

Latest News | GST, Cost Inflation Has Hit Switchover to Eco-friendly Packaging : Corrugated Box Makers

The adoption of paper-based packaging has halted following the recent central government move to raise GST on the price of corrugated boxes by six per cent coupled with the unprecedented inflation of input cost, a corrugated box makers' body said on Monday.

Kolkata, Oct 11 (PTI) The adoption of paper-based packaging has halted following the recent central government move to raise GST on the price of corrugated boxes by six per cent coupled with the unprecedented inflation of input cost, a corrugated box makers' body said on Monday. The conversion cost of corrugators has increased by Rs 1500 to Rs 2000 with increased cost of coal, freight, labour, spares and consumables, the president of the body said.

“The recent move of the central government to increase GST levied on corrugated boxes from 12 percent to 18 percent has irreversibly halted the gradual switchover from plastic to paper. Governments need to incentivise the adoption of eco-friendly packaging and replacement of plastic by lowering the GST for these sectors”, president of Federation of Corrugated Box Manufacturers of India Milan Kumar Dey said.

He said with China facing severe power shortage, the demand for finished paper in India and other parts of the world has started to become stronger.

India can fill the vacuum created by China but it also requires to be

competitive, Dey added.

The price of coal, which is the main source of energy for paper mills has increased from Rs 5000 per tonne to Rs 15,000 tonne. This has increased the cost of production by about Rs 3,500 – Rs 4000 per tonne.

The international freight too has jumped multiple times as well as kraft paper cost and others forcing corrugated box makers to raise the price of their produce.