



# **Metal-Container Manufacturers' Association**

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## **DRAFT STEEL QUALITY CONTROL ORDER DATED 29<sup>TH</sup> APRIL, 2015** **COLD REDUCED ELECTROLYTIC TIN PLATE**

### **Metal Container Industry - Introduction**

- Tin can/Metal packaging is an important constituent of packaging industry and tinplate is one of the key inputs for manufacture of the same.
- It is concentrated mainly in MSME sector where more than 1 lac people are employed/engaged, both in trade and industry.
- Industry consumes about 550,000 tons of tin mill products (tinplate/tinfree steel etc.) of which approx. 60% is prime and 40% non prime material.
- Domestic availability is approximately 325,000 tons rest is imported
- Prime material generally is used for edible products while non-prime/seconds material is being used for non-edible products.

### **Justification:**

- Metal container comprises only about 5% of the total packaging industry and therefore, bringing only **Cold Reduced Electrolytic Tin plate** under BIS will not serve the purpose.
- Tinplate production in the country is less than 0.5% of the total steel produced in India and is only used for packaging.
- There are no standards laid down by BIS for non-prime tinplate which is essentially required by the industry for various end uses like paints, pesticides, shoe polish, chemical etc.

- Even for prime material the industry imports from various countries/mills all over the world and they are producing material as per the standards laid down by respective countries – Japanese standards, Euro norms, US Standards etc.
- Like BIS these standards in different countries are aligned with ISO standards and are as strict on quality as BIS. They are generally equivalent and therefore, same should be recognized.
- Metal Can in many cases is now combination of various other material like tin free steel ends, aluminium/tinplate easy open ends, plastic closure etc. which become integral part of metal cans and obviously they would be out of quality control order, therefore, this order will not serve the purpose fully.
- This order goes against the thinking and vision of our Hon'ble Prime Minister of removing Inspector Raj as this will bring back Inspector/Raid Raj and encourage corruption.
- Tin container is an industrial product and not item of mass consumption, hence, the brand owners strictly check quality before filling their products.

## **Implications:**

- The order will promote monopolistic position of virtually single manufacturer of tinplate in the country and would put the industry to a bigger risk of not getting material at competitive prices
- The tinplate mill in India do not produce all category/grade of material required by the industry, hence there would be major issue of meeting the demand of such material which will result into closure of some of the units.
- On one hand draft Notification will protect and promote virtually the single local producer while on the other it will adversely affect large number of small can makers and large number of people in the trade which generate huge employment and also generate revenue for Government.
- It will further encourage the import of metal cans, discourage value addition in the country and affect the existing investments made by the Can

making industry and would go against the dream of our Hon'ble Prime Minister of promoting "Make in India".

- Tinplate/Metal Can is totally environmental friendly and re-cyclable after use and a sustainable packaging material which unfortunately would be adversely hit due to steel quality control order. This order rather would encourage use of alternate packaging material like Plastic/Paper which are either not environmental friendly or less environmental friendly.
- Large number of items which are manufactured by MSME sector specially for non-edible products virtually would be imported from other countries which would result into loss of huge number of jobs, foreign exchange, and will cause idle capacity and failure to pay back bank loans etc taken by MSME sector.

## **Recommendations:**

- We recommend as follows:
  - Item No. 6 'IS 1993 – Cold Reduced Electrolytic Tin Plate' should be withdrawn from the draft quality control order dated 29<sup>th</sup> April 2015.
  - Withdrawal of this item will help the trade and industry to retain business and employment and promote vision of Hon'ble Prime Minister – 'Make In India'

