

8<sup>th</sup> March, 2021

Friends,

The Corrugated Box industry comprising of MSME 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 November 2020 there is an increase of 60- to 65% 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 40 – 50%.**

Keeping in view the grim situation faced by the industry, the **Corrugated Box Manufacturers in Eastern India are constrained to go for voluntary shutdown** of their units from 11<sup>th</sup> March 2021 to 13<sup>th</sup> March 2021. Our sincere intention is to seek:

- **Awareness among consumers of corrugated box on the situation and better understanding of the ground realities so that the corrugated box industry is paid what is legitimately due towards the phenomenal Kraft Paper price hikes and Conversion costs.**
- **Price stability and transparency from paper mills and get them to the negotiating table in framing a medium to long term pricing policy.**
- **We draw the attention of the government to ease availability of kraft paper (raw material of paper mills) and monitor export of kraft paper so that domestic requirements are met.**

**I fully understand and appreciate your spontaneous decision to close your units from 11<sup>th</sup> to 13<sup>th</sup> March in protest against this unrelentless price hike by paper mills and our inability to cope with this situation. We may have to make further sacrifices in the days to come to sustain and to keep our units viable**

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 voluntary closure & requesting them for a price hike.

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

For Eastern India Corrugated Box Manufacturers' Association,

Mohit Bajaj  
President

Enclosed: Suggested Letter Format for Customers