PLEXCONCIL - The Plastics Export Promotion Council

PLEXCONNECT™

Edition 19, January 2021

CAROTAR - Explained

MSME Scheme for SC/ST

Special Focus - Paradeep Plastic Park

Product of the Month - Catheter & Cannula

THE PLASTICS EXPORT PROMOTION COUNCIL

THE PLASTICS EXPORT PROMOTION COUNCIL

65 years 1955-2020

Empowering Lives through Plastics

Plexconnect is published by:
The Plastics Export Promotion Council

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PLEXCONNECT® 2021

VIRTUAL BSM

01 TO 03 FEBRUARY 2021

WITH WANA REGION

Proposed Countries Oman, Algeria & Saudi Arabia

In its commitment to promote India's Plastics Exports and support the manufacturer and exporters extend their global outreach and grow their business, Plexconcil will host the **Plexconnect 2021 Virtual B2B (Buyer-Seller Meet)** with importers and buyers from **Oman, Algeria & Saudi Arabia (proposed countries).**

Online platforms will be open for 3 days

Participation Charges:

For the 3-days event, participation charges

Members - Rs. 15,000/- + GST

Non-Members - Rs. 20,000/- + GST

Interested members may apply with details on or before January 10, 2021.

FOCUS SECTORS (Idenitified based on global imports):

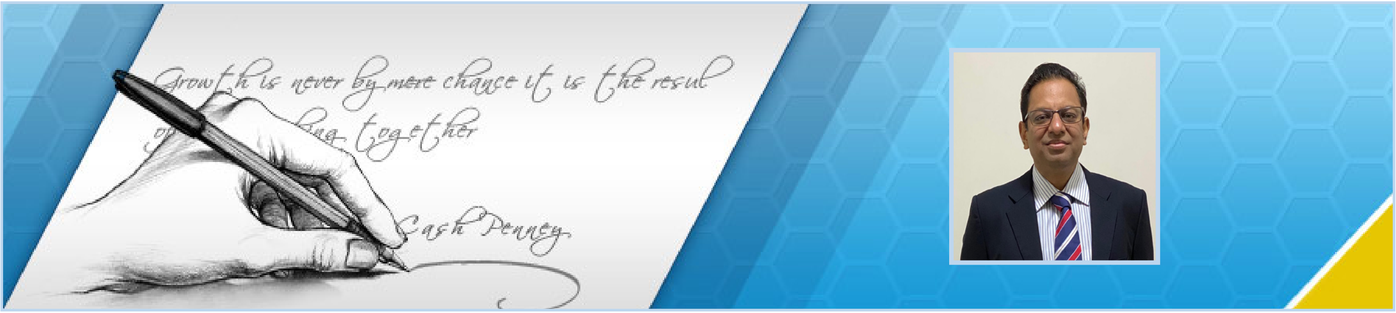
PET Preforms, Caps & Closures | Houseware | Plastic Pipes & Fittings | Plates, Sheets & Films | Packaging Items | Floor Coverings & Leather Cloth | Raw Material including Masterbatches | Office & School Supplies | Moulded & Extruded Products | Writing Instruments

APPLICATION FORM

Name & Address of the Company IEC No	
Products Manufactured & Exported (Please attach high resolution images of your products)	
Name of the Directors Mobile No / E-Mail / Telephone No	
Membership Renewal for 2020-21 (Yes/No)	

Application
Interested members are requested to fill-in the application form and email the same with product images to nilotpal@plexconcil.org on or before January 10, 2021.

For Information
Contact Mr. Nilotpal Biswas
+91 93310 78058



The onset of a new year is much like a new chapter in a book, waiting to be written. As we begin another new journey, I take this opportunity to wish the entire plastics fraternity a very Happy New Year and one that brings with it renewed hopes and optimism. The past year has been most challenging, but it has also allowed us to introspect, reflect, reset and realign ourselves. If anything, it has taught us that humankind has the resilience and capability to set aside differences and prejudice to combat against a common enemy; in this case, the deadly Covid virus.

This is my first note as Chairman and I am very humbled and grateful to all members for having invested their faith in me. I am sincerely committed to our industry, the Council and our shared goals and honestly believe that together, we have the wherewithal to not only overcome the past year's challenges, but confidently march towards achieving our goals.

The export segment has always been filled with opportunities. As part of a global trade community, we as exporters have the chance to grow our business beyond our borders and showcase of our strength and capabilities as an industry and a nation. In keeping with this thought, over the next two years as Chairman, I have made it my mission to focus on the Council's primary objective of extending our membership. Of a 50,000 strong processing industry, our Council membership needs to grow manifold from 2500 if we are to achieve our US$ 25 Billion target. We have also identified 50 specific product groups that have immense export potential. We have also received approval under the MAI Scheme to host 12 Virtual BSMs by March 2021 and have successfully hosted BSMs with USA, Nigeria, Egypt, Sudan, with plans for WANA region, Japan, Korea, Vietnam, Sri Lanka, Bangladesh, Russia, Mexico, Canada, Europe in the first quarter of this calendar year. In the coming months, the Council will also maintain a robust focus on skill development, R&D, district export promotion and setting up of export facilitation centres as incubators for new entrants to exports. We are in dialogue with various Govt bodies and departments as well as industry bodies with whom we are working closely to achieve our set objectives.

In this issue of the magazine, we bring you highlights of the Paradeep Plastic Park in Odisha. It is one of 10 Plastic Parks approved by the Indian Govt that has made significant progress in its development so far. Such parks undoubtedly will be a huge impetus for our industry. Under Product of the Month, we bring you the outlook for the catheters and cannulas industry; our focus destination for this month is Bangladesh; and we bring you some interesting insights into the pipes and fittings product segment. This is in addition to news and views as always.

Your comments, feedback and suggestions are very important to us as our endeavour is to always highlight the industry perspectives in addition to providing data. So, please support us, write to us and share your views.

Until then, wish you all a very prosperous and productive year ahead. Stay safe, stay healthy!

Warm regards,

Arvind Goenka
Chairman

PLEXCONNECT 2020 - VIRTUAL B2B - INTRODUCTORY MEETING WITH EMBASSY OF INDIA, NETHERLANDS - 4th November, 2020

Introductory meeting with the Embassy of India, Tokyo, Japan was held on 04th Nov 2020, concerning Plexconcil forthcoming virtual BSM scheduled to be held in 2021. ED, Plexconcil, and RD South attended this meeting hosted by the Council. Mr. Shiv Mohan Singh, Second Secretary (Commerce & Industry and Mr. Ashok C. Kaushik, Marketing Officer, represented the Embassy of India, Netherlands.

OPEN HOUSE OF SHRI AMIT YADAV, IAS, DIRECTOR GENERAL, DGFT - 4th November, 2020

Zonal DGFT, Office, Kolkata invited PLEXCONCIL (Eastern Region) office for participation and interaction for this virtual Open House Meet for eastern region exporters. Accordingly, the Council invited Members' issues and concerns related to Exports for inclusion in the Agenda.

EXPORT AWARENESS PROGRAMME ON BOOSTING EXPORTS THROUGH TRADE POLICY AND FINANCE - 9th November, 2020

Export Awareness Programme on Boosting Exports through Trade Policy and Finance was organised on 9th November, 2020 by AIPMA and was supported by Plexconcil. Council Vice Chairman Shri Arvind Goenka gave a presentation on Benefits of Exports and Services of Council for the benefit of the Industry.

PLEXCONNECT 2020 – WEBINAR SERIES – A WEBINAR JOINTLY HOSTED BY PLEXCONCIL AND CIPET ON "ARE YOU READY TO EXPORT?" - 21st November, 2020

RO South organized the webinar jointly with CIPET focussed on budding entrepreneurs and alumnus from CIPET who are in the plastic industry but trying to export. Mr. Padmanaban, EXIM Academy, and Mr. Jayasingh, Plastic Consultant were the main speakers in presenting the Export Benefits and the Potential Products for exports.

ACTIVITIES AND FUNCTIONS OF THE PLASTICS EXPORT PROMOTION COUNCIL – BENEFICIAL TO THE ENTREPRENEURS/EXPORTERS - 23rd November, 2020

Mr. Ruban Hobday, Regional Director, South was invited by the INDIAN INSTITUTE OF PACKAGING (IIP), CHENNAI as a Guest Speaker during their Seven Days Online Training Programme on "Packaging of Light Engineering Goods" for SC/ST Candidates in association with NSSHO/NSIC/MSME-GOI.

MSME Department - District Export Promotion Committee Meeting – DIC Dharmapuri – Tamil Nadu - 27th November, 2020

Plexconcil is part of the District Export Promotion Committee constituted to promote exports from Dharmapuri District by the Govt of Tamil Nadu. The second meeting (virtual) had been convened by the Collector on 27th Nov 2020 to take measures which have been laid forward in promoting plastic products exports from this district in a phased manner.

Plexconcil New Office Opening

Pooja on December 17 and Ribbon Cutting by Immediate Past Chairman, Mr. Ravish Kamath on December 18, 2020


The Plastics Export Promotion Council
(Sponsored By Ministry Of Commerce & Industry, Department Of Commerce, Government Of India)

PLEXCONCIL
THE PLASTICS EXPORT PROMOTION COUNCIL

WE HAVE A NEW ADDRESS!

Plexconcil is pleased to inform you that we have now moved to our new office space with effect from December 18, 2020. Kindly note the new address and contact number below!

**B-WING, DYNASTY BUSINESS PARK, UNIT NO. 2, GROUND FLOOR,
ANDHERI - KURLA RD, CHAKALA, ANDHERI EAST, MUMBAI, MAHARASHTRA 400059**

OUR NEW TELEPHONE NUMBER: 022 - 40170000

We request you to kindly update your records for all future communication.
Thank you for your continued support!

www.plexconcil.org

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WEST

- Represented to Export Inspection Council (EIC), Mumbai regarding the concern raised by M/s. Flair Writing Industries Limited about correction in Certificate of origin.
- Representation and clarification to the Norms Committee – DGFT, New Delhi regarding request for re-fixation of norms for the export product against Advance Authorizations of M/s Terumo Penpol Ltd.
- Representation to O/o. Joint DGFT, Vadodara regarding non-receipt of Certificate of supplies and amendment in Advance authorisation of M/s. Shankar Packagings Ltd.

EAST

- The Council received a concern/issue from M/s SK Enterprise, Kolkata regarding non-clearance of their export cargo (Human Hair) by the Kolkata Customs - Airport. The aforesaid issue was taken up with the Kolkata Customs.
- Representation made to the Secretary, DPIIT regarding export permission of 15 ML CENTRIFUGE TUBES AND CRYOVIAL for our member exporter M/s Tarsons Products, Kolkata.
- As requested by our Member Exporters M/s CRI Limited, Kolkata and M/s Linc Pen & Plastics Ltd, Kolkata, the Council took up their issues/concerns with Indian Mission abroad regarding non-receipt of their payment from overseas customers.

NORTH

- Representation made to Joint Secretary, EP(CAP) Division – regarding problems faced due to Faceless Assessment by customs, by M/s Alok Masterbatches Pvt. Ltd, New Delhi.

THE PLASTICS EXPORT
PROMOTION COUNCIL

Committee Of Administration

2020 – 2021

Mr. Arvind Goenka
Chairman
M/s. RMG Polyvinyl India Ltd

Mr. Hemant Minocha,
Vice-Chairman
M/s. Rajiv Plastics Pvt Ltd

Regional Chairmen

Mr. Saurabh Kalani,
M/s. Flexituff
Ventures
International Ltd

Regional Chairman
WEST

Mr. Prasan Lohia,
M/s. Merino
Industries Ltd

Regional Chairman,
EAST

Mr. Y.V. Raman,
M/s. POCL
Enterprises Ltd

Regional Chairman
SOUTH

Mr. Vikram Bhadauria,
M/s. Alok
Masterbatches
Pvt Ltd

Regional Chairman,
NORTH

Panel Chairmen

Mr. Jagdish Gupta,
M/s. Stylam
Industries Ltd

Panel Chairman
Floor Coverings,
Leather Cloth &
Laminates

Mr. Pradip Thakkar
M/s. Mechemco
Industries

Panel Chairman
FRP Products

Mr. Dhruv Sayani
M/s. Crystal Plastics
& Metallizing Pvt Ltd

Panel Chairman
Consumer &
Houseware

Mr. Benjamin Cherian
M/s. Raj Hair
International P.Ltd.

Panel Chairman
Human Hair &
Related Products

THE PLASTICS EXPORT
PROMOTION COUNCIL

Committee Of Administration

2020 – 2021

Panel Chairmen

Mr. Vimalchand Rathod
M/s. Flair Pen and Plastic Industries Pvt Ltd

Panel Chairman
Writing Instruments

Mr. Rajiv Chitalia
M/s. Electrofocus Electricals P Ltd

Panel Chairman
Miscellaneous Products

Mr. P. Mohan,
M/s. Sakkthi Polymers

Panel Chairman
Pipes & Fittings

Dr. S.S. Rajpathak,
M/s. Garware Technical Fibres Ltd

Panel Chairman
Cordage & Fishnets

COA Members - Western Region

Mr. Shyam Tiberwal

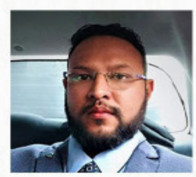
M/s. Mayur Wovens Pvt. Ltd.

Mr. Sachin Shah

M/s. Toyop Relief Pvt. Ltd.

Mr. Darshan Shah

M/s. Bhumi International



Mr. Nair Sriraj Jayarajan

M/s. Automento Polymer Tekniks

COA Members - Southern Region

Mr. S Ramakrishanan

M/s. Buildmet Fibres Pvt. Ltd.

Mr. K Balaji

M/s. Sri Sapthagiri Polymers

COA Members - Northern Region

Mr. Manoj Agarwal

M/s. Kanpur Plastipack Ltd.

Mr. Shivam Bansal

M/s. JJ Plastalloy Pvt. Ltd.

THE PLASTICS EXPORT
PROMOTION COUNCIL

Committee Of Administration

2020 – 2021

COA Members - Eastern Region

Mr. Amit Pal

M/s. Kolor
Impex

Mr. Anil Jajoo

M/s. Merino Panel
Products

Government Nominees

Mr. Suresh Kumar
Joint Secretary To
Govt. Of India

Ministry of
Commerce & Industry,
Dept. Of Commerce

Mr. S.K. Ranjan
Director,
Dept. Of Commerce

Ministry of
Commerce & Industry

2020 – The Year That Was

The year 2020 has a landmark ring to it. It has been a year of catastrophic proportions and yet brought with it a rare, narrow window of opportunity that made us reflect, reimagine and reset the way we think, act and thrive. The biggest lesson perhaps has been that while we need to be rigid in our vision, we need to adapt and be flexible is our plans to achieve them.

At the end of this unprecedented year that also marks the end of one decade, Plexconcil brings you a glimpse of some of the highs and lows that the plastics export industry has witnessed in 2020.

HIGHS

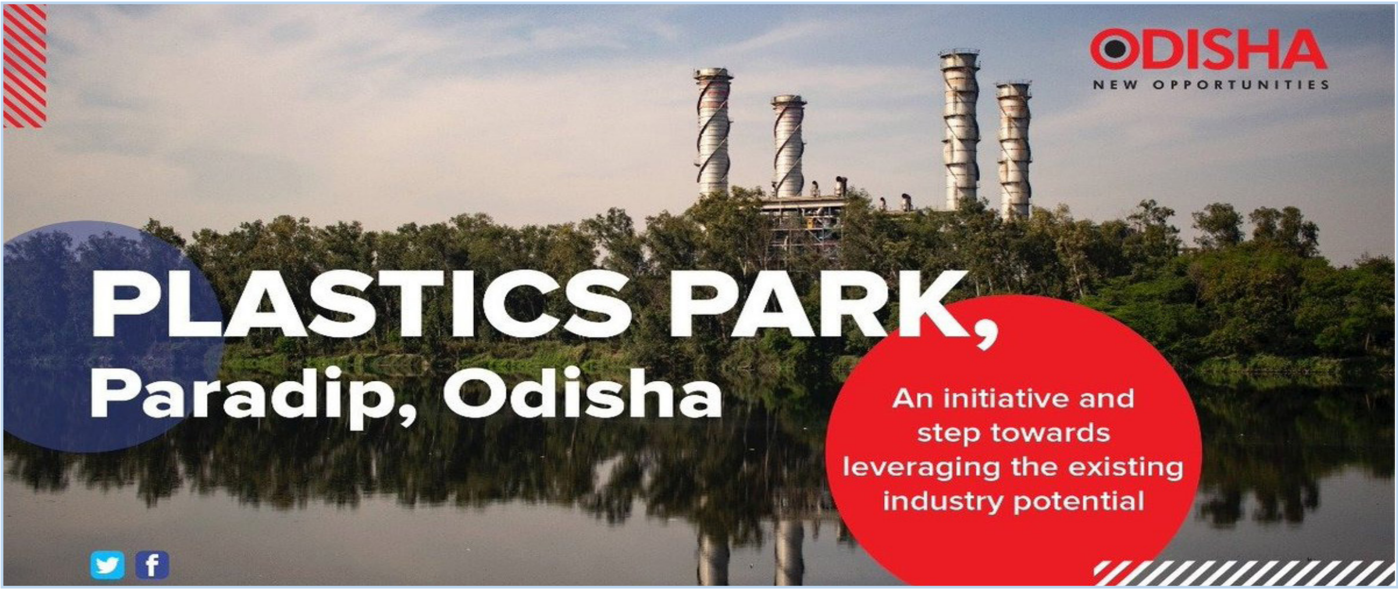
- In line with the Government's plan to promote manufacturing and exports hubs from various districts across the country, Plexconcil reached out to various State Export Promotion Boards, Industry Secretaries, District Collectors and District Industry Centres to identify and stimulate plastic manufacturing clusters from across the country.
- The Council has become a member of the District Export Promotion Councils of various states and we have reached out to 288 districts to highlight advantages and opportunities in the export segment as well as the benefits of a Plexconcil membership.
- On its part, the Government has made changes to the Shipping Bill for the purpose of streamlining export data to include District level details in the Shipping Bills. In addition to the District and State of Origin of the export goods, certain additional data like Standard Unit Quantity Code (SQC), Preferential/Free Trade Agreement (PTA/FTA) related details where applicable and GST Compensation Cess will also be captured in the Shipping Bill for improving the data quality as well as help policy makers in monitoring exports under PTAs.
- The Council is working with the Govt of Andhra Pradesh who have expressed their interest in seeking the Council's professional expertise in promoting overall exports from the State.
- The Council also initiated dialogue with the Karnataka Govt for space to set up Plastics Promotion Parks to promote plastics exports from the state. An initial approval from them has been received already.
- Discussions were initiated with MRPL to supply raw materials to processors within the state and avoid the exorbitant logistics costs of procurement. MRPL has agreed to our proposal for the same.
- The Council has also been included as member of the Steering Committee for BIS constituted by the DCPC.
- To help ease operational hurdles faced by processors during the lockdown, the Council made over

100 representations to various Govt. authorities to operationalize closed factories.

- The Council also helped many exporters receive their GST refunds during the past months that brought some relief to their capital woes during the lockdown.
- Plexconcil initiated a Joint Coordination Committee with participation of all domestic plastics associations in the country to create greater synergies and promote India as a leading global plastics manufacturing and export hub. The Council has also been made a member of PlastIndia's Steering Committee.
- With the rapid changes in technology and ways of doing business, the Council initiated discussions and received in principal approval from the Periyar University in Salem, Tamil Nadu to design their latest curriculum for MBA in Export Management. As a first important step towards Skilling, the Council will be involved in providing inputs for creating the syllabus with the university as well as offer internships and support campus recruitment, etc. for the aspirants.
- The Council has been made a member of the governing body of the Indian Institute of Packaging with the view to focus on extending training in the packaging industry.
- The Council also initiated dialogue and will be working in association with CIPET to extend technical training and skills to the industry.
- The Council constituted its Regional Committee in Gujarat to support membership outreach and assist with highlighting and extending export benefits to the trade in the region.
- Plexconcil also acquired a larger office space in Mumbai recently, keeping in mind the need for larger teams in the coming years and to help us better our efforts towards the growth of the industry.
- PLEXCONCIL has mapped out 50 value-added plastic products in which India has a good standing and can easily expand its presence to other geographies.
- The Council has been in touch with 35 embassies & high commissions as well as chambers of commerce, and trade associations to promote Indian plastics exports.
- The Council received formal approval under MAI Scheme to host 12 B2B exhibitions by March 2021 by the Department of Commerce. Under the Plexconnect 2020 B2B Virtual Exhibition series, the Council has successfully hosted these BSMs with USA, Nigeria, Egypt, Sudan and has plans for WANA region, Japan, Korea, Vietnam, Sri Lanka, Bangladesh, Russia, Mexico, Canada, Europe in the first quarter of the next calendar year.
- The Council has signed an MOU with the India Mexico Chamber of Commerce to promote plastics trade with the country.
- Plexconcil teamed with subject matter experts, industry experts, Govt departments such as the DGFT, Customs, District Industry Centres, etc to and conducted 12 knowledge-based webinars under the Plexconnect Webinar Series in the past year.
- The Council launched the Plexconcil App in October this year to enable members gain 24X7 access to business, as well as bring the added convenience of having all information and updates at their fingertips.
- The Council launched its Social Media pages in October this year to engage in constant dialogue between stakeholders and invites all our members to leverage the opportunity to share their views, Perspectives, opinions, and stories with us.
- In October this year, the Council also embarked on a professional PR exercise to highlight the goals, plans and achievements and issues pertaining to our industry.
- The Council has constituted a dynamic Youth Committee comprising promising, young trade members who have been chosen to help our COA in extending their vision and promote the growth of our industry. By combining their new age ideas and outlook with the wisdom of our senior members, we are preparing ourselves to meet the challenges and opportunities of the future.
- The Government announced that it shall introduce Remission of Duties or Taxes on Export Products (RoDTEP) Scheme for exporters to reimburse embedded taxes.
- The Department of Revenue notified the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 or CAROTAR, 2020 with an aim to keep a check on imports via the abuse of FTA route, taking advantage of lower tariffs by presentation of documents purporting that goods came from a country with which India has a trade agreement.
- In the 5th meeting of the National Committee on Trade Facilitation (NCTF), it was instructed that at least 90% of Drawback should be credited within a time period of 3 days. The refund may be deposited into the customer account in T+2 days.
- As special measures to facilitate MSMEs for AEO T1 & T2 accreditation, the CBIC decided to relax the entire gamut of compliance and security requirements for MSMEs through their Circular No. 54/2020-Customs dated the 15th December, 2020. The relaxation has been carried out to ensure that the MSMEs are facilitated through rationalized compliance requirements and minimum but effective security requirements.

LOWS

- At the start of the year, exports witnessed significant deceleration in Q1 on account of the global shutdown resulting in widespread negative impact on businesses, especially in the MSME sector. However, plastics exports made a slow recovery in September though the headwinds are far from over.
- Price of Raw Material due to the global pandemic have been seeing huge volatility with increase in prices ranging anywhere between 19-57%. This has been a major cause for concern amongst the plastic processors. Imports of raw materials were also severely impacted due to limited movement of containers on account of the global shutdown.
- The pandemic also resulted in inadequate numbers of containers available for shipping, thus furthering hampering exports, causing delay in shipments, increased haulage & demurrage costs, Custom delays, etc. Logistics has been one of the greatest challenges of the pandemic to exporters this past year.
- Introduction of Faceless Assessment that was aimed at simplifying Customs procedures have further added to procedural delays rather than ease them.
- In compliance with the WTO, the Government announced that it has initiated a step towards phasing out of the MEIS Scheme and introduction of RoDTEP effective Jan 1, 2021. However, during the course of the year, the Government announced that it has imposed a ceiling of Rs. 2 crores on total reward under MEIS to an IEC holder for the period 01.09.2020 to 31.12.2020. Further, the MEIS Portal stopped accepting claims for the year 2019-20, much to exporters' dismay. FIBC exporters were wrongfully denied MEIS causing much hardships.
- The pandemic saw mass migration of labour which had widespread impact on production across the country. Many factories were forced to shut down due to migrating labour despite assurances of safety by the manufacturers.
- The cancellation of all global trade fairs and exhibitions due to the travel ban in the past year hampered ongoing trade networking and slowed business outreach for many exporters who largely depended on such events for new business, etc.



Odisha: Land of New Opportunities

Odisha, located on the east coast of India, is an industrially developing state with abundant natural resources. The state has the largest mineral deposits and also produces the largest Aluminium, Steel and Stainless Steel of the country. With a coastline of 480 kms, the state is provides an ideal location for connectivity between the Indian hinterland and the ASEAN region.

The state has traditionally been the mines and metals production hub of the country. However, over the few years, the state has tried to diversify its industrial production base by identifying key focus sectors for growth. As part of this exercise, the state developed a Vision for Industrial Development, in which chemicals, petrochemicals and plastics were identified as one of the 6 focus sectors for growth.

To attain this diversified growth, Odisha has developed a conducive and hassle-free doing business environment for investors through the implementation of ease of doing business framework, creating an enabling policy framework and development of state-of-the art industrial infrastructure facilities.

The state has emerged as the educational hub of East India and houses premier institutes to ensure adequate availability of high-quality technical and skilled workforce for industries. Both Institute of Chemical Technology (ICT) and Central Institute of Plastics Engineering and Technology have setup campuses in the state. Odisha was also one of the first states to develop a dedicated authority for skill development: "Odisha Skill Development Authority (OSDA)" which under the program Skilled in Odisha aims to develop industry-ready manpower equipped with modern skills for the growth of industry in the state.

Another major advantage that Odisha has over other states in the country, is the availability of land, water and electricity at competitive prices. The state is both an energy and water surplus state with door front availability to the industries.

Odisha, to further ease the doing business environment, in 2017 launched the Government of Odisha Single Window for Investor Facilitation and Tracking (GO SWIFT) online system. It is a key business reform undertaken by the state government with the objective to provide all requisite information/clearances to investors in a hassle-free and paper-less manner. The portal is a "One-stop Solution" for information on clearances required; land banks available; application, payment, tracking & approval of G2B services; risk-based synchronized inspection by regulatory agencies; incentive administration; post land allotment services; grievance redressal; and dovetailing CSR activities with the developmental goals of the State.

Plastics Industry in Odisha

One of the major fillip for development of the chemicals, petrochemicals and plastics sector in the state has been the development of the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) at Paradip. The region anchored by the Pradip port, the largest port on the east coast of India and the second largest in the India by capacity, led to growth of the industry.

To further support the growth of the industry, a 15 MMTPA refinery of IOCL was also setup within the PCPIR as an Anchor Tenant. The refinery is the largest by IOCL in the country and ensures availability of key feedstock for the growth of the plastic industry in the region.

Figure 1: IOCL Refinery at Paradip

The refinery has assured availability of the following feedstock for the downstream industries:

- Polypropylene - 680 KTA
- Mono Ethylene Glycol - 357 KTA
- Purified Terephthalic Acid - 1200 KTA
- Petcoke - 1300 KTA
- Toluene - 50 KTA
- Mixed C4 (Butene 1 & 2) - 80 KTA
- Calcined Needle Coke - 56 KTA

Paradip Plastics Park

To take advantage of the available feedstock and the ideal location of Paradip as an export hub, the Paradip Plastics Park is being developed as a Joint Venture between Odisha Industrial Infrastructure Development Corporation (IDCO) and IOCL. The park is spread over an area of 120 acres and exclusively caters to the development of plastics and polymers.

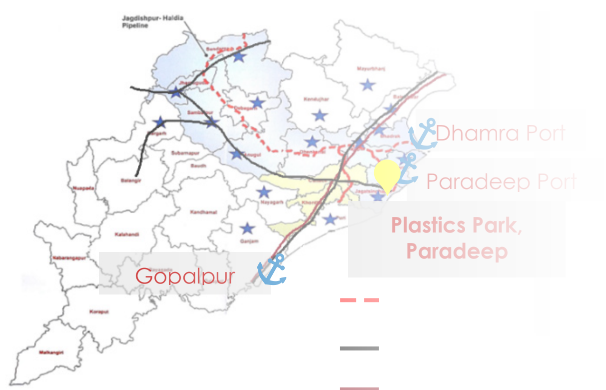
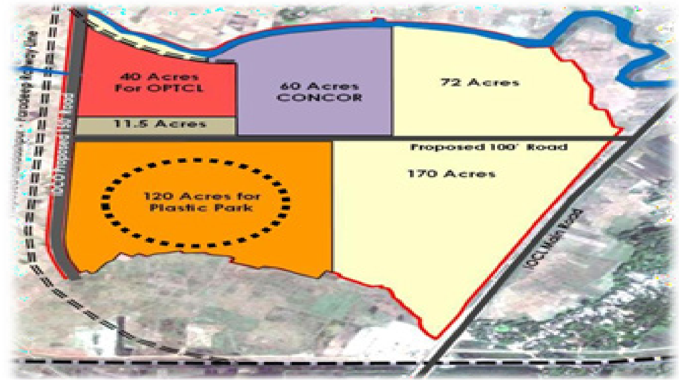


Figure 2: Location of Plastics Park within Odisha

The park is ideally located for the growth of the sector with a mere 500 meters from the IOCL refinery complex and 3 km from the Paradip Port. The park is also connected to the National Highway 16 through the NH 5A 2.5 km away and the Paradip-Haridaspur Railway line runs alongside the park's boundary.



Project Profile

- 120 acres of exclusive development near Indian Oil Corporation Limited (IOCL) refinery.
- USD 77.14 Million investment in development of Infrastructure.
- Committed Feedstock of Polypropylene & Ethylene by IOCL
- State-of-art manufacturing base with common facilities for the downstream plastic industry.
- Units engaged in injection moulding, blow moulding and extrusion moulding proposed.

Salient Features of the Park

- 80 industry-ready plots; 8 industries already allocated land to commence construction

Figure 3: Aerial View of the Park

- Presence of Product Application and Development Center (PADC) which was inaugurated by Hon'ble Chief Minister of Odisha and Hon'ble Union Minster for Petroleum and Natural Gas on 25 June 2020. It consists of 4 laboratories namely Polymer Processing Lab, Analytical Testing Lab, Chemical Analysis Lab and Characterization Lab
- Plastics Product Evaluation Centre (PPEC) by CIPET which, a prominent R&D institution of India

Figure 4: PPEC at the Park

- Development of Common Effluent Treatment Plant in pipeline
- GAIL pipeline connectivity for doorstep availability of Natural Gas
- Doorstep delivery of electricity, water and road connectivity
- Self- contained ecosystem covering entire value chain of plastics industries
- Logistics hub with common warehousing Unit Integrated along with Packaging Unit part of the larger ecosystem of PCPIR

Investment Opportunities

- Injection Moulding
  * Wire Spools
  * Packaging and Bottle caps
  * Automotive dashboards
  * Storage containers
  * Mechanical parts including gear

- Blow &Roto Moulding
  * Dry containers
  * Shampoo bottles
  * Hoses/Pipes
  * Hollow industrial parts such as drums

- Extrusion Moulding
  * Pipes and Tubes
  * Weather stripping
  * Deck on fence railing
  * Window frames
  * Plastic films, thermoplastic coatings and wire insulation

About Industrial Promotion and Investment Corporation of Odisha (IPICOL)

IPICOL is the investment promotion and facilitation agency of the state of Odisha. It is the single-point of contact for all interested investors in the State. Interested industries can get in touch with Mr. Rajib Dhal (email: rajibdhal@investodisha.org) for any support regarding the proposed projects. We invite all to be come and explore the new opportunities that Odisha has to offer.

Dr. Nitin B. Jawale, Managing Director, IPICOL

"Chemicals, Petrochemicals and Plastics is a focus sector under the Odisha Industrial Development Plan. This is an upcoming sector for the state and we are committed to put in the state-of-the-art infrastructure and supporting policy regime for its growth."

IndianOil – Powering the Paradip Plastic Park

With a view to synergize and consolidate the capacities in Indian Plastic Industry through cluster development, the Department of Chemicals and Petrochemicals (DCPC), Ministry of Chemicals & Fertilisers (MoCF) and Government of India (GoI) has formulated the "Scheme for setting up of Plastic Parks".

A special purpose vehicle in the name of 'Paradip Plastic Park Limited (PPPL)' formed by IDCO in 2013. IDCO and IndianOil have joined hands together to develop the Park through a Joint Venture.

The park is located at Siju Village, Kujanga Tehsil, Jagatsinghpur District on 120 acres of land opposite to IndianOil refinery. Around 26 number of plastic industries from different sector including Raffia, Injection Molding, Non-woven, compounding etc would come up in Plastic Park. These industries would generate employment for more than 6000 people (direct and indirect) and would consume around 10000 MT per month of Polypropylene material which will be made available by IndianOil from Paradip plant. Around 10 number of investors have already applied for setting up a Plastic processing unit inside the Park.

Advantageous Odisha

The overall per capita Plastics processing capacity in Eastern part of the country is less compared to average per capita Plastics processing capacity in India. Specifically in Odisha per capita Plastic processing capacity is 2.5 kg while it is around 11 kg average in the country. However, actual Plastic consumption is much more than the processing capacity, which results in import of finished goods from neighbouring states in large quantities. About 25,000 tons of PP and 35,000 tons of Polyethylene grades are being consumed per annum in Odisha currently, while around 8,000 tons per month of finished Plastics products are supplied to Odisha by neighbouring States such as West Bengal, Andhra Pradesh, Telangana, etc because of unavailability of processing industries in the state.

There is a huge potential in Paradip for the development of Polypropylene based downstream industries such as PP Raffia, BOPP, Furniture based applications, PP Cast Film, PP Non-Woven etc.

A large number of new plants coming up in Odisha including 56MMTPA cement manufacturing plants, Indian Oil's 1.2 MMTPA PTA plant, PPL fertilizer plant of 0.8 MMTPA etc. which will require a large number of woven sack (PP Raffia) bags for packaging and transportation. It is estimated that around 100 crore of bags (100 KTA PP Raffia) will be required on annual basis which is a significant opportunity for the investors to set up a Raffia manufacturing unit in Odisha. Average cost of setting up a Raffia unit is around 20 crore including fixed capital cost and operation cost.

Similarly, in other sectors such as Injection Molding, household furniture application has market potential of 2400 MTPA and approx 1000 MTPA potential in crates for fisheries application. Sectors such as Non-woven and flexible packaging are also having significant potential.

Benefits of investing in Paradip Plastic Park

Plastic articles manufacturing requires Raw material, Electricity, Skilled / Semi skilled manpower, logistics support, port for exports etc for a successful and profitable running of a unit. Paradip Plastic Park being close to Raw material plant, proximity to port, availability of uninterrupted cheap power supply and availability of manpower offers excellent opportunities for setting up of plastic industries inside the Park. Basic infrastructural facilities for the downstream plastic industry such as road network, footpaths and Utility corridors, Domestic and industrial water supply system, Electrical Distribution System, Workers' Hostels/ Dormitories and Managerial Accommodation, Plastic Product Evaluation Centre (PPEC), Parking facilities etc are available in the Plastic Park. Apart from basic infrastructural facility various incentives are also being provided to attract investors to setup units in PPPL.

Commitments from IndianOil

- Availability of Raw material (Polypropylene) from Paradeep plant.
- World class Product Application and Development Centre (PADC) established at Paradip will provide technical assistance to the processors.
- Assistance to investors in understanding the technicality of the project, feasibility, investment cost, market potential, requirement of machineries and other relevant things.
- Collaboration with machinery manufacturers.
- Marketing setup of IndianOil could also help to identify the prospective market for the end product.

Come, be a part of MISSION PURVODAYA.

Aurobindo Sahoo Senior Manager (PCM) IndianOil Corporation Ltd

PLEXCONCIL - The Plastics Export Promotion Council

PLEXCONNECT® 2021

VIRTUAL BSM — FEBRUARY

EMBASSY OF INDIA
TOKYO, JAPAN

THE PLASTICS EXPORT PROMOTION COUNCIL
Sponsored by Ministry of Commerce Govt. of India

PLEXCONCIL Invites its Members to venture into exports during these stressed times of business through the Virtual BSM with **JAPAN** which is a very high potential market for Indian products.

24th-25th FEBRUARY 2021

PLEXCONCIL in its commitment to increase India's Plastic Exports and support the Indian Plastic Industry is organizing the PLEXCONNECT 2021 – Virtual BSM for the first time with Japanese Buyers with the support of the Embassy of India, Tokyo, and other supporting partners.

FOCUSED PRODUCTS:

- Flexible Intermediate Bulk Containers (FIBC)
- Human Hair & Human Hair Products
- Consumer & Houseware
- Stationery & Furniture Products
- Other articles of plastics and articles of other materials, not elsewhere specified
- Other footwear with outer soles and uppers of rubber or plastics

Participation Cost for Members – Rs. 15000/-
Non Members – Rs. 20000/- Plus GST

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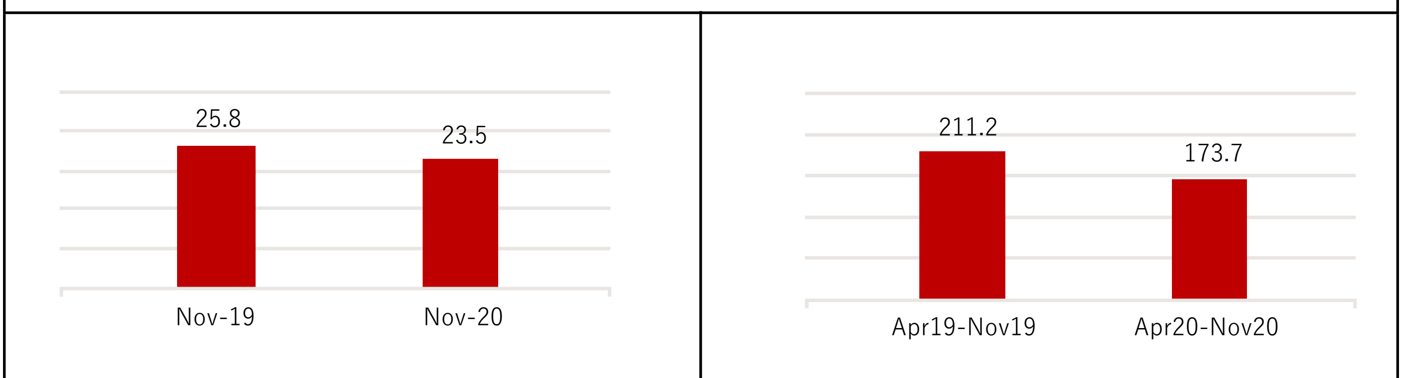
ANALYSIS OF INDIA'S PLASTICS EXPORT NOVEMBER 2020

TREND IN OVERALL EXPORTS

India reported merchandise exports of USD 23.5 billion in November 2020, down 8.7% from USD 25.8 billion in November 2019. Cumulative value of merchandise exports during April 2020 – November 2020 was USD 173.7 billion as against USD 211.2 billion during the same period last year, reflecting a decline of 17.8%.

Exhibit 1: Trend in overall merchandise exports from India

(USD Billion)



Source: Ministry of Commerce & Industry, Government of India

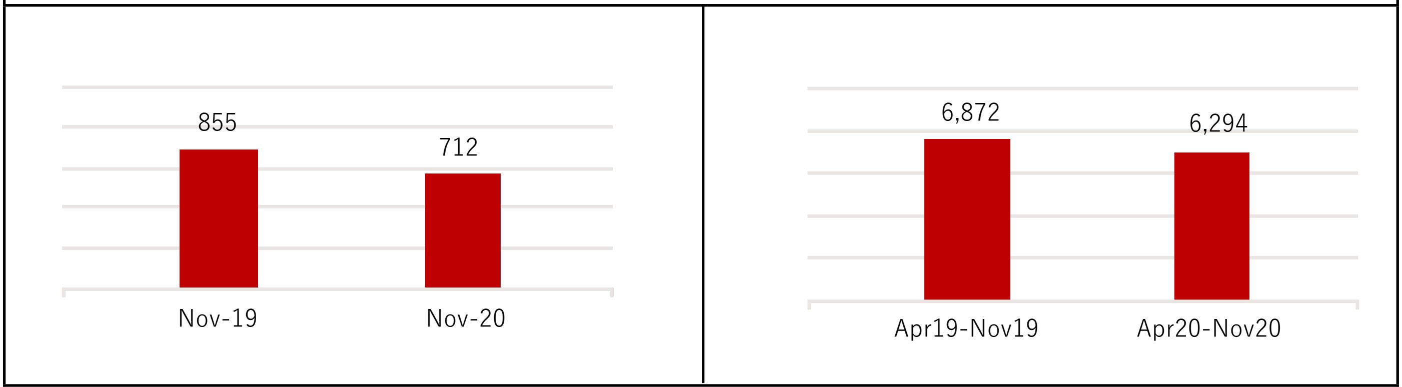
TREND IN PLASTICS EXPORT

During November 2020, India exported plastics worth USD 712 million, down 16.8% from USD 855 million in November 2019. Cumulative value of plastics export during April 2020 – November 2020 was USD 6,294 million as against USD 6,872 million during the same period last year, registering a negative growth of 8.4%.

Indian exporters have been increasingly facing problems of shortage of containers and increased freight rate for shipping their goods. As a matter of fact, the huge back log at all the major Indian ports is now leading to longer lead times to service the export orders. In addition, there has also been a substantial increase in prices of plastics raw material which is affecting the Indian exporters ability to compete in the International market.

Exhibit 2: Trend in plastics export by India

(USD Million)



Source: Ministry of Commerce & Industry, Government of India

PLASTICS EXPORT, BY PANEL

In November 2020, six of the product panels, namely, Human hair; Floor Coverings, leathercloth & laminates; Miscellaneous products; Pipes & fittings; Cordage & fishnets; and Composites / FRP products witnessed a positive growth in exports. The remaining panels, particularly, Raw materials, reported lower exports.

Exhibit 3: Panel-wise % growth in plastics export by India

Panel	Nov-19	Nov -20	Growth	Apr 19-Nov 19	Apr 20-Nov 20	Growth
	(USD Mn)	(USD Mn)	(%)	(USD Mn)	(USD Mn)	(%)
Consumer & House ware	46.6	46.0	-1.4%	397.3	310.2	-21.9%
Cordage & Fishnets	15.5	15.9	+2.7%	111.3	105.8	-5.0%
Composites / FRP products	26.5	26.9	+1.2%	220.2	177.5	-19.4%
Floor Coverings, Leather cloth & Laminates	33.4	41.2	+23.3%	285.3	277.2	-2.8%
Human Hair & Related Products	31.0	41.3	+32.9%	183.4	216.4	+18.0%
Miscellaneous Products	113.4	121.2	+6.9%	1,059.7	912.1	-13.9%
Pipes & Fittings	16.0	17.0	+5.9%	123.9	112.0	-9.6%
Polyester Films	114.6	107.9	-5.9%	994.9	1,002.5	+0.8%
Raw Materials	335.4	184.6	-45.0%	2,455.3	2,377.8	-3.2%
Rigid Packaging & PET Preforms	27.2	26.0	-4.4%	221.9	207.2	-6.6%
Woven Sacks / FIBCs	78.8	73.8	-6.4%	683.2	503.3	-26.3%
Writing Instruments	16.8	10.3	-38.5%	135.9	91.6	-32.6%
	855.3	711.8	-16.8%	6,872.3	6,293.7	-8.4%

Source: Ministry of Commerce & Industry, Government of India

Export of Consumer & house ware products fell by 1.4% in November 2020 as an increase in shipment of Other household articles and toilet articles, of plastics (HS code 39249090), Electrical switches, of plastics (HS code 85365020) and Tableware and kitchenware of plastics (HS code 39241090) was more than offset by a decline in sales of Tooth brushes (HS code 96032100), Plastic moulded suit cases (HS code 42021220).

Cordage & fishnets export witnessed a rise of 2.7% in November 2020 on account of higher sales of Made up fishing nets of nylon (HS code 56081110) to Norway, Tanzania, and the United Arab Emirates; and of Made-up fishing nets of other materials (HS code 56081190) to Canada, Norway, and the United Kingdom.

Export of Composites was up by 1.2% due to increased sales of Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s (HS code 39269099).

In case of Floor coverings, leather cloth & laminates, exports in November 2020 were up 23.3% due to increased sales of Textile fabrics impregnated, coated, covered or laminated with plastics other than PVC or PU: Other (HS code 59039090) to the United States of America.

Export of Human hair & related products clocked an impressive 32.9% growth due to strong sales of Human hair, dressed, thinned, bleached or otherwise worked (HS code 67030010) to China.

Miscellaneous products export increased by 6.9% in November 2020 due to higher sales of Optical fibres, optical fibre bundles and cables (HS code 90011000) to Saudi Arabia and the United Kingdom; along with improved shipments of Polypropylene articles, nes (HS code 39269080) to the United States of America and Other building materials of plastic (HS code 39259090) to Greece and South Africa.

Export of Pipes & fittings witnessed a growth of 5.9% due to improved sales of Flexible tubes, pipes and hoses, and fittings therefor, of plastics (HS code 39173100); Rigid tubes, pipes and hoses, and fittings, of PVC (HS code 39172390); Flexible tubes, pipes and hoses, and fittings, of plastics, reinforced or otherwise combined with other materials (HS code 39173990); and Flexible tubes, pipes and hoses of plastics, not reinforced or otherwise combined with other materials (HS code 39173290).

Polyester films witnessed a decline of 5.9% in exports in November 2020 due to lower shipments of BOPET sheets and films, flexible plain (HS code 39206220); BOPP sheets and films, flexible plain (HS code 39202020); and Other plates, sheets, film, foil and strip, of plastic (HS code 39219099).

Plastics raw materials export fell by 45.0% in November 2020 due to lower shipments of Polypropylene (HS code 39021000); Polyethylene having a specific gravity of 0.94 or more (HS code 39012000); and Linear low-density polyethylene (HS code 39011010) to China in particular. India had exported large volumes of Plastics raw materials in April and May 2020 due to low domestic demand.

Rigid packaging & PET performs export was lower by 4.4% due to reduced sales of Other articles for the conveyance or packaging of goods, of plastics (HS code 39239090) to Bangladesh, Japan and the United Kingdom.

Export of Woven sacks and FIBCs fell by 6.4% during November 2020 due to decline in sales of Woven fabrics obtained from strip or the like (HS code 54072030, 54072040 and 54072090). Exports of FIBC (HS code 63053200) rebounded strongly in October and November 2020.

Export of Writing instruments slipped by 38.5% in November 2020, mainly on account of a decline in sales of Ball-point pens with liquid ink (HS code 96081019) across the major export destinations.

Exhibit 4: Details of % change seen in top 50 items of export

HS Code	Description	Apr 19-Nov 19 (USD Mn)	Apr 20-Nov 20 (USD Mn)	Growth (%)
39076100	Polyethylene terephthalate: having a viscosity number of 78 ml/g or higher	524.4	-	NM
63053200	Flexible intermediate bulk containers	460.4	406.6	-11.7%
39021000	Polypropylene, in primary forms	348.7	518.0	+48.5%
39012000	Polyethylene with a specific gravity of >= 0.94	306.6	242.4	-21.0%
39232990	Sacks and bags, incl. cones, of plastics (excl. those of polymers of ethylene): Other	251.3	224.1	-10.8%
39011010	Linear low-density polyethylene (LLDPE)	245.3	89.2	-63.6%
39269099	Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s: Other	216.9	174.8	-19.4%
67030010	Human hair, dressed, thinned, bleached or otherwise worked	175.7	206.0	+17.2%
90011000	Optical fibres, optical fibre bundles and cables (excl. made-up of individually sheathed fibres of heading 8544)	159.2	131.5	-17.4%
48239019	Decorative laminates	135.0	123.7	-8.4%
39206220	Plates, sheets, film, foil and strip, of non-cellular polyethylene terephthalate, not reinforced, laminated, supported or similarly combined with other materials, without backing, unworked or merely surface-worked or merely cut into squares or rectangles (excl. those of polymethyl methacrylate, self-adhesive products, and floor, wall and ceiling coverings of heading 3918): Flexible, plain	144.4	136.2	-5.7%

54072090	Woven fabrics of strip or the like, of synthetic filament, incl. monofilament of >= 67 decitex and with a cross sectional dimension of <= 1 mm: Other	86.7	59.3	-31.6%
39269080	Polypropylene articles, not elsewhere	115.2	115.9	+0.6%
39232100	Sacks and bags, incl. cones, of polymers of ethylene	108.0	98.3	-9.0%
39076990	Other, polyethylene terephthalate	111.4	95.1	-14.6%
39239090	Articles for the conveyance or packaging of goods, of plastics (excl. boxes, cases, crates and similar articles; sacks and bags, incl. cones; carboys, bottles, flasks and similar articles; spools, spindles, bobbins and similar supports; stoppers, lids, caps and other closures): Other	104.0	93.0	-10.6%
39219099	Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, supported or similarly combined with other materials, unworked or merely surface-worked or merely cut into squares or rectangles (excl. of cellular plastic; self-adhesive products, floor, wall and ceiling coverings of heading 3918): Other	114.5	67.9	-40.7%
39202020	Plates, sheets, film, foil and strip, of non-cellular polymers of ethylene, not reinforced, laminated, supported or similarly combined with other materials, without backing, unworked or merely surface-worked or merely cut into squares or rectangles (excl. self-adhesive products, and floor, wall and ceiling coverings of heading 3918): Flexible, plain	100.0	129.1	+29.1%
39011090	Polyethylene with a specific gravity of < 0.94: Other	113.0	32.4	-71.4%
54072030	Woven fabrics of strip or the like, of synthetic filament, incl. monofilament of >= 67 decitex and with a cross sectional dimension of <= 1 mm: Dyed	91.8	24.4	-73.4%
90015000	Spectacle lenses of materials other than glass	91.5	75.3	-17.7%
96081019	Ball-point pens	82.4	54.0	-34.4%
39202090	Plates, sheets, film, foil and strip, of non-cellular polymers of ethylene, not reinforced, laminated, supported or similarly combined with other materials, without backing, unworked or merely surface-worked or merely cut into squares or rectangles (excl. self-adhesive products, and floor, wall and ceiling coverings of heading 3918): Other	81.0	74.1	-8.6%
39046100	Polytetrafluoroethylene, in primary forms	73.2	62.7	-14.3%
90183930	Cannulae	62.0	62.0	-0.0%
39241090	Tableware and kitchenware, of plastics: Other	62.4	50.2	-19.4%
96032100	Tooth brushes, incl. dental-plate brushes	57.6	41.5	-27.9%
39069090	Acrylic polymers, in primary forms (excl. polymethyl methacrylate): Other	55.8	63.6	+14.0%

39206290	Plates, sheets, film, foil and strip, of non-cellular polyethylene terephthalate, not reinforced, laminated, supported or similarly combined with other materials, without backing, unworked or merely surface-worked or merely cut into squares or rectangles (excl. those of polymethyl methacrylate, self-adhesive products, and floor, wall and ceiling coverings of heading 3918): Other	53.7	67.4	+25.6%
95030030	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds: tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds: of plastics	57.4	52.5	-8.4%
56074900	Twine, cordage, ropes and cables of polyethylene or polypropylene, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics	51.0	48.3	-5.5%
59031090	Textile fabrics impregnated, coated, covered or laminated with polyvinyl chloride (excl. wall coverings of textile materials impregnated or covered with polyvinyl chloride; floor coverings consisting of a textile backing and a top layer or covering of polyvinyl chloride): Other	48.5	38.9	-19.7%
39206919	Plates, sheets, film, foil and strip, of non-cellular polyesters, not reinforced, laminated, supported or similarly combined with other materials, not worked or only surface-worked, or only cut to rectangular, incl. square, shapes (excl. polycarbonates, polyethylene terephthalate and other unsaturated polyesters, self-adhesive products, and floor, wall and ceiling coverings in heading 3918): Other	52.9	47.9	-9.4%
59039090	Textile fabrics impregnated, coated, covered or laminated with plastics other than polyvinyl chloride or polyurethane (excl. tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon; wall coverings of textile materials impregnated or covered with plastic; floor coverings consisting of a textile backing and a top layer or covering of plastics): Other	39.3	84.9	+116.2%
39204900	Plates, sheets, film, foil and strip, of non-cellular polymers of vinyl chloride, containing by weight < 6% of plasticisers, not reinforced, laminated, supported or similarly combined with other materials, without backing, unworked or merely surface-worked or merely cut into squares or rectangles (excl. self-adhesive products, and floor, wall and ceiling coverings of heading 3918)	49.4	38.2	-22.7%

39140020	Ion-exchangers based on polymers of heading 3901 to 3913, in primary forms: Ion exchangers of polymerisation	44.8	42.6	-5.0%
39219094	Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, supported or similarly combined with other materials, unworked or merely surface-worked or merely cut into squares or rectangles (excl. of cellular plastic; self-adhesive products, floor, wall and ceiling coverings of heading 3918): Flexible, metallised	44.4	53.6	+20.8%
39219096	Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, supported or similarly combined with other materials, unworked or merely surface-worked or merely cut into squares or rectangles (excl. of cellular plastic; self-adhesive products, floor, wall and ceiling coverings of heading 3918): Flexible, laminated	41.3	62.6	+51.7%
39199090	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls > 20 cm wide (excl. floor, wall and ceiling coverings of heading 3918): Other	44.5	50.5	+13.4%
39072090	Polyethers, in primary forms (excl. polyacetals): Other	35.0	60.4	+72.5%
39241010	Insulated ware of plastics	35.0	29.8	-14.9%
39073010	Epoxy resins	42.8	24.8	-42.2%
39259090	Building elements for the manufacture of floors, walls, partition walls, ceilings, roofs, etc., of plastic; gutters and accessories of plastic; railings, fences and similar barriers, of plastic; large shelves, for assembly and permanent installation in shops, workshops, etc., of plastic; architectural ornaments, e.g. friezes, of plastic; fittings and similar products for permanent mounting on buildings, of plastic: Other	47.4	16.3	-65.7%
39095000	Polyurethanes, in primary forms	37.2	36.3	-2.4%
39100090	Silicones in primary forms: Other	37.4	24.3	-35.1%
39235010	Stoppers, lids, caps and other closures, of plastics: Caps and closures for bottles	32.3	33.3	+3.0%
39129090	Cellulose and chemical derivatives thereof, n.e.s., in primary forms (excl. cellulose acetates, cellulose nitrates and cellulose ethers): Other	34.5	37.2	+8.0%
39119090	Polysulphides, polysulphones and other polymers and prepolymers produced by chemical synthesis, n.e.s., in primary forms: Other	32.2	35.0	+8.7%
39031990	Polystyrene, in primary forms (excl. expansible): Other	41.1	20.7	-49.6%
39269069	Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s: Other	29.8	20.5	-31.4%

Source: Ministry of Commerce & Industry, Government of India

Countryscape BANGLADESH

Economic overview

Bangladesh is located in Southern Asia, bordering the Bay of Bengal, between Myanmar and India. It has an area of 147,570 square kilometres and a population of 166.59 million. The country recently made headlines when the International Monetary Fund released a report stating that Bangladesh's GDP will increase by 3.8% in 2020-21, despite the pandemic effect.

Bangladesh has diversified its economy away from agriculture to manufacturing, supported by low-cost labour and sound macroeconomic policies. The manufacturing industry, especially ready-made garments, is a major contributor to Bangladesh's total exports. Another reason for the economic stability of Bangladesh is the substantial inflow of remittances, mostly from Bangladeshis, living and working abroad. According to data compiled by the Bangladesh Bank, the country received USD 18.2 billion in remittances during 2019-20.

As of December 7, 2020, the S&P's rating for Bangladesh is BB- (stable); Moody's rating stands at Ba3 (stable); and Fitch has a reported rating of BB- (stable).

Economic indicators		2017	2018	2019
Nominal GDP	USD Billion	249.7	274.0	302.5
Nominal GDP per capita	USD	1,530	1,662	1,816
Real GDP growth	%	7.3	7.9	8.2
Total population	Million	163.2	164.9	166.6
Average inflation	%	5.4	5.8	5.5
Total merchandise exports	USD Billion	40.9	45.5	47.2
Total merchandise imports	USD Billion	50.3	57.3	56.9

Source: IMF, TradeMap

Bangladesh has trade agreements with Afghanistan, Bangladesh, Bhutan, China, India, Laos, Maldives, Nepal, Pakistan, South Korea and Sri Lanka. Bangladesh and India are members of the Agreement on South Asian Free Trade Area (SAFTA), SAARC Preferential Trading Arrangement (SAPTA) and Asia Pacific Trade Agreement (APTA).

Trade overview

Bangladesh is India's most important trading partner in South Asia. In 2019, Bangladesh was the ninth largest export destination for Indian products. India and Bangladesh engaged in bilateral trade worth USD 9.61 billion in 2019. During the year, India's exports to Bangladesh were valued at USD 8.35 billion in comparison to India's imports worth USD 1.26 billion resulting in a trade surplus of USD 7.09 billion to India.

The major items of export from India to Bangladesh are raw cotton; cotton yarn, fabrics; iron and steel; petroleum products; and auto and vehicle components. Likewise, major items of export from Bangladesh to India are ready-made garments; vegetable oils; raw jute; and jute yarn.

Within plastics, the trade is in favour of India with exports worth USD 284.7 million to Bangladesh and a trade surplus of USD 201.8 million. India's plastics exports to Bangladesh primarily comprise of the following:

- Plastic raw materials (63.7%)
- Plastic sheets and films (12.8%); and
- Packaging items (5.2%

Bangladesh's annual plastics imports are valued between USD 3.0-3.5 billion. Its plastic imports are largely catered to, by China (31.5%), Taiwan (12.0%) and India (10.0%). India has an extremely good standing in some of the plastic product imports by Bangladesh:

- Writing instruments – Market share of 53.5% share (Rank 1)
- Masterbatches – Market share of 24.3% share (Rank 1)
- Packaging items – Market share of 19.3% share (Rank 3)
- Medical disposables – Market share of 16.4% share (Rank 1)
- Plastic sheets and films – Market share of 16.0% share (Rank 2)
- Plastic raw materials – Market share of 10.2% share (Rank 4)

Trade potential

Our internal research indicates that India's export of value-added plastics to Bangladesh has the potential to grow by nearly USD 1.0 billion. Product categories, within value-added plastics, that have immense export potential for export to Bangladesh include:

Product Category	Bangladesh's import from India	Bangladesh's import from world	India's export to world	Trade potential for India
	USD Million	USD Million	USD Million	USD Million
Plastic sheets and films	36.8	229.7	1,371.8	176.4
Leathercloth	5.2	297.2	144.5	106.3
Masterbatches	29.3	120.7	1,253.7	79.8
Medical disposables	13.6	82.9	653.3	69.3
Self-adhesive sheets and films	2.6	62.0	130.0	59.4
Packaging items	13.5	69.7	787.6	56.2
Pipes, tubes, hoses etc	1.6	39.6	189.2	38.0
Electrical items	4.8	44.4	171.7	31.8
Houseware	0.5	45.0	211.2	31.5
All types of optical items	2.9	27.0	442.9	18.2

Source: TradeMap, Plexconcil Research

Industry Speak

Devendra Pal Singh, Director, JK Paras Polycoats Ltd., New Delhi

Despite being one of our leading trade partners, the major issue in trade with Bangladesh is the export price factor. This is predominantly due duties levied on Indian imports that are higher as compared to China. Presently, as most in the industry are aware, the cost of raw material cost and freight has risen with the latter on account of the unavailability of containers. We also face challenges with delayed customs clearances that are added cost to us and delays delivery of shipment.

India has great export potential in not just Bangladesh, but also in Myanmar. Hence it is important that our government negotiates zero percent duty which would definitely help enhance our exports and create like to like competition with Chinese imports. The Government needs to foremost start with making available containers on time as well as direct Shipping Corporation to cap the high costs that they have been charging currently as these add to an already burdened segment. We are already challenged by the huge volatility in raw material prices domestically and hence must be strictly monitored as it has a direct impact on our export pricing. The higher tariffs levied on our exports coupled with higher raw material price and shipping costs can impede our overall exports growth to Bangladesh. I believe that the subject of various types of raw material has been brought to the attention of the DGTR and effort must be made to consider perspectives of all stakeholders if we are to grow.

Furthermore, India has only one or two plant for manufacturing Titanium oxide whereas China has over 40. This is a key input for the masterbatches industry and since we are largely import dependent, many a times, with changing policies, anti-dumping duties, etc are levied which only add to our pricing.

Within the value-added segment, India has great growth prospects. We used to be the leading exporters of masterbatches and Calcium Carbonate until recent years. We would source the material from Vietnam and re-export. However, many importers began to resort to questionable practices and import polymer mixed calcium carbonate. When imported in powder form, such polymers attract duty. However, when imported in granular form, it is at zero duty. The disparity in duty structures for powdered form and granules has caused negative impact on our industry.

To encourage exports to neighbouring countries, the Govt must negotiate zero duty structures. With Bangladesh we have a distinct advantage compared to China as it is right next to Kolkata. We can use roadways to export and not be dependent on shipping lines. This will be faster and cheaper for exporters as well.

Overall, Bangladesh is good for business. The only issue we face is with LC as LCs issued by local banks there are either delayed or not accepted by Indian banks. However, India's trade relation is decades old and if Plexconcil can help highlight the issues regarding duties with the Govt exports can grow manifold. While Bangladesh does not have much in terms of exports to India, the Govt could look into Jute imports if we are speaking of balance in trade is becoming a moot point between the two countries these days. By promoting mutual interest of neighbouring countries is sure to enhance trade, especially exports considering our proximity. On the whole, raw material will continue to grow, as will polymers and semi finished goods and Bangladesh is seeing increased investments in manufacturing.

Amit Pal, Director, Kolor Impex, Kolkata

Traditionally Bangladesh is an extended market for India. However, presently, Chinese products are dominating the market, and this has impacted our exports as the import duties levied on Indian Plastic products are very high. It may be mentioned here that due to the high import duty on Indian plastic goods, several importers have been known to ask for under invoicing which is illegal and chances of full realisation of actual proceeds become a concern for Indian exporters. As the trade representative body, Plexconcil must help vigorously take the matter with the concerned authorities to help exporters counteract such practices and grow exports. Other factors such as infrastructural bottlenecks at Land Custom stations (LCS) and high payment risk also affect our exports to Bangladesh and if our Government negotiates duty reduction to level the playing field, it will certainly help India compete with Asian tigers specially China as our potential to enhance trade with the country is excellent. Perhaps, one of our most distinct advantage is our proximity to the country, both geographically and strategically.

As an export destination, Bangladesh has huge opportunities in semi-finished and innovative value-added products. Though Bangladesh has already started some manufacturing in houseware segment, etc., if India can overcome its challenges and streamline its export policies, there is no reason why exports should not grow. Plexconcil should organize a 'INDIA TRADE FAIR' in Dhaka in association with the ITPO to create greater awareness of our products amongst the local industry there. An impactful event such as this will help us showcase our entire capabilities and go a long way in enhancing trade in the country. Our political ties with Bangladesh have always been cordial and historic and hence India should impress upon Bangladesh Trade Authorities for reduced duties on Indian finished goods, especially with the growing stiff competition from ASEAN nations.

Prasan Lohia, Director, Merino Industries Limited, Kolkata

Bangladesh is our neighbouring market and we have been exporting our products to the country for a very long time now. However, recently, we have been facing tremendous competition mainly due to the high import duty. We firmly believe that our Government must proactively work for the betterment of bilateral trade with Bangladesh and take necessary steps for reduction of Import Duty allowing us to compete fairly with exporters from China and other ASEAN nations. On its part, Plexconcil must also take up the high import duty with relevant authorities as it impacts almost all segments of our industry. As far as our product segment is concerned, the decorative Laminates products have good export potential in Bangladesh and is expected to continue to grow. Overall, our experience with doing business in Bangladesh has been improving over the years and there definitely is always scope for improvement.

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International News

How Covid-19 is changing the Composites Industry – a status report and tentative outlook

By Dr. Michael Effing, CEO AMAC GmbH, Chairman of the board of AVK, Chairman of the board of Composites Germany.

The industry is changing due to Covid, whereby the impact is different in the various market segments. Currently, the biggest impact is recorded in the aerospace industry, where Boeing and Airbus are and will be suffering a lot from the overall decrease of travels, including governmental restrictions. In the next 6 or 7 years, the industry will still not be able to reach the same sales figures as before the crisis.

The Automotive market has also suffered considerably since the production lines were standing still for more than 6 weeks in the first half year of 2020. In addition, they are also generally impacted by the transition to more e-mobility which has created a lot of draw-backs and lead to less sales. We expect that the Automotive market segment in plastics overall will be 20% below last year.

Conversely, the building and infrastructure industry is still doing extremely well and is actually able to benefit from this crisis-impact. In the plastics industry, this market segment is to date even 3.6% above last year´s figures. The wind energy market is also still strong, particularly in Germany and will remain strong.

To give only a few numbers from the plastics industry in general: in terms of materials and technology, the overall thermoplastic composites market is around 16% below last year (YTD) and we expect this segment to be at minus 15% at the end of the year 2020, with relation to LFT, GMT and short-fiber reinforced thermoplastics. We expect also that the SMC market, which is the largest thermoset market in the world, minus 20%.

Overall, the momentum is that we saw a certain recovery in the months of September and October which were actually quite good and also November looks good so far. Of course, there is more uncertainty with the recent announcements of new lockdowns overall in Europe and we don´t know whether there will be an early shutdown until mid-January or whether we will have more orders on hand.

To give only one example for successful cross-border work even during the crisis, I would like to highlight to current EU-funded Interreg-projects, Light Vehicle 2025 and AACOMA, where an event with over 50 companies could take place in September in Aachen, Germany.

Some growth applications and economical outlook

In general, the consensus is, also by other panel experts, that it will need 2021 as a kind of transition year where the industry will be slightly coming back. If everything goes well, in 2022, we could then reach the figures that we had before the crisis.

I will give a few examples of applications which, despite the crisis or thanks to it, are doing extremely well. People invest in individual, safe and secure travelling models. Thus, caravans and motorhomes, in which a lot of composite material is involved (e.g. in the panels, the roofs and the interior), experienced a growth rate of more than 30%.

In the SMC market, the build rates for the trucks went significantly down immediately in March. For example, DAF was producing 250 trucks per day before the crisis. Today, they are still down to a production of 150 per day so far, but the lines are slowly improving and due to more logistics and transportation, the industry is coming back slightly and we can expect a quick recovery here.

Changes and re-orientation options in Aerospace

The supplier base to Boeing and Airbus has to regroup and reconsider and they will focus on other markets like automotive, infrastructure or consumer goods or on other regions like companies which are today more active in Europe or America will divert to Asia and more particularly China where this market segment is still tremendously growing because the Chinese need to connect over 100 cities with more than 1 billion people via inner-country air-transportation and thus require a lot of smaller aircrafts in the next couple of years.

Global industry overview

Seeing the industry of in a global context, the only country with positive growth rates in 2020 will be China. Coming from a growth rate of 6-7% in 2019, they are still forecasting 3.4% for the rest of year 2020. There a very positive trends which were also confirmed at the Composites trade Show in China in September 2020. Here, particularly, the glassfiber supply is getting very tight. The glassfiber prices went up two times 7%, almost 14% in total, because there is not enough fiber supply in that market, especially for construction applications. That is the only region that is slightly doing better than last year. In terms of recovery, Europe is leading and particularly Germany, while countries in Southern Europe have to deal with more severe impacts like Spain and Italy. They might loose more business to low cost countries like Northern Africa, Middle East and Asia.

North America is a little bit similar on the pattern to Europe with a slight delay of a recovery from the ongoing crisis. Of course, the elections also play a role here, but we expect that the overall economy will only come back in year 2022.

Market forecast for Germany 2020

To give you an idea of the overall trends, the whole industry will be down significantly like thermoplastics by 15% and thermoset maybe even a little bit more. Overall, the easier to recycle thermoplastics industry might recover quicker because of the nature of the business linked to mass production in transportation, electronics and consumer goods.

Covid-caused changes in the day-to-day business interaction

Now, what has changed in the day-to-day business interaction especially in the sales and business development departments? Due to Covid, it has become very difficult to have any personal meetings. The focus must now lie on building on good relationships from the before-the-crisis and on maintaining existing business relations and projects. In the industry, there is nearly no willingness to change anything, nor to undertake any risks or investments, unless there are really significant advantages.

The commercial organizations of the raw material producers are defending their existing customer base. Tier1 and Tier2 are not willing to change.

Instead of undertaking personal visits, as of day 1 of the crisis early March 2020, the move to use online-video-conferencing tools for customer, supplier and even team meetings has been immediate as well as working from the home-office.

It was disappointing to see some large-scale industrial players, particularly multi-national raw material suppliers, stepping very quickly out of the composites business and the related innovative lightweight material developments, going back to their traditionally used materials since the developments with composites take a longer development time.

But crisis spark also resourcefulness: In Germany for example, a good crisis-decision has been the short-time-work-program which is in place until the end of 2021. This enables companies to not loose their talents and brings down the possible rates of unemployment.

What will remain after Corona?

The use of video-conferences instead of personal meetings and working from home will certainly remain afterwards in order to reduce travel and office costs for the companies. There will certainly be much less short-time long-distance travels, like what we did in the past, to fly to the USA for a 1 day business meeting or 2 days to China. There is definitely a big need for personal meetings which may be covered differently like at fewer trade shows where you can meet a lot of people on one spot which last maybe more days or when travelling overseas staying for a longer period meeting more customers. So a sales person in the future will still travel to certain customers but in a more efficiently and less costly way, combining this with the use of video-conferencing systems and maybe other media. And working from home will remain.

What does this mean for innovations?

The innovation pipeline is of course full and filling, but It is very difficult to work on, test and implement new products and innovations during the Covid-19-crisis. We expect to lose a year in any innovations because our customers are not available, their laboratories are not staffed, people cannot meet to run the projects and therefor, a lot of innovations are held up for a couple of months until the crisis will be under control. Hopefully, by mid of 2021, the innovations will appear in the light of day.

Source: jeccomposites.com

New process involving injection moulding produces eco-friendly geometries for complex machine parts

IMCoLoR (Injection Moulding with Continuous Local Reinforcements) developed a new manufacturing process that combined a multi-shot injection moulding process with the integration of continuous carbon fiber reinforcements. Together with the use of an expendable core material, a lightweight, eco-friendly air cycle machine part was produced.

The synergy formed between injection moulding and thermoplastic automated fiber placements with in-situ consolidation (TP-AFPisc) will power future designs that are lightweight yet perform at a high mechanical level, with automated, easy-to-reproduce production techniques. The TP-AFPisc is different from current state-of-the-art procedures, where composite structures are typically built within process chains.

Injection moulding is widely used in thermoplastic processing today, but its use is restricted to short-fibre material only. Traditionally, continuous fibres have not been used in injection moulding due to casting process issues. But IMCoLoR successfully closes this gap, resulting in highly efficient use of the material. The fiber architecture is precisely adapted to the user's needs by engaging TP-AFPisc manufactured inserts, and an added bonus is that effort in trimming of composite parts is minimized and scrap is reduced.

A major environmental benefit of this new procedure is that no hexavalent chromium ion (Cr^{6+}) treatments are necessary in the manufacturing process. Cr^{6+} is the most toxic form of chromium. It is produced during many industrial processes and it has a strongly negative impact on the environment. What's more, aircraft efficiency will be increased while fuel and emissions will be decreased thanks to the lightweight structures that result from this new process. And last but not least, parts will be easier to recycle because of the use of thermoplastics and environmentally-friendly process auxiliaries.

Some of the challenges faced by the IMCoLoR project included finding a suitable cavity design and injection parameters for encapsulating carbon fibre reinforced polymer (CFRP) inserts into the injection moulding polymer – further it was difficult to find a suitable material combination to facilitate good binding between the CFRP inserts and polymers. CFRP inserts also had to be fixed correctly during the high-pressure injections, so that no deformation or misalignment occurred.

Salt cores were also implemented in the Poly-Ether-Ether-Ketone (PEEK) injection moulding. PEEK is one of the most versatile materials to use in injection moulding, and salt cores are ideal as they are both expendable and environmentally friendly. The results with salt cores were quite promising, as cross sections with good salt core quality could withstand the injection loads. They achieved proof-of-concept.

One unexpected finding was out-of-plane wrinkling defects on 23 plies inserts (thickness 3mm) of the model part. This is probably due to the play fit between the mould core and the insert. However, this effect did not occur for the 70 plies inserts (thickness 10mm) of the demonstrator part.

Next steps for the topic manager will be further investigation of the new material combination and assessment of the new process in-house. The consortium will also investigate the potential of salt cores for composite production and metal casting processes, both in-house and in follow-up projects.

Partners involved in this project included Liebherr Aerospace Toulouse SAS, the Technische Universitaet Muenchen (TUM), ThermoPlastic composites Research Center (TPRC), Apppex Gmbh, and Fischer Advanced Composite Components (FACC). The total EU contribution was €254 775.

Source: jeccomposites.com

Ineos Styrolution Breaks Ground on China ABS Plant

Ineos Styrolution has broken ground for its new 600,000-tonnes/year ABS (acrylonitrile-butadiene-styrene) plant located in Ningbo, China. The development of the new site is part of Ineos Styrolution's larger expansion plans into China, following an earlier acquisition of two polystyrene production sites in Ningbo and Foshan.

The location of the new site was selected because of its extensive access to feedstock supply options and excellent supply chain connection to customers. The new site is expected to be operational by 2023.

The ground-breaking ceremony was hosted by Meizhu Fang, Ineos Styrolution APAC Project Director. Attendees included local government and business leaders, engineering and construction representatives, and several project service providers/partners.

"First, we want to thank the Ningbo Municipal Government, Zhenhai District Government, Sinopec Zhenhai Refining & Chemical Co., Ltd., Ningbo Zhoushan Port Group, State Grid Ningbo Power Supply Company and Ningbo Petrochemical Economic and Technological Development Zone administrative committee for providing their very strong support as we embark on this exciting project for our company," said Steve Harrington, CEO Ineos Styrolution. "The successful completion of this project will be a significant step forward for our ambitious growth plans in China and will allow us to further serve our customers in their domestic market."

Rob Buntinx, President Asia Pacific at Ineos Styrolution, added: "I am excited to see us building a world-class ABS manufacturing plant here in Ningbo. ABS is a versatile high performance styrenic resin. Its properties make it the material of choice for many everyday products across industries, including automotive, electronics, household, healthcare and toys/sports/leisure. This investment affirms our commitment to support the growth of our customers in Asia."

Source: Plastics Today

Kraiburg TPE at Chinaplas 2021: Weather-Resistant TPEs and More

Kraiburg TPE will be highlighting its Thermolast K TPE compounds for the automotive sector at Chinaplas 2021, to be held April 13-16, 2021, at Shenzhen World Exhibition and Convention Center in hall 17, booth A31.

Exposure to extreme temperatures and UV radiation resistance can cause damage to automotive exterior parts and components. Kraiburg TPE's Thermolast K TPE compounds deliver enhanced UV radiation-resistance and weather-proofing advantages for automotive exterior parts.

Additionally, Kraiburg TPE's TPE compounds' excellent and robust adhesion to polymers, including PP, PP+30% glass fiber, SAN,ASA, PMMA, PC/ABS, PA6 and EPDM+PP, allow for design innovation and easy processing in 2-K component injection molding. With TPE compounds' advantage of long-lasting performance in vehicle exterior parts, this translates to significant cost-savings for users on vehicle maintenance and long-term care.

Design innovations in the consumer electronics and wearable devices sector are enriching user experience. Kraiburg TPE's custom-engineered TPE solutions pitch desirable features in wearable technology applications, such as soft touch, and resistance to scratch and chemicals.

Manufacturers are offered additional benefits from the TPE compounds' ergonomic characteristics and easy coloring qualities, thus allowing for expanded use in the sector.

Applications of the TPE compounds include watch and wrist bands, headphones, ear tips, games console, wireless automatic sensor, car phone holder and charger, virtual reality (VR) devices, remote controls and more. Beauty brands are hedging on packaging that meets the requirements for aesthetics, function and sustainability. Kraiburg TPE's thermoplastic elastomer series matches the requirements for environmentally-friendly and functional designs, suitable for cosmetics and skin care packaging.

Furthermore, the soft-touch surface characteristics provide a silky and velvety surface for packaging, allowing consumers to enjoy the excellent haptic experience. With resistance to cosmetic and skin-care substances, the TPE compounds suitability can extend to a large range of applications in the cosmetics and skin care packaging sector.

Additionally, Kraiburg TPE's compounds comply with international food-grade safety standards, such as the GuoBiao (GB) standards (GB4806:2016) in China for food regulations, the Commission Regulation (EU) No 10/2011 and Code of Federation Regulation Title 21 (21CFR) of the US Food and Drug Administrator (FDA). Source: Plastics Today

Recycling Partnership Awards Grants to Advance Polypropylene Recycling

The Recycling Partnership has awarded nearly $2 million in grants to advance polypropylene (PP) recycling in the United States through its Polypropylene Recycling Coalition. The cross-industry collaboration launched just four months ago, with founding steering committee members Keurig Dr Pepper, Braskem, and the Walmart Foundation, along with other members in the PP value chain.

In its initial round of funding, the Recycling Partnership's Polypropylene Recycling Coalition is providing four grants to materials recovery facilities (MRFs) across the United States that will improve and increase sortation of PP and support targeted consumer education efforts. Sometimes referred to as No. 5 plastic, PP is used in an array of food and non-food packaging. The coalition's investments will widen total nationwide acceptance of polypropylene in curb side recycling programs by approximately 1.7% to an additional four million people, resulting in the recovery of a larger supply of PP that can be made into new products such as consumer packaging and automotive parts, said the announcement.

"Through the Polypropylene Recycling Coalition, we are rapidly driving meaningful, measurable change by awarding grants to four materials recovery facilities that will improve and increase the capture of polypropylene. We encourage all companies that use polypropylene to join us and be part of the solution," said Keefe Harrison, CEO, Recycling Partnership. "In just a few months, we've gathered companies across the value chain, launched the coalition, and awarded grants. This collaborative work will support jobs, preserve natural resources, and help support the transition to a circular economy in the United States."

Grants are awarded to candidates not currently recycling polypropylene. With these strategic investments, polypropylene will now be accepted curbside in more communities and sent to established end markets. Also, community members in these areas will be educated as to what is and isn't accepted in curbside recycling.

The four grantees are Cougles Recycling in Hamburg, PA; Mazza Recycling in Tinton Falls, NJ; Rumpke Recycling in Cincinnati; and Winters Brothers in Brookhaven, NY.

"As Ohio's recycling leader, our family company processes more than one billion pounds of recyclables annually, and our customers have a desire to recycle even more," said Jeff Snyder, Recycling Senior Manager, Rumpke Waste & Recycling. "The Polypropylene Recycling Coalition grant will aid us in our efforts to responsibly grow recycling within our service footprint, while providing end users with a clean stream of material for their products."

After a strong response to its original request for proposals, the coalition continues to accept grant applications to further its efforts to advance polypropylene curbside recycling. The next round of grant proposals is due by March 31, 2021. Information and grant applications can be found at recyclingpartnership.org.

"It is important that we take steps to reduce plastics pollution including revitalization of programs that make it easier for people to recycle in an environmentally sound manner," said coalition advisor and former EPA

Administrator Carol Browner. “This program from the Recycling Partnership and the members of the Polypropylene Recycling Coalition will create a circular economy for polypropylene and will reduce the amount of this plastic in our environment.”

Source: Plastics today

PLASTICS and LyondellBasell Collaborate on First Paving Project Using Recycled Plastic

The Plastics Industry Association (PLASTICS) in collaboration with LyondellBasell today announced the use of the equivalent of 71,000 plastic retail bags to pave 2,885 square yards of the LyondellBasell Cincinnati Technology Center parking lot in Ohio using recycled polyethylene (rPE).

This was the first installation of the New End Market Opportunities (NEMO) for Film Asphalt Project which added over 4,000 pounds of rPE into hot asphalt. With a focus on extending the life of plastic waste, this research project if successful, could be used in paving a future parking lot using 20,000 pounds of rPE or 1.5 million plastic bags.

“LyondellBasell is a proud member of PLASTICS and we have the opportunity to collaborate on innovative projects often in order to advance recycling and sustainability, not only in the U.S. but around the globe,” said PLASTICS’ President and CEO Tony Radoszewski. “Through this unique project, the LyondellBasell team demonstrates how all plastic can and should be used to its highest potential.”

In early June, PLASTICS announced the completion of research on a new formulation of asphalt binder using the “Dry Process”. This is where recycled rPE is incorporated as a solid additive during the asphalt mixture manufacturing process. The formulation offers many of the same benefits of traditional polymer-modified asphalt, including improved performance, and increased lifespan, at a decreased cost.

“We were extremely intrigued by the opportunity to participate and collaborate in this project,” said Chuck Holland, Site Manager of the Cincinnati Technology Center. “LyondellBasell is taking a leadership position in sustainability, and this is one step of many that affirms our commitment in playing an active role.”

The Cincinnati Technology Center is a state-of-the-art research center and encompasses approximately 260,000 square feet of research and office space. This center assists customers in meeting their business and sustainability goals by developing the most efficient and effective polymer materials required for product performance. LyondellBasell partnered with Colas Solutions, the National Center for Asphalt Technology (NCAT), and Barrett Paving Materials Inc., to bring the project to life. Colas Solutions is Colas USA technical center, part of the Colas Group, a worldwide leader in transportation infrastructure construction and maintenance. Colas Solutions Cincinnati location and its long experience in the formulation and production of asphalt mixtures modified with rPE using the dry process, provided the opportunity of collaborating with NCAT on this project. Colas Solutions identified an rPE supplier, Domino Plastics; formulated an rPE modified asphalt mixture based on advanced performance testing methods and coordinated production and paving with sister company Barrett Paving.

PLASTICS has long been involved in efforts to further advance traditional mechanical recycling, bioplastics, and responsible stewardship such as the New End Market Opportunities (NEMO) for Film Asphalt Project, NEMO for End-of-Life Vehicle (ELV) Recycling Project, Operation Clean Sweep (OCS), and more.

Source: Modern Plastics

No Joy for Processors, as Resin Prices Continue to Climb

Spot resin trading remained robust and prices continued to climb sky high last week, reports the PlasticsExchange in its Market Update. Polypropylene (PP) resins tacked on another three cents while polyethylene (PE) prices rose $0.01 to 0.03/lb, depending on grade. Transacted volumes were solid, although they were again restricted by material availability amid force majeure conditions.

The PlasticsExchange trading desk reported fielding a constant flow of resin requests from processors scrambling to procure polyanything to carry them through mid-January. Some left empty-handed, however, and a good portion of demand remained unsatisfied. As resin producers had already booked most of their December business, with incremental export demand remaining and large price increases on the table, very few railcars, Prime or off grade, rolled into the spot market. Most market liquidity was provided by resellers opting to shed some inventory and ring the register before the end of the year, according to the resin clearinghouse. They were only able to sell limited quantities, as prices appear to be heading higher.

Producers will probably implement their $0.05/lb for December contracts and, not surprisingly, many have issued new increases for January. PP contracts will endure a $0.10/lb cost-push increase and probably another $0.03 to 0.05/lb for margin expansion. Unless something happens to severely shock resin or monomer demand, PP prices are expected to continue to rise in January.

Prices on the spot PE trading exchange are leaving many buyers fighting to catch their breath. The PlasticsExchange said that its trading desk was exceptionally busy, as buyers swarmed to the spot market to procure material, but completed transactions only registered a tad above average due to overall lack of availability. Very tight fundamental dynamics have resulted from tremendous demand, both export and domestic; ongoing and new production issues; and a change in market sentiment, as many buyers planned for a break in prices and availability that never materialized. Many resin buyers, initially incredulous, have come to recognize the situation and acted this past week with urgency. They realized that they had misplayed this last surge, while others still could not wrap their heads around rising December prices. Those that floated low-ball bids to the market, hoping to steal a few offers, were mostly ignored, as others readily paid asking prices.

High-density injection and linear-low-density PE film, which had been laggards, gained $0.03/lb while most of the other commodity grades added $0.02/lb. Already premium linear-low-density PE injection and well-supplied high-molecular-weight each only rose a penny.

Although new PE production units have been coming on stream and upstream inventories have built, some of this material is deemed as startup, and much of the bulge is destined to be sold into the growing export market, as planned. The Braskem Idesa feedstock debacle, which shut down a massive PE production facility in Mexico, also added significantly to export demand. The current $0.05/lb increase is looking more and more likely to implement in December, and producers have issued fresh increases for January that range widely from $0.03 to 0.06/lb.

The PP market remained very strong: Extremely tight supply/demand dynamics have been coupled with rapidly rising monomer costs and fresh production issues. This has kept buyers, both resellers and processors, in the spot market scrambling for material, not only to get ahead of additional increases, but also to maintain continuity of supply, according to the PlasticsExchange.

Production woes persisted: Formosa extended its force majeure allocations into January and a fire at Total's La Porte, TX, facility affected mostly co-polymer production and triggered its own force majeure declaration. As such, there was very little Prime material available and the price jumped another $0.03/lb this past week. Pockets of super-scarce Random Clarified and No Break emerged for a moment and buyers competed to secure them. Although a fairly steady stream of mostly off-grade railcars continued to pelt the market, buyers quickly scooped them up paying equally astonishing prices.

December PGP contracts settled up $0.10/lb, but producers are also seeking a margin expansion. Given market conditions, an additional $0.03 to 0.05/lb increase could implement this month. Spot monomer prices have since continued to rally and suggest that another large increase imminently awaits buyers in January. Happy holidays?

Source: Plastics Today

SABIC partners with Beiersdorf for cosmetics packaging

SABIC has announced that Beiersdorf will be using certified renewable polypropylene (PP) from SABIC's TRUCIRCLE portfolio. The new packaging products will be introduced in the market in 2021 and replace fossil-based virgin PP.

SABIC's certified renewable polymers, including various PP and polyethylene (PE) materials, are derived from animal-free and palm oil-free 'second generation' renewable feedstock, such as tall oil waste from the wood pulping process in the paper industry, which is not in direct competition with human food and animal feed production sources.

"The use of renewable raw materials in our product packaging represents a major lever for us to reduce our carbon emissions and improve our ecological footprint," says Michael Becker, Head of Global Packaging Development at Beiersdorf. "We are proud to be the first in our mass market segment to use polypropylene made from renewable, plant-based raw materials as a packaging material for our cosmetic products, and we are pleased to have a strong, experienced partner with SABIC. Together, we take an important next step towards achieving our ambitious sustainability targets."

As part of its CARE BEYOND SKIN Sustainability Agenda with ambitious targets to be implemented by 2025, Beiersdorf wants to make its packaging 100 percent refillable, reusable or recyclable, increase the share of recycled material in plastic packaging to 30 percent and reduce the use of fossil-based virgin plastic by 50 percent (compared to 2019).

"We are very pleased to welcome Beiersdorf on our journey towards transforming the plastics industry into a circular and sustainable economy," comments Sergi Monros, Vice President of Performance Polymers & Industry Solutions for Petrochemicals at SABIC. "Innovative cosmetics packaging using our certified renewable PP and PE polyolefins can make a significant contribution to reducing the fossil depletion and greenhouse gas emissions. The plant-based materials provide easy drop-in solutions to existing fossil-based plastic conversion processes and applications, without compromises on purity, quality, safety or convenience. SABIC is determined to help support its partners in benefiting from this potential."

Source: Indian Chemical News

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Godrej Appliances ramps up medical refrigerator production capacity for COVID-19 vaccine

The brand has received multiple orders worth Rs 150 crore from the central government, various state governments and international aid bodies as well, solely for the purpose of COVID-19 vaccine storage.

Godrej Appliances on Thursday said it has ramped up its medical refrigerator production capacity for providing an end-to-end solution for the COVID-19 vaccine cold chain in the country. “To cater to the urgent demand for COVID-19 vaccine storage in India, the brand has a range of vaccine refrigerators which operate in the precise temperature band of 2-8 degrees C and now, also offers advanced medical freezers with cooling up to -20 degrees C,” Godrej Appliances said in a statement.

Thombre said while the ex-mill rates are around Rs 2,700-Rs 2,800 per quintal, some brokers and traders were taking undue advantage and were purchasing sugar at Rs 2,500-Rs 2,600 per quintal. UP sugar mills sign export contracts for 6 lakh tonne; mills in Maha yet to ink one Ajay Piramal, chairman, Piramal Enterprises, had earlier written a letter to DHFL administrator highlighting constraints in the takeover of DHFL’s insurance business by Oaktree. Oaktree sweetens DHFL offer by Rs 1,700 crore

These temperature ranges are completely suited for the multiple COVID-19 vaccines being evaluated by India, it added. “Godrej Appliances has already ramped up medical refrigerator production capacity from 10,000 units per annum to 35,000 units per annum, to meet the growing demand,” the statement said.

The brand has received multiple orders worth Rs 150 crore from the central government, various state governments and international aid bodies as well, solely for the purpose of COVID-19 vaccine storage. It is also receiving enquiries from PSUs who are joining the immunization effort, it added.

“Over the years, Godrej Appliances has gained its expertise in refrigeration and has extended this further into the medical refrigeration domain. We are proud that this expertise is proving to be useful today in times when the country needs a strong vaccine cold chain and are glad to be able to contribute to the cause,” Godrej Appliances Business Head and Executive VP Kamal Nandi said. “Our medical refrigerators and also our medical freezers, deliver the precise cooling temperature of 2 degrees C – 8 degrees C and -20 degrees C respectively, needed for the vaccines being evaluated by India at the moment,” he added.

Source: Financial Express

Thanks to pandemic, more micro, small businesses turn to digital platforms to shore up sales

Technology for MSMEs: Covid-19 has changed the status quo for most aspects related to small businesses. And now, to fast-track their sales recovery, micro and small enterprises (MSE) have increasingly switched to digital platforms. The adoption of digital channels such as online aggregators or marketplaces, social media, and mobile marketing has increased from 29 per cent micro enterprises using them before Covid to 47 per cent as of November, according to a Crisil survey. The jump was marginally higher among small enterprises from 29 per cent before Covid to 53 per cent during the said period for revenue generation

"Despite their limitations, micro enterprises are not very far from small enterprises in digital adoption. Also, many more are now saying they will take the digital route soon. This underscores the fact that increasing digitalisation enlarges the footprint of MSEs, helping them tap newer markets and improving their access to credit," said Bhushan Parekh, Director, CRISIL on the survey of 566 companies with turnover below Rs 25 crore. While 55 per cent respondents were small units, 45 per cent were micro enterprises.

On the manufacturing side, MSEs in gems and jewellery, and textiles showed maximum improvement. Adoption of digital selling platforms among gems and jewellery manufacturers — making mostly non-precious, stone-studded jewellery, imitation jewellery, and luxury fashion jewellery — more than quadrupled to 55 per cent in November from 13 per cent before the pandemic. Micro enterprises in the segment showed the biggest jump of 41 per cent from earlier 13 per cent. On the other hand, the adoption among textile MSEs jumped 38 per cent vis-à-vis 20 per cent pre-Covid. Importantly, the jump was more for small enterprises in textiles from 13 per cent to 44 per cent, in comparison to micro textiles units wherein adoption increased to 14 per cent from 7 per cent.

Other sectors such as pharmaceuticals (excluding medicine retailers) saw no change in the adoption from 29 per cent before Covid because of relatively higher offline demand. In the services sector, real estate and human resource segments saw the highest adoption of digital sales channels. "Realtors were impacted by the pandemic largely due to the unavailability of migrant labour and travel restrictions," said Manasi Kulkarni, Associate Director, CRISIL. For HR firms, largely recruitment companies, the social-distancing norms pushed them towards the adoption of digital channels to connect with clients and potential candidates.

Source: Financial Express

Bank credit to MSEs up 6.8% in October even as deployment to manufacturing units climb out of red

Credit and Finance for MSMEs: The deployment of gross bank credit to micro and small enterprises (MSEs) remained steady in October as well. From Rs 10.53 lakh crore as on October 25, 2019, the deployment was up 6.8 per cent to Rs 11.25 lakh crore as on October 23, 2020, according to the Reserve Bank of India (RBI) data. The credit growth in September was 6.7 per cent to Rs 11.27 lakh crore while August deployment increased 5.4 per cent to Rs 11.04 lakh crore from the year-ago period. However, the October 2020 credit growth continued to contract by minus 2.1 per cent in the financial year 2020-21 so far, up from minus 1.9 per cent in September. As of March 27, 2020, bank credit to MSEs stood at Rs 11.49 lakh crore.

Importantly, while the overall year-on-year credit growth to MSEs showed continued growth, credit deployment to manufacturing MSEs was finally out of red in the current FY with a growth of 0.7 per cent in October to Rs 3.61 lakh crore from Rs 3.59 lakh crore in October FY20. The segment had remained contracted since March when credit growth was 1.7 per cent. The highest contraction of minus 3.7 per cent was recorded in June while for April, May, July, August, and September, the growth shrunk by minus 2.2 per cent, minus 3.4 per cent, minus 1.9 per cent, minus 1.2 per cent, and minus 0.1 per cent respectively. However, credit growth remained contracted in the financial year so far. The decline in FY21 so far was minus 5.3 per cent from Rs 3.81 lakh crore deployed in March.

Deployment to services MSE continued to be in green in October FY21. The gross bank credit growth was up 10 per cent from Rs 6.94 lakh crore in October last FY to Rs 7.63 lakh crore. Similarly, for September, the deployment grew 10.2 per cent to Rs 7.66 lakh crore and for August, it was up 8.8 per cent to Rs 7.49 lakh crore. Nonetheless, the growth in FY21 so far till October remained negative to 0.5 per cent from Rs 7.67 lakh crore in March 2020. The contraction in the FY till September stood at minus 0.2 per cent to Rs 7.66 lakh crore.

Meanwhile, the government had enabled sanctioning of over 80 lakh loans involving Rs 2.05 lakh crore out of which loans involving more than Rs 1.58 lakh crore has been disbursed as of December 4, 2020, under the Emergency Credit Line Guarantee Scheme. The scheme was extended from October 31, 2020, to November and further till March 2021 as it targeted to enable disbursement of Rs 3 lakh crore scheme corpus announced in May as part of the Atmanirbhar package to MSMEs, individuals, Mudra enterprises, and other businesses.

Source: Financial Express

Invoicemart discounts Rs 10,000-cr MSME invoices

The lockdown has increased technological literacy and given a push to digital adoption among the micro, small and medium enterprises (MSMEs). Invoicemart, an Axis Bank-backed digital invoice discounting marketplace, on Monday said it has facilitated MSME invoice discounting worth Rs 10,000 crore.

The trade receivable discounting system (TReDS) platform said that with a record discounting of Rs 10,000 crore worth of invoices, it has facilitated funding for more than 5,80,000 invoices of MSME vendors.

A majority of industries and businesses are now inching towards pre-COVID-19 levels, MSMEs have also started charting their path for recovery, Invoicemart said in a release. The lockdown has increased technological literacy and given a push to digital adoption among the micro, small and medium enterprises (MSMEs).

Supported by their strong tie-up with over 760 anchor corporates, CPSE, PSUs, banks and NBFC factors, Invoicemart has already guided over 6,900 MSME vendors to register on TReDS and get their bills discounted, it said.

Prakash Sankaran, managing director and chief executive of A. TReDS Ltd, said, “We are seeing increased participation by PSUs/corporates and MSMEs assisted by strong support from the banks and NBFC factors.”

He added that Invoicemart is working with alliances in the fintech and supply chain space to further improve value for all participants on the platform. Sankaran hoped that with large-scale awareness-building measures and increased participation, the?TReDS platforms will witness significant growth.

Invoicemart is operated by A. TReDS Ltd, a joint venture between Axis Bank and B2B e-commerce firm mjunction. Invoicemart said the company has helped in price discovery for MSMEs across 486 cities and towns in India who are now able to get their bills discounted from 39 financiers (banks and NBFC factors) without necessarily having a direct lending relationship with these financiers, it said further.

The TReDS platform connects MSME sellers and their corporate buyers to multiple financiers. It enables discounting of invoices of the MSME sellers raised on large buyers, through a transparent bidding mechanism that ensures financing of receivables at competitive market rates.

Source: Financial Express

Infra boost in Rajasthan! Nitin Gadkari inaugurated and laid foundation stone for 18 highway projects

Massive infra boost for Rajasthan! Today, Nitin Gadkari- Union Minister for Road Transport, Highways inaugurated laid the foundation stone for a total of 18 highway projects in the state of Rajasthan. These highway projects carry a road length of approximately 1127 kilometers, involving a construction cost of Rs 8,341 crore. According to a press release issued by the Ministry of Road Transport and Highways, these highways will enhance better connectivity, convenience as well as economic growth in Rajasthan. Here are the highway projects that are being inaugurated and for which foundation stones are being laid by Gadkari today.

So far in the current fiscal, NHAI has raised Rs 33,500 crore debt of which Rs 5,000 crore has been raised as long-term loan from the State Bank of India, Rs 1,500 crore through 54 EC bonds and Rs 27,000 crore through taxable bonds.

Source: Financial Express

India to modify anti-dumping duty on PTFE imports from Russia

The Directorate General of Trade Remedies (DGTR), an investigation arm of the Ministry of Commerce, considers it necessary to recommend modification of the existing anti-dumping duties on the imports of Polytetrafluoroethylene (PTFE) originating in or exported from Russia.

The mid-term review investigation was initiated and notified to all the interested parties and adequate opportunity was given to the domestic producers, exporters, importers and other interested parties to provide positive information on the aspects of dumping, injury and causal link. The Authority has concluded that the domestic industry continues to suffer injury on account of dumped imports of the subject goods from the subject country at a higher level, the DGTR said in its notification dated December 18, 2020.

The DGTR concluded that PTFE have been exported below their Normal Value (NV) from Russia during the period under investigation. "The dumping margin determined for the producers/exporters is not only more than de-minimis but also significant despite anti-dumping duty being in force. The domestic industry continues to suffer injury on account of dumped imports from subject country. Anti-dumping duty in respect of imports from the subject country is required to be modified in view of changed margin of dumping and consequential injury in accordance with the lesser duty rule," the notification reads.

Gujarat Fluorochemicals Limited (GFL) has filed the petition requesting enhancement of quantum of the anti-dumping duties. GFL stated that the circumstances have changed from the time of last conducted investigation and such change in circumstances has 'led to domestic industry suffering injury and requested for enhancement of anti-dumping duty imposed on PTFE imports from Russia.

PTFE is primarily used in electrical, electronic, mechanical and chemical industries for its unique characteristics like chemical inertness, electrical and thermal insulation and outstanding electrical properties over a wide frequency range.

Source: Indian Chemical News

PVC prices continue to tread at higher levels: ICICI Securities

PVC price uptrend continues with another hike of Rs6/kg, or 5.4%, w.e.f. 18th Dec'20. This is the sixth hike in PVC prices in Q3FY21 (+28.5%) after an increase of Rs14.5/kg, or 18.9%, in Q2FY21. The rally, which started with sharp spurt in May'20 and Jun'20, has now extended into Q3FY21 as well. PVC prices, which are now at Rs117.3/kg, have risen 78.9% since 1st May'20. The surge has been largely led by sustained supply-side issues globally. The record high prices of PVC resin are likely to provide a major fillip to organised PVC pipe manufacturers. This is of even greater significance given that consolidation is expected to gather pace as regional and unorganised players continue to face issues w.r.t. polymer sourcing and higher working capital requirements. We prefer Astral Poly Technik (ASTRA) over Prince Pipes and Fittings (PPF) and Supreme Industries (SI).

Global supply shortage pushes PVC prices to new highs with another hike of Rs6/kg. With uptick in trade activities across the globe and recovery in crude prices, PVC prices recovered fully in Q1FY21 itself. Thereafter, it started trending higher again with hike of Rs14.5/kg, or 18.9%, in Q2FY21. The latest hike of Rs6/kg is the sixth in Q3FY21 and results in an overall 28.5% hike in the current quarter. These price hikes are largely attributable to persistent supply-side issues globally. While pipe distributors continue to have leaner channel inventory post Covid outbreak, these sustained price hikes might tempt PVC pipe distributors to do higher channel filling to benefit from the increasing price trend.

Consolidation in PVC pipe segment to pick pace. We believe, with tight supply and higher prices of PVC resin, the regional and unorganised players are likely to face huge sourcing and working capital challenges in the near term. This is likely to boost volume growth of top organised players in the near to medium term via strong market share gains.

PVC pipe players can outperform CPVC pipe manufacturers in 9MFY21. We expect PVC pipe players to outperform their CPVC counterparts in 9MFY21 due to sharp spurt in PVC prices over the past seven months. The spike in PVC prices and the likely improvement in volumes since the second half of Q1FY21 would aid PVC pipe players to report much better performance in 9MFY21 than envisaged earlier.

Source: Indian Chemical News

EPL's Platina is world's first recyclable packaging tube

EPL Limited, the world's largest specialty packaging company, has received global recognition from the Association of Plastic Recyclers (APR), USA for its Platina Tube to be the first fully sustainable and completely recyclable tube in the world, including shoulder and cap.
Platina Tube is the only tube to have an integrated shoulder Inner Barrier Liner (IBL) that is also recyclable in HDPE recycle stream. This is a big step forward as it allows the total tube to be recycled in a single recycle streamAPR maintains exacting standards for certification.

Platina went through a rigorous test and qualification process for more than three months before the results were announced.

Platina is an eco-friendly laminated tube produced with less than 5% barrier resin and has earlier received recognition from the APR for consistently meeting or exceeding the most stringent APR HDPE Critical Guidance criteria.

Platina tube is especially suited for oral, toiletries and food brands. Platina tubes and caps were also certified as 100% recyclable by RecyClass European certification for 'Code 2' (recycling) earlier, making them the only speciality packaging tubes and caps to be recognised as 100% recyclable, globally.

Sudhanshu Vats, MD & CEO EPL said, "We are extremely delighted to receive this recognition from APR and this will motivate us to develop more innovative and sustainable solutions and consciously reduce our carbon footprint. This showcases our strong R&D capabilities, underlining EPL's global position as one of the world's leading innovative packaging manufacturers with the highest standards of sustainability, resource efficiency and recycling/reuse (PCR)."

Hariharan K. Nair, Vice President, Creativity and Innovation said, "This is a big achievement for us at EPL. Sustainable solutions is a key focus area for us and we are striving towards achieving this objective across product lines. A first-in-the-world tag makes us proud and is a testament to our disciplined and creative work ethic."

Source: Indian Chemical News

Garware Polyester becomes first PPF manufacturer in India

Garware Polyester Ltd. (GPL) commenced the production of Paint Protection Films (PPF) for automobile paint protection. Currently, Paint Protection Film has an estimated global market size of $500m and is dominated by global giants like 3M, Llumar (from Eastman), XPEL etc.

Paint Protection Film is designed to give automobile paint coatings the highest level of protection and impact resistance, and these films are clear, self-healing Paint Protection Films. The PPF is manufactured using a specially formulated Thermoplastic Polyurethane film (TPU), which offers high reliability and consistent performance. The highly specialized film protects the vehicle's paint from scratches, dents and damage caused by road debris and rocks, as well as from environmental elements, through its force-dissipation properties.

"Garware has been the pioneer in polyester film manufacturing since 1974 and after our strong second quarter performance we expect the commencement of the PPF line to contribute significantly to our topline. The product will be available to both our domestic customers as well as export markets. We plan our product lines very carefully with an aim to acquire global leadership in any specialty product that we manufacture. I am confident that we will achieve the same with our PPF line as well," S.B. Garware, CMD, Garware Polyester, said.

With no major domestic manufacturing competition, the company estimates Paint Protection Films to contribute 20% of FY23 revenue estimated at an incremental Rs. 300 crore. The GPL PPF will also be more competitively priced than those available in the Indian market today, as it is manufactured in GPL's highly efficient, integrated manufacturing set-up.

Source: Indian Chemical News

Govt mulls to bring plastics recycling industry under PLI scheme: Mandaviya

The plastic recycling industry should come up with an innovative Indian model that can help India to convert the challenges into opportunities, Mansukh Mandaviya, Minister of State (IC), Ministry of Ports, Shipping and Waterways & Minister of State, Ministry of Chemicals & Fertilizers, Govt of India said recently. He said that plastic is pervasive in nature and has become an integral part of the industrial value chain as well as our daily life.

Mandaviya suggested to form a committee led by Department of Chemicals & Petrochemicals (DCPC) that will consist of the plastic industry, state government, associations related to plastics and submit a report of various issues faced by the Indian industry. "We can also bring PLI Scheme with relevant modification for the plastics recycling industry of India," Mandaviya added.

RK Chaturvedi, Secretary, DCPC said that Dhorarji model of plastic recycle is appreciable. Under the Plastic Park scheme for brownfield model, Dhorarji can be developed as Plastic Park to provide the benefits to manufacturers. He further urged the states government to send proposals that can be discussed for the growth of the plastic recycling units.

Samir Kumar Biswas, Additional Secretary (Chemicals), Department of Chemicals & Petrochemicals, Govt of India said that India is a world's 2nd populated country and is expected to be the most populous country by 2030 overtaking the population of China but our plastic consumption is very less as compared to other countries. As the economy grows, consumption of plastics will also increase. "Plastic waste management is going to be the key issue in India," he added.

Kashi Nath Jha, Joint Secretary (Petrochemicals) said that the Department of Chemicals and Petrochemicals and CIPET will work to bring latest technologies and skilled manpower which will support the plastic recycling industry. The Ministry is geared up to take the required initiatives to support the stakeholders and, facilitate the investments required for the sector.

Prof S K Nayak, Director General, CIPET mentioned that plastics constitute a very important segment of Indian economy and act as facilitator to various industries. However, there are issues with respect to environment particularly with respect to recycling technology.

Prabh Das, Chairman, FICCI Petrochemicals Committee and MD & CEO, HPCL- Mittal Energy Limited while applauding government's support to the plastic and petrochemical industry, urged the support from Municipal Corporation and local bodies in collecting and further processing of plastic waste. "Municipal Corporation and local bodies should be strengthened in terms of finances, technology and infrastructure. If we are able to support municipal bodies in collection, then this will become most useful material," he added.

Source: India Chemical News

Traders creating artificial scarcity of plastic raw material

Some traders are creating artificial shortage of raw material used to make plastic, resulting in a spike in prices, plastic manufacturers and processors alleged. Plastic emerged a hero in the battle against the pandemic as PPE kits were made out of it for COVID warriors worldwide. But some profiteers have plunged the industry into crisis for narrow interest, officials of manufacturers and processors said.

S Dandekar of APC Polymers Pvt Ltd said, "Plastic raw materials such a PVC, Polyethylene (PE) and Polypropylene (PP) and ABS are being sold in the open market at a substantial premia by a section of large and MSME plastic traders and a few processors-turned-resellers. Their unethical ways have triggered panic in the plastic raw materials market, pushing prices significantly above the list prices offered by resin manufacturers."

PVC, he said, is being sold at a premium of Rs 15-25 per kg based on grades, PEs at a premium of Rs 4 per kg, and PP at Rs 4 per kg over and above the manufacturers' list prices for PVC (high K) Rs 108 per kg, PEs Rs 87-108 per kg and PP Rs 96-97 per kg.

As per the modus operandi, these traders and processors are buying very large quantities from domestic, as well as overseas resin manufacturers, claiming substantial volume-based discounts, and selling it to processors at a substantial profit. Some of the processors are not converting raw materials into final products.

Instead, they are reselling it to other processors at huge premia, thereby making a quick buck without even engaging in their main business of making plastic products. This has resulted in artificial scarcity of plastic raw materials and increased incidences of higher prices and squeezing margins for genuine processors, the official said.

Another official at a large manufacturer said the plastic raw material producers, which include large PSUs and private sector companies, are serving their contract and non-contract customers every month, providing material at almost import parity prices. Over the past few months, international prices which dropped following a steep fall in crude prices have been recovering from the low levels reached during the peak of COVID-19 crisis. Domestic prices too must directionally align with import prices, but Indian polymer manufacturers have shown considerable restraint in pricing, keeping in mind the fragile demand and the nation's economic situation, he said.

In sharp contrast, some traders and processors are selling a part of their volumes in the open market at huge profits and artificially shoring up prices by hoarding raw materials, he said adding to hide their unscrupulous act, they are blaming the resin producers for the higher prices.

An industry official said the domestic sales of polymers by all producers in October-November have surpassed that of the average monthly sales of 2019-20. PP sales rose 10 per cent to 2,382 kilo tonnes while PE supply rose 15 per cent to 2,507 kilo tonnes. PV supplies were up 12 per cent to 731 kilo tonnes. Also, import of plastic raw materials is freely allowed and import duty on most polymers is well below 10 per cent.

In November 2020, plastic manufacturers and processors represented by more than 10 associations had written to the Prime Minister demanding constitution of a regulatory authority to curb undue profiteering. The industry associations have also demanded to stop imposing anti-dumping duty, mandatory BIS standards, decrease import duty on raw material and ban/restrict export of raw material from the country to enable the plastic industry to survive and remain competitive with other countries like China.

Source: ET

Indian Tooling Industry to rise to Rs 26,000 crore in value by 2025, says report

NEW DELHI: Indian tooling industry is estimated to grow up to Rs 26,000 crore in value by 2025 on back of strong growth in key end-user segments but government support and intervention is required on many forefronts to augment tooling ecosystem in India, according to a report by NRI Consulting and TAGMA. Inverted duty structure, challenges in access to finance and lack of skilled workforce are some of the key challenges ahead of the industry and it needs government support to address these hurdles, said the Indian Tool Room Industry by Nomura Research Institute Consulting & Solutions India Pvt. Ltd (NRI Consulting) and TAGMA (Tool and Gauge Manufacturers Association).

As per the report, the market size of tool room industry in India is estimated to be around Rs 18,000 crore with around 70 per cent of demand being met domestically and approximately 30 per cent from imports. It further said that tooling imports into India are about five times the exports from the country by value with China and Korea accounting for almost 40 per cent of the total tooling imports. Captive tooling supply has not changed much in the last two years but imports have captured a larger portion of incremental demand than commercial tool rooms.

As per the report, in terms of key end-users of the Indian tool room industry, the automotive segment is expected to grow 8 per cent, consumer durables 9 per cent, plastics 12 per cent, electronics 14 per cent and electrical by 21 per cent over the next five years.

Calling for government intervention, the report said rationalisation of duty structure is needed to ensure imported finished tools incur more duty than imported raw materials and standard components. Also, reduction in import duty on raw materials and components will aid in enhanced cost competitiveness, it said adding concession in import duty (around 8 per cent) or complete waiver on machinery required for press tools will be of immense help to tool rooms. "Such a provision already exists for plastic injection moulding machines," it said.

In order to address the challenges in access to finance by the industry players, the report said tools, dies and moulds need to be recognised as priority sectors for lending at low interest rates at around 2-3 per cent. Besides, there is a need for special consideration on quick and easy access to availing of formal credit from organised channels without pledging of property as collaterals and repayment terms should be more flexible with the option of deferred payback period in case of prolonged demand slowdown such as the current scenario.

It also suggested waiver for the requirement of owned premises for granting loans for small and medium size tool rooms.

On the issue of lack of skilled manpower, the report by NRI Consulting and TAGMA highlighted the need for revising curriculum in tool training institutes and introducing advanced courses on tool engineering. While suggesting technical tie up and collaboration with overseas tool rooms/training institutes for sharing knowledge and best practices, the report also called for setting up dedicated R&D institutes specific to the die and moulds sector and incentivising R&D spend in tool rooms

Source: ET

Interview with Mr. Arvind Goenka, MD, RMG Polyvinyl India Ltd & Chairman, Plexconcil

Mr. Arvind Goenka, MD RMG Polyvinyl India Ltd & Chairman, Plexconcil

How do you feel about being elected as the Chairman of Plexconcil (2020-2021)? What is your vision for the Council and its efforts in promoting plastics exports?

I feel it's a great responsibility. As Chairman I am now responsible to convey the exporters' grievances to the Government and similarly convey the Government's plans & suggestions to the exporting fraternity so that we are in sync with each other. Apart from this, I would like to continue with our focus on making all efforts to boost exports so that we can reach as near to our goal of US$ 25 billion by 2025.

As Vice Chairman you have been an active part of the Council's activities to progress the growth of plastics exports over the last two years which have been especially challenging. How has your experience been?

The economy was already under severe pressure before the COVID struck in early 2020. There was a general slowdown and signs of recessions had begun showing. But surprisingly the COVID situation also brought with it the opportunity for India to become the next global supplier after China across many product segments. With trade dynamics changing globally, customers from across the world were searching for an alternate reliable supplier and India was the preferred choice. Hence, despite challenging situations and with a little extra support from our Government in ironing out some of the bottlenecks, I feel that we will have a reasonably good growth in Plastics exports in the coming year and beyond.

The Council's membership has remained stagnant for good many years now. What do you believe is the reason and what are your plans to increase the membership base?

I believe that contrary to a certain perception that Council is not doing enough to reach out to plastic producers, we are in fact doing our utmost in reaching out to the industry and have our doors wide open to welcome new members. We have always been encouraging more manufacturers to join the export fraternity by highlighting not just the benefits of exporting and being a part of a global business community, but also, the many schemes and initiatives of the Government that as Council members they can avail and access. Of an estimated 50,000 plastic processors, the council's membership is little over 2500. This figure needs to grow several folds if we are to achieve our export target. Manufacturers will have to be trained to produce for foreign markets and reap the benefits of economies of scale. Presently many domestic players seem satisfied with smaller production runs and meeting of community requirements. However, this approach has to be changed with the help of technical & educational institutions based in the states and council's expertise in exposing the foreign markets to plastic goods manufacturers.

India continues to be challenged by unbalanced or lack of FTAs that impact our competitiveness in several markets. What measures are being taken by the Council to overcome such challenges?

FTAs are a positive steps designed to boost international trade. Such trade includes exports and does not stop at imports only. We believe that the ASEAN FTA and SAARC FTA were not adequately negotiated with respect to exports of plastics finished goods. It seems preference was given to exports of other domestically produced goods like Pharma or textiles and not for export of Processed plastics. On the other hand, imports of processed plastics by India was given preferential treatment. For example, products which attract 5% import duty in India under FTA, attract 27% import duty in Vietnam. As a consequence, ASEAN countries comprising nations like Thailand & Vietnam that have well established plastics processing & polymer producing plants & infrastructure, started dumping goods into India. The Council has been bringing up these issues to the notice of the Hon'ble CIM and Ministry of Commerce regularly. These issues will be taken up when the next round of negotiations start with ASEAN & SAARC. Similarly, India needs to forge FTAs with USA, EU, UK & African countries. It will greatly improve the competitiveness of plastics exports if negotiated in favour of the exporting fraternity. Under these FTAs, availability of Polymers will also be eased as USA is a large polymer producer & exporter. Vietnam for instance, has recently signed an FTA with EU which will give them better access to the European countries as compared to India.

The Government recently introduced the CAROTAR Rules 2020 to check the undue claims under PTT and to bring in the requirement for stringent checks on imports of goods especially focusing on the Country of Origin. What does this mean for the exporting community?

Well, the exporting community is not affected by CAROTAR. It is the Importing community that is affected. Not only in plastics, but in all major commodities, reportedly goods of Chinese origin were getting diverted into India through Vietnam, Thailand, Nepal, etc. These countries have separate FTAs with China and they were importing Chinese products at very low import duties and then diverting them to India. The CAROTAR rules have been appropriately framed and it will curb such imports. It will greatly help the domestic manufacturing industry by providing a level playing field.

Plexconcil has been working closely with State Governments and State Export Promotion Boards to promote manufacturing & exports from districts and hubs across the country. Tell us more about the same.

In line with the Government's plan to promote manufacturing and exports hubs from various districts across the country, the Council has already reached out to various State Export Promotion Boards, Industry Secretaries, District Collectors and District Industry Centres to identify and stimulate plastic manufacturing clusters from across the country. The Council is now a member of the District Export Promotion Councils of various states and we have reached out to 288 districts to highlight advantages and opportunities in the export segment as well as the benefits of a Plexconcil membership.

Presently, we are working with the Govt of Andhra Pradesh who have expressed their interest in seeking the Council's professional expertise in promoting overall exports from the State. We are also in dialogue with the Karnataka Govt for space to set up Plastics Promotion Parks to promote plastics exports from the state.

The Council has a target to achieve US$ 25 Billion in exports by 2025. With the current scenario and considering the change in business dynamics post pandemic, what strategies do you believe we need to adopt to ensure sustainability and growth of our businesses?

To achieve this target, the most important factor is making available polymers at international prices. Presently polymers in India are more expensive by 5-7% as compared to NEA countries which dents our exports in a major way. Competitive pricing will boost manufacturing of plastics within the country and ultimately its exports as well. To achieve this humungous export target, it is necessary that polymers are also exported in large quantities. This is only possible if PLI scheme is immediately implemented for the plastics sector so that larger investments can flow in every stage of plastic manufacturing. The Government should also look at reducing the cost of electricity for the industry by stopping the cross subsidy and ensure that transportation & logistics charges are more competitive and in line with international standards. These steps will make India more competitive in the export market and we can achieve our export target faster.

Getting trade inputs is a pre-requisite for providing correct data and information to the Govt for suitable policy formation and this has been quite challenging for the Council. How can we ensure greater integration/ participation of the trade towards achieving the same?

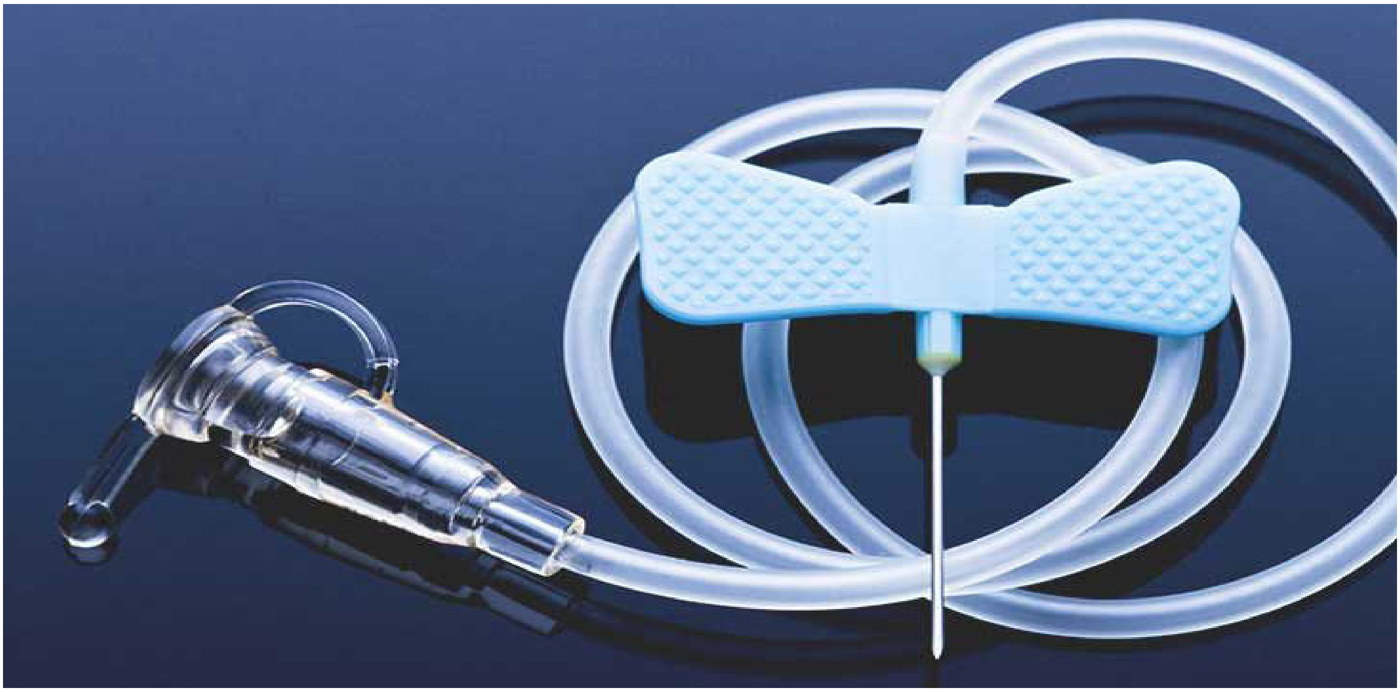
I would say that Plexconcil needs to focus on continuing its all-important role of integration between industry & the council. The council officers, COA members, youth committee members need to do a lot more to interact with industry and create awareness among them about the efforts made by council in raising their issues with govt departments, arranging their one-to-one meetings and making representations so that the industry can explain the issues to the decision makers until a resolution is found. I have decided to focus on this during my tenure by conducting greater number of interactive meetings with the industry through our product panel heads. I feel, once the exchange of information starts, it will greatly improve participation from the industry.

What strategies or plans does the Council need to adopt to promote for skill development, promoting R&D, technology adoption, improvement of business process, marketing, etc for the plastic export industry?

To keep pace with the rapid technological and business developments in the industry the Council is now committed to contribute its expertise and knowledge for skill development in the sector along with industry partners. We are in the process of signing an MOU with the Periyar University in Salem, Tamil Nadu to design their latest curriculum for MBA in Export Management and as a first important step, the Council will be involved in providing inputs for creating the syllabus with the university as well as offer internships and support campus recruitment, etc. for the aspirants. We have also joined hands with CIPET to conduct training workshops across the country for upgrading technical skills and with the Indian Institute of Packaging for skill development in the packaging industry. Through the Plexconnect Webinar series, the Council routinely invites international experts as well as subject matter experts, industry experts, Govt departments such as the DGFT, Customs, District Industry Centres, etc to help members manoeuvre the complex business environments of today as well as promote the advantages of exports. Under the Plexconnect Webinar Series, over 12 such webinars have been conducted in the past year itself.

What would be your strategy to encourage the industry towards environmental sustainability?

Producers are already realising that they have to be environmentally friendly to prosper & grow. To cut on carbon emissions & effluents discharge, processors need to install suitable equipment which are capital intensive. The Govt should announce the TUFS scheme for plastics industry and should also allow accelerated depreciation on installation of such equipment.



CATHETERS & CANNULAE

Catheters and Cannulae are among the various medical disposables that have found an increased use in recent times. The major factors driving the growth of Catheters and cannulae include rising incidence of cardiovascular diseases, urinary disorders, cancer, kidney failure and others.

For those unacquainted with these terms, a catheter is a thin tube usually made of soft, flexible plastic, which is used for injection or withdrawal of fluids into or out of the body. For example, urinary catheters, cardiac catheters, etc. Cannula, generally refers to intravenous catheter, which is placed into a peripheral vein for administering medication or fluids.

Catheters and cannulae are classified as 901839 under Harmonized System (HS) of Coding.
World-wide import of Catheters & Cannulae is estimated to be USD 30 billion.

- In 2019, top-5 exporting countries of Catheters & Cannulae were: United States (21.4%), Netherlands (14.9%), Ireland (12.8%), Mexico (8.4%), and Germany (7.4%).
- Likewise, top-5 importing countries of Catheters & Cannulae were: United States (20.5%), Netherlands (11.3%), China (7.3%), Japan (7.2%), and Germany (7.1%).

India is a net exporter of Catheters & Cannulae in terms of value. In 2019, India exported 2.06 billion pieces of Catheters & Cannulae valued at USD 336.54 million to the world. Iran, United States, and China were the major destinations for exports by value, while Indonesia, Brazil and Iran were the major destinations in terms of

Destination Country	Value (USD Mn)	Destination Country	Qty. (Mn pieces)
Iran	27.51	Indonesia	266.94
United States	27.51	Brazil	189.98
China	23.10	Iran	117.13
Brazil	20.78	Germany	102.98
France	16.98	Egypt	96.73
Turkey	13.37	Turkey	92.51
Germany	12.81	Ethiopia	52.87
Netherlands	11.79	Saudi Arabia	52.53
Russia	8.10	Belgium	51.42
Saudi Arabia	6.64	Italy	48.34

Source: Department of Commerce, Govt. of India, Plexconcil Research

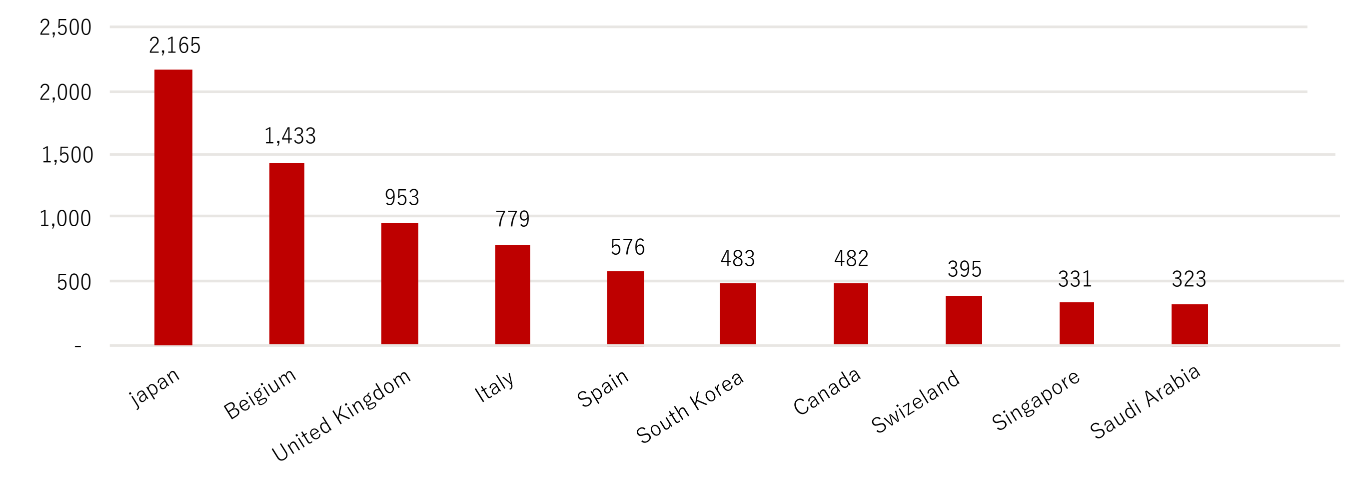
India is a net importer of Catheters & Cannulae in terms of quantity. In 2019, India imported 3.67 billion pieces of Catheters & Cannulae valued at USD 310.51 million from the world. United States, Netherlands and Singapore were the major source for India's imports of Catheters & Cannulae. In terms of value, while in terms of quantity, China was the largest supplier.

Source Country	Value (USD Mn)	Source Country	Qty. (Mn pieces)
United States	55.13	China	2,528.17
Netherlands	52.06	United States	294.32
Singapore	43.20	South Korea	164.87
China	28.18	Malaysia	162.52
Belgium	18.48	Belgium	141.41
France	18.25	Thailand	75.83
Germany	17.82	Taiwan	68.50
Malaysia	14.77	Singapore	67.27
Thailand	12.74	Japan	38.31
Vietnam	11.55	Denmark	35.32

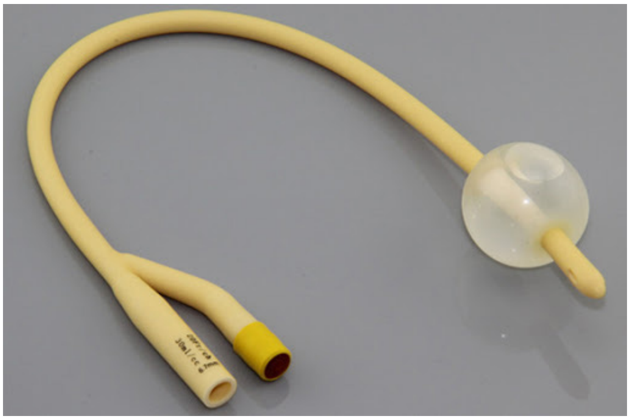
Source: Department of Commerce, Govt. of India, Plexconcil Research

Our internal research indicates that India's Catheters & Cannulae producers have immense export potential to destinations like Japan, Belgium, United Kingdom, Italy, Spain, South Korea, Canada, Switzerland, Singapore, and Saudi Arabia.

Import of Catheters & Cannulae in USD Million – 2019



Source: Trade Map, Plexconcil Research



Industry Speak

Mr. Deepak Arora, MD, Bio Med Healthcare Products Pvt. Ltd.

The medical industry is seeing major advancements in current times. What factors are likely to influence growth of the tubing (catheters and cannulas) industry?

India has primarily been one of the major producers of catheters and cannulas. However, these have been largely limited to Risk Group B that comprises products mainly used in IV transfers. Lately with the COVID development and Govt's impetus with schemes for the medical device sector, going forward, we are likely to see more advancements in catheters tubing, right from raw material to finished goods. Fine bore tubing are not manufactured in India currently. These are used in catheters and as we are mainly import dependent for such products, we have fewer assemblers in India. Data indicates that almost 90% of tubing, especially the fine bore or small diameter tubing are imported today. With the new policies and greater support from the Govt, India too can grow its technological prowess to move from Class 2 products to more specialized products used in cardiology, oncology, nephrology, neurology, etc.

US is the largest and fastest growth market with huge domestic manufacturing capacities. How does that impact Indian exporters for whom it is a leading export destination?

Within the catheters segment, I do not quite believe we have a huge export presence in the US. The US itself is big manufacturing hub for catheters because most of the large global manufacturers are based in the country. I believe that our export is limited to Class 2 products. Class 3 products, such as stents, which are much more specialized in nature, is still an untapped market for most Indian and European countries with some small exceptions. Boston Scientific, Arrow International, Teleflex, are all US based companies. They may have units in India that are exporting to the US. However, I am not aware of any indigenous company manufacturing and exporting specifically to the US. Hence, I am unable to fairly comment on the same.

In EU however, taxation laws are much more in favour of local/ regional manufacturers. As the products are easy to transport, the domestic or regional companies have a distinct advantage in not just quality and manufacturing terms, but more so enjoy logistics advantage. Companies within the EU ecosystem are better positioned to cater to the domestic needs rather than import these, even if from China.

How has the COVID situation impacted the industry? What factors are likely to restrain growth?

In the immediate sense, the market for few products such as masks, gloves, PPEs, etc though categorized as medical products, are not considered as hospital consumables have really picked up. However, there has been a drastic fall in sales of hospital consumables and disposables like syringes, needles, surgery equipment, respirator consumables. This is chiefly because most countries have restricted elective surgeries resulting in reduced consumption. Even in India, many bigger hospitals have deferred elective surgeries and the focus remains even now only on emergency cases. Many hospitals are not at full capacities due to the fear psychosis. This has impacted sales of companies across the board. The industry has seen 30-35% fall in sales. It is a global scenario with exception of perhaps Africa and Latin America where the impact has been less severe. EU is almost 100% shut and, in the US, elective surgeries are down 40-50%. Hence global demand has immensely reduced.

Having said that, this is a temporary situation, and the scenario will change. We are seeing the pandemic situation peak now and hopefully once all the vaccines are out, we expect the situation to bounce back to near normal levels by the second quarter next year.

Silicone based tubing accounts for the largest market share and is expected to experience high growth. What is the anticipated impact on polymer-based products such as TPE, TPU, Polyolefins, PVC, etc?

Use of PVC is anyway not attracting much attention and is being replaced with DEHP, PE and other tubing. However, TPE, TPU, Teflon and Nylon etc are also gaining traction. India exports a lot of silicone tubing worldwide typically and this is mainly used in nephrology. However, Silicone has its own advantages and drawbacks. As do the rest. I believe that each of these products have their use/ application and hence will coexist as one cannot always replace one product with the other.

Which regions/ countries have high growth prospects for Indian exporters? What are the new opportunities for our industry?

New opportunities are always coming up and with pandemic situation and new trade dynamics in light of diminishing Chinese influence especially in EU, US, etc. countries are looking for alternative sources and that is a big gain for us. There is good traction from these countries/ regions currently and going forward, we have great potential to grow our exports to these regions. Our manufacturers have also raising the bar in terms of quality and compliance with global regulatory standards to enter these markets. These are high focus areas for us.

Latin America and Africa have done very well for us and these will continue to grow.

Which countries are our major competitors? What is their competitive advantage and where do we need to improve?

The biggest producer in the world is undoubtedly China and this continues to remain a challenge. Lately we are also seeing Medical products exports coming in from Vietnam, Thailand, Malaysia and even Indonesia to a point. These countries are becoming significantly challenging for our product exports. We need to get more regulations in place. Currently, our regulations are not completely harmonized with the international standards/ laws. That needs to change completely. The Medical Device Act rolled out in 2018 has set in motion a whole lot of new changes and has had positive impact on exports. However, we still need clarity on online processes that were initiated with the Act. Especially when we speak of compliance of Indian standards with global standards. Furthermore, our competitors enjoy vast incentives from their Govts and which we do not have.

Having said that, one good news for the industry is Govt's plans to establish medical device parks in the country. This is an excellent move as such parks will offer the right infrastructure for the industry to grow and flourish. AMTZ in Vishakhapatnam, Andhra Pradesh is already doing very well, and we are expecting 7 such parks in India. These parks can be a game changer for us.

The medical device industry is highly capital intensive and in India, as compared to other ASEAN countries, cost of finance is too high. This is a big constraint for a capital-intensive business. Cheaper capital will definitely help.

India is a net importer of catheters & cannulas in quantity terms and a net exporter in value terms. What is the possible reason for the same?

India's biggest export is limited to Group B or Risk Class 2 products. In Class 3 products, we are primarily import dependent and that leads to significant imbalance. Class 3 products are much higher in pricing and their requirement in number is low. We sell mass consumption products or commoditized medical devices and that could be reason for the disparity in numbers.

In the case of CLASS 3 products, our Govt is walking on a tight rope as these are life-saving products and we cannot have exceedingly high duties on such products as ultimate cost of product increases. Hence, such products are assigned to the lowest bracket of custom duties making it cheaper to import than manufacture locally. It is paradoxical. Local manufacturers have no protection against imports and the Govts concern lies in ensuring that these are not rendered expensive due to the nature of their application.

Furthermore, there is a noticeably big gap in our system by way of MRP. MRPs play a crucial role especially in Class 3 products and this needs to be examined from bottom to top. MRP impacts the entire cost chain and must be fixed in a manner that margins can be also be capped. Accordingly, duties can be ascertained in a manner that will help manufacturers identify opportunities and/or be incentivized to consider higher investments in technologies etc in India.

What are the strategies or measures that we need to adopt to enhance our exports?

Foremost, we need to align ourselves with global standards as far as the Indian Drug and Cosmetic Act is concerned. Get let go of the old model and adopt a new model that will put us on par with international standards. We have to become competitive with China, Vietnam, etc and our industry needs to be given recognition and status. Incentives are needed not just in terms of duty drawbacks, etc. but electricity must be made cheaply available, reduce cost of capital, promote automation in the industry, establish medical parks to attract more manufacturers to set up factories, make land more affordable for setting up industry, etc.

Infrastructure development, transportation & logistics, regulations and incentives have to all work in tandem for exports to grow exports as this will in turn help the Govt improve its CAD on medical devices.

The opportunity is ripe and the Govt needs to give the industry more impetus to manufacturers despite current inertia caused by the pandemic. The pandemic situation has exposed our lack of preparedness in making Class 3 products or and remaining focused on just handful of devices. But this has also opened up the opportunity for our industry to attract more players to enter the fold. Such impetus and measures will not only help boost exports but go a long wat in making the country truly more self-reliant.

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THE PLASTICS EXPORT PROMOTION COUNCIL
Sponsored by Ministry of Commerce Govt. of India

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CAROTAR 2020

Understanding Origin Compliance of FTAs

Preferential Trade Agreements have become intrinsic part of international trade policy in recent times to regulate issues ranging from trade in goods and services to investment, intellectual property rights, competition, standards and government procurement rules. In 2009, India signed the ASEAN FTA with 10 nations including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam which entitled exports from such countries to India at a preferential rate of duty and vice versa. But due to increasing trade irregularities and undue claims of Preferential Tariff Treatment by manipulation of country of origin (CoO) criteria, there came the necessity to examine these undue claims under PTT and to bring in stringent checks on imports of goods especially focusing on the CoO.

In September 2020, the Government of India notified the CAROTAR Rules 2020 under which the declaration and verification criteria became comprehensive for import under PTT with some changes made in particulars of the bill of entry such as the declaration regarding satisfaction of originating goods (for PRD), CoO details, originating criteria "wholly obtained" (WO) or "Not wholly obtained" (NWO), accumulation or cumulation, back-to-back CoO or direct transport, etc.

Under the new rules, an importer is required to obtain basic minimum information from the exporter at the time or prior to import (refer FAQs for details). Additional information and supporting documents from the importer to establish the accuracy and truthfulness can also be demanded. It is believed that the stringent requirements are likely to impact the importers, especially those who are legitimately claiming PTT.

Despite some tedious requirements and compliances under the CAROTAR, the overriding effect to Rules of Origin of the respective agreement shall always give an edge to and protect the rights of the importer. As the intent of the lawmakers is to only catch the foul players, it can be expected that due diligence of existing or prospective imports with proper documents will satisfy the Customs Authorities. In any case, importers should carefully avoid any 'ignorance or omissions' to the CAROTAR, to enjoy an uninterrupted claim of PTT.

The CAROTAR Rules 2020 can be seen as a motivator for the domestic industry as it aims to cut down on frivolous imports at a preferential rate. It also implicitly boosts the Government agenda of an "Aatmanirbhar Bharat".

Why CAROTAR 2020?+

Customs officials are of the view that China diverts its supplies to India through the Association of Southeast Asian Nations (ASEAN) nations, circumventing ROO, to take advantage of duty-free market access under FTA. The CAROTAR rules are designed to restrict imports of third country which are routing to the Indian market via FTA partners thereby enjoying preferential tariff benefits. Information sought under these rules have placed more regulatory and compliance related burden both on import dependent and value chain led export-oriented sectors.

Given the recent border standoff between India and China and the potential import diversion increase by Chinese exporters by routing or re-routing the shipment through ASEAN Countries, the Government of India framed these rules after noticing an increase of imports from Singapore and Vietnam, especially of the items where China is an established producer, and these ASEAN Countries have negligible production and export capacity. Similarly, the import of Capital goods has also increased manifold from Singapore and Vietnam and it is anticipated that these capital goods have their origin in China and enter India via ASEAN countries by circumventing the Rules of Origin, thus causing injury to domestic industry along with revenue loss to the Government of India.

Frequently Asked Questions (FAQs)*

Is the Form-I, appended with the Rules, required to be submitted at the time of import?

Section 28DA of the Customs Act requires an importer to possess sufficient information about origin of imports, where preferential tariff treatment has been claimed. Form-I helps guide and assist an importer in assessing origin of goods. An importer is NOT required to submit this Form at time of filing customs declaration. However, when there is a doubt on the declared country of origin, the customs officer may ask origin-related details from the importer, in which case the importer would have to submit the Form along with supporting documents.

My firm files multiple number of Bills of Entry (B/E) and filling Form-I for each B/E will be very voluminous. Can I be exempted from submitting it?

The details as required in terms of Form-I focus on process and thus would remain same for identical shipments, provided the production process does not alter. Therefore, the same set of information can be utilised in filling up Form-I for identical shipments, unless there is any change in the production process or manner of processing. Further, it is re-iterated that Form-I is not required to be submitted to Customs while filing Bill of Entry.

I am unable to receive all information as prescribed under the Rules. Can I still import goods, claiming preferential tariff treatment?

Yes. However, in such cases, the origin-related information may be sought by Indian customs from the verification authorities in the exporting country, where timelines are relatively lengthier.

What will happen if I am unable to receive all information from the exporter?

Where a customs officer requisitions information in terms of rule 5, but the importer is unable to produce it, the officer shall-

- initiate overseas verification in terms of rule 6. In such cases, the preferential tariff treatment may be suspended till conclusion of verification, and goods may be assessed provisionally with bond and security as stated in the rules.
- verify assessment of all subsequent bills of entry filed by the importer with the claim of preferential duty as stated in rule 8(1).

It may thus be noted that non-possession of origin-related information does not prohibit an importer to import. However, it may lead to overseas verification in case there is a doubt on declared origin of goods. Also, subsequent imports of the importer will not be facilitated by the Risk Management System of customs.

Therefore, an importer is expected to observe due diligence to best of his abilities, and possess origin-related information before importing the goods. It is expected that the same would be incorporated into the overall business process and necessary checks are done at the time of making a decision to procure the goods.

Do I need to provide business confidential details like cost break-up of goods?

The rules do not mandatorily seek the information on cost break-up or proprietary production process. It should be submitted if available. With regard to requirement to know “components which constitute value addition” [Section III, Part B, Entry 2(d) of the Form], the importer is not expected to know exact figures. Only the description of major components that have been taken into calculation of domestic value addition, e.g. material, labour, profit etc., need to be stated. For example, there can be instances where the value addition is majorly on account of value of originating material OR on account of profit. In case further details are required, customs will contact the Verification Authority of exporting country.

Form-I (Section III) requires the production process to be recorded. As "production process" can be very elaborate, in what manner the production process is required to be recorded in Form-I?

An importer should know the originating criteria based upon which a non-originating good has undergone the required transformation. For example, if the prescribed transformation requires change at sub-tariff heading level (CTSH), importer should know if same was met through process of distillation/assembly of components/stamping/cutting etc. Thus, the production process can be recorded in a brief manner, clearly incorporating the way it meets the prescribed originating norms.

What kind of supporting documents am I supposed to procure, in terms of rule 4?

The rules do not lay down any specific standard for same. It could range from an email communication from exporter, informing the various origin-related details, to photographs of the production site, demonstrating the process which a good undergoes in an exporting party.

What is meant by identical goods in terms of rule 7?

Where it is determined that goods originating from an exporter or producer do not meet prescribed origin criteria, this outcome shall apply on identical goods from the same exporter or producer. For example, if producer X manufactures televisions and refrigerators in country A and verification reveals that the production process undertaken by X is unable to meet the required originating criteria for the refrigerators, then this result will be applicable to subsequent imports of refrigerators from country A, produced by X. Verification result shall not apply to televisions manufactured by producer X or refrigerators manufactured by other producers in country A.

Can tariff treatment be denied on identical goods when previous consignment was denied preferential tariff in terms of rule 3?

No. Attention is drawn to the scenarios under rule 3, where preferential tariff treatment can be denied without verification of origin on account of non-compliance of procedures or conditions laid out in the Agreement itself, such as expired validity period of COO or incomplete COO. On the other hand, rule 7 (identical goods) can be invoked only when it is determined that origin criteria have not been met.

What action will be taken in case there is a conflict between the Trade Agreement and CAROTAR 2020?

The obligation on importer flows from the domestic law and not from the trade agreements. However, origin-related provisions of the trade agreements have been incorporated in the domestic law by way of notifying rules of origin of each trade agreement under section 5 of the Customs Tariff Act. In this regard, rule 8(3) of CAROTAR clearly states that in the event of a conflict, the provision of rules of origin shall prevail to the extent of conflict.

** Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020*

Challenges+

The CAROTAR Rules are primarily aimed at strengthening the compliance mechanism of existing Rules of Origin but are viewed by many as a burden of compliance on importers only. While the rules come with expectations of protecting domestic industry from frivolous imports at preferential rates, the provisions of these rules could impose high cost on firms that participate in value chain led trade.

The CAROTAR Rules proposes that duty preference benefits can be restored only prospectively on demonstrating that origin criterion is met; thus, disallowing the benefits on previous such import consignment while it proposes for penalty and interest retrospectively and prospectively. Provisions related to mandatory and compulsory inspection of future consignment, will result in higher time and cost through delay, demurrages, and detention charges.

Further, it also leaves significant leeway for witch-hunting by provisioning that previous consignment can be investigated and accounted for any duty foregone along with interest and penalty. The intent and content of CAROTAR rules emulates a protective regime for the domestic industry, away from the spirit of free trade based on comparative and competitive cost advantages.

+ Marketexpress.in

PERSPECTIVES

THE PLASTICS EXPORT PROMOTION COUNCIL

The Quality Perspective: Indian Plastic Exports From L1 to Q1

Pranay Kumar, Chief Environment Officer, Vasudha ecofriends Projects (P) Ltd. talks about the pressing need to focus on Quality rather than Cost to help elevate Indian industries from Low cost to High Quality product and service providers across all businesses to attain global leadership and improve quality of life.

As I started on this article, I was reminded of the "Kitna deti hai" (How much mileage?) advertisements of a lead-ing car maker. In one advert, a Russian is seen offering the best tank and the only question the Indian has is "how much". In another ad, a billionaire is seen shopping for a luxury yacht and the only question he is asked is the same. That sums up the Indian thought process. Not efficiency or horse-power or design or Quality, but Cost!

Our government, as a buyer of projects and products, has always encouraged cost as THE parameter. This is famously known as **L1 (Lowest cost).**

This mentality has trickled down and across all business systems leading to Cost as the only strat-egy tool across all domains of businesses and even the Indian way of Life.

The Plastic industry is not an exception, rather a shining example of cost centric production and exports. Starting as an outsider in the industry 14 years ago, I was surprised to see the cut-throat competition down to a quarter of a Rupee!

IMPACT AND CONSEQUENCE OF OUR COST CENTRIC ATTITUDE

1) Quality: This goes without saying , but I will underline it. Quality has become our last priority. If we are given an Innovative solution or extremely efficient machine, the first question that comes nationally and naturally is "What is the cost? ". We have stopped being amazed by cre-ativity, innovation and efficiency. If for a minute, the Quality question comes to mind, we dis-miss the thought as soon as it gets into our grey cells.

As a biodegradable plastics pioneer, we have often faced a lot of questions on how any poly-mers biodegrade? Each time, we patiently explained that Nature has been biodegrading poly-mers in our body, vegetables, paper etc and across species for billions of years.

PERSPECTIVES

THE PLASTICS EXPORT PROMOTION COUNCIL

The Only hurdle we face with biodegradable polymers is the higher cost. As we dug deeper into the subject for years, the answer was very simple and highly obvious to any business enterprise.

Most such cost centric approach is to "increase shareholders value ". But then we would often ponder. What about the rest of the stakeholders? Did each of them garner any value or are we merely surviving? This brings me to the next biggest impact of a cost centric approach on Indian lives. Innovation.

2) Innovation: Travelling across India, I was amazed to see innovations and innovative approach applied to daily life in India. I mean Innovation, and not Jugaad. And yes, I am proud and guilty of chest thumping for my fellow Indians.

We are the most talented country in the world. So why dismiss it so easily from our lives?
As most people in business, industries and production know Innovation is foundational. However, it cannot be produced at scale which makes it costly and unsuited to our low cost business model. The end result is that the innovative ideas wither away and are lost to the industry and India.

An example is India's Pharma Industry. In 2013 drugs price control mechanism was brought in to control the prices of around 850 drugs. The unintended consequences have been

i) Many companies going out of business due to low margin,

ii) Spurious drugs being sold in the market. United States Trade Representative claims that 20% of drugs available in India are fake*.

iii) And ultimately companies not having enough to invest in R&D, which is the main stay of pharma industry.**

Undoubtedly, there is a trade-off between price and quality and the ultimate victims are the citizens of India for whom the drug control policy was brought in to begin with.

3) No Self-Reliance: In many cases, due to low profit margins, companies have either shut down, moved out of the industry or moved down to lower quality mass consumption products, which is already flooded with "me too" products.

The latest example is the non-availability of Spray pump system that was required for sanitisers when the Covid pandemic hit us. If the plastic industry cannot fulfil the requirement of a simple system like that, how can we be self-reliant in case of higher value products?

4) Increased Imports, Decreasing Exports: We could churn out all the numbers we want but all data will support the fact that India's share in exports vis a vis the size of its economy is al-most negligible. Even in products where India used to be the leader.

As stated above, spray pumps were mostly imported from China. 80 to 90% of APIs in pharma industry in India are imported from China. This is the reverse of what we want and need for India.

5) Non-existent Manufacturing diversity, competition and increasing unemployment

The worst effect of Covid and which became acutely highlighted was how far away we are from actually being self-reliant even in the essential products segment. When the pandemic hit our shores, we are seen importing or creating "jugaad" for 3 layered masks, spray pumps, ventila-tors, Isopropyl alcohol, hospitals beds, etc. and which we strangely are very proud of! Building ventilators after stopping production of other items in the face of emergency can be a great spirit, but it reflects very poorly on our policies and planning.

Paradoxically we tend to have the most competitive, best quality rocket engines, like GSLVs and PSLVs, even in the face of bans. But is it a paradox ? It is not. Because ISRO and Indian government have invested heavily in people and innovations in the field, we have been able to export engines, send satellites of other countries and constantly increase the efficiency of the system.

FUTURE PATHWAY

1) Quality

A. Much more than product: If Indians think that quality only lies in product attributes, they are mistaken. According to Harvard Business Review#, the perception of Quality lies in communication by sales people, performance in comparison to better or best products, service policies and service effectiveness, support programs, handling of complaints, response time etc., as major factors.

Compare these to normal business practices in plastic industry that buyers or sellers often experience

i) Curt responses or flat negative responses after sales

ii) Non-payment of dues, avoiding calls

iii) Compromise on quality due to increased pressure or insecurity due to stiff competition to quote lower price

iv) Delay in shipments

v) No desire to hold a customer for long term (Short Sightedness).

B. Build quality into our products, systems and processes, rather than investing all our skills on cutting costs. As a company we can cut cost either by compromising on the quality or pressurizing the upstream supply chain to cut costs or build credits for long periods of time. If the upstream company is an Indian company then India any way loses. Building quality on the other hand will create value and bring in higher profits to the company (the mathematical and default approach to pricing by adding profits to Cost can be replaced by Value minus Price, leading to higher desirable profits. (More about this later)

2) L1 , Lowest Cost Policy

If we can petition the Government for this trade barrier or that tax, why not reason with the government to emphasize on Quality, Innovation and Innovative methods rather than turnover, previous experience? What is stopping us, in a democracy, to discuss such topics, even if the very large corporates do not want to? After all Turnover only happens when products are sold first. TATAs and Reliance also started small before they were big. Isn't it that the "previous experience" restricts new and better or even revolutionary products? If ISRO can innovate world class GSLV without the previous experience of Liquid Oxygen then why can't each and every industry? Though we can discuss and pontificate on Quality endlessly, why not start from the beginning and with small steps like Government is thinking on implementing Niti Aayog's suggestions+ on working on different methods of procurement, where Quality is not compromised. When we see a call from a client, say from USA or Middle East or India after sales, we answer the call without delay and resolve their issues on priority. So why not adopt the same approach to every aspect of our business, whether domestic or international? I have seen that many successful entrepreneurs owe their success to communicating clearly and on time. Quality should be an attitude.

3) Reaching out to Importers directly using Export Councils like Plexconcil

If one is reasonably confident of the product quality and commitment to time and communication, we should take the support of Export Promotion Councils (Plexconcil for Plastics) to communicate and negotiate with foreign buyers, understand their requirements, checking the payment terms (include banks) and then start exporting. Why struggle in a crowded market and bleed on margins when we have the whole world waiting!

If people can wait for hours in line to buy expensive Apple phones why are we thinking that there are no buyers of quality?

4) Internal Customers

One may have heard this many a times, but our biggest stakeholders are our environment, employees, family and friends, the industry, organisation and then customers. Treat each of them with respect, include them in business plans and strategies and communicate with them. One may thus find new paths to sustainability and profits!

To conclude, Quality is the only way forward for India if we are to increase exports and uplift our domestic manufacturing. Quality is a wide encompassing frame including environment and people directly and indirectly involved in one's business. Cost can affect you positively or negatively in short term, but Quality and Value will take India to a Higher Geosynchronous orbit from lower orbit of manufacturing that we are stuck in now.

Sources:

https://bit.ly/374hg0S* - **The Print 20 Dec , 2019

***https://bit.ly/37XKXQB* - **Times of India, July 15, 2015**

#https://bit.ly/3a2C62K - **July 1983, Takeuchi & Quench**

+ https://bit.ly/2LwHS2h -

MSME Ministry Scheme guidelines Reimbursement of Membership Fee charged by various Export Promotion Councils (EPCs) for SC/ST MSEs under National SC-ST Hub

The Micro, Small and Medium Enterprises (MSME) sector occupies a position of strategic importance in Indian economy. Currently, there are over 6.3 crore MSMEs across various industries that employs more than 111 million persons and produces more than 8,000 products. Comprehending the significance of the sector vis – a – vis lending numbers to the job market, contribution to GDP etc., the development of the sector is significant.

Over the years, the Govt. has taken several initiatives in the form of various policies and programmes to promote the sector. However, to further augment these initiatives and encourage MSMEs to participate in public procurement process, focus needs to be given on enriching the marketing capabilities and competitiveness of these enterprises.

MSEs in India have not been able to realize their potential when it comes to integrating in the global value chains. One of the reasons for this is their lack of exposure to international best practices. This issue aggravates even more for Scheduled Caste (SC) or Scheduled Tribe (ST) MSEs vis-à-vis MSEs, considering they have access to relatively fewer financial resources and relevant knowhow,

Therefore, this scheme for reimbursement of membership fee charged by various Export Promotion Councils (EPC)has been introduced exclusively for SC/ST entrepreneurs, as these councils play a big role in giving necessary exposure Indian MSMEs in terms of the current market trends, innovative products, requirement of large buyers etc. through range of promotional activities conducted at national as well as international level.

NATIONAL SC-ST HUB
Safalta ki pehchaan

The National SC-ST Hub (NSSH), set up under the aegis of Ministry of Micro, Small and Medium Enterprises, seeks to offer financial assistance against the membership fee charged by various Export Promotion Councils (EPCs), exclusively for SC-ST micro and small enterprises (MSEs).

While, the overall objective for offering this assistance is to achieve the procurement target of 4% set aside for SC-ST MSEs under the public procurement policy, some of the basic objectives are to:

- Enhance marketing capabilities and competitiveness of SC-ST MSEs
- Update these enterprises about the prevalent global market scenario
- Showcase their competencies
- Provide a platform for interaction with large institutional buyers

The National Small Industries Corporation Ltd. (NSIC) is the nodal agency for implementation of the scheme.

Reimbursement of annual membership fee

The assistance under this scheme will be released from NSSH funds and would be limited to 50% or Rs. 20,000 (excluding GST and all other applicable taxes), whichever is less, per financial year to an SC/ST MSE, on annual membership subscription fee (excluding entrance fee) charged by various Export Promotion Councils (EPC), only after submission of attested copy of valid Registration Cum Membership Certificate (RCMC) issued by the respective Export Promotion Council (EPC) post registration and other documents as listed in the guideline.

Membership of multiple EPCs is allowed within the overall capped amount of Rs. 20,000/- per enterprise in a financial year.

The scheme can be availed multiple times in a financial year by SC/ST MSEs but the financial assistance shall be restricted to the ceiling mentioned.

The reimbursements shall only be made for membership subscription fee paid post 14th November, 2018, provided all other criteria are met.

Eligibility Criteria/ beneficiaries

Availing membership: All eligible SC-ST MSEs can avail/renew membership (new as well as existing) of any Export Promotion Council (EPC) under the scheme upon submission of relevant documents identified below.

The following definition is applicable for recognizing the SC or ST MSEs:

- In case of proprietorship firm, the proprietor should be from SC or ST category
- In case of partnership firm, the SC or ST partners should be holding at least 51% shares in the unit
- In case of private limited companies, at least 51% shares should be held by SC/ST promoters

Only SC/ST MSEs having Udyog Aadhaar Memorandum (UAM), registration under Goods and Services Tax (GST), PAN number and valid Import-Export Code (IEC) are eligible to avail the scheme, provided they meet all conditions and qualifications as laid by respective council for becoming a member. It is apt to mention that where unit has not provided GST number, self-declaration for the same with reasons thereof shall be provided by the unit.

Process Flow

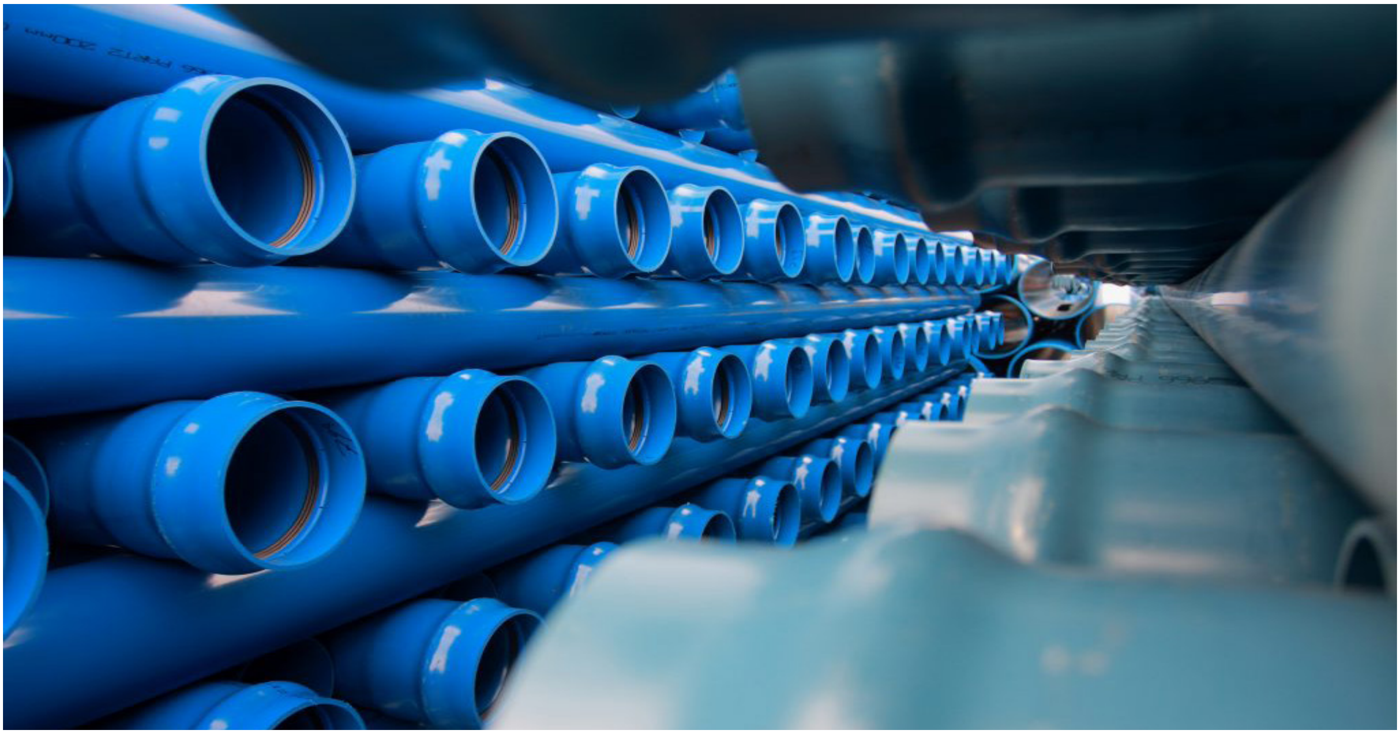
The scheme is envisioned to be implemented through a workflow enabled online portal. Till the time the online portal is operational, the scheme will be implemented offline as per the following process.

Submission of claims: On receipt of Registration cum Membership Certificate (RCMC) issued by the respective Export Promotion Council (EPC), the applicant can approach local/nearest NSSH office for claiming their reimbursement(s) with duly filled prescribed application form along with all documents. Full set of application forms along with the list of supporting documents required can be collected from the nearest NSSH Office (NSSHO) or www.scsthub.in

Timeline for submission of claims: Applicant can submit their claims within 45 days from the receipt of Registration cum Membership Certificate (RCMC) issued by the respective Export Promotion Council (EPC). Once, the claim is submitted, the NSSH Office will conduct due diligence and accordingly, reimbursements will be made to each applicant by NSSH Office within 45 days from the receipt of application form subject to submission of all required documents.

Members are requested to go through the complete scheme before applying, available at https://www.scsthub.in/sites/default/files/news-update/NSSH-GuidelinesWeb-EPC.pdf or https://www.scsthub.in/export-promotion-council-membership-reimbursement-scheme

In case, of any further queries or information regarding the procedural aspect, SC/ST MSEs may contact NSSH cell at NSIC Bhawan, Head Office, Okhla Industrial Estate, New Delhi, India at 91-011-26926275, 26926370 or may drop an email at nsshsupport@nsic.co.in



Pipes and Fittings Industry Outlook

Global Polyethylene Pipes & Fittings market accounted for $11.92 billion in 2019 and is expected to reach $20.47 billion by 2027 growing at a CAGR of 7.0% during the forecast period.+ The Pipes and Fittings market is driven primarily by the factors such as increasing urbanization leading to infrastructure growth, and growing demand towards plastic pipes. Moreover, rising use of pipes and fittings in mining industries and chemical industries can help the market to grow further. Anticipated to raise the demand for water supply, leading to an increase in the requirement of pipes and fittings is propelling the market growth. However, unpredictable prices of raw materials to fluctuation in prices of crude oil are hindering the market growth.

While Polyethylene (PE) is fast becoming popular within the segment, the high density polyethylene (HDPE) segment is likely to have a huge demand due to it is highly moldable and relatively inexpensive material. HDPE pipes sustain high-pressure water flows. These pipes are used in underground water systems; drainage, plumbing, and sewage infrastructure; and farm irrigation systems. North America is going to have a lucrative growth during the forecast period due to the presence of a large number of domestic manufacturers in the U.S. and Canada and a rise in demand for polyethylene pipes and fittings in the industrial sector. Innovations and technological advancements are key strategies that are pouring the polyethylene pipes & fittings market in North America.

Key Takeaways

- Rapid urbanization has caused rise in infrastructure developments, thus leading to high market demands in plastic piping market across the globe.
- Oil and gas industry contribute for a major share in the pipes and fittings market and with growing gas pipeline projects, pipes and fittings market can expect to have a major market share in the future. Major oil based companies are also continuously focusing towards pipeline projects, thereby driving the global pipes and fittings market.
- With high demands from automotive sectors, fittings market is expected to rise in APAC region during the forecast period 2020-2025.
- Being anti-corrosive, highly economical and deployable in demanding applications, plastic pipes like PVC and PEX are highly dominating the pipes and fittings market.
- Due to rising demand towards water management systems, plastic pipes are causing more demands with respect to metal pipes.
- Withstanding high temperatures and pressure along with providing high insulation properties are the key factors driving the demand towards PVC pipes market by the chemical industries.
- Due to overcoming major issues of metal pipes, the plastic pipes are expected to dominate the market in the near future.
- Increased investments towards infrastructure

Demand in India

Government investments for construction projects due to rapid urbanization is anticipated to mark a major rise towards the pipes and fittings market over the forecast 2020. The Government is investing huge amounts towards infrastructure growth, thereby promoting the growth for plastic pipes due to their demanding applications such as in wires, cables, and water distribution systems. Huge investments of about $1.45 trillion by the Indian government towards infrastructure development has been acting as a major driver and boosting the pipes and fittings market.

Sector-wise the Indian plastic pipes and fittings industry growth outlook remains strong driven by the Government focus on expanding areas under irrigation and increasing urban infrastructure spending which determines demand for Water Supply and Sanitation (WSS) and affordable housing projects in urban, semi urban and rural areas.

Various schemes and initiatives like, Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Smart City projects, Housing for All by 2022 etc. will provide stronger impetus to industry growth. This, analysts say, will be further aided by the growing penetration of branded plumbing pipes in the affordable housing project segment and need-based replacement potential of plumbing pipes.

India – a leading global sourcing hub for Plastics

India's exports of Pipes and Fittings grew stood at USD 182.2 million in 2019-20 registering a slight drop from USD 195.3 million in 2018-19. This may be attributed to overall slowdown in economic conditions globally during the period. Exports in 2017-18 stood at USD 156.1 million. On the whole, the segment has registered fairly good growth of about 16% since 2017-18. USA, UAE, and Nepal were the major export destinations in 2019-20.

The Indian export industry is committed to quality and safety that is supported by the growing use of advanced technologies and automation as well as stringent quality control. Backed by the Governments planned investment of USD 6.2 mn and 18 plastic parks being set up to boost domestic production, employment and achieve environmentally sustainable growth, the over 50,000 strong plastics processing units across the company ensure that Indian manufactured products today are on par with global standards in terms of quality & safety.

Improved energy efficiencies, increased throughput, consistency in quality, competitive pricing, advanced technologies with automation adaptability and Industry 4.0 capabilities comparable with global standards, and a multi-pronged approach to ensure a smooth logistical process and timely delivery of merchandise underpin our industry's success and are foundational to our export growth objectives.

P. Mohan, MD, Sakkthi Polymers & Panel Chairman – Pipes & Fittings

PVC pipes within the pipes and fittings industry is the largest selling commodity after PP & PE and in the coming years, one can expect increased demand across a wide range of applications. The Construction/building industry has always been one of the key markets for PVC pipes & fittings and this will continue. The agriculture sector, another major application, will continue to offer immense potential, especially with the growing use of the Hydroponics technology. Bore well casings, column pipes replacing usage of GI pipes in bore well industry as well as numerous other industrial applications will also drive its growth. Globally, increased investment in infrastructural development alongside economic growth will further support growth. Climatic changes have brought about increased focus on water management, conservation, sanitation, and clean drinking water, etc. requirements. These applications are most likely to grab the lion's share of growth in the segment.

African markets will be one of the largest markets as these have huge potential especially in the water management, sanitation, agriculture, etc sectors. South America, North America, Europe, Middle East, and South East Asia, also continue to show growth in demand. Indian exporters have excellent potential in Africa, South America, Australia, New Zealand, Europe and the Middle East.

India has a vast number of manufacturers for PVC pipes. However, as most belong to the MSME sector, these units are scattered across the country. We also have many good large and established players who are well respected for their quality, capacities and capability to meet voluminous requirements. However, despite the current capacities and capabilities that does allow us to adequately meet domestic and export requirements, I believe that we have the potential to increase our exports manifold by investing in technology upgrade, R&D, and compliance with international standards to meet the different needs of global markets & competition as well. Recently, there have been a number of new developments in the industry globally and we are seeing plastic based products gradually replace metals and other materials due to its versatility and superior performance. Molecularly oriented PVC or as commonly known as PVC-O Pipes or Oriented PVC is a Bi-Axially Oriented production technique that is one of the more recent advancements that we are seeing in the world today. It has good advantage as it allows for the product to withstand greater pressure at less wall thickness with higher impact strength. This is a patented technology and so capital investment is huge. However, it can save raw material cost by 50-60%.

There is no doubt of the potential for growth of this product segment as its application is both wide and versatile. Support from the Government must come in terms of promoting focused B2B meetings, technical delegation to different Seminars related to plumbing which are taking place in various developed nations. This will certainly drive exports as our industry will have the chance to learn of the new developments in other sectors and accordingly identify, design, and manufacture products to meet these emerging requirements and opportunities.

In today's challenging situation, PVC Raw materials have become huge scarcity and prices are more than double. As we are largely dependent on imports, the Government should focus on augmenting production by producers, which will not only help us with export growth but also allow for domestic processors to benefit. This will also boost manufacturing that ultimately underscores the economic growth of the country.

Y.V Raman, Executive Director, POCL Enterprises Ltd. & Plexconcil Regional Chairman - South

With the growth of agricultural, plumbing, sewerage and increasing Government infrastructure investments being undertaken globally, the pipes and fittings industry will see increased growth as these are mainstay products for an array of industries. Furthermore, in India, with the focus on building smart cities, the product will also see increased demand from construction, IT, electrical industries etc. Developing countries are also seeing infrastructure development and construction activities in regions, such as Africa are likely to see immense growth in the coming years. India also has good potential for growth in its neighbouring countries and by forging stronger trade and political relations, we would certainly benefit from much higher export growth within the subcontinent.

Nevertheless, it is especially important to understand that while pipes are a commodity product with common application that will continue growing, real growth will be in specialized engineering products and our industry must invest in innovation and develop specialty or technologically advanced products to truly capture the demands of the global market. For example, Molecor pipes, one of the more recent patented products developed by the company in Spain offers higher technical performance and implies considerable cost savings and a lower environmental impact across multi-fold industry segments. Such technologies will see immense growth in coming decades considering the wide applications and advantages that they bring to the overall growth of our industry as well as application sectors. The usage of HDPE too currently is gaining grounds in agricultural uses.

Indian companies have the wherewithal to meet the international requirements or specifications of various PVC products provided the bottleneck of the availability of PVC resin that we currently faced in quickly eased. Our industry imports nearly 40% of our total requirement currently. A withdrawal of all anti-dumping duties on PVC resin can go a long way in levelling the playing field for all Indian manufacturers to compete globally.

The current BIS standards can be strengthened to accommodate ASTM standards to bring our industry on par with the global requirements. Within the domestic market, while price still plays a major role, quality pipes have a big market share too. The unorganised sector largely has reduced over the years and today we have much larger players who have the capacities and capabilities to cater to both, the domestic as well as export demand.

Uday Adhikari, MD, Al Aziz Plastics

To begin with, when we speak of Pipe Industry, it would be incorrect to limit ourselves to just PVC based Pipe products. If exporters are to focus on export growth, we need to talk about developing niche products and not just pipes. Pipes manufacturing does not involve major technological inputs or developments as it is mere conversion of raw material to a finished product. Undoubtedly, there is demand and application of the same across industries that our industries have both capacities and capabilities. Being a bulk product, the major considerations are typically logistics and raw material costs that impact the overall pricing and hence commerce within the segment. However, fittings are the product segment within which the scope for development and growth is immense.

Over decades, technology has advanced from stage to stage. PVC fittings that are the most common manufactured and exporters products have their own benefits. However, with the multitude of new applications and plastics gradually replacing metals, fittings especially have evolved and advanced beyond just PVC. Today is the time that our industry, exporters, technocrats, and stakeholders need to think beyond just meeting the needs of the industry and focus on innovation. Sectors such as renewable, telecom, irrigation and water management are witnessing rapid advancements world over. Pipes and fittings are used in virtually every conceivable industry such as electricals, petroleum, construction and more. There is almost barely any industry that would not require some components of this segment. For example, in India itself, we have seen humongous growth in drip irrigation with lakhs and lakhs of hectares being added to our existing agricultural capacities. One can only imagine, with growing need for food to feed a burgeoning world population, and hence the subsequent irrigation and water management function, the opportunities for the pipes and fittings will be limitless. And the only way to improve efficiencies, be in irrigation or aerospace, is through innovation.

More than ever, today and as we move forward, it is extremely critical to understand and keep up with advancements not just within our industry, but more so with developments in allied industries. In depth understanding of subjects and not just broad strokes will define the success of our industries.

As a nation, while currently, there are an increasing number of organizations who are focused on product innovation and design, R&D, material science and more, as a whole, we need to ensure that these become our thrust sectors. Not only do we need to increase investments in developing technological advanced products, but such efforts need to be encouraged and supported by appropriate policy frameworks and incentives. Currently, most of our Govt policies are aimed at establishing trade agreements, incentives to grow export trade, etc. However, policies and incentives must equally be focused on encouraging knowledge exchange, acquiring new technologies through strategic partnerships, integrating polymer and material sciences studies into our education systems and more. For it is a given that only through knowledge and learning, will we be able to create a generation of thinkers and innovators which is the true mark of an evolved industry and economy.

As an industry body, Plexconcil must enter into a dialogue with the Government to incentivize industry and export growth by encouraging bilateral delegations to trade fairs & exhibitions to not just sell, but more importantly to study rising opportunities across industry segments, new advancements, technologies and business best practices that will help us evolve and innovate for the growth and progress of our industry.

India has excellent export opportunities in our segment, and the world is our proverbial oyster. We have an abundance of young, educated, skilled and growing workforce. Our country has been constantly developing conducive policy frameworks for growth with focus on quality, R&D, innovation, technologies, skills, etc. Furthermore, over the years, our manufacturers/ exporters have earned much respect and approval in Europe on account of the quality and consistency of our products, our ability to manufacture technologically advanced products and commitment to deliver. This is significant for us an industry as globally Europeans are recognized for the high quality and manufacturing standards that they uphold. We are also preferred exporters to major markets including the USA, South America, UAE and numerous other developed nations as well. There are immense opportunities for us in the African continent, South America, etc.

Having said that, today is not the time to rest on past laurels. With changing global trade dynamics, many new opportunities have opened up to our country. While the need of the hour demands focus on the quality and consistency aspect of our business, to be able to truly compete with the likes of China and to keep pace with advancements in allied industries, we must focus on developing a technologically advanced, innovative product basket that is aimed at improving and optimizing processes, reducing waste, extending longevity while being versatile, having better mechanical properties, are tough, chemical resistant, etc. This requires not just learning and bringing in new global technologies into the country, but also creating indigenous technologies of global standards. By doing so, not only can we enhance and capture the global opportunities present to us but also uplift the standards in our own country.

+ Business Wire – 16 Nov, 2020

IEMs for November 2020

IEMs signed in the Plastics segment during November 2020.

IEM No.	Company Name	State / UT	Item of manufacture
1289	Praspack Polymers	Gujarat	Woven sacks and bags
1305	Sparsh Industries Private Limited	Uttar Pradesh	Polyester films
1319	Bilcare Limited	Maharashtra	Non-medical mask
1356	Varun Beverages Limited	Andhra Pradesh	Plastic preforms

Why become a Plexconcil Member?

Established since 1955, the Plastics Export Promotion Council, PLEXCONCIL, is sponsored by the Ministry of Commerce and Industry, Department of Commerce, Government of India. PLEXCONCIL is a non-profit organization representing exporters from the Indian plastics industry and is engaged in promoting the industry exports.

The Council is focused on achieving excellence in exports by undertaking various activities and initiatives to promote the industry. The Council undertakes activities such as participation at international trade fairs, sponsoring delegations to target markets, inviting foreign business delegations to India, organising buyer-seller meets both in India and the overseas etc.,

The Council also routinely undertakes research and surveys, organizes the Annual Awards to recognize top performing exporters, monitors the development of new technology and shares the same with members, facilitates joint ventures and collaboration with foreign companies and trade associations as well as represents the issues and concerns to the relevant Government bodies.

The Council represents a wide variety of plastics products including – Plastics Raw Materials, Packaging Materials, Films, Consumer Goods, Writing Instruments, Travel ware, Plastic Sheets, Leather Cloth, Vinyl Floor Coverings, Pipes and Fittings, Water Storage Tanks, Custom made plastic Items from a range of plastic materials including Engineered Plastics, Electrical Accessories, FRP/GRP Products, Sanitary Fittings, Tarpaulins, Laminates, Fishing Lines/Fishnets, Cordage/Ropes/Twines, Laboratory Ware; Eye Ware, Surgical/Medical Disposables.

Membership Benefits

- Discounted fees at International Trade Fairs and Exhibitions
- Financial benefits to exporters, as available through Government of India
- Disseminating trade enquiries/trade leads
- Instituting Export Awards in recognition of outstanding export performance
- Assistance on export financing with various institutions and banks
- Networking opportunities within the plastics industry
- Listing in PLEXCONCIL member's directory

The Plastics Export Promotion Council added the following companies/firms as new members during November 2020. We would like to welcome them abroad!

Sr. No	Name of the Company	Address	City	Pin	Directors	Email
1	ADEPT HUNTERS PRIVATE LIMITED	Flat no-10A, B. NO-X66D39 ASSET SILICON HEIGHTS	Ernakulam	682030	JOSE KANNAMPADATHIL GEORGE	info@adepthunters.com
2	ADR PLASTICS PRIVATE LIMITED	Shed No. 144, SIDCO Industrial Estate, Kappalur,	Madurai	625008	D. GUNASINGH	adrplastics@gmail.com
3	BLESSING ENTERPRISES	29, PUSHPANAGAR MAIN ROAD (FIRST FLOOR) NUNGAMBAKKAM	CHENNAI	600034	ANNA RAJKUMAR	annaraj8@gmail.com
4	CHITTOR PACKTECH PRIVATE LIMITED	ARAJI 1611, 1612, 1615, 1615/2154,1613, GRAM BALDARKHA, N.H. 27, KOTA ROAD, NEAR IOCL PETROL PUMP	CHITTORGARH	312022	RAMESH CHANDRA PALOD	info@chittorpolyfab.com
5	GENESIS PACASSIST PRIVATE LIMITED	477,F.I.E, PATPARGANG INDUSTRIAL AREA,		110092	Reshma Khan	alvira@genesisindustries.co.in
6	GOVARDHAN PLASTO PACK PRIVATE LIMITED	112,WORLD TRADE CENTRE, NEAR. PARAG HOUSE, RING ROAD,	SURAT	395002	HARISHKUMAR R AGRAWAL	harish@govardhanpolyplast.net
7	MOTHER TERESA HAIR EXPORTS	NO 12 10- TH CROSS STREET, 1 -ST MAIN ROAD, THIRUVALLUR NAGAR, KODUNGUYAR.	CHENNAI	600118	N VAIRAMUTHU	motherteresahairexports2016@gmail.com
8	NEXON INDUSTRIES	SURVEY NO.29/2, PLOT NO.6, NEAR RIBDA RAILWAY STATION, RIBDA ARDOI ROAD, TAL : GONDAL	RIBDA	360311	BHAVESHBHAI D GHADIYA	dmdindustriesoffice482@gmail.com
9	PLUS LOGISTICS LIMITED	201, Vikram Tower, Sneh Nagar, Main Road,	Indore	452001	Rajiv Agrawal	hoindore@supremelogistics.net
10	POLYFIC INTERNATIONAL PRIVATE LIMITED	3 Maa Ganga Complex, Khandwa Road,	Khargone	451001	Dhwajesh R Bhandari	dhwajeshbhandari12@gmail.com
11	RAJENDRA GUNDLURU	14-102 KRISHNA REDDY NAGAR , THIMMI NAIDU PALEM, TIRUPATI URBAN , CHITTOOR		517507	RAJENDRA GUNDLURU	gundlurrajendra@gmail.com
12	RL Hair Exports	VILL & P.O TAKIPUR P.S, RE]INAGAR BARAHAMPUR	MURSHIDABAD	742189	LUKMAN SK	rlhairexports@gmail.com

13	SAFETY SANSAR INDUSTRIES	SURVEY NO.61,PLOT NO.6, VADVALA IND. ESTATE, ZAK,DEHGAM	GANDHINAGAR	382305	SIGDEL DIPENDRA	safetysansar@gmail.com
14	SAJ INDUSTRIES PRIVATE LIMITED	6/121/PAIKI, PLOT No. 9-10-11, 2ND FLOOR, VAIRAGI NI WADI, DELHI GATE,	SURAT	395003	MAHESH S JARIWALA	sumilon@sumilonpolyfilm.com
15	SUMILON POLYESTER PRIVATE LIMITED	6/121, A1 PAIKI, FIRST FLOOR, VAIRAGI NI WADI, DELHI GATE,	Surat	395003	JITENDRA S JARIWALA	imports@sumilon.com
16	SUMMIT NUTRITIONS INDIA PRIVATE LIMITED	304-305 Shiv bhakti Industries Village Sanki, Ta Palsana Dist	SURAT	394305	RAJNIKANT H SALIYA	summitnutritions@gmail.com
17	SWASHTHIK CAPS PVT LTD	A75 & A76, PIPDIC ELECTRONIC PARK THIRUBUVANAI MANNADIPET COMMUNE	PUDUCHERRY	605107	P.MAHENDRA KUMAR	
18	SWASHTHIK INDUSTRIEES	R.S.NO.143/3A, 143/3B, 143/4 ERIVAYKAL ROAD, THIRUVANDARKOIL VILLAGE MANNADIPET COMMUNE	PUDUCHERRY	605102	M.NIRMALA	vijay@swashthikpreforms.com
19	SWASHTHIK PREFORMS PVT LTD	A73 & A74, PIPDIC ELECTRONIC PART THIRUBUVANAI MANNADIPET COMMUNE	PUDUCHERRY	605107	P.MAHENDRA KUMAR	admin@swashthikpreforms.com
20	TECHNOPLAST PACKAGING PRIVATE LIMITED	FIRST FLOOR 6/61,WEST PUNJABI BAGH,		110026	PULKIT GUPTA	sahil@mdenterprises.co
21	TURBO PLASTIBLENDS PVT LTD	K-24/B, MIDC Waluj	AURANGABAD	431136	HARSHALI S DESHMUKH	sandeepdeshmukhturbo@gmail.com
22	UNOMAX WRITING INSTRUMENTS PRIVATE LIMITED	685/686/687, SOMNATH ROAD, DABHEL, DAMAN	DAMAN & DIU	400063	PANKAJ G RATHOD	diana.menezes@unomaxpens.com
23	UTTRANCHAL FILAMENT INDIA	35-B/77,,	PUNJABI BAGH WEST,	110026	JAI NARAIN GUPTA	upfilament@hotmail.com
24	VED INDUSTRIES	A 268, KAGAL-HATKANANGALE, 5 STAR MIDC,	KOLHAPUR	416236	SUNIL S ROHIDA	fibc@vedindustries.in
25	VIVID PLASTICS PVT LTD	Plot No.D-53, Phase I, IDA, JEEDIMETLA,	HYDERABAD	500055	BH.SRIVALLI	vividplastics@gmail.com