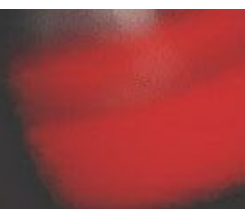




The Indian
**PLASTICS AND POLYMERS
INDUSTRY**





Industry Snapshot



Over USD 3 billion

Size of the Indian plastics and polymers industry in 2018

Expected CAGR till 2025 **8 - 10%**

Source: *Plastivision India*



~16 million tonnes

India's demand for major plastics in 2018-19.

Source: *Plastasia Industry report*



In 2018, plastics export from India stood at USD 10.98 billion out of which exports of raw plastic materials stood at USD 4.53 billion.

Source: *India Brand Equity Foundation*



4 million

The number of workers the plastics industry employs directly.

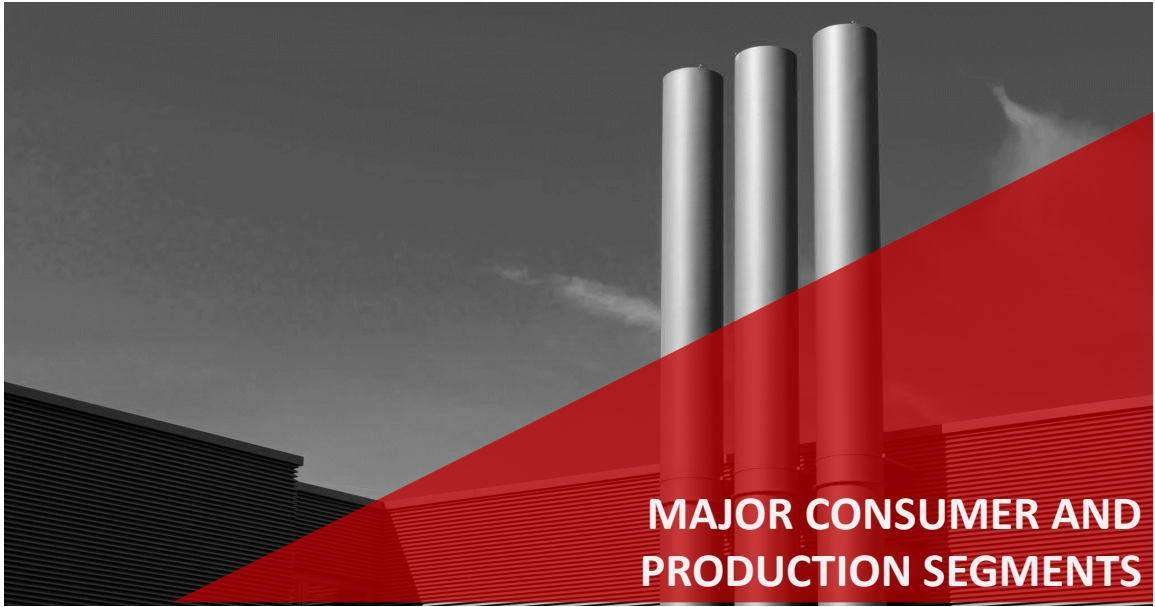
Source: *India Brand Equity Foundation*



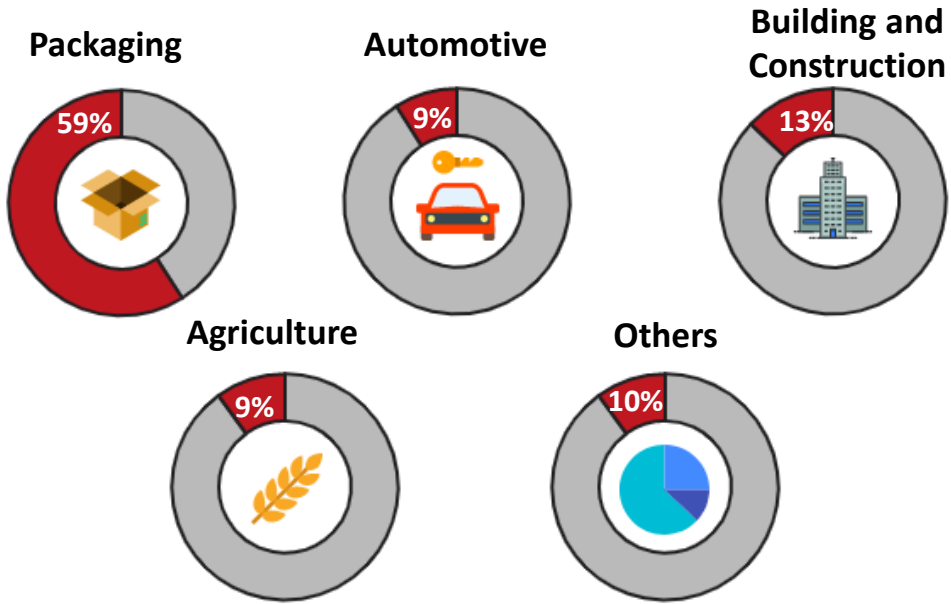
India stands third in polymer consumption globally after China and US.

Key Characteristics

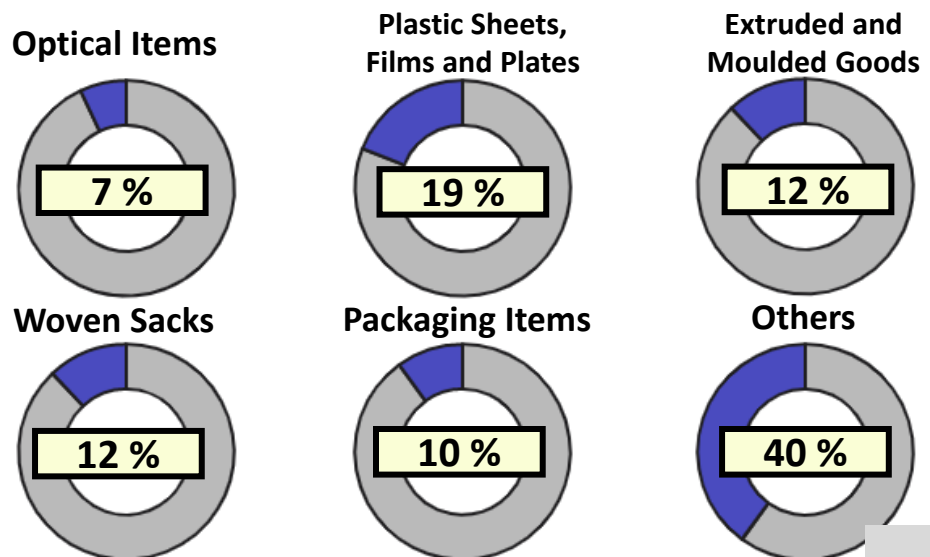
- Through technology innovation and increase in production capacity, Indian producers are targeting to achieve 3% of the global plastics and polymers market by 2025.
- There are currently over 30'000 plastic processing units, 85-90% of these are small and medium-sized enterprises employing less than 50 workers.
- The polymer consumption in India is expected to increase to about 20 million metric tons by 2020. This is majorly due to supportive government policies and use of polymers to replace traditional packaging in India.



Major consumers of plastics in India



Major production segments of plastics





INDUSTRY GROWTH DRIVERS

Changing Demographics



More than 50% of India's population is under the age of 25, with the average age of India being 29, much lower than its peers. Trends have shown that the disposable income is rising along with urbanization and growing penetration in the rural markets. A consumption trend has been observed, which has led to an increase in the demand for packaged goods which has further led to an increase in the demand for plastic packaging.

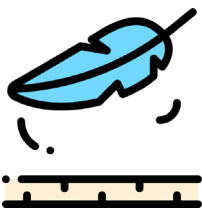
Chinese Supply Chain Disruption

Supply chain disruptions in China due to tighter environment norms have led to an uncertainty in the Chinese market. Several International players have shifted their sourcing destination to India. This has created opportunities for Indian plastic companies.



Growth in Industries which use Plastic Products

India has been on a growth trajectory owing to the in-country and export demand. Several industries such as automotive, aerospace and packaging (feeder industry for plastic products) have shown sharp growth rates in the past few years. India is also poised to become the fastest growing consumer market. It is expected that this will create further demand for plastic products.



The Lighter, The Better.

Owing to the light weight and durability factor, a trend of shifting from metal components to polymer-based parts and components has been observed.



Infrastructure Building

The government, having realized the need for an integrated supply chain, is currently working on establishing Plastic Parks. At present, six Plastic Parks across the country have been approved and are expected to provide an ecosystem to synergize production capacities with modernized infrastructure.



01

REINFORCED PLASTIC & THE INCREASING DEMAND



Reinforced plastic has increasingly become an effective alternative to metal components. Sectors such as aerospace, construction, medical, military, and marine are utilizing reinforced plastics on a large scale owing to their versatility, lightweight and durability. This has raised the demand and opportunity.

02

INCREASING PER CAPITA CONSUMPTION



India's per capita consumption of plastics is 11 kilograms, which is one tenth of that of the US and less than a third of that of China. Current rapid urbanization in India is certain to increase the demand in consumption and need to address demand-supply gap.

03

TECHNOLOGY UPGRADATION



Indian plastic and polymer manufacturers are on the look-out to upgrade their technology to gain greater global market share. This provides an opportunity for machinery manufacturers, robotics & industrial automation as well as polymer research & development companies to target Indian manufacturers.

04

IMPORTS & CONSUMPTION



India's domestic plastic production meets only 50% of its demand, which is increasing with the growth of construction and infrastructure sector. Plastic components and parts are used wider applications such as electric wiring, flooring, wall covering and waterproofing. There exists a huge demand and supply gap which can be targeted by foreign companies.



T&A's POINT OF VIEW

India is currently a powerhouse for plastic and polymer-based products majorly owing to the widespread manufacturing sector in India.

There exists a huge gap between the demand and supply of plastic and polymer-based products. This gap is expected to widen in the future as urbanization continues and per capita plastic consumption of India reaches closer to its western counterparts. As industries become competitive and with growth in exports, the need for complex plastic products would arise which would provide an opportunity for Foreign manufacturers and R&D firms to target these needs by way of production. Foreign manufacturers can also target to tap into plastic imports.

Technology adoption in organized players has been increasing rapidly. Opportunities for robotics companies, automation, improved machines and manufacturing processes will see a rise. This provides an opportunity for foreign companies to leverage their technology either by providing their technology to Indian companies or by means of manufacturing/importing to India.

It is also expected that a new sector i.e. after use plastics will become the cornerstone of the Industry, this would include technology to sustainably reduce the leakage of plastics into natural systems and decoupling of plastics from fossil feedstocks, giving rise to a circular economy.