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# Raw material cost, GST woes for corrugated box makers

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Kolkata: The Federation of Corrugated Box Manufacturers' of India has expressed concern over the rising raw material cost and the increase in the GST rates from 12% to 18% on corrugated boxes, as it has irreversibly halted the gradual switchover from plastic to paper in sectors like the unorganized retail sector, hotel & hospitality sector and in agriculture/ horticulture sectors and has had a crippling effect on the working capital requirements and the day to day working of corrugators.

As a result, it has become extremely difficult for FCBM to improve the quality standards of corrugated packaging in India in accordance with the global supply chain demands.

For almost a year now, corrugated box manufacturers, largely in the MSME sector, with large numbers in the micro and small sector have been facing an unprecedented hike in the prices of their principal raw material, kraft paper. There has been a sharp price increase of Rs 5000 pmt within a span of 10 days. The mills say that this is not the end and expect further increase in the coming days.