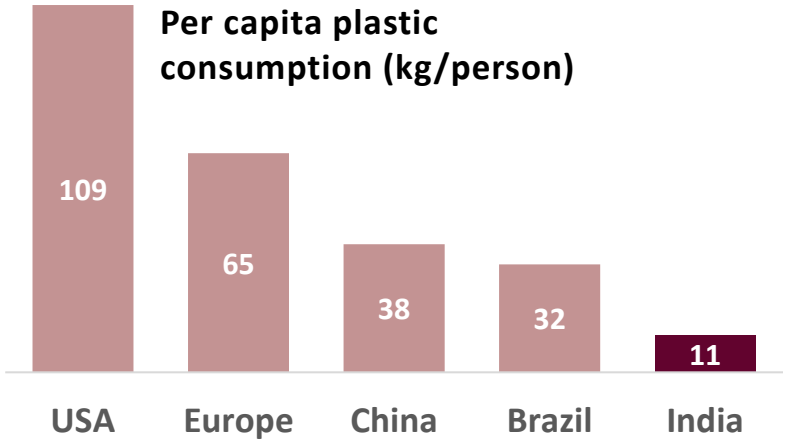
Opportunities in the Indian Plastics Sector

June 2020

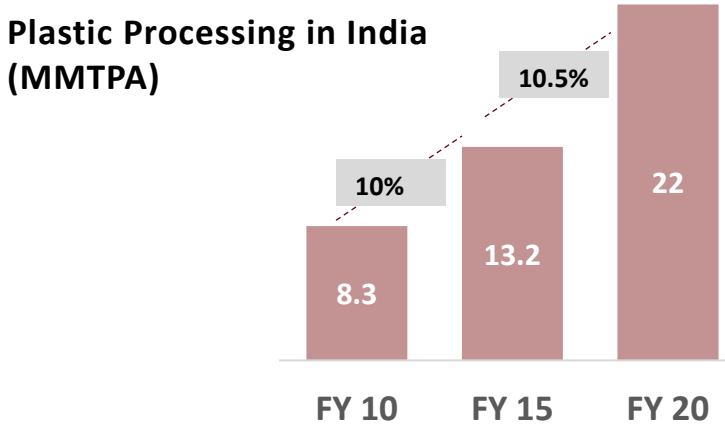
INDIAN PLASTICS SECTOR: *MARKET OVERVIEW*

FEW GLOBAL HIGHLIGHTS

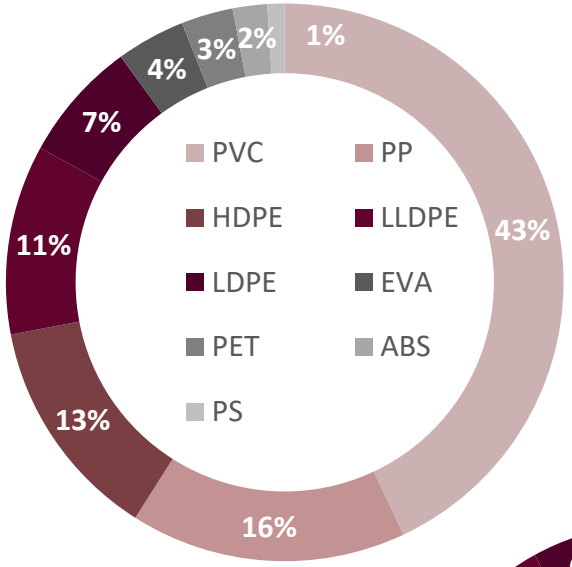
- Largest manufacturer of Lami tubes
- Largest Rotomolded Tank market in the world
- Largest manufacturer of BOPP tubes
- Polybenzemidazole (PBI)-only producer in the world
- 2nd largest exporter of FIBC bags
- 5th largest producer of PP



SOURCE: AIPMA and Plastindia, TATA strategic analysis



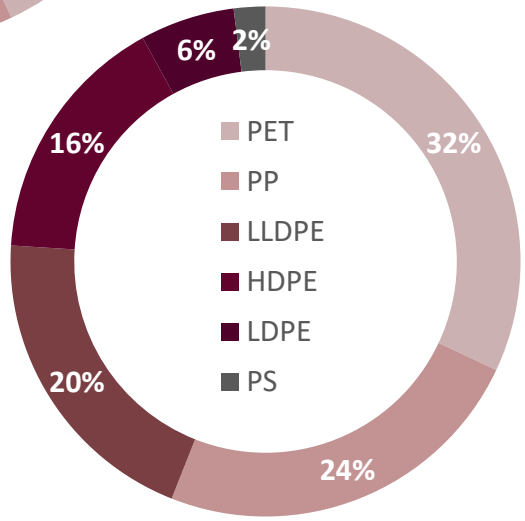
SOURCE: Industry reports, TATA strategic analysis



IMPORT TRENDS 2018-19

Total imports:

4191 KT



EXPORT TRENDS 2018-19

Total imports:

2523 KT

INDIAN PLASTICS SECTOR: *INDUSTRY STRUCTURE*

1

EXTRUSION:
Films and sheets, fibres and filments pipe, conduits and profiles, other applications

ROTO MOULDING:
Large circular tanks such as water tanks

4

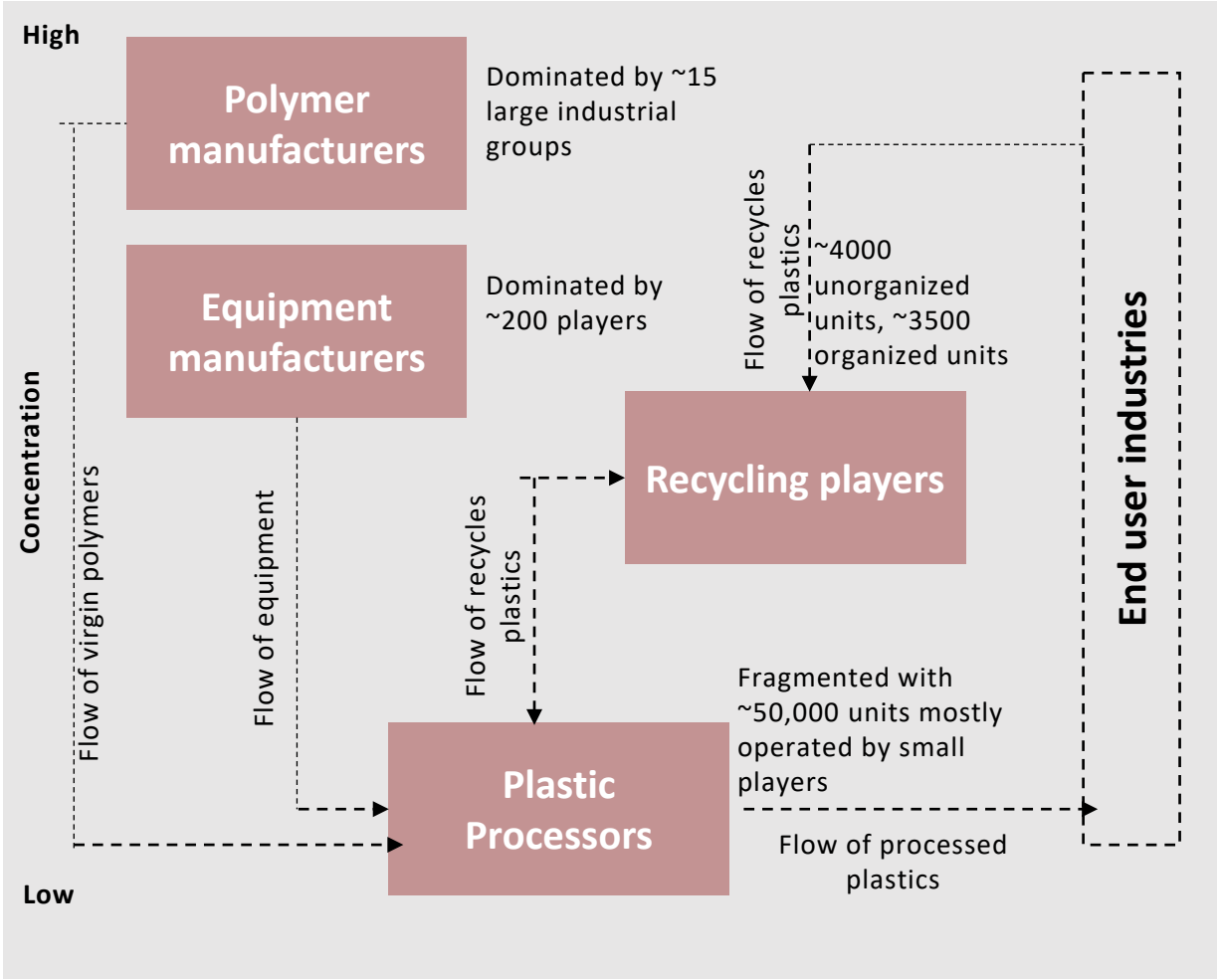
Classification of plastic products by types of processes

2

INJECTING MOULDING:
Industrial and household injection moulding, Thermoware and moulded luggage

BLOW MOULDING:
Bottles, containers, toys and housewares

3



SOURCE: Crisil, TSMG, Plastindia

INDIAN PLASTICS SECTOR: *MANUFACTURING & CAPACITY*

CAPACITY

Major Thermoplastics capacity (2019)
17 million metric tonnes

Polyolefins
11,770 kilo tonnes

Styrenics
457 kilo tonnes

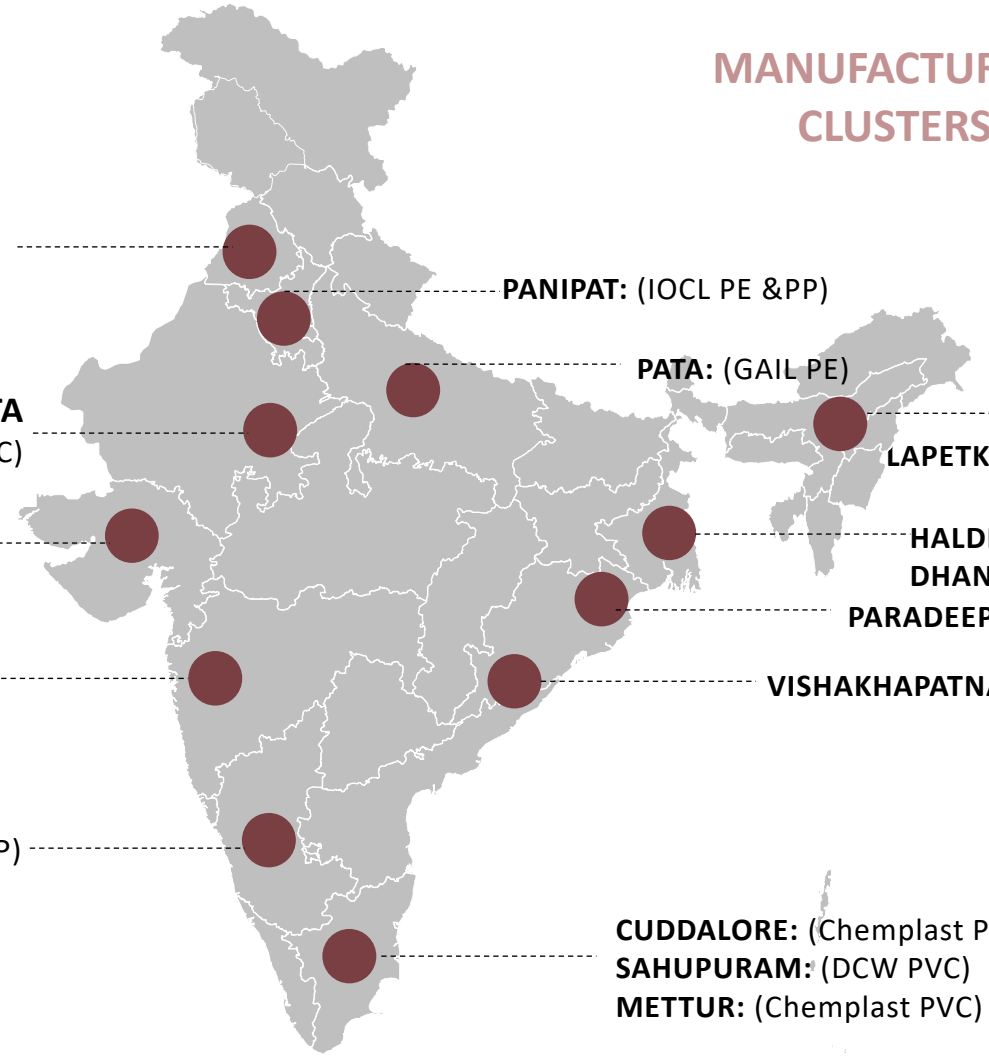
Polyvinyl Chloride (PVC)
1,560 kilo tonnes

Major Engineering Plastics
498 kilo tonnes

Polyethylene Terephthalate (PET)
2,730 kilo tonnes

Performance Plastics
3,285 kilo tonnes

MANUFACTURING CLUSTERS



BHATINDA (HMEL,PP)
PANIPAT: (IOCL PE &PP)
PATA: (GAIL PE)
KOTA (DCM, PVC)
LAPETKATA: (BCPL PE & PP)
JAMNAGAR:(RILPE & PP)
VADODARA: (RIL PE, PP &PVC)
DAHEJ: (RIL PE, PVC & PET) (OPAL PE &PET)
HAZIRA: (RIL PE, PP, PVC & PET)
HALDIA: (HPL PE &PP)
DHANUSERI: (PET)
PARADEEP: (IOCL PP)
SARIGRAM:(PET)
NAGOTHANE: (RIL PE, PP &PP)
RATNAGIRI: (Finolex PVC, Supreme PS)
VISHAKHAPATNAM: (LG PS)
MANGALURU: (MRPL PE &PP)
CUDDALORE: (Chemplast PVC)
SAHUPURAM: (DCW PVC)
METTUR: (Chemplast PVC)

SOURCE: PlastIndia, Indian Plastics Industry Report

INDIAN PLASTICS SECTOR: *SEZs and PLASTIC PARKS*

The government has been taking proactive steps to increase plastic production in India

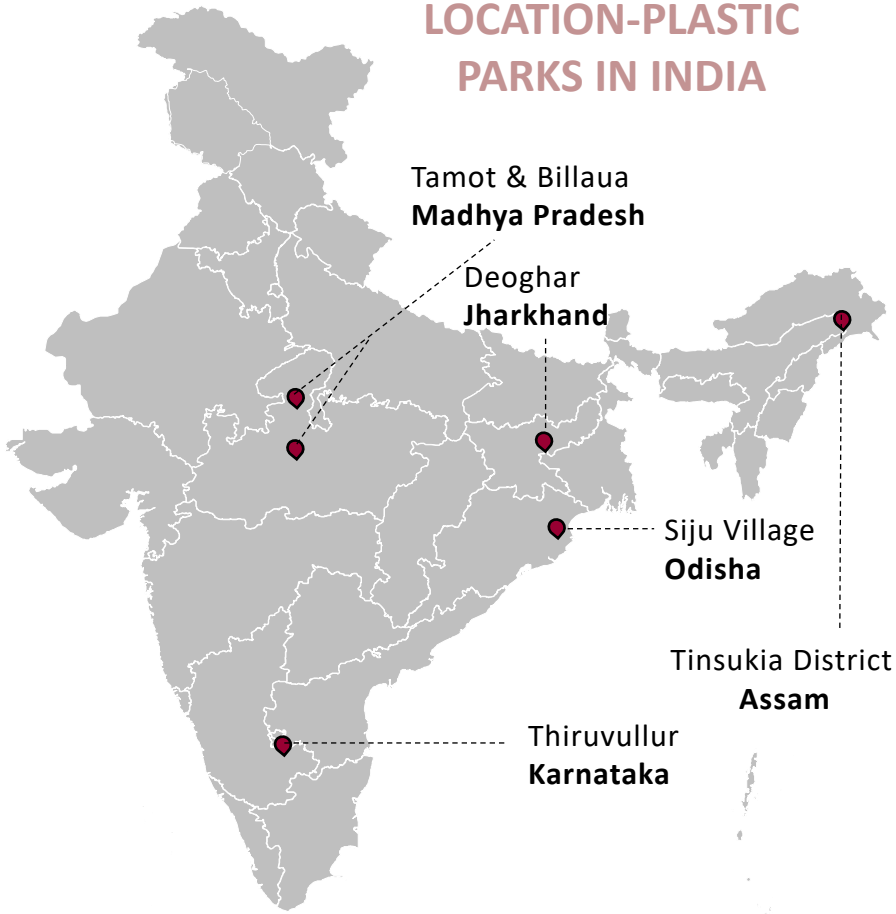
OBJECTIVES

- Increase the competitiveness, polymer absorption capacity and value addition
- Achieve sustainable growth through waste management, recycling
- Increase investments in the sector through additions in capacity and production
- Adopt a cluster development approach

FACILITIES

- Common Facilities
- R&D labs
- Industrial Plots
- Tool Rooms
- Recycling Areas
- Loading unloading Facilities

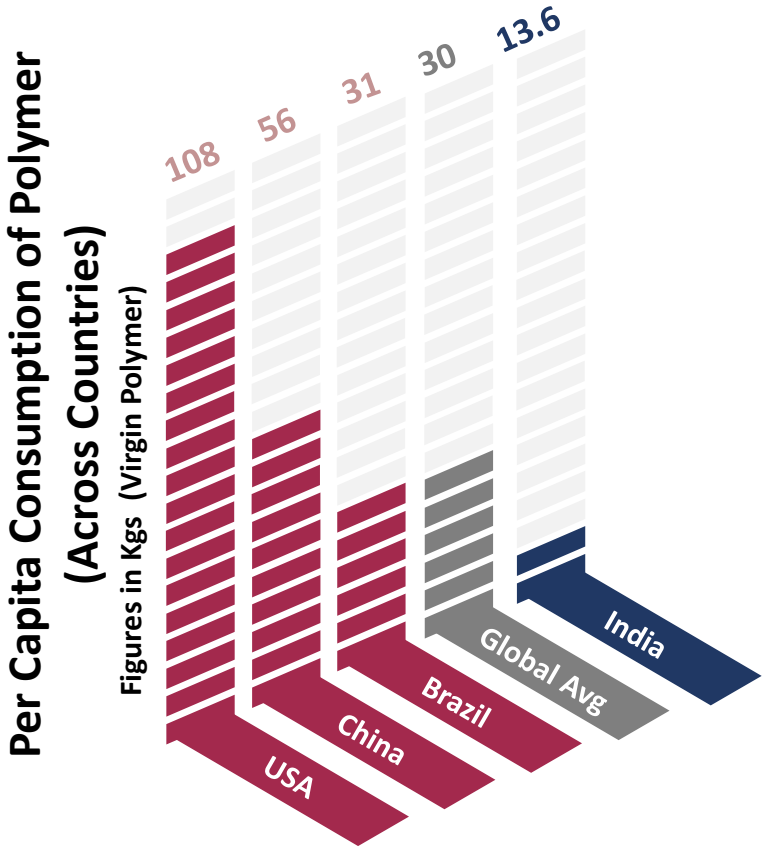
LOCATION-PLASTIC PARKS IN INDIA

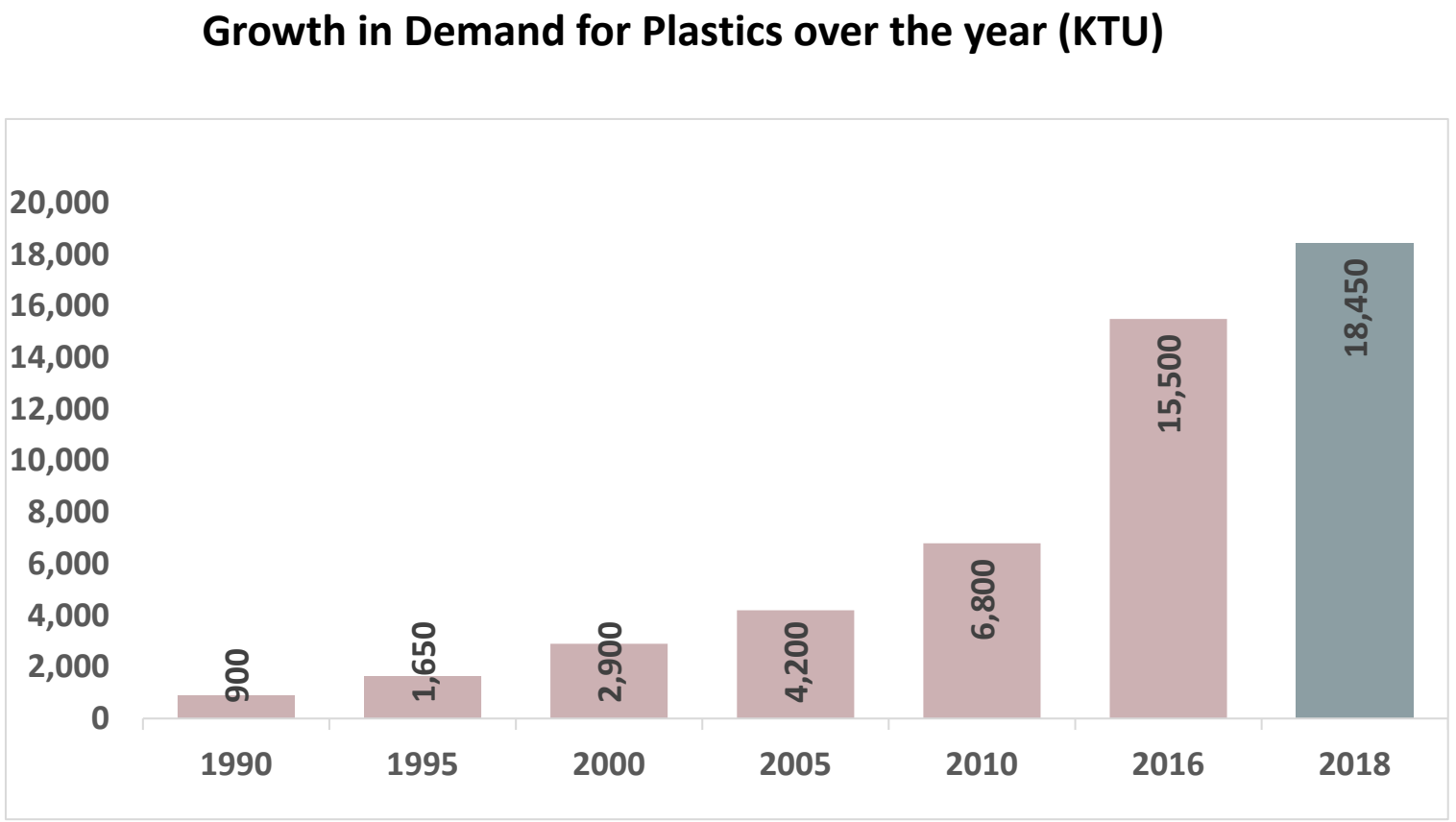


Source: Sustainable Infrastructure with Plastics, FICCI, Plastindia.org

INDIAN PLASTICS SECTOR: *DEMAND*

Although much lower than the global average of use of polymers, a growth trend has been seen in the demand over the years with the demand having increased 20 times in the past 20 years as opposed to the population increase of 1.5 times

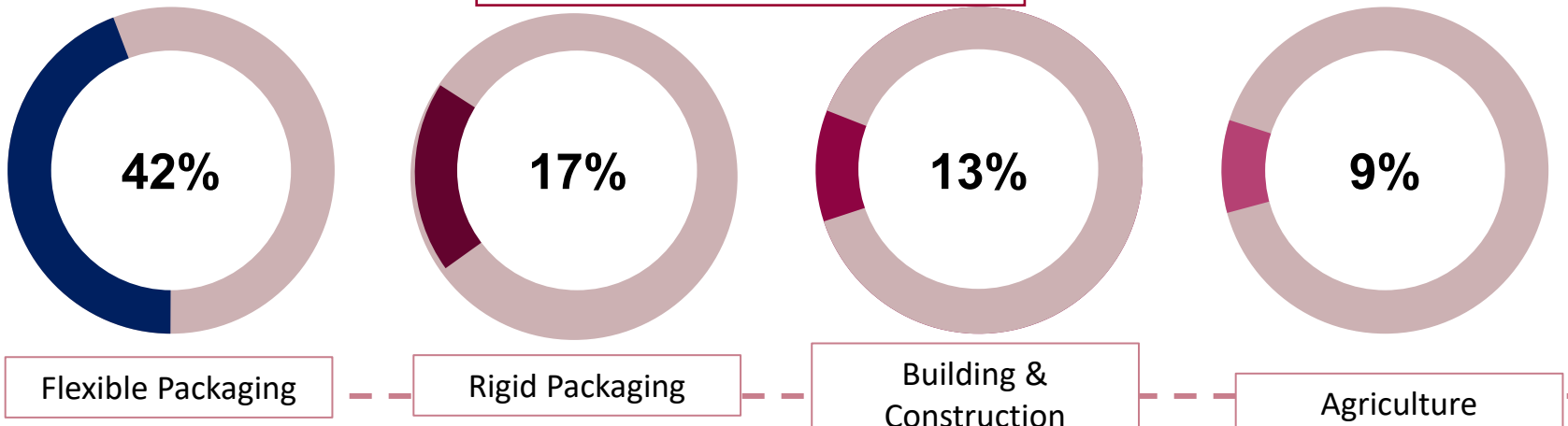




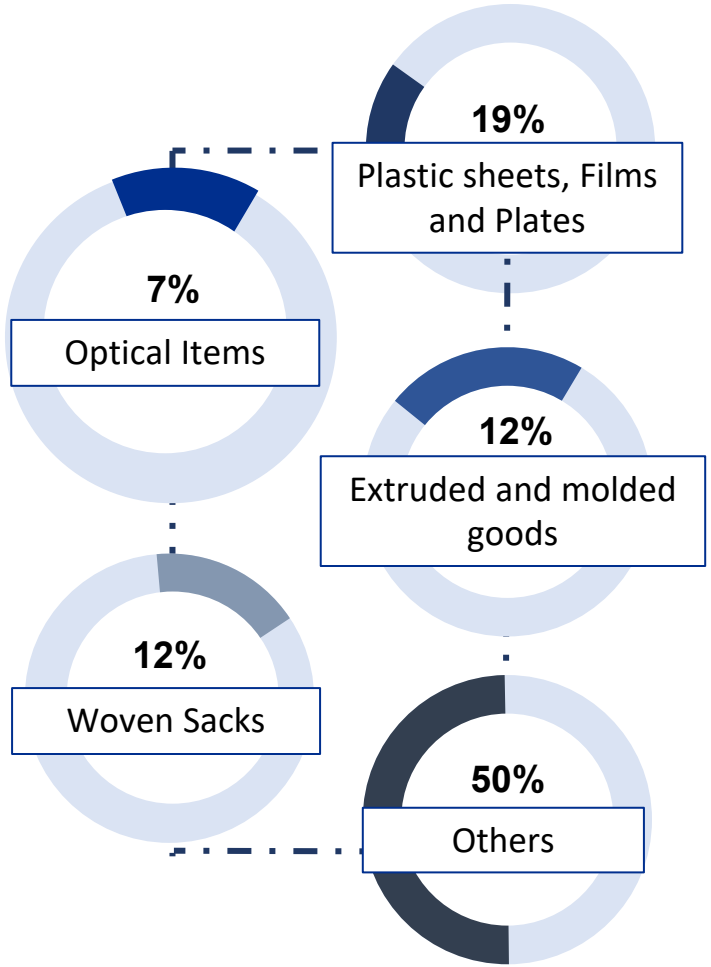
Source: Plastindia.org

INDIAN PLASTICS SECTOR: *DEMAND SEGMENTATION*

Consumption Segments



Production Segments



Source: Plastindia.org

INDIAN PLASTICS SECTOR: *MACHINERY INDUSTRY OVERVIEW*

13.63 kg
India's per capita consumption of virgin polymer

~50,00 plastic Processing units

Machines installed till March 2019 **~165,000**

~USD 765 million in 2018-19— Domestic market core machinery.

Employment generated:**~ 5 million** (direct + indirect)

Growth in machinery **CAGR 13.9%** for last five years

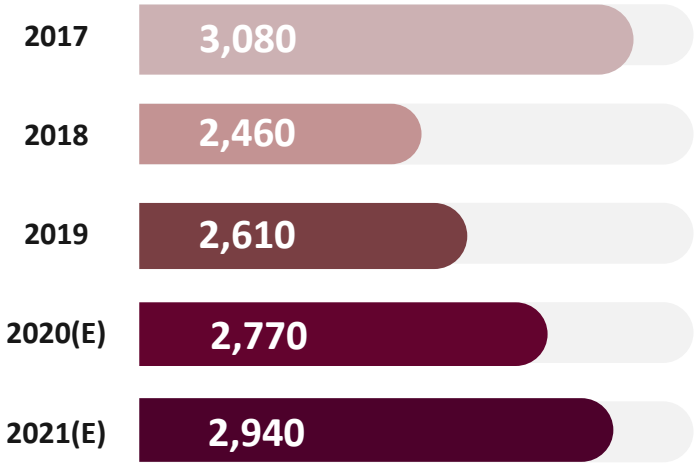
Investment in machinery, moulds and converting lines**~USD 6.5 billion**

SOURCE: Industry estimates, PMMAI, Plexconcil

MACHINERY DEMAND FORECAST

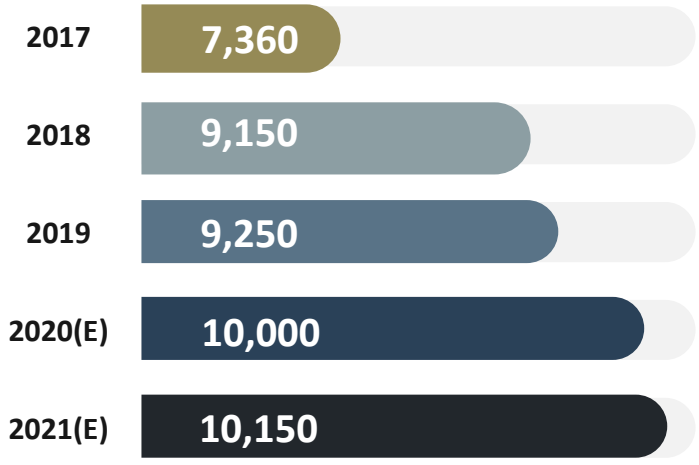
Extrusion Machinery

Total Machines till 2019: **43,540**



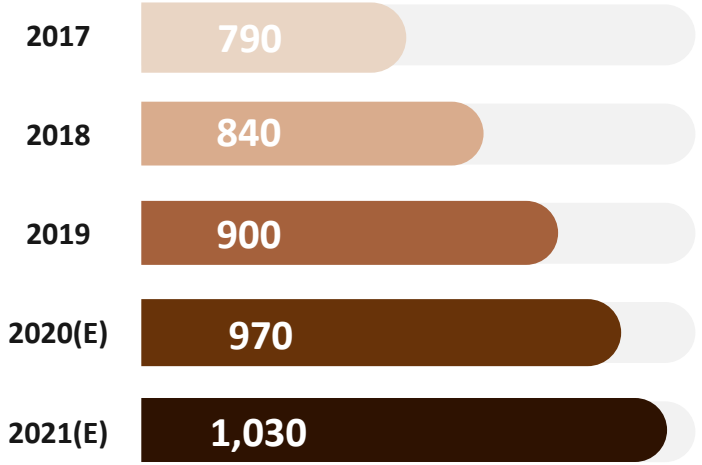
Injection Moulding Machinery

Total Machines till 2019: **108,510**



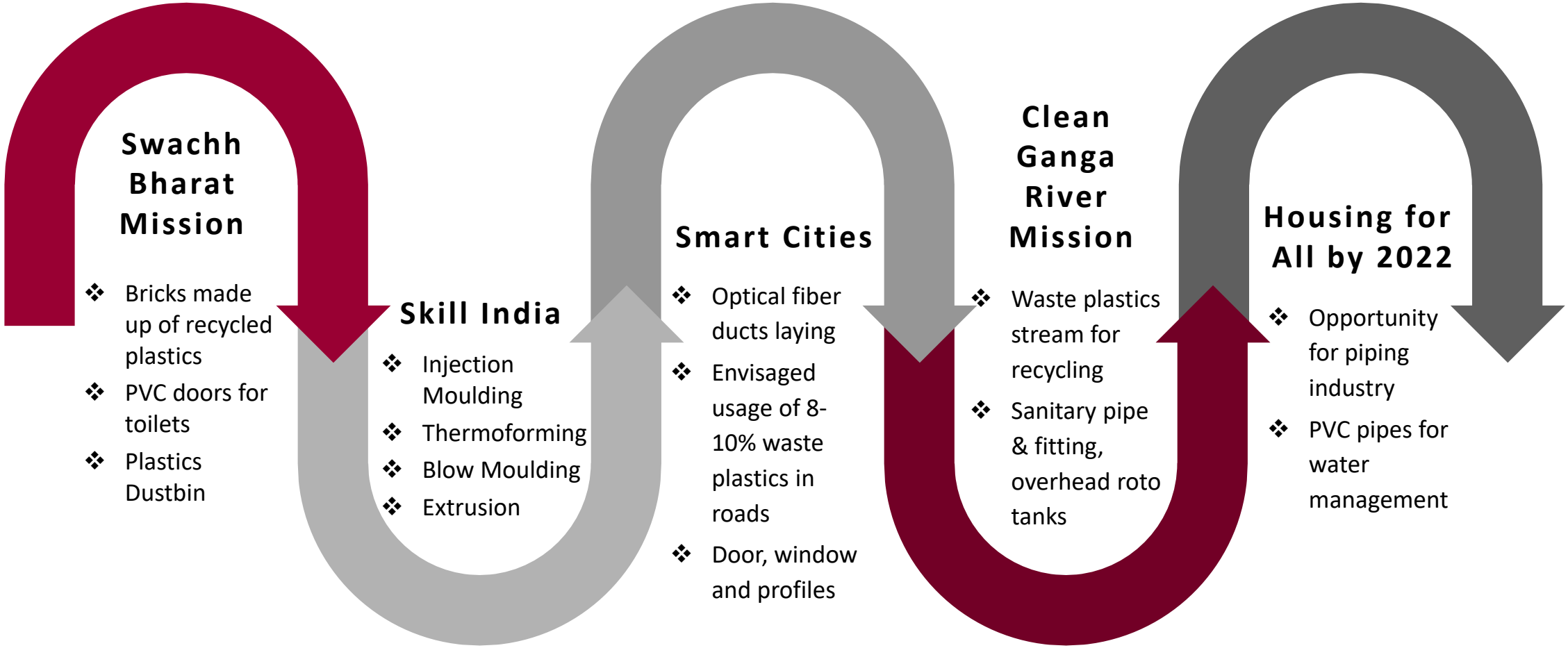
Blow Moulding Machinery

Total Machines till 2019: **12,890**



SOURCE:PlastIndia

INDIAN PLASTICS SECTOR: *GOVERNMENT INITIATIVES*



Source: Sustainable Infrastructure with Plastics, FICCI, Plastindia.org

INDIAN PLASTICS SECTOR: *GROWTH DRIVERS*

1

Packaging Industry

With a higher per capita income, the demand for personal hygiene products and convenience products has increased leading to increased demand for plastics

Agriculture Industry

Significant progress in the adoption of plasticulture techniques will grow at a rapid pace

2

3

Automotive Industry

Growing penetration, and fast technology upgradation will lead to higher usage of plastics in the automobile segment

Electronics Industry

Increasing penetration rate of consumer electronics provide scope for the growth of plastics industry

4

5

Infrastructure Industry

Investments in Infrastructure will result in making India a hub for PVC and CPVC products leading to growth in plastics processing.

Source: Sustainable Infrastructure with Plastics, FICCI, Plastindia.org

INDIAN PLASTICS SECTOR: *MARKET OPPORTUNITY*

PLASTICULTURE

Plastic materials may be employed in water conservation, irrigation efficiency, crop protection, crop storage and transportation.

BIO-PLASTICS

Growing interest in green products, healthier lifestyles and growing concern to protect environment is leading to a shift towards bio-plastics.

EFFECTIVE WASTE MANAGEMENT

Plastic has low energy requirements during production, hence considered to be energy efficient. It consumes ~25% less energy in production compared to other alternatives

PLASTIC MOULDED FURNITURE SEGMENT

The popularity of plastic furniture has grown since it offers features unavailable in conventional wooden and metal furniture, such as easy maintenance, light weight, durability .

SWISS PRESENCE IN INDIA

Source: Sustainable Infrastructure with Plastics, FICCI, Plastindia.org

THANK YOU