

# Corrugated packaging industry in dire straits

**ENS Economic Bureau  
Chennai, March 15**

SANDWICHED between the kraft paper mills and the large consumers, the corrugated packaging industry is in dire straits again.

The industry's major raw material,

**The 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%**

kraft paper, has been recently subjected to multiple, prohibitive and unprecedented price increases, resulting in making the corrugated packaging dearer by almost 25 per cent and the paper mills are planning for further hikes, in the 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 per cent, primarily due to hikes in the cost of steel. The cost of labour has also gone up substantially.

It may be noted that corrugated packaging is required for safe transportation and distribution of almost all products of everyday use by a common man, be it milk, fruits and vegetables, engineering goods, textiles, consumer durables or medicine.

This industry is based completely

on the recycled fibre base and has been adequately servicing the packaging needs of the country by successfully substituting the wooden packaging and contributing to the environmental protection and ecological balance.

Kirit Modi, President, Indian Corrugated Case Manufacturers Association (ICCMA), said, "The 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 across the world. This segment of the industry has come under a banner called the Indian Corrugated Case Manufacturers Association. The ICCMA represents all such units who have recently invested substantial amounts to introduce this latest technology to the Indian market."

He added, "There is a worldwide shortage of fibre that go into the 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."

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 and Ministry of Finance, Government of India, requesting them to take serious note of this situation and initiate appropriate action."

"The corrugated packaging industry also appeals to the Government of India to allow import of kraft paper at nil rate of customs duty and tide over the present crisis and also to give an opportunity to the industry to upgrade the quality of their products to international standards," he added.