Corrugated Packaging industry in crisis

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The increase in the price of Kraft Paper has affected the Corrugated Packaging industry resulting in the threat of closure of Corrugated Box Manufacturers. With around 25 percent increase by the Paper Mills manufacturers, the condition of the Corrugated Packaging industry is in a pitiable state.

Further, all other critical inputs have also seen a rise and this has exacerbated the situation. The cost of starch has gone up twice the previous rates when compared to last year and the stitching cost also has increase by 40 percent, not to mention the labor cost which is also going up drastically.

It is worth a mention here that Corrugated Packaging is a must for safe transportation of goods and no industry can do without these packaging materials.

Commenting on this situation, Mr. Kirit Modi, President, Indian Corrugated Case Manufacturers Association (ICCMA), said, " Modern and latest technology has recently been introduced in the country by upgrading the hitherto fragmented manufacturing process to fully automatic production lines, which is the benchmark of the Packaging Industry all across the world. This segment of the Industry has come under a banner called the Indian Corrugated Case Manufacturers Association. ICCMA represent all such units who have recently invested substantial amounts to introduce this latest technology to the Indian market."

Mr. Harish Madan, Honorary Secretary, Indian Corrugated Case Manufacturers Association (ICCMA), said, " We have already submitted a memorandum on this subject to the Ministry of Commerce & Ministry of Finance, Government of India, requesting them to take serious note of this situation and initiate appropriate action."

The Industry has appealed to the Government of India to allow import of Kraft Paper at NIL rate of customs duty. They have also urged the government to help them to come out of the crisis.

Only with an increase in the price of the Corrugated Boxes can this crisis be solved, claims industry sources.