

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:5609
ANSWERED ON:02.05.2005
RISE IN PRICES OF PLASTIC RAW MATERIAL
Ahmad Shri Ateeq

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Government is aware that hundreds of plastic producing units in the country are on the verge of closure due to arbitrary increase in prices of raw materials by the petroleum companies;
- (b) if so, the details thereof; and
- (c) the measures taken by the Government in this regard?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN):

(a) to (c) Plastic raw materials viz. Polymers, are freely traded materials and their imports in the country are permitted under the Open General Licence (OGL). As such, the domestic price of Polymers generally follow international price trends and are not regulated by the Government. The price of crude in the international market has increased considerably which has affected the prices of raw material for plastic producing units in the country. No specific instance of closure of any plastic producing unit solely on account of price rise has come to the notice of the Government. In order to check the rising prices of Polymers, the Government has proposed to reduce the customs duty on Polymers from 15% to 10% in the Finance Bill 2005-06.