



POWERING PROGRESS THROUGH PLASTICS
ISO 9001:2008 Certified

AIPMA



THE ALL INDIA PLASTICS MANUFACTURERS' ASSOCIATION

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Ref No.: AIPMA/ PA/ 202/913

13th August 2020

Shri Nitin Gadkari
Hon'ble Minister of MSME
Minister of Micro, Small and Medium Enterprises
New Delhi

Subject: Representation by major Plastics Associations against the proposal of the Government to make BIS standards mandatory on polymers (raw material)

Dear Sir,

This is with reference to the stakeholder consultation organized by the Department of Chemicals and Petrochemicals on 14th August 2020 to discuss twenty-three number of Indian standards for making them mandatory. Most of these 23 items are polymers (raw material).

As you are aware, the plastics processing industry comprises of 50,000+ units employing around 50 Lakhs people. 95 percent of these units are MSME's. After careful and detailed analysis of the proposal, the plastics processing industry in India represented by various industry associations are of the firm opinion that the proposal to make BIS standards mandatory on polymers would be detrimental and damaging to the growth of the plastics processing industry. Therefore, we oppose the proposal of the Government to make BIS standards mandatory on raw material and urge you to save the interest of the processing industry which is already reeling under tremendous challenges due to the pandemic. Mandatory BIS standards will cripple the downstream industry for following reasons:

1. One objective of BIS standards on Polymers may be to reduce non-essential items import. Polymers have been declared as essential commodity during lock down. Import of polymers are largely limited to grades not made in India in sufficient quantity or quality data for which is already submitted to department. So trying to limit import of polymers is not in larger economical interest of plastic processing industry & will have impact on competitiveness of all other user industry sectors.
2. Second objective of BIS may be to improve consumer safety by ensuring quality of final products. Due to improved technology & knowhow of processing, plastic processors are able to deliver good quality products as per user needs by processing materials with huge range of MFI & density. Very fact that Indian plastic products are accepted across world market is proof that quality of final product can be made with current material norms



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that are largely meets international standards & mandatory BIS is not necessary for the same.

3. During negotiation for RCEP, Ministry of Commerce & Industry, Govt of India has accepted principle of priority to protect finished goods sector first, followed by intermediary & lastly raw materials considering parameters such as creation of jobs, scale of operations & value addition at each stage.
4. To fulfil dream of 'Atmanirbhar' Bharat, we must focus on finished products, where value addition and job creation is larger. Creating barriers for import of polymers will enrich select few companies, but will create barriers to growth of plastic processing industry to replace import of China made finished products with Make in India.
5. Usually many countries have their own standards but ISO standards are international standards which are widely accepted by all countries. To make mandatory BIS Standard on raw material imports will prompt other countries to adopt retaliatory measures including enforcing their own standards on Indian goods (both raw materials & processed plastics) which will be highly detrimental to exports from India. Such measures are not confirming to WTO norms as well.
6. Raw material manufacturers in India usually adopt technology and technical know-how from large international corporations and pay huge license fees and adhere to international quality standards. However, mandatory BIS is being proposed to be applied on foreign producers who have provided technology to Indian producers. Since the process of BIS marking is very tedious which involves technical inspection and also attracts a marking fee based on quantity produced each year, foreign producers may not be willing to undergo such procedures and opt out from supplying to India leading to a further scarcity in availability of polymer raw materials and thereby pushing its cost higher. Similarly, foreign producers may not be willing to support domestic polymer producers and will not be keen to support them with latest technologies in future.
7. Polymer production entails setting up of multi-billion dollar investments into the entire business eco-system. The objective of BIS standards is to prevent low quality and non-standardized imports into the country. Polymer production is a standardized process all over the world and the product conforms to international standards as mentioned in the Technical Data sheets. Adding another layer of standards serves no fruitful purpose, rather makes the ease of doing business for Indian MSME's more difficult.
8. Downstream plastics industry will be severely affected since raw material input costs will increase substantially as domestic polymer producers would



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not be able to meet demand and therefore will also increase their rates substantially. On the other hand, imports of finished goods, since not being governed by any quality standards, will be freely imported at cheap prices and also at inverted custom duties thereby ensuring the collapse of the plastic processing industry in India thereby jeopardizing livelihood of millions of families.

9. Government should make mandatory BIS on critical finished goods which are being imported in large volumes and made in India by large plastic processors first. Out of total import of 5.7 Billion USD, 28% are films & sheets, Optical items are 10%, leather cloth 7%, Pipes hoses & fittings 3%, Electrical 3%. These items are made by larger plastic processors and can start process of BIS. Other items can follow in a phased manner. However, since domestic units (specially MSME's) also have to comply with mandatory BIS standards, we suggest following before making BIS standards mandatory on plastics finished goods: -

- Give reasonable time to MSME's before making BIS standards mandatory
- BIS registration and renewal cost should be made highly affordable for MSME's
- Increase number of accredited labs in various production clusters and regions for testing and inspection.
- Under technology upgradation fund, MSME's should be supported to set up in-house lab
- Make sure inspector raj does not derail MSME sector.

10. China uses products made out of off spec polymer domestically as well as in exports to be hyper competitive. If Indian processors are denied access to the off spec supply chain from USA, EU and Middle East, they will further lose market traction in exports to China.

11. BIS standards proposed repeatedly refer to equivalent ISO standards that are applicable to the particle test being conducted. Given below are 2 examples of MFR and Density test from the proposed BIS standard for LLDPE: -

<p>5.2.1.2 Melt flow rate (MFR)</p> <p>The melt flow rate of the material shall be as agreed to between the purchaser and the supplier and shall be determined by the method prescribed in IS 13360 (Part 4/Sec 1)/ISO 1133. The value of melt flow rate shall be within ± 20 percent of the specified melt flow rate, if this is one or above and shall be within ± 30 percent of the specified melt flow rate, if this is less than one.</p>	<p>5.2.1.1 Density</p> <p>Density of the material shall be as agreed between the purchaser and the supplier and shall be determined according to IS 13360 (Part 3/Sec 1)/ISO 1183.</p> <p>The value of the density shall not differ from the nominal/agreed value by more than 2 kg/m^3 for the</p>
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You will note that ISO 1133 and ISO 13360 are quoted for MFR and Density. Additionally, the BIS standard aims to impose deviation limits on these tests. We do not see merit in this exercise as every polymer manufacturer mentions these datasets on their technical data sheets. These technical datasheets have been generated based on tests conducted laboratories with international accreditation including NABL (NABL is a constituent board of Quality Council of India which is an autonomous body setup under Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry). Adding another layer of inspection will serve no purpose other than constricting the available product portfolio to the Indian processors. It may be noted here that it also contrary to the purpose of the NABL that has Mutual Recognition Arrangement (MRA) with Asia Pacific Laboratory Accreditation Cooperation (APLAC), International Laboratory Accreditation Cooperation (ILAC). If we stop recognizing internationally accredited labs, they will stop accepting Indian NABL recognized lab results.

12. There should be no regulation on the range of deviation as mentioned in the standard. Wide spec material, often called transition or off spec, is a result of a polymer plant changing its product from one grade to another. These materials are available at discounts and are widely used by exporters to manufacture low end items for Africa, Middle East and USA like garbage bags and industrial/construction covers. Should access to these grades be restricted, Indian processors will cede this carefully curated market to Chinese competitors.

13. Shortage of certain raw materials in India cannot be ignored- Capacity of local producers of PVC is only around 50% of the domestic consumption. Similarly, various speciality polymers and Biopolymers are not manufactured in India. Imposing Non-tariff barriers such as mandatory BIS standards will reduce imports of such material leading to widening of demand supply gap which in turn would push the price of polymers upwards hurting exports of value added plastics goods. This may also lead to increase in cost of various end use essential items for Indian consumers.

Taking above in to consideration, we request your intervention to withdraw the Government's proposal to make BIS standards mandatory on polymers (raw material) until domestic production of polymers are sufficient to meet country's consumption and India becomes 'Atmanirbhar' in polymer capacity.



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With Warm Regards,

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2.	Mr. Dharmendra Gandhi	President	Organization of Plastics Processors of India
3.	Mr. Ravish Kamath	Chairman	Plexconcil
4.	Mr. Ramesh Kr. Rateria	President	Indian Plastics Federation (IPF), Kolkata
5.	Mr. Vijay Kumar	President	Karnataka State Plastics Association
6.	Mr. Ravi Jashnani	President	Maharashtra Plastics Manufacturers Association
7.	Mr. Shailesh Patel	President	Gujarat State Plastics Manufacturers Association
8.	Mr. Balakrishna Bhat Kakunje	President	Kerala Plastics Manufacturers Association
9.	Mr. Vimalesh Gupta	President	Telangana and Andhra Plastics Manufacturers Association
10.	Mr. B.A. Nazeer	President	Canara Plastic Manufacturers & Traders Association