

# Corrugated box industry faces bleak future

■ Business Bureau

THE corrugated box industry is reeling under the twin blows of sharp cost increases in a short span of few months' time and raw material supply disruptions. The total cost increase for box makers has already crossed 70 per cent cumulatively on account of paper alone and the increase is unrelenting. The industry is bleeding on account of unprecedented hikes in the cost of its main raw material - kraft paper.

Kraft paper mills cite the rising prices of imported and domestic waste paper on the supply side post COVID-19 pandemic lockdowns and international logistics disruptions for the reduced availability. On the demand side, they are taking advantage of the lucrative opportunity to export kraft paper in the form of recycled kraft paper pulp rolls to China to fill the supply gap as mills in China face the impact of an import ban of all solid waste including waste paper with effect from 1st January 2021 onwards.

Sandeep Wadhwa, President of Indian Corrugated Case Manufacturers' Association (ICCMA), a pan India body - stated that the demand gap and attractive price



ing in China is diverting the output of Indian kraft paper from the domestic market and driving up the prices of finished paper and recycled fibre. Exports of recycled kraft paper pulp rolls by Indian kraft paper mills would touch about 2 million tonne this year, roughly 20 per cent of total domestic kraft paper production in India. This development, on the base of zero export prior to 2018, is a game-changer in supply-side dynamics going forward.

In addition to the increase in the costs of kraft paper, all other inputs namely man-power costs, starch, freight and other Overheads have also witnessed a huge increase in the range of 60 per cent-70 per cent over last few years. The corrugated box industry in the country with 350+ automatic corrugators and more than 10,000 semi-automatic units,

mostly in MSME sector, is facing immense stress on account of these unprecedented cost increases.

Harish Madan, Vice-President of ICCMA informed that this is an eco-friendly industry that consumes about 7.5 million MT per year of recycled kraft paper and produces 100 per cent recyclable corrugated boxes to constitute a market of Rs 27,000 crore. The industry employs a workforce over 6 lakhs and plays a pivotal role in the Indian economy by enabling the smooth functioning of supply chains for essential goods which is particularly critical in these trying times. ICCMA appeals to all box users including large brand owners and others to recognise and acknowledge ground realities by granting fair price revisions to cover the increase in raw material and ensure industry avoids closure.

# CBIC asks field offices to exercise max caution in p

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THE CBIC has directed its field offices to exercise utmost prudence and maximum caution in attachment of property of a taxpayer and said that such remedy

can be considered in cases involving GST evasion, fake invoicing and delay of more than 3 months in depositing tax collected.

The Central Board of Indirect Taxes and Customs (CBIC) has come out with guidelines for pro-

visional attachment of property under GST Act which tasks the Commissioner to exercise due diligence and carefully examine all the facts of the case, including the nature of offence and amount of revenue involved, and also record

on file the has formed attach prop "It is reite provisional be exercised ical manner

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