

Indian import deadline drives temporary price hike

Plastics – [Kirstin Linnenkoper](#) – May 1, 2019

<https://recyclinginternational.com/plastics/indian-import-deadline-drives-temporary-price-hike/>



Exporters cash in as domestic recyclers try to secure more material ahead of August restrictions. Malaysia has also been cracking down on scrap imports. The European plastic scrap market has continued to show positive sentiment – but it may be short-lived.

In March, prices of plastic scrap firmed further and the reasons given were good demand and limited availability of the material. Prices for LDPE natural clean film, for example, jumped by more than 15% in just four weeks. At the beginning of March, rates were EUR 240-245 per tonne and by the end prices had hit EUR 280-285 per tonne.

Other grades of plastics scrap also followed this trend and these prices were up by more than 10%. This higher demand was down to the Indian market, where domestic recyclers are on a deadline over imported plastic scrap. India's Ministry of Environment, Forest and Climate Change issued a letter on 7 March informing the industry that the final date for importing plastic scrap would be 31 August.

Even importers with valid licences until the end of this year will be prevented from taking plastic scrap after this date. As a result, recyclers demanded greater quantities of material for their yards as soon as possible ahead of the cut-off date.

As many still have good import quotas left, this demand will surely continue for a short while. June might practically be the last month for loading goods from Europe to India. Indian importers are challenging the MOEFCC decision, as their licences already required them to re-export all of the recycled material made from their imports.

The main reason for the ban is to improve the recycling of India's home-grown waste. India generates around 26 000 tonnes of plastic waste every day, of which as much as 40% is never collected.

This article is a preview of the upcoming plastics market report, written by Surendra Borad Patawari, ceo of Gemini Corporation.