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BUILDING MATERIALS

17 September 2025

Positive trade flow across building material

- **India's tiles net export was up 16.1% YoY in Jul'25 owing to a low base, but was down 20.8% over Jul'23**
- **India's laminates monthly net export volume/value was up 5.3%/9.5% YoY in Jul'25**
- **MDF and particleboard net imports fell sharply for the 5th consecutive month, due to BIS implementation in Feb'25**

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Key takeaways from the Ministry of Commerce trade statistics for the building materials (BM) sector for Jul'25.

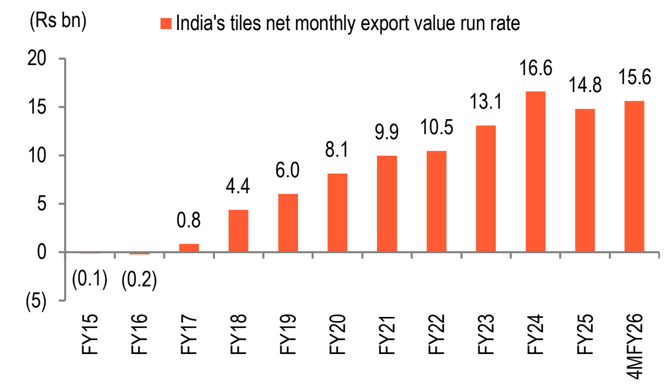
Tiles: India's tiles net export was up 16.1% YoY to Rs 15.4bn in Jul'25, owing to low base, but was down 20.8% over Jul'23. With a steep rise in tariff by the US on Indian products, we believe the Indian tiles industry exports could remain weak in the near term. US accounts for 7.2% of Indian tiles exports in FY25. Going forward, we expect the pricing scenario in the tiles sector to improve once we see a sharp recovery in tile exports.

Laminates: India's laminates monthly net export volume/value run rate grew by 5.3%/9.5% YoY in Jul'25. Exports form roughly 30-50% of the total sales of major domestic laminate companies.

MDF: India remains a net MDF exporter for the 5th consecutive month (with net exports of 5,866 CBM in Jul'25 vs net monthly import of 16,288 CBM in Jan-Feb'25), due to the impact of BIS implementation in Feb'25. However, pricing scenario in the domestic market has not improved in Q2FY26, due to supply side pressure in the domestic market. If MDF imports remain restricted at such low levels, we believe the MDF industry margin could sharply improve over the next one year in anticipation of quick ramp-up of new capacities (which would improve the pricing power in the sector over the next 3-4 quarters) and moderation in timber prices.

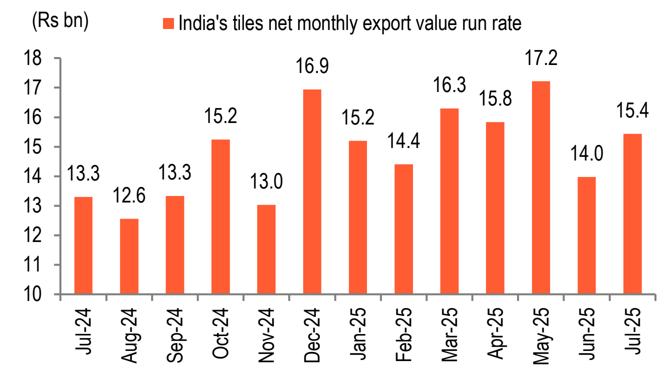
Particleboard: India remains a net exporter of particleboard for the 3rd consecutive month (with net export of 465 CBM in Jul'25 vs net import of 946 CBM in June'24) due to the impact of BIS implementation in Feb'25. However, we believe the recovery in particleboard industry margin to normal level would take longer as compared to the MDF segment, owing to large capacity additions in the domestic market over the past two quarters.

Fig 1 – India's tiles export trend for the past decade



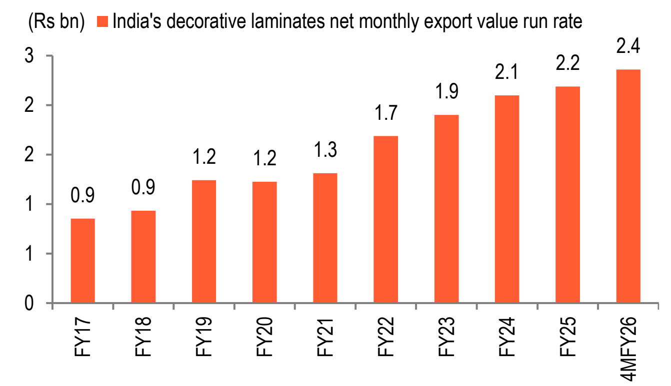
Source: Ministry of Commerce, BOBCAPS Research

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



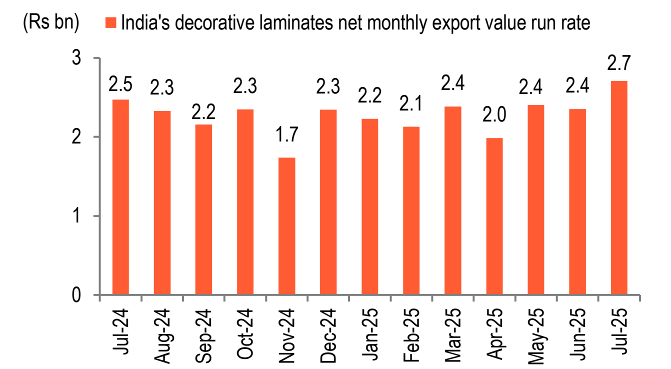
Source: Ministry of Commerce, BOBCAPS Research

Fig 3 – India's laminates export trend for the past decade



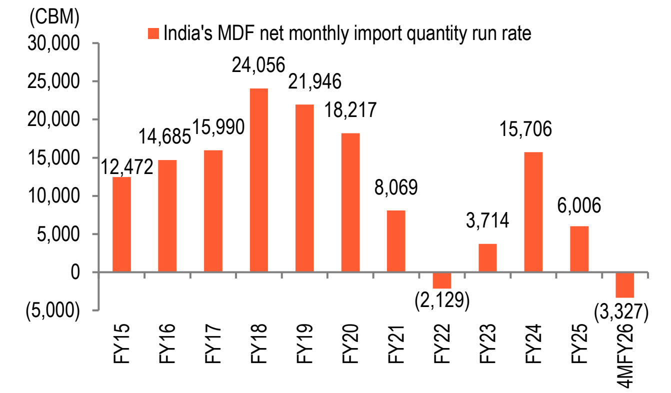
Source: Ministry of Commerce, BOBCAPS Research

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



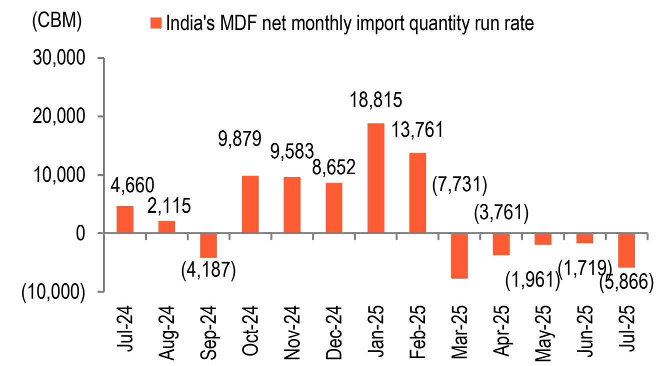
Source: Ministry of Commerce, BOBCAPS Research

Fig 5 – India's MDF import trend for the past decade



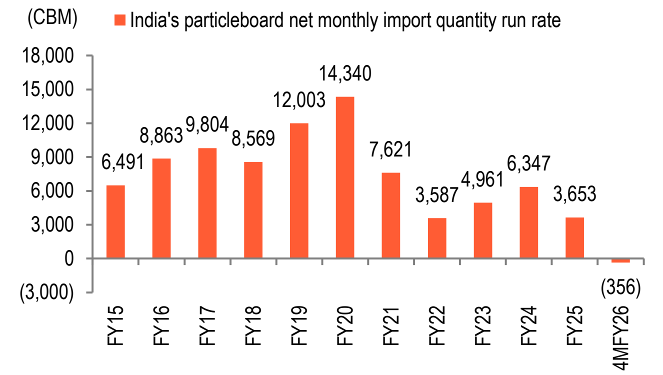
Source: Ministry of Commerce, BOBCAPS Research

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



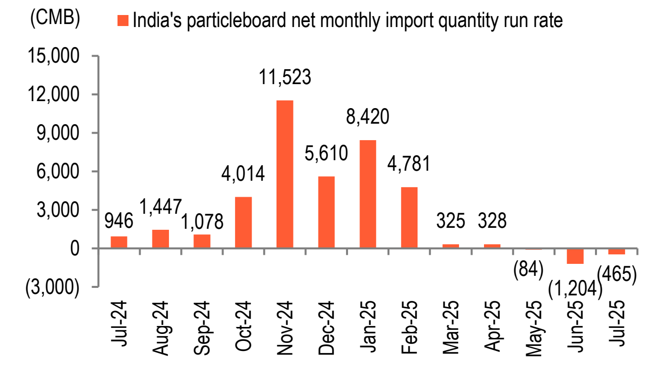
Source: Ministry of Commerce, BOBCAPS Research

Fig 7 – India's particleboard import trend for the past decade



Source: Ministry of Commerce, BOBCAPS Research

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



Source: Ministry of Commerce, BOBCAPS Research

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Note: Recommendation structure changed with effect from 21 June 2021

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