

Plastics Machinery Manufacturers Association of India (PMMAI)

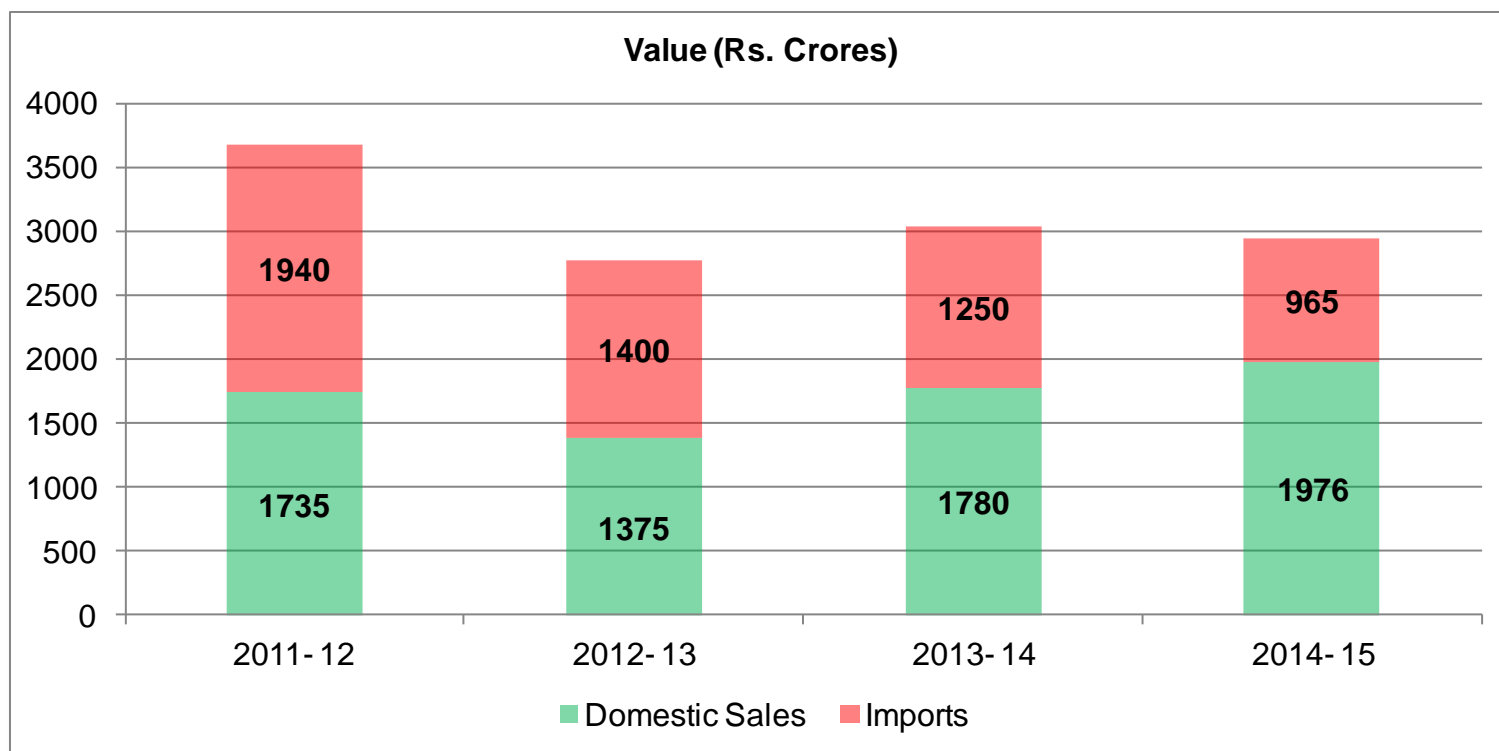
Welcomes
Hon'ble Min. DHI
29th May, 2015

Plastics Processing Machinery Indian Industry Size

- Over 200 Plastics Machinery Manufacturers. 14 in organized sector
- No. of plastics processing machines installed in India : 113,000 (March 2013)
- Market Size ~ Rs. 3,600 Cr
- Present employment approx 1.2 Lakh (Direct, Indirect). Most labour intensive sub-sector amongst capital goods (*as per Annual survey of Industries(2008), BCG Analysis*)
- Technology Status – at par with Global Leaders, possible to meet 90% of technical requirement.
 - Technology absorption thru' Wholly Owned Subsidiaries, Joint Ventures & Technology Licenses.
 - Several home grown technologies, own patents
- Domestic manufacturers enhanced manufacturing capacities following demand boom in 2009-10. New Players entered manufacturing capacity today is sufficient to meet market demand.
- Indian Plastics Machinery Manufacturers are meeting Global Standards of Quality & Performance
- Exports to Americas, Europe, Japan, Africa, Middle East, Russia, SEA.
 - Export Revenue in 2013-14 - US\$ 70 Millions, Potential to Grow at 25%

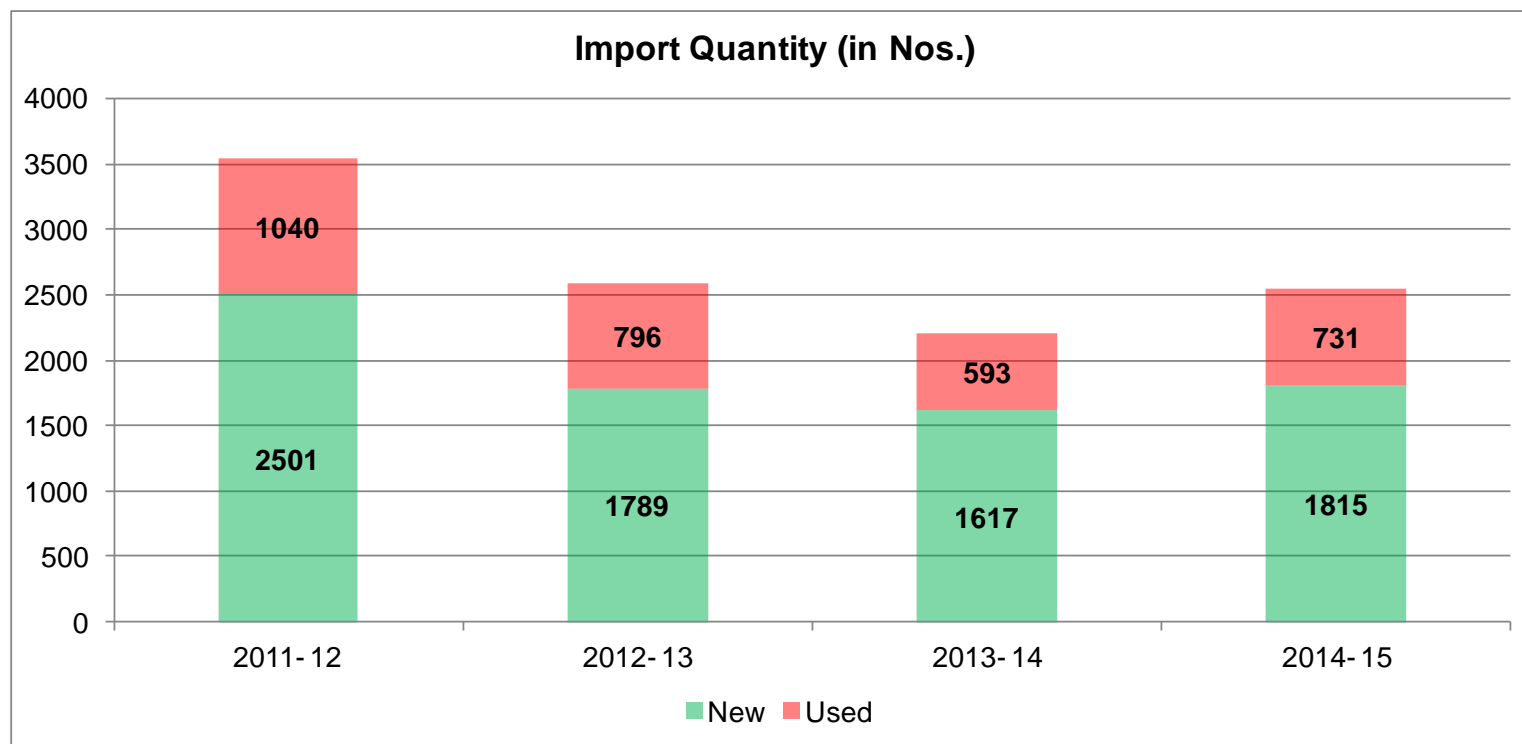
Plastics Processing Machinery India Market

Indian Industry has surplus capacities, but low priced imports from Fareast & used machinery take 35- 40% market share



Plastics Processing Machinery Imports

Used Machines command around 30% of total plastics processing machinery imports



- Machinery discarded by Developed countries to remain compliant to stipulated energy consumption standards find way into India.
- It will lead to cost inefficiencies in Plastics Processing Sector

Plastics Processing Machinery Potential

- Domestic manufacturers produce machinery to current global technologies, hence hold high export potential
- Has potential for employment generation in own manufacturing facility and in supply chain, majority of them in SME sector
- Industry produce skilled Manpower for Processing Sector (Customers)

Plastics Processing Machinery

Industry Actions for Growth

- To increase domestic market share and gain significant share in global markets, priorities are
 - Reduce cost:
 - Development of supplier clusters for quality parts at competitive costs
 - Customs duty reduction on technology parts from imports which form about 30% of total material cost
 - Technology parts which are presently imported are common with other capital goods such as Machine Tools, Textile machinery, Process machinery. Clubbing the requirement, technology leaders from Germany, Japan shall be invited to setup manufacturing in India
 - Increasing capacity utilization by gaining market share from imports of new & used machinery to get advantage of economy of scale
 - Improve Aesthetics & Reliability:
 - Increase availability of trained manpower from Vocational Institutes
 - Upgrade curriculum of Vocational Institutes to present Industry needs
 - Develop standards for Machinery through BIS – Create Brand India



We Shape Plastics...

Plastics Processing Machinery

Technology Upgradation Fund for Plastics Machinery Manufacturers

Technology Upgradation Fund for Plastics Machinery Manufacturers:

- Through Technology Upgradation Fund Scheme (TUFS) to encourage modernization of manufacturing facilities for Plastics Machinery manufacturers
 - Improve Part precision, reduce production time & On time delivery
 - Adapt modern heat treatment/surface treatment processes
 - Create Green Manufacturing compliant facilities
- Scheme should include, support in the form of interest reimbursement and capital subsidy.
- Advantage –
 - Cost Reduction
 - Benefit to user industry

Plastics Processing Machinery

Technology Upgradation Fund for Plastics Processing Sector

Technology Upgradation Fund for Plastics Processing Sector:

- Through Technology Upgradation Fund Scheme (TUFS) leverage investments in latest, efficient technology in the Plastics Processing Sector.
 - Overcome technological obsolescence
 - Create economies of scale
 - Allow Plastics Processing Industry to meet the challenges of globalization
- Scheme should include, support in the form of interest reimbursement and capital subsidy.
- Advantage –
 - Processor will opt for latest generation, energy efficient machines
 - Reduction in Cost of Conversion
 - Benefit to Consumer.

Credit Linked Capital Subsidy Scheme (CLCSS)

- With changing processing technologies, need to add new machines & technology under this scheme. Increase subsidy to 25%



Plastics Processing Machinery Government Support Required

- To Increase Market Share
 - Prevent Dumping of Plastics Machinery
 - Sunset review – ADD on IMM imports from China to be expedited
 - ADD investigation on IMM imports from other countries which is under progress shall be expedited
 - Ban/ Restrict import of Used Machinery
 - Help reducing Cost
 - Custom duty reduction on Technology part imports
 - Encourage domestic manufacturing of Technology parts by clubbing requirements of similar components of other members of Capital Goods Sector
- Development of BIS for Plastics Machinery – To build Brand India Image
- Development of Skilled Manpower: CGSC to work on developing curriculum of courses of Vocational Institutes on priority. May approach MSME, IMTMA, ACMA to share their curriculums with Capital Goods Member for the review and adaptation.



Plastics Processing Machinery Government Support Required

- Recommend Preference to Domestic machinery in purchases of Government enterprises & Institutes
- Negotiate for Reversal of Customs Duty reductions (on IMM up to Zero) agreed in FTA/CEPA with South Korea, ASEAN & Japan
- Do not agree for Customs Duty Reductions on Plastics processing Machinery in RCEP & Other FTA/CEPA under negotiations
- Implement GST, Other Tax reforms & Labor reforms

Thank you!