

Date: August 6, 2013

To

Shri. M T Krishna Babu
Commissioner
Greater Hyderabad Municipal Corporation
Hyderabad.

Subject: Seeking change in regulation to refund cash to customers carrying cotton/jute bag

Ref: GHMC Circular no. 25/0/AC(H&S)/GHMC/2013 dated June 26, 2013

Dear Sir,

Greetings from Retailers Association of India (RAI).

Retailers Association of India (RAI) is the unified voice of Indian retailers. RAI works with all the stakeholders for creating the right environment for the growth of the modern retail industry in India. It encourages, develops, facilitates and supports retailers to become modern and adopt best practices that will delight customers.

RAI is the representative body of Retailers in India having over 900 member establishments including large and small retailers in the country and represents over 98000 stores in India. RAI has a three charter aim of Retail Development, Facilitation and Propagation.

This has reference to the GHMC Circular no. 25/0/AC(H&S)/GHMC/2013 dated June 26, 2013. We appreciate the concern of Greater Hyderabad Municipal Corporation (GHMC) over the use of plastic bags. As per the GHMC circular:

1. The cost of the carry bag (i.e. either Rs. 2/- or Rs. 5/- which ever being collected from the customers for the size of the bag sold to them) shall be provided to the customers those who are carrying the jute/cotton bags with them for the purchases, basing on the size of the bag, to encourage the use of jute/cotton bags saying "NO" to plastic carry bags.
2. The trader has to display the boards about the cost of the carry bags and the incentive being paid to the customers those who carry the jute/cotton bags.



From the above points, we interpret that the retailers will have to pay Rs. 2/- or Rs. 5/- , depending on the size of bags, to the customers who carry jute/cotton bags while shopping.

We would however like to state the following:

- The Ministry of Environment and Forests (MoEF), Government of India, vide its notification dated 21st February 2011, called the Plastic Waste (Management and Handling) Rules 2011 has notified a minimum thickness norm of 40 microns for the plastic carry bags.
- The notification also states the Explicit pricing of Carry Bags, no carry bags shall be made available free of cost by retailers to consumers.
- Following the notification of the Ministry of Environment and Forests (MoEF) to charge for plastic bags, RAI took the initiative to comply with the Ministry's directive. No plastic bag is available free of cost at any retail outlet of our member retailers.
- RAI received encouraging support for this initiative from member retailers. Retailers have reported substantial decrease in the consumption of plastic carry bags. As per a survey conducted by RAI, plastic carry bags consumption shows a 58% drop, after the initiative to charge customers for the carry bags.
- The consumption of plastic by our members has fallen from around 2100 MT per month to about 900 MT. per month.
- Retailers have prominently displayed the cost of carry bags and customers are encouraged to bring their own carry bags.
- Customers have the option of carrying the merchandise in their own bags. They have to buy the plastic bags only if they have not carried their own bags for shopping.
- The retailers charge the customers only the material cost of the carry bags in case the customers do not bring their own carry bags and this initiative is not intended to make money for retailers.

We would like to humbly submit that the suggestion of paying the customers who bring their own jute/cotton bags is administratively cumbersome. The notification of MoEF empowers local municipalities to fix the rate to be charged. However, the notification does not state to incentivise jute/cotton carry bags. As is the practice, we welcome customers carrying their own bags for shopping.

Moreover, the proposal of GHMC is not practical for the following reasons:

1. If the retailers allow people to carry their own jute bags, there could be security risks and monitoring for shop lifting will become difficult
2. The circular remains silent on who will decide what material the bag is made of
3. If a customer carries more than one bag, monitoring becomes difficult



4. A customer may visit the store multiple times and can claim the incentive without purchasing anything

The biggest negative impact of usage of plastic carry bags has been its indiscriminate disposal. This initiative of charging customers for the plastic carry bags has significantly curtailed the process of indiscriminate disposal as customers now value plastic carry bags. Customers in most part of the country have started getting their own bags since they are not keen to buy new bags, which was the main intention of the order.

We hope that you will receive our representation favourably and look forward to a clarification in this regard.

Looking forward to receiving an early reply.

Yours sincerely,

For Retailers Association of India

Gautam Jain
Head – Advocacy & Finance