

**Market Research
Report
On
Corrugated Boxes
Manufacturing Industry
in
India in 2024**



Rao's Business Marketing

1. Industry Overview

The corrugated boxes manufacturing industry in India has witnessed steady growth due to its critical role in packaging for multiple industries, including e-commerce, FMCG (Fast-Moving Consumer Goods), pharmaceuticals, and retail. The sector has become indispensable in logistics and supply chain management, given its cost-effectiveness, ability to protect products, and sustainability features. With the global push towards sustainability, India's corrugated box industry is expected to align with green packaging trends, emphasizing the growing preference for recyclable and eco-friendly packaging solutions.

- **Key Factors Driving Growth:**

- **Booming E-commerce:** With the rapid rise of online shopping, especially post-pandemic, the demand for corrugated boxes has surged as they are widely used for shipping and delivery.
- **Export Growth:** India's exports of goods like textiles, handicrafts, food, and electronics have created a steady demand for durable packaging solutions.
- **Environmental Concerns:** Increased awareness around plastic waste has pushed businesses to adopt more sustainable, recyclable, and biodegradable alternatives, positioning corrugated boxes as an eco-friendly option.

2. Market Size and Growth Projections

- **Market Value in 2024:** The Indian corrugated box market is estimated to reach **₹40,000 crore** by 2024, with an annual growth rate of 6-8%.
- **Growth Drivers:**
 - **E-commerce Dominance:** Major e-commerce players like Amazon, Flipkart, and local delivery services contribute significantly to the demand for packaging.
 - **Pharmaceutical Packaging:** As India's pharmaceutical exports grow, demand for corrugated boxes to package medicines and healthcare products rises.
 - **Logistics Expansion:** Increasing reliance on packaging for logistics and storage.
- **Projected Growth Rate:** The corrugated box manufacturing industry is expected to continue growing at a **CAGR of 6-8%** from 2021 to 2024, driven by increasing demand from packaging-heavy sectors.

3. Industry Trends

- **Sustainability in Packaging:**
 - The shift towards sustainable packaging materials, driven by environmental regulations and consumer preferences for eco-friendly products, has become a central focus for the corrugated box industry.
 - Companies are adopting **recycled paper** and **water-based adhesives** in the production of corrugated boxes.
- **Customization and Branding:**
 - Printed and customized corrugated boxes are increasingly popular, as businesses look to enhance their brand identity and packaging aesthetics. Customized boxes help companies stand out and provide added value to customers.
- **Digitalization and Automation:**
 - **Smart manufacturing** technologies like IoT and AI-driven processes are becoming more common. These technologies help manufacturers improve efficiency, reduce wastage, and optimize production cycles.
 - **Robotic Automation** is being used in cutting, folding, and packing, enabling faster production and reduced labour costs.
- **E-commerce Packaging Innovations:**
 - Packaging companies are developing **tamper-proof** and **water-resistant** corrugated boxes to cater to specific needs in the e-commerce sector.

4. Market Segments

1. **By Type of Corrugated Box:**
 - **Single-Wall Boxes:** Most common for light-duty packaging (e.g., small electronics, food items).
 - **Double-Wall Boxes:** For medium-duty applications like packaging larger items (e.g., appliances, furniture).

- **Triple-Wall Boxes:** Heavy-duty packaging for industrial and large-scale shipments.
- **Die-Cut Boxes:** Custom shapes for specific product requirements (e.g., delicate items, unique retail products).
- **Printed Corrugated Boxes:** Used for branding and marketing, often with logos, product details, and other visuals.

2. By End-User Industry:

- **E-commerce:** Contributes around **40%** of the market share, as it is one of the largest consumers of corrugated boxes for packaging and delivery.
- **FMCG & Retail:** Contributes about **25%** due to the need for bulk packaging of goods like beverages, personal care products, and packaged foods.
- **Pharmaceuticals:** Around **15%**, with increasing demand for packaging healthcare products, medicines, and medical devices.
- **Food & Beverages:** Around **10%**, driven by the packaging of dry foods, packaged drinks, and frozen goods.
- **Others:** Includes industries like automotive, textiles, and exports, contributing the remaining **10%**.

5. Competitive Landscape

• Key Players:

- **B&B Triple wall Containers:** A leading manufacturer of custom corrugated packaging solutions.
- **Kohinoor Packaging:** Offers eco-friendly packaging and specializes in printing and customization.
- **Sainath Packaging:** Provides corrugated boxes and packaging solutions to multiple sectors.
- **Local and Regional Players:** Many small and medium-sized manufacturers focus on regional demands, offering competitive pricing and flexibility.

- **Market Fragmentation:** The market is highly fragmented with a mix of large-scale manufacturers and small-to-medium-sized enterprises (SMEs). Larger players dominate the industrial and export packaging sectors, while regional players focus on the e-commerce and FMCG segments.

6. Opportunities in the Market

1. **Export Opportunities:** India's strong export growth presents a huge opportunity for corrugated box manufacturers. Exporters require sturdy and sustainable packaging solutions for various goods, ranging from electronics to textiles.
2. **Sustainability Focus:** The shift toward eco-friendly packaging materials presents opportunities for manufacturers who can offer recycled or biodegradable alternatives to conventional corrugated boxes.
3. **Automation in Production:** As demand grows, small and medium-sized manufacturers can benefit from automating production to increase efficiency and reduce operational costs.
4. **Rising Demand for Custom Packaging:** The growing trend of customized packaging in the retail and e-commerce sectors presents an opportunity for manufacturers to focus on value-added services, including printing and design.

7. Challenges in the Industry

1. **Fluctuating Raw Material Prices:** The cost of Kraft paper and other raw materials used in the production of corrugated boxes is volatile, affecting profitability.
2. **High Competition:** Price wars among small and regional players create challenges for maintaining profitability. Larger players often benefit from economies of scale.
3. **Environmental Regulations:** Increasing pressure from governments and consumers to adopt sustainable practices and reduce waste is forcing manufacturers to invest in greener technologies and materials.
4. **Supply Chain Issues:** Raw material shortages or logistics challenges can impact production schedules and delivery timelines.

8. Financial Metrics

- **Initial Investment:** Setting up a small-scale corrugated box manufacturing unit requires an initial investment of around ₹20-50 lakhs, with larger, more automated plants requiring upwards of ₹1 crore.
- **Profit Margins:** Generally, profit margins range from **15-25%**, depending on the type of products and market conditions.
- **Return on Investment (ROI):** Most businesses break even within **12-18 months** depending on scale, efficiency, and market penetration.

9. Regional Insights

- **Major Manufacturing Hubs:**
 - **Maharashtra:** Mumbai and Pune are key production and distribution hubs.
 - **Gujarat:** Ahmadabad and Surat are vital manufacturing centers.
 - **Tamil Nadu:** Chennai is an important center for packaging.
 - **Uttar Pradesh:** Noida and Ghaziabad serve as logistics hubs for northern India.
- **Demand Distribution:** Urban areas like Delhi, Mumbai, Bengaluru, and Hyderabad see high demand for packaging due to the presence of major e-commerce platforms and industrial activities.

10. Government Support

- **MSME Schemes:** Small and medium-sized businesses benefit from government initiatives such as low-interest loans, subsidies, and tax exemptions under MSME schemes.
- **PLI (Production-Linked Incentive) Schemes:** The Indian government is promoting local manufacturing through PLI schemes, providing financial incentives to manufacturers in various sectors.

- **Export Promotion Schemes:** Various schemes under the Ministry of Commerce and Industry promote the export of packaged goods, indirectly boosting demand for corrugated boxes.

11. Future Outlook

The corrugated box manufacturing industry in India is poised for continued growth, fueled by the expanding e-commerce sector, the increasing emphasis on sustainable packaging, and growing export activities. Companies that embrace automation, invest in eco-friendly technologies, and cater to the growing demand for custom packaging will likely see higher profit margins and sustained growth in the coming years.

This detailed report emphasizes the significant opportunities in the Indian corrugated box manufacturing sector, along with the challenges and future outlook. If you would like to explore specific aspects of the market further or need assistance with a business plan, feel free to ask!

