



G.C.B.M.A. CORRUGATED BOX MANUFACTURE CHARITABLE ASSOCIATION

GCBMA/92/2021-22

Date- 09/03/2022

To,
Dear Customers,

This is to inform you that the corrugated box industry is facing huge losses on account of unprecedented increase in the rates of its raw material in the last few months.

As per the current scenario, the rates of waste paper used in the manufacturing of kraft paper, especially imported waste, has increased from 100\$ to 360/400\$, over the years. Also the freight of the container's has increased by 4 times. As a result of which, the rates of local waste paper has also increased by almost 200%.

Apart from all this, the Central Government has imposed a custom duty of 2.50%, in the budget of January 2022. Also the rates of crude oil has increased from 90\$ to 130\$, because of which transportation cost has also increased.

Since October 2021 to March 2022, the rates of the below listed materials have increased as follows :

- Kraft Paper 25 to 27%
- Starch / Ready gum 30%
- Printing Ink 25%
- Coal 40%
- Transportation charge 20%
- Labour charge 10%
- Electricity charge is also expected to increase in the near future.

Keeping in mind the above mentioned points the conversion cost of corrugated boxes has increased by 50%.

The corrugated box industry in the state, with almost 1700 units, mostly MSME, & are providing employment to about 1.5 lakh families. These units are spread across cities like Ahmedabad, Rajkot, Surat, Baroda, Vapi, Himatnagar, Mehsana, Kutch, Morbi etc. They use about 30 lakh MT of kraft paper annually. The annual turnover of the industry is about 12,000 crores.

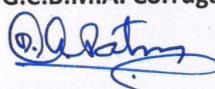
These units are facing immense pressure and is compelled to increase their rates by a minimum of 22 to 25 %.

GCBMA, therefore, approaches all box users including large brand owners & corporates to recognize the ground realities by giving us a hike of about 22 to 25%.

This is also keeping in mind the dream of our Prime Minister Mr. Narendra Modi, of ' Make in India ' and to ensure the smooth supply of all commodities & products & also ensuring the healthy survival of the industry.

Thank you,

With Regards,
For, G.C.B.M.A. Corrugated Box Manufacturer Charitable Association


Prahlad Patel
[President]



Member of :
Federation of Corrugated Box
Manufacturers of India

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