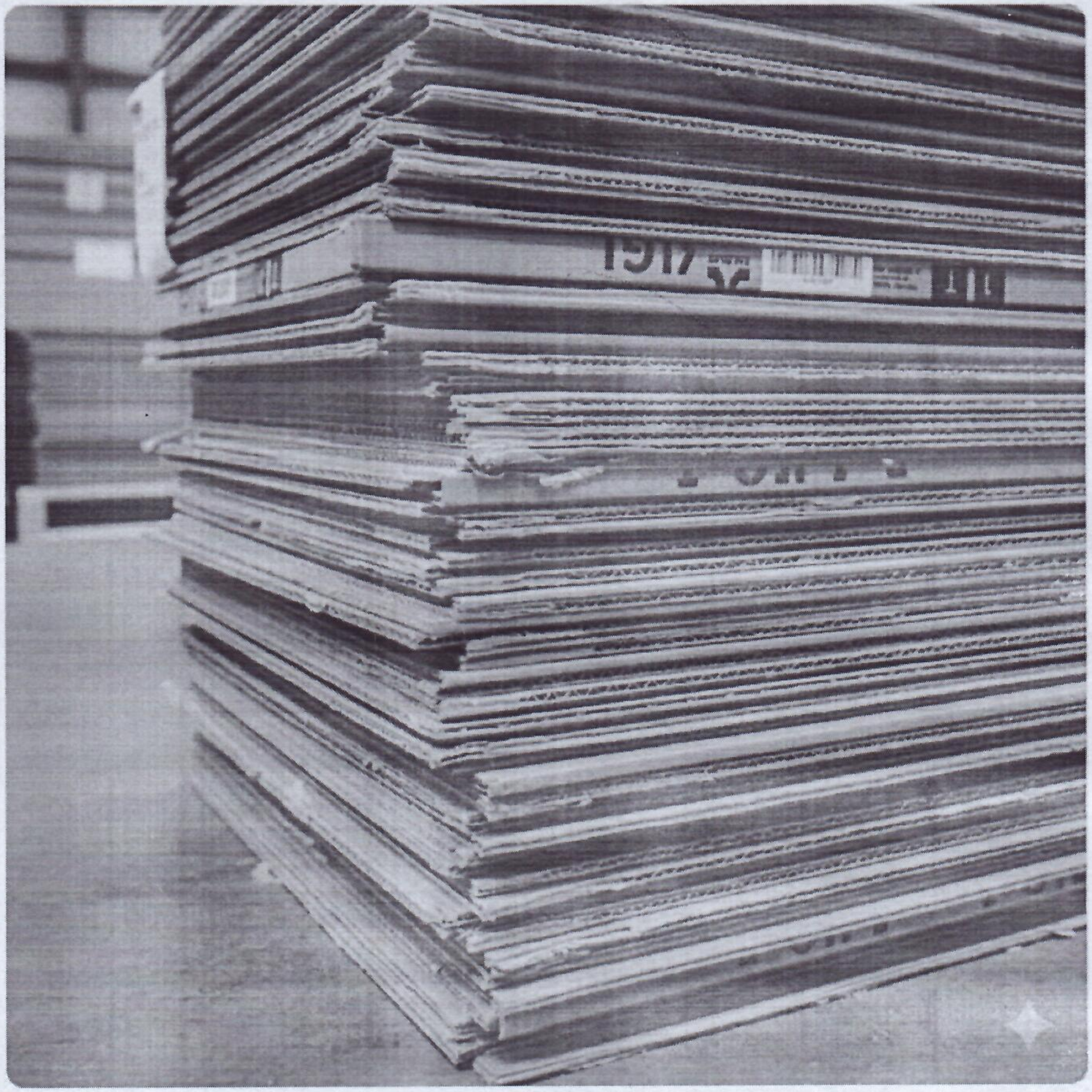

GST Disparity Threatens Survival of India's Corrugated Box Industry

Corrugated box manufacturers in India are facing a crisis due to an inverted GST duty structure. The GST on corrugated boxes is reduced to 5%, but the tax on raw materials has increased to 18%. This change burdens over 20,000 MSMEs, threatening their viability and impacting one million jobs.

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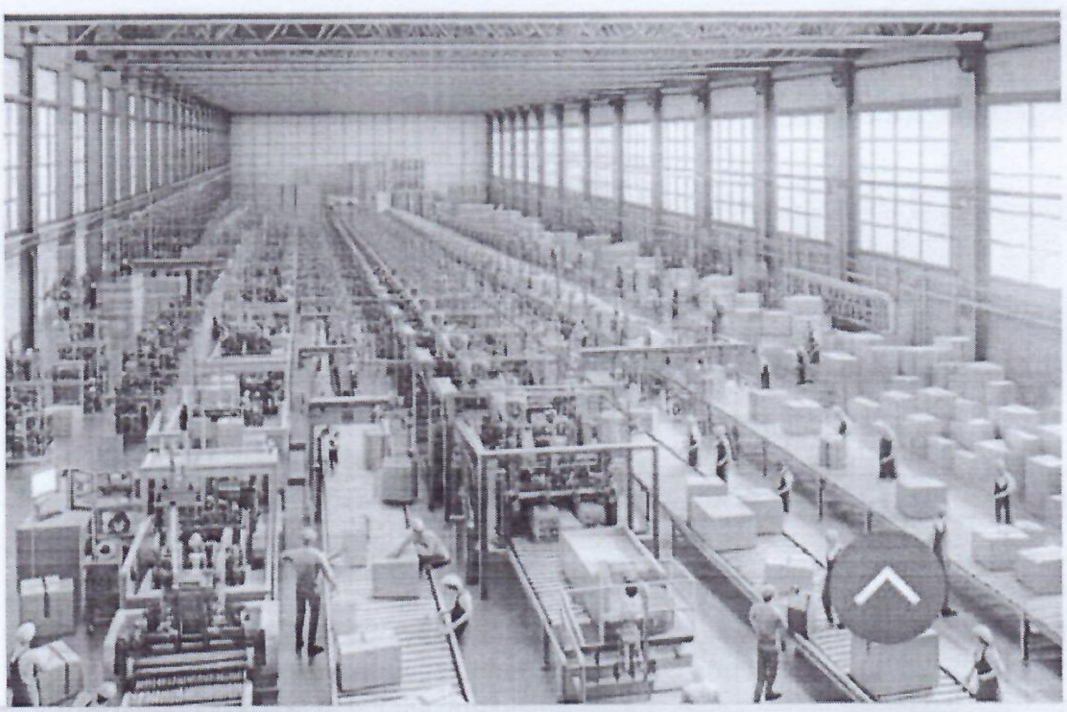

The Eastern India Corrugated Box Manufacturers association highlighted this imbalance, emphasizing that it burdens the industry with a 13% discrepancy, jeopardizing the viability of these small enterprises. The sector, employing over one million individuals, converts nearly seven million tonnes of kraft paper into packaging annually.

The association warns that this change could lead to working capital blockages, higher costs, and ultimately burden consumers with price hikes. They are urging the government to restore GST parity to support the '[illegible] in India' and 'Vocal for Local' initiatives,

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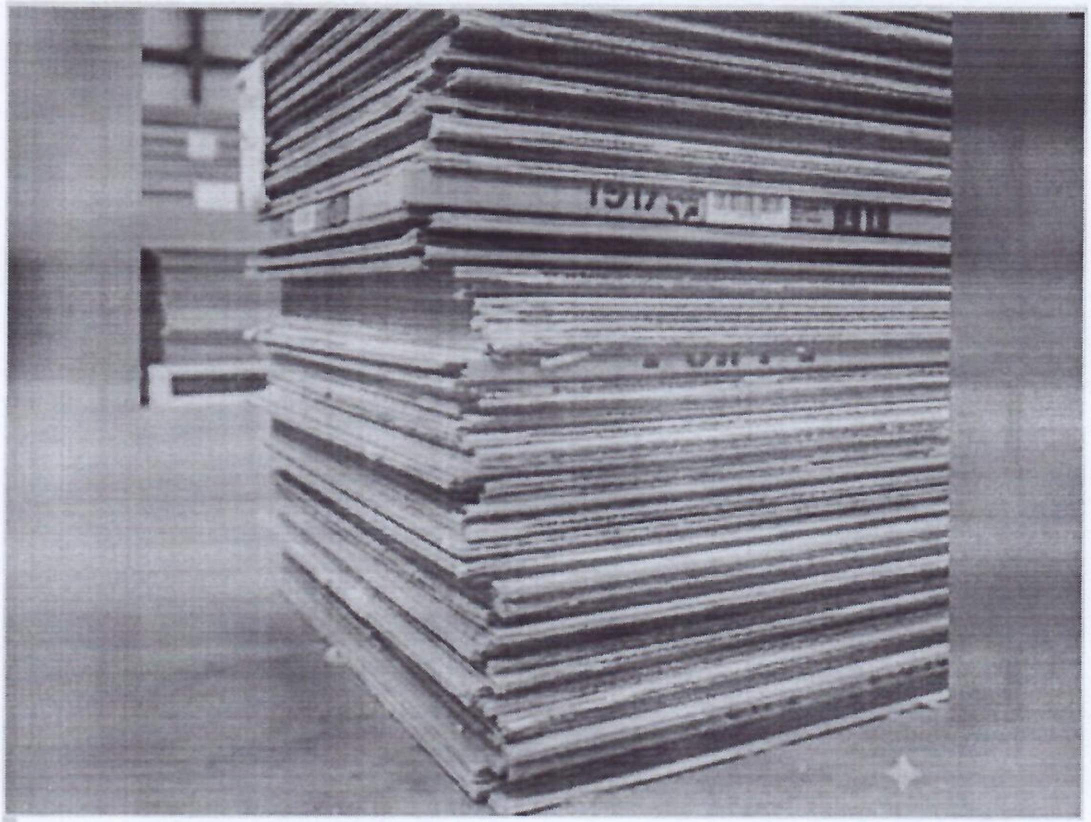

Synopsis

Kolkata's corrugated box makers are worried. GST changes have created an imbalance. Raw material costs are up, finished product taxes are down. This hurts small businesses. Over 20,000 MSMEs face closure. The industry wants the government to fix the GST rates. They say it will help businesses. It will also support the 'Made in India' initiative.

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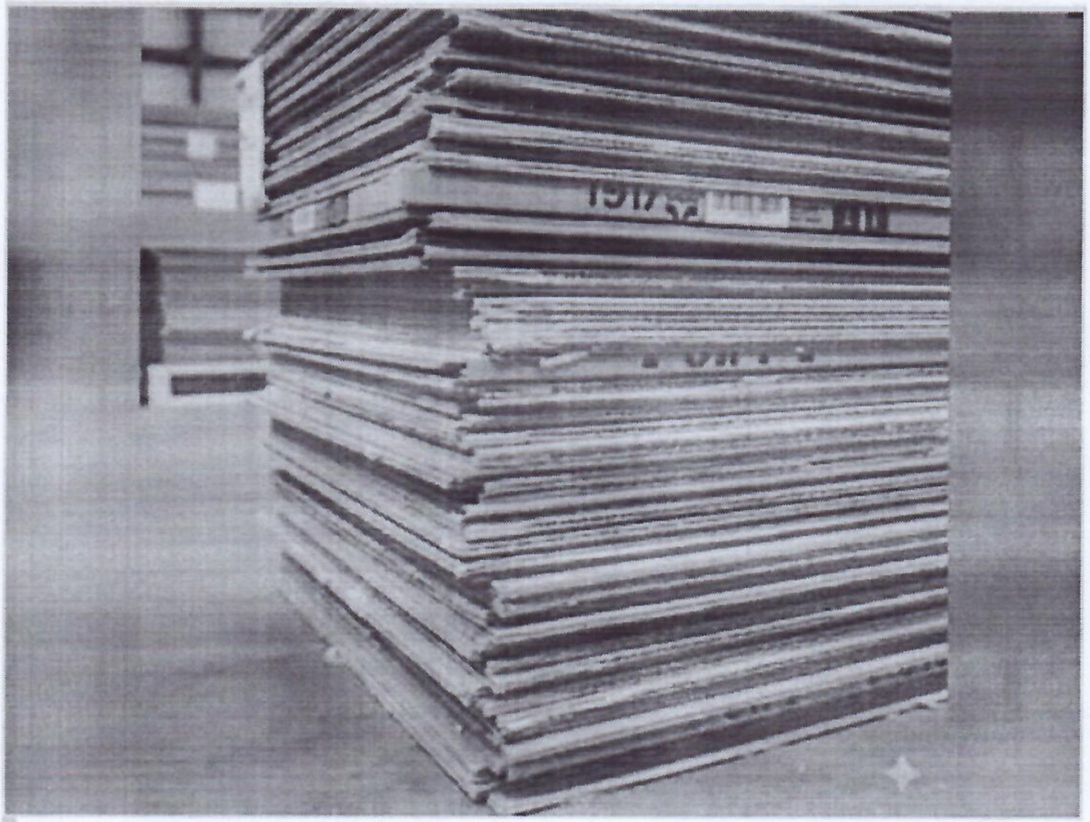

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