

Pre- Budget expectations for the Plastic & Polymer Industry 2023-24

By

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Plastindia Foundation urges the government to lower the import on polymer and increase the custom duty on finished plastic products in Union Budget 2023-24 to support the domestic plastic industry

Finance Minister Smt. Nirmala Sitharaman is all set to present the Union Budget for the financial year 2023-24. Plastindia Foundation is hopeful that the hon'ble Finance Minister will frame the budget keeping in mind the overall growth and development of the entire plastic industry – from raw materials, and converter to machinery manufacturers. Plastindia Foundation's motto is to put the Indian plastic industry on a high growth path – from USD 5 trillion in 2025 to an ambitious USD 25 trillion by 2045.

To drive this growth and to make India the global sourcing hub for plastic, Plastindia Foundation wholeheartedly supports the Make in India and Aatmanirbhar Bharat initiatives. However, we need support from the government to make this a reality:

- The import duty on polymer should be between 5 - 7.5 %. India does not produce enough polymer and import is inevitable. Import duty on polymer needs to be lowered to make the Indian plastic industry more competitive
- Custom duty on the finished plastic product should be a minimum of 20% or more to support the domestic plastic processing industry
- The government is focusing on renewable energy, and this presents an opportunity for the plastic industry. However, at present 90% of the components for solar panels and windmills are imported and the products are only assembled in India. To encourage the local manufacturers, the custom duty on the import of components like EVA, back sheet, metal frame, solar glass etc., should be at least 20%. The plastic industry can play an important role in manufacturing EVA and back sheets

To promote industrialization in India, I would also request the hon'ble Finance Minister to consider the following:

- Make uninterrupted power available at less than Rs 5 per unit. India has a high electricity rate and power fluctuation is also very high. This rate is at par with neighbouring countries that makes uninterrupted power available to industries at a low cost
- India should have a free labour law however the wages should not be so high that it makes the manufacturing industry globally uncompetitive. Labour law should come under the purview of the Central government and wages across the country - in tier 1, tier 2 and tier 3 cities, should be uniform
- GST should not be higher than 12% across product categories
- Government should make land acquisition easy by identifying zones of land that are non-agricultural. Land from those zones should be made available easily without industries having to go through the formality of converting agricultural land to non-agricultural land. Also, the Government should start a new formula wherein developed land should be made available to industries on long-term leases. This will significantly lower the investment on land and make Indian industries globally competitive. Currently, the price of land is so high that project costs skyrocketed. China is using this formula for a very long time
- Easy finance at reasonable interest rates from both banks and NBFCs should be made available to the industry
- Compliances should be kept minimum. Also, if there are any technical errors in following these compliances then it should be handled by a separate court. It should not be treated as criminal activity

Overall, we are expecting a budget that is industry-friendly and makes the domestic plastic industry more dynamic and globally competitive.

About Plastindia Foundation:

Established in 1987, PLASTINDIA FOUNDATION is the apex body of the major association, organizations, and institutions connected with Plastics focused to promote the development of the plastics industry and assist in the growth of Plastics and related materials. The Foundation is committed to the nation's growth through the development of the Plastics sector. The aim of the Foundation is to facilitate the export-led growth of the Indian Plastics industry and help boost exports both in volume and revenues. It aims to make India the number one destination and the preferred sourcing base of Plastic products in the world.

