

Corrugated packaging industry in doldrums

Chennai, Mar 25:

Sandwiched between the Kraft Paper Mills and the Large Consumers, the Corrugated Packaging Industry is at dismal state of affairs again. Industry's major raw material, Kraft Paper, has been recently subjected to multiple, prohibitive and unprecedented price increases, resulting in making the *Corrugated Packaging* dearer by almost 25% and the Paper Mills are planning for further hikes, in coming weeks.

To aggravate the situation further, the prices of all other critical inputs of this industry have shot up substantially. The Starch Prices have more than doubled in the last one year. The price of Stitching wire has also gone up almost 40%, primarily due to hikes in the cost of steel. Cost of labour has also gone up substantially.

The Corrugated Packaging Industry is primarily operating in the small and medium sector and is now reeling under tremendous

pressure due to increase in Kraft Paper Prices at one end and the other inputs, at the other end.

Kirit Modi, President, Indian Corrugated Case Manufacturers Association (ICCMA), said, "There is a world wide shortage scenario of the fibers that go into making of Kraft Paper, due to the closure of pulp mills in Chile due to the recent earthquake.

The severe winter and snow in the North Americas have also put a lot

of pressure on the availability of waste paper which is the main input for the local Recycled Paper Mills in the Country."

The spokespeople of ICCMA said that they wish to draw attention of the Government of India to cartelization policies being adopted by the Paper Industry, which is fueling inflation. The Paper Mills are increasing the prices collectively, by the same quantum and on the same dates.