

 BUILDING MATERIALS

24 October 2025

Steady trade flow across building materials

- India's tiles net export was up 26.7% YoY in Aug'25, owing to a low base, but was down 20.7% over Aug'23
- Laminates monthly net export volume/value was up 10.3%/15.9% YoY in Aug'25
- MDF and particleboard imports remain at low level in Aug'25, which could result in a quick ramp-up of new capacities

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

Tiles: India's tiles net export was up 26.7% YoY to Rs 15.9bn in Aug'25, due to a low base, but was down 20.7% over Aug'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 pricing scenario in the tiles sector to improve, once there is a sharp recovery in tile exports.

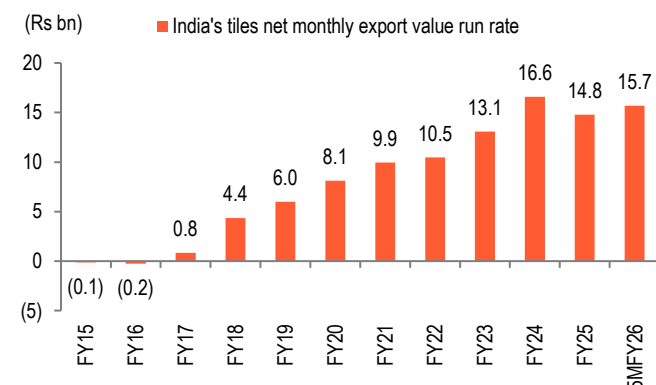
Laminates: India's laminates net export volume/value grew by 10.3%/15.9% YoY in Aug'25. Exports form 30-50% of the total sales of major laminate companies.

MDF: India has become a marginal net MDF importer in Aug'25 (1,478 CBM) after being a net exporter for five consecutive months (i.e. Mar'25-Jul'25). However, the pace of imports remains significantly below the pre-Covid monthly average run-rate of ~21,400 CBM (during FY18-FY20). 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 an improvement in pricing power in the sector over the next 3-4 quarters, due to a quick ramp-up of new capacities along with the benefit of moderation in timber prices.

Particleboard: India remains a net exporter of particleboard for the 4th consecutive month (with a net export of 187 CBM in Aug'25 vs net import of 1,447 CBM in Aug'24). However, we believe that margin recovery in the particleboard industry to the normal level would take longer as compared to the MDF segment, owing to large capacity additions in the domestic market.

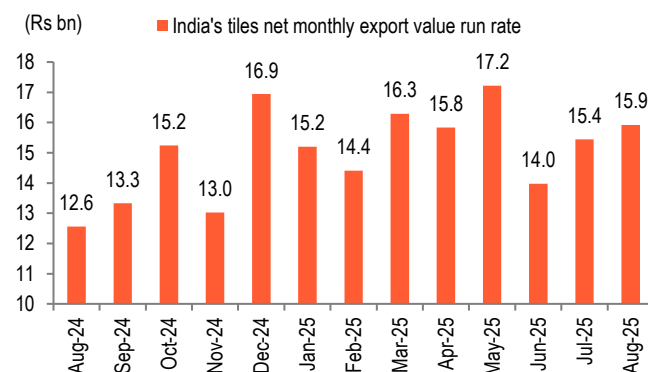


Fig 1 – India's tiles export trend for the past decade



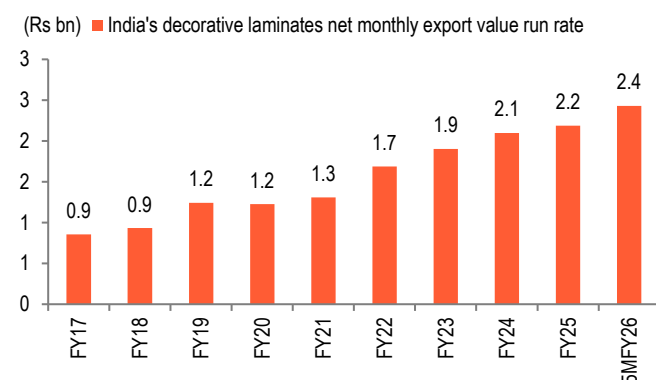
Source: Company, BOBCAPS Research

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



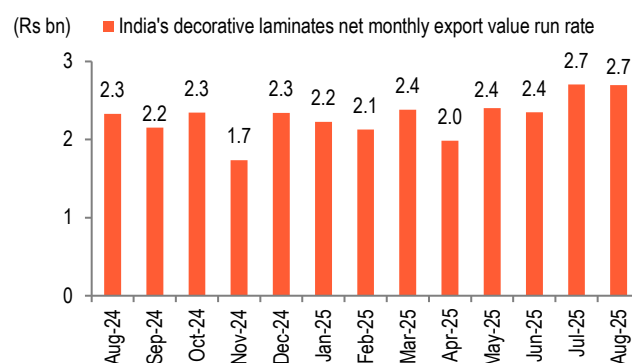
Source: Company, BOBCAPS Research

Fig 3 – Laminates export trend for the past decade



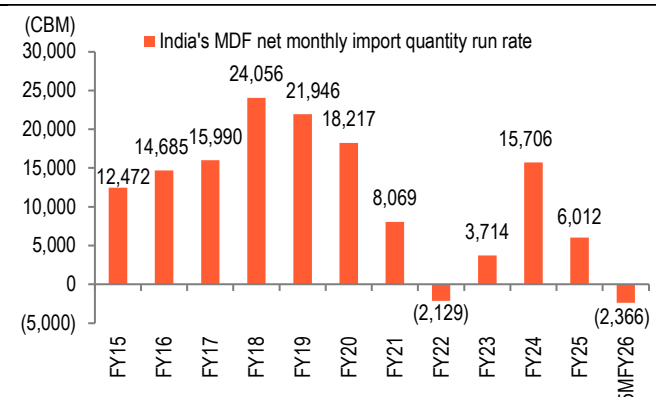
Source: Company, BOBCAPS Research

Fig 4 – Laminate export trend for the past 12 months



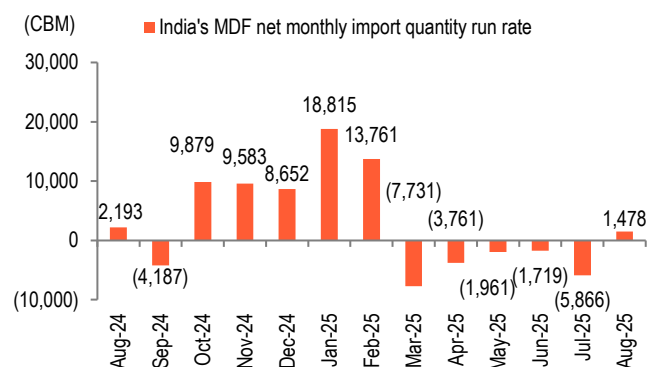
Source: Company, BOBCAPS Research

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



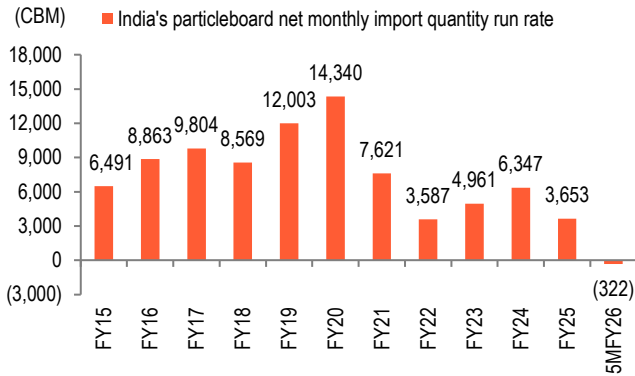
Source: Company, BOBCAPS Research

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



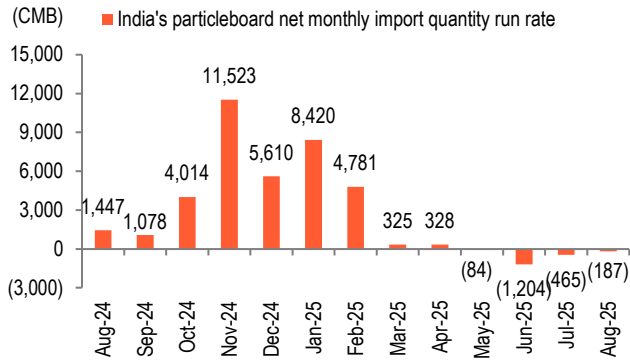
Source: Company, BOBCAPS Research

Fig 7 – Particleboard import trend for the past decade



Source: Company, BOBCAPS Research

Fig 8 – Particleboard import trend for the past 12 months



Source: Company, BOBCAPS Research

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