



Plastic Parks Scheme

Why in News

The **Ministry of Chemicals & Fertilizers** has approved **setting up of 10 Plastic Parks** in the country.

- The Parks are being set up in the states of Assam, Madhya Pradesh, Odisha, Tamil Nadu, Jharkhand, Uttarakhand and Chhattisgarh.
- A **Plastic Park is an industrial zone** devoted to plastic enterprises and its allied industries.

Key Points

▪ Background:

- The share of India in world trade of plastics is very low. **India's share in the USD 1 trillion global plastic exports market** is about **1%**.
- The Indian Plastics industry is **large but highly fragmented** with dominance of tiny, small and medium units and thus lacks the capacity to tap this opportunity.
- The **Scheme for setting up of Plastic Parks** has been formulated with a view to **synergize and consolidate the capacities through cluster development**.

▪ Features of the Scheme:

- **Demand-Driven:** Supports setting up of a **need based 'Plastic Parks'** - an ecosystem with requisite state of the art infrastructure and enabling common facilities to assist the plastic sector move up the value chain and contribute to the economy more effectively.

◦ Major Objectives:

- Increase the competitiveness, polymer absorption capacity and value addition in the **domestic downstream plastic processing industry** through adaptation of modern, research and development led measures.
 - In the **petrochemical supply chain**, the plastics industry can be classified into **two categories**.
 - First, the **manufacturing of polymers**, which is called **'upstream'**.
 - The second one is **conversion of processable polymers** (plastic raw materials) into useful end products, which are classified as **'downstream'**.
- Achieve **environmentally sustainable growth** through innovative methods of waste management, recycling, etc.

▪ Funding Pattern:

- The **Central Government provides grant funding up to 50% of the project cost**, subject to a **ceiling of Rs. 40 crore per project**.
- The **remaining project cost** is funded by the State Government, beneficiary industries and by loan from financial institutions.

▪ Implementation: A Special Purpose Vehicle (SPV) shall complete the setting up of the Plastic Park in a **period of three years** from the date of final approval.

- The SPV is a **distinct legal entity** formed by the State Government or its agency.

- The **Central Institute of Petrochemicals Engineering and Technology (CIPET)** has established a **Centre for Skilling and Technical Support (CSTS) at Vijayawada in Andhra Pradesh** which provides Diploma programmes and skill development training programmes in the field of Plastics Engineering & Technology.
 - CIPET is a premier government of India institute.
- **Challenges for the Plastic Industry:**
 - **Increased volume of [plastic waste](#).** As per reports on the status of India, only 60% of this waste gets recycled.
 - The major challenge is segregation and re-aggregation of plastic waste streams such as packaging waste, including laminated plastic.
 - **[Pollution caused by plastic waste](#)** is tormenting the environment including aquatic resources necessitating urgent action, that is why the plastic sector needs better management.
 - A **lack of upgrading quality and diversification** in the product range.
 - **India has committed to phase out the use of single-use plastic by 2022.**

Way Forward

- **Plasticulture**, i.e. the use of plastics in agriculture, horticulture, water-management, food grains storage and related areas should be promoted. **Recycling of plastics** is one of the foremost steps towards innovation and sustainability in this industry.
- Further, the government needs to work on the **draft 'National Plastic and Packaging Industry Development Policy 2019'**.

Source: PIB

PDF Reference URL: <https://www.drishtiias.com/printpdf/plastic-parks-scheme>