

# Business Line

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## STATES

### 'Corrugated box making sector grew 5-8% in 09'

#### Our Bureau

Kolkata, Dec. 18

The corrugated box manufacturing industry in the country has been growing at about five to eight per cent in 2009 despite the downturn last year, according to Mr Anil Kumar Reddy, President of the Federation of Corrugated Box Manufacturers of India (FCMB).

The industry, estimated to

have a market size of Rs 7,500 crore, is expected to grow at five per cent in 2010, he said.

#### 3 LAKH WORKERS

The corrugated box manufacturing industry, which uses craft paper as raw material, is the second largest consumer of paper in the country after the newsprint sector. Currently, there are 8,000 to 9,000 corrugated

box manufacturers in the country and the industry employs nearly three lakh workers.

"We have been mostly insulated from the slowdown that occurred last year as the bulk of our demand comes from sectors unaffected in downturn such as food packaging and horticulture sectors," Mr Reddy said.

#### GOOD OUTLOOK

Large multinational companies are also shifting to local manufacturers from imported products, thus providing a boost to the industry, he pointed out.

The corrugated boxes have also started replacing plastic packages and wooden boxes in crackers industry.

The industry should look at producing better quality water and fire proof boxes in order to compete with

others, he added. The industry faces maximum demand from the western region of the country while the eastern region was the lowest consumer (five to 10 per cent of the country's demand) of its products, he said.

#### PLEA TO GOVT

The industry has urged the Centre to bring the excise duty on boxes (eight per cent

now) at par with the paper industry (4 per cent), Mr Reddy said, adding that this would remove additional load on the industry by relaxing cost on its customers. "In the proposed GST regime all parameters are expected to be streamlined," he said.

FCMB organised the 38th annual convention of the federation at the ITC Sonar Kolkata on December 18-20.

