



Growth potential in polyester is enormous

Mr. Anil Gupta, Chairman & Managing Director, Wellknown Polyesters Limited in Q&A with Tecoya Trend.



TT: How has been the performance of polyester intermediates (PX, PTA and MEG) during 2018?

MR. ANIL GUPTA: All the reviewed if it is hurting our industry.

There is a need to constitute sector specific committees comprising representatives from the government as well as industry so as to promptly address the genuine issues facing the industry. Today inverted duty structure in the polyester chain is causing unnecessary hardship to the polyester manufacturers and large sum is blocked.

TT: New players including Wellknown have entered into PSF production in India. What has been the impact on the existing PSF manufacturers?

MR. ANIL GUPTA: New capacities are needed and welcome for the growth of the industry. What is required is to find the ways and means to expand the market. Today more than 20000mt of recycled PET is imported monthly which is used for manufacturing of sub-standard polyester fiber. On one hand we are banning the use of PET bottle for environment reasons; on the other hand we are allowing import of recycled PET which is killing virgin PSF growth in the country.

Similarly today we have an import of about 80000mt/annum of Polyester Fiber (PSF) while our own capacity remains unutilized. This needs attention of policy makers.

TT: The Indian government has increased duty on imports of fabrics. However, the influx of polyester-based fabrics continues into India, particularly from China which has impacted the domestic polyester sector. What measures do you propose to plug these imports?

MR. ANIL GUPTA: Chinese are making use of loophole in our FTA with Nepal. Chinese fabric is being channelized into India through Nepal with whom India has FTA. We need to have a rule of origin incorporate in the FTA.

Fabric/garment exported to India under FTA essentially need to have a fix percentage of component of India origin. This will promote our export and prevent entry of Chinese fabric in our country.

for both PTA as well as MEG.

Availability of PX has gone rather tight from Q-3 primarily due to delay in start-up of new plants in Vietnam and Middle East. This inflated the margins for PX manufacturers all over the world.

TT: How has been the production and price trend of PSF, POY, DTY and FDY during 2018?

MR. ANIL GUPTA: This year particularly H-2, has been somewhat challenging due to high volatility in the raw material and influx of polyester based Chinese fabric routed through NEPAL at zero duty.

Chinese goods are making inroads into Indian market. This needs to be quickly plugged to avoid any further damage to the industry. **TT: The polyester market has been volatile during the last few months. What kind of production and price trend do you forecast of polyesters in the coming months?**

MR. ANIL GUPTA: This is a temporary phase and would pass. Growth potential is enormous. As far the price trend is concerned, crude oil price determine the base line which is going strong at the moment.

TT: What are the challenges being faced by Indian polyester players to increase per capita consumption of polyester in the Indian market.

MR. ANIL GUPTA: In order to promote growth to increase per capita consumption, we have to create a right domestic environment to encourage fresh investment in the synthetic textiles sector. We have to have a right set of fiscal policies in place.



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