

In continuation of our weekly updates on the above subjects, once again we present to you some unbiased facts and personal views on the paper trends and the burning subject of how the Corona Virus is affecting the industry.

The Novel Corona Virus has turned out to be something beyond most people's imagination. The fact that its mortality rate was relatively low (around 2%) is one of the main reason people and countries were complacent.

The fact that it is extremely contagious and can affect 50-60% of a country's population is hitting us now and the governments are realising the seriousness of the issue on Hand.

Most governments across the world including the whole of Europe and parts of USA are under lock down and the parts that aren't will go into lock down in a few days.

This is going to result in 0% waste collection which will not only dry up the waste available in the pipe line due to non-availability of containers and shutting of ports but will create a huge shortage of waste in India which is highly dependent on imported waste for kraft paper manufacturing even after the world opens which might be anywhere from 1-3 months from now.

What does this mean.

We are going to run out of waste by mid-April and close to 30-40% of the mills will shut down. Local consumption will reduce which in turn will generate lesser local waste which will drive up the price further due to low availability.

Sir with the fluid state that we are in it's impossible to predict what's going to happen within the next few days , let alone the next few months as the government is coming out with new directives every day and rightly so.

On the other hand with India now moving into the 3rd stage the panic in people is setting in. All medias, social, digital & print are only talking about one subject. The Corona Virus.

The migrant workers, who form the back bone of the manufacturing sector for both the large corporations as well as the MSME's are being misled into going back home where the infrastructure is even worse and the chances of an infection are greater.

We see that happening if not in hordes but it has started with a trickle which will soon become a flood. In that case most industries, ours included will have to either shut till the situation comes under control or will have to run with limited workers and skeletal staff for select essential products.

Finally this means that we will face severe shortage of both paper and workers to produce boxes in the near future.

Price is no more a factor for decision making but just for information sake the corrugated market will behave like the plastic industry for the next few months till things settle down.

Our RM prices have increased by Rs 4000 pmt and is climbing by the day.

We propose to increase the price of our products by Rs 4000 pmt with for all supplies with effect from 1st of April 2020.

Please note that we are not being assertive here but are thinking of the future of the company and the 2000 people who are dependent on it. If we do not get this increase we might as well as shut down today than shutting down after a few months.

We look forward to your support during these testing times and are doing our best to keep the wheels of companies like yours running under all circumstances.

Warm regards.

Manish Guptaa