

# **BUILDING MATERIALS**

15 April 2025

## Margin to remain under pressure on negative trade flow

 Domestic tiles realisation to remain under pressure in near future due to continued weak tiles exports (-10.3% MoM in Jan'25) **Utkarsh Nopany** research@bobcaps.in

- Laminates net exports volume run rate was down 5.6% MoM in Jan'25 on weakening global economy
- MDF/particleboard net imports saw a steep 117% MoM/47% MoM rise in Jan'25, given the rising imports from South-East Asian countries

Key takeaways from the Ministry of Commerce trade statistics for the building materials (BM) sector, for the month of Jan'25:

**Tiles:** India's monthly net exports value run rate remained weak in Jan'25 (-10.3% MoM to Rs 15.2bn). We believe domestic tiles realisation is likely to remain under pressure until we see a sharp recovery in exports. Going ahead, Indian tiles exports may remain weak due to the impact of Trump tariff in the form of lower exports to US market (forms 8% of Indian tiles exports) and slowdown in global demand (forms 24% of the Indian tiles industry).

**Laminates:** India's laminates monthly net export volume run rate was down 2.3% YoY/ 5.6% MoM in Jan'25, due to weak global demand. Going ahead, Indian laminates exports may remain weak due to the impact of Trump tariff in the form of lower exports to US market (forms 4% of Indian laminates exports) and slowdown in global demand (forms 26% of Indian laminates industry).

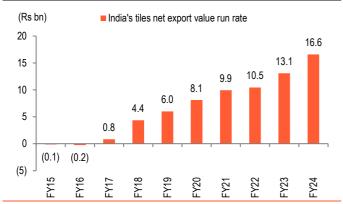
**MDF:** India's MDF monthly net import volume run rate has gone up sharply 117% MoM to 18,815 CBM in Jan'25, owing to higher imports (+38.9%) and weak exports (-15.8%). Going forward, we believe imports pressure is likely to persist, given the imposition of high tariff by the US across the South-East Asian countries (Vietnam: 46%; Thailand: 36%; Indonesia: 32%; Malaysia: 24%). We believe pricing power in the sector is likely to stay weak in near-future, due to cheap import pressure from South-East Asian countries and supply side pressure in the domestic market.

**Particleboard:** India's particleboard monthly net import volume run rate saw a steep increase (+47.1% YoY in Jan'25). Particleboard sector margin is likely to stay weak over the medium term, on account of cheap imports pressure and large capacity additions (by Merino, GRLM, CPBI) in H2FY25 and high timber prices.





Fig 1 - India's tiles export trend for past 10 years



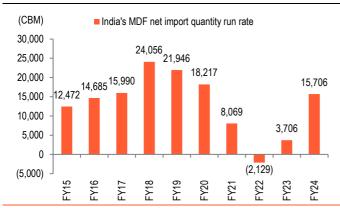
Source: Ministry of Commerce, BOBCAPS Research

Fig 3 - India's laminates export trend for past 10 years



Source: Ministry of Commerce, BOBCAPS Research

Fig 5 - India's MDF import trend for past 10 years



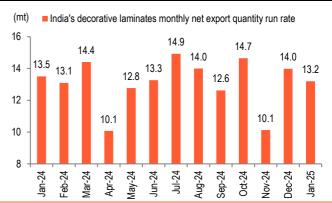
Source: Ministry of Commerce, BOBCAPS Research

Fig 2 - India's tiles export trend for past 12 months



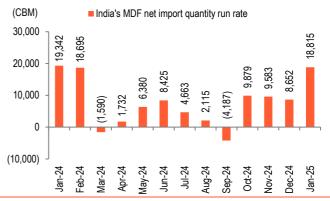
Source: Ministry of Commerce, BOBCAPS Research

Fig 4 - India's laminate export trend for past 12 months



Source: Ministry of Commerce, BOBCAPS Research

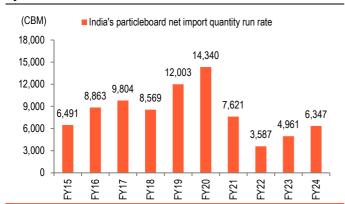
Fig 6 - India's MDF import trend for past 12 months



Source: Ministry of Commerce, BOBCAPS Research

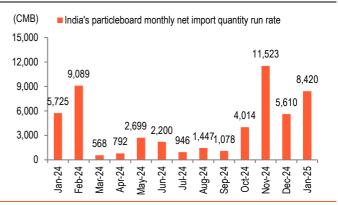


Fig 7 – India's particleboard import trend for past 10 years



Source: Ministry of Commerce, BOBCAPS Research

Fig 8 – India's particleboard import trend for past 12 months



Source: Ministry of Commerce, BOBCAPS Research



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