

PLEXCONCIL - The Plastics Export Promotion Council

# PLEXCONNECT™

Edition 20, February 2021

**Countryside –  
Brazil**

**Guide for  
New Exporters**

**Trends Shaping the  
Toy Industry in 2021**

**Testing Fee Reimbursement  
for MSME SC/ST**



THE PLASTICS EXPORT  
PROMOTION COUNCIL



THE PLASTICS EXPORT  
PROMOTION COUNCIL



1955-2020  
Empowering Lives through Plastics

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PLEXCONCIL - The Plastics Export Promotion Council

# PLEXCONNECT<sup>®</sup> 2021

VIRTUAL BSM FEBRUARY

**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.



EMBASSY OF INDIA  
TOKYO, JAPAN



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

24<sup>th</sup>-25<sup>th</sup>  
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

**PLEASE REGISTER HERE FOR PARTICIPATION**

### Call us NOW

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The month of February is one of the most significant periods in India's business calendar as the entire nation, both people and businesses follow the annual Budget for the year ahead. In the aftermath of 2020's debacle, while the Budget announced by the Hon'ble Finance Minister, Smt. Nirmala Sitharaman a few days ago comes across as progressive, it lacks the much-needed boost for the export segment. Focus on Infrastructure, financial assistance for MSME, tax reforms, lowered custom duty on Naphtha, review of Inverted Duty Structure under GST are some of the positives. However, reduction of custom duties on raw materials that was highly anticipated has unfortunately not been addressed causing much apprehension among the industry. Finished goods of plastics should have also been considered with higher duties, while 'Plastics sector' not being included under PLI, no budget allocation for development and strengthening on 'Plastic Parks', etc have left the industry disappointed. On the other hand, it was heartening that the FM announced the rationalising of custom duties by October this year which will be helpful for the plastic processors. Having said that, the Council shall continue to take up our industry's concerns with the Government and we are confident of the Govts support in resolving our challenges in time to come.

It is important for members to note that one of the most important roles of the Council is airing the concerns and challenges faced by the industry to relevant Govt authorities. And this can only happen when there is greater dialogue between the Council and the industry. We therefore sincerely urge our members to come forth with their concerns and suggestions so that we can effectively take the issues up for timely redressal that would ultimately benefit the industry as a whole.

In this issue of the magazine, we have highlighted MSME benefits for SC/ST MSME businesses for Reimbursement of testing fee charged by various NABL and BIS accredited laboratories for SC/ST MSEs under National SC-ST Hub. Quality control and testing are very integral to manufacturing and will not only boost our global business, but also raise the bar for domestic products. This will ensure better standards in the country and reduce

import dependency for quality products in sync with an Atmanirbhar Bharat.

We have also covered Central Board of Indirect Taxes (CBIC) initiative for allowing import of raw materials and capital goods without payment of duty for manufacturing and other operations in a bonded manufacturing facility, in addition, Brazil as our focus destination, Self-Adhesive Films, plates and sheets under Product of the Month, other news, perspectives and more. The Council has also planned Virtual BSMs with Japan, Korea and WANA region in February and we urge members to participate and explore the fantastic opportunities in these countries.

During December 2020, India exported plastics worth USD 813 million, down 5.2% from USD 857 million in December 2019. Cumulative value of plastics export during April 2020 – December 2020 was USD 7,107 million as against USD 7,730 million during the same period last year, registering a negative growth of 8.1%.

Undoubtedly, 2021 will be a year of recovery. The vaccine drive is on track and if we keep the pace going, not only will it help regain consumer confidence but will also boost spending. Rise in consumption will eventually boost economic activity in the country and we could once again resume our journey towards achieving our targeted growth.

**Stay safe and best wishes to you all.**

**Warm regards,**

**Arvind Goenka**  
**Chairman**

Date: 03-12-2020

Region: West (Ahmedabad)

## Webinar on Guidance for New Exporters

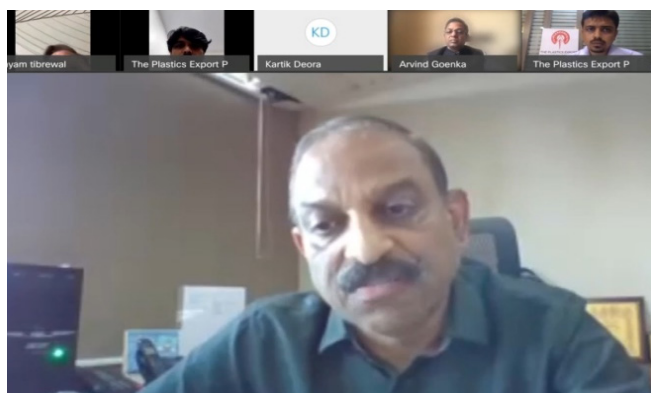
Plexconcil organized Webinar on Guidance for New Exporters on 3rd December, 2020. The objective of the webinar was to assist exporters and entrepreneurs with essentials of Export-Import and to support with guidance to start an export business or to boost exports.

Webinar was presided by Mr. Arvind Goenka, Vice Chairman, Plexconcil. Mr Goenka during welcome address informed participants that Global export market of all plastics products is valued at USD 1 trillion. India's plastics export is valued at USD 10.98 billion. India's share in the Global export market of plastics is ~ 1.0% which provides great potential in the segment for manufacturers and merchants to come into exports.

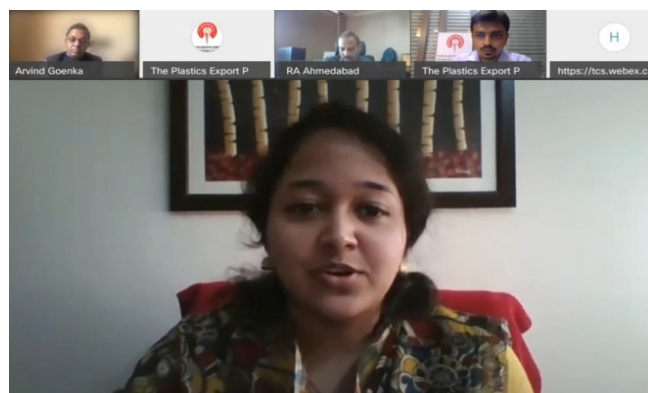


**Mr. Arvind Goenka, Vice Chairman, Plexconcil**

Shri Anil Kumar Choudhary, ITS, Additional DGFT, RA Ahmedabad during his address emphasised on District Export Hub initiative and role of DGFT, EPCs and other stakeholders to make it successful. He also briefed participants about new initiatives of DGFT and Foreign trade Policy.



**Shri Anil Kumar Choudhary, ITS, Additional DGFT, RA Ahmedabad**



**Smt Maithreyi Naidu, ITS, Asst. DGFT, RA Ahmedabad**

Ms Maithreyi Naidu, Assistant DGFT, ITS, RA Ahmedabad made a detailed presentation about Basics of Export, resource required to become an exporter, policies and schemes of DGFT to boost exports, Role of District Export Plan and Basics of the new DGFT website. During the webinar, several questions raised by entrepreneurs were answered by the speaker. The webinar ended with vote of thanks from Mr. Arvind Goenka, Vice Chairman, Plexconcil.

Date: 11-12-2020

Region: South

**Plexconcil joined FICCI for their FICCI's Annual Expo 2020 as "Supporting Organisation" which was held in conjunction with FICCI AGM which was inaugurated by Honorable Prime Minister of India on 11th Dec 2020**

The FICCI Annual Expo organized in conjunction with the FICCI Annual General Meeting, is a flagship event and one of the most eagerly awaited congregations of representatives from the Government, Industry, Bureaucracy, Academics and Research. The theme for this year Virtual Event is "Inspired India."

Network with exhibitors from across the globe, showcase your products and capabilities, engage in businesses through well-appointed virtual B2B meeting rooms equipped for video and chat and transform your business relationships. Proposed Inauguration by the Hon'ble Prime Minister of India, Shri. Narendra Modi Ji

Plexconcil had circulated the same for the benefit of the members with a 30% discount for their virtual stall. Plexconcil promoted its services at the virtual booth during this event which will be for the next 2 months.

**Date: 04-12-2020****Region: South****Video Conference Meeting to discuss MEIS for HS code 63053200 and probition of export of human hair held on 04.12.2020 at 10.30 AM**

A meeting was convened by DGFT Mr. Amit Yadav, IAS to discuss and finalize the above mentioned subject. FIBC to be included for MEIS:

1. It was decided that Plexconcil would provide the export figures of FIBC from March 19 2019 till date and that DGFT and CAP Division will once again take up the issue with the DOR for their final decision on the same for providing the incentive with restorspective effect.
2. It was decided that this code may be included to be considered for RoDETP which will be recommended by CAP Division and Plexconcil, which has already sent the recommendation
3. It would be difficult to include in MEIS which would be withdrawn before the end of the year 2020.

Human Hair Probition Issue:

It was decided that DGFT and CAP Division will take up the issue of “smuggling” with DRI but still it was no clear to conclude to list human hair (goli/chutti) under the probitory list. A further discussion would be needed to finalize the outcome.

**Date: 11-12-2020****Region: South****A Report on PLEXCONCIL joining as a “Supporting Organisation” with FICCI for their Annal Expo 2020 from 11,12 & 14, December 2020:**

PLEXCONCIL as part of promoting the Industry joined FICCI Annual Expo 2020 which was organized in conjunction with the FICCI Annual General Meeting, a flagship event and one of the most eagerly awaited congregations involving representatives from the Government, Industry, Bureaucracy, Academics, and Research, addressing a high-powered audience of policymakers, corporates, media, among others as their **“Supporting Organisation”**.

Hon’ble Prime Minister of India, Shri Narendra Modi virtually inaugurated this event on 12th December 2020.

**PLEXCONCIL’ Promotions:**

The Council had a special virtual booth to promote its activities at the Petrochemicals Lobby (5) which was visited by many visitors during this three 3day event. The virtual booth had the Plexconcil Promotional Movie, Gallery displaying the PLEXCONNECT 2021 Virtual B2B and other events of the Council. A virtual visit to PLEXCONCIL’S booth by the Honourable Minister for Commerce & Industry was arranged but later he was not able to visit because of the paucity of time.

The Council provided a discount of 30% agreed by FICCI to the Members to have their virtual booth for 2 months.

**Salient Features of the Expo:**

Starting 11th December 2020 and extending for one year, this unique event operates intending to elevate the Indian business sector while envisioning new prospects and accelerating businesses. The sprawling Exhibition Centre plays host to exhibitors from across the globe, giving them a productive landscape to showcase their products and capabilities and engage in discussions to advance their business prospects. While the well-appointed booths allow virtual handshakes through video and chat, the B2B meeting rooms transform business relationships.

- Open 365 days with round the clock access
- Showcase in a world-class environment
- Various Industrial sectors to exhibit
- Business visitors from various parts of the world
- Digital Directory: AI-enabled listing amongst over a million businesses worldwide
- Pre-Fix Interactive Meetings, B2B/ B2G with the potential buyers across the sectors.
- Video & Image walls



- Broadcast and Social Media Promotion
- Brand Integration and Business card exchange
- Exclusive dynamic Dashboard
- Event analysis and business connect at your fingerprints

The list of Plastic & Polymer exhibitors, the agenda of the event, and the photographs of the promotions are attached. The event was promoted amongst our members giving them easy access to the exhibition through circulars and in the SM including the Whatsup groups.

**Date: 17 & 18-12-2020**

**Region: South**

### **Meeting of Expert Committee of 10th National Awards for Technology Innovation in Petrochemicals and Downstream Plastics Processing Industry – CIPET H.O., Chennai:**

The meeting of Expert Committee for “**10th National Awards for Technology Innovation in Petrochemicals and Downstream Plastics Processing Industry**” was held at CIPET H.O. Chennai on 17th & 18th December 2020. The Expert Committee met to screen, evaluate and shortlist the nominations received from the Plastics Processing Industry.

The Council was represented by Mr. Ruban Hobday, Regional Director-South and was part of a smaller group of 5 to identify and select the winner and runner up under three categories of awards which were completed accordingly as per the guidance of CIPET officials.

**Date: 23-12-2020**

**Region: South**

### **Meeting Particulars: State Level District Export Promotion Committee Meeting – Puducherry – Tamil Nadu**

Plexconcil is part of the District Export Promotion Committee constituted to promote exports from Puducherry by the Govt of Puducherry(Union Territory). The first virtual meeting was held in Puducherry on 23-12-2020. The meeting (virtual) has been convened by the Chief Secretary, Govt. of Puducherry to take necessary measures which have been laid forward in promoting plastic products exports from this district in a phased manner.

**Date: 29-12-2020**

**Region: South**

### **Pipes & Fittings Panel Meeting (Virtual)**

The 1st PIPES & FITTINGS Panel Meeting via Video Conferencing for the year 2020-21 was held on 29th December 2020. Mr. P. Mohan, Panel Chairman, welcomed the Members and gave a brief about the activities of Plexconcil as many new Panel Members have been added across regions to the Panel Committee. The Panel Chairman made a brief presentation on the present status of the sector in the international market highlighting the vast potential the sector has in the International market which has not to be tapped so far. The Panel Members discussed in detail on the strategies to be adopted for increasing India's share in global exports of Pipes & Fittings.

**Date: 4-12-2020**

**Region: East**

### **WEBINAR on Forex Hedging Using NSE CDS Platform & Alternate Source of MSME Fund Raising: A Capital Market Perspective**

The above e-Session organized by the PLEXCONCIL(ER) jointly with NSE on 4th December 2020. Mr Prosenjit Pal, Senior Manager, Corporate CDS, NSE and Mr Dipan Mitra, Manager SME Business Development, NSE made a presentation on the subject of the seminar. There was also a presentation by Mr Mrinal Basak Business Head, Peerless Securities Ltd., Kolkata. Mr Amit Pal, COA Member moderated the session.

**Date: 05-12-2020****Region: East**

**Special e-Session addressed by Shri M. Ajit Kumar, IRS, Chairman, Central Board of Indirect Taxes and Customs Department of Revenue, Ministry of Finance, Government of India.**

The above e-Session organized by Bharat Chamber of Commerce, Kolkata. Mr Ramesh Kumar Saraogi, President of the chamber welcomed the participants. Shri M. Ajit Kumar, IRS, Chairman, Central Board of Indirect Taxes and Customs Department of Revenue, Ministry of Finance, Government of India spoke about the new initiatives taken by his department. He also interacted with the participants. Mr Nilotpal Biswas, RD joined this e-session.

**Date: 18-12-2020****Region: East**

### **Webinar on Anti-dumping & Trade Remedies**

The above Webinar organized by MSME-DI, Kolkata in association with DGTR, New Delhi on 18th December 2020. Mr Satish Kumar, Addl. Director General(Foreign Trade), DGTR, New Delhi spoke in the session. He also interacted with the participants. Mr Amit Pal, COA Member, Mr Nilotpal Biswas, RD joined this WEBINR.

**Date: 24-12-2020****Region: East**

### **Awareness Programme on QRMP scheme( Quarterly Return Monthly Payment scheme)**

The above e-Session organized by the Directorate General Of Taxpayers Services (DGTS), Kolkata Zonal Unit along with CGST Kolkata Zone. As requested, the PLEXCONCIL(ER) office had invited all the Member Exporters for this programme. Shri P. K. Agarwal, Pr. Chief Commissioner, CGST & CX, Kolkata Zone. Shri S. K. Sinha, ADG, DGTS, Kolkata Zonal Unit spoke at this awareness seminar. Shri Partha Santra & Shri Ankan Bose made a presentation on the QRMP scheme. Mr Amit Pal, COA Member, Mr Nilotpal Biswas, RD joined this WEBINR.

**Date: 30-12-2020****Region: North**

### **Video Conference with Yes Bank for a preliminary discussion on customized banking solutions for the MSME sector in the plastics industry**

Video Conference with Yes Bank officials was organised to have a preliminary discussion on how the bank could collaborate with Plexconcil with a view to address the financial needs of the MSME sector in the plastics industry.

The bank informed about one of their key financial product, the “Equipment Finance Facility”, wherein they would finance the machines required by the plastic processing sector, without seeking any collateral from MSME enterprises. This would address to some extent the long standing need of Technology Upgradation of the plastic processing sector, which has been one of the key bottlenecks in boosting exports of plastic products.

Yes bank showed keen interest to collaborate with Plexconcil with a view to offer customised banking solutions as per the needs of MSME units in the plastics processing sector.

It was decided to have a detailed discussion with senior officials of the Council and the Bank at a mutually convenient date next month and sign an MOU with the bank outlining the customised banking solutions for the MSME units in the plastics industry.

### Officials Present:

1. Mr. Krishna Kamat, Executive Vice President & Program Head –Knowledge Banking Unit, Yes Bank
2. Mr. Sourabh Lodha, Senior Vice President & Head Retail Trade & Forex Sales Management & Knowledge Banking Unit
3. Mr. Danish Zaheer, Senior Vice President, Strategic Business Unit, Liability Product Management.
4. Mr. Vikram Bhadauria – Regional Chairman – Northern Region - PLEXCONCIL
5. Mr. Sanjiv R. Dewan – Regional Director – Northern Region - PLEXCONCIL

### Date:

**Region: Mumbai**

1. Organised a Virtual Meeting with ANIPAC – Mexico's Largest Plastics Industry Association and India Mexico Chamber of Commerce for Jointly Organising Virtual B2B Meeting
1. Signed MOU with India – Mexico Chamber of Commerce for Promotion of Trade for Plastics Industry Between India and Mexico one of the Top 20 destination for Exports from India
1. Processed the Release of Funds sanctioned by Ministry of MSME for 5th CAP India 2019. Organised a Joint Meeting with Ministry of MSME DI, Ahmedabad for Explaining the Process & documentation for the Reimbursement.



**WEST**

- Representation to Mumbai DGFT regarding M/s. Dhvani Polyprints Pvt. Ltd., facing difficulty in filing Advance authorisation due to technical issue.
- Representations to O/o. Directorate General of Foreign Trade, New Delhi regarding training on Migration of AA / EPCG / DFIA online modules to the new IT environment from 1st December 2020
- Representation to Deputy DGFT, New Delhi regarding expected date for claiming MEIS application for the year 2019-20 & 2020-21
- Representation to FT Europe – DoC regarding REX Declaration for United Kingdom w.e.f 01.01.2021
- Representation to District Export Promotion Committees (DEPC), DIC, Palghar regarding Developing Districts 'Palghar' as Export Hub
- Representation to Dy. Director Industries (MMR) regarding Developing Districts 'Mumbai City' as Export Hub
- Representation to Dy. Director Industries (MMR) regarding Developing Districts 'Mumbai Suburban' as Export Hub
- Representation to ICEGATE regarding pending IGST refund of M/s. Sangir Plastics Pvt. Ltd., due to non-appearance refund amount in S.B
- Representation to DGFT, New Delhi regarding removal of Pre-import condition from Advance authorisation with retrospective effects.
- Submission of RoDTEP data to RoDTEP Committee, (Drawback Division), Central Board of Indirect Taxes and Customs New Delhi.
- Attended meeting Chaired by Addl. DGFT, Mumbai Zonal Office regarding members suggestions on FTP 2021-26. Council represented the members suggestions during the meeting and also sent soft copy it.
- Representation to Addl. DGFT, Ahmedabad and DGFT, New Delhi regarding issue of Abeyance for M/s. Singhal Industries Pvt. Ltd.
- Representation to DGFT, New Delhi regarding non-availability of link for filling MEIS application for the period 2019-20 and 2020-21 and also alternative suggestion.

**EAST**

- The Council received a concern/issue from M/s Kolor Impex, Kolkata regarding their pending refund claim (GST) against exports due to mere technical ground. As requested by our Member, the aforesaid issue was taken up with the Commissioner (Appeals), Appeal-1 Commissionerate, GST Bhavan, Kolkata for allotting an early date of hearing for speedy disposal of their case.
- Representation made to the State Bank of India, Local Head Office, Kolkata regarding unexplained charges levied in respect of inward foreign remittances of M/s Technocal, Kolkata.

**NORTH**

- Representation made to Additional DGFT – Follow up with regard to Compliance issues faced by M/s Classic Enterprises Pvt. Ltd, Bhiwadi, Rajasthan due to DGFT Public Notice No. 63/2015-2020 dated 22nd February, 2018. DGFT has referred the matter to the Department of Revenue for their comments, as informed by the Additional DGFT.



## **Plexconcil's Pre-Budget Recommendations to the Union Government**

In the lead up to the Budget 2021, Arvind Goenka, Chairman of Plexconcil talks about issues and concerns of the industry and highlights the industry wish list to the Govt of India. In a statement to CNBC-TV18 about the Council's target to achieve USD 25 Billion in exports by 2025, he said, "Plexconcil has setup this target because we feel that we will be able to achieve it by 2025. We are already working with the government to see how we can achieve it".

Regarding the pressing issues, one of the major concerns is price of polymers. India is import dependent on polymers and due to which the prices CIF offers to our industry are little higher than those which are offered to China and to North East Asian countries. The only way to correct this is by increasing the production of polymers though Polymer producers have expressed that the environment is not very conducive, not very profitable for them to add capacity. The Council is in touch with the government to introduce PLI schemes for polymers to setup the plastic parts all over the country.

The Council has also been in discussion with the government on PLI schemes for processed plastics and modernising the plastics industry. The technology upgradation fund scheme is also being discussed and the Government has assured the industry of designing schemes that would address the industry's concerns.

Meanwhile, with the soon to commence Union Budget 2021, Plexconcil has shared some of its recommendations with the EP-CAP Division, Department of Commerce:

### **PVC Regrind – Request to allow import due to a shortage of PVC resin in India**

**Issue:** PVC regrinds are being freely imported at Nhava Sheva port & Mundhra port under HSN 39041090 even without a license. Other ports in India do not allow its import as they consider it PVC scrap or similar. In fact, material is derived from Pre-Consumer material and is ground into minute particles making it well suited for PVC Geomembrane & PVC Flooring production. This material is generally imported from Europe & USA where PVC is processed in large quantities and post-industrial surplus is reground and sold for reuse in industry. Such material is used to produce PVC geomembranes & PVC floorings as it is much cheaper compared to domestic manufacturers which makes its import more economical in India.

**Revenue Implication:** Although customs duty earned on import of PVC geomembranes will reduce, revenue earned on import of PVC regrinds will offset the same

as it can be imported at all Indian ports as against only being imported at Nhava Sheva/Mundhra. Normally assessable value is loaded based on virgin PVC resin rates and reasonably good revenues can be collected.

**Impact of Change in Duty Structure:** Domestic industry will benefit as it will be able to produce PVC geomembranes at competitive rates and compete with cheap imported goods.

1. PVC regrinds are already being imported at Nhava Sheva & Mundhra ports under HSN 39041090 for DTA users. Similar facility should be allowed at other ports as well.
2. Indian producers are unable to compete imported PVC geomembranes even those produced by European producers as they use similar PVC regrind for manufacturing and this product is being imported in large quantities as it is used for waterproofing in Road & Rail tunnels and Metro tunnels which are being constructed in a big way nowadays.

#### **PVC Sheets – To increase Customs Duty from 10 to 15%**

**Issue:** Customs Duty on PVC Resin, the main raw material for PVC Sheeting was raised to 10% in recent budget. PVC Sheeting (which are produced using PVC Resin) can be imported from SAARC/ASEAN countries at Customs Duty ranging from 0% to 5% under the FTA, resulting in Inverted Duty Structure.

**Revenue Implication:** Customs duty on finished goods such as PVC Flooring under HSN 391810 produced using PVC resin was raised to 15% in the recent budget but kept at 10% for PVC Sheeting. Since PVC Flooring and PVC Sheeting look similar, imports of PVC Flooring are taking place under the garb of PVC Sheeting at lower Customs Duty resulting in loss of revenue to the Government.

**Impact of Change in Duty Structure:** Domestic industry will benefit if Customs Duty for PVC Flooring & PVC Sheeting are at the same level. The Domestic industry will also benefit as Customs Duty for PVC Flooring & PVC Sheeting will be at same level, once the duty on PVC Sheeting is raised.

Also, since the PVC resin has become expensive due to increase in custom duty to 10%, import duty on PVC sheetings should be raised so that domestic industry can compete with cheap imports.

#### **PVC Floorings - To raise import duty under FTA from existing 5% to 15% due to surge in Imports from Vietnam and Thailand.**

**Issue:** Idle capacity in the domestic industry cannot compete with cheap imports from ASEAN countries. Exports of PVC flooring is also down by 40% from India as raw material costs are cheaper in ASEAN countries, China & Korea.

**Impact of Change in Duty Structure:** The Domestic Industry will benefit with an increase in duty under FTA as it is currently facing production surplus capacities since domestic demand is being met to a large extent through cheap imports under preferential duties from ASEAN countries, particularly Vietnam, Thailand & Malaysia as import duty is only 5% against MFN rate of 15%.

1. Govt raised import duty on HSN 3918 to 15% when it raised the duty of PVC resin from 7.5% to 10%. But since import rates under ASEAN & SAARC FTA were not increased and remained at 5% only, there is a surge in imports from these countries.
2. PVC Scrap - These floorings have a multilayer construction and bottom layers of Floorings made by South Korea, China, Thailand, etc are made from Recycled PVC. Recycled PVC is very cheap in price and rich in PVC content. Since India does not allow import of PVC scrap, Indian producers have to use virgin PVC resin, which is very expensive, making their products uncompetitive in comparison to cheap imports from ASEAN & Asian countries.
3. PVC floorings attract a lower import duty under ASEAN FTA but PVC resin (HSN 3904), the raw material, is not covered under ASEAN FTA and hence import duty is higher than that on PVC flooring making the domestic PVC flooring industry uncompetitive.





# Trends Shaping the Toy Industry Outlook In 2021

Just like anything, toys are advancing rapidly in a variety of manners. For instance, many toys allow for personalization while others are immersive. Additionally, many technological toys are enjoying a new era of intelligence with the permeation of smart technology. In terms of manufacturing, some are even moving away from mass manufacturing towards a process involving highly skilled artisans. If you are a manufacturer, understanding these trends will help you achieve a better profit, but more important is the fact that understanding consumer or manufacturing trends will help you make a much more fun product, something children of every age will welcome.

## Global Outlook

The global toys market is projected to reach revenues of more than \$120 billion by 2023, growing at a CAGR of around 4% during 2017-2023.

The growing dual-income households and improving the purchasing sentiments are two of the major factors propelling the growth of the global market. Economic growth in regions such as APAC, Latin America, and the Middle East and the African continent will create lucrative opportunities for leading players operating in the market.

## Growth Drivers

- The global toys market is driven by growing demand for a replica of instruments such as a keyboard, guitar, and drums, art and craft toys, and stuffed toys.
- The recent trend of parents in purchasing of educational toys for cognitive development in children is fueling the growth of the global toys market.
- The increasing number of movies and television shows based on fictional characters will create a cult following among consumers and propel the demand for the products in the global market.



- The increasing social media penetration, growing audience, and rising user engagement are major factors attributing to the growth of the global market. The global toys market is expected to add over \$30 billion during the forecast period.
- Like the board games market, the toys market has witnessed a significant growth in the last decade, which is highly driven by the increasing adoption in education, entertainment, interactivity, development and engagement sectors.



- Sustainability is an upcoming potential trendsetter in the toys industry. A range of environment-friendly products, including wooden baby toys, plastic free games for kids, recycled plastic bath games, and organic cotton stuffed animals, is increasing becoming popularly, thereby promoting sustainability.



- The introduction of the box subscription services in this industry will revolutionize the global toys market over the next few years. The toy box subscription works by curating the needs of the children and featuring toys which are selected for the user. The proliferation of these business models will propel the development of the global toys market during the forecast period.

## Market Dynamics

The following factors are likely to contribute to the growth of the toys market during the forecast period:

- Tapping Omnichannel Opportunities
- Growth in the STEM Toys Segment
- Sustainable & Eco-Friendly Toys
- Growth in Board Game Cafes

The global toys market is highly concentrated, and the top 3 players control the level of the competition. The leading manufacturers are leveraging advanced technologies to refine their unique value proposition and gain a larger global market share. Various international brands are partnering with local, regional players to expand their businesses in emerging nations across the world market.

The leading companies are utilizing factors such as smartphone proliferation, nuclear households, and humongous number of targeted media content to advertise their products and reach a wider consumer audience in the global market. Moreover, the inclusion of technological developments such as immersive experiences of virtual and augmented reality will have a positive impact on the global toys market.

## COVID Impact on Toys Industry

The outbreak of COVID-19 in early 2020 has greatly affected the toys market. Despite the disruption of supply chain in most economies, lockdown and curfews resulted in families spending more time than ever before. Q1 2020 witnessed unexpected growth in certain categories such as games and puzzles, board games, outdoor games, especially in matured markets of the US, Canada, Australia, the UK, and European countries. A majority of sales took place through online medium with considerable sales in restricted mass retailers and specialty stores with a high degree of regulations and limited workforce. The closure of major entertainment avenues and theme parks such as Walt Disney has enforced parents to shift from pricey entertainment facilities to affordable toys.

Sources: [researchandmarkets.com/](https://www.researchandmarkets.com/) [businesswire.com](https://www.businesswire.com/)

## India Toy Industry Overview\*

The Indian toys market was worth US\$ 1.75 Billion in 2019. The advent of advanced technology and machinery has encouraged manufacturers to produce modern and innovative toys, thus indicating strong growth during 2020-2025.





The market today is brimming with a wide array of each traditional and modern toys. However, with evolving trends, there has been a shift from standard toys towards innovative and advanced electronic toys.

The marketplace for branded toys is growing with key players like Hamleys standing robust with 127 stores while US Retail chain, Toys R Us is growing steadily with 12 stores currently operational across the country. Each of the formats have aggressive growth plans for 2020. In smaller towns where access to stores is limited, on-line e-commerce players like Amazon and Flipchart are helping bridge the gap through door-step delivery.

Heavily influenced by Social media and global popular culture, the demand for international brands is on the increase and therefore the internationally licensed toy market in India is anticipated to grow exponentially.

A huge shopper base and increasing domestic demand for toys in India is catalyzed by the country's robust economic growth and rising disposable incomes. This has resulted during a major shift from traditional, medium- to low-end battery-operated toys, towards innovative electronic toys, intelligent toys as well as upmarket plush toys.



The array of toys currently available in the market ranges from traditional plush toys, construction and building toys, dolls, board games and puzzles to high-end elec-

tronic toys, educational toys, ride-ones, etc. There are toys that are domestically created by small, medium and large manufacturers as well as international brands. Every toy category has inexpensive and high-end versions. Indian Toys Market Drivers

The India government has recently announced a stricter quality testing for imported toys and is considering imposing further curbs, making toys a part of the restricted list. It is also looking to increasing the import duty further by 60%, over the 100% that was already increased in the earlier budgets.

The stricter quality control is expected to deter unbranded cheaper toys making their way into the market, while branded safer toys have a larger play. This move could put India at par with the larger toy consuming markets like US, UK, Canada and Australia along with other top European countries, where most of the toys are branded and safe.

\*entrepreneurindia.com

## Top 10 Global Trends in the Toy Industry

### 1. Personalized Toys

The world of personalized toys has expanded far beyond a simple nameplate. Globally, the toy industry is meeting the demand for personalized and custom-made products. Toys now come with sensors, such as Bluetooth trackers, which are designed to help parents find a lost toy before a meltdown occurs. Other toys that can be worn, such as toy glasses or bracelets, are now including GPS, which allows parents to always know the location of their child.

### 2. Plush Toys

From teddy bears to baby elephants, toys stuffed with a soft filling and covered in a soft fabric have been a mainstay in the toy industry. However, action movies and cartoons have helped plush toys move to the forefront of the toy industry.

### 3. Water Toys

From squirt guns to stomping in a puddle, water play has always been fun for children. For instance, within the category of arts and crafts, the inclusion of water allows children to create fun art projects that can be wiped clean when done, allowing for unending creativity. Additionally, water-based toys are becoming increasingly popular across a variety of toy categories as water is safe, clean, and easy to access.



#### 4. STEM Toys

As technology continues to change across a variety of industries, parents are becoming more interested in introducing their children to activities based on four technical areas.

- Science
- Technology
- Engineering
- Math

Combined, these categories are known as STEM. To meet people's growing interest, the toy industry is moving towards STEM-related toys with many companies are designing toys to encourage young girls to pursue careers in science and engineering.

#### 5. Regulating the Practice of Advertising to Children

2021 will see an increase in regulations when it comes to advertising to children. For instance, YouTube is moving towards removing advertising on children's videos and hence the cookies, which results in a lower return on investment that marketers receive from such ads. As new regulations are implemented, companies will be forced to develop new marketing and advertising strategies. However, the absence of targeted ads does not necessarily mean toy companies will not be able to advertise their products. For instance, many companies are now utilizing content as a way to advertise.

#### 6. Unboxing Toys

This trend is based on the intrinsic fun that the element of surprise provides as a toy is unboxed. This trend takes this fun to another level with some companies packaging their toys in one main box that reveals only the basics regarding what is within the box. Additionally, once a child opens the main box, every subsequent object within the box is individually wrapped in a non-descript box or bag, adding more surprise with each unboxing. Another take on unboxing includes toys that slowly reveal themselves by requiring the child to engage in an extra step, such as dipping a toy in water to ultimately reveal the actual toy. Other creative additions to this trend include packaging that transforms into play sets or storage.

#### 7. Diversity in the Toy Market

The era where every girl doll was a slender Caucasian female and every boy doll was a fit Caucasian male doll has ended and many figurines are now gender neutral and available in a wide array of skin tones. Moreover, diversity does not simply apply to visuals and more and more games take into consideration blind players. For example, traditional card games, such as Uno, are now

printed in Braille. In fact, the Lego company now offers audio instructions for their wildly popular building blocks. From toys designed for children with autism to toys traditionally designed for boys now being designed specifically for girls, children have access to a wider array of toys designed to make them feel accepted, validated, and included.

#### 8. Environmentally Conscious Toys

Toys have limited life cycles and as children grow, toys lose their appeal over time, and many plastic toys contribute to pollution. However, toy manufacturers are now eliminating plastic from their products, making discarded toys safer for the environment. Hasbro is eliminating all plastic by 2022. All plastic is expected to be replaced by a bio-plastic alternative by 2030.

#### 9. Toys Focused On Creativity

Although hero figurines and dolls remain popular, most toys are emphasizing creativity, education, and sensory training. For instance, Crayola still markets its ever-popular crayons, but traditional coloring books are losing ground to paper-kits that allow children to fold and craft flowers that each child can customize with a favorite dye that soaks upward into the flower for an amazing experience. Finger paints remain a favorite for sensory fun, but other tactile-based toys include something known as kinetic gravel or sand. This type of sand allows children to touch a material that does not exist in nature. It has a calming effect, making it perfect for stress release.

#### 10. Small Screens

With a simple app, phones for children evolve into a technological play-time toy that projects cartoon characters, shapes, or learning experiences over the phone's camera view. As such, tabletops can turn into a battleground for cartoon warriors, and a bedroom can be the second home to cartoon buddies capable of basic conversation.

Additionally, with just a phone camera, children can take pictures of artwork or doodles, which they can then insert into game templates. The templates allow children to play customized games on their phones.

Finally, if your child has a tablet, augmented-reality board games allow game pieces to be connected to the tablet, which then help your child control digital game pieces shown on the tablet. In effect, the tablet becomes a scalable board game, allowing it to be used and re-used for many different types of digital games.

## 10 Must Know Statistics

### 1. All-time Low For Video Games

Although video games remain the highest revenue generator, sales for video games are down 10 percent since 2019. This decline may be attributed to freemium games that are free to play but include in-game purchases for such things as gear or custom avatars.

### 2. Number of Toys Per Child Translates into a lot of Plastic

The market for toys is a whopping 60,000,000 children. With an average of 70 toys per child, the number of plastic items introduced into the environment is in the billions.

### 3. Average Toy Budget

Toys are not cheap, and parents seldom spare any expense. For instance, the average budget for toys tops out at \$6,500 per child from infancy until age 18.

### 4. Top Five Toys of All Time

With so many video games to choose from, it would be understandable to say the most popular toy would be any type of video game. However, the most popular toys are those that rely on the most imagination.

### 5. Expected Growth

Growth in popularity is expected to decline for all types of toys except for one category: action figures. Action figures are expected to top out at an average growth rate of 10 percent over 2019.

### 6. Technology

Traditional toys, such as card games and puzzles, will see an average spending of only \$1.77 per child. However, video games command an average of \$20.39 per child. This represents the higher price of games as well as the willingness of consumers to buy the games.

### 7. Construction Sets

Although video games are currently top of any child's wish list, construction sets are set to overtake video games in both popularity and revenue generation. For instance, when it comes to total dollars spent, the difference between the two is only \$1.05, which is down from 2019 when video games outperformed construction sets by \$2.84 per child. By 2023, construction sets are projected to outperform video games by \$4.05 per child.

### 8. Movies

In 2021, toys based on movie characters are enjoying a 19-percent increase in revenue over 2019. However, non-movie toys have only seen single-digit increases.

### 9. Level of Detail

When it comes to detail, children play with high-detail toys twice as long as they do with low-resolution toys or those with little detail.

### 10. Interest

In terms of engagement, you might think that some toys remain popular throughout childhood. However, on average, children lose interest in a toy within three weeks. Source:linchpinseo.com

## Industry Speak



**Amit Chakraborty,**  
Board Member,  
Aequs Consumer

**Globally, the Toy industry is valued at nearly US \$80-100 Billion. What are the opportunities for Indian Toy exports in the coming years?**

The global toy industry is worth \$100 billion, out of which 60% comes from China. India's toy industry accounts for less than 1% of the global market and approximately 25% of the Indian market.

Moreover, Indian manufacturers cater to only 15% of the domestic demand and need significant investment and an R&D focus to it elevate to global standards. The majority of the demand is dominated by toys manufactured in China. At this juncture, India is a lucrative market with the potential for this industry to thrive, owing to intense policy focus, demographic dividend, labour costs, and power tariff advantage, among many others.

It bodes well for the domestic industry that on the day of the ground-breaking of the Cluster, on the 9th of January 2021, six strategic MoUs were signed with global manufacturers and suppliers, towards establishing their manufacturing facilities in Koppal Toy Cluster, totalling a **revenue potential of \$450 million-plus** over the next five years.

**Indian Toy industry is valued at an estimated US \$ 1 Billion with 60% comprising imports. What are the infrastructure, policies, and other measures needed to reduce import dependency, meet domestic demand and promote exports? What are the advantages that the Govt. of Karnataka has to offer for investors/manufacturers in the Koppal Toy Cluster?**

The key to reduce import dependency, is to enable ease of doing business in India including transfer of technology from China and offer robust competitive solution to global giants like China. The 400 + acre Koppal Toy Cluster is a definitive step towards addressing this.

Koppal presents as a strategic location, primed for manufacturing and industrial activities. Situated strategically at the centre of the potential market, it offers excellent connectivity to key roadways, railways, seaports, and airports in the region. It also shares proximity to major trade hubs in the area such as Hubballi and Bengaluru. To make the project a success, the Karnataka state government has gone the extra mile by rolling out several fiscal incentives and reforms for toy manufacturers, thereby enabling ease of setting up plants, optimizing running costs and leveraging key resources at competitive costs. The fiscal incentives include subsidies on

capital investment, wage, interest, freight, power, rent, along with training assistance and special incentives for developers.

The Koppal Toy Cluster is being developed with a view to serve both the domestic and international markets. With that in mind, it will consist of a Special Economic Zone (SEZ) for exports, a Domestic Tariff Area (DTA) for companies to tap the Indian market, and a Free Trade Warehousing Zone (FTWZ) – an ideal mix for both local and overseas manufacturers.

**Innovation and Design are fundamental to the toys industry. Where does India stand in these terms?**

Innovation is specific to industries and can only develop with time and experience. This industry requires both technical and aesthetic know-how for which there exists a significant skill gap in India. Aequs, in collaboration with the Government of Karnataka, has laid down robust plans to address the skill gap and institute the necessary training programs in this regard.

Karnataka boasts of a rich heritage in toy manufacturing which may offer insights on the aesthetics part of the innovation. Existing World-class engineering manufacturing & machine tools infrastructure will offer the technology leg of innovation.

**What are the emerging trends in the industry? Which product segments are anticipated to experience good growth?**

The emerging trends can be classified into 2 categories. Toys for entertainment and Toys for learning (STEM) especially for a developing country like India. Both the categories have huge potential for growth. Toys will compete with digital entertainment and will be increasingly more technologically sophisticated and with compelling user interfaces. This industry in combination with media is a great storytelling channel for our historical and popular culture.

An important and significant change in the toy manufacturing industry that can be observed is that there is an increasing emphasis on 'green' practices within the industry. More consumers prefer to buy and use toys which are sustainable and environmentally conscientious. This is reflected in the rise in recycling and toys made of recycled/reused plastic.

**What are the barriers to trade in the industry?**

The barriers to trade at global levels is the inability to scale appropriately due to unavailability of an ecosystem, labour, infrastructure and cost of money.

## **What are drivers for growth for the Indian Toy Industry?**

A Toy policy focus and a consequent PPP partnership. Aequus along with the Government of Karnataka and India with its Koppal initiative will create a network of component and critical ancillaries in close proximity to the main units. This in addition to the skilling program will significantly enhance our capabilities for a world class solution.

India offers a vast array of strategic advantages such as our demographic dividend, low cost of labour, a vast talent pool of engineers and the cost of resources, making it the ideal choice for OEMs to set up manufacturing facilities in the country. Further, the regulatory policies, government tariffs and subsidies in place make India conducive for conducting business.

## **Toys today demand high quality and safety standards. What are the standards we follow in India? How can we improve to ensure global compliance standards for safety/ quality?**

To meet the high quality and safety standards of the toy industry, the Indian government recently enforced a policy that has made it mandatory for toy manufacturers and suppliers to comply with the Bureau of Indian Standards (BIS) to be able to sell in India. For exports, manufacturers follow the stringent quality and ethical standards as determined by the customer.

## **Tell us about the Koppal Toy Cluster? What is the vision, mission, objectives of this development? What are benefits offered by Koppal Toy Cluster?**

The Koppal Toy Cluster, a first of its kind initiative by the GoK, is a crucial one towards boosting the global imprint of Indian toys. It is aligned with the Centre's drive towards bringing in transformative changes in the domestic toy industry by promoting "Vocal for Local" and "Make in India" under the Atmanirbhar Bharat scheme. Set up at an investment of Rs 4000 crore, the cluster is bound to attract greater investments in the industry going forward. Aequus is working closely with the government to develop this fully integrated cluster with world class facilities, to provide the right solutions for global and domestic OEMs.

Koppal offers strategic location advantages with efficient connectivity to major trade hubs like Hubballi and Bengaluru, a good business environment, and abundant workforce making it an ideal destination for the labour-intensive toy units. The project represents the Government's drive to provide world-class manufacturing facilities within the state by providing an atmosphere that is congenial to doing business, wherein manufacturers can establish facilities with minimal capital investment, conduct imports and exports with ease, easing regulatory requirements, providing financial incentives, and affordable workforce and skilling initiatives.

## **What is the key role or objectives of Aequus vis-à-vis Koppal Toy Cluster?**

Aequus has successfully anchored an aerospace manufacturing ecosystem from the ground up at Belagavi, making India a preferred supply chain solution partner for global aerospace players. It is on the strength of this decade long experience and success in running the SEZ and setting up such manufacturing ecosystems, that we seek to repeat at the Koppal Toy Cluster. The Aequus Aerospace SEZ is a standing testimony to our ability to successfully establish and run projects of this scale and global significance.

The Koppal Toy Cluster will be equipped with state-of-the-art and ready-to-use infrastructure that will be on par with the best in the world. It will house capabilities like design, moulding, die-casting, painting, PCBA, printing, packaging, among others. Designed to global standards, the cluster will support the entire manufacturing value chain.

Aequus has already signed MOUs with multiple manufacturers including itself and Joint ventures to set up manufacturing of Toys and components which go into making of the toys including Tooling. This will provide the initial fillip to develop the ecosystem and enable other manufacturers to have an existing footprint to ease their business start-up.



**What are the opportunities for MSME in the industry? How would the Koppal Toy Cluster help the segment?**

The Gol's vision of 'Aatmanirbhar Bharat', and the subsequent drive to boost India's toy manufacturing is based on creating a nationwide network of MSME to support the primary industries supported through policy interventions and investment subsidies.

The Koppal Toy Cluster, the first of its kind, will create an ecosystem of Toy manufacturing comprising of both large manufacturers as well as MSMEs to support them. This being a labour-intensive industry has the potential to generate over 25,000 direct jobs apart from 100,000 indirect jobs over the course of the next decade.

**What kind of employment/ skill development opportunities is the Cluster projected to provide?**

The cluster will facilitate training and need-based skill development apart from social infrastructure and residential accommodation for the workforce within the same complex to enhance ease of operations. As mentioned above, the toy cluster is projected to generate 100,000 employment at its peak, providing to the socio-economic growth of the region. This represents the Government's drive to provide world-class manufacturing facilities within the state by providing an environment that is congenial to doing business, easing regulatory requirements, providing financial incentives, and affordable workforce and skilling initiatives.

PLEXCONCIL - The Plastics Export Promotion Council

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

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 Korean Buyers with the support of the Embassy of India, Seoul, and other supporting partners.

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- Flexible Intermediate Bulk Containers (FIBC)
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- Consumer & Houseware
- FRP Products
- Other articles of plastics and articles of other materials, not elsewhere specified
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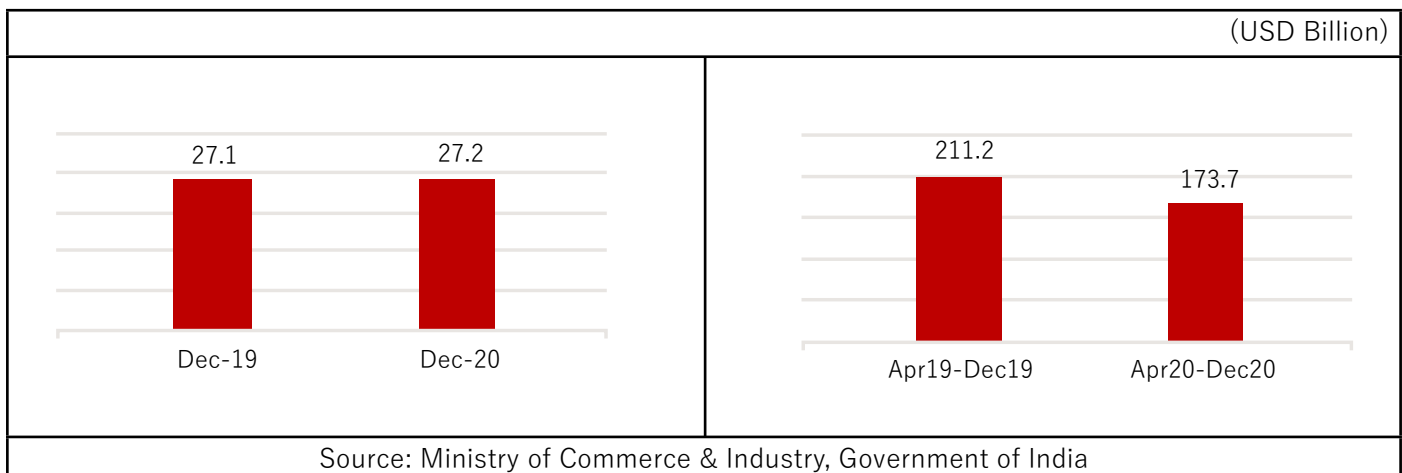


## ANALYSIS OF INDIA'S PLASTICS EXPORT - DECEMBER 2020

### TREND IN OVERALL EXPORTS

India reported merchandise exports of USD 27.2 billion in December 2020, up 0.1% from USD 27.1 billion in December 2019. Cumulative value of merchandise exports during April 2020 – December 2020 was USD 200.8 billion as against USD 238.3 billion during the same period last year, reflecting a decline of 15.7%.

**Exhibit 1: Trend in overall merchandise exports from India**

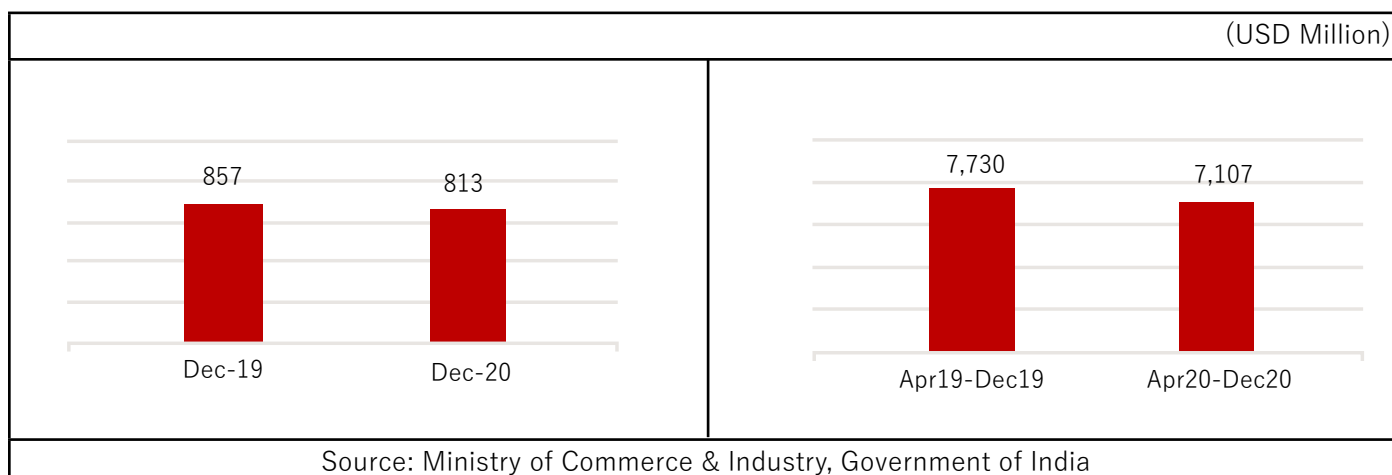


## TREND IN PLASTICS EXPORT

During December 2020, India exported plastics worth USD 813 million, down 5.2% from USD 857 million in December 2019. Cumulative value of plastics export during April 2020 – December 2020 was USD 7,107 million as against USD 7,730 million during the same period last year, registering a negative growth of 8.1%.

Indian exporters continue to face problems of shortage of containers and increased freight rate. There is an unprecedented backlog in exports as goods are either in transit or waiting shipment at the ports which is leading to longer lead times to service the orders. The exporters are facing major challenges due to the above along with elevated prices of plastics raw material and problems in applying for RoDTEP – the rates of which are not yet known.

**Exhibit 2: Trend in plastics export by India**



## PLASTICS EXPORT, BY PANEL

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

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

Panel	Dec-19	Dec -20	Growth	Apr 19- Dec 19	Apr 20- Dec 20	Growth
	(USD Mn)	(USD Mn)	(%)	(USD Mn)	(USD Mn)	(%)
Consumer & House ware	50.5	50.0	-1.0%	447.8	360.2	-19.6%
Cordage & Fishnets	14.9	16.6	+11.4%	126.3	122.4	-3.0%
Composites / FRP products	31.2	32.7	+4.8%	251.4	210.1	-16.4%
Floor Coverings, Leather cloth & Laminates	40.1	55.5	+38.3%	325.4	332.7	+2.2%
Human Hair & Related Products	30.2	48.2	+59.7%	213.6	264.6	+23.9%
Miscellaneous Products	131.1	152.4	+16.3%	1,190.8	1,064.6	-10.6%
Pipes & Fittings	16.6	16.9	+2.1%	140.4	128.9	-8.2%
Polyester Films	117.1	123.6	+5.6%	1,112.0	1,126.1	+1.3%
Raw Materials	266.0	187.6	-29.5%	2,721.3	2,565.3	-5.7%
Rigid Packaging & PET Preforms	29.0	27.0	-7.1%	250.9	234.2	-6.6%
Woven Sacks / FIBCs	110.8	89.0	-19.7%	793.9	592.3	-25.4%
Writing Instruments	19.8	13.5	-31.8%	155.8	105.2	-32.5%
	857.2	812.9	-5.2%	7,729.5	7,106.6	-8.1%

Source: Ministry of Commerce & Industry, Government of India



Export of **Consumer & house ware** products fell by 1.0% in December 2020 as an increase in shipment of Other household articles and toilet articles, of plastics (HS code 39249010 and 39249090), Tableware and kitchenware of plastics (HS code 39241090), and Electrical switches, of plastics (HS code 85365020) was more than offset by a decline in sales of Plastic moulded suit cases (HS code 42021220).

**Cordage & fishnets** export witnessed a rise of 11.4% in December 2020 on account of higher sales of Other made-up fishing nets (HS code 56081190) to United Kingdom, Iceland, and Norway; and of Twine, cordage, ropes and cables of polyethylene or polypropylene (HS code 56074900) to Ghana and the United States.

Export of **Composites** was up by 4.8% 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 December 2020 were up 38.3% 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; Textile fabrics impregnated, coated, covered or laminated with polyurethane (HS code 59032090) to South Africa; and Decorative laminates (HS code 48239019) to Egypt, Saudi Arabia, and Israel.

Export of **Human hair & related products** clocked an impressive 59.7% growth due to strong sales of Human hair, dressed, thinned, bleached or otherwise worked (HS code 67030010) to China. During December 2020, India also exported more of Human hair, unworked (HS code 05010010) to Myanmar.

**Miscellaneous products** export increased by 16.3% in December 2020 due to higher sales of Other sacks and bags, incl. cones, of plastics (HS code 39232990) to Djibouti and United States of America; Safety headgear (HS code 65061090) to Chile; along with improved shipments of Polypropylene articles, nes (HS code 39269080) to the United States of America.

Export of **Pipes & fittings** witnessed a growth of 2.1% due to improved sales of Flexible tubes, pipes and hoses, and fittings therefor, of plastics (HS code 39173100); Flexible tubes, pipes and hoses of plastics, without fittings (HS code 39173290); Flexible tubes, pipes and hoses of plastics, with fittings, seals or connectors (HS code 39173300); Flexible tubes, pipes and hoses, and fittings, of plastics, reinforced or otherwise combined with other materials (HS code 39173990); and Joints, elbows, flanges, of plastics (HS code 39174000).

**Polyester films** witnessed an increase of 5.6% in exports in December 2020 due to higher shipments of a variety of products including BOPET sheets and films, flexible plain (HS code 39206220); Flexible and laminated plates, sheets, film, foil and strip of plastics (HS code 39219026); Plates, sheets, film, foil and strip, of cellular polymers of vinyl chloride (HS code 39211200); Plates, sheets, film, foil and strip, of non-cellular polyesters (HS code 39206939); Plates, sheets, film, foil and strip, of non-cellular plastics (HS code 39209919); Rigid and plain plates, sheets, film, foil and strip, of non-cellular polycarbonates (HS code 39206110); and Plates, sheets, film, foil and strip, of cellular plastic (HS code 39211900).

**Plastics raw materials** export fell by 29.5% in December 2020 due to lower shipments of Linear low-density polyethylene (HS code 39011010); Polyethylene having a specific gravity of 0.94 or more (HS code 39012000); and Polypropylene (HS code 39021000) 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 7.1% 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 Arab Emirates.

Export of **Woven sacks and FIBCs** fell by 19.7% during December 2020 due to decline in sales of Woven fabrics obtained from strip or the like (HS code 54072030 and 54072090). Exports of FIBC (HS code 63053200) have rebounded strongly in the third quarter of 2020-21.

Export of **Writing instruments** slipped by 31.8% in December 2020, mainly on account of a decline in sales of Ball-point pens with liquid ink (HS code 96081019) across the major export destinations.

HS Code	Description	Apr 19- Dec 19	Apr 20- Dec 20	Growth
39076100	Polyethylene terephthalate: having a viscosity number of 78 ml/g or higher	573.8	-	NM
63053200	Flexible intermediate bulk containers	521.3	476.8	-8.5%
39021000	Polypropylene, in primary forms	393.0	549.5	+39.8%
39012000	Polyethylene with a specific gravity of $\geq 0.94$	339.5	254.7	-25.0%
39232990	Sacks and bags, incl. cones, of plastics (excl. those of polymers of ethylene): Other	283.1	263.9	-6.8%
39011010	Linear low-density polyethylene (LLDPE)	270.3	94.6	-65.0%
39269099	Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s: Other	247.6	206.9	-16.4%
67030010	Human hair, dressed, thinned, bleached or otherwise worked	205.3	250.8	+22.2%
90011000	Optical fibres, optical fibre bundles and cables (excl. made-up of individually sheathed fibres of heading 8544)	179.6	151.8	-15.5%
48239019	Decorative laminates	154.9	145.8	-5.9%
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	160.4	153.7	-4.1%
54072090	Woven fabrics of strip or the like, of synthetic filament, incl. monofilament of $\geq 67$ decitex and with a cross sectional dimension of $\leq 1$ mm: Other	115.1	70.4	-38.9%
39269080	Polypropylene articles, not elsewhere	129.9	134.2	+3.3%
39232100	Sacks and bags, incl. cones, of polymers of ethylene	121.4	113.5	-6.5%
39076990	Other, polyethylene terephthalate	118.2	103.2	-12.7%
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	117.6	104.3	-11.3%
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	125.1	75.8	-39.4%
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	113.1	141.1	+24.8%
39011090	Polyethylene with a specific gravity of $< 0.94$ : Other	122.4	36.4	-70.3%
54072030	Woven fabrics of strip or the like, of synthetic filament, incl. monofilament of $\geq 67$ decitex and with a cross sectional dimension of $\leq 1$ mm: Dyed	106.3	29.6	-72.2%
90015000	Spectacle lenses of materials other than glass	103.0	86.0	-16.4%
96081019	Ball-point pens	93.8	62.4	-33.4%
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	90.9	84.2	-7.4%
39046100	Polytetrafluoroethylene, in primary forms	79.9	69.7	-12.9%
90183930	Cannulae	70.9	71.2	+0.4%
39241090	Tableware and kitchenware, of plastics: Other	69.6	58.6	-15.9%

96032100	Tooth brushes, incl. dental-plate brushes	64.6	48.1	-25.5%
39069090	Acrylic polymers, in primary forms (excl. polymethyl methacrylate): Other	63.4	76.8	+21.2%
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	61.5	75.4	+22.7%
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	64.3	59.2	-7.9%
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	57.9	55.5	-4.2%
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	55.5	46.6	-16.0%
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	59.6	54.3	-8.9%
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	47.5	100.6	+111.8%
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)	53.4	42.5	-20.3%
39140020	Ion-exchangers based on polymers of heading 3901 to 3913, in primary forms: Ion exchangers of polymerisation	51.7	48.4	-6.4%
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	50.3	58.5	+16.3%
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	47.1	68.4	+45.2%
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	50.2	56.5	+12.5%
39072090	Polyethers, in primary forms (excl. polyacetals): Other	42.9	65.6	+52.7%
39241010	Insulated ware of plastics	41.2	36.1	-12.4%
39073010	Epoxy resins	47.8	29.6	-38.2%

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	49.5	18.3	-63.1%
39095000	Polyurethanes, in primary forms	41.7	41.8	+0.1%
39100090	Silicones in primary forms: Other	41.7	28.1	-32.7%
39235010	Stoppers, lids, caps and other closures, of plastics: Caps and closures for bottles	36.7	38.0	+3.4%
39129090	Cellulose and chemical derivatives thereof, n.e.s., in primary forms (excl. cellulose acetates, cellulose nitrates and cellulose ethers): Other	39.5	42.4	+7.4%
39119090	Polysulphides, polysulphones and other polymers and prepolymers produced by chemical synthesis, n.e.s., in primary forms: Other	35.8	40.5	+13.1%
39031990	Polystyrene, in primary forms (excl. expansible): Other	42.7	21.4	-49.8%
39269069	Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s: Other	35.0	24.2	-30.6%

Source: Ministry of Commerce & Industry, Government of India



Location Map of Brazil in World



# BRAZIL

## Economic overview

Brazil is located in Eastern South America, bordering the Atlantic Ocean. It has an area of 8.5 million square kilometres and a population of 210 million.

Brazil is a large and diverse economy endowed with significant natural resources and agricultural land. Due to various efforts to industrialise and diversify the economy, Brazil's services sector now accounts for nearly 70% of all economic activity. While the pandemic situation

did affect Brazil, the quick and strong government stimulus and economic aid packages helped mitigate its effect due to which Brazil's GDP rebounded strongly and grew 7.7% in the third quarter of 2020.

As of January 12, 2021, the S&P's rating for Brazil is BB- (stable); Moody's rating stands at Ba2 (stable); and Fitch has a reported rating of BB- (negative).

Economic indicators		2017	2018	2019
Nominal GDP	USD Billion	2,063	1,886	1,839
Nominal GDP per capita	USD	9,975	9,043	8,751
Real GDP growth	%	1.3	1.3	1.1
Total population	Million	206.8	208.5	210.1
Average inflation	%	3.4	3.7	3.7
Total merchandise exports	USD Billion	217.7	239.9	224.0
Total merchandise imports	USD Billion	150.8	181.2	177.3

Source: IMF, TradeMap

Brazil has trade agreements with Argentina, Bangladesh, Bolivia, Botswana, Chile, Colombia, Cuba, Ecuador, Egypt, Eswatini, Israel, Lesotho, Mexico, Namibia, Pakistan, Paraguay, Peru, Philippines, Serbia, South Africa, South Korea, Tunisia, Turkey, Uruguay, Venezuela and India. Brazil and India are signatories to the Mercosur Preferential Trade Agreement that came into effect from 1st June, 2009. Mercosur trade bloc includes Argentina, Brazil Paraguay, and Uruguay.

## Jaykumar Nair, Sr. G M – Commercial, Garware Polyester Limited

Business to Brazil has grown significantly over the years and the high quality of Indian products is becoming increasingly recognized in the market. In the past 10 years, we have seen a rise in business and the trend continuous towards growth. However, while it may be noted that Brazil already has a strong domestic plastic industry presence, the major opportunities lie in technology segment, which currently does not exist in the Brazilian market. The growth rate for plastics has been in single digit and besides the food packaging segment, there has been stiff competition from Chinese manufacturers.

Some of the major measures required to enhance our exports to the market would most certainly be a trade agreement between the two countries that would in turn help reduce duties and taxes. India is more competitive in some of the products that Brazil needs and Brazil is also more competitive in products needed by India. Active trade chambers from both countries could help with that too. Also, Indian Commerce Chambers in Brazil could help our efforts to grow our country's export potential. For example, there are very active Commerce chambers in Brazil, such as the United States Commerce Chamber or the German Commerce Chamber that are constantly promoting the products from these countries in Brazil and organizing events and seminars to promote their companies. It is quite common to see booths from Chambers of Commerce during events happening in Brazil that want to expand their businesses.

Brazil has an anti-dumping duty on imports of upto 50 mic polyester film. There is a need to address this issue as well. We not only are challenged by the high import taxes and complex importation system but also stiff competition from other countries like Korea and China. Plexconcil should also strongly take up the matter of easing anti-dumping duties on polyester imports with the concerned authorities in India and Brazil.

It is easier to do business in Brazil once you have a good local contact who can help with the requirements of Brazilian importers. Brazilian corporations are open to doing business with India and we enjoy a positive approach from them. By organizing parallel events such as BSMs in Brazil during the plastic industry exhibitions, Plexconcil can help Indian exporters in networking and generating leads. Furthermore, by inviting Brazilian agents, business representatives and government representatives to come to India and visit the Indian Industries we could increase awareness about our industries and explore ways to increase the trade with Brazilian customers.

Another measure would be to sponsor the travel and participation of some industrial representatives from India to participate at events in Brazil to speak about their area of the expertise in the industry they represent and share success stories with countries having requirements similar to that of Brazil. It is quite common to see specialists from USA, Germany, UK, China and Korea speak at technical seminars about developments in several spheres of their industries.

## Trade Overview

Brazil is India's most important trading partner in Latin America. In 2019, India and Brazil engaged in bilateral trade worth USD 7.17 billion. During the year, India's exports to Brazil were valued at USD 4.10 billion in comparison to India's imports worth USD 3.07 billion resulting in a trade surplus of USD 1.04 billion to India.

The major items of export from India to Brazil are chemicals; petroleum products; motor vehicles and its components; pharmaceuticals; and polyester yarn. Likewise, major items of export from Brazil to India are petroleum products; bulk mineral and ores; sugar; vegetable oil; and gold.

Within plastics, the trade is in favour of India with exports worth USD 105.0 million to Brazil and a trade surplus of USD 64.6 million. India's plastics exports to Brazil primarily comprise of the following:

- Plastic sheets, films, plates etc (29.2%)
- Medical disposables (19.8%)
- Other moulded and extruded items (11.9%)
- Plastic raw materials (10.3%); and
- Brushes of all kinds (6.6%)

Brazil's annual plastics imports are valued at USD 10.0 billion approx. Its plastic imports are largely catered to, by China (22.7%) and the United States (21.2%). However, despite this, India has a good standing in some of the plastic product imports by Brazil:

- Writing instruments – Market share of 9.7% share (Rank 4)
- Masterbatches – Market share of 7.7% share (Rank 4)
- Brushes of all kinds – Market share of 7.4% share (Rank 3)
- Plastic sheets and films – Market share of 4.2% share (Rank 5)
- Medical disposables – Market share of 3.3% share (Rank 5)



## Uday Adhikari, Managing Director, Al Aziz Plastics

Our exports to Brazil comprise very niche products that include specialty or engineering grade plastics. These products have replaced traditionally used steel pipes and fittings at petrol stations as these highly advanced products are corrosion free and hence, overall, are more efficient in the long run. In fact, the types of products we export are popularly used in North America, Brazil in South America and Europe, though it is yet to be applied in India.

For our product category, USA and Europe are our major competitors although we are indeed proud to say that our products have earned the distinction of being on par with our competitors and enjoy equal market dominance. Our business has been growing over the years and we believe that in the years to come, high end technologies, specialty or advanced technical products have excellent prospects within Brazil and even world over. Technology and innovation have been the key drivers for our growth, and we believe that more and more Indian businesses need to invest and nurture innovation and apply advanced technologies to create niche products which is the future of our industry. Needless to say, our country has both the intellectual and manufacturing capabilities to meet such demand and hence need to plan our resources accordingly if we are to become the front runners in capturing such emerging opportunities.

Having said that an FTA with Brazil would certainly help enhance overall exports as will making availability of specialty grade polymers in India and managing availability and stability in polymer pricing to ensure our global competitiveness. The industry would also need greater support for technology upgradation, technical skill development, education as well as cheaper financing. We need to create better awareness of our technological prowess globally and these can be achieved by highlighting our capabilities at appropriate forums such as trade fairs, technology conventions, etc.

Our overall experience with Brazil has been very good and we enjoy excellent relations with our buyers. Brazil has been growing at a very fast pace and earlier language barriers too are not a challenge anymore. On the other hand, while our industry has been impacted by global economic dynamics time and again, business with Brazil has demonstrated stable growth and presents great opportunity for the right kind of products.

## Trade Potential

Our internal research indicates that India's export of value-added plastics to Brazil has the potential to grow by nearly USD 3.4 billion. Product categories, within value-added plastics, that have immense export potential for export to Brazil include:

Product Category	Brazil's import from India	Brazil's import from world	India's export to world	Trade potential for India
	USD Million	USD Million	USD Million	USD Million
Medical disposables	32.0	857.5	660.9	628.9
Other moulded and extruded items	12.5	697.8	716.7	571.7
Plastic sheets, films, plates etc	30.7	731.7	1,371.0	480.8
Masterbatches	41.0	507.8	1,270.7	192.9
All types of optical items	1.4	302.9	445.1	173.6
Packaging items	3.1	266.3	790.7	168.2
Electrical items	1.6	319.0	172.8	153.2
Stoppers, closures, lids etc	1.6	67.8	78.7	66.2
Brushes of all kinds	6.9	88.0	96.8	46.0
Writing instruments	5.2	57.4	210.6	42.2

Source: TradeMap, Plexconcil Research

### **Shashank Agarwal, Dy. Managing Director, Kanpur Plastipack Ltd.**

While India and Brazil share good diplomatic relations, there is no bilateral trade agreement that benefits each other yet. High import tariffs are the single largest deterrent which are not faced by South American countries and these can be quite challenging for our exporters. A lot of hope was pinned on BRICS and that would have immensely helped trade with the country. However, since the discussions have almost been shelved, we hope that the Government pursues bilateral trade agreement with preferential tariffs for Indian exporters as while trade has evolved quite a bit over the past years, it is but just a fraction of the real opportunities and possibilities for Indian exporters to Brazil.

Emerging opportunities for the Plastics industry in Brazil, we believe, predominantly lie in semi-finished products, highly labour-intensive packaging products and products that are re-exported from Brazil. Exporters would need support in the form of Credit Insurance schemes, Indian bonded warehouses at Brazilian ports, organizing Trade delegations regularly to Brazil and Ocean freight subsidies to counter longer transit times.

In our experience, doing business in Brazil can be exigent due to the very high risks involved. Challenges such as credit risks, currency fluctuation, inconsistent demand, low grade of governance in customs and banks, weak law on payment defaults, etc are some of the barriers to trade with Brazil. Language hurdles, culture, trade mechanisms are very similar to what existed in India 3-4 decades ago. The country has an extremely closed economy.

Brazil is the largest economy in South America and the most prominent agriculture economy in the world. Plexconcil must consider leading more trade delegations to Brazil and invite buyers to create greater awareness about our industry. Also, it would be in India's long-term benefit to build strong relations with Brazil as a trading partner and enter Mercasour.



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## International News

### Royal DSM selects MAAG Group for strand pelletizing

MAAG Group, part of Dover, announced that it has been selected by Royal DSM to supply them with several automatic strand pelletizing lines (Jet Stream Granulation System – JSG) for the extensive modernization and expansion of their high-performance materials compounding plant in Evansville. The automatic JSG strand pelletizing systems from MAAG Group are designed to achieve the highest throughput rates in plastics compounding.

MAAG Group's JSG systems can be used across various pelletizing applications and are typically chosen by customers when a high level of automation and machine availability at the best possible pellet quality is required. The process handling is fully machine automated, and once the pelletizing process is set up, manual interaction is nearly eliminated.

"For the last 20 years, MAAG Group's JSG systems have provided customers with a great advantage over normal strand pelletizing systems. The JSG machine is often used to process high-priced polymers, given the high level of automation which immediately feeds strand breaks back into the pelletizer during production," said Harald Zang, General Manager Sales, MAAG Group.

"This avoids waste and increases the productivity of the machine, which helps generate increased turnover and profit for the customer," added Zang.

Source: Indian Chemical News

### Dow and Plastigaur manufactures collation shrink films using PCR

Dow has today announced the first large-scale commercial use of its innovative resin AGILITY CE, made with 70% recycled plastic.

Plastigaur, a leading film converter based in Spain, is using the AGILITY CE resin in its collation shrink film, typically used in the transportation of cans or PET bottles. The partnership marks an important step in Dow's ambition to advance a circular economy for plastics.



The resin is based on low-density polyethylene (LDPE) into which post-consumer recycled (PCR) material from shrink film is incorporated without sacrificing material quality and functionality in the final application. Initially introduced in late 2019, AGILITY CE is the first PCR product offering from Dow. The company now has PCR product offerings in its every operating region.

Inclusion of recycled content (PCR) is a vital step towards reducing the carbon footprint of packaging. The PCR content in the final shrink film developed by Plastigaur is 50% which results in a significant reduction in carbon emissions of 25%.

Moreover, Dow has also worked with Plastigaur to reduce the thickness of this PCR-containing shrink film from 45 to 40 microns. By reducing the thickness while maintaining the packaging functionality, the film enables an additional amount of CO2 savings of 11% and reduces overall environmental impact by 32%.

This development is an example of Dow's strategy to minimize resources and plastic waste as well as reduce carbon emissions and aligns with the Company's new commitments to address plastic waste and climate change.

Agnieszka Godlewska, Marketing Manager - Industrial & Consumer Packaging said, "By working in close partnership with Plastigaur, we've been able to accelerate our innovative PCR product offering, demonstrating a commercially viable solution that uses high-quality packaging made from recycled content. This is not a concept or a project anymore, this is reality. We're excited to continue working with more partners across the value chain and pushing forward industry standards in post-consumer recycling offerings with the ultimate aim of reducing plastic waste and CO2 emissions."

"We are very excited with the development of these new collation shrink films. They bring us, and the brand owners, closer to reaching our sustainability goals," says Luis Artola, Managing Director, Plastigaur.

"The integration of recycled materials can be a challenge, but the newest technologies and our experience in the industry enabled us to push the boundaries and we could not be more proud of the results," added Artola.

Source: Indian Chemical News

### **Sabir and Plastic Energy to build plastic recycling unit**

In another significant contribution towards the development of a circular economy for plastics, SABIC and Plastic Energy are set to commence construction on the first commercial unit to produce its flagship certified circular polymers, part of the TRUCIRCLE portfolio, which are made from the upcycling of mixed and used plastic. SABIC, a global leader in diversified chemicals, along with partner Plastic Energy, a pioneer in chemical plastics recycling, are set to start the engineering and construction phase for the unit, which will be based in Geleen, the Netherlands and is expected to become operational in the second half of 2022. The project will be realized under a 50-50 joint venture called SPEAR (SABIC Plastic Energy Advanced Recycling BV) and is being executed with a Top Sector Energy Subsidy from the Ministry of Economic Affairs in the Netherlands.

As part of the project's market foundation stage, SABIC has worked together with Plastic Energy and leading customers and converters to produce and commercialise certified circular polymers since early 2019. The new unit will enable SABIC to significantly upscale the production of certified circular polymers to provide customers with greater access to sustainable materials which have been recycled, repurposed and produced in a way that can help protect our planet's natural resources, whilst acting as a drop-in solution.



'Advancements in this pioneering project take us one step closer to driving the change needed to become a circular global industry,' said Fahad Al Swailem, Vice President, PE & Sales at SABIC. 'We have overcome significant external, global challenges to reach this important milestone and remain fully committed to closing the loop on used plastic. We are continuing to collaborate on an unprecedented level with our partners upstream and downstream to achieve this.'

'It has been an exciting journey in making our vision of building advanced recycling plants come to life, and we are delighted to announce the construction of this new facility with SABIC,' said Carlos Monreal, Founder and CEO of Plastic Energy. 'We have worked jointly with SABIC towards our common goal of making plastics more sustainable and moving towards a more circular economy for plastics.'

SABIC's certified circular polymers are produced using Plastic Energy's advanced recycling technology to convert low quality, mixed, and used plastic, otherwise destined for incineration or landfill, into TACOIL. The TACOIL produced in the new commercial unit will be used by SABIC in their production process as an alternative to traditional fossil materials to create new circular polymers.

The circular polymers form part of SABIC's TRUCIRCLE portfolio and services for circular innovations. Launched in 2019, the TRUCIRCLE portfolio is a considerable milestone on the journey towards closing the loop and creating a circular economy for plastics and intends to

provide manufacturers with access to more sustainable materials. The TRUCIRCLE portfolio spans design for recyclability, mechanically recycled products, certified circular products from feedstock recycling of used plastic and certified renewables products from bio-based feedstock.

Source: Indian Chemical News

## Silvergate Plastics CEO launches first book on mastering masterbatch

Masterbatch manufacturing expert Tony Bestall has launched his first book, which aims to highlight and share best practices when colouring plastics. Welcome to the Masterclass offers processors, purchasers and specifiers everything they need to know about buying and using solid masterbatch, whilst dispelling myths and revealing industry secrets along the way.

Bestall comments: "Welcome to the Masterclass outlines the basics of formulating and using masterbatch, whilst explaining how to overcome some of the most common challenges faced by processors and buyers today. By sharing best practices, my primary aim was to help them receive fit for purpose and cost-effective products from their suppliers. I couldn't find any other document that provided this information, so I decided to write my own jargon-free guide."



He believes that anyone who buys, uses or has an interest in masterbatches will benefit from the book. It has been deliberately pitched at a level to suit everyone, regardless of their experience and knowledge of the industry.

"I've tried to include all aspects of the colouring process, including the formulation and manufacture of solid masterbatch, as well as the various ways to overcome common problems and optimise processing techniques. I have also included a summary of how solid masterbatch compares to alternative colouring systems and why it stands out as the preferred choice for so many manufacturers of plastic components. I hope there is something of interest to everyone."

Bestall is CEO of Silvergate Plastics, which has been hailed the UK's largest independent supplier of solid masterbatch. He has enjoyed a successful 30-year career in the plastics industry, during which time he has pioneered innovative manufacturing techniques by daring to test theories and explore unconventional ideas. In doing so, he has enhanced the aesthetics of thousands of plastic products, whilst improving the production processes and operating costs of worldwide processors.

"I thought buying Silvergate Plastics and saving it from the threat of a competitor buy-out would have been my greatest achievement. It was a challenging time; raising the money and negotiating a complex deal wasn't easy. However, I'm most proud of all the things that have happened since then. Silvergate survived the financial crisis of 2008, is currently navigating its way through the uncertainty of Brexit and is continuing to offer support for the frontline efforts of the Covid-19 pandemic.

"We have very recently achieved more than I ever thought possible twelve years ago. In November 2020 alone, we sold over £1 million worth of product. Considering we were selling an average of £350k a month at the point of acquisition, this has to be my proudest moment to date. This has probably been the most defining moment in my career and that success would not have been achieved without the input and unrelenting efforts of our entire team and the support of our customers and suppliers."

"The plastics industry continues to face difficult times. Brexit has brought a new set of challenges and the global pandemic is showing no signs of abating. Whilst it's a small contribution, I hope the content of this book will benefit its users to find better and easier ways to produce quality plastic components. The initial feedback from the industry has been positive and I'm delighted to say that some companies have requested additional copies!"

Source: British Plastics

## Cadillac Plastic Celebrates its 40th Anniversary

Cadillac Plastic is celebrating its formation 40 years ago and Alistair Kennedy, Managing Director, joining the Company.

The team at Cadillac Plastic says it would like to thank its valued customers for their support over the years and we look forward to continuing those relationships as a key supplier. We are proud of the fact that we are still supplying customers who were with us 40 years ago.

Despite starting the business during difficult economic conditions in 1981, the company soon enjoyed success supplying LEXAN Polycarbonate for innovative projects



such as the ZX81 home computer which revolutionised new technology within the domestic environment.

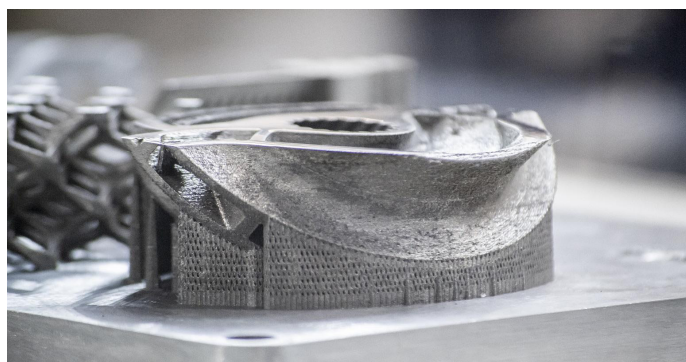


Cadillac Plastic is now a leader within the industry representing suppliers such as Sabic, Du Pont, 3M, and Transcontinental Advanced Coatings, adding value to these materials by providing conversion, delivery and technical support services which are second to none.

Over the past year Cadillac Plastic has been a supplier of materials for PPE and medical equipment supporting the NHS and front-line workers.

## GM Pushes Its Long Experience with 3D Printing into Additive Manufacturing

General Motors has a long history with 3D printing – going back more than 30 years. The automaker was one of the first companies to introduce 3D printing and generative design into its prototyping activities. More than 75% of the parts in the prototype of its 2020 Chevrolet Corvette were 3D printed, and GM now has 3D printers installed in many production facilities around the world. GM is now experimenting with ways to move beyond prototyping and into production-related applications like tooling.



GM is looking for new ways of bringing 3D printing into its manufacturing processes.

The company is taking a practical approach with 3D printed production, trying to answer the question: Can additive manufacturing fit into GM's overall manufacturing world. "We're looking at 3D printing with sobering analysis rather than hype. We're disciplined in making sure there is a real business case," Ron Daul, GM's director of additive manufacturing, told Design News. "We're looking at quality challenges. Vehicle quality is important, so we're looking whether 3D printing can fit with our internal standards and safety standards to see if additive manufacturing is right for us."

## Materials Matter

Part of the process of evaluating additive manufacturing is looking at the available materials. "We've educated our engineers about additive, and now we're educating our suppliers and learning from our suppliers," said Daul. "We're developing an ecosystem that includes metals and polymers."

As for the specific materials, GM is working with a variety to determine what's appropriate for production. "Some of what's being done with 3D in aerospace is with high-end polymers. So we're looking at that," said Daul. "We've also been focusing on nylon. We'd love to get into polyethylene. We're also working with Stratasys, and that plugs us into other materials. We're also looking at steel and aluminum."

## Building an Additive Ecosystem

GM has bet on the advantages of 3D printing by adding 17 production-grade Stratasys FDM 3D printers to its fleet. A big test for 3D printing came last April when GM entered into a contract with the U.S. Department of Health and Human Services to deliver a 30,000-unit order for critical care ventilators by the end of August. The company was able to quickly manufacture tooling fixtures in one day using Stratasys 3D printers.

That's production, but it's not cars. In the product space, GM has been using 3D printing to create functional prototypes to move vehicles to the testing process quicker. "We're also diving into free-form part design, consolidating parts. We're using 3D printing to remove the constraints of molding or injection," Ali Shabbir, an engineer and global innovation lead in additive design and manufacturing for GM, told Design News. "3D printing is an involved process. You run into challenges with the size of the part as well as costs considerations. Will the part stand on its own? Is it too expensive compared to other forms of manufacturing?"

## Fitting AM into Automobile Production

Then there's the question of whether additive fits into GM's overall production environment. "We look at 3D printing from design validation, and we hadn't yet taken most of the steps to get there with production. Most auto companies haven't taken those steps," said Daul. "We're still challenged by some of the hype that says additive works for everything. We're challenged by machines that are too slow, materials that are too expensive, and by the changeover difficulties between products."

Those concerns haven't slowed down GM's work in developing the potential for additive as part of auto production. The company's investment in 3DP technology is impressive. "We're never dormant in developing additive," said Daul. "We have some of the smartest and best GM engineers working on it. We have an application base with 700 engineers in additive manufacturing. We have an exciting new building we're working in right now."

## GM's Future with Additive Manufacturing

As part of bringing additive manufacturing into the GM world, the company is planning to take 3D printing into schools. "The future for additive in automotive is pretty bright," said Daul. "We need to find a way to get 3D printers into our schools, even grade schools. It needs to be integrated into the curriculum. Kids think it's pretty cool. We have to get them interested in manufacturing with 3D printing."

Getting the technology into schools will create a generation that's at home with 3D printing. "We need additive centers and curriculum since it's different from traditional design and production," said Daul. "I would put a stake in the ground for GM's ability to create an ecosystem for an additive future. We see a lot of possibilities for 3D printing in our business."

Source: Plastics Today

## ProAmpac Debuts Recycle-Ready Mono-Material Retort Packaging

Packaging manufacturer ProAmpac is stepping up to meet demand for recycle-ready retort packaging with a patent-pending innovation. ProActive Recycle Ready Retort RT-3000 pouches are available in both stand-up and three-side seal configurations and are EU and FDA compliant for food contact in retort applications.

The mono-material RT-3000 pouches address the challenge of difficult-to-recycle multi-material retort packaging. RT-3000 is designed to run at similar filling and

processing speeds as current multi-material structures that aren't recyclable, said ProAmpac.



"RT-3000 is the newest member of the ProActive Sustainability product family, a comprehensive set of packaging solutions that are helping our customers meet their greener packaging goals," said Adam Grose, Chief Commercial Officer. "A revolutionary innovation, the recycle-ready solution was built on ProAmpac's material-science expertise and significant experience in retort pouch design. Engineered to run on existing high-speed filling lines, RT-3000 maintains filling-machine efficiency."

The RT-3000 recycle-ready retort pouch is available in clear or opaque options, offers excellent stiffness for stand-up shelf appearance, and is engineered with puncture and flex-crack resistance to ensure safe product handling and distribution, according to ProAmpac.

Hesam Tabatabael, Vice President of Product Development and Innovation for ProAmpac, explained that the multi-year development included successful validation on commercial high-speed filling lines and qualification in commercial retort chambers. "RT-3000 delivers exceptional thermal stability, excellent stain and grease resistance, easy-open tear performance, and a superior oxygen and moisture barrier," said Tabatabael. "Able to withstand aggressive retort conditions of 130oC without sacrificing barrier properties, RT-3000 has been successfully tested in advance of our commercialization."

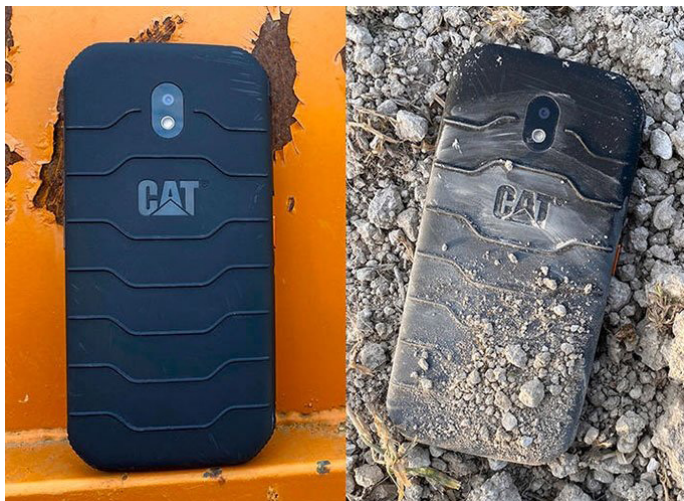
Supporting a circular economy, RT-3000's mono-material design gives it "high recovery potential during advanced recycling," stated Tabatabael.

Source: Plastics Today

## Biomaster collaborates on the first fully antimicrobial phone

Bullitt Group, makers of military-grade smartphones and the global licensee for Cat® phones, has launched the first fully antimicrobial mobile phone with help from Biomaster.

Every exterior component of the product including the screen made from Corning Gorilla Glass 5s has been treated with Biomaster antimicrobial technology and tested to ISO 22196.



Biomaster technology inhibits the growth of microbes on the phone surface offering protection for the lifetime of the unit. Bacteria or other microorganisms can easily transfer from the hard surfaces of your phone to your hands and face.

Biomaster technology combines with the existing Cat phone rugged credentials that ensure the device can be thoroughly and regularly washed with soaps and water, sanitisers and even bleach. The Cat S42 with antimicrobial protection is designed for military use but is now also available to the public.

Peter Cunningham, VP Product Portfolio at Bullitt Group says: "Throughout 2020 we have consistently been driving awareness of the importance of mobile hygiene for us all, but this is vital for those among our customers working within a health or social care setting and those visiting multiple sites for their job.

"Using a Cat phone already allows them to have confidence that they can wash and sanitise their Cat phone regularly or between visits. The addition of antimicrobial product protection into the Cat S42 is another first for Cat phones and will make the Cat S42 more hygienic for users - such an important feature in the current climate."

The Biomaster-treated Cat S42 is the first of a series of devices in the Bullitt Group phones range with antimicrobial technology with others coming later in the year.

Source: British Plastics

## Aquapak announces investment from ADM Capital's Cibus Enterprise Fund

ADM Capital Europe LLP, the London-based private equity advisory firm, has announced its Cibus Enterprise Fund has invested into the British polymer production company Aquapak Polymers Limited.

Aquapak has developed a novel biodegradable, non-toxic and water-soluble polymer called Hydropol which is three times stronger than alternatives and can be easily processed into films, laminates and injection moulds, giving it a wider range of applications. The base plastic is currently used for dishwasher tablets, ingestible pill casings and soluble stitches.

Hydropol's resistance to low temperature solubility and high barrier to elements adds functionality, providing a wider range of uses. It can be recycled, re-pulped, composted and is distinctively compatible with anaerobic digestion.



Furthermore, if unintentionally released into the natural environment, Hydropol will dissolve and subsequently biodegrade, leaving no trace. Products made from Hydropol include garment bags, organic waste disposal bags and laundry bags for infection control.

Its solubility makes it easy to separate from other materials, simplifying the confusing recycling options that exist for different packaging.

Products under development include sandwich boxes, packaging for dried pet food, snack and convenience foods, cooked meat, a number of home delivery / e-commerce applications, and a non-woven fibre for wet wipes.

Further research and development into new applications is being undertaken in collaboration with the likes of DS Smith, Innovate UK, and eight universities across the UK and internationally.

Commenting, Alastair Cooper, head of Venture Investing at ADM Capital Europe, said: "The Cibus Enterprise



Fund invests in a number of disruptive food technologies and in Aquapak we see a company that can revolutionise food packaging significantly improving the 'end of life'. Aquapak's customers are companies who share a vision for more sustainable packaging solutions on a global scale.

"Hydropol has been designed to help combat single-use plastics and hydrophobic polymers contaminating the natural environment, without compromising on quality and product functionality. We believe that Aquapak has developed a practical alternative to conventional plastics, and a game-changing technology in the global effort to reduce plastic pollution. As a truly scalable, biodegradable, water-soluble, and highly functional material, Hydropol looks set to revolutionise the plastics & packaging industry and drive the transition to a more circular economy."

Commenting Mark Lapping, CEO of Aquapak, said: "We are delighted to have Cibus as a new investor in Aquapak at this exciting time in the growth of the Company. With Cibus' support, we look forward to accelerating the development of Hydropol into a platform technology which can bring a wide number of truly circular economy packaging solutions, over the coming years, to the global food sector, and beyond."

Source: British Plastics

### Smart Pouch Packaging Extends Shelf Life, Cuts Fresh Food Waste

A fresh produce packaging innovator, StePac, is gaining growing interest in the retail sector for the company's functional standing pouches. The high-performance resealable bags are crafted with the company's proprietary Xgo advanced modified atmosphere/modified humidity (MA/MH) technology that significantly lengthens the shelf life of fresh produce and reduce waste in the supply chain as well as in consumers' homes. The pouch enhances consumer experience and concurrently helps raise the fresh food packaging sector to greater ethical standards by contributing its part to the global waste reduction effort.



Divine Flavor, a San Diego-based, grower-owned distributor of fruits and vegetables and part of agro giant Grupo Alta, has already adopted StePac's new standing pouches. The attractively designed Xgo standing pouch is cleverly engineered to combine shelf-life extension capabilities by actively slowing the aging and ripening process, with convenience in an attractive "grab-n-go" retail packaging format.

Since 2010, Divine Flavor has taken advantage of StePac's Xtend line of bulk packaging for transporting its squash, cucumbers and bell peppers from growing regions in Mexico to USA. The company began testing the new Xgo standing pouches just over two years ago in a move to expand their line of high value products and bring differentiation of their brand by offering supermarkets a means of bringing the purposeful packaging benefits all the way from the farm to the consumer.

Xgo standing pouches allowed the company to shift to packing fresh produce in the final retail format at source. Impressed by the consistent performance, the Divine Flavor technical team fully adopted the protocol in 2020 for direct field-to-home refrigerator packaging of its Persian cucumbers for the US market. It is now arousing the interest of fresh produce distributors around the globe.

"The Xgo standing pouch is a remarkably high performing product, with an unrivalled ability to retain freshness and meaningfully extend product shelf life," says Michael DuPuis, quality assurance and public relations coordinator for Divine Flavors. "The feedback from customers has been excellent; they're happy with the quality and attractive appearance and the fact that it has that sustainability edge consumers are seeking."

The Xgo standing pouch life extension capabilities are due to unique properties inbuilt into the packaging matrix that functions to lower oxygen and increase carbon dioxide. This creates optimal conditions for slowing respiration and senescence (aging) in plant tissues and inhibits the growth of mold and other microorganisms, thereby preserving freshness and valuable nutrients. StePac technology limits dehydration and product weight loss during storage, shipment, and home use and has inbuilt condensation control, that ensures high visibility of the packed products even under challenging supply chain conditions.



Recyclable version available.

StePac's breakthrough pouches are resealable and are also available in fully recyclable formats, contributing to a circular economy. They can be decoratively printed for personal brands to evoke instant product recognition while on the shelves and come with a convenient grab handle.

"Our packaging designs have traditionally focused on the wholesale sector, offering a lean functional solution to bulk packaging of high-value fresh produce that can support long haul shipments as well as storage," says Gary Ward, Ph.D., business development manager for StePac, which is headquartered Teefen, Israel. "It already demonstrated abilities to extend shelf life by 50-100%, bringing promising support to food-waste reduction. In the midst of current Covid19 climate, concerns for food safety are driving demand for more retail packaging. We have purpose designed our packaging to preserve quality and reduce waste in the most sustainable way possible. We are increasingly venturing into the retail sector to bring this sustainable resource saving solution into consumers' homes."

StePac specializes in functional packaging for fresh produce. Its globally recognized brands include Xtend, Xgo, Xflow, and Xbloom modified-atmosphere/modified-humidity packaging solutions. These solutions reduce weight loss, slow respiration and aging, and inhibit microbial decay, while prolonging storability and shelf life.

Source: Plastics Today



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## IT problem at Maersk not another cyber-attack, says HQ

Maersk has denied that a communications outage today was a new cyber-attack. The shipping line confirmed it had experienced “IT network issues impacting the connectivity across AP Møller-Maersk”.

“This means employees are experiencing issues with logging-on to the central IT network and our service centres, and online booking functionalities such as maersk.com are affected.”

But the spokesperson added: “We have no reason to believe that this is a cyber-attack.” He later added that the network issues were “related to one of our external network providers”. He explained: “The provider believes they have identified and fixed the issue and, currently, our Maersk services are recovering globally.”

The issue sent the market into speculation about a second cyber-attack at the company, with one senior logistics source saying he “couldn’t see a CIO surviving two cyber-attacks”.

Another source said: “Usually there is denial if they can solve it quickly – if not, they will admit it’s a cyber-attack. That’s standard.”

Maersk told customers: “If you need to reach our teams, please email your local office. We would like to apologise for any inconvenience this may be causing and thank you for your understanding and cooperation.”

Source: theloadstar.com

## Exports show signs of revival, order booking position improved: FIEO President

Reacting to December 2020 export figures, Federation of Indian Export Organisation (FIEO) President, Sharad Kumar Saraf said that the monthly exports have moved towards positive territory as major export products show signs of further revival as expected.

“Marginal increase of 0.14 per cent with 27.15 billion dollars of exports is showing signs of revival as order booking positions have continuously improved besides more new orders in the offing,” added Saraf.



He reiterated that the New Year 2021 has brought a ray of hope and optimism for all from the worst of Covid-19 and effective vaccines are expected to bring both life and economy back on growth trajectory with a v-shaped recovery in world trade.

“Arrival of vaccines have also helped in boosting the business sentiments for the sector as a whole, which can be further seen from the positive figures of the upcoming months,” said Saraf.



FIEO President also added that December exports also signals that our traditional and labour-intensive sectors of exports have passed the most challenging and testing times as both Christmas and New Year Season sales have shown positive trends with further improvement in coming months.

Going ahead by this trend, we expect our inventories to be liquidated, adding further to the overall demand, observed Saraf.

FIEO Chief said that the exports of other cereals along with oil meals, iron-ore, cereal preparations and miscellaneous processed items, jute mfg. including floor covering, handicrafts excl. hand-made carpet, carpet, ceramic products and glassware, drugs and pharmaceuticals, spices, electronic goods, fruits and vegetables, organic and inorganic chemicals, cotton yarn/fabrics/made-ups, handloom products etc., rice, meat, dairy and poultry products, gems and jewellery, mica, coal and other ores, minerals including process, tea and engineering goods showed either a very high or impressive growth or were in positive territory showing signs of further revival.

Exports of 20 out of the 30 major product categories were positive during the month, he said.

Saraf also said that reduction in exports of major products including petroleum products, oil seeds, leather and leather manufactures, coffee, RMG of all textiles, man-made yarn/fabrics/made-ups etc., marine products, cashew, plastic and linoleum and tobacco and which are major constituents in India's export basket and related to labour-intensive sector of exports have also been of key concern during the month. However, increase in imports during December 2020 by 7.56 per cent to 42.59 billion dollars compared to the same period during the previous fiscal led to a trade deficit of 15.44 billion dollars with a substantial increase of over 25 per cent during the month.

FIEO Chief also said that the operationalization of the new RoDTEP effective from January 1, 2021 will remove uncertainty from the minds of the trade and industry and being WTO compatible, the same would provide complete rebating of Indian exports by refunding the taxes including embedded taxes, not rebated through any other mechanism. However, notification of the rates is the need of the hour.

Saraf also urged the government to address some of the key issues including adequate availability of containers, softening of freight charges, release of the required MEIS benefits and clarity on SEIS benefits, resolving risky exporters issues, introduction of NIRVIK Scheme, long pending demand for the creation of an Export De-

velopment Fund for marketing of Brand India products and various other infrastructure bottlenecks with regard to customs and port clearances, which will further help in giving boost to our exports not only in FY' 2020-21 but also for the upcoming new fiscal.

Source: [indiaseatradenews.com](http://indiaseatradenews.com)

## Deadlock over container handling in Bangladesh ICDs

The complications created over the apparel exporters' refusal to use the privately-operated Inland Container Depots warrant prompt addressing.



The complications created over the apparel exporters' refusal to use the privately-operated Inland Container Depots (ICDs) warrant prompt addressing. It involves the interests of two important private sector business operators. The present situation has arisen after the Chittagong Port Authority (CPA)'s recent move to ease container congestion at the port through diverting the work of handling imported RMG consignments through the ICDs. The CPA has also submitted a proposal to the National Board of Revenue (NBR) to this effect. But complaining that the ICDs are charging higher fees as well as taking more time than the CPA to release their goods, the RMG sector's apex body Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has sent a letter to the NBR requesting it to allow apparel exporters to use Ctg port to get their imported consignments cleared. However, leaders of the ICD operators, the Bangladesh Inland Container Depots Association (BICDA), have differed on these issues. Though they admitted that their fees are a bit high, they, however, denied having taken longer time to release the imported consignments. On the contrary, they actually perform the task faster than the Ctg port, they claimed.

In fact, both sides have some valid points in their arguments. There is no question that due to the pandemic, especially in Europe and North America, the business of export-oriented (RMG) sector is facing extraordinary challenges for understandable reasons. These export destinations of our apparel products are now under strict lockdowns to combat the second wave of the pan-



demic. Meanwhile, a new, more contagious variant of the Covid-19 virus has further compounded their problem. The situation has seriously affected business of RMG products both from the foreign buyers' and local exporters' ends. Small wonder that as mentioned by the BGMEA in its letter to the NBR, supply order worth US\$3.18 billion of garment products has been cancelled or suspended by international buyers as a result. In that case, to remain competitive, they would naturally want to reduce the cost of doing business. So, it should not be surprising if the RMG exporters are somewhat sensitive about the higher container handling fees that they allege the private ICD operators are asking from them.

In a similar vein, during the economic shutdowns when export-import came to a near standstill, business of the ICD operators also equally suffered. And like the RMG owners, they have also expressed their concern about the risks they are facing to protect the huge investments they have made in the cargo handling business. At this point, it is important to consider the fact that the Ctg port is overburdened as it handles 98 per cent of the container in the country. The present container congestion at the Ctg port will not ease at least until the Patenga container terminal becomes operational next year. That is one reason why the CPA last month recommended clearing increasing volumes of imported cargoes through the off-docks, i.e. ICDs.

As suggested by the CPA, a way out of this stalemate may be holding of talks between the BGMEA and the ICD operators to settle their differences. In that case, someone in authority would be required to mediate such talks between the two sides. It is believed that through such mediated talks, both parties would be able to reach an early deal. The sooner it is done the better.

Source: The Financial Express

### RIL standalone revenue up 10.9% to Rs. 71,454 Cr

Reliance Industries Limited (RIL) standalone revenue for the quarter was Rs. 71,454 crore (\$9.8 billion) higher by 10.9% and net profit before exceptional item for the quarter was Rs. 8,744 crore (\$1.2 billion) higher by 33.6%.

Segment Revenues for 3Q FY21 increased by 10.0% Q-o-Q to Rs. 83,838 crore primarily on account of higher volumes mainly in Transportation fuels, PTA and Polyester supported by improved product realization across Polymers, Intermediates and Polyester.

Segment EBITDA for 3QFY21 improved by 10.3% Q-o-Q to Rs. 9,756 crore primarily on account of higher product sales and shifting of product placement from exports to domestic market. On O2C basis, total throughput has

increased from 16.8 MMT to 18.2 MMT on Q-o-Q basis due to improved product demand in Q3 and scheduled shutdown taken in Q2.

During the quarter, Polymers margins were at a record high while intermediate margins were sequentially better. Petrochemical "Production meant for sale" for the quarter was 4.2 MMT with polyester production higher at 16% Q-o-Q.



Commenting on the results, Mukesh D. Ambani, Chairman and Managing Director, Reliance Industries Limited said, "At a time when the Indian economy is poised for a confident recovery, we at Reliance are humbled that we have been able to contribute to it with our Company's impressive performance in the third quarter of FY21. We have delivered strong operational results during the quarter with a robust revival in O2C and Retail segments, and a steady growth in our Digital Services business." "In line with this vision, our Oil-to-Chemicals (O2C) business has formally reorganised its reporting segments to reflect our new strategy and management matrix for this enterprise. The reorganised structure will facilitate holistic and agile decision making and enable us to pursue attractive new opportunities for growth, with strategic partnerships with the best and the biggest in this business globally," commented Ambani.

The O2C platform will increasingly move further downstream and become closer to customers. It will create planet- friendly and affordable energy and materials solutions to meet the growing needs of every sector of the Indian economy," added Ambani.

Source: Indian Chemical News

### Industry-Led Program to Solve Plastic Waste Problem Falls by Wayside

Funded by some of the world's biggest oil and chemicals companies, Renew Oceans has failed to meet its goal of keeping plastic waste in the Ganges River from entering the ocean surrounding India.

The plastics industry has devoted tremendous resources to trying to solve the plastic waste challenge, even if anti-plastic activists are loath to recognize the efforts. Sometimes, though, the industry gives itself a black eye, as is seemingly the case with Renew Oceans. Funded by some of the world's biggest oil and chemicals companies, Renew Oceans has failed to meet its intended goal of keeping plastic waste in the Ganges River from entering the ocean surrounding India.



According to a Reuters report, the “closure of Renew Oceans . . . is a sign that an industry whose financial future is tied to the growth of plastic production is falling short of its targets to curb the resulting increase in waste.” The Alliance to End Plastic Waste, a Singapore-based nonprofit group set up two years ago by Exxon Mobil, Royal Dutch Shell, Dow, Chevron Phillips Chemical, and about 50 other companies committed to spend \$1.5 billion over five years on the alliance and its projects.

Reuters noted that the alliance has not said publicly how much money it has raised from its members or what it has spent overall. However, the alliance did confirm to Reuters that “Renew Oceans had stopped operating, partly due to the new coronavirus, which had halted some work.” The Alliance to End Plastic Waste and Renew Oceans declined to comment on the amount of waste the project actually collected. Published targets on Renew Oceans’ website were to collect 45 tonnes of plastic trash from the Ganges in 2019 and 450 tonnes in 2020.

The launch of the project in January 2019 was live-streamed by National Geographic, reports Reuters, and Dow CEO Jim Fitterling said, at the time, that Renew Oceans was “one of the best projects we’ve got.”

The project intended to use state-of-the-art technology to collect and recycle plastic waste, including reverse vending machines that take in plastic litter and give out vouchers for money off taxi rides and groceries, and pyrolysis devices to turn plastic trash into diesel. However, prototypes of those devices that were deployed in Varanasi, India, “regularly malfunctioned,” four people involved in the project told Reuters. “The alliance and Re-

new Oceans declined to comment on the performance of the technology,” said Reuters.

An article appearing in the February 12, 2019, National Geographic noted that “Renew Oceans is a part of the Renewlogy partnership, a brainchild of Priyanka Bakaya, who wanted to “do something positive for an environment increasingly strained by plastic waste.” Bakaya attended Stanford University, where she learned about environmental entrepreneurship. She then attended business school at MIT and in 2009 founded PK Clean, named for her late mentor in Australia (where Bakaya grew up), whose formulas for converting waste into fuel were never published. A video embedded in the article shows Bakaya explaining the technology and process.

I reached out to Bakaya to get an update on her various projects in North America, such as the Salt Lake City facility and the PK Clean Technologies plant in Chester, Nova Scotia, built in cooperation with Sustane Technologies Inc. I also inquired about the City of Phoenix announcement regarding a contract with Renew Phoenix as a joint venture with Generated Materials Recovery using Renewlogy’s pyrolysis technology (announced two years ago).

Bakaya, whose latest press release in December 2020 said she was going to India, responded that Renewlogy has pivoted since the end of 2019 to focus on plastic-to-plastic rather than plastic-to-fuel, and is in the process of taking what it has developed in Salt Lake City to its new facility in Phoenix.

As an industry journalist, I receive many press releases from companies involved in “solutions” to the plastic waste problem. However, most of these press releases involve investments and grants or contracts with global brand owners for the resulting materials that potentially will be produced. I keep hoping that someday soon I’ll start receiving press releases telling me how many millions of tons of plastic waste a company actually has converted into valuable chemicals and reprocessed plastics. Calls to both Sustane and Generated Materials Recovery for comment and updates on the progress of these projects were not returned.

It’s no wonder that global organizations whose missions include trying to clean up plastic waste from the environment and anti-plastic activists are losing patience with the plastics industry’s efforts. Huge amounts of money are being dumped into various solutions with very little to show for it.

Reuters reported last October that the plastics industry “has been publicizing its efforts to recycle and manage plastic waste, but it is spending vastly more on expanding production than recycling, which has been rendered

uneconomic by the proliferation of cheap new plastic.”

I would add that the industry is also experiencing a proliferation of expensive solutions, many of which are uneconomical to produce at scale to make any significant dent in the millions of tons of plastic waste in the environment. It would seem, however, that for these global consumer goods companies and brand owners who keep sinking money into many of these projects, hope springs eternal.

Source: Plastics Today

### **Covid-19 pandemic effect: Shortage of containers to linger**

The Covid-19 pandemic in 2020 derailed every sector, and the shipping industry was no exception. While many industries, including manufacturing, are slowly bouncing back, the shipping sector is still struggling with a severe shortage of containers affecting trade. The fall in imports after the pandemic led to a huge imbalance in the demand and supply of containers, hitting the availability of containers for exports.



The trade that is mainly dependent on maritime transport is trying to cope with the continuing shortage, which led to the spiralling of freight costs and delays in shipments. In some sectors, freight rates increased by 100-200 per cent. Adding to the woes is the cancellation of scheduled vessels while the rescheduling of regular calls has created a demand for container slot allotments on vessels. This is affecting exports and is also leading to escalating freight cost.

The bleak situation may continue beyond the present financial year, said G Raghu Shankar of the ICSA Group, an integrated logistics service provider.

The freight rate from Chennai to Hamburg has more than tripled to \$1,800 per 20-foot equivalent unit (TEU) from \$500 in April 2020; to Felixstowe by over four times to \$1,800 from \$400; and to New York to \$4,800 from \$2,200. These are fluctuating rates based on demand and supply, Shankar added.

Echoing a similar view, Sanjay Lulla, Managing Partner at SM Lulla Industries Worldwide, a Chennai-based exporter of leather garments, said: “The situation was bad last year and our shipments were delayed. We had to wait for containers for 2-3 weeks. Now it is better, but we need to pay premium rates to get containers almost immediately.”

Empty container shortage is a concern for major exporters as they are facing difficulties in exporting bulk shipments with the shipping lines rationing it, said Ennarasu Karunesan, Founder & CEO, UMK Group, and an expert in ports and logistics.

Sino-Indian Trade is getting stabilised as import cargo from China into India has increased and the container repositioning for exports to China improved considerably. However, exporters are hit by freight rates that are at least three times higher than their pre-Covid-19 spendings.

Source: India Sea Trade News

### **Govt. advices SEZ units to mention about RoDTEP scheme in remark column of Shipping Bill**

The Ministry of Commerce and Industry issued the advisory to mention the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme in the remark column of Shipping Bill.

The Department of Commerce has issued an Advisory to all SEZ Units with regard to the RoDTEP scheme. As per this Advisory, SEZ Units filing Shipping Bills under RoDTEP Scheme should mention the in the remarks column of the Shipping Bill, “Shipping Bill filed under RoDTEP Scheme if applicable to SEZ Units and subject to such conditions as prescribed including the product coverage”.

The Government in the advisory said that the goods covered under such Shipping Bills shall be examined by the Customs Officials, on the pattern of MEIS, so that in case exports from SEZ Units are covered under the RoDTEP Scheme, such exports may be taken into account under the RoDTEP Scheme.

Therefore, the advisory directed the SEZ Units under MEPZ SEZ, who would like to file Shipping Bills under the RODTEP Scheme, may do so as per the above Advisory issued by the Department of Commerce.

The RoDTEP scheme would refund to exporters the embedded duties/taxes that were so far not being rebated or refunded.

For example, VAT on fuel used in transportation, Mandi



tax, Duty on electricity used during manufacturing etc. These would be covered for reimbursement under the RoDTEP Scheme. The rebate would be claimed as a percentage of the Freight on Board (FOB) value of exports.

Source: India Sea Trade News

## Norms relaxed for MSMEs to become AEO

In a welcome move, the Central Board of Indirect Taxes and Customs (CBIC) has relaxed the compliance and security requirements for micro, small, and medium enterprises (MSMEs) to get recognition as authorised economic operators (AEO). The idea is to help an MSME get internationally recognised quality recognition that indicates its secure role in the international supply chain and an assurance that it is a 'secure' trader and a reliable trading partner.

In 2016, the CBIC launched a revised trade facilitation programme by merging the existing accredited clients programme (ACP) and ongoing AEO scheme into a revised AEO programme that provides additional facilities to the legitimate traders who have demonstrated strong internal control systems and willingness to comply with the laws administered by the CBIC.



For the economic operators other than importers and the exporters, such as the logistics service providers, Customs brokers, warehouse keepers, custodians or terminal operators, the AEO programme offers only one tier of certification (i.e. AEO-LO), whereas for importers and exporters, there are three tiers of certification (i.e. AEO-T1, AEO-T2, and AEO-T3). The eligibility criteria for recognition are stringent for higher levels of recognition as AEO-T2 and AEO-T3. The parties having higher levels of recognition enjoy more facilitation measures.

The AEO scheme has grown in popularity over a period of time. At present, there 791 entities with AEO-LO recognition, 3,206 parties with AEO-T1 recognition, 581 parties with AEO-T2 recognition, and 20 parties with AEO-T3 recognition. They enjoy facilities such as lesser physical and documentary checks, direct port delivery and direct port entry for import and export containers, lesser quantum or waiver of bank guarantees, waiver

of merchant overtime fees, deferment of import duties, quicker refunds and so on.

The CBIC has entered into mutual recognition agreements (MRA) with certain other countries, where the Customs administrations recognise AEOs as secure entities and give the goods exported by them a higher level of facilitation. The AEOs recognised for the purpose can thus better predict the movement of their goods, particularly for time-sensitive shipments, and also enjoy saving in costs which would otherwise be incurred due to delay at the destination ports. By last August, 564 Indian AEOs had become eligible for facilitation under the MRAs.

However, all AEOs must furnish 100 per cent of differential duty as security if they request provisional assessment when inquiry is initiated based on reasonable belief that the matter involves mis-declaration of origin or when verification of signatures and seals is initiated under Free Trade Agreements in terms of Rule 5 or 6(1) (a) or 6(1)(b) of Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020.

As the MSMEs were finding it difficult to meet some of the eligibility criteria for getting recognition as AEO, the CBIC has now relaxed some of the conditions. MSMEs can now apply for AEO recognition even if they have only 10 (instead of 25) bills of entry or shipping bills in a year. They need have business activities only for last 2 (instead of 3) years. New simplified documentation is prescribed while applying for AEO recognition. The security requirements prescribed for MSME now cover minimum verifiable security criteria. The time limit for processing their applications is reduced. The benefits are increased to furnishing bank guarantees for lesser amounts. MSMEs should take note and avail the benefits available to them.

Source: Business-Standard

## Centre sanctions plastic park for Mangaluru: D V Sadananda Gowda





The department of chemicals and petrochemicals has given a green signal for setting up a Plastic Park in Mangaluru, Karnataka. Sadananda Gowda, the union minister of chemicals and fertilizers, confirmed the news through his official Twitter handle. He has directed the Karnataka government to prepare a detailed project report (DPR) for the proposal.

Pamela Kumar who functions under the secretary to the Government of India has directed Gaurav Gupta, additional chief secretary of commerce and industries department of Karnataka, to submit the DPR for the Mangaluru Plastic Park project at the earliest. Kumar stated in the letter, "I am directed to inform the scheme steering committee (SSC), in its 21st meeting held on January 20 under the chairmanship of secretary, for the scheme for setting up of Plastic Parks considered the proposals for setting up of two new Plastic Parks at various locations in the country and decided to grant in-principle approval to the proposal received from the state of Karnataka for setting up a Plastic Park at Ganjimutt, Mangaluru, Dakshina Kannada under the scheme," as reported by The Times Of India.

Kumar also mentioned that plastic parks are important for realizing the goals of the Make in India programme. He added that the in-principle approval is valid for six months. He further requested that a DPR should be submitted to the department at the earliest for expediting the grant of final approval. Sadananda Gowda added that the plastic park will have an ecosystem with state of art infrastructure building and enables the common facility to synergize the capacities of the domestic downstream plastic processing industry.

A plastic park is an industrial zone devoted to plastic enterprises and its allied industries. According to sources in MRPL (Mangalore Refinery and Petrochemicals Limited), the Plastic Park will provide employment to hundreds of unemployed youth. The Polypropylene unit in MRPL would supply raw plastic to units located in Plastic and Polymer park in Ganjimutt. At Present, MRPL's raw plastic is being sent to Gujarat and Maharashtra. The setting up of plastic park will not only utilise raw plastic but also will be saving on transportation cost. Further, over 104 acres in Ganjimutt had been earmarked for the Plastic Park. Apart from this, the sources informed that there are provisions for acquiring an additional 50 acres of land.

Source: Times of India

## Gujarat launches 8 new industrial estates to strengthen manufacturing MSMEs

In order to augment the capabilities for manufacturers of variety of products including ceramics, clock, toys, medical device, auto ancillary, engineering products and food products, the Gujarat government has announced eight new industrial estates to be set up in eight districts of the State. This is aimed at encashing the prevailing anti-China sentiment across several countries and positioning Indian manufacturing players on the global platform.



"This will be a big push for the small businesses to compete in the international market. Morbi will get a model GIDC estate, which will see many new units from clocks, toys and paper makers. We are getting ready to meet the global demand which has opened after sentiment against China," said Prakash Varmora, President of Federation of Industries and Associations (Gujarat).

### Eight districts

Chief Minister Vijay Rupani announced the new eight industrial estate of Gujarat Industrial Development Corporation (GIDC) in eight districts including Banaskantha, Jamnagar, Morbi, Gandhinagar, Patan, Rajkot, Anand and Mahisagar.

The industries that will get a push includes marble cutting and polishing industry, brass parts industry, Morbi ceramic, clock and toys industry, food and agro-processing industry, auto ancillary industry, medical devices industry and the engineering industries.

"We want to develop an economic circle with an aim to provide opportunities to several people through large number of MSME units. These estates will provide ₹1,223 crore capital investment and 20,000 new jobs in future," said Rupani.

"MSMEs are crucial for Gujarat's Atmanirbharta (self-reliance). Morbi's ceramic industry is the only park, which is giving a tough fight to China in production. Last year Morbi exported ceramics products to China itself. This is the proof of Gujarat's capabilities in manufacturing," he added.

The new industrial estates will be spread across total 987 hectares in these 8 districts. Morbi Model estate will be formed on 500 hectares equipped with all the advanced infrastructure facilities. MSME sector will get 2,570 plots with size of 500 to 2000 square metres and 337 plots of 10,000 to 50,000 sqmts.

### Multi-storey shed

The Chief Minister also announced setting up multi-storey shed in the existing 9 industrial estates of the state resulting into generation of capital investment of around ₹100 crore and 1,000 new job opportunities.

Rupani stated that Gujarat's MSMEs are growing fast from barely 6,000 at the time of establishment of Gujarat in 1960, to about 35 lakh functional MSME units across the State.

Source: The Hindu Businessline



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## HOW TO EXPORT?

### Guide for New Exporters

India's Foreign Trade i.e. Exports and Imports are regulated by Foreign Trade Policy notified by Central government in exercise of powers conferred by section 5 of foreign trade (Development and Regulation) Act 1992. Presently Foreign Trade Policy 2015-20 is effective from 1st April, 2015. As per FTD & R act, export is defined as an act of taking out of India any goods by land, sea or air and with proper transaction of money. Plexconcil brings you a quick glance at how you could start your export business and become a part of a global trade fraternity. Enjoy innumerable Government benefits, obtain export data, earn on Forex and diversify business risks.

#### STARTING EXPORTS

Export in itself is a very wide concept and lot of preparations is required by an exporter before starting an export business. To start export business, the following steps may be followed:

To start the export business, first a sole Proprietary concern/ Partnership firm/Company has to be set up as per procedure including a current account with a Bank authorized to deal in Foreign Exchange should be opened and a Permanent Account Number (PAN) number.

#### Obtaining Importer-Exporter Code (IEC) Number

As per the Foreign Trade Policy, it is mandatory to obtain IEC for export/import from India. Para 2.05 of the FTP, 2015-20 lays down the procedure to be followed for obtaining an IEC. An IEC or Importer Exporter Code is a unique 10-digit alpha numeric code issued on the basis of PAN of an entity. An IEC allotted to an applicant shall

have permanent validity.

To import or export in India, IEC Code is mandatory. No person or entity shall make any Import or Export without IEC Code Number, unless specifically exempted. IEC is issued in electronic form (e-IEC) by Directorate General of Foreign Trade (DGFT) which is under Ministry of Commerce, Government of India.

Plexconcil provides assistance to new exporters and guides them in the issuance of the IEC.

#### Registration cum membership certificate (RCMC)

For availing authorization to import/ export or any other benefit or concession under FTP 2015-20, as also to avail the services/ guidance, exporters are required to obtain RCMC granted by the concerned Export Promotion Councils/ FIEO/Commodity Boards/ Authorities.

#### Selection of Product & Markets

All items are freely exportable except few items appearing in prohibited/ restricted list. After studying the trends of export of different products from India proper selection of the product(s) to be exported may be made. An overseas market should be selected after research covering market size, competition, quality requirements, payment terms etc. Exporters can also evaluate the markets based on the export benefits available for few countries under the FTP. Export promotion agencies, Indian Missions abroad, colleagues, friends, and relatives might be helpful in gathering information.

Plexconcil can help you with the required market information and intelligence while handholding you through the process.

## Finding Buyers

Ensuring the right Buyer-Seller match is one of the most critical aspects of an export business. Plexconcil routinely leads Indian exporters to leading international trade fairs, buyer seller meets, exhibitions, etc under the Ministry of Commerce Market Assistance Initiatives to help exporters extend their business outreach. We also host Virtual Buyer-Seller Meets and have developed the only dedicated App for Plastics exporters in the country.

## Pricing/Costing

Product pricing is crucial in getting buyers' attention and promoting sales in view of international competition. The price should be worked out taking into consideration all expenses from sampling to realization of export proceeds on the basis of terms of sale i.e. Free on Board (FOB), Cost, Insurance & Freight (CIF), Cost & Freight (C&F), etc. Goal of establishing export costing should be to sell maximum quantity at competitive price with maximum profit margin. Preparing an export costing sheet for every export product is advisable.

## Covering Risks through ECGC

International trade involves payment risks due to buyer/ Country insolvency. These risks can be covered by an appropriate Policy from Export Credit Guarantee Corporation Ltd (ECGC). Where the buyer is placing order without making advance payment or opening letter of Credit, it is advisable to procure credit limit on the foreign buyer from ECGC to protect against risk of non-payment.

## Processing an Export Order

### i. Confirmation of order

On receiving an export order, it should be examined carefully in respect of items, specification, payment conditions, packaging, delivery schedule, etc. and then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.

### ii. Procurement of Goods

After confirmation of the export order, immediate steps may be taken for procurement/manufacture of the goods meant for export. It should be remembered that the order has been obtained with much efforts and competition so the procurement should also be strictly as per buyer's requirement.

### iii. Quality Control

In today's competitive era, it is important to be strict quality conscious about the export goods. Some products may be subject to compulsory pre-shipment in-

spection. Foreign buyers may also lay down their own standards/specifications and insist upon inspection by their own nominated agencies. Maintaining high quality is necessary to sustain in export business.

### iv. Finance

Exporters are eligible to obtain pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates to complete the export transaction. Packing Credit advance in pre-shipment stage is granted to new exporters against lodgment of L/C or confirmed order for 180 days to meet working capital requirements for purchase of raw material/finished goods, labour expenses, packing, transporting, etc. Normally Banks give 75% to 90% advances of the value of the order keeping the balance as margin. Banks adjust the packing credit advance from the proceeds of export bills negotiated, purchased or discounted.

Post Shipment finance is given to exporters normally upto 90% of the Invoice value for normal transit period and in cases of usance export bills upto notional due date. The maximum period for post-shipment advances is 180 days from the date of shipment. Advances granted by Banks are adjusted by realization of the sale proceeds of the export bills. In case export bill becomes overdue Banks will charge commercial lending rate of interest.

### v. Labeling, Packaging, Packing and Marking

The export goods should be labeled, packaged and packed strictly as per the buyer's specific instructions. Good packaging delivers and presents the goods in top condition and in attractive way. Similarly, good packing helps easy handling, maximum loading, reducing shipping costs and to ensuring safety and standard of the cargo. Marking such as address, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of cargo packed.

### vi. Insurance

Marine insurance policy covers risks of loss or damage to the goods during the while the goods are in transit. Generally, in CIF contract the exporters arrange the insurance whereas for C&F and FOB contract the buyers obtain insurance policy.

### vii. Delivery

It is important feature of export and the exporter must adhere the delivery schedule. Planning should be there to let nothing stand in the way of fast and efficient delivery.

### viii. Customs Procedures

It is necessary to obtain PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill for clearance of export good and open



a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system.

In case of Non-EDI, the shipping bills or bills of export are required to be filled in the format as prescribed in the Shipping Bill and Bill of Export (Form) regulations, 1991. An exporter need to apply different forms of shipping bill/ bill of export for export of duty free goods, export of dutiable goods and export under drawback etc.

Under EDI System, declarations in prescribed format are to be filed through the Service Centers of Customs. A checklist is generated for verification of data by the exporter/CHA. After verification, the data is submitted to the System by the Service Center operator and the System generates a Shipping Bill Number, which is endorsed on the printed checklist and returned to the exporter/CHA. In most of the cases, a Shipping Bill is processed by the system on the basis of declarations made by the exporters without any human intervention. Where the Appraiser Dock (export) orders for samples to be drawn and tested, the Customs Officer may proceed to draw two samples from the consignment and enter the particulars thereof along with details of the testing agency in the ICES/E system.

Any correction/amendments in the check list generated after filing of declaration can be made at the service center, if the documents have not yet been submitted in the system and the shipping bill number has not been generated. In situations, where corrections are required to be made after the generation of the shipping bill number or after the goods have been brought into the Export Dock, amendments are carried out in the following manners.

- The goods have not yet been allowed “let export” amendments may be permitted by the Assistant Commissioner (Exports).
- Where the “Let Export” order has already been given, amendments may be permitted only by the Additional/Joint Commissioner, Custom House, in charge of export section.

In both the cases, after the permission for amendments has been granted, the Assistant Commissioner / Deputy Commissioner (Export) may approve the amendments on the system on behalf of the Additional /Joint Commissioner. Where the print out of the Shipping Bill has already been generated, the exporter may first surrender all copies of the shipping bill to the Dock Appraiser for cancellation before amendment is approved on the system.

## ix. Customs House Agents

Exporters may avail services of Customs House Agents licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.

## x. Documentation

FTP 2015-2020 describe the following mandatory documents for import and export.

- Bill of Lading/ Airway bill
- Commercial invoice cum packing list
- shipping bill/ bill of export/ bill of entry (for imports)

(Other documents like certificate of origin, inspection certificate etc may be required as per the case.)

## xi. Submission of documents to Bank

After shipment, it is obligatory to present the documents to the Bank within 21 days for onward dispatch to the foreign Bank for arranging payment. Documents should be drawn under Collection/Purchase/Negotiation under L/C as the case may be, along with the following documents:

- Bill of Exchange
- Letter of Credit (if shipment is under L/C)
- Invoice
- Packing List
- Airway Bill/Bill of Lading
- Declaration under Foreign Exchange
- Certificate of Origin/GSP
- Inspection Certificate, wherever necessary
- Any other document as required in the L/C or by the buyer or statutorily.

## xii. Realization of Export Proceeds

As per FTP 2015-2020, all export contracts and invoices shall be denominated either in freely convertible currency of Indian rupees, but export proceeds should be realized in freely convertible currency except for export to Iran. Export proceeds should be realized in 9 months. As per the amendment vide RBI/2019-20/206 A. P. (DIR Series) Circular No. 27 dated 01.04.2020 to increase the present period of realization and repatriation to India of the amount representing the full export value of goods or software or services exported, from nine months to fifteen months from the date of export, for the exports made up to or on July 31, 2020.



# SELF-ADHESIVE PLATES, SHEETS, FILM ETC.

Self-adhesive plates, sheets, film etc segment includes products like Self-adhesive plates, sheets, and film; Plastic stickers, of all types; Cellulose adhesive tape; and similar articles of plastics that have an adhesive coating on one side (single-sided) or both sides (double-sided), and which are permanently sticky at room temperature. Self-adhesive plates, sheets, film etc may be transparent, coloured as well as printed with company logo or brand name etc.

Self-adhesive plates, sheets, film etc are classified as 3919 under Harmonized System (HS) of Coding.

World-wide import of Self-adhesive plates, sheets, film etc is estimated between USD 20-22 billion.

- In 2019, top-5 exporting countries of Self-adhesive plates, sheets, film etc were: China (15.6%), United States (12.2%), Germany (11.8%), Japan (10.7%), and South Korea (8.3%).
- Likewise, top-5 importing countries of Self-adhesive plates, sheets, film etc were: China (12.8%), United States (6.2%), Mexico (5.8%), Germany (5.8%), and Vietnam (4.5%).

India is a net importer of Self-adhesive plates, sheets, film etc. In 2019, India imported 70.4 KT of Self-adhesive plates, sheets, film etc valued at USD 453.34 million from the world. China and South Korea were the major source for India's imports of Self-adhesive plates, sheets, film etc.

Source Country	Value (USD Mn)	Source Country	Qty. (Tonnes)
China	142.73	China	42,772.97
South Korea	62.35	South Korea	5,076.62
Vietnam	47.54	United States	3,590.77
United States	45.31	Taiwan	2,302.10
Japan	25.98	Japan	2,056.02
Hong Kong	21.14	Germany	1,634.88
Singapore	20.14	Vietnam	1,341.39
Germany	17.93	United Kingdom	1,340.35
Taiwan	9.36	Hong Kong	1,247.25
Thailand	8.41	Finland	1,235.93

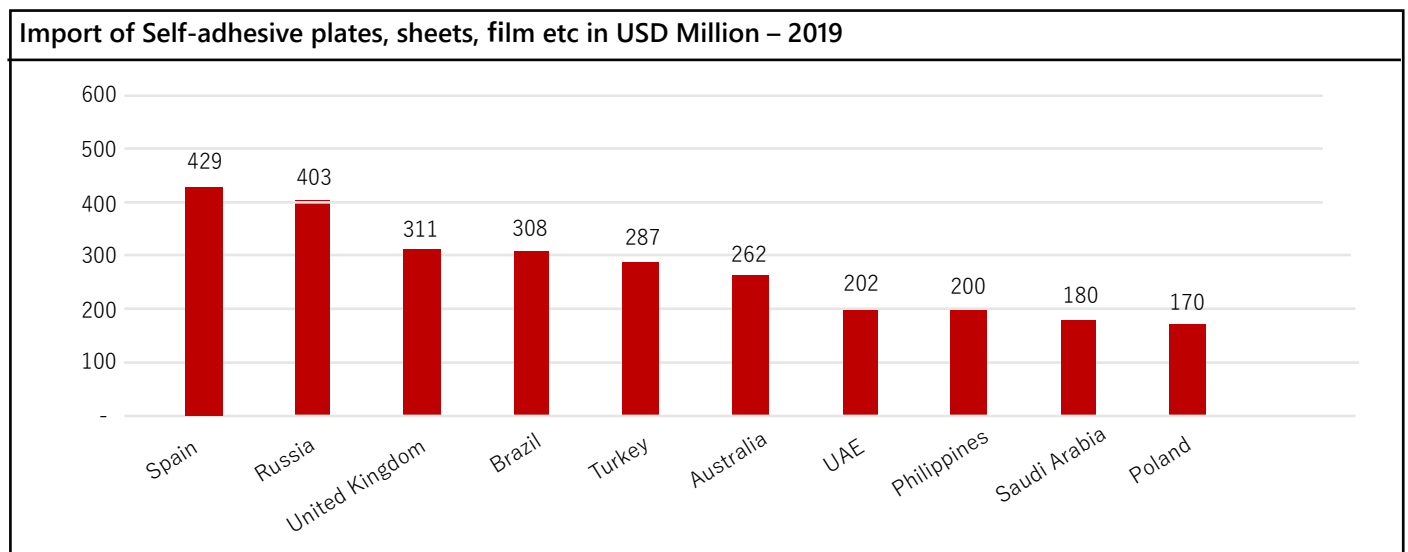
Source: Department of Commerce, Govt. of India, Plexconcil Research

In 2019, India exported 28.6 KT of Self-adhesive plates, sheets, film etc valued at USD 125.20 million to the world. United States and the United Arab Emirates were the major destinations for exports by value, while United States, Germany, and Spain were the major destinations in terms of quantity.

Destination Country	Value (USD Mn)	Destination Country	Qty. (Tonnes)
United States	22.98	United States	10,031.16
United Arab Emirates	19.96	Germany	3,291.96
Malaysia	10.83	Spain	2,957.00
Germany	10.51	United Kingdom	1,887.54
South Africa	9.69	United Arab Emirates	1,750.55
Spain	6.05	South Africa	1,174.85
United Kingdom	4.48	Kenya	865.28
Kenya	3.06	Nepal	601.17
Saudi Arabia	2.48	Netherlands	578.64
Bangladesh	2.43	Poland	466.57

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

Our internal research indicates that India's Self-adhesive plates, sheets, film etc producers have immense export potential to destinations like Spain, Russia, Malaysia, Brazil, Turkey, Australia, UAE, Philippines, Saudi Arabia, and Poland.



Source: Trade Map, Plexconcil Research



## Testing Fee Reimbursement Scheme for MSME SC/ST

*Reimbursement of testing fee charged by various NABL and BIS accredited laboratories for SC/ST MSEs under National SC-ST Hub*

Over the years, the Govt. has taken several initiatives in the form of various policies and programmes to promote the MSME sector and to further augment these initiatives and encourage MSMEs to participate in public procurement process, focus needs to be given on quality product development.



Today the 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.

Quality products that meet national and international standards have become a prime attribute for customers today. The ability of MSMEs to develop quality conscious products is heavily dependent on their capacity to access testing facilities available in their geography. Therefore, testing is an integral part of production of quality products and is essential for MSE units to become potential suppliers to core industries.

However, due to various costs associated with testing of products, it becomes difficult for SC/ST units to access testing facilities. Considering this, a scheme for reimbursement of testing fees for SC/ST entrepreneurs has been introduced with an aim to reduce the financial burden on SC/ST MSE units.

### Overview of the Scheme

Reimbursement of 50% or Rs 1,00,000/- (excluding GST and other applicable taxes), whichever is lower, charged as Testing fee, for availing testing services from NABL/ BIS accredited Lab or Lab of any Central / State Department / Public Sector Undertaking and license or certification given by Bureau of Indian Standards (BIS), in a financial year.

### National SC-ST Hub (NSSH)

The National SC-ST Hub (NSSH) set up under the ae-



gis of Ministry of Micro, Small and Medium Enterprises, seeks to offer financial assistance against the testing fee charged by various testing centers and laboratories across the country, exclusively for SC-ST micro and small enterprises (MSEs).



## NATIONAL SC-ST HUB

Safalta ki pehchaan

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:

- Quality of products manufactured by SC/ST MSEs
- Access to testing facilities available in their geography, and
- Participation rate in government tender
- To meet the national/ international standards which will help in indigenization The National Small Industries Corporation Ltd. (NSIC) is the nodal agency for implementation of the scheme.

### Reimbursement of Testing Fees

The assistance under this scheme will be released from NSSH funds and would be limited to 50% or Rs 1.00 Lakh, whichever is less, per SC/ST MSEs per financial year, on the testing fee charged (excluding GST and all other applicable taxes) by various NABL or BIS accredited laboratories across the country, only after submission of final NABL/ BIS attested testing report and other documents as listed in the guideline.

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.

Please note that the reimbursement shall be allowed subject to production of valid documents as mentioned

in Annexure- 1. The reimbursements shall only be made for testing fee paid post 14th November, 2018, provided all other criteria are met.

### Eligibility Criteria (Beneficiaries) for Availing testing services

All eligible SC-ST MSEs can avail testing services from any NABL or BIS accredited laboratories or centers across the country. The list of NABL and BIS accredited laboratories is available on <https://bis.gov.in/index.php/laboratorys/list-of-bis-recognized-lab/>

These laboratories or testing centers must be Government and/ or privately owned.

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), PAN number and registration under Goods and Services Tax (GST) are eligible to avail the scheme. 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.

### Testing Centre Criteria

Only testing done by National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratories and license or certification given by Bureau of Indian Standards (BIS) can be considered under the scheme.

The reimbursement is applicable only for availing testing services related to Raw materials, Semi – finished products and Finished products.

### 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 final NABL/ BIS attested testing report from the laboratory or center, 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](http://www.scsthub.in)

**Due Diligence by NSSHO:** In-depth evaluation of the application in terms of documentation would be conducted by respective officer at NSSHO. In case of any discrepancy (fake or incomplete documents), clarification would be sought from applicant/laboratory or center appropriately. Applications with incomplete documents shall not be accepted at all.

**Submission of documents to NSSH Cell at NSIC head office:** Post evaluation by NSSHO, proposals of all applicants in prescriber format (Annexure) duly signed by the NSSHO and Accounts Head, will be submitted to NSSH Cell at NSIC head office for approval.

**Final approval on reimbursement:** Based on the evaluation conducted by NSSHO, the consolidated proposal shall be put up by NSSH Cell at NSIC head office, to the Screening Committee headed by Director (P&M)-NSIC and having officials from Ministry of MSME, NSSH Cell and Finance Division of NSIC as members, for consideration. The screening committee will consider the proposals received in line with the eligibility and other criteria laid down in the guidelines. The Committee shall also review the overall progress of the scheme and its implementation on monthly basis and may suggest amendments in the guidelines and any other aspects of the Scheme for better implementation. The proposals duly recommended by the Screening Committee, shall be put up to the CMD-NSIC, for approval.

**Mode of Payment:** The reimbursement amount would be transferred to the applicant's bank account, where the fees charged/ debited by the testing centers or laboratories, directly through Public Financial Management System (PFMS) by the respective NSSHO/ NSSH Cell.

f) Timeline for submission of claims: Applicant can submit their claims within 45 days from the receipt of final NABL/ BIS attested testing report from the laboratory or center. 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

**Others:** Clubbing this scheme with any other scheme is not permitted. Any SC-ST MSE availing reimbursement under this scheme can not avail reimbursement of testing fee processing fees, from any other scheme of government or private agencies.

Mere submission of the application form and documents does not guarantee the reimbursement under this scheme as the claim is subject to scrutiny, approval

and availability of funds.

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](mailto:nsshsupport@nsic.co.in)

## Duration of Scheme

The scheme is valid till the existence of National SC/ST Hub (NSSH) Scheme or until further orders/guidelines of Ministry of MSME, whichever is applicable. Further, these guidelines are subject to revisions and amendments issued from time to time.

## Formats

Annexure 1: Application Form

Annexure 2: Feedback Form

Annexure 3: For internal purpose only

- Guidelines for evaluation to be used by NSSHO
- NSSH Head Office Summary Form
- Application Summary Form
- Monitoring Mechanism and Reporting Matrix

Above formats are available on <https://www.scsthub.in/sites/default/files/schemes/NSSHGuidelinesWeb-TestingFee.pdf>

## Amendments in the guidelines of Testing Fee Reimbursement Scheme under National SC/ST Hub

The following changes have been approved in the Clause-3 (Page-3/4) and Clause-5 (page-4) of the Guidelines of Testing Fee Reimbursement Scheme under National SC-ST Hub.

### Clause- 3: Reimbursement of Testing Fee

- Existing Provisions

The assistance under this scheme will be released from NSSH funds and would be limited to 50% or Rs 1.00 Lakh, whichever is less, per SC/ST MSEs per financial year, on the testing fee charged (excluding GST and all other applicable taxes) by various NABL or BIS accredited laboratories across the country, only after submission of final NABL/ BIS attested testing report and other documents as listed in the guidelines.

- Revised Provisions

The assistance under this scheme will be released from NSSH funds and would be limited to 50% or Rs 1.00 Lakh, whichever is less, per SC/ST MSEs per financial year, on testing services (excluding GST and all other applicable taxes) related to –

- Raw-materials, Semi-finished products and Finished Products
- Testing & Calibration of Plant & Machinery
- Material handling/transportation Equipment
- Instruments
- Tools

Reimbursement of fee for availing License/Rating/accreditation/Marking Fee from NABL/BIS accredited Lab or Lab of any Central/State Department/Public Sector Undertaking, can be done only after submission of final attested testing report and other documents as listed in the guidelines.

#### *Clause- 5: Testing Centre Criteria*

- Existing Provisions

Para-1: Only testing done by National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratories and license or certification given by Bureau of Indian Standards (BIS) can be considered under the scheme.

Para-2: The reimbursement is applicable only for availing testing services related to Raw materials, Semi – finished products and Finished products.

- Revised Provisions

Para-1: Only testing done by NABL/BIS accredited Lab or Lab of any Central/State Department/Public Sector Undertaking and license or certification given by Bureau of Indian Standards (BIS) can be considered under the scheme.

Para-2: The reimbursement is applicable only for availing testing services related to Raw materials, Semi-finished products and Finished Products, Testing & Calibration of Plant & Machinery, Material handling/transportation Equipment, Instruments, Tools and Reimbursement of fee for availing License/Rating/accreditation/Marking Fee.

Above amendments are available for download on [https://www.scsthub.in/sites/default/files/Amendments\\_Guidelines/Amendments%20in%20Guidelines%20testing%20fee.pdf](https://www.scsthub.in/sites/default/files/Amendments_Guidelines/Amendments%20in%20Guidelines%20testing%20fee.pdf)

Online Interest form available at <https://www.scsthub.in/content/point-interest>



## Plastic Houseware Industry

How many times have you used a container to keep some food leftovers or something edible you've bought? If you think about it, homes are full of plastic items. In a broad sense, houseware refers to any item that outfits a home. So, it includes an array of objects that may be essential or decorative. The purchase of houseware is a non-stopping process for people with a home and new appliances, items, and equipment are introduced constantly to the market. Most homes in the world share a very common type of houseware: flatware, drinkware, cooking utensils, and every type of non-food and food storage containers, etc. Considering the versatility, utility and flexibility of use, houseware plastics are a sure investment for any plastics manufacturer.

India is among the top-20 exporters of plastics houseware items in the world. In 2019-20, India exported plastic houseware worth USD 201.6 million to as many as 170 countries with leading export destinations being United Arab Emirates, Nigeria, United States, United Kingdom, and Saudi Arabia.

### Industry Outlook

With the slowdown in world economic growth, the Plastic Houseware Product industry has also suffered a certain impact but has still maintained a relatively optimistic growth. The coronavirus pandemic has disrupted

the demand and supply chain of the Plastic Houseware Product Market and left various companies struggling in these pressing times. However, the global economy is slowly recovering and is expected to be back on track to the pre-COVID levels.

### Key Trends\*

Over-reliance on the Imports of Raw Materials are expected to hinder the growth of the market.

Innovative applications such as eco-friendly products are expected to offer various opportunities for the growth of market.

Injection Molding Technology to dominate the market. While injection molding is a relatively capital-consuming process, it offers the advantage of high-speed processes and is found to be beneficial in the bulk production that underscores manufacturing in this product segment.

South-East Asia (SEA) is becoming increasingly competitive in the field of injection molding. Many Japanese companies has moved their production of automotive plastic parts from China to Vietnam where technologies such as injection molding is used at the highest level.

Polyethylene terephthalate (PET) is one of the plastics majorly used for packaging purposes considering its portability, design flexibility, ease of cleaning, light weight, and protection against moisture, etc. In addition, low handling hazards, low toxicity, and absence of bi-



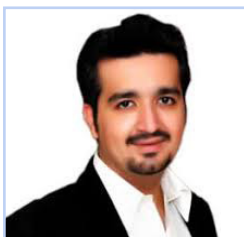
sphenol A (BPA) and heavy metals are some of the other factors that allow PET to be used for food packaging. Polyamide is another major engineering plastic that finds major application in the packaging sector. Bi-axially oriented and non-oriented polyamide films are used in medical and food packaging, owing to the former's high impact strength and good heat resistance will see good growth.

Increasing household and commercial applications for containers, plastic bags, canisters, and tableware, among others, are expected to drive the consumption demand for plastics in the packaging sector.

\*Mordor Intelligence

The current global competition is based on parameters such as price, quality, innovation, brand identity, and distribution channels. And although the increasing demand for recycled plastics from the packaging industry will offer immense growth opportunities, the growing preference for biodegradable plastics will challenge the growth of the market participants. To make the most of the opportunities, market vendors should focus more on the growth prospects in the fast-growing segments, while maintaining their positions in the slow-growing segments.

## Industry Speak



**Dhruv Sayani,**  
Director, Ccigmaa  
Lifestyle & Panel  
Chairman –  
Consumer &  
Houseware

**What are the major product export segments within Plastic Houseware? Which of these have the highest demand or growth prospects?**

Plastic Kitchenware can be one of the major product export segment for our country. Plastic Kitchenware is exported to over 163 countries. In the year 2020-2021 (Apr-Oct), India has exported Plastic Kitchenware worth of 66.54 USD million. The total volume of export

in 2020-2021 (Apr-Oct) was around 4,63,63,518 as per the records of Connect2India. The growth prospects are across various personal care and household articles that will have an exponential demand in 2021 with a lot of countries looking towards India.

**Which regions or countries have high export growth potential from India? What are the emerging opportunities?**

Nigeria, USA, UK, UAE, Saudi Arabia, Germany, Sweden, Ghana, China and Qatar are some of the countries with

excellent growth potential for India. The top 5 trading partners of India are Nigeria (8.99 USD Million), USA (7.8 USD Million), United Kingdom (7.46 USD Million), United Arab Emirates (4.59 USD Million), Saudi Arabia (2.57 USD Million). The total export value of Plastic Houseware in these countries is 31.41 USD million. These top 5 countries account for over 47.2% of the total Plastic Houseware export from India.

**What are the key drivers for growth of the Houseware segment?**

The boost that the manufacturing sector has been receiving under the dynamic Make in India initiative, the ease of doing business promoted by the government for increasing manufacturing units in India, the increasing Indian Exports post COVID as well as the FDI inflow into India are the current key drivers for growth in exports of the housewares segment and these will establish the foundation for sustained growth in the future as well.

**What are the major global demand trends within the category? What are the threats to the segment?**

1. Demand for renewable plastic material
2. Demand for recycled products
3. Demand for non-hazardous plastic
4. Threat of the trend shifting to paper packaging
5. Preference of people shifting to glass and borosilicate

**What are the recent major or key innovations, new regulatory developments, etc in the segment in India? How has this industry segment evolved over the years?**

Recent key innovations that we are seeing in the industry would be the use of Engineering plastics which has been recently introduced to Indian market. This product segment is now being developed intensively because of its great potential and benefits as well as better Mechanical and Thermal properties. It is stronger and more durable than the regular Plastic. It is light in weight and can reduce the overall weight of Appliances by almost 50 percent while Biodegradable Plastics which is made from plant-based raw materials allows natural decomposition processes. This industry segment is gaining immense popularity and expected to be worth \$6.12 billion by 2023. With Green Plastics, benefits include safer decomposition and energy-efficiency. These are good for our environment in the long run.

**Who are India's major competitors? What are the advantages they enjoy over Indian products?**

China and Germany will remain major competitors. The advantage China enjoys is the variety of products they manufacture and the faster lead times with which they

export and shipment frequency from their ports to major import hubs. Germany still leads with innovation and quality though as a country India is not very far behind on these criteria. However, a lot more work still needs to be done.

### **What are the major challenges of manufacturers/ exporters of Houseware products?**

1. Low Investment in Technology – Domestic Plastic Processing industry in India has seen a shift from low output/low technology machines to high output/high technology machines. Focus on developing state of the art R&D is decreasing with more focus on increasing the capacity utilization. Domestic machinery is manufactured as per the current technology to improve productivity and energy efficiency, in order to enable the processors to compete globally. However, key machines are still imported from Europe, the U.S and Japan which invite a heavy customs duty which results in huge losses.
2. Environmental Impact – In the wake of high use of plastic products, impact on environment has taken its toll. A sizeable chunk of the municipal solid waste streams comprise plastic waste and hence are pose an environmental issue.
3. Availability of feed stock – With plastic being a key material going to end use sectors such as packaging, electronics, agriculture etc, the demand for plastic input is increasing day by day. With crude contributing heavily towards production of PVC, PP, PE, PS etc, availability of raw materials is an issue these days with plunging crude prices and infrastructural issues.

### **What are the measures needed to increase exports of Plastics Houseware from our country?**

One major measure we need is a major Exhibition dedicated to Housewares and Consumer ware which has still not been given its due credit in the contribution to exports. Most manufactures have done some excellent work with their products and outreach. However, a single showcase window is missing and that is critical in putting India's housewares and consumer ware on the global map.

### **What are the sustainability efforts being made by Indian/ global manufacturers within this segment?**

Indian manufacturers have been very quick open to learn new technologies work on better managing their carbon footprint and work towards manufacturing through a sustainable and clean environment. From rescuing plastic waste at the manufacturing sites to adopting solar power, plastic production is now largely adopting good industry practice and in 2021 new sustainability modules need to be developed and communicated through

various councils to see it in practice soon enough.



**Rahul V Podaar,  
Managing  
Director, The  
Shakti Plastics  
Industries**

### **What are the major areas of consumer applications for recycled plastics products?**

Plastics are durable, lightweight, and inexpensive material and even technically sophisticated and can well be molded into various products that find use in a plethora of applications. Due to this, the usage of plastic appears to have been considerably increasing every year. Recycled Plastic Products, being comparatively cheaper, clearly constitute an important component of the range of materials used in modern society.

Almost all aspects of daily life involve either plastic or rubber in some form or the other, which include clothing and footwear, together with products for use in food and public health applications. By making use of recycled plastic granules, we can make new bottles as well as containers, plastic lumber, picnic tables, lawn furniture such as garden benches, chairs, playground equipment, etc., recycling bins and many more. In general use, we can make use of plastic bags to carry home groceries.

### **What are the emerging opportunities within the consumer/ houseware segment for recycled plastics in coming years?**

In the coming years, the industry is likely to witness brand and manufacturers coming together to develop sustainable packaging solutions and build a circular economy. Many leading Brand Owners have already committed to a timeline and even announced that all of their plastic packaging's would be fully reusable, recyclable or compostable by 2025.

### **Within the food grade plastics segment, what are the current uses, if any? If not, what is the future scope for the recycled plastics usage?**

The plastics which are specially developed for food packaging and storage applications are known as food grade plastics. Food grade plastics are developed to ensure protection and safety of food and even for extending its shelf life. Apart from being light weight and strong the food grade plastics are also bacteria resistant which makes them an important aspect of food packaging industry.

Lack of technologies and low quality currently restrict us using secondary material in food grade plastic. May be in future with the advancement in technologies

we might be able to achieve quality standards and use recycled material in food packaging segment.

**What are the quality standards/ safety certifications, etc that we need to adopt or follow to upgrade our capabilities/ capacities in the segment?**

It is extremely difficult to ensure international standard to any material due to variety of circumstances that exist around the world. Further certification is a procedure by which a third party gives written assurance that a product process or service is in conformity with certain standards. Such certificate demonstrates to the buyer that the supplier complies with certain standards, which might be more convincing than if their supplier itself provided the assurance.

**What is India's global potential in terms of exports of value added recycled plastic products**

On the lines of opinion by experts in the industry, India's Plastic industry is targeting at least a 3% share of the global polymer export market by 2025, to be achieved by a combination of capacity expansion and technology upgrades. The Government of India is pushing for plastic parks to expand production capacity to meet domestic demand as well as increase India's exports.

The Government authorities are in the process of bringing the Small and Medium Enterprises under various umbrella organisations which would help them to expand locally and also find new international markets for their products.

**What are the barriers to trade in recycled plastics consumer/ houseware product exports?**

Low demand of Secondary Material in the Market, Myths about Quality and Strength of Recycled Material, and Peoples mindset on using secondary material (lack of adoption of recycled products) are the major barriers to trade in recycled plastics.

**What are the measures needed to encourage greater adoption of recycled plastics within everyday use/ applications?**

As per my personal opinion, the concerned Government Departments should take initiative and some of the suggestive measures that can be taken are:

- Enforce constrictive measures on new plastics production and to promote the use of recycled plastics
- Funding through local waste management fees through government initiatives
- Establish end-of-waste criteria for recycled plastic in order to set a high-quality standard and stabilize the market for secondary raw materials.

- Investments in recycling collection schemes
- public-private partnerships need to be formed to mobilize the industry to make change
- Manufacturers and producers must work with recyclers to maximize design efficiency potential.
- Co-operation along the value chain.

**What would be your advice or recommendations to the industry at large regarding EPR?**

Plastic waste is a mass problem, and one alone cannot deal with it. The fundamental idea of delegating the waste management onus on producers is a very great solution. Hence the Extended Producer Responsibility (EPR) is the best framework to ensure safe and sound disposal of plastic waste at a large scale.

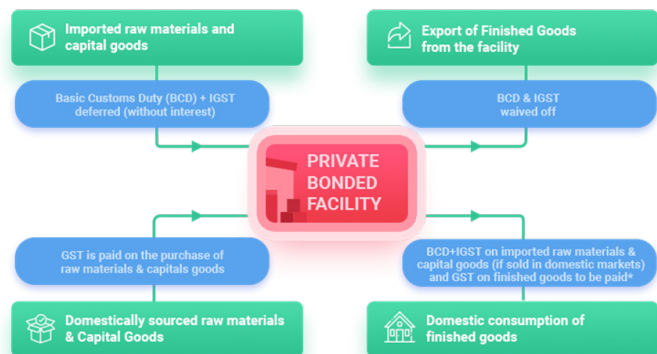




## Bonded Manufacturing Scheme for Manufacturing and Processing in a Bonded Facility

With the Government's continuous efforts to promote India as the manufacturing hub globally and the commitment towards ease of doing business, another initiative in this direction by the Central Board of Indirect Taxes (CBIC) is allowing import of raw materials and capital goods without payment of duty for manufacturing and other operations in a bonded manufacturing facility.

When the raw materials or capital goods are imported, the import duty on them is deferred. If these imported inputs are utilised for exports, the deferred duty is exempted. Only when the finished goods are cleared to the domestic market, import duty is to be paid on the imported raw materials used in the production. Import duty on capital goods is to be paid if and when the capital goods are cleared to the domestic market.



Note: When the raw materials or capital goods are imported, the import duty on them is deferred. If these imported inputs are utilised for exports, the deferred duty is exempted. Only when the finished goods are cleared to the domestic market, import duty is to be paid on the imported raw materials used in the production. Import duty on capital goods is to be paid if and when the capital goods are cleared to the domestic market.

\*When finished goods are exported, in addition to the waiver of BCD + IGST on the imported goods used, the GST on the finished goods can be zero-rated.

## Frequently Asked Questions on Manufacture and Other Operations in Customs Warehouse.

(Updated on 27th October 2020) - F.No. F. No.484/03/2015-LC (Pt)

The Central Board of Indirect Taxes and Customs (CBIC) have launched a revamped and streamlined program to attract investments into India and strengthen Make in India. This program is based upon Section 65 of the Customs Act, 1962, which enables conduct of manufacture and other operations in a Customs bonded warehouse. The program has been introduced vide the Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019, (hereinafter referred to as MOOWR, 2019) and explained through Circular-34/2019- Customs dated 01st October, 2019.

Under this program a unit can import goods (both inputs and capital goods) under customs duty deferment with no interest liability. There is no investment thresh-



old or export obligation. The duties are fully remitted if the goods resulting from such operations are exported. Import duty is payable only if the resulting goods or imported goods are cleared in the domestic market (ex-bonding). The salient features of the program are:

- No geographical limitation on where such units can be set up.
- A single application cum approval form for uniformity of practice with a single point of approval to set up the operations of such units.
- Improved liquidity with deferment of import duty and no interest liability.
- Allows procurement of GST compliant goods from the domestic market for use in manufacture and other operations in a Section 65 unit.
- A single digital account for ease of doing business and easy compliance.
- Enables efficient capacity utilization, as there is no limit on quantum of clearances that can be exported or cleared to the domestic market.

CBIC has gathered certain queries through trade consultations which have been consolidated and answered below.

## **Who is eligible for applying for manufacture and other operations in a bonded warehouse?**

**Response:** The following persons are eligible to apply for manufacture and other operations in a bonded warehouse, -

- A person who has been granted a licence for a warehouse under Section 58 of the Customs Act, in accordance with Private Warehouse Licensing Regulations, 2016.
- A person can also make a combined application for licence for a warehouse under Section 58, along with permission for undertaking manufacturing or other operations in the warehouse under Section 65 of the Act.

The persons mentioned have to be a citizen of India or an entity incorporated or registered in India.

## **Can a factory which is solely into manufacturing goods, which are to be sold in the domestic market, eligible for applying for manufacture and other operations in a bonded warehouse?**

**Response:** The eligibility of a factory for manufacture and other operations in a bonded warehouse does not depend upon whether the final goods will be sold in the domestic market or exported. There is no quantitative restriction on sale of finished goods in the domestic market. Any factory can avail a license under Section 58

of the Customs Act along with permission under Section 65 if they intend to import goods without upfront payment of Customs duty at point of import and deposit them in the warehouse, either as capital goods or as inputs for further processing.

## **Is an existing factory which solely manufactured goods to be sold in the domestic market, eligible for application for manufacture and other operations in a bonded warehouse? How will the existing capital goods and inputs be accounted?**

**Response:** Yes. Any unit in Domestic Tariff Area (DTA) is eligible for making an application for manufacture and other operations in a bonded warehouse i.e. an old factory in DTA is eligible for applying. The accounting form prescribed for the units undertaking manufacture and other operations in a bonded warehouse provides for accounting of DTA receipts. Thus, the existing capital goods and inputs must be accounted in the accounting form prescribed. The form also provides for a remarks column in case certain remarks are to be entered.

## **Is manufacture and other operations in a bonded warehouse allowed in Public Bonded Warehouse licensed under Section 57 of the Customs Act?**

**Response:** No. At present, manufacture and other operations in a bonded warehouse is allowed only in a Private Bonded Warehouse licensed under Section 58 of the Customs Act.

## **Will a unit licensed under Section 65 and Section 58 of the Customs Act, 1962, be under the physical control of Customs?**

**Response:** No. There is no physical control of a unit licensed under Section 65 and Section 58 of the Customs Act, 1962, on a day to day basis. The unit will be subject to risk based audits.

## **Can the license under Section 65 and Section 58 of the Customs Act, 1962, be obtained on bare land with identified boundaries or a built structure is imperative for obtaining the said license?**

**Response:** The regulations do not mandate that a fully enclosed structure is a pre-requisite for grant of license. What is important is that the site or building is suitable for secure storage of goods and discharge of compliances, such as proper boundary walls, gate(s) with access control and personnel to safeguard the premises. Moreover, depending on the nature of goods used, the operations and the industry, some units may operate without fully closed structures. The Principal Commissioner/Commissioners of Customs will take into consideration the nature of premises, the facilities, equipment and personnel put in place for secure storage of goods,

while considering grant of license.

## **Do we need to renew license under Section 58 or permission under Section 65?**

**Response:** The license and permission granted is valid unless it is cancelled or surrendered, or the license issued under Section 58 is cancelled or surrendered. Thus no renewal of the license under Section 58 or permission under Section 65 is required.

## **Can a unit undertaking manufacture and other operations in a bonded warehouse import capital goods without payment of duty? If yes, whether only BCD or both BCD and IGST on imports is covered? For how long is duty deferment available? Is interest payable after some time?**

**Response:** A unit licensed under Sections 58 and 65 can import capital goods and warehouse them without payment of duty. Manufacture and other operations in a bonded warehouse is a duty deferment scheme. Thus both BCD and IGST on imports stand deferred. In the case of capital goods, the import duties (both BCD and IGST) stand deferred till they are cleared from the warehouse for home consumption or are exported. The capital goods can be cleared for home consumption as per Section 68 read with Section 61 of the Customs Act on payment of applicable duty without interest. The capital goods can also be exported after use, without payment of duty as per Section 69 of the Customs Act. The duty deferment is without any time limitation.

## **Would any customs duty be payable on the goods manufactured in the bonded premises using the imported capital goods (on which duty has been deferred) and sold into the domestic tariff area?**

**Response:** The payment of duty on the finished goods is clarified in Para 8 and 9 of the Circular No. 34/2019. Duty on the capital goods would be payable if the capital goods itself are cleared into the domestic market (home consumption). Thus the duty on the capital goods does not get incorporated on the finished goods. Thus no extra duty on finished goods cleared into DTA is payable on account of imported capital goods (on which duty has been deferred).

## **Can a unit undertaking manufacture and other operations in a bonded warehouse import inputs without payment of duty? If yes, whether only BCD or both BCD and IGST on imports is covered? For how long is duty deferment available? Is interest payable after some time?**

**Response:** Manufacture and other operations in a bonded warehouse is a duty deferment scheme. Thus both BCD and IGST on imports stand deferred. In the case of

goods other than capital goods, the import duties (both BCD and IGST) stand deferred till they are cleared from the warehouse for home consumption, and no interest is payable on duty. In case the finished goods are exported, the duty on the imported inputs (both BCD and IGST) stands remitted i.e. they will not be payable. The duty deferment is without any time limitation.

## **Is import of raw material without BCD and IGST allowed? Will there be any interest obligation if IGST is paid when finished goods are sold in domestic markets?**

**Response:** Inputs/raw materials can be imported and deposited in the licensed warehouse without payment of BCD and IGST. No interest liability arises when the duties are paid at the time of ex-bonding the resultant goods. The duties (without any interest) are to be paid only when the resultant goods are being cleared for home consumption.

## **Would it be mandatory to appoint a warehouse keeper in the factory licensed under Section 65 of the Customs Act? Would all goods cleared from the said factory be subject to inspection by the warehouse keeper/ Customs authorities?**

**Response:** A warehouse keeper has to be appointed, for a premise to be licensed as a private warehouse under Section 58 of the Customs Act. The warehouse keeper is expected to discharge duties and responsibilities, maintain accounts and also sign the documents, on behalf of the licensee. The warehouse keeper is expected to supervise and satisfy himself about the veracity of the declaration/accounts that he is signing.

The inspection of goods by customs at the stage of ex-bonding would be done, only if there is indication of risks and not as a matter of routine practice. Approval of the bond officer is not required for clearance of the goods from the warehouse.

## **How frequently is an audit of a unit operating under Section 65 of Customs Act, 1962 expected?**

**Response:** The audit of units operating under Section 65 would also be based on risk criteria. There is no prescribed frequency for such audit.

## **What are the customs document/ form for movement of imported goods on which duty has been deferred to/ from a unit undertaking manufacture and other operations in a bonded warehouse? Are such goods required to be under customs escort during their movement?**

**Response:** Following are the customs document for movement of imported goods on which duty has been

deferred to/ from a unit undertaking manufacture and other operations in a bonded warehouse:

- Customs Station to Section 65 unit: Bill of entry for warehousing. It is clarified that no separate form is prescribed for movement from Customs station to Section 65 unit as the goods are already accompanied by the Bill of entry for warehousing.
- From another warehouse (non-Section 65) to a Section 65 Unit: Form for transfer of goods from a warehouse as prescribed under the Warehoused Goods (Removal) Regulations, 2016. This is because warehouse which is not a Section 65 unit has to follow the Warehoused Goods (Removal) Regulations, 2016.
- From Section 65 Unit to another warehouse (the other warehouse can be a Section 65 unit or a non-Section 65 warehouse): Form prescribed in Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019.

The goods will not be under customs escort during movement.

## **If the imported capital goods are cleared for home consumption after use, is depreciation available?**

**Response:** No. Depreciation is not available if imported capital goods (on which duty has been deferred) are cleared for home consumption after use in a Section 65 unit.

## **If the imported capital goods are cleared for export after use, is depreciation available?**

**Response:** The imported capital goods (on which duty has been deferred) after use in a Section 65 unit can be exported without payment of duty as per Section 69 of the Customs Act. For the purposes of valuation of the export goods, the same will be as per the Section 14 of the Customs Act read with the Customs Valuation (Determination of Value of Export Goods) Rules 2007.

## **Can all export benefits under FTP and Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (IGCR) be taken in Bonded warehouse simultaneously?**

**Response:** The eligibility to export benefits under FTP or IGCR would depend upon the respective scheme. If the scheme allows, unit operating under Section 65 has no impact on the eligibility. In other words, a unit operating under Section 65 can avail any other benefit, if the benefit scheme allows.

## **What will be the method of inventory control method in Section 65 units? Whether First in First out (FIFO) method can be followed?**

**Response:** The Generally Accepted Accounting Principles will be followed for inventory control in a Section 65 unit. Thus FIFO method can be followed.

## **What are the procedure and documentation requirements for re-entry of manufactured goods, returned by the customers for repair, in the premises?**

**Response:** Once the goods are cleared from the warehouse, they will no longer be treated as warehoused goods. Thus if the resultant goods cleared from the warehouse are returned by the customer for repair, they will be entered as DTA receipts (this is provided in the accounting form). After repair, when the same is cleared from the warehouse, the same will be entered in the prescribed accounting form.

If the goods were exported and subsequently rejected or sent back for repair by the customer, then the goods upon re-import have to be entered as Imports receipts in the accounting form. The relevant customs notification for re-imports has to be followed while filing the Bill of Entry for re-import of the goods.

## **What is the procedure for surrender of licence for a Section 65 unit?**

**Response:** Since the unit operating under Section 65 is also licensed as a Private Bonded warehouse under Section 58 of the Customs Act, the procedure for surrender of licence will be as per the regulation 8 of the Private Warehouse Licensing Regulations, 2016. A licensee may therefore, surrender the licence granted to him by making a request in writing to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be. On receipt of such request, the licence will be cancelled subject to payment of all dues and clearance of remaining goods in such warehouse.

## **What will be the treatment of restricted items?**

**Response:** Please refer to CBIC instruction issued vide F.No. 450/147/2015-Cus.IV dated 26th February 2016 in the matter where it has been clarified that all regulatory checks shall be applied at the into bond stage for a bill of entry for warehousing. Thus all compliances are required before the goods can be utilized in a Section 65 warehouse.

## **How is hazardous cargo to be treated?**

**Response:** Hazardous cargo has to comply with all extant laws. Operating under Section 65 does not exempt units from compliance to any applicable laws.

**Can an existing Private warehouse licensee apply for Section 65 permission or do they have to file a new application?**

**Response:** Please refer to Para 4 of Circular No. 34/2019-Customs dated 1st October 2019 wherein it has been clarified that applicants can seek a license under section 58 and permission to operate under Section 65 synchronously, or request for permission under Section 65, if they already have a warehouse licensed under Section 58.

**At what stage is PGA clearance required for Bills of Entry relating to warehousing?**

**Response:** Please refer to CBIC instructions issued vide F.No. 450/147/2015-Cus.IV dated 26th February 2016 in the matter where it has been clarified that all regulatory checks shall be applied at the into bond stage for a bill of entry for warehousing.

**Regulation 7 of MOOWR 2019 requires that a person who has been granted permission under regulation 5 shall appoint a warehouse keeper who has sufficient experience in warehousing operations and customs procedures to discharge functions on his behalf. Can a Customs broker be appointed as a warehouse keeper?**

**Response:** Yes, a person who has passed the examination referred to in regulation 6 or regulation 13 of the Customs Broker Regulations, 2018 may be appointed as a warehouse keeper. There is also no bar in appointing any person who has sufficient experience in warehousing operations and customs procedures.

**What is the procedure for termination of operations in the bonded warehouse and surrender of premises license? Whether payment of duty is required on inventory lying in the premises, particularly, if such goods are proposed to be exported in the near future?**

**Response:** Since the unit operating under Section 65 is also licensed as a Private Bonded warehouse under Section 58 of the Customs Act, 1962, the procedure for surrender of licence will be as per the regulation 8 of the Private Warehouse Licensing Regulations, 2016. A licensee may therefore, surrender the licence granted to him by making a request in writing to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be. On receipt of such request, the licence will be cancelled subject to payment of all dues and clearance of remaining goods in such warehouse.

Thus duty on the remaining bonded inventory needs to be paid before surrender of license. In case the bonded goods are desired to be exported, the same needs to be done before surrender of the license.

**Can existing AEOs continue to get AEO benefits once they switch over to MOOWR from DTA, EOU units?**

**Response:** Operating under Section 65 has no effect on AEO status. All benefits available as an AEO continue notwithstanding operations under Section 65.

**Whether at the time of filing the ex-bond Bill of Entry, the importer can claim exemption from customs duties as may be applicable under various Customs Tariff notifications?**

**Response:** As per Section 15(1)(b) of the Customs Act 1962, the rate of duty in case of goods cleared from a warehouse shall be the rate on the date on which a bill of entry for home consumption is presented. Thus, the importer can claim exemption from customs duties under various Customs Tariff notifications as may be applicable on the date on which a Bill of Entry for home consumption is presented.

**How would the valuation of the imported inputs be done for the purpose of payment of Customs duty in case of DTA clearances?**

**Response:** The valuation of imported inputs for the purpose of payment of Customs duty shall be as per Section 14 and Section 15 (1)(b) of the Customs Act 1962.



## IEMs signed in the Plastics segment during December 2020

IEM No.	Company Name	State / UT	Item of manufacture
1399	Ukay Metal Industries Private Limited	Maharashtra	Other articles of plastics
1464	Dhunseri Poly Films Private Limited	West Bengal	BOPET films

## 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 December 2020. We would like to welcome them abroad!

Sr. No	Name of the Company	Address	City	Pin	Director Name	Email
1	AMEYA POLYMERS	Survey no 59, Pothavara-padu(V), Agiripalli(M), Krishna District	Krishna	521212	D.Laxmi Kanthi	ameyapolymers15@gmail.com
2	AVSL INDUSTRIES LIMITED	UNIT NO. 1001,10th Floor, NDM-2,WAZIRPUR DISTRICT CENTRE, NE-TAJI SUBHASH PLACE,PITAMPURA,	PITAMPURA	110034	RAHUL CHHAJER	agriexim@avsl.co.in
3	DLJM HOUSEWARE PRIVATE LIMITED	D-55, HOSIERY COMPLEX,NOIDA PHASE-II EXTN.,	GAUTAM BUD-DHA NAGAR	201305	MOHIT GUPTA	finance.tronica@dljm.com
4	ECOLOONIE	73 VATSALYA COMPLEX MA-HUDHA ROAD MEHAMADABAD	MEHAMAD-ABAD	387130	PATEL HAR-DIK MUKUND-BHAI	info@ecoloonie.com
5	ESSENZA POLYPACK LLP	S.N. 84/1P5, RAMPARIYU, LAKHDIR-GADH, TANKARA,	MORBI	363650	AGHARA PRA-TIK ANILBHAI	essenzapolypack@gmail.com
6	GIRIRAJ ENTERPRISES	PLOT NO-295, 1st & 2nd Floor ,SECTOR-6, IMT MANESAR,	GURGAON	122052	yash goyal	ngoyal9711@gmail.com
7	KAKA INDUSTRIES PRIVATE LIMITED	PLOT NO- 3 & 4 , SURVEY NO. -338 G.I.D.C. ZAK TA . DEHGAM	GANDHINAGAR	382355	SHASHANK KHANDELWAL	production.kaka-industries@gmail.com
8	KPM UDYOG	VILLAGE. BEN-RA, KAKKARWAL ROAD,DHURI,	SANGRUR	148024	MOHIT JINDAL	kpmudyog45@gmail.com
9	MTL NEW INITIATIVES PRIVATE LIMITED	PLOT NO. 60E & F, BOMMA-SANDRA INDUSTRIAL AREA, HOSUR ROAD,	BANGALORE	560099	VINOD PADIK-KAL	exim@man-jushreeindia.com
10	Neotex polymer & packaging private limited	Plot No 95, Sector 8, Gandhinagar	Gandhinagar	382007	HARSHKETU	harsh@neotex-group.com

11	QUALITY POLYMERS	PLOT NO.154/597, Village Pooth Khurd,	New Delhi	110039	KRISHAN KUMAR	polymersquality@gmail.com
12	RADHEY OPTICALS MANUFACTURING PRIVATE LIMITED	11/6, MATHURA ROAD	FARIDABAD	121003	DEEPAK BAISLA	RADHEYOPTICAL@GMAIL.COM
13	SAGAR PLASTIC PRODUCTS	SR NO. 57/1, 2A/2,GROUND FLOOR, VILLAGE DUNETHA, NAINI DAMAN,	Daman	396210	AMIT SHINDADKAR	ameet_06660@yahoo.co.in
14	SAI SURYA EXIM	NO 58 A, 5TH MAIN ROAD THIRUVALLUVAR NAGAR, KODUNGAIYUR	CHENNAI	600118	SIVAGAMI	saisuryahairexports1981@gmail.com
15	SHIVA PERFORMANCE MATERIALS PRIVATE LIMITED	9TH FLOOR, ABS TOWERS, OLD PADRA ROAD,	VADODARA	390007	MANISH RATHOD	hemanshu.bakshi@shivaperformance.com
16	SRI ADS POLY INJECTIONS LLP	No.F-61, Sipcot Industrial Park, , Building-B, Irungattukottai, KANCHIPURAM ,	KANCHEEPURAM	602105	PADMAJA	sankaranratha@yahoo.co.in
17	sunrise polymers	SUNRISE POLYMERS IDA D-67 PHASE -5	hyderabad	500055	shivraj singh	sunrisepoly1@gmail.com
18	SUPREME PACK	SR.NO. 168/65, DABHEL INSUSTRIAL CO- OP SOCIETY, DABHEL,	DAMAN,	396210	DERAIYA MUNAF	shahidderaiya@gmail.com
19	TORIS PLASTPACK LLP	SURVEY NO. 158, NR. TORIS POLYFAB LLP, NR. TATHASTU SPINING MILL, AT HIRAPAR, TA TANKARA,	MORBI,	363650	VIVEK N DADHANIYA	torisplastpack@gmail.com