

ANALYSIS OF INDIA'S PLASTICS EXPORT

JANUARY 2019

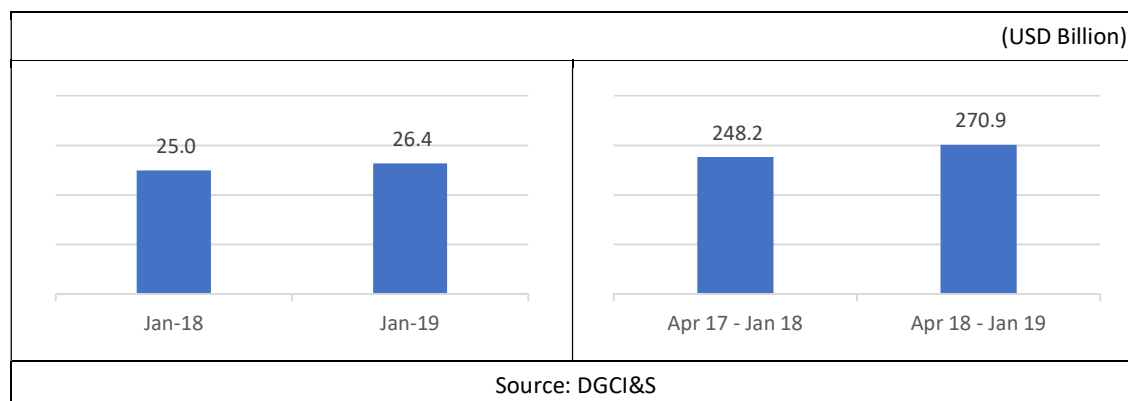
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Disclaimer: This report has been prepared on the basis of principal commodity level data sourced from the Directorate General of Commercial Intelligence and Statistics (DGCI&S) website on February 21, 2019

TREND IN OVERALL EXPORTS

India reported merchandise exports of USD 26.4 billion in January 2019, up 5.6% from USD 25.0 billion in January 2018. Cumulative value of merchandise exports during April 18 – January 19 was USD 270.9 billion as against USD 248.2 billion during the same period last year, reflecting a growth of 9.1%.

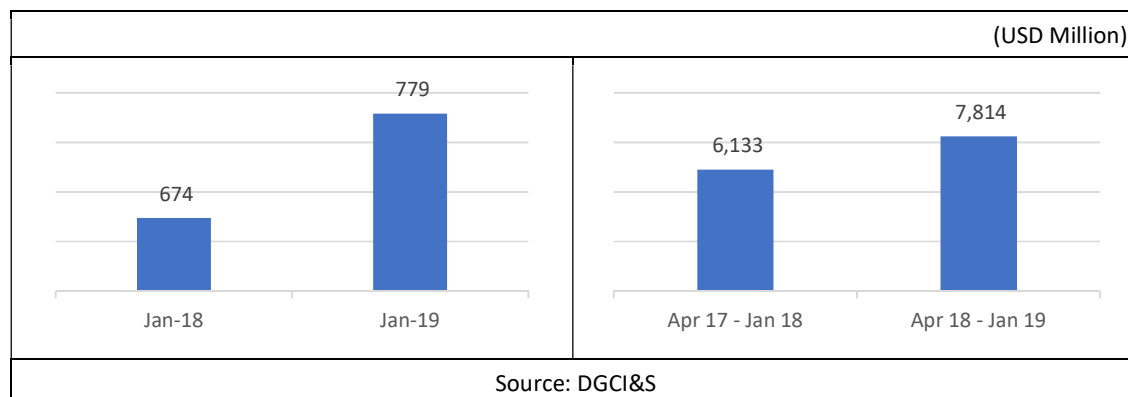
Exhibit 1: Trend in overall merchandise exports from India



TREND IN PLASTICS EXPORT

Export of plastics from India continued to grow at a faster clip than the overall merchandise exports. During January 2019, India exported plastics worth USD 779 million, up 15.6% from USD 674 million in January 2018. Cumulative value of plastics export during April 18 – January 18 was USD 7,814 million as against USD 6,133 million during the same period last year, registering a staggering growth of 27.4%.

Exhibit 2: Trend in plastics export by India



- Plastics formed 2.88% of India's overall merchandise exports in April 2018 – January 2019
- India exported plastics to 208 countries in April 2018 – January 2019
- China, United States, and United Arab Emirates were the top three buyers of plastics from India in April 2018 – January 2019

PLASTICS EXPORT, BY PANEL

In January 2019, products grouped under other plastics items witnessed year-on-year growth of 37.8%; followed by plastic sheet, film, plates etc (+26.7%); stationery/office/school supply (+22.2%); packaging materials (+18.2%); plastics raw materials (+15.9%); and moulded & extruded goods (+8.0%).

Export of products grouped under optical items and human hair products registered a decline of 9.5% and 1.1%, respectively, in January 2019.

On a cumulative basis, during April 18 – January 19, products grouped under plastic raw materials witnessed year-on-year growth of 50.2%; followed by plastic sheet, film, plates etc (+20.8%); packaging materials (+14.7%); stationery/office/school supply (+12.2%); other plastic items (+12.0%); moulded & extruded goods (+5.9%); and optical items (+0.8%).

Export of products grouped under human hair, products thereof registered a decline of 7.7% during April 18 – January 19.

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

Panel	Jan-18	Jan-19	Growth	Apr 17- Jan 18	Apr 18- Jan 19	Growth
	(USD Mn)	(USD Mn)	(%)	(USD Mn)	(USD Mn)	(%)
Plastic raw materials	313.86	363.78	15.9%	2,561.21	3,847.47	50.2%
Plastic sheet, film, plates etc	102.97	130.45	26.7%	1,017.66	1,229.48	20.8%
Moulded & extruded goods	92.30	99.69	8.0%	885.13	937.70	5.9%
Packaging materials	61.17	72.29	18.2%	606.60	695.75	14.7%
Optical items (incl. lens etc)	38.70	35.01	-9.5%	386.00	389.04	0.8%
Other plastic items	25.29	34.85	37.8%	271.57	304.22	12.0%
Human hair, products thereof	22.20	21.96	-1.1%	221.35	204.20	-7.7%
Stationery/Office/School Supply	17.25	21.08	22.2%	183.86	206.29	12.2%
	673.74	779.10	15.6%	6,133.38	7,814.15	27.4%

Note: Plastics are segregated under eight panels by DGCI&S

Source: DGCI&S

Export of human hair, products thereof from India continued to decline. The segment reported negative growth due to lower shipments to key destinations including China and Italy. India is amongst the top – 3 exporters of human hair in the world. However, India's exports are limited to just two varieties of human hair as described under HS Code 67030010 (Human hair, dressed, thinned, bleached or otherwise worked for use in making wigs or the like) and HS Code 05010010 (Human hair, unworked; whether or not washed or scoured). Both of these varieties mentioned above are placed at the lower end of the overall value chain in the human hair product industry and essentially used for making final products like wigs, beards, eyebrows, eyelashes etc., for which India does possess the relevant technical skills and the machinery. Apart from the above-mentioned problem, several other issues like dependence on China as key export destination for human hair from India, under invoicing / wrong declaration as well as smuggling of human hair to countries which share land border with India, rising cost of labour in India, etc. are negatively affecting the human hair exporters.

The export of products under optical items segment witnessed a decline due to lower shipment of Optical fibres, optical fibre bundles and cables (as defined under HS Code 90011000) to important destinations like Poland, Germany, China, Taiwan, and Italy. Unfortunately, this is the fifth consecutive month of decline in export of Optical items from India.

PLASTICS EXPORT, BY REGION

India's plastics export in January 2019 were boosted by higher exports to North-East Asia (up 37.1% year-on-year), Africa (+24.6%), North America (+22.7%), European Union (+18.0%), Middle East (+9.6%), and South Asia (+1.7%), which helped offset the decline in exports to Latin America & Caribbean (-19.6%), ASEAN + 2 (-2.7%), and Commonwealth of Independent States (-0.8%).

On a cumulative basis, during April 18 – January 19, India's plastics export witnessed positive growth across regions, especially in North-East Asia (up 85.1% year-on-year), ASEAN + 2 (+38.2%), South Asia (+29.4%), Commonwealth of Independent States (+28.6%), Africa (+27.2%), and North America (+21.3%).

Exhibit 4: Region-wise trend in plastics export by India

Region	Jan-18	Jan-19	Growth	Apr 17- Jan 18	Apr 18- Jan 19	Growth
	(USD Mn)	(USD Mn)	(%)	(USD Mn)	(USD Mn)	(%)
European Union (EU)	143.15	168.92	18.0%	1,360.39	1,575.78	15.8%
Middle East	107.47	117.82	9.6%	1,054.13	1,172.35	11.2%
North America	83.69	102.66	22.7%	845.79	1,026.29	21.3%
Africa	71.45	89.01	24.6%	726.05	923.72	27.2%
North-East Asia	99.78	136.85	37.1%	690.24	1,277.76	85.1%
South Asia	68.63	69.80	1.7%	547.69	708.89	29.4%
ASEAN + 2	51.69	50.28	-2.7%	441.55	610.36	38.2%
Latin America & Caribbean (LAC)	38.42	30.90	-19.6%	379.03	406.44	7.2%
CIS	6.55	6.50	-0.8%	58.78	75.62	28.6%
Others	2.90	6.35	119.2%	29.72	36.92	24.2%
	673.74	779.10	15.6%	6,133.38	7,814.15	27.4%

Source: DGCI&S

PLASTICS EXPORT, BY DESTINATION COUNTRY

During January 2019, 17 out of the top 25 destination countries recorded year-on-year growth in plastics export from India. Exports to South Africa, Saudi Arabia, United Arab Emirates, and Belgium witnessed high growth rates ranging between 50-130%, during the period.

On a cumulative basis, during April 18 – January 19, 23 out of the top 25 destination countries recorded year-on-year growth in plastics export from India. Exports to China, Mexico, Kenya, and Vietnam witnessed high growth rates ranging between 50-90%, during the above period.

Exhibit 5: Top 25 destinations of plastics exported by India

Country	Jan-18	Jan-19	Growth	Apr 17- Jan 18	Apr 18- Jan 19	Growth
	(USD Mn)	(USD Mn)	(%)	(USD Mn)	(USD Mn)	(%)
United States	65.43	83.45	27.5%	700.95	825.88	17.8%
China	86.89	116.81	34.4%	553.49	1,069.02	93.1%
United Arab Emirates	29.00	47.29	63.1%	313.55	379.34	21.0%
Italy	30.86	37.83	22.6%	283.43	332.29	17.2%
Turkey	29.62	18.13	-38.8%	257.83	232.32	-9.9%
Germany	24.27	28.87	19.0%	238.72	270.40	13.3%
Bangladesh	19.24	19.66	2.2%	195.10	269.27	38.0%
United Kingdom	18.28	23.49	28.6%	200.56	225.23	12.3%
Nepal	18.09	19.99	10.5%	148.64	192.92	29.8%
Vietnam	17.17	10.99	-36.0%	112.43	170.21	51.4%
Egypt	8.41	8.14	-3.2%	118.34	132.17	11.7%
France	12.83	14.12	10.1%	108.76	153.77	41.4%
Belgium	9.38	14.10	50.2%	105.28	119.20	13.2%
Pakistan	18.77	18.40	-2.0%	90.29	115.62	28.0%
Nigeria	7.00	9.77	39.7%	97.38	123.33	26.6%
Spain	9.60	9.24	-3.8%	91.88	101.67	10.7%
Sri Lanka	9.03	8.92	-1.2%	87.52	98.03	12.0%
Israel	10.72	10.21	-4.8%	84.00	109.73	30.6%
South Africa	8.31	19.21	131.2%	82.96	101.63	22.5%
Kenya	5.87	8.76	49.2%	70.34	108.84	54.7%
Saudi Arabia	5.30	11.37	114.6%	80.50	82.08	2.0%
Poland	7.78	5.39	-30.6%	80.28	73.27	-8.7%
Canada	8.75	9.10	4.0%	74.34	91.28	22.8%
Netherlands	7.76	7.86	1.3%	72.62	79.29	9.2%
Mexico	9.51	10.11	6.4%	70.49	109.13	54.8%

Note: Top 25 destinations based on 2017-18 plastic exports by India

Source: DGCI&S

During January 2019, India's plastics export to eight countries (of the top 25 destinations) witnessed a decline. Exports to Turkey, Vietnam, Egypt and Pakistan fell due to lower export of plastics raw material. Exports to Spain slid on account of lower export of moulded and extruded goods. Exports to Sri Lanka were negatively affected by lower shipment of office and school stationery. Exports to Israel and Poland fell on account of decline in export of optical items.

India exported plastics to 181 countries in January 2019 as compared to 183 countries in January 2018.

On a cumulative basis, during April 18 – January 19, India exported plastics to 208 countries as compared to 206 countries in the comparative period of 2017-18. New destination countries added during the above period included Mayotte, Monaco, Montserrat, Palau, Nauru Republic, Guam, Lesotho and Vatican City.

Exhibit 6: New destinations added for plastics exports by India

Country	Jan-18	Jan-19	Growth	Apr 17- Jan 18	Apr 18- Jan 19	Growth
	(USD)	(USD)	(%)	(USD)	(USD)	(%)
Mayotte	-	-	-	-	26,960	-
Monaco	-	-	-	-	9,095	-
Montserrat	-	-	-	-	2,167	-
Palau	-	-	-	-	856	-
Nauru Republic	-	-	-	-	373	-
Guam	-	-	-	-	309	-
Lesotho	-	167	-	-	280	-
Vatican City	-	-	-	-	4	-

Source: DGCI&S

Exhibit 7: Panels with details of % growth seen in top 10 export destinations

Panel	Country	Apr 17- Jan 18	Apr 18- Jan 19	Growth
		(USD Mn)	(USD Mn)	(%)
Plastic raw materials	China	363.21	889.10	144.8%
	Turkey	209.80	202.55	-3.5%
	Italy	184.66	237.26	28.5%
	United Arab Emirates	131.94	166.02	25.8%
	Bangladesh	129.80	189.15	45.7%
	United States	100.55	146.23	45.4%
	Vietnam	93.02	148.91	60.1%
	Egypt	94.42	94.07	-0.4%
	Pakistan	83.08	106.53	28.2%
	Nepal	80.58	118.53	47.1%
Plastic sheet, film, plates etc	United States	162.95	184.85	13.4%
	Italy	44.93	44.23	-1.6%
	South Africa	44.40	57.87	30.3%
	Germany	41.41	60.92	47.1%
	United Arab Emirates	41.30	61.71	49.4%
	United Kingdom	35.26	43.70	23.9%
	Nigeria	31.41	51.23	63.1%
	Bangladesh	29.95	38.96	30.1%
	Nepal	29.49	32.38	9.8%
	China	26.09	28.76	10.3%
Moulded & extruded goods	United States	219.28	216.81	-1.1%
	United Kingdom	49.40	49.61	0.4%
	United Arab Emirates	44.37	59.26	33.5%
	Germany	40.57	45.85	13.0%
	Canada	31.82	38.89	22.2%
	Spain	23.41	18.25	-22.0%
	Nigeria	23.11	16.98	-26.6%
	Brazil	18.25	16.14	-11.6%
	Nepal	15.79	15.27	-3.3%
	Australia	15.13	15.73	3.9%
Packaging materials	United States	112.53	133.39	18.5%
	United Kingdom	49.38	57.79	17.0%
	United Arab Emirates	38.64	35.70	-7.6%
	Netherlands	24.29	26.88	10.7%
	Germany	23.03	21.71	-5.7%
	Belgium	14.42	18.71	29.7%
	France	13.96	16.63	19.1%
	Spain	14.12	16.09	14.0%
	Nepal	11.50	12.25	6.6%
	Italy	10.39	12.68	22.0%

Note: Top 10 destinations based on India's 2017-18 exports under the eight plastic product panels

Source: DGCI&S

Panel	Country	Apr 17- Jan 18	Apr 18- Jan 19	Growth
		(USD Mn)	(USD Mn)	(%)
Optical items (incl. lens etc)	France	57.34	99.76	74.0%
	Germany	46.91	40.89	-12.8%
	United Kingdom	34.73	36.87	6.2%
	Poland	26.14	12.04	-53.9%
	United States	22.42	20.62	-8.0%
	Italy	17.72	11.51	-35.0%
	Netherlands	14.18	15.74	11.0%
	Denmark	12.88	6.64	-48.5%
	Israel	11.01	7.33	-33.4%
	United Arab Emirates	10.50	14.54	38.4%
Other plastic items	United States	41.10	69.73	69.7%
	United Arab Emirates	30.33	23.45	-22.7%
	Belgium	18.25	27.99	53.4%
	South Africa	8.51	12.92	51.7%
	Ethiopia	8.00	1.79	-77.6%
	United Kingdom	8.56	10.61	23.9%
	Germany	8.72	9.48	8.7%
	Saudi Arabia	8.66	7.42	-14.4%
	Turkey	8.37	4.96	-40.8%
	Italy	6.58	10.81	64.5%
Human hair, products thereof	China	129.71	117.34	-9.5%
	Myanmar	25.32	24.04	-5.1%
	United States	11.79	12.89	9.3%
	Tunisia	8.69	8.83	1.5%
	Italy	6.92	3.15	-54.4%
	Hong Kong	6.92	7.34	6.1%
	United Arab Emirates	5.04	4.88	-3.3%
	Bangladesh	4.86	5.15	6.1%
	Vietnam	3.88	3.41	-12.0%
	Paraguay	3.19	2.94	-7.8%
Stationery/Office/School Supply	United States	30.33	41.36	36.4%
	United Kingdom	14.21	12.33	-13.2%
	United Arab Emirates	11.42	13.79	20.8%
	Thailand	10.34	10.01	-3.1%
	Germany	6.81	5.38	-21.0%
	Bangladesh	4.82	5.18	7.5%
	Mexico	4.49	5.00	11.5%
	Myanmar	3.15	3.54	12.3%
	Colombia	4.04	3.83	-5.0%
	Saudi Arabia	3.94	4.02	2.0%

Note: Top 10 destinations based on India's 2017-18 exports under the eight plastic product panels

Source: DGCI&S

ANNEXURE-I

Trend in overall exports by India

Month	2017-18	2018-19	Growth
	(USD Bn)	(USD Bn)	(%)
April	24.60	25.64	4.2%
May	24.03	28.78	19.7%
June	23.58	27.15	15.1%
July	22.54	25.89	14.9%
August	23.85	27.87	16.9%
September	28.64	27.90	-2.6%
October	23.05	26.98	17.1%
November	25.92	26.46	2.1%
December	27.07	27.91	3.1%
January	24.96	26.36	5.6%
	248.24	270.95	9.1%

Source: DGCI&S

ANNEXURE-II

Trend in plastics export by India

Month	2017-18	2018-19	Growth
	(USD Mn)	(USD Mn)	(%)
April	576.31	738.31	28.1%
May	551.40	741.65	34.5%
June	547.65	769.08	40.4%
July	581.63	730.46	25.6%
August	600.99	830.05	38.1%
September	630.93	780.35	23.7%
October	608.92	778.02	27.8%
November	671.56	845.42	25.9%
December	690.24	821.71	19.0%
January	673.74	779.10	15.6%
	6,133.38	7,814.15	27.4%

Source: DGCI&S

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