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**MATERIALS**
- Nickel
- Inconel
- Monel
- Hastelloy
- Titanium
- Stainless Steel
- Duplex Steel
- Carbon Steel

**PRODUCT FORMS**
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METAL TUBE INDUSTRIES
64, C. P. Tank Road, Mumbai - 400 004.
Dear Reader,

AMAI wishes all readers a very Happy & Prosperous New Year.

An important announcement in 2019 was the government discontinuing its engagement for concluding the negotiations for the Regional Comprehensive Economic Partnership (RCEP). Most industry bodies, including AMAI welcomed the government’s announcement. The progress of negotiations was perceived as not addressing India’s concerns. The fear expressed by most industry sectors was the floodgates the deal could open for cheap imports, particularly from China. While announcing the withdrawal, the government has indicated that India could consider a resumption only if all its concerns were adequately addressed.

The beginning of 2019 also witnessed low caustic soda imports with the mandatory BIS certification implementation in place. However, with many exporters in other countries getting BIS licences, caustic soda imports began to rise from the middle of the year. The effect of the implementation of mandatory BIS certification lasted for only a few months. With additional capacities coming in at significant investments, the industry was once again under pressure, accentuated by global surpluses that drove prices downward.

The PVC industry got some relief by way of an increase in basic customs duties on imports from 7.5% to 10% and full exemption from basic customs duty on imports of Ethylene di-Chloride (EDC) from 2% to nil which were announced by the new government in its maiden budget in July 2019. The industry had sought a higher increase in BCD on PVC and full exemption from BCD on Vinyl Chloride Monomer (VCM) imports. Providing these reliefs would incentivise investments for domestic capacity additions. The requests for upward revision in BCD for caustic soda and soda ash remained unaddressed.

The government continued to actively engage with the industry through 2019, signalling an approach to resolve various outstanding issues. AMAI hopes that 2020 will augur well for the alkali and chlorovinyl industries and signalling good tidings in the new decade.

K. Srinivasan
Secretary General
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Disclaimer: Information published in this magazine is reproduced from various sources. Every effort is made to minimize errors while reproducing for publication in Alkali Bulletin. However, readers are requested to verify and make appropriate enquiries and satisfy themselves about the veracity of information published in this magazine before use. The publisher or AMAI will not be responsible for decisions taken by readers based on information published in Alkali Bulletin.
Housekeeping is more than “pretty” - it’s about safety

What happened?

A sugar mill had been operating for over 100 years; poor housekeeping procedures allowed sugar to accumulate around equipment and on structures.

A plugged chute created a dust cloud that ignited and caused other explosions and fires. 14 people were killed, 38 were injured, and the plant was destroyed.

Why did it happen?

Sugar is combustible; while it is hard to ignite, explosions provide more than enough energy to cause damaging explosions and fires.

The initial explosion created additional explosions fueled by sugar residue left in the process areas. The first event would have been severe, but the presence of accumulated sugar allowed secondary explosions and fires that greatly increased the impact. Housekeeping practices at that site were not well followed. Over years, a number of fires had occurred that were reported, but corrective actions were not effective nor sustainable.

(Ref CSB Investigation - Imperial Sugar Fire & Explosion 02/07/2008 report 2008-05-I-GA-6 - 09/24/2009)

Did you know?

- Accumulated materials, from your process and also packaging materials (plastic, paper/cardboard, wood), become fuel in the event of a fire or explosion. Minimizing it through housekeeping is essential.
- Safety systems such as fire protection may not be designed for extra fuel, including dust or other spilled materials.
- Spills & leaks of raw materials, process intermediates or finished products also represent lost material decreasing the process yield.
- Housekeeping is more than removing spills; other clutter such as unused equipment and packaging need to be properly stored.
- Metals as dust or filings are also fire and explosion hazards. They need the same level of care as other combustible materials.

What can you do?

- Know the housekeeping expectations for your area and follow them.
- Ensure that proper handling and disposal methods are applied for materials that are collected during housekeeping activities.
- Metallic wastes are a unique hazard that requires special disposal methods; find out what they are and follow them.
- Also, if the material source is unknown, consult with safety personnel about proper PPE for clean-up.
- Note substandard housekeeping during rounds and report this to your supervisor. Better still, clean them up then and there while applying proper safety methods.

Keeping areas clean makes them safer!

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Created for those in search of perfection...!
India, Brazil ink 15 pacts; sign Action Plan to deepen strategic partnership

Hindustan Times | 27 Jan 2020

India and Brazil inked 15 agreements to ramp up cooperation in a wide range of areas and unveiled an action plan to further broaden strategic ties after talks between Prime Minister Narendra Modi and Brazilian President Jair Messias Bolsonaro.

In the action plan, the two countries have set specific goals for deeper cooperation in areas of defence and security, trade and commerce, agriculture, civil aviation, energy, environment, health and innovation and vowed to work together to conclude an agreement to deal with international terrorism.

The major focus of the talks was on boosting bilateral trade and investment as both the large economies were hit by global economic slowdown. The 15 agreements will provide for cooperation in a wide range of areas including oil and gas, mineral resources, traditional medicine, animal husbandry, bioenergy and trade and investment.

This is the first visit of President Bolsonaro to India. The volume of bilateral trade was USD 8.2 billion in 2018-19. This included USD 3.8 billion worth of Indian exports to Brazil and USD 4.4 million as imports by India. Both the governments feel there is a huge potential to enhance bilateral trade further.

Major Indian exports to Brazil include agro-chemicals, synthetic yarns, auto components and parts, pharmaceutical and petroleum products. Brazilian exports to India include crude oil, gold, vegetable oil, sugar and bulk mineral and ores.

Indian investments in Brazil were around USD 6 billion and Brazilian investments in India are estimated at USD 1 billion in 2018.

Relief for exporters: MEIS, other sops may run beyond March 31, 2020

The Hindu Business Line | 27 Jan 2020

The government is looking at the possibility of extending the popular Merchandise Export from India Scheme (MEIS) and other export incentives, challenged by the US at the World Trade Organization, beyond March 31 as it is worried that replacing the existing schemes could hurt the already floundering exports.

The Foreign Trade Policy 2020-25 to be announced in the new fiscal may continue many of the old schemes with some adjustment in rates, a government official told BusinessLine.

“Exporters across sectors are seeking a continuation of incentives such as the MEIS, the Export Promotion Capital Goods (EPCG), the Export Oriented Units (EOUs) and the Electronic Hardware Technology Park (EHTP) schemes, which the government was planning to end this fiscal. With exports showing a decline so far this year, there is a growing feeling amongst policy makers that the boat should not be rocked further,” said a government official. India’s exports declined almost 2 per cent to $239.29 billion in April-December 2019 with most labour-intensive sectors contracting.

Last year, the US had complained to the WTO that India’s export subsidy schemes flouted rules as the country’s Gross National Income (GNI) had exceeded the per capita $1,000 annual threshold above which members were banned from subsidising exports. Following this, a dispute panel ruled in the US’ favour. The report circulated on October 31 stated that New Delhi should do away with schemes including the MEIS, the EoU/EHTP and the EPCG within 120 days of adoption of the ruling, while the benefits of the Special Economic Zone scheme have to be withdrawn in 180 days.

India, however, need not be in a hurry to discontinue the schemes as it subsequently appealed against the panel decision at the WTO Appellate Body. Since the apex decision making body has not been functional since December — after the US blocked the appointment of new judges, demanding changes to WTO rules — India is not under pressure to implement the judgment of the panel.

An indication that the government is slightly relaxed about replacing the export promotion schemes is evident from the fact that Finance Minister Nirmala Sitharaman’s decision to switch the MEIS with a new Remission of Duties or Taxes on Export Product (RoDTEP) scheme from January 1, 2020 has not yet been implemented.

The RoDTEP scheme is supposed to be compliant with WTO norms as it seeks to neutralise all taxes and levies imposed on export products without linking them directly to exports. But exporters are not too keen, as many in sectors such as electronics fear that the payments under it would be lower.

Commerce department seeks funds to boost export finance

Business Standard | 25 Jan 2020

As the Centre is reducing various export subsides, the Commerce Department is pitching for larger
funds to develop exports and provide more trade finance, as part of the upcoming Budget. The subsidies form main component of the department’s budgetary allocations.

Under the enhanced Trade Infrastructure for Exports Scheme, the ministry has been promised an allocation of around Rs 50 crore, same as it got last year, sources said. The allocations have been falling over the past two Budgets.

More funds are also expected for the Export Credit Guarantee Corporation (ECGC), for which the government has a lot of plans in store. The government is banking on greater loan coverage, easier inspection norms, and streamlining of profiles of exporters, to raise annual credit disbursement by 30 per cent in the current fiscal year (2019-20 or FY20).

One of the demands of the industry is to increase export credit insurance. Commerce and Industry Minister Piyush Goyal has said premiums paid by small businesses would fall. Under the proposed Niryat Rin Vikas Yojana (Nirvik) scheme, the interest rates will likely fall to 3.15 per cent for export credit in dollar terms and 7.35 per cent in rupee terms, according to the proposal moved to the Cabinet.

For this, the officials said the finance ministry has been asked for more funds to shore up the ECGC’s coffers. The corporation has been getting Rs 500 crore from past three Budgets.

The government wants to bring down the cost of credit to lower provisioning requirement and quicker settlement of claims. Export credit disbursement by public sector banks fell by 45 per cent in FY19 to Rs 15,600 crore, according to the Reserve Bank of India (RBI) data. In the previous year, it was Rs 28,300 crore.

**Export incentive focus**

The department may also unveil the actual size and structure of the proposed Remission of Duties or Taxes on Export Products (RoDTEP) scheme in the Budget, the sources said.

RoDTEP is set to replace the Merchandise Exports from India Scheme (MEIS). Introduced in 2015, under the Foreign Trade Policy, the mega MEIS was created by the merger of three reward schemes. It incentivises merchandise exports of more than 8,000 items. Exporters earn duty credits at fixed rates of 2 per cent, 3 per cent, and 5 per cent, depending upon the product and country.

Government officials maintain that RoDTEP, would also be based on MEIS and is estimated to cost Rs 50,000 crore in tax rebates. But lack of clarity on what the rate structure would look like has made exporters jittery.

While March 31 is also the date by which the updated Foreign Trade Policy (FTP) 2020-2025 is set to go live, the department sources said they expect the finance minister to announce at least some steps to address the issue of trade deficit.

**Too small for own code, ‘others’ 20% of imports**

*The Times of India* | 22 Jan 2020

When policy-makers look for items where there is an import surge, they often overlook products such as some of the power adapters used in mobile phones or China glass protector used for mobile accessories. While these may not be top of mind items when electronics, steel or chemicals are seen to be entering India in large quantities, the little talked about items don’t even show up easily on the import charts as they are classified in the “others” category.

For instance, the import of several types of antenna used by the telecom sector, which are part of the “others” segment, jumped 30% to $5.3 billion in 2018-19. Similarly, there was a 37% rise in the other type of paper, including unsorted waste and scrap, which together added up to $1.3 billion.

There is a section which believes the data is not alarming. Until recently, even mobile phones were part of “others”, an officer pointed out. But if you add up ‘others’ categories across product segments, they together top the $100 billion mark, almost 20% of India’s imports during 2018-19.

Collectively others are over a quarter of the non-oil imports. A bulk of the items relates to chemicals, steel and machinery segments, but there are those which are related to telecom and IT as well, which the government is now threatening to block, unless the importers get specific product codes so that they can be tracked better. “If one-third or one-fourth of the products are categorised as others, as a nation we can’t plan without having data on what is being imported,” commerce and industry minister Piyush Goyal told TOI.

Following up on the minister’s announcement, the Directorate...
General of Foreign Trade issued a public notice a few days ago warning importers that the government may shift “other” items into the licensed category instead of the free list that they are currently on.

**FIEO seeks export development fund, double tax deduction for MSMEs**

*The Hindu Business Line | 22 Jan 2020*

To give a fillip to the country’s exports which have been falling for the last five months, exporters have sought an export development fund with an annual corpus of half a percentage of annual exports and a double tax deduction scheme to help the micro, small and medium sectors (MSMEs) to effectively reach out to foreign buyers.

In its Budget wish-list, exporters’ body FIEO has also sought reduced income tax for non-corporate bodies in order to bring them on par with corporate bodies.

To help MSME exporters meet the challenge of overseas marketing, FIEO suggested that the government must extend a ‘double tax deduction scheme’ for internationalisation of MSMEs to allow units to deduct against their taxable income, twice the qualifying expenses incurred for approved overseas activities including market preparation, market exploration, market promotion and market presence. “A ceiling of $2,00,000 may be put under the scheme so that the investment and tax deduction are limited,” it added.

**Sectoral focus could lift exports by $100 bn-$150 bn in 10 years**

*The Asian Age | 18 Jan 2020*

India can achieve an incremental gain of around $100-150 billion over the next decade if the government focuses on accelerated export growth in sectors such as chemicals, footwear, furniture, and textiles, finds a study.

India would do well if it improves on the issues related to sector-specific tax issues, infrastructure and trade relationships to gain dominance on these sectors for the long term.

“We estimate India’s exports in chemicals, footwear, furniture and textiles to increase to $200-300 billion over the next 10 years. India could potentially gain around $100-150 billion over the next decade through these sectors if the focus is shifted towards accelerated exports growth,” said a study by Kotak Economic Research.

In the global chemical trade of $2.3 trillion, India has a share of $50 billion. According to Kotak, India’s export opportunities in chemicals can be around $110 billion if market share increases by 1.5 times and market grows at 4 per cent CAGR over the next 10 years and $180 billion if market share increases by 2.5 times. The growth of the Indian chemical industry will be driven by private capital and entrepreneurship. The chemical industry derives its advantage from use of technology, IP and a skilled workforce. India has significantly lower wages.

**China says taking ‘series of measures’ to address India’s concern over mounting trade deficit**

*The Economic Times | 17 Jan 2020*

China assured India that it is taking a “series of measures” to address India’s concern over the mounting trade deficit which last year climbed to $56.8 billion, constituting 60% of the total bilateral trade.

The trade volume between India and China declined by about $3 billion last year while India’s trade deficit continues to be high amounting to $56.8 billion as both countries experienced economic slowdown, according to the data released by the Chinese customs.

The trade figures released by the General Administration of Customs of China (GACC) projected the total trade in Chinese currency RMB-Yuan terms registered a marginal increase of 1.6 per cent year-on-year but in dollar terms it was down by about USD three billion.

GACC Vice Minister Zou Zhiwu, who released the annual trade figures to the media, said China-India bilateral trade totalled to 639.52 billion yuan (about $92.68 billion).

He said it is 1.6 per cent increase year-on-year but in dollar terms the trade has declined from $95.7 billion in 2018 to $92.68 billion dampening hopes of the trade reaching the landmark $100 billion.

According to the figures posted on the website of the Indian Embassy here, from January to November 2019 the total trade between the two neighbours in the 11 months last year has declined by 3.72 per cent amounting to USD 84.32 billion and the trade deficit for the 11 months stood at $51.68 billion.

Highlighting India’s concern over the trade deficit, a note posted on the embassy website said: “while flourishing trade has brought with it all the advantages, it has also led to the biggest single trade deficit we are running with any country”.

“Our trade deficit concerns are two-pronged. One is the actual size of the deficit. Two is the fact that the imbalance has continuously been widening year after year to reach $58.04 billion in 2018.

“Growth in bilateral investment has not kept pace with the expansion in trading volumes between the two countries,” it said.
The note also pointed to modest investment from China.

“While both countries have emerged as top investment destinations for the rest of the world, mutual investment flows are yet to catch up. According to the Ministry of Commerce of China, Chinese investments in India between January-September 2019 were to the tune of USD 0.19 billion and cumulative Chinese investment in India till the end of September 2019 amounted to $ 5.08 billion,” the note said.

Cumulative Indian investment in China until September 2019 is $0.92 billion, it said.

However, these figures do not capture the investment routed through third countries like Singapore, Hong Kong among others, especially in sectors such as start-ups, which have seen significant growth in Chinese investment, it added.

**Exports contract for fifth straight month in December, imports shrink 8.8%**

*Business Standard* | 15 Jan 2020

Exports contracted for the fifth straight month in December, as processed petroleum exports saw lower receipts and broad-based decline continued to plague all major foreign exchange earning sectors, according to data released by the commerce and industry ministry.

The decline in exports stood at 1.8 per cent in December, higher than the 0.3 per cent fall in November. Outbound trade contracted for the sixth month out of the first nine months of the financial year 2019-20 (FY20). Till December, cumulative exports stood at $239 billion, 2 per cent lower than the corresponding period in the previous financial year.

However, officials remain worried about falling imports, which contracted in December by 8.8 per cent. As inbound goods reduced for the seventh time in FY20, economists said this shows low demand for both consumer and industrial items — the hallmark of a slowdown. But the rate of import fall had reduced since October, when it crashed by 16.4 per cent. India imported $306 billion worth of goods during the April-October period, 8.37 per cent lower than the previous year.

**‘India aims to bring down logistics cost to below 10% of GDP’**

*Chemical Weekly* | 14 Jan 2020

India aims to bring down logistics cost to below 10 per cent of the GDP from about 14 per cent at present to increase the competitiveness of the manufacturing sector, according to Mr. Som Prakash, Minister of State for Commerce and Industry.

“Currently, the logistics cost in India is 30-40 per cent higher than the global benchmarked logistics cost. Therefore, it is a big challenge for the government to reduce it. The aim is to reduce it to 10 per cent of the GDP or less,” the Minister said after inaugurating the 3-day Logix India 2019 meet jointly organised by exporters body Federation of Indian Export Organisations (FIEO) and Commerce & Industry Ministry in New Delhi recently.

The government is also planning to invest around Rs. 100-lakh crores in logistics infrastructure in the next five years, the Minister added. “We are also in the process of coming out with a new National Logistics Policy and creating data bank by getting feedback from different stakeholders,” he observed.

“India needs to almost double its annual spending on infrastructure at $200-billion to achieve the target of $10-trillion economy by 2032. A robust and resilient logistics infrastructure system is required, supported by adequate private investments,” said Mr. Ajay Sahai, DG & CEO, FIEO.

**Tariff war: WTO sets up dispute panel over India’s duty hike on 28 American goods**

*The New Indian Express* | 11 Jan 2020

The World Trade Organisation’s (WTO) dispute settlement body has set up a panel to examine the US complaint against India which had increased customs duties on 28 American goods last year.

The US in July had dragged India to the WTO by filing a complaint against New Delhi’s move to increase customs duties, alleging the decision as inconsistent with the global trade norms.

According to a communication of the Geneva-based WTO, the dispute settlement body has established a panel “to examine the matter referred by the US”.

The US had alleged that the additional duties imposed by India “appears to nullify or impair the benefits accruing to the US directly or indirectly” under the GATT 1994.

The General Agreement on Tariffs and Trade (GATT) is a WTO pact, signed by all member countries of the multi-lateral body, aims to promote trade by reducing or eliminating trade barriers like customs duties. The US had also alleged that the duties imposed by India appears to be inconsistent with two norms of GATT. It had stated that India does not impose these duties on products originating in the territory of any other WTO member nation.

As per the WTO’s dispute settlement process, the request for consultations is the first step in a dispute. Consultations give the parties an opportunity to discuss the matter and find a satisfactory solution without proceeding further with litigation.
After 60 days, if consultations fail to resolve the dispute, the complainant may request adjudication by a panel.

The US has rolled back export incentives from India under its GSP programme and New Delhi has imposed higher customs duties on 28 American products including almond, pulses, walnut, chickpeas, boric acid and binders for foundry moulds.

The other products on which duties were hiked include certain kind of nuts, iron and steel products, apples, pears, flat-rolled products of stainless steel, other alloy steel, tube and pipe fittings, and screws, bolts and rivets.

The duties were hiked as retaliation to the US move to impose the highest customs duties on certain steel and aluminium goods.

India’s exports to the US in 2017-18 stood at USD 47.9 billion, while imports were at USD 26.7 billion. The trade balance is in favour of India.

**Govt. reviews Revamp of SEZ policy to meet challenges faced by exporters**

*PIB| 11 Jan 2020*

Commerce and Industry & Railways Minister Piyush Goyal chaired a meeting to review the remaining recommendations of the Baba Kalyani report on Special Economic Zone (SEZ) policy of India. The meeting was attended by members of the Baba Kalyani group along with representatives from the Department of Revenue, Department of Legal Affairs and legal firms.

The recommendations which have been completed include review of specific exclusions proposed in NFE computation in light of Make in India initiative, sharing of duty exempted assets/infrastructure between units to be allowed against specific approval, and formalization of de-notification process for enclaves and delinking its present mandatory usage for SEZs purpose only. The other implemented recommendations are support to servification of manufacturing zone, allowing manufacturing enabling services companies, broad-banding definition of services/allowing multiple services to come together and flexibility to enter into a long term lease agreement with stakeholders in Zones in line with the State policies and the application for constructing minimum built up area by Developer or Co-developer beyond a period of ten years from the date of notification of the SEZ on merits of each case.

Other changes and initiatives taken for the SEZs include delegation of powers to Development Commissioner for shifting of SEZ unit from one zone to another, supplies of services in DTA against foreign exchange or Indian Rupees to be counted towards NFE, enabling a trust to be considered for grant of permission to set-up a unit in a SEZ, setting up of cafeteria, gymnasium, creche and other similar facilities/amenities and uniform list of services to SEZ.

The Baba Kalyani led committee was constituted by the Ministry of Commerce and Industry to study the existing SEZ policy of India and had submitted its recommendations in November 2018. The objectives of the committee were to evaluate the SEZ policy and make it WTO compatible, suggest measures for maximizing utilization of vacant land in SEZs, suggest changes in the SEZ policy based on international experience and merge the SEZ policy with other Government schemes like coastal economic zones, Delhi-Mumbai industrial corridor, national industrial manufacturing zones and food and textile parks.

The Government of India has set a target of creating 100 million jobs and achieving 25% of GDP from the manufacturing sector by 2022, as part of the flagship Make in India programme. Further, the Government plans to increase manufacturing value to USD 1.2 trillion by 2025. While these plans are intended to propel India into a growth trajectory, it requires evaluation of existing policy frameworks to catalyse manufacturing sector growth. At the same time, policy needs to be compliant with the relevant WTO regulations.

**India exploring the option of individual trade pacts with RCEP members**

*The Hindu Business Line| 09 Jan 2020*

India is looking at the possibility of entering into individual free trade pacts with some member-countries that are negotiating the Regional Comprehensive Economic Partnership (RCEP) as getting back into talks with the entire bloc remains a difficult proposition given the presence of China, a government official said. Discussions have been held with some countries like Japan and South Korea.

India decided to exit the RCEP negotiations in November 2019 at the Leaders’ Summit in Bangkok as it had several unresolved concerns in the areas of market access and rules of origin, especially in the context of China, while all other members including the 10-member ASEAN, China, South Korea, Japan, Australia and New Zealand were ready to conclude the text-based negotiations for the pact.

As India already has free trade agreements with a number of RCEP members including Japan, South Korea and the ASEAN, the scope of the new pacts will have to go beyond the existing ones and include all aspects of the RCEP.

**Government may link GST refund to remittance for risky exporters**

*The Times of India| 08 Jan 2020*

The government is looking at linking the refund of goods and services tax...
implementation. Besides, around 40-GW, including 36-GW solar and 3.4-GW wind, is being tendered. “Together with other schemes being implemented by the government, I expect RE sector to get a big boost in 2020 and the years thereafter. I expect our RE capacity to cross 100-GW mark in 2020,” said Power and New & Renewable Energy Minister, Mr. R.K. Singh.

In 2019, several new programmes such as PM-KUSUM, solar rooftop phase-2, development of Ultra Mega Renewable Energy Power Parks etc. have been introduced to promote renewable energy sector in India.

The Government also needs to focus on storage of RE, based on rapidly improving technologies. The minister said storage is necessary not only for the growth of RE sector, but is also a pre-condition to reduce the nation’s dependence on conventional energy resources like hydrocarbons and coal. The industry wants the government to bring a storage policy for over 100-GW capacity to encourage private players to invest in the segment. It would encourage private players to set up storage facilities.

**Commerce Ministry mulling new division to track FTA utilization**

*Chemical Weekly* | 07 Jan 2020

India’s existing free trade agreements (FTAs) with partner countries are likely to be monitored by a separate division to be created in the Commerce & Industry Ministry. This division will keep track of the extent to which FTAs are being utilised by Indian industry and also identify non-tariff measures that are acting as hurdles.

The division, if created, will also take note of the trade diversion taking place due to third country FTAs and will give the Ministry some indication of whether an FTA needs to be explored with a particular country or grouping. It is to coordinate with the Director General of Foreign Trade, the Department of Revenue and the Directorate General of Commercial Intelligence and Statistics.

As per various studies, including one carried out by the NITI Aayog, India’s utilisation rate for most FTAs is very low (between 4-20%). India’s existing FTAs with the ASEAN, Japan and South Korea, too, have worked out more in favour of the partner countries and have resulted in an increase in trade deficit with the countries.

The proposed division is also likely to undertake outreach programmes to sensitise exporters on the utility of existing FTAs, the existing provisions and how to go about the paperwork required to get the entitlements.

**Further escalation in US-Iran tension may affect India’s exports: FIEO**

*The Statesman* | 06 Jan 2020

Further escalation in the tension between the US and Iran will have implications on India’s exports to the Persian Gulf nation, apex exporters body FIEO said. Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said so far exporters have not flagged any concerns related with exports to Iran. “However, if the tensions will continue, it may have affect on India’s exports to Iran,” he said.

He added that due to existing trade sanctions on Iran, Iranian shipping lines are only taking Indian consignments to that country. India’s exports to the Persian Gulf nation in 2018-19 were worth USD 3.51 billion (about Rs 24,920 crore), while imports were valued at USD 13.52 billion (about Rs 96,000 crore). The trade imbalance is mainly because of India’s import of oil from Iran. Both the countries are holding negotiations for a bilateral preferential trade agreement (PTA) to increase trade.

Unlike a free trade pact, where two trading partners significantly reduce...
or eliminate duties on maximum number of goods traded between them, PTA involves removal of duties on certain identified products. FIEO had earlier said that Iran holds huge export opportunities in sectors such as agriculture, chemicals, machinery, pharmaceuticals, paper and paper products, man-made fibre and filament yarn and essential oils.

Ministry of Commerce and Industry Seeks to Promote India–Africa Trade

The Statesman | 05 Jan 2020

In order to promote India-Africa trade and economic relations, Ministry of Commerce and Industry regularly reviews India's trade with Africa through institutional mechanisms like Joint Commission Meetings (JCMs), Joint Trade Committees (JTCs), and Joint Working Groups (JWGs).

The 9th Session of the India-Kenya Joint Trade Committee was held in New Delhi on 19-20 August, 2019 under the co-chairmanship of Minister of Commerce and Industry, Piyush Goyal and his Kenyan counterpart Mr. Peter Munya, Cabinet Secretary (Minister) for Ministry of Industry, Trade and Cooperatives, Government of the Republic of Kenya. During the meeting, wide ranging discussions were held cutting across sectors like MSME, Agriculture, Information Communication Technology (ICT), Tourism, Administration of Standards, Development of Human Resources in Higher Education, Science & Technology, Investment Promotion and Protection, Air Services, Energy, Plastics, Textile, Pharmaceuticals, Oil & Gas, Health, Immigration, Automobile and other engineering products. Collaboration in the field of issue of recognition of Indian Pharmacopoeia in Kenya was also discussed.

The proposed India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) seeks to mutually benefit both the countries, in the area of trade in goods, and trade in services. Seven rounds of India-Mauritius CECPA negotiations have been held till now. The 7th round was held during 19-23 November, 2018 in Mauritius. During these rounds, negotiations were held cutting across trade in Goods, trade in Services, Rules of Origin, Technical Barriers to Trade and Sanitary and Phyto-sanitary (SPS) measure, Trade Remedies and Dispute Settlement. India-Mauritius CECPA negotiations for trade in goods and trade in services, have been completed. The Agreement is near finalization.

In order to leverage the huge presence of Indian business community in Africa for promoting India’s exports to the region, three rounds of interactions of Minister of Commerce & Industry were organized through Indian Missions with Indian business community in Madagascar, Tanzania, Mauritius, Kenya, Uganda, South Africa, Zambia, Mozambique, Ghana, Botswana, Nigeria, Morroco, Senegal, Zimbabwe, Cote d’Ivoire, Ethiopia and Egypt over Digital Video Conference (DVC) in May, 2019.

For promoting India-Africa trade and economic relations, a regional conclave was organised by Ministry of Commerce & Industry, Government of India jointly with CII, in March, 2019 at New Delhi. On the sidelines of the Conclave/Regional Conclave, bilateral meetings with participating countries were also held at the Ministerial level to boost up Indian participation in project exports opportunities in African countries. The conclave was attended by Head of the States from three African countries. More than two dozen Ministers along with around 500 business delegates from Africa participated in the Conclave.

India can substantially reduce its trade deficit with China, which stood at USD 53.56 billion in 2018-19, by enhancing its market share for these products in that country, the report added.

Electrical equipment, tobacco, iron and steel, ferro alloys, parts of aircraft, engines and other auto-components, benzene, frozen boneless bovine meat are some of the product segment out of the 20 in the list.

India’s overall exports to China grew 5.39 per cent to USD 11.57 billion in April-November 2019, even as our total exports to the world declined 2 per cent during this period.

The country’s overall trade deficit with China declined 5 per cent to USD 35.3 billion in the first eight months of the current financial year, compared to USD 37.3 billion in the year-ago period, the report added.

December manufacturing PMI sees joint-strongest growth in 10 months

The Indian Express | 03 Jan 2020

India’s manufacturing Purchasing Managers’ Index (PMI) rose at the “joint-strongest” rate in 10 months at 52.7 in December 2019, as new orders rose at the fastest pace since July, with companies ramping up production and resuming hiring efforts.

India can explore $82 bn export potential in 20 products in China: Report

Business Standard | 02 Jan 2020

India can explore an annual USD 82-billion export potential in twenty products, including electrical equipment and ferro alloys, in the world’s second largest economy China, according to a report. Indian exporters have a competitive advantage as far as these twenty goods are concerned. Currently, India meets only 3.3 per cent or USD 2.7 billion of the total annual import demand of USD 82 billion for these 20 products in China. India’s exports of these 20 products are worth around USD 15 billion to the world, which is 4.5 per cent of the country’s annual outward shipments. These goods constituted about 17 per cent of India’s exports to China in 2018, according to the report by MVIRDC World Trade Centre Mumbai.

India can explore $82 bn export potential in 20 products in China: Report
The PMI reading was at 51.2 in November. However, the degree of optimism signalled at the end of 2019 was the weakest in just under three years, reflecting concerns over market conditions, which could restrict job creation and investment in the early part of 2020, IHS Markit said.

Commenting on the latest survey results, Pollyanna de Lima, principal economist at IHS Markit, said: “The uptick in manufacturing sector growth signalled by the latest PMI results will be welcomed by policymakers, particularly given concerning results observed in October. Factories benefited from a rebound in demand, and responded by scaling up production to greatest extent since May. There were renewed increases in input purchasing and employment in December.”

Four of the five sub-components of the PMI increased in December, while suppliers’ delivery times was unchanged from the preceding survey period, it said. At the sub-sector level, growth was led by consumer goods, though intermediate goods also made a stronger contribution to the headline figure. Meanwhile, capital goods remained in contraction, IHS Markit said.

However, a note of caution is evident from the survey’s measure of business confidence. “The degree of optimism signalled at the end of 2019 was the weakest in just under three years, reflecting concerns over market conditions, which could restrict job creation and investment in the early part of 2020. At the same time, price indicators showed accelerated rates of inflation for both input costs and output charges,” Lima said. Buoyed by strengthening underlying demand, goods producers resumed their hiring efforts in December. The rise in employment reversed the fall noted in November and was the strongest since February. The pace of depletion was only fractional.

On the other hand, holdings of finished products decreased sharply in December. The rate of charge inflation was solid and the quickest in close to three years, it said.

**Centre gears up to place restrictions on non-essential imports**

*Hindustan Times | 03 Jan 2020*

India is set to finalize stricter quality standards for 371 items by March, a move primarily aimed at curbing imports of non-essential items such as toys, plastic goods, sports items and furniture, especially from China. The proposed rules, to be framed by ministries in coordination with the Bureau of Indian Standards (BIS), will also ensure stricter inspection of imports.

While the new rules, spearheaded by trade minister Piyush Goyal, are aimed at curbing imports from China and narrowing the trade deficit with India’s northern neighbour, the rules will also apply to Indian producers so as to make the regulations World Trade Organization-compliant.

Non-essential imports from China amount to ₹4 trillion a year, according to a commerce ministry estimate.

Out of the 371 items, 111 come under the department of chemicals and petrochemicals, 68 pertain to the department of heavy industries, 62 come under the ministry of electronics and information and technology, 61 under the industry department, 44 under the steel ministry and 25 under the telecom department.

“At present, there are 370 standards for imports. Goyal wants BIS, in coordination with other departments, to create 5,000 standards in the second phase,” a commerce ministry official said on condition of anonymity.

The official said market surveillance of imports and checking compliance was very weak. “BIS needs to do it. For this, BIS will be supported to augment its capacity, so that it can also handhold the Indian domestic industry to comply with the new quality standards,” the official added.

Local industry is often unable to meet high standards because they add to costs, a former BIS director general said on condition of anonymity.

Criticising some industry bodies, Goyal said that several of them had become the “B-team of import lobbies” to stall the government’s move to set quality standards for imports.

“It pains me when I see that industry bodies have become so much dependent on imports themselves that instead of working for the domestic manufacturing, several industry bodies have become the B-team of import lobbies. That I can assure you will not influence the Modi government. We are going to work relentlessly to support domestic manufacturing, at least in areas where we have competitive advantages,” he added.

**India-Mauritius FTA nears finalization**

*The Economic Times | 01 Jan 2020*

The proposed free trade agreement between India and Mauritius is nearing finalisation as both the sides have concluded the negotiations for the pact, the commerce ministry said. The proposed India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) seeks to mutually benefit both the countries in the area of trade in goods and services, it said in a statement.

Negotiations were held across several sectors including goods, services, rules of origin, technical barriers to trade and sanitary and phyto-sanitary measures, trade remedies and dispute settlement. “India-Mauritius CECPA negotiations for trade in goods...
and trade in services, have been completed. The agreement is near finalisation,” it said.

In a free trade agreement, two trading partners cut or eliminate duties on majority of goods besides liberalising norms to promote services trade and boost investments. Mauritius was the second top source of foreign direct investment (FDI) into India in 2018-19. India received USD 8 billion (about Rs 56,000 crore) foreign inflows from the country. The bilateral trade between the countries increased marginally to USD 1.2 billion in 2018-19 from USD 1.1 billion in 2017-18.

India exports petroleum products, pharmaceuticals, cereals, cotton and electrical machinery, apparel and clothing accessories to Mauritius. The island nation’s exports to New Delhi include iron and steel, pearls, precious/semi-precious stones and optical, photographic and precision instruments.

**Coal power set for record fall**

*India Business & Trade* | Jan 2020

Global electricity production from coal is slated to drop by 3% or 300 terawatt hours (TWh) in 2019, which is the largest drop ever. This is higher than the total output from coal in Germany, Spain and UK in 2018. The analysis is based on the monthly electricity sector data from across the world for the first seven to ten months of 2019 as per the latest available data in each country. US is witnessing the largest reduction, as a number of large coal-fired plants shut down. Germany, EU and South Korea have also witnessed sharp falls. India has also been a major contributor, as coal power output is on track to fall for the first time in three decades. Conversely, Southeast Asian nations are seeing sharp growth, but their contribution is too small to counter the drop from the larger countries. Decline in coal power was witnessed only twice in the past three and a half decades – 2009 (after the global financial crisis) and 2015 (China slowdown).

**India’s vision of $5 trillion economy is doable, possible and shall be done** - Piyush Goyal

*FICCI* | 20 Dec 2020

Mr. Piyush Goyal, Minister of Commerce & Industry, Govt. of India, today said that with the combined effort of industry and all stakeholders of the economy, the target of India becoming a $5 trillion economy is doable.

Speaking at the ‘FICCI’s 92nd Annual Convention - ‘India: Roadmap to a $5 Trillion Economy’, Mr. Goyal said, “If we all accept our power, positions as a greater responsibility to a better and brighter future to all Indians. I think there is no doubt in my mind that India has a glorious future. The $5 trillion economy is doable, is possible and shall be done. That’s our commitment to each one of you.” He said that every downturn is a great opportunity for businesses to prepare for better time.

**Using chemicals to ripen fruits amounts to poisoning somebody, send culprits to jail: Delhi HC**

*The Times of India* | 30 Jan 2020

Use of pesticides and chemicals to ripen fruits amounts to poisoning the consumer, the Delhi high court has observed and said invoking penal provisions against the culprits would have a deterrent effect.

“Using chemicals like calcium carbide to ripen mangoes is like poisoning somebody. Why should the Indian Penal Code be not invoked against them? Send such persons to jail, even if for 2 days and it would have a deterrent effect,” a bench of Justices G S Sistani and A J Bhambani said while hearing a PIL initiated by the court to monitor use of pesticides on fruits and vegetables.

The bench asked the Food Safety and Standards Authority of India (FSSAI) whether calcium carbide was still being used to ripen fruits, like mangoes, and sought the presence of its Chief Executive Officer to assist it on the next date of hearing. The court also asked the ministry of agriculture as to whether any kit was available for consumers to themselves test for calcium carbide in their homes. The ministry said no such kit was available as the presence of calcium carbide can only be tested in laboratories with the help of proper equipment and additional chemicals.

The Delhi government, represented by its additional standing counsel Naushad Ahmed Khan, told the court that it has been picking up samples from the various markets in the national capital for testing purposes and also carrying out awareness drives. It also told the court that some of the samples were tested and no chemicals were found and results regarding other samples were awaited.

Apart from the PIL initiated by the court on its own, it is also hearing two other pleas by private individuals seeking directions to the authorities to curb the use of pesticides and other chemicals on food products, especially the agricultural produce, coming into the national capital.

According to a report filed by amicus curiae Rajul Jain earlier, due to excessive usage of pesticides in fruits and vegetable, “various countries have banned the import of Indian vegetables and fruits and many more were under scrutiny”.

The high court had initiated the issue on its own after a NGO had found that vegetables and fruits sold in the Delhi markets contained poisons capable of causing cancer and harming the nervous system and liver.
The court has in the past suggested several measures to curb adulteration of eatables, especially fruits and vegetables, like large-scale testing and sending back contaminated food products to manufacturers or farmers.

**China virus scare: Indian chemical stocks likely to gain**

*The Economic Times | 30 Jan 2020*

India’s chemical manufacturers are likely to benefit if the coronavirus crisis continues to spread and impacts production in Hubei region of China, said JM Financial. The brokerage said dye intermediate companies like Akshachem, Meghmani, Kiri Industries and Bhageria Industries could benefit. “The Coronavirus, which if it continues to spread, could impact production in Hubei (Wuhan is the largest city in Hubei) region which has a large chemical industry,” said JM Financial in a note. Several stocks in the chemical space are gaining on expectation of benefiting from the crisis in China. In 2016, when Hubei Chuyuan, which had 30 per cent global production capacity, was shut-down on environmental concerns, dyestuff prices had rallied and stocks had also gained multifold. Currently, none of the Hubei industries seems to have been impacted and channel checks indicate that dye intermediate prices have also not rallied, said JM Financial.

“However, with people movement restricted, if Coronavirus continues to spread, it could impact production and we could see dyestuff prices rally,” said JM Financial.

**India bans toxic chemical hydrochlorofluorocarbon**

*The Pioneer | 23 Jan 2020*

With an aim to combat climate change, India has banned import of toxic chemical hydrochlorofluorocarbon (HCFC)-141b used in the production of rigid polyurethane (PU) foams by foam manufacturing companies from January 1, 2020.

Since HCFC-141b, greenhouse gases that damage the earth’s ozone layer, was not produced in the country, all the domestic requirements were being met through imports. However, the Union Environment Ministry issued a notification last year in December seeking ban on import of the foam manufacturing companies. With this, India has completely phased out the important ozone-depleting chemical, said an official from the Ministry.

HCFC comprises inert compounds of carbon, hydrogen, and fluorine, and it is used instead of chlorofluorocarbon (CFC) as it is less destructive to the ozone layer. At present, HCFCs are used in various sectors like refrigeration and air conditioning (RAC) and foam manufacturing. These sectors are directly related to urban development, agriculture through cold chain, and industrial development.

Simultaneously, the use of HCFC-141 b by foam manufacturing industry has also been closed as on 1st January 2020 under the Ozone Depleting Substances (Regulation and Control) Amendment Rules, 2014, said a senior official from the Union Environment Ministry. Nearly 50 per cent of the consumption of ozone-depleting chemicals in the country was attributable to HCFC-141 b in the foam sector.

The Ministry had adopted a structured approach to engaging with foam manufacturing enterprises for providing technical and financial assistance in order to transition to non-ODS and low GWP technologies under the HCFC Phase-out Management Plan (HPMP), said the official.

Around 175 foam manufacturing enterprises have been covered under HPMP out of which, 163 enterprises are covered under stage II of HPMP. The complete phase-out of HCFC-141 b from the country in the foam sector is among the first at this scale in Article 5 parties (developing countries) under the Montreal Protocol.

The implementation of HPMP through regulatory and policy actions, implementation of technology conversion projects has removed around 7800 Metric Tonnes of HCFC 141-b from the baseline level of 2009 and 2010 of the country, he said.

The phase-out of HCFC-141b from the country has twin environmental benefits viz. assisting the healing of the stratospheric ozone layer, and towards the climate change mitigation due to transitioning of foam manufacturing enterprises at this scale under HPMP to low global warming potential alternative technologies.

**IIT-Bombay develops degradable plastics for packaging industry**

*Chemical Industry Digest | 22 Jan 2020*

The Indian Institute of Technology – Bombay (IIT-B) has developed plastic-like films for the packaging industry that can degrade into harmless components. The institute has developed a product that is a combination of non-toxic, edible sugar-based or fat-based biopolymers approved by the Food Safety and Standards Authority of India that can degrade in about a week or a month.

Researchers said at present high-density polyethylene (HDPE) is the standard non-degradable plastic barrier film, used for both consumer goods and food, by most packaging industries in India and overseas. Those making a switch to environment-friendly alternatives opt for sugarcane bagasse or starch containers or imported biodegradable barrier films made of polylactic acid (PLA).

“Developing biodegradable alternatives to plastic is a major need since single-use plastic has become a global challenge in terms of environmental hazards,” said
Rinti Banerjee, Madhuri Sinha Chair Professor, department of biosciences and bioengineering. For the last two years, they have developed different kinds of primary film-based plastic packaging that can degrade from a week to a month. The plastic film’s transition from being transparent to translucent based on the composition of the polymers.

A patent for technology development and composition of the biodegradable material has been filed and at present, the technology is being scaled up.

**China to dent global polyester growth in 2020**

*Chemical Weekly | 21 Jan 2020*

Chinese polyester market growth is expected to sit at just above 3% in 2020, a marked decline from the strong growth seen between 2018 and 2019. This dip in performance is mainly due to slashed growth for bottle-grade PET, according to an analysis by leading consultancy, Wood Mackenzie.

"While our data indicates a dismal outlook for the Chinese polyester market this year, overall polycondensation run rates are expected to remain above 80%. Polyester fibre utilisation rates are expected to see a small increase of about one percentage point for 2020, hitting 81%. Additionally, the fast-growing PET film segment could see operating rates as high as 96% this year. It is the PET bottle segment that is dragging down the whole supply chain, with around 61% of capacities expected to run – a victim of the aggressive additions in capacities over the past three years. It is worth noting that, despite a disappointing 2020, Chinese polyester growth will likely bounce back by the end of this year, setting the stage for a recovery in 2021," explained Mr. Salmon Lee, Wood Mackenzie Head of Polyesters.

However, despite China’s sluggish growth, the global polyester story is a positive one, according to the analysis. "Global polyester production looks set to flirt with 90-mn tonnes by the end of 2020. This is a significant milestone for the industry. As recently as 2016, world polyester production was just above 70-mn tonnes. Ten years ago, production was not even 50-mn tonnes. The fact that global polyester production has almost doubled in a decade speaks volumes about its growth story. While some market players continue to warn about overcapacity for bottle-grade PET and many grades of filament yarns, overall utilisation rates are expected to sit slightly higher year-on-year for 2020, at 73% and 80% respectively," stated Mr. Lee. “More importantly, all polyester fibres, bottle-grade PET and film-grade PET are expected to see a small improvement in utilisation rates globally for 2020, with only the smallish PBT sector performing below average,” he added.

Headwinds from the broader market, chief among them the US-China trade war, could be a major dampener for the polyester supply chain.

“If the Chinese economy continues to reel under the weight of slowing exports, and the Chinese yuan continues to weaken vis-à-vis major currencies, purchasing power among the Chinese could see a net decrease. If this happened, consumption within the world’s second-largest economy will be impacted. International demand for Chinese-made garments and other textile products could also continue to weaken into 2020, as major economies – including the European Union and the US – could potentially see slower growth next year,” said Mr. Lee. While the short-term looks challenging for the Chinese polyester industry, the long-term picture is more promising.

“The Chinese polyester industry has proven to be more resilient than many would like to believe, with growth rates above what forecasts have been suggesting. Armed with such optimism, the most aggressive market participants are giving a much brighter prognosis for the polyester chain in 2020 and beyond – especially for suppliers of polyester products. Pointing to the market for polyester raw materials, 2020 may see one of the best years for polyester procurement managers," observed Mr. Lee.

### Boisar factory blast: Maha Govt to frame stringent safety rules for chemical, explosive and oil units

*The Free Press Journal | 15 Jan 2020*

Close on the heels of the death of eight persons in the huge explosion in a chemical factory at Bhoisar industrial estate in Palghar district, the Maharashtra government will soon release the stringent safety and security rules to avoid such incidents and also initiate action against for non-compliance.

State industries department officer, who had been at the explosion site, told FPJ, “The hazardous units including chemical, explosive and oil situated in the Maharashtra Industrial Development Corporation (MIDC)-run industrial estate or outside will have to strictly adhere to the safety norms as there will be no relaxation in it. Commencement certificate will be issued only after thorough scrutiny that the industrial unit has fulfilled all rules with regard to safety and security. As far as storage of chemical, explosive and oil, the unit will have to submit all the details after conducting a comprehensive safety audit.” The officer further informed that the safety audit will reveal the industrial unit’s capability to handle any disaster and its mitigation plan.

The officer said the directorate of health and safety will be the coordinating agency for implementing proposed safety and security rules. “The Maharashtra Pollution Control Board will play a major role considering its statewide reach. The Special Planning Authority (SPA) will be delegated powers to supervise that the industrial units in its respective
jurisdiction comply with the proposed safety and security rules. MIDC being SPA will enjoy similar powers in its industrial estates. In non-MIDC areas, the local urban body will have these powers,” he noted.

State government’s move is crucial as the preliminary investigation has revealed that said that the under-construction building was allowed to conduct testings. It was also found that permission was for a single-storey structure whereas the construction was in progress till the third floor. Industries Minister Subhash Desai had already visited the site and announced that action would be initiated against those who are at fault.

India can become world’s second largest producer of agrochemicals with right policy support: PMFAI

Chemical Weekly | 07 Jan 2020

The Pesticides Manufacturers and Formulators Association of India (PMFAI) believes that India can become the second largest producer of agrochemicals in the world, with production reaching Rs. 50,000-crore and exports Rs. 25,000-crore, provided the industry is given the right policy support from the government. India is currently the fourth largest producer of agrochemicals, with annual production of about Rs. 35,000-crore, and exports valued at more than Rs. 15,000-crore.

In a letter to Mr. Jagdish Kumar, Deputy Director, Department for Promotion of Industry and Trade (DPIT), Ministry of Commerce and Industry, the association has sought policy changes in three areas:

• Compulsory registration of Technical Grade pesticides in India, prior to granting registrations for imports of Formulations;
• Increase in Customs Duty on imports of technical and finished pesticide formulations; and
• Fast tracking of export registrations with minimum data requirements.

According to Mr. Pradip Dave, President, PMFAI, since 2007, the registering authority has been granting registrations for imports of readymade pesticide formulations into the country without registering the corresponding technical grade. “The policy resulted in no investments in new plants in last more than 10 years by large-scale companies to manufacture technical grade pesticides in India. This has also led to many MNCs closing their technical manufacturing plants in India and importing finished pesticide formulations in large quantities, contrary to the concept of ‘Make in India’ to promote indigenous manufacturing,” Mr. Dave said in his letter.

“This particularly affects growth of MSMEs who are mainly involved in formulations manufacturing in India, and key to increase exports,” he added.

Noting that majority of the raw materials and intermediates needed by the industry are met through imports, mainly from China, Mr. Dave called for support to encourage indigenous technology development efforts, especially in the premier research institutes that are part of the CSIR system.

Insecticides India gets green nod for Rs. 40 Crores pesticide unit in Gujarat

The Economic Times | 03 Jan 2020

Agrochemical maker Insecticides India Ltd (IIL) has received an environment clearance for setting up a pesticide manufacturing unit in Bharuch, Gujarat that will entail an investment of Rs 40 crore, according to an official document.

The union environment ministry has given the go-ahead to IIL’s proposed project after taking into account the recommendations of a green panel. The clearance, however, has been given with some conditions, the document added. As per the proposal, IIL wants to set up a pesticide and pesticide intermediates manufacturing unit with a production capacity of 2,500 tonne per month at Dahej in Bharuch district in an area of 52,000 square metre.

The estimated project cost is Rs 40 crore and will generate direct and indirect employment for 150 persons. IIL has six formulation units in Chopanki (Rajasthan), Samba and Udhampur (Jammu & Kashmir), Dahej (Gujarat). It also has technical synthesis plants at Chopanki and Dahej to make technical grade chemicals.

RIL Plans to Collaborate with NHAI for Waste Plastic-to-Road Technology

Chemical Industry Digest | 30 Jan 2020

Reliance industries has approached National Highways Authority of India (NHAI) for offering its ‘waste plastic-to-road’ technology that uses end-of-life plastic for road construction. The company has already piloted few projects and has constructed nearly 40 km road by mixing 50 tonne of end-of-life plastic waste with bitumen at its Nagothane manufacturing site in Raigad district.

“It took us some 14-18 months to develop this mechanism where we can use the end-of-life waste plastic like packaging of snacks and flimsy polyethylene bags, among others, in road construction. We are in talks with the NHAI to share our experience and to help the use of end-of-life plastic for road construction,” company’s COO Petrochemicals Business Vipul Shah told reporters.

Explaining the benefits of the usage of this waste plastic, Shah said, “It not only ensures sustainable utilisation of plastic but is also financially viable.
Salt Therapy from Tata Salt helps battle ill-effects of air pollution

Chemical Weekly | 28 Jan 2020

Delhiites struggle against air pollution every winter, but this year, ‘Salt Therapy’ from Tata Salt will help battle the ill-effects of air pollution using the therapeutic benefits of salt. As per reports, Delhi’s air quality is reaching alarmingly toxic levels, causing or aggravating health problems such as allergies, asthma, chronic obstructive pulmonary disease (COPD) and bronchitis.

Salt Therapy, also called as Halo, is a completely natural, non-invasive and drug-free treatment for relieving symptoms caused by congestion, inflammation, and allergies of the respiratory system and skin. In halo, micronized dry salt is inhaled in a chamber that mimics a salt cave environment. Research has shown that halo has an anti-inflammatory effect and has a beneficial effect on the symptoms of bronchial asthma, bronchitis and COPD.

Dr. Nikhil Modi, Consultant, Department of Respiratory, Critical Care and Sleep medicine at Indraprastha Apollo Hospital, New Delhi, said, “Inhaling salt naturally open airways for easier breathing loosening the mucus so that it is more readily cleared, reducing infection risk and providing relief of symptoms. Studies have documented that salt therapies have aided in improved respiratory function and improved immunological status in patients. This makes it especially beneficial for those who suffer from respiratory diseases. For people suffering from chronic respiratory conditions such as asthma, bronchitis, allergies and COPD, salt is a natural treatment option to consider. These conditions usually are brought on or aggravated by air pollution. The mobile ‘Salt Therapy’ provide people with a convenient option to fight the ill-effects of air pollution and prevent exacerbation of respiratory conditions. Salt has a lot of therapeutic benefits and can also be availed at home in many ways. Some of the most common are by inhaling the saline steam or gargling with salt water.”

The Salt therapy session generally lasts for about 45 minutes to an hour. During the session, one has to just sit back and relax in the chair and breathe normally. The tiny salt molecules penetrate deep into the lungs for far reaching and long lasting effects thus opening the airways for easier breathing.

Detailed feasibility study done for Punjab Alkalis & Chemicals unit

Projects Today | 27 Jan 2020

Punjab Alkalis & Chemicals intends to expand its Caustic Soda plant from 99,000 TPA to 2,64,000 TPA at Naya Nangal in Rupnagar district.

The project includes expansion of Chlor-Alkali plant from 300 TPD to 800 TPD. New units will come up for Flaker of 200 TPD, Stable Bleaching Powder of 100 TPD, Hydrogen Peroxide 50 TPD. The project will also include a Coal & Biomass-based Captive Power plant of 75 MW.

The project will be taken up in various phases. The company applied for green nod in October 2018 and on 7 January 2020 it received environment clearances from the Ministry of Environment, Forest and Climate Change.

As per the update available with Projects Today, detailed feasibility study for the project has been completed while financial closure is underway.

Civil construction work on capacity expansion from 300 TPD to 450 TPD is expected to commence soon and completed by June 2020. Contractor has not yet been appointed.

The project will see an investment to the tune of Rs 1,240 crore.

Soft demand can mitigate the benefit of new capacities for Tata Chemicals

Hindustan Times | 09 Jan 2020

The story of Tata Chemicals Ltd, ever since the elevation of N. Chandrasekaran as Tata Sons chairman, has been of business restructuring. It divested the consumer products business to a group firm, raised its stake in the US soda ash business, and focused on two segments, basic chemistry and specialty chemicals.

Investments in product diversification and expansion within these segments are now set to bear fruit. The company’s silica and nutrition solution plants are set to begin commercial production, for instance. Further, Tata Chemicals plans to step up focus on sodium bicarbonate, a product related to its existing soda ash business.

New central government rules to reduce emissions at thermal power plants are projected to drive demand for sodium bicarbonate. “Tata Chemicals has already started supplying commercial-grade bicarb to Tata Power and NTPC. With the increasing opportunity therein, Tata Chemicals is expanding bicarb capacity at its Mithapur plant by 40%, which is likely to come on stream by September 2021,” analysts at Motilal Oswal Financial Services Ltd said in a note after a recent analysts’ meet.

While all of this is good, a recent analysis by SBICAP Securities Ltd showed that the thermal power sector is lagging in installation of pollution-control equipment by a wide margin,
despite the government’s push. Weak balance sheets and the fear of a rise in electricity costs due to investments are seen as major hurdles. So, while Tata Chemicals may find customers for its existing bicarb capacity, a rapid rise in demand is not certain.

Similarly, prices of soda ash, a large business segment for Tata Chemicals, have been soft due to abundant supply. “Prices of soda ash remain lower in December and are at $17.4/50kg (Mumbai spot) due to the oversupply situation prevailing in India,” Emkay Global Financial Services Ltd said in a note. Tata Chemicals is responsible for the increase in capacity. The silver lining here is that low raw material costs can mitigate the impact of soft soda ash prices.

Even so, demand is a crucial variable. Soda ash sales volumes fell in the September quarter in India. Besides, large overseas producers announced fresh capacity additions, which can weigh on prices.

The management attributed the reduction in sales volumes in the September quarter to inventory adjustments. Also, the new overseas capacities are expected to take time to come on stream. In the meantime, Tata Chemicals expects demand to catch-up, bringing balance to the market. While that will be the best possible outcome, investors tracking the restructuring story would do well to keep a track on demand dynamics as well.

**UPL sets up wholly-owned subsidiary for farm management**

*Chemical Weekly| 07 Jan 2020*

Agrochemicals major, UPL Ltd., has set up a wholly owned subsidiary, AFS AgTech Pvt. Ltd. (AFS), with effect from 27th December 2019.

In a declaration to comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 UPL has stated that AFS has an authorised capital of Rs. 5 crores. The initial cash subscription being made from UPL in AFS (at face value) is Rs.10 lacs. “There shall be further contribution in AFS as per the business plan, in one or more tranches,” UPL said in the statement.

AFS will *inter alia* engage in the business of farm management/contract farming, crop management, services of spraying pesticides/insecticides and complete agri-tech building – including agriculture output management, warehousing, farm advisory and solution centre, input retail, etc., the UPL statement added.

**Tata Chemicals ranked amongst top 25 innovative companies in India by CII**

*Chemical Weekly| 07 Jan 2020*

Tata Chemicals has been ranked among the top 25 most innovative Indian companies by the Confederation of Indian Industry (CII) for its effort in developing innovative products that have the ability to fuel growth in the industry.

The company received the ‘CII Industrial Innovation Awards 2019’, at an awards function organised by CII in Delhi where top 25 Indian companies across large, medium and small segments were felicitated for developing world class innovations.

One of the Tata Chemicals innovations highlighted by CII during the award ceremony was ‘Tata Nx’, a substitute for regular sugar without the use of artificial sweeteners and with additional health benefits. ‘Tata Swach’ – a water purifier – and ‘Tata Salt’ were other two company’s innovations cited by the CII.

Tata Chemicals has three innovation centres in India: Tata Chemicals Innovation Centre (IC) in Pune; Rallis Innovation Chemistry Hub (RICH); and Metahelix Life Sciences in Bengaluru. These centres act as the company’s technology and innovation hub to support growth in basic chemistry sciences, agrosciences, nutritional sciences, material sciences and energy sciences.

**Tata Chemicals acquires remaining 25% stake from US unit for Rs 1,387 crore**

*Chemical Today| Jan 2020*

Tata Chemicals, through its wholly-owned subsidiary Valley Holdings Inc, has acquired the remaining 25 per cent partnership interest in Tata Chemicals (Soda Ash) Partners Holdings.

Tata Chemicals on Thursday said it has acquired the remaining 25 per cent stake in Tata Chemicals (Soda Ash) Partners Holdings for $195 million or Rs 1,387.2 crore. Following the transaction, Tata Chemicals ownership in Tata Chemicals (Soda Ash) Partners has increased to 100 per cent.

“Tata Chemicals, through its wholly-owned subsidiary Valley Holdings Inc, has acquired the remaining 25 per cent partnership interest in Tata Chemicals (Soda Ash) Partners Holdings (TCSAPH) from The Andover Group, a subsidiary of Owens-Illinois Inc. for $195 million,” the company said.

TCSAPH owns 100 per cent interest in Tata Chemicals (Soda Ash) Partners (TCSAP), the soda ash operating entity in the United States. The turnover of TCSAP for the year ended March 2019 was $465.5 million compared to $491 million in March 2018.
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