

June 20, 2008

Friends,

The Corrugated Box industry comprising of micro to small scale entrepreneurs has been suffering immensely as it neither has any control on the unabated increase in input costs nor are able to get the clients pay more for the rising cost. **If the situation continues, the very survival of the industry is under threat.**

In the last few years, all commodity prices have skyrocketed and it is the case with Corrugated Box industry's inputs too. This has crippled the industry to the extent that regular production has started getting affected.

Paper prices are being increased arbitrarily and since March this year there is an increase of 25 to 30% so far.

Other inputs including steel stitching wire, starch, labour, energy, transportation and other costs have witnessed unprecedented rise thereby increasing the **conversion cost by 60 – 70%.**

Keeping in view the grim situation faced by the industry, the **Corrugated Box Manufacturers in India have decided to go on Bandh (Strike) from 29th June 08 to 1st July 08.** The prime objective is to achieve

- **Awareness among consumers of corrugated box on the situation and better understanding of the ground realities so that the industry is paid what is legitimately due**
- **Price stability and transparency from paper mills and get them to the negotiating table in framing a medium to long term pricing policy**
- **Corrugated box still continues to attract 14% excise duty whereas its prime input i.e. Kraft Paper is on 8% excise slab. Govt. attention is urgently solicited to rectify the anomaly for which all documentation and memorandum has been duly submitted to the concerned authorities**

I request you to kindly strengthen your hands by closing your units for three days & make the strike successful. I also appeal you to kindly contact other corrugation units in your area & request them to participate in the strike.

We will be calling an Extra Ordinary General Meeting within the next few days to discuss the grim Paper Price situation & the ensuing Bandh, where non-member units will also be invited. We will get back to you with details of the meeting on finalization of the venue,

We are pleased to enclose herewith a suggested letter format (feel free to make changes) for submitting to your customers; appraising them about the erratic paper price situation leading to the strike & requesting them for a price hike.

Friends, let us be optimistic & join hands, for there is always light at the end of a dark tunnel.

For Eastern India Corrugated Box Manufacturers' Association,

Hemant Saraogi
President

Enclosed: Suggested Letter Format for Customers