

Protest Closure Highlights Industry Crisis

THE HINDU

27th June, 2008

Corrugated Box Making Industry Facing Closure

Steep Increase in the Costs of Paper and Raw Material.

'In the past four years the conversion cost has gone up by about 50 per cent'.

The industry will observe a three-day closure from June 29 to generate awareness.

Frequent increases in the cost of paper and a steep increase in the prices of other raw materials has pushed the small-scale industry of corrugated box manufacturers to the brink.

Battling inflation, the manufacturers of corrugated boxes are relying on government intervention to save the industry, which according to them is on the verge of collapse.

"The industry is facing instability. In the past four years conversion cost has gone up by about 50 per cent. There is a frequent hike in the cost of kraft paper — a major raw material. The price of other raw materials has also gone up."

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कोलकाता : टीवी, रेफ्रिजरेटर या इलेक्ट्रॉनिक उत्पादों की पैकेजिंग में बाक्स (कार्टून बाक्स) तैयार करने वाले निर्माताओं ने आगामी 29 जून से 3 दिनों तक हड़ताल पर जाने की घोषणा की है।

सीबीएम यूनिट में देशव्यापी हड़ताल 29 जून से

कोलकाता, 25 जून (जनसत्ता)। अपनी मांगों के समर्थन में ईआईसीएमए ने 29 जून से एक जुलाई तक देश व्यापी हड़ताल की घोषणा की है। यह जानकारी इस्टर्न इंडिया कोरुगटेड बाक्स मैन्युफैक्चरर्स एसोसिएशन के अध्यक्ष हरीश शर्मा और उपाध्यक्ष मिलन दे ने प्रेस कॉन्फ्रेंस में दी। उद्योग संकट के दौर से गुजर रहा है। बताया गया कि पेपर की कीमतों में इतनी बढ़ोतरी हुई है कि इस उद्योग की जिंदा बचे रहने पर खतरा है।

Corrugated box manufacturers declare 'bandh'

More than 1,600 corrugated box manufacturers across the country have given a call for a three-day strike from July 29 to protest against price increases of paper mills. The 'bandh' will be observed by all the 9,000 units across the country. The government reduces the excise duty, it will translate into almost 10% reduction in raw material costs, as import will become competitive," said RG Agarwal, vice-president of the EICMA. Manufacturers import kraft paper from the US and Europe. The EICMA has submitted a memorandum to the Union Finance Ministry demanding lower excise duty.

Economy Bureau Kolkata, Jun 25

Oil hit for packaging industry

Costs of corrugated paper have gone up by over 30% in three months

Shubhashish, Mumbai



Boxed by costs

The corrugated paper industry is a small scale sector and is suffering huge losses, because of the volatile prices of Kraft paper, which is the major raw material.

Pradip Bosmoya, president, Western India Corrugated Box Manufacturers Association (WICBMA) said, "Eight five percent of all products are packed in corrugated boxes. Over the last three months, prices of Kraft paper have gone over 30% hitting the industry very badly"

He said the major culprits are the paper mills in the Vapi area of Gujarat. Most of the paper supplied to Mumbai and Gujarat are sourced from these mills and they are the ones increasing the prices frequently and the rest follow the trend.

Shirish Desai, president, Vapi Industries Association said, the paper mills are also at the receiving end as their raw material costs are shooting up.

He said, "Due to the volatile crude prices, the input costs or other raw materials in-

कागज महंगा होने से कार्टून इकाइयों पर गहराया संकट

उत्पाद शुल्क घटाकर आठ फीसदी करने की मांग

कोलकाता : कागज, गेहू, तेल आदि के दम बढ़ने से पूरे देश में कार्टून (कोरुगटेड बाक्स) बनाने वाली इकाइयों पर संकट गहरा रहा है। इनके मालिक कार्टून निर्माताओं के संगठन इस्टर्न इंडिया कोरुगटेड बाक्स मैन्युफैक्चरर्स एसोसिएशन ने सरकार अपनी समस्याओं के लिए समाधान देने का आग्रह किया है।

इससे कार्टून निर्माताओं को सारे में उत्पादन लागत घटाने का आग्रह किया गया है। इससे कार्टून निर्माताओं को सारे में उत्पादन लागत घटाने का आग्रह किया गया है। इससे कार्टून निर्माताओं को सारे में उत्पादन लागत घटाने का आग्रह किया गया है।



संघटनकार्यों को बढ़ावा देने हेतु मंच पर



BUSINESS STANDARD WEDNESDAY 25 JUNE 2008, CHENNAI

Corrugated box makers demand higher prices

Around 4,000 manufacturers have called a three-day strike

FAIR DEMAND
Conversion cost increase (2004-2008)
Inputs

Inputs	Increase, % contribution	Final impact in per cent in overall
...

...ation (WICMA), a body of...
...filled to FCBMA.
...The margin for the pack-
...ing industry has shrunk
...to "nil" because of the
...rise in almost all raw
...materials, mainly kraft paper
...comes to about 70 per
...cent of the total input cost,
...an official.
...Kraft paper mills have
...a series of price hikes,
...they raised prices by
...14 per cent on June 14 by
...Rs 1.50 soon.
...rushed, the conver-
...sion has also gone up



देशबन्धु
नई दिल्ली, शुक्रवार, 27 जून, 2008

अर्थ जगत

पैकिंग डिब्बा उद्योग बंदी के करीब

तीन दिवसीय हड़ताल का आह्वान

पैकिंग डिब्बा उद्योग के 4,000 से अधिक कारखानों के मालिकों ने बुधवार को एक संयुक्त बयान में कहा कि वे अपने कारखानों को 29 जून से 31 जून तक बंद कर देंगे। यह हड़ताल कारखानों के मालिकों की मांगों को पूरा करने के लिए है।

कारखानों के मालिकों ने कहा कि वे अपने कारखानों को बंद कर देंगे क्योंकि वे अपने कारखानों को बंद कर देंगे।

The Pioneer New Delhi/Friday/June 27/2008

Rising prices hit whole package

Higher paper cost may increase packaging rates too

Deepak Kumar Jha | New Delhi

Here's more bad news coming your way! With the hike in packaging rates, a whole lot of commodities - especially the fast-moving consumer goods (FMCGs) - are likely to become dearer.

The corrugated industry - which provides packaging for consumer durables, fruits, vegetables, apparel, electronics and electrical, apparel, steel stitching wire, 'starch, labour, energy, transportation and other' - has said it may be forced to increase the prices due to a hike in the price of paper products by manufacturers. The Kraft paper price and the increase in other inputs is adversely affecting the corrugated industry as it has been unable to increase the rate of its finished products and, therefore, forced to bank on its capital.

"It is impossible for any manufacturer to bear such huge costs. In the last four months, paper mills have increased prices by Rs 4 per metric tonne in the costs. Either we shut shop or increase the prices of packaging items, boxes and cartons, which may affect the consumer," said Harish Madan, member of the Federation of Corrugated Box Manufacturers (FCBM) of India. According to the industry sources, the livelihood of nearly 4 lakh workers, employed directly or indirectly in the small-scale industry is at stake. "With inflation at over 11 per cent, other inputs like steel stitching wire, starch, labour, energy, transportation and other have risen, thereby increasing the conversion cost by 50 per cent. The corrugated box industry has been suffering immensely as it needs increase in input costs nor over-escalating Kraft paper prices. The situation is critical," said FCBM president Satish Tyagi. The federation, with a backing of 10,000

Continued on Page 4

बिजनेस स्टैंडर्ड

अब डिब्बाबंद वस्तुओं की कीमत बढ़ाने की तैयारी

नई दिल्ली, शुक्रवार, 27 जून, 2008

डिब्बाबंद वस्तुओं की कीमत बढ़ाने की तैयारी... फेडरेशन के अध्यक्ष ने कहा कि इस समय की संकट में डिब्बाबंद वस्तुओं की कीमत बढ़ाने की तैयारी की जा रही है।



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NEWS 5 DELHI THE HINDU • FRIDAY, JUNE 27, 2008

Steep increase in the costs of paper and raw material

PRICES & PEOPLE

Staff Reporter
NEW DELHI: Frequent increases in the cost of paper and a steep increase in the prices of other raw materials has pushed the small-scale industry of corrugated box manufacturers to the brink. Battling inflation, the manufacturers of corrugated boxes are relying on government intervention to save the industry, which according to them is on the verge of collapse.
 "The industry is facing instability. In the past four years the conversion cost has gone up by about 50 per cent," said a major player in the paper - a major price rise - like other raw materials.
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कागज के बढ़ते भाव से पैकिंग डिब्बा उद्योग बंदी के कगार पर

दिल्ली-केंद्रित एक फेडरेशन के अध्यक्ष ने कहा कि इस समय की संकट में डिब्बाबंद वस्तुओं की कीमत बढ़ाने की तैयारी की जा रही है। फेडरेशन के अध्यक्ष ने कहा कि इस समय की संकट में डिब्बाबंद वस्तुओं की कीमत बढ़ाने की तैयारी की जा रही है। फेडरेशन के अध्यक्ष ने कहा कि इस समय की संकट में डिब्बाबंद वस्तुओं की कीमत बढ़ाने की तैयारी की जा रही है।



FEDERATION OF CORRUGATED BOX MANUFACTURERS OF INDIA PRESS MEET 26 June, 2008

महंगाई से डिब्बा उद्योग बंदी के कगार पर 29 से कारोबारियों ने किया तीन दिवसीय देशव्यापी हड़ताल का ऐलान

नई दिल्ली। कच्चे माल की लगातार बढ़ती कीमतों के कारण पैकिंग डिब्बा उद्योग बंदी के कगार पर है। कारोबारियों ने महंगाई के खिलाफ 29 जून से तीन दिवसीय देशव्यापी हड़ताल की घोषणा की है। फेडरेशन ऑफ़ कार्डबोर्ड बॉक्स मैनुफैक्चरिंग ऑफ़ इंडिया का अध्यक्ष डेविड स्लान ने कहा कि महंगाई के कारण उद्योग बंदी के कगार पर है। कारोबारियों ने महंगाई के खिलाफ 29 जून से तीन दिवसीय देशव्यापी हड़ताल का ऐलान किया है। फेडरेशन ऑफ़ कार्डबोर्ड बॉक्स मैनुफैक्चरिंग ऑफ़ इंडिया का अध्यक्ष डेविड स्लान ने कहा कि महंगाई के कारण उद्योग बंदी के कगार पर है।

Released in Economic Times, All India Editions

Corrugated Box Manufacturers on the brink of Permanent Closure and Financial Crisis, due to Spiralling Price Increases in Kraft Paper and all other Inputs

Corrugated Box Manufacturers all over India had observed a 3-day **Protest Closure** from 29th June to 1st July 2008 to bring about an awareness on the deep crisis faced by the industry due to spiralling price increases.
Kraft paper - industry's major raw material, has been subjected to multiple and prohibitive increases, totalling to about **Rs.4.50 per kg** in the last four months. Another substantial hike has been announced by a Regional Paper Mills' Association on 30th June and other regions may follow suit. **No clue as to where this would stop !!**
Conversion Costs have shot up almost **50%** in the last few years. All inputs like; Stitching Wire, Adhesives, Ink, Power, Coal, Diesel and Manpower Costs, have shot up relentlessly.
 Unless the Corrugated Box Making Units are given an increase of **Rs.2.00 per kg** in the conversion costs **apart** from compensating increase in Paper Price, their very survival is at stake.
The cumulative impact of the hike in all input costs PLUS Kraft Paper, comes to 30-35%.
 We appeal to our esteemed Clients and End-users, to grant this Increase **Immediately**, to avert permanent closure of the units, due to huge cash losses.
 Cost-effective Corrugated Boxes not only help boost exports, and mitigate the inflationary push in the domestic economy; but also promote and protect the environment and ecological balance.
 Corrugated Packaging Industry may soon face **Indefinite Closure**, if these issues are not addressed immediately, rendering about **2 million people unemployed**, who depend - directly or indirectly, on the corrugated packaging industry.

FEDERATION OF CORRUGATED BOX MANUFACTURERS OF INDIA
 138, Mittal Industrial Estate No. 3, M. Vasanji Road, Andheri (E), Mumbai 400 059.
 E-mail: admin@fcbm.org • Website: www.fcbm.org

President Thanks

I wish to thank you for all the support extended to me in highlighting the issue of paper prices and conversion costs. I also wish to congratulate all of you for the hard work done in organising the meetings and press conferences. The response has been overwhelming as is evident from the gathering at the meetings and the wide coverage received from the media.

The STRIKE has been highly publicized. I have been receiving calls from corrugators (members and non members) from across the country as well as from the media. Most consumers are also aware of the STRIKE and we are very hopeful of positive results.

The next three days are crucial. We have done the ground work, now we need to keep the momentum going and to make this strike successful.

Thanks,
Satish Tyagi
 President, FCBM

REPORTS FROM



We at SICBMA have called a members meeting on 25th and the turnout of members were beyond our expectations. About 140 people including – both members and non-members attended.

Everybody was in support of the Strike and agreed to close their units.

We had organised the press meet yesterday and the response was good, and It has been published in 4 local language papers today, we expect more will follow in other papers.

Our members were also of the opinion that Big advertisement should come at national level and we support the suggestion given by Mr. Hemant Saraogi here under.

Lalit Lath
President, SICBMA



The bandh call given by us has been successful.

We have been patrolling Industrial area wise and the response was very positive and almost all the units observed the bandh.

In the evening at APCMA office, we had a review meeting of all members of area wise patrolling committee and the report turned out to be good.

I personally have been patrolling the industrial areas along with our Past President, Mr. Gopalachary ji and Vice President Mr. Bharat ji to oversee the success of the bandh. Many of our Committee Members and other members also took enormous pain throughout the day in assisting us in our tasks.

Further to our teletalks yesterday, I wish to inform you that we had two emergency general meetings of members as well as non members, one on 17th June, attended by more than 100 unit members and the other on 24th June attended by approximately 140 unit members. The response was very good.

We have also formed area wise committees for smooth closure of units during June 29th July 1st.

On 25th June we had a press conference wherein about 7 TV Channels and 25 dailies have attended. Subsequently they have given a good coverage. I hope you must have already gone through the clippings.

G. B. Shenoy
President, APCMA



As you must be aware, FCBM has called an All India Strike of Corrugation Units from 29.06.08 to 01.07.08 to protest the erratic price increase & create awareness amongst customers & government authorities. The strike is fully supported by all Regional Associations including EICMA.

We have updated our web site www.eicbma.com with the following:

- 1) Appeal by President, Sri Hemant Saraogi apprising members of the situation & steps to be taken to make the strike successful.
- 2) Copy of Press Release to be issued to print media.
- 3) A suggested Format letter for our customers.

You will get all the details on clicking on a scroll regarding strike running on top of the home page.

Further, we are planning to conduct a press conference & Extra Ordinary General Body Meeting next week. Dates will be intimated to you in due course.

Hemant Saraogi
President, EICMA



All India Bandh (Strike) by Corrugated Box Manufacturers from 29th June - 1st July 2008

Documents	
Date	Subject
25-06-2008	Request to members at General Body Meeting
25-06-2008	Address at Press Conference
25-06-2008	Press Release on All India Bandh by Corrugated Box Manufacturers Units
23-06-2008	Invitation to Press
20-06-2008	All India Bandh for 3 days - Message to Corrugated Box Manufacturers
20-06-2008	All India Bandh by Corrugated Box Manufacturers - Message to Customers

Press Coverage		
Date	Newspaper Name	Description
03-07-2008	The Economic Times	Advertisement on Bandh issued by FCBM
01-07-2008	NTV 24x7	Coverage by NTV 24x7 of the Corrugated Box Manufacturers' Bandh
27-06-2008	The Economic Times	Corrugated box units call strike from June 29
26-06-2008	Andhra Bazar Patrika	Strike by Corrugated Box Manufacturers



We had a meeting of our association (GCBMA) at Ahmedabad yesterday. More than 100 members were gathered and unanimously decided to close the units for three days (29th June to 1st July, 2008) to support our all India strike and make it successful. At the same time the press note will be released in the local news paper during these days to create awareness.

Dharmendra Pandya
President, GCBMA

NDTV telecast focused on the Do or Die situation in the industry.



When the packaging price goes up, every company in the country has increased the prices of their products citing inflation. But the packaging industry is reeling under tremendous margin pressure, as the customers are not willing to pay more. Now corrugated box industry is on three days strike demanding a hike in price.

The corrugated box industry remains shut down. The 10,000 crore rupees industry is demanding 25% hike in prices.

The cost of raw materials, they say that, has risen by 30%. But, the customers including many multi nationals have been resisting any rise in the cost since the past 4 years. The present inflation has hit them hard.



**Mr. K. Anil Kumar Reddy,
Vice President, FCBM**

We will be forced to close our units and lakhs of people will go out of employment.



Mr. Lalit Lath, President, SICBMA

The Government should rationalize the excise duty on corrugated boxes and help the industry survive.



Mr. Chand Das, Chief Executive, ITC

The customers say they are helpless as any further hike will only burden further consumers.

Some of them have come forward and made some interesting suggestions. Hopefully, with all these, we should be able to manage, where we can contain the situation.



NDTV Reporter

It is do or die situation for the corrugated box industry. The crisis has brought them together to fight it out.

Their message is clear...

Don't take us for a ride.

FCBM Managing Committee Meeting

FCBM Managing Committee Meeting was held at Hyderabad on 8th June, 2008.

Routine matters were discussed as per agenda including paper prices and other related matters.

President Mr. Satish Tyagi released the Technical Sessions Proceedings Booklet of the 36th FCBM Conference held at Varanasi.



Western India Corrugated Box Manufacturers' Association

One-day Seminar on Quality Management

on 12th April, 2008

In association with National Centre for Quality Management (NCQM).



Welcoming the guest speakers Mr. Pradip Bosmaya, President, WICMA, observed how Quality Management is important in any set up, more so in CFB industry.

Prof. H. C. Patel, Hon. Secretary, National Centre for Quality Management, briefly highlighted the objectives of the Seminar. Dr. R. H. G. Rau, Past-President, NCQM and former Corporate Quality Advisor, RPG Enterprises delivered keynote address.

The first technical session was chaired by Mr. Baldev Mehta, Vice Chairman, WICMA R&D.

One of the panel members, Mr. R. P. Soochak, Packaging Consultant, spoke in detail about the Importance of Consistent Quality.

Prof. N. C. Saha, Prof. and Head Laboratories Div., Indian Institute of Packaging (IIP), spoke about the various scientific tests for CF boards and boxes. Mr. D. V. Shenoy, Manager QA, Align Components (P) Ltd., spoke from experience, how quality management is practiced in a CFB plant.

Mr. Deepak Killawala, Vice Chairman, WICMA R&D Centre, briefly explained the various activities of WICMA R&D Centre.

In the afternoon session, chaired by Mr. Pankaj Shah, Chairman, WICMA R&D Centre, panel member Dr. R. H. G. Rau gave a detailed presentation, with examples and case studies.



In the last session, various questions raised by the participants were cleared.

The seminar ended with vote of thanks from Mr. Bharat Parekh, Hon. Secretary, WICMA. The seminar was attended by around 40 participants.

★ ★ ★

Seminar on Costing and Cost Reduction 26th July, 2008 – Kolhapur

WICMA is organising one-day seminar on 26th July, 2008 at Hotel Vrishali Executive, Kolhapur. The objective of the seminar is to explain the correct and scientific method of estimating the product (the box) cost and discuss ways and means to further reduce the cost. WICMA members who have already implemented proper estimating and cost reduction methods will share their experiences.

For further details, contact: WICMA R&D Centre

Meeting of All India Automatic Board Plant Owners

21st June, 2008 Mumbai



Over 85 organisations, who have installed Automatic Board Plants, had assembled for the meeting. The profile of the participants was pan India.

Mr. Kirit Modi of Horizon Packs presented an overview of the scenario. He highlighted on why more and more corrugators are switching to automatic plants. He said that while customer's mandate is the prime mover, technical up gradation and need for increased production are the other factors that have prompted the industry to move swiftly on this path of modernization.

Mr. Ashok Vyas, of Nalanda Packaging gave a detailed presentation on **Costing of Corrugated Boxes Focussing on Conversion Cost.**

Mr. Ashok Vyas dwelt upon the pros and cons of Reverse Auction. He said that in a situation where the prices and supplies are being subject to increasing fluctuations, participation in e-bidding would be not advisable.

Mr. R. G. Agarwala, Chairman Excise committee FCBM talked on the Anomalies in Excise structure.



Mr. Ramkumar Sunkara in his vibrant presentation highlighted the need for ways and means to overcome the pressure of frequent increasing costs of paper by paper mills. A strong and demanding industry aware of its contribution to packaging and nation's economy is the need of the hour, he emphasized.

The time has come to project the corrugated packaging industry as a strong and united body capable of demanding from its customers not to treat corrugated packaging as a commodity but as product that adds value and plays vital role in the supply chain.

It was deliberated that in the current scenario, which is very fluid, it will be very difficult to estimate the down the line situation after 2-3 months. Everyone felt that taking part in the Reverse Auction in such a scenario could be suicidal.

Mr. Harish Madan, Past President, FCBM, coordinated the discussions.

The deliberations underlined the present scenario and the need for taking urgent remedial action for the industry to survive and progress.

