

BUILDING MATERIALS

01 July 2025

Mixed trade flow: Positive for MDF; Negative for tiles

 Domestic tiles realisation to remain under pressure in near future, due to weak tiles exports (-3.3% YoY in Apr'25) **Utkarsh Nopany** research@bobcaps.in

- India's laminates monthly net export volume run rate was up 18.9% YoY on a low base effect, but was down 12.6% MoM in Apr'25
- MDF and particleboard net imports fell sharply for two consecutive months (i.e. Mar-Apr'25), given the BIS implementation in Feb'25

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

Tiles: India's tiles net exports fell by 3.3% YoY/ 2.8% MoM to Rs 15.8bn in Apr'25, owing to soft global demand. We believe tiles exports may remain weak in the near-future due to the Trump tariff impact. Hence, domestic tiles realisation may stay under pressure till we see a sharp recovery in exports.

Laminates: India's laminates monthly net export volume run rate was up sharply by 18.9% YoY, due to low base effect, but was down 12.6% MoM in Apr'25. Note that exports form roughly 30-50% of total sales of major domestic laminate companies.

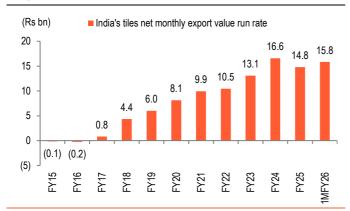
MDF: India remains a net exporter of MDF for the second consecutive month in Apr'25 (with net exports of 3,761 CBM in Mar'25 vs average net monthly import of 16,288 CBM in Jan-Feb'25), due to BIS implementation in Feb'25. This is viewed positively for the sector as the new MDF plant could get quickly ramped up if imports continue to be restricted in future. This, along with anticipated correction in timber prices, is likely to improve the industry margin over the next 1 year.

Particleboard: India's particleboard monthly net import volume run rate also fell sharply (-58.6% YoY in Apr'25), given the BIS implementation in Feb'25. However, we believe particleboard sector margin will likely stay weak over the medium term due to supply-side pressure in the domestic market, on large capacity additions (Merino, GRLM, CPBI) in H2FY25.





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



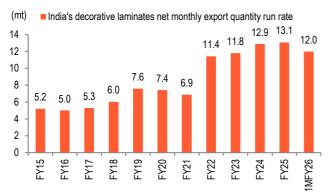
Source: Ministry of Commerce, BOBCAPS Research

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



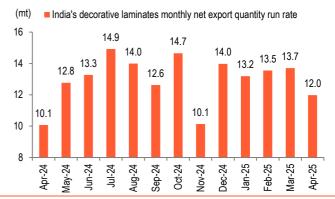
Source: Ministry of Commerce, BOBCAPS Research

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



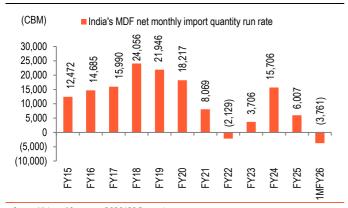
Source: Ministry of Commerce, BOBCAPS Research

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



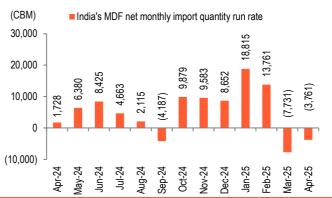
Source: Ministry of Commerce, BOBCAPS Research

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

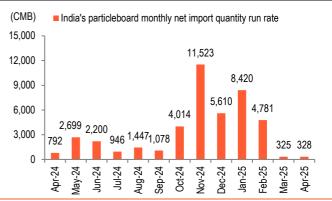


Fig 7 – India's particleboard import trend for the past decade



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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