

KS

+Positive

There are many opportunities at any given point of time.

Know some of them from us.



By Kamal Shah : BE-Mechanical, DMSM, DBM, DIRPM
An Experienced Techno-commercial professional

Welcome

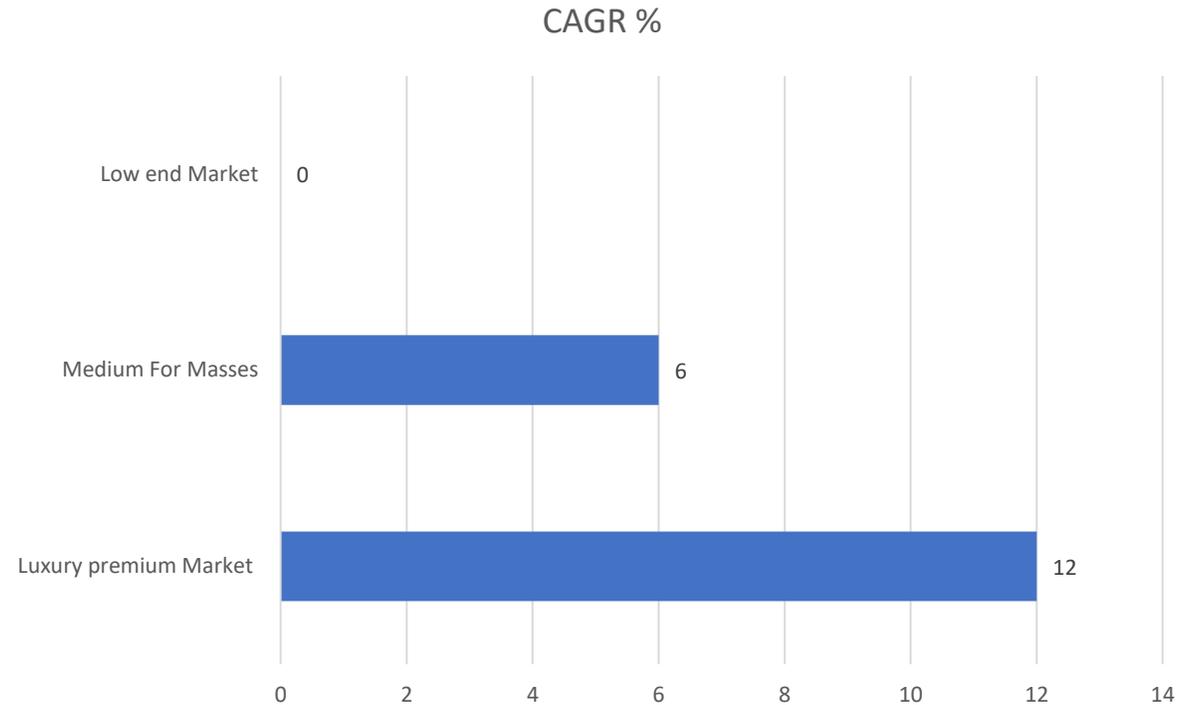
- New projects for INDIA
- Huge Market potential
- Higher Margins.
- Substitutes to the present material.



9879552875
mail@positiveaggression.in
9624112091

The Indian wood panel industry is estimated to be around INR 28,000 crore and is growing at the rate of 10-12% annually.

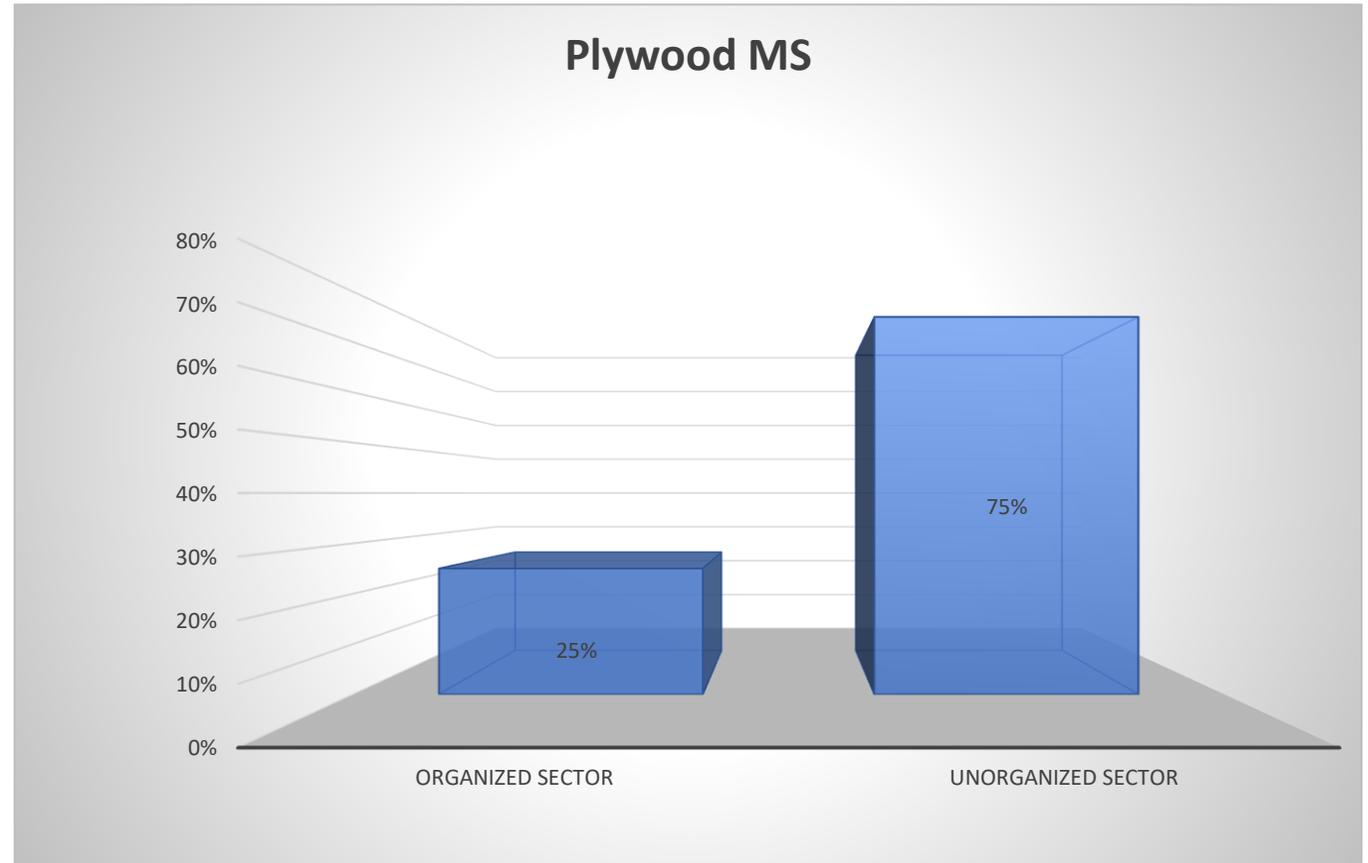
Last 5 years'	CAGR %
Luxury premium Market	12
Medium For Masses	6
Low end Market	0



KS
+Positive

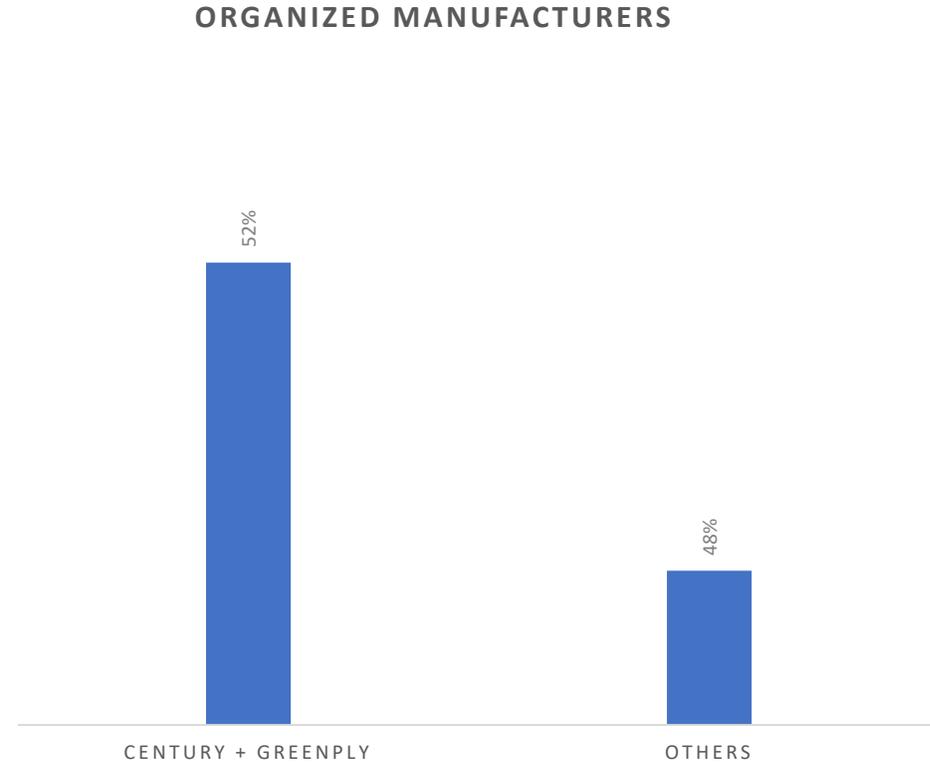
Indian Plywood Market:

Organized Sector	25%
Unorganized Sector	75%



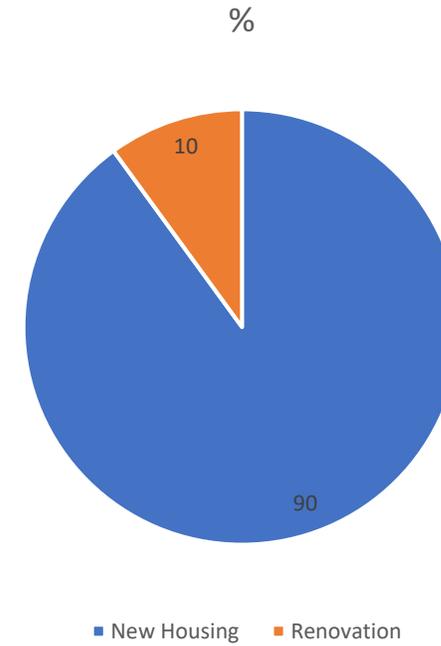
Organized Sector Market

Century + Greenply	52%
All other Branded	48%



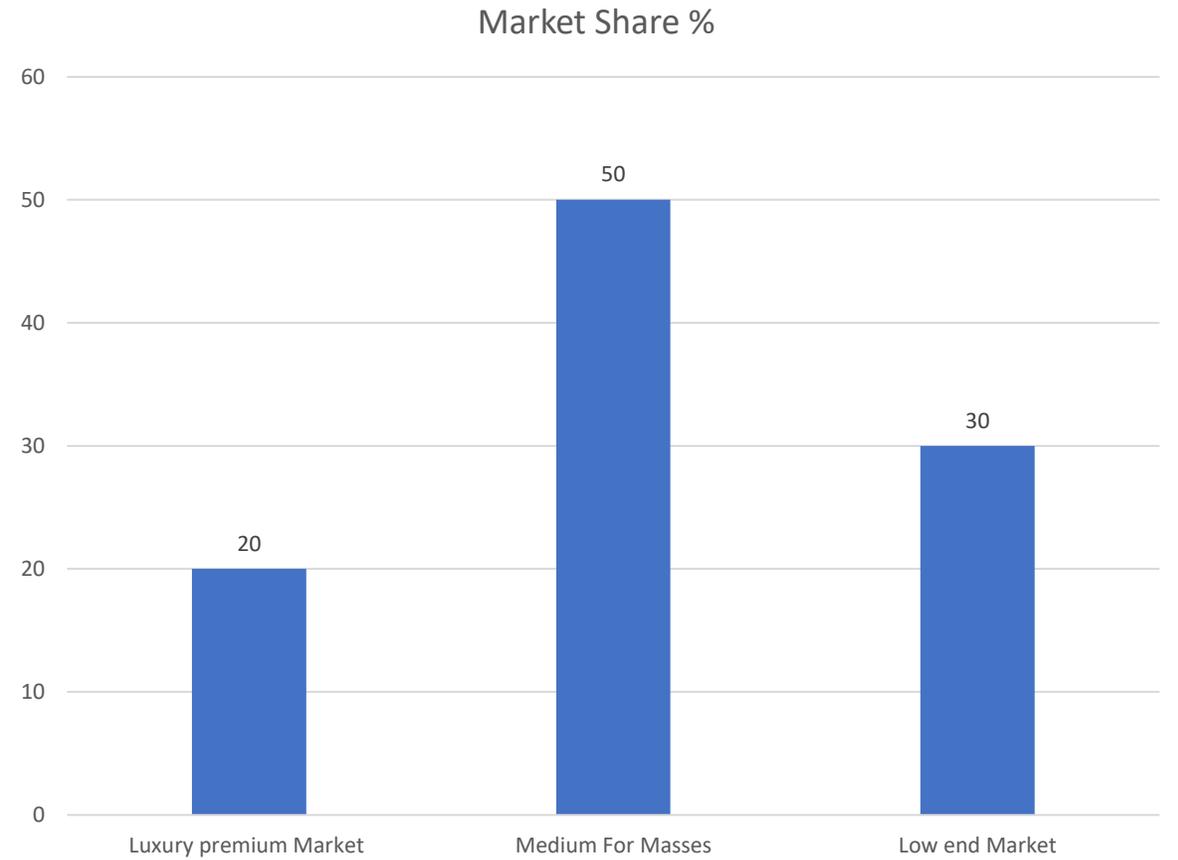
KS
+Positive

Demand Drivers	%
New Housing	90
Renovation	10



KS
+Positive

	Market Share %
Luxury premium Market	20
Medium For Masses	50
Low end Market	30



Wood

	Plywood Quality	INR Per Sq. Foot	CAGR
1	Premium plywood cost	100 to 140	12
2	Medium Quality for masses	65 to 85	6
3	Low end quality	45 to 65	Zero Or negative

Against the above:

- PVC / WPVC foamed board is available at Rs 125 to 170 per Kg as we chose the quality. As per density (weight), it is available at Rs. 65 to 130 per Sq. foot.
- So, to say, it is sold as premium product which is growing at highest rate.

Growth Factors

- Housing sector is at 5 to 6% of GDP in INDIA,
 - It is growing at 11+ % CAGR,
 - Housing for all by 2022,
 - Retail, Hospitality and Healthcare sectors have raised the demand for the commercial real estate.,
 - FDI in real estate has been relaxed,
 - Rapid Urbanization from 33% today to 40% by 2030,
 - Replacement of furniture cycle is at 8 to 10 years which is to touch to 5 to 7
- BECAUSE OF:
- a) Educated Youth who need everything new,
 - b) No more joint family system which is vanishing
 - c) Fast growth of economy, media, start up pushes and many such factors.
 - d) 60 % of the existing houses need replacement on account of Termites, Age,

All the above need WOOD / plywood

BUT

- Wood is becoming scarce
- It is becoming costlier
- Monitoring on de-forestation is tighter
- Wood working is costlier
- Wood needs lamination, varnish, color...Lot of labor
- It consumes a lot of time

Wood IN India



Land & forest in INDIA		%
297.3	Million hectars	
297,30,00,00,00,00	Square Meter	
70,70,00,00,00,00	Forest Cover	23.78
12,01,00,00,00,00	Planted forest	17
58,69,00,00,00,00	Natural Forest	83



Forest ownership

Forest Ownership in INDIA

Forest Ownership in INDIA		%
60,80,20,00,00,00	Publically owned	86
989,80,00,00,00	Privately owned	14



We need afforestation seriously

Country	Population	Tree population	Trees / person
India	126,70,00,000	35,45,60,00,000	28
Brazil	20,14,72,550	3,01,00,00,00,000	1494
China	141,78,00,000	1,39,00,00,00,000	102
USA	31,84,35,750	2,28,00,00,00,000	716

Wood for INDIA

India cannot meet its own demand for wood products with domestic supply, and as a result is currently the world's 2nd largest importer of tropical logs. India is a major producer of wood-based products, including pulp, paper, plywood, furniture, wooden handicrafts, and veneers.

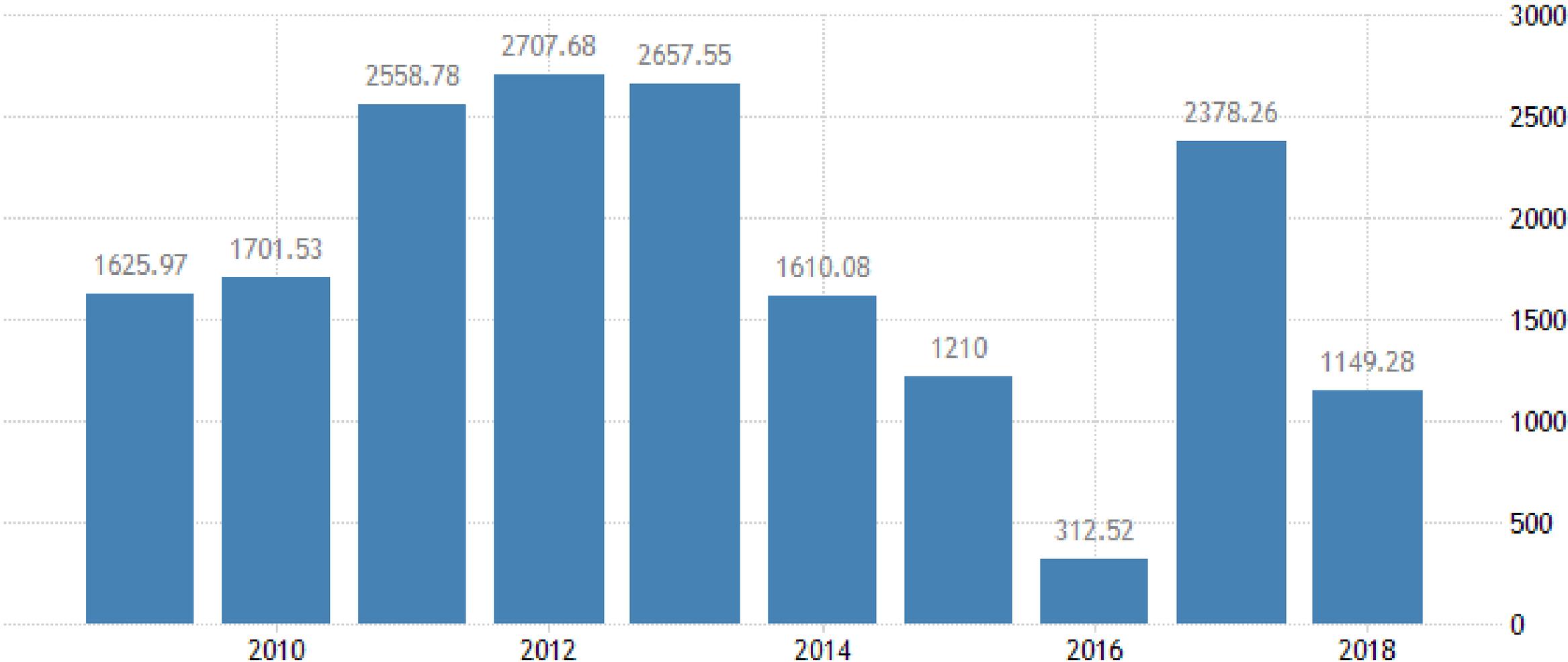
India is the third largest importer of the illegally logged timber in the world.

With an annual import value of over rs 40 billion, the country accounts for close to 10% of the global illegal wood trade.

According to the report, 42% of the total roundwood and sawn wood traded globally, with an annual value of Rs. 427 billion, is harvested illegally.

The largest consumer of illegally harvested wood is china with an import worth Rs. 223 billion per year followed by Vietnam that imports illegally harvested wood worth Rs. 52 billion.

Indian Imports of wood & Wood products in Million USD



TOP 10 IMPORTERS OF **ILLEGALLY LOGGED WOOD**

Country	Annual Import (USD)
China	3295.7
Vietnam	767.3
India	596.5
EU	453.9
Thailand	101.4
USA	88.2
South Korea	22.4
Japan	15.1
Malaysia	12.1
Australia	1.1

TOP REGIONS AS EXPORTERS OF **ILLEGALLY LOGGED WOOD**

Region	Annual Import (USD)
South East Asia	3471.4
Russian Federation	1265.6
Oceania	685.2
Congo Basin	521.4
South America	387.1



So PVC/ WPVC can sell

- PVC / WPVC Foamed board is easy to make
- Does not affect de-forestation
- Does not need Laminate, color or varnish
- Conversion from Wood to plywood is costlier affair, much of time consuming
- Can be made in any thickness, size and color

Recent trend:

- The sudden increase in the international prices of chemicals used in manufacturing plywood also has added the cost of production of plywood.
 - The steep increase in the wages of the unskilled labor
 - The shortage of wood is an big concern for the plywood industry and the cost has increased by about 30%
 - The negative impact of inflation affects the price of raw materials, goods and commodities.
- And so, this is actually positive for PVC/ WPVC foamed boards.

Channels

Carpenters/ Architects
Retail Stores
Government Offices
Corporate
Real State / Builders

Distribute

Generate various levels of Distribution / Sales

1. Key Account Real Estate Companies
2. Wholesales Distributors
3. Company direct Dealers Like carpenters And Involve Architects:

Architects Look for CUT for themselves, Quality, Durability, After sales-services in case of complaints, price and lastly company initiative

Understand the customers:

Customers are within three Classes:

- 1) High end : Price no issue, Quality and looks are priority, they come through interior decorators and Architects,
- 2) Middle level: These people need time to decide, ask for Quality at affordable [as per them] Price and durability and range
- 3) Low end customers: ONLY price is of prime importance, quality is no issue.

Customers have limitations:

- 1) Lack of knowledge,
- 2) Preference of Vastu over Functionality
- 3) Taste differences
- 4) Copying mentality
- 5) Solid culture difference from North to south and east to west.

Just one plant can make everything for everybody:

- 1) All types of quality as per realization offered
- 2) All types of colors for the North to south preferences
- 3) With Value-Added Quality and varieties, with investing some more on lamination machine and for Embossing
- 4) All densities for all applications like lighter density for partition and heavy densities for load bearing
- 5) And it is also easy to make the quality for the lowest possible cost for the like market.
- 6) Can easily satisfy Architects with Quality and looks and Finish.

- It is a serious replacement of All thicknesses of Plywood boards 4 to 20 mm with four feet width.
- Can also make replacement of flush doors. Can make 25 to 35 mm thickness, three feet width.
- Can make any width of doors like 2feet, 2.5 feet, 2.75 feet, 3 feet, online or post production.
- There are many plywood makers in Organized sector business and Thousands in unorganized sector business and PVC / WPVC foamed board is the replacement
- “House for each family”, the Government’s push offers huge opportunity for Doors, Shitters and shelves for cupboards / furniture/ kitchen cabinets...

- **Huge replacement market on account of the following:**
 - a) The new generation needs everything new as they make a lot of money
 - b) Termites have eaten away; the aged furniture and doors and windows need replacement at about 60% of all existing wood in the country.- A SURVEY.
 - c) Scarcity of wood, the cost of wood and wood-working et-cetera

KS

+Positive

Weaknesses:

- Many do not see wood in WPC or PVC boards
- Lovers of the wood and Authenticity post a serious threat.
- Ignorance of the product.
- Carpenters do not easily promote this product since they lose a lot on material and labor if they use this product

9879552875

mail@positiveaggression.in

9624112091

- The market exists.
- The demand is available for the usage, like, something is needed to make furniture, cupboards, shutters, kitchen cabinets et-cetera
- Low operational efficiency in Indian plywood industry leads to low profitability and so The plywood manufacturers can look at this alternate. When they start entering, they push and so market expands faster.
- Plywood is to lose faster as Competition has lead to increase in the bargaining power of customers making pricing cut throat for plywood and the manufacturers are getting tired and frustrated.

Opportunities continued:

Low machinery cost and low initial investment cost to venture in to a new and promising project to offer the best alternate to Plywood which is highly demanded Volume product.

Threats

- Small investment can push many low-quality product lovers and people to venture in to this business. [The solution is to make High quality with value addition] This business can have “MORBI-RAJKOT” effect.
- One plastic producing company in the country manages the plastics market and that is one big factor and the costs are controlled by one person and Company. Death of one person can screw the market, Whims of one person can shake the market, Politicians can disturb the market indirectly snatching lot of funds from one such company which in turn can change the raw material costs and we all are helpless in such a case, One Attack from enemy on Jamnagar can entirely murder the business.

Threats continued

- Low quality market, Illiterate, individual manufacturers can screw the market by making lousy quality and low cost.
- Thus it becomes difficult for good quality products to sustain in the market and difficult to get the Brand set.
- India is full of such characters who come in to business like butterflies and vanish also But before they vanish, they screw the portion of Market.

KS
+Positive

Hot stamped Boards



Value Addition

Laminated Foamed Boards



KS
+Positive

Colored PVC Foamed Boards



9879552875
mail@positiveaggression.in
9624112091

KS
+Positive

Three layered PVC Foamed Boards



KS
+Positive

WPVC board



KS
+Positive
WPVC Door frames

Another
Promising
business



3 x 2

4 x 2

4 x 2.5

5 x 2.5



No part of this report should ever be reproduced or transmitted in or by any means without prior eligible written permission of positiveaggression. The data is collected from the market in INDIA which is termed as reliable source/s. Positiveaggression shall have no liability of incorrectness or erroneous presentation of any data whatsoever, ever or even for the interpretations of any sort by anybody.

Thanks

9879552875
9624112091

Positiveaggression
Ahmedabad

9879552875
9624112091

mail@positiveaggression.in

+VE
Kamal Shah

9879552875
ks@positiveaggression.in