



# Corrugated Packaging Overview & Prospects



**Mr. Harish Madan,**  
SnS Containers Pvt. Ltd.  
SelaQui, Dehradun  
*Past-President, FCBM*



# Topics

- Present Status in India.
- Present Technology – its limitations.
- Why the need for change ?
- A comparison with Chinese scenario.

## Corrugated Packaging: Overview & Trends



### Overview



FCBM is the apex body of the industry but has only 1600 members, while the number of corrugated box units within the country are estimated to be around 10,000.





# Present Status in India

In the last decade (1996 – 2006)

- The average number of single facers per company has increased from 1.86 to 2.69
- Average production per day per single facer has increased from 1575 Kgs. to 2724 Kgs.
- The consumption of 7 ply boxes has reduced from 23% to 11%.
- The consumption of 3 and 5 ply boxes has increased from 54% to 86%



# Present Status in India

In the last decade (1996 – 2006)

- Significant growth is observed in consumption of paper above 150 GSM.
- A significant growth in consumption of paper above 20 BF. We see more and more usage of higher BF paper (28 and 35 BF).
- A significant growth in high quality graphics. At present it is pre-print but trend is towards post print.



# Present Status in India

In the last decade, there is a significant growth in consumption of corrugated box in –

- Processed Food Industry
- Fruits & Vegetables.
- Electronic Industry.
- Consumer Durables.



# Present Technology – Limitations

Single Facer Technology

Off line Lamination of Single Facer with the Top Liner.

Pre-printed Top Liner for Quality Graphics.

Screen Printing of Corrugated Boxes.

Flexo-printing of Corrugated Boards.

Majority boxes are RSC with stitched joint



## Present Technology – Limitations

Die-cut boxes done on flat bed or platen punching machines.

Single facer production - very slow.

Average production of 6000 sq. meters of corrugated board, per single facer / per shift.

Average production of 4000 to 5000 printed boards on a flexo printer / per shift.



# Present Technology – Limitations

Average production of 3000 to 4000 Die Cut boards per shift / per machine.

Average production of 800 to 1500 stitched boxes, per shift / per machine.

Very slow production on glued boxes.

Large floor area required for production.

Minimum 2 to 3 days required to dispatch dry boxes, from start of the production.



# Why the need for change ?

The Indian Packaging Industry is estimated at approximately \$14.7 B and estimated to be growing at 15 percent annually.

The per capita consumption of packaging in India is approximately \$15 against a world average of around \$100.



# Why the need for change ?

The large and growing Indian middle class, along with the growth in organized Retail in the country, are driving demand in the packaging industry.

Another factor, which has provided substantial stimulus to the packaging industry is, the rapid growth of exports, which requires superior packaging standards for the international market.



# Why the need for change ?

With this, the need for adopting better packaging methods, materials and machinery to ensure quality, has become imperative for Indian players.

Two specific segments can be identified or opportunities in packaging equipment in the Indian market.

- The Un-organized Sector.
- The Organized Sector.



# Why the need for change ?

The Un-organized Sector represents the larger opportunity, given the increasing quality-consciousness of end customers.

The cost of equipment and upgrades hold the key to success in this segment.

The Organized Sector, which caters to the packaging requirements of major FMCG, Food, Pharma & Appliance Industries, are conscious of need to upgrade their manufacturing technology, so as to be able to offer volume, with quality, at high speeds, enabling them to address a larger market



# Opportunities !

Increasing investments by both, domestic and foreign companies in the Indian Food Processing Sector, especially in beverages, dairy products, processed food, edible oil, and marine products, have expanded the market for high end packaging.



# Prospects

Technology, price, delivery, and performance, are critical factors that determine whether packaging equipment will be accepted in the Indian market.

Due to intense competition in the end-user market, the cost of equipment and low running cost, remain primary factors that influence decision of adopting better technology or equipment.



# Prospects

There are no restrictions on the import of packaging equipment into India.

No license is required for the import of packaging equipment.

The Duty incidence on packaging machinery, currently is approx. 34%.

The components of the total duty include:

- A Import Duty of 10 percent,
- C V D of 16.48 percent,
- A special additional customs duty of 4 percent,
- And an Education Cess of 2%.



# A comparison with Chinese Scenario.

Today's new mantra for Indian growth – look at the Chinese Model.

Lets look at Chinese scenario:

- Historical Perspective
- Present scenario.



# Historical Perspective

50 years old industry. Initially Corrugated Boards imported from Japan.

In 1971 the first automatic plant imported from Japan.

Started as a fragmented industry as in India.

>40,000 small units spread across China.

Until 1990-91, they also used the same, manual & semi automatic process.

Typically identical to the Indian Scenario.



# Present Scenario

Industry growth rate  $> 18\%$ .

More than 5500 automatic lines in use today.

Growing exports is driving demand for high quality boxes of international standards.

Imagine now what is in store for our packaging industry in India.



THANK YOU  
FOR YOUR  
TIME & ATTENTION

