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BUILDING MATERIALS

18 July 2025

Positive trade flow across segments

- **India's tiles net exports grew to a 19-month high in May'25, but were down 1.5% over May'23**
- **India's laminates monthly net export volume run rate grew by 8.3% YoY/ 15.4% MoM in May'25**
- **MDF and particleboard net imports fell sharply for the third consecutive month, due to the BIS implementation in Feb'25**

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These are the key takeaways from the Ministry of Commerce trade statistics for the building materials (BM) sector for May'25.

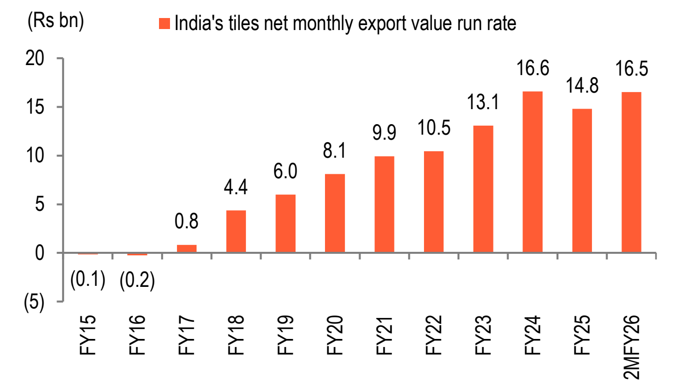
Tiles: India's tiles net exports grew to a 19-month high at Rs 17.2bn (+8.7% YoY) in May'25 but were down 1.5% over May'23. Our channel checks indicate that the industry is still suffering from weak domestic demand and excess capacity in Morbi. Hence, the tiles pricing scenario remains stable on QoQ basis in Q1FY26. Going ahead, we expect the pricing scenario to improve once we start seeing a good pickup in tiles demand from both exports as well as in the domestic market.

Laminates: India's laminates monthly net export volume run rate grew by 8.3% YoY/ 15.4% MoM in May'25. Exports form roughly 30-50% of total sales of the major domestic laminate companies.

MDF: India remains a net exporter of MDF for the third consecutive month (with net exports of 1,961 CBM in May'25 vs average net monthly import of 16,288 CBM in Jan-Feb'25), due to the impact of BIS implementation in Feb'25. However, our channel checks indicate that the MDF price remains largely stable in Q1FY26 on QoQ basis, due to large capacity addition in the domestic market over the past one year. If MDF imports remain restricted at such low levels, the industry margin could sharply improve over the next one year on quick ramp-up of new capacities and moderation in timber prices (which peaked out in Q4FY25).

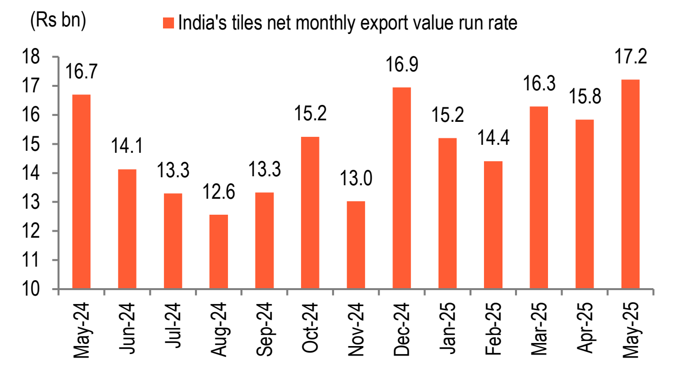
Particleboard: India became a net exporter of particleboard (with net export of 84 CBM in May'25 vs net import of 2,699 CBM in May'24), due to the impact of BIS implementation in Feb'25. However, we believe the recovery in particleboard margin to normal level would take longer time vs MDF segment, due to large capacity additions in the domestic market over the past two quarters.

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



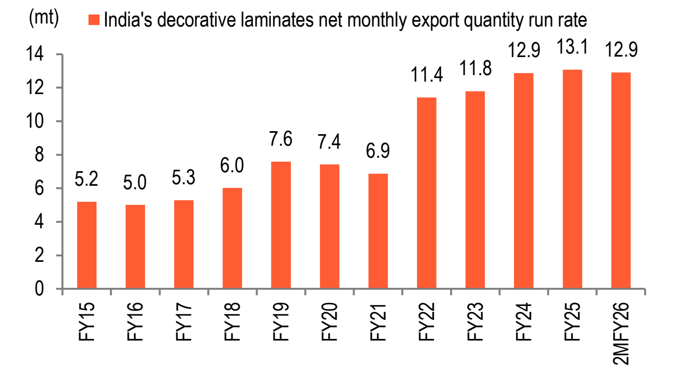
Source: Ministry of Commerce, BOBCAPS Research

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



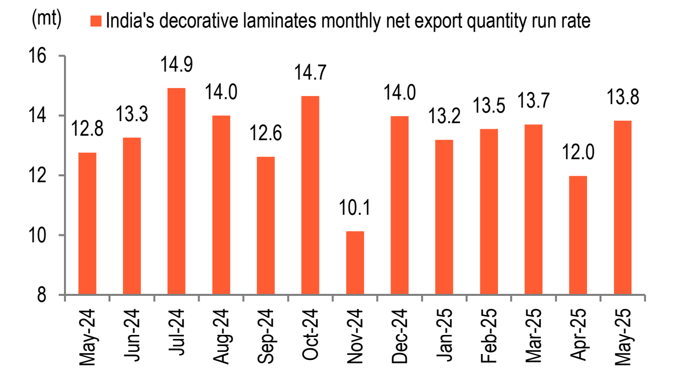
Source: Ministry of Commerce, BOBCAPS Research

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



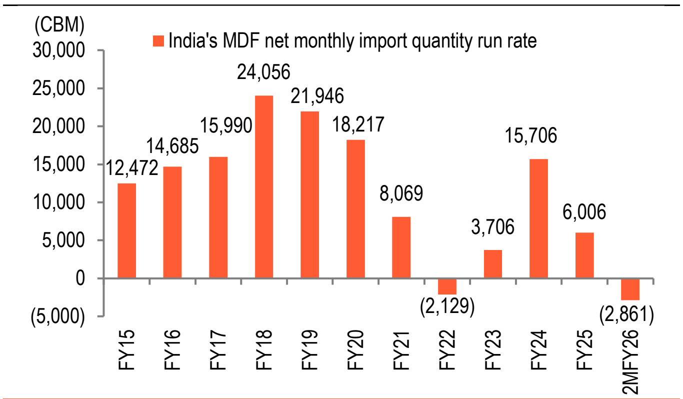
Source: Ministry of Commerce, BOBCAPS Research

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



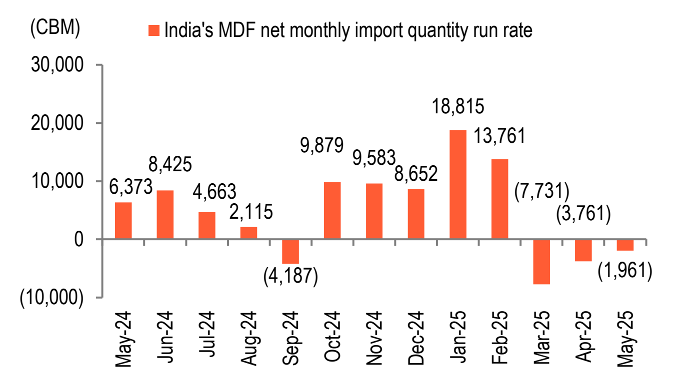
Source: Ministry of Commerce, BOBCAPS Research

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



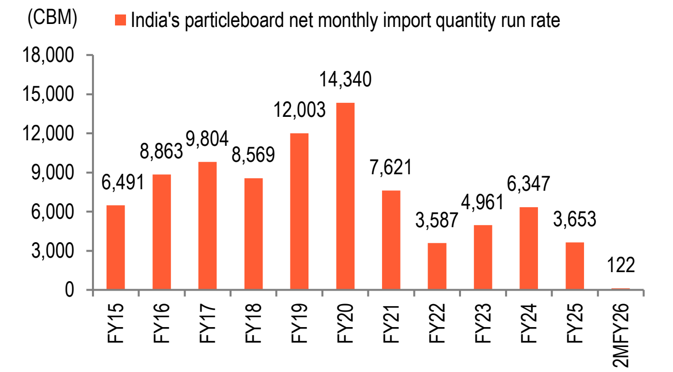
Source: Ministry of Commerce, BOBCAPS Research

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



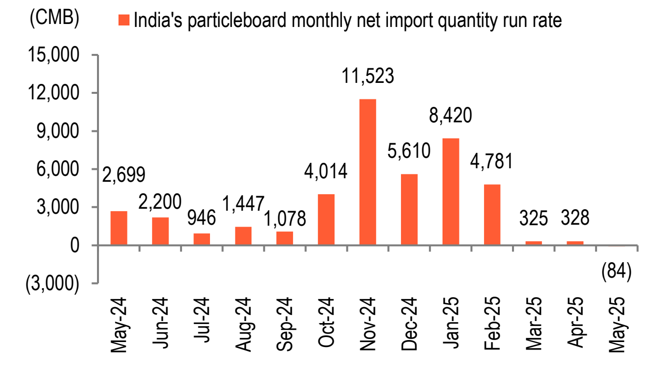
Source: Ministry of Commerce, BOBCAPS Research

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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