



दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल
(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL
(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Ref. No.: Plexh/Cir/962

15/01/2025

To,

All Members of Plexconcil/

COA Members

Dear Sir / Madam,

Subject : Members inputs on “whether the import of MABS can be recommended for nil duty”.

We have received an email from the FT (ASEAN) Division, Department of Commerce, Government of India, seeking Plexconcil members' inputs on a request made by a trader in India for reducing import duty on MABS products. The trader has highlighted the following points:

- MABS is one of the key imported plastic raw materials essential for various industries such as automotive, home appliances, consumer goods, and toys. It plays a crucial role in the final finished product. The distributor imports MABS as one of the essential raw materials in the manufacturing process of finished products for the above industries.
- The distributor from India informed that Malaysia is one of the largest MABS-producing countries globally. Malaysian MABS has already showcased its expertise and capabilities as a very high-quality product, accepted and appreciated by esteemed customers worldwide.
- The market size for MABS in India is relatively small, and the demand for this specific material is not sufficient to support large-scale local production, as informed by the distributor.
- The distributor also mentioned that the organic growth of the MABS market in India is currently in the range of 5%-10%, indicating that, for the foreseeable near future, local production of MABS may not become commercially viable. This underscores the importance of recognizing import as a viable option for consistent and reliable supply of MABS for industries across the nation.
- The product is covered under the India-ASEAN FTA and enjoys an import duty of 5% (7.5% under MFN), which imposes a significant financial burden on both businesses and consumers.
- By reducing this duty to 0%, we can stimulate economic growth and make these products more accessible to the public. The distributor has requested consideration of the potential benefits of reducing the import duty on MABS products.

In view of the above, we request concerned members to give their opinion on whether the import of MABS can be recommended for nil duty.

Best regards,

Bharti Parave

Deputy Director – Trade & Policy

The Plastics Export Promotion Council