

**JAC****Joint Action Committee**

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PRESS RELEASE

CORRUGATED PACKAGING INDUSTRY IN DIRE STRAITS....HEADING TOWARDS CLOSURE !!

At hotel Ramada Plaza (New Delhi) while addressing press conference, office bearers of Joint Action Committee stated.

Recycled Kraft Paper Mills of North India have announced price increase of Rs.3000-4000 pmt across all varieties, within the last month. Kraft Paper being the major raw material of Corrugated Box Industry is now subjected to frequent price increases and hence is jeopardizing the viability of this industry. 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 costs of steel. Cost of Labour has also gone up substantially.

The cumulative impact of all these increases in cost, have very adversely affected the working of this Industry. Through this press release, we wish to highlight the difficulties being faced by the members of this Industry and it is virtually impossible for the Industry to survive and hold prices at this critical juncture.

Sandwiched between the Large Paper Mills and the Large Consumers, the Corrugated Box Industry is at dismal state of affairs. The Paper Mills collectively implement a price increase and enforce it with immediate effect. This is causing a lot of uncertainty in the market and is causing panic reactions which are against the principals of free and fair business scenario.

The Industry also wishes to draw attention of the Government of India to the unethical business practices being adopted by the Paper Industry, which is fueling inflation through cartelization. The Paper Mills are increasing the prices collectively, by the same quantum, on the same dates. Further, to get the prices accepted in the market, they are collectively shutting down their production, so as to command the increased prices, by creating short supplies. This is not only unethical business practice but also against the COMPETITION Act which was enacted by the Government of India in May 2009.

The Industry also appeals to the Government of India to allow import of Kraft Paper at NIL rate of customs duty, to tide over the present crisis and also to give opportunity to this industry to upgrade its' quality to international standards, at affordable prices.

This Industry is in SMALL SCALE SECTOR and based completely on the Recycled Fiber base, 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.



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Affiliated with

**Federation of
Corrugated Box
Manufacturers of India**

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Together we pack a **"PUNCH"**



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All the Associations of North India, i.e. -

**NORTHERN INDIA CORRUGATED BOX MANUFACTURERS ASSOCIATION (NICMA)
UP CORRUGATED BOX MANUFACTURERS ASSOCIATION (UPCBMA)
HP CORRUGATED BOX MANUFACTURERS ASSOCIATION (HPCBMA)
RAJASTHAN CORRUGATED BOX MANUFACTURERS ASSOCIATION (RCBMA)
PUNJAB CORRUGATED BOX MANUFACTURERS ASSOCIATION (PCBMA)**

have submitted their memorandum on this subject, to the Ministry of Commerce & Ministry of Finance, Government of India, to take serious note of this situation and initiate appropriate action.

In light of the increase in prices of paper and other consumables, the Corrugated Packaging Industry, vide this release, also requests the users of Corrugated Packaging to consider giving an increase of 20% - 25% to its members, to enable them to sustain in their respective businesses and service their requirements, smoothly, as there is no other option.

In case our price issue is not immediately addressed by our valued customers, the Corrugated Packaging Industry is heading towards a **NATURAL CLOSURE !!!**



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