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India's ban of single-use plastic

On 1st July 2022, the government of India started implementing a law that bans the manufacture, import, stocking, distribution, sale, and use of certain single-use plastic items across all of India. This is the second phase of a plan laid out by the government in August 2021 to end usage of single-use plastic in the country. This phase will ban single-use plastics in straws, cutlery, earbuds, packaging films, balloons, candy, ice cream and cigarette packets, among other products. The full list can be found on the government's website [here](#).



The current Indian Prime Minister Narendra Modi said in an address in 2018 that India will eliminate all single-use plastic in the country by the end of 2022. Plastic waste is a big problem in India. Around 88% of the country's retail sector is served by the 'unorganized' segment – which refers to the sector that comprises of small-scale enterprises or units

that are not registered with the government. These are usually mom-and-pop stores/vendors spread across all of India and they are a big part of India's economic engine. Single-use plastic is commonly used by these small businesses given the cheap and convenient nature of single-use plastics. India's waste management system is not well equipped to handle all these plastic wastes, which creates big pool of non-biodegradable litter in many parts of the country.

It looks like the government is pushing hard for change in this regard. Anyone found violating the single-use plastic ban will be jailed for five years or fined more than 100,000 rupees (\$1,265). Special control rooms will be set up to monitor and ensure enforcement of the ban at national and state levels. Plastic manufacturers had appealed to the government to delay the July ban, citing inflation and potential job losses. F&B players such as Pepsi, Coca-Cola, Dabur, and Amul had lobbied for straws to be exempted from the ban. On September 2021 the government had banned the production and use of plastic carrier bags that have a thickness of less than 75 microns. These bags were the popular mode of packaging for the unorganized sector in India. From December 2022 India will also ban carrier bags that have a thickness of less than 120 microns.

However, many street vendors say it will be difficult for the government to enforce the ban completely. The underground market is already selling plastic carriers to vendors in India, which are still widely used especially in the remote, rural parts of the country where monitoring is difficult. A paper bag that can carry 2 kilograms of mangoes will cost at least 8 rupees (\$0.10), which would be the cost of 25 similarly sized plastic bags.

While we are somewhat positive on the environmentally friendly actions being executed by India, we are cautious on the speed at which the single-use plastic ban can be implemented. In the near term, this law can create meaningful headwinds for the retailers in the unorganized sector in India if they were to comply with the ban. The merchants in the unorganized sector are usually earning less than the USD 1800 median annual income in India and will suffer from the increased costs, especially as the government has not yet planned for alternatives in details.

Sources: [Business Standard](#), [Al Jazeera](#), [Reuters](#), [NPR](#), [Zee News](#), [Financial Express](#), [The Times of India](#), [The Indian Express](#), [Central Pollution Control Board of India](#), [Ministry of Environment, Forest and Climate Change](#)

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