

Italian independent box makers struggle as corrugated packaging end-users delay payments

BRUSSELS, April 10, 2020 (Fastmarkets RISI) - End-users of corrugated packaging are suspending payments to box suppliers, which is leading to difficulties across the whole supply chain, according to the Italian association of independent corrugated box producers Associazione CIS.

In a letter to the president of the industry, trade and tourism commission in the Italian Senate, the association urged the country's institutions to put in place control mechanisms for protecting the companies' liquidity.

"Many of our clients, instead of turning to the banks and using the means put in place to manage the crisis, are shifting their problems to their suppliers by suspending payments and are thus affecting the whole supply chain," the association's president Riccardo Cavicchioli said.

Cavicchioli also warned that the association's members do not have the financial strength of the multinational companies with which they are in direct competition and are therefore at risk of not being able to rebound once the recovery begins if they do not receive adequate support now.