

**KEYNOTE ADDRESS BY SHRI HEMANT SARAOGI, PRESIDENT, EICMA
SEMINAR ON 'CORRUGATED FIBRE BOARD BOXES'
ORGANIZED BY THE INDIAN INSTITUTE OF PACKAGING
ON JULY 5, 2007 AT 10.00 A.M. AT KOLKATA**

I am really touched by this invitation to deliver the keynote address at this Seminar on Corrugated Fibre Board Boxes' organized by the Indian Institute of Packaging. The subject of today's Seminar assumes special significance for all of us in the industry because packaging has a major role in achieving marketing goals, in this era of globalization and increasing consumer awareness.

Bill Gates, Sir Richard Branson, Michael Dell, Dhirubhai Ambani, Sabeer Bhatia, Narayan Murthy, Karsanbhai of Nirma are names familiar to you all. Each started with an idea whose success today is legend. They created products which you and I cannot do without today and each product required suitable packaging without which the product wouldn't have been launched.

Manufacturing of corrugated boxes were started in the mid-50s in the country, till the 1950s, corrugated boards were mostly imported. The increasing demand for corrugated fibre board boxes presently has risen from the increasing global awareness about the need for eco-friendly packaging medium. The liberalization policy pursued by the Government of India in this globalization era has given further boost to the corrugating industry in India.

Between 1980 and 1990, the corrugated packaging industry in India was converting about 4.75 lakh tones of Kraft paper annually. This has increased to more than 17 lakh tones at present. There are now about 10,000 manufacturers of corrugated boxes in India. Though all units are in the small scale sector, but if taken together, the industry is having a turnover of Rs. 10,000 crore plus.

Corrugated boxes being made of paper and substitutes of wood are 100 per cent recyclable, bio-degradable and eco-friendly. The corrugated packaging industry in India has still a long way to go in terms of international product standards. The Indian corrugated packaging industry has been trying to upgrade itself and seize the opportunities available in the present WTO regime. Well aware that the gauntlet has been cast. Indian corrugators, rather than backing out are working on innovations and technological improvements to deal effectively with the great shifts that have evolved, particularly with regard to the need for superior products, not only within the country but also worldwide. Never the less, increased competition, collapsed time horizons, intense quality scrutiny, rapid changes in the global economy and markets, are just a few of the

challenges corrugators and the corrugation industry as a whole faces in today's volatile global trade and economic environment. We shall have to prepare to contend with more challenges in the near future, especially since the playing field is rapidly changing.

The most important issue confronting the corrugated industry today is how to say ahead in a world out of balance. How to prepare for the opportunities and threats that come along with the expanding demand, often in unfamiliar markets, and constantly changing consumer needs? It is quite pointless to just focus on our internal operations and short term goals and blame shortcomings in performance on factors beyond control. "Value-building" industries of any kind, lock onward and outward – anticipating problems, managing risks and developing new growth opportunities. The corrugated packaging industry in India should prepare for the future. It should control its own destiny so as to benefit from the immense potential of this industry. Agriculture being the mainstay of our economy, the corrugated industry should be able to play a major role in the near future. This sector alone provides a huge market for the packaging industry. Again, in our country about 25 – 30 per cent of fruits and vegetables produced is damaged during distribution which could be avoided by adopting modern techniques of packaging and other appropriate forms of packaging. Packaging of processed food and Pharmaceuticals are also areas which have tremendous growth potential. Being high value products, consumer durables, particularly white goods, also require good packaging since even a small dent or scratch on the product would lead to rejection. With ever escalating growth in demand for consumer products and higher expectation of consumers, the need for value added packaging with high quality standards has become imperative. Moreover with the country's thrust on exports, demand for state-of-the-art packaging has also increased considerably.

Globalization has ushered in a new economic order that makes it imperative to upgrade our performance-orientation and bring about cost-effectiveness so as to be able to meet standards specified by the international market and at the same time retain a competitive edge. Admittedly the corrugated box industry in the country still has a long way to go in terms of perfection and specification, much demanded by end-users. I feel that we can make significant improvements in our performance and accordingly make significant in-roads into the huge market, both in India and abroad. At the same time I would urge manufacturers of inks, varnishes, adhesives, coats and stitching materials to upgrade their products, especially since quality has become a crucial factor for strategic marketing as well as market entry and penetration. The presence of Trans National Corporations in the country also makes it imperative for us to focus on state-of-the-art packaging technology. The bottom line being whatever is good for exports is also good for the domestic market.

Even while taking innovative initiatives in producing boxes of international standards, fellow corrugators must pay heed to an important aspect, i.e., moisture content in the atmosphere, which affects the strength properties of paper board and box. A very clear understanding of the adverse effects of the climatic condition is imperative for any successful converter as lack of proper understanding of the basic facts about humidity will lead to wastage. The strength and other physical characteristics such as dimensional, stability are of paramount importance for the corrugated packaging industry as the packages are expected to contain and protect the components inside during storage and transportation of the materials. Waste minimization is of crucial importance as it is wastage that erodes a substantial portion of profits.

Friends, I have only tried to present a very brief overview of the corrugated fibre board box industry. The subject of this Seminar is rather vast and I will not venture into the technical aspects since the experts present today will discuss in details the important aspects of corrugated fibre board and boxes during the business session and I am sure that this seminar will conclude with useful suggestions and recommendations.

In conclusion, I wish the organizers of this seminar all success and thank the Indian Institute of Packaging for inviting me to be amidst this august gathering.

Thank you.