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VDMA Circular Economy Conference in Mumbai

“In India, waste collection is still very unorganized”

Interview with Avinash Anand, partner at Unimark Hi-Tech Solutions LLP,
the official trading partner of Arburg in India

Mr. Anand, the amount of plastic waste is set to rise sharply in the foreseeable future. How does the Indian government plan to tackle this problem?

India introduced the "Swachh Bharat (Clean India)" program in 2014, primarily to raise awareness for greater cleanliness. In 2016, specific regulations were issued in this regard. One of these concerned the elimination of thin single-use plastic, specifically plastic bags. Guidelines were also introduced for the obligations of plastic manufacturers and processors - for example, in terms of returning plastic waste to the economic cycle. There is a requirement to use 25 percent recycled content of the same plastic in new plastic products. By 2030, 100 percent of plastic packaging must be either reusable, recyclable or compostable. In addition, 50 percent of plastic packaging is to be recycled. Finally, the percentage of recycled plastics in all packaging products is to be 25 percent. You start with packaging, because that involves particularly high volumes.

Will the regulation also be implemented?

At the moment, it's still more of an ambitious goal for the government. But it's important that it provides the impetus. The regulatory environment is clearly defined at the moment, but I don't think it will be strongly enforced. All the companies that are focusing on the circular economy are doing it of their own accord. They are doing it because they think it is a good initiative. But the government is very determined to make sure that the plastic waste problem is addressed. It is developing the regulatory framework and ensuring that the rules are enforced more strictly. Most of the regulations in India are followed by the big companies. It's usually the smaller companies that try to get around them, often because of cost. But I think it's a matter of three or four years before even the smaller companies have no choice but to comply.

How does the planned circularity in plastics resonate with the public?

Almost all the people I talk to are very optimistic about this. They see that plastic waste is a real problem. But it's also just a fact that the majority of the

population in India is not able to afford basic necessities. You can't blame them if the circular economy is not high on their agenda. In the cities and in businesses, the awareness is already there. In rural areas, not much plastic is used because people buy their food in bulk and bring it home in cloth bags or steel cans. But where plastic is used, awareness about waste is growing in the countryside as well. The poor people in the cities don't care about anything, they are too poor. These are two opposing sides.

Are there already collection systems in place?

In places where people can afford it, there is already a lot of collection and also sorting. In many of the better housing complexes, there is also training on how to separate garbage. The problem is garbage collection, which seems to have become a kind of mafia in the cities. It is controlled by a few people at a time. When they go on strike, the whole city looks like a garbage can. In India, garbage collection is still very unorganized. For companies involved in recycling, the biggest challenge is to collect the right material. PET, for example, is very easy to collect. Every waste collector knows what a PET bottle looks like. The problem comes with polyolefins. There are so many different materials, so many different grades. It's almost impossible for a waste collector to tell them apart.

Are there many recycling companies?

Currently, there are about 5000 officially registered plastic recycling companies. Of these, eight or ten are capable of delivering near-new quality raw material. There are probably another 1000 unregistered small recyclers. They collect anything that looks like plastic, melt it down, recycle it, and make new plastic of inferior quality. For construction, window frames and the like.

How do you estimate the business potential of the circular economy?

According to official estimates, there were about 3.4 million tons of plastic waste per year in India in 2017 and 2018. By 2023, the amount is expected to increase to 9 to 10 million tons. The actual number is likely to be even greater. By 2030, there could be 30 million tons of plastic waste. Assuming that about 25 percent of new products are made from recycled plastic, that's about six million tons that can be reused. That means savings for processors like Unilever or Procter & Gamble, and it's also an opportunity for recyclers to make money. I've heard that profit margins for recyclers are between 30 and 40 percent.

How is Arburg positioned in India in terms of the circular economy?

Arburg has been present in India since 1981 and has a very good reputation here. By participating in the VDMA conference in Mumbai, we want to start presenting technologies to customers in the context of the circular economy. But above all, we want to educate people about initiatives like R-Cycle, about the state of play in the West, about what can be done to collect waste in a sensible way, about the alternatives to plastics. Arburg has had the technologies needed to incorporate alternative materials into a molded part for years. It's primarily about drawing attention to circularity. That is very important to us.

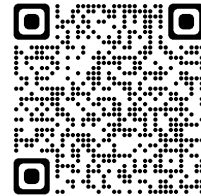
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Industry interviews on the circular economy of plastics in India

India is facing a transformation of the plastics industry towards a circular economy. This requires the cooperation of all players in the value chain and a technical exchange. This is where the VDMA comes in with this interview series and the subsequent VDMA Circular Economy Conference on 6 December 2023 in Mumbai. European plastics machinery manufacturers, together with Indian customers and in association with brand owners, will show the key to success!

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VDMA Plastics and Rubber Machinery

More than 200 companies are members of the trade association, covering over 90 per cent of the industry's production in Germany. Ten per cent of our member companies come from Austria, Switzerland and France. The German member companies represent a turnover of 7 billion euros in core machine manufacturing and 10 billion euros including peripheral technology. Every fourth plastics machine manufactured worldwide comes from Germany in terms of value; the export quota is 70 percent. The chairman of the trade association is Ulrich Reifenhäuser, managing partner of Reifenhäuser GmbH & Co KG.