India :
An Opportunity Beckons

Kamal P. Nanavaty

Chairman,
International Promotion Committee
PlastIndia 2012

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India Overview

Polymer Industry

Opportunity India

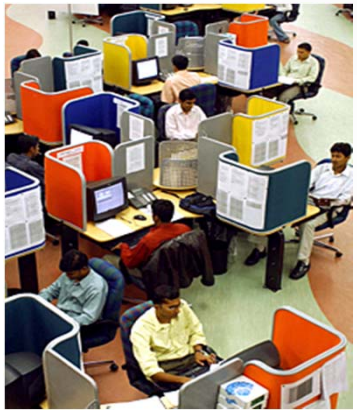
India Overview

Polymer Industry

Opportunity India

Amazing India

5,000	year old ancient civilization
3.3	Mn. Sq.KM – Size of Country
7,516	kilometers - Coastline
1.16	Billion population.
22	official languages



1st	Largest Democracy
4th	Largest Economy
~9%	GDP Growth
2nd	Largest Labour Force
15 Mn	New Cell phone users/m

…..land of billion opportunities

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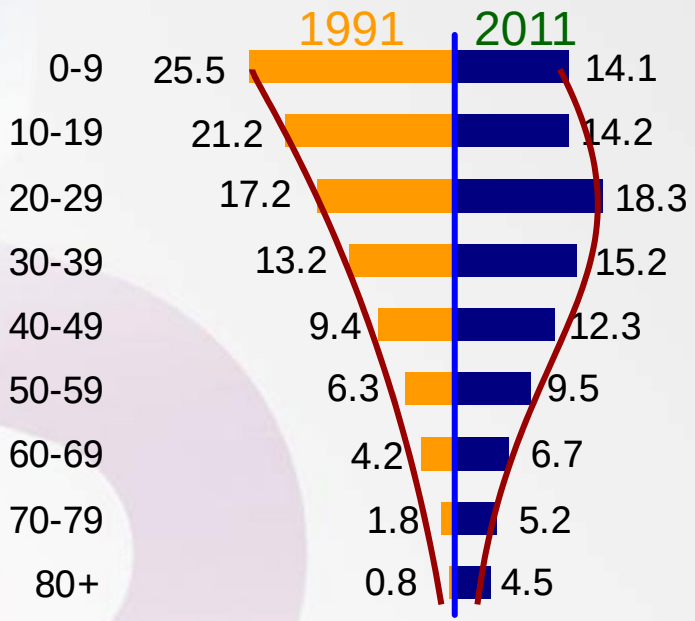
Young India….

India – % distribution of population
(1991 - 2011)



Source: Govt. census statistics

……. getting younger!

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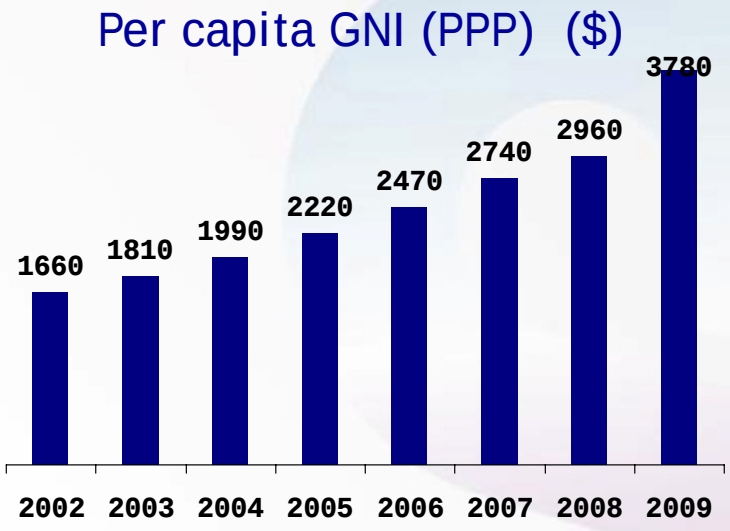
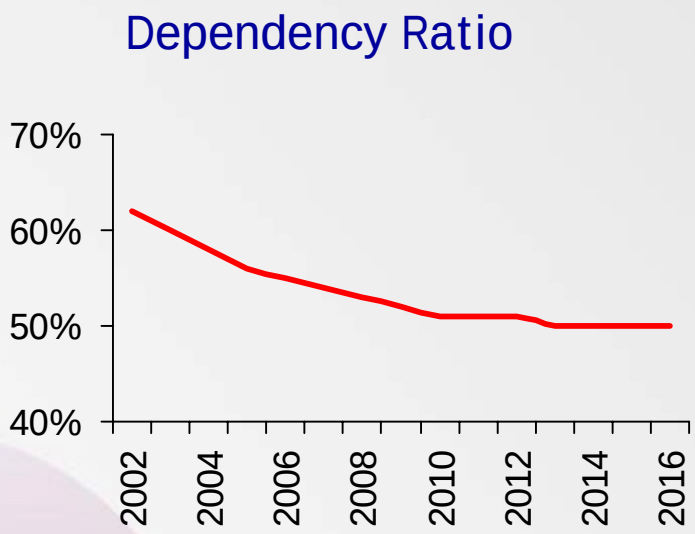
Growing per Capita income



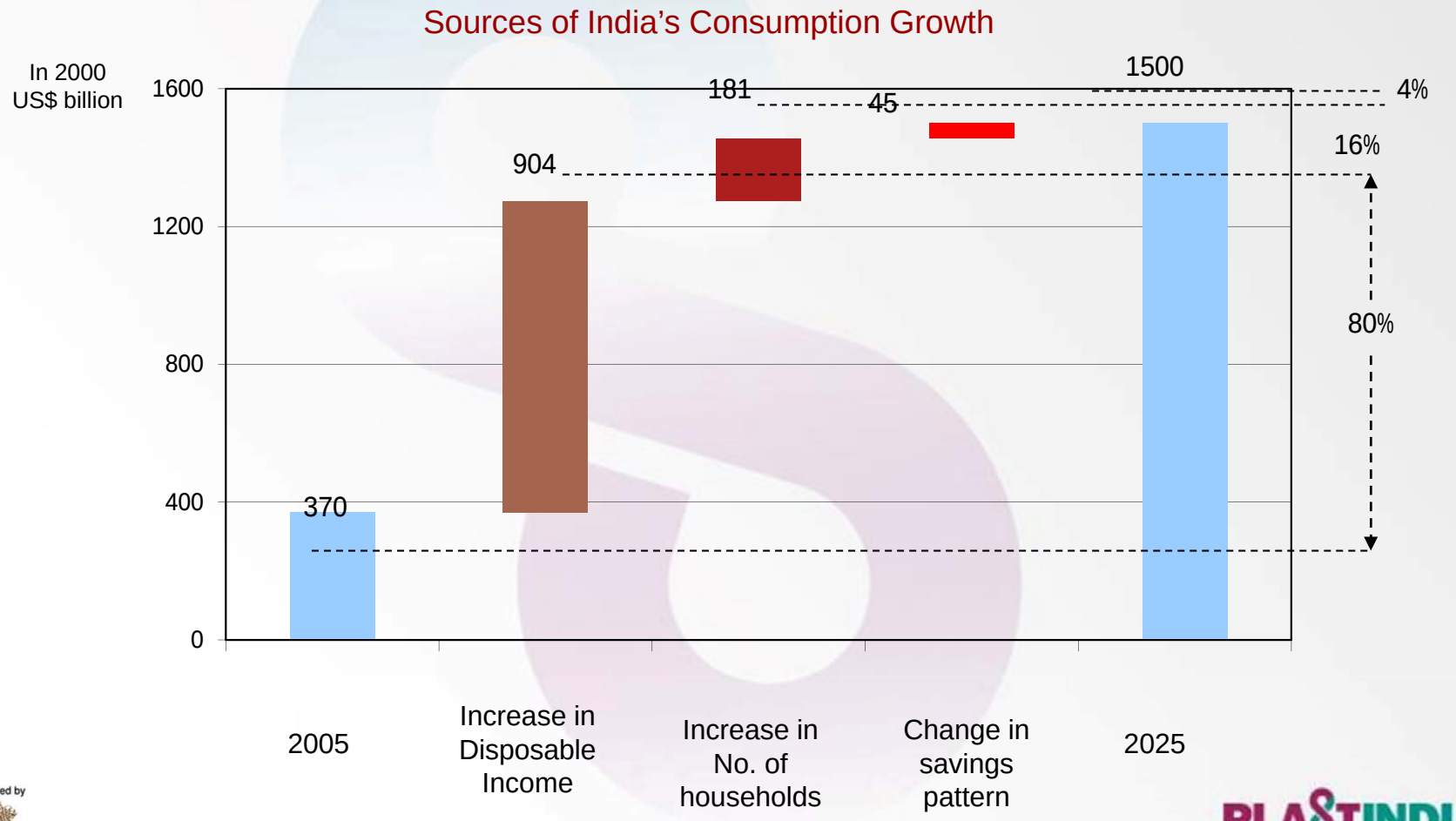
Source : CMIE / Feb.2010



- Falling Dependency Ratio
- Greater spend on self and family

A positive enabling factor for spending

Rising disposable income driving consumption



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Source: McKinsey Global Institute Study on Indian Consuming Class

A day in Life of India

Cars →7000

TVs →36000

2 wheelers → 32000

Refrigerators →18000

Washing machine → 8500

AC→ 9000

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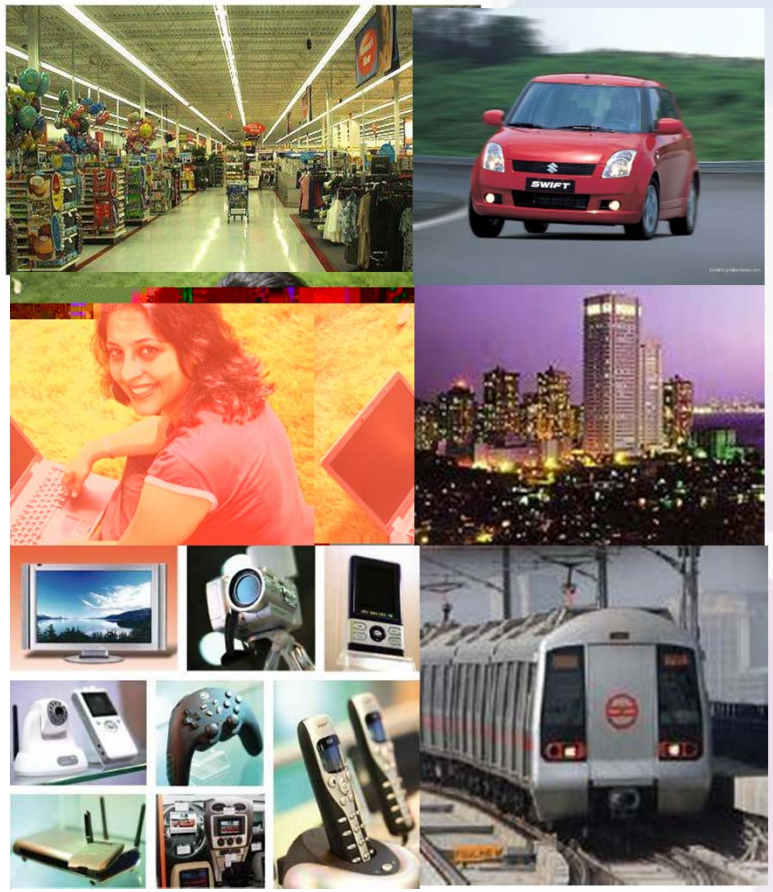
Surging Urban India



- Urbanisation 30% → 37% (2025)
- Urban disposable income US$ 400 Bn+ (2008-09)
- 43% of present consumption

Growth

- FMCG Product - 17%
- Real Estate - 35%
- Health & Wellness - 25%
- Organized Retail - 40%

Source: www.ibef.org

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Emerging Rural India

- 72 % of country's & ~ 12% of world population
- Government minimum job guarantee for rural poor
- No income-tax to farmers - increasing disposable income
- High growth market –
  - Consumer Market – 25%
  - Durables - 15%
  - FMCG - 23%
  - Telecom - 13%

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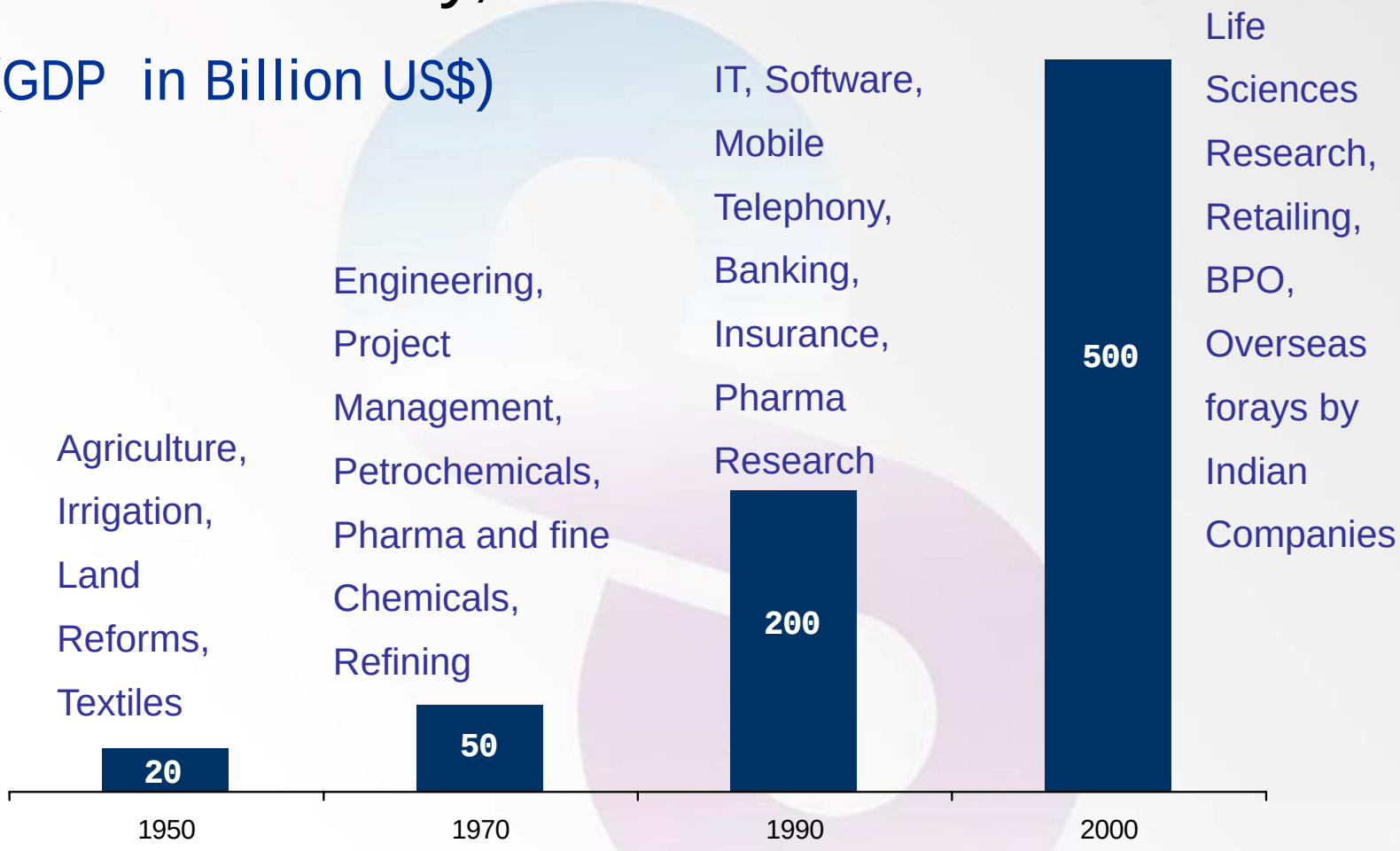
Source: www.ibef.org

Rise of Industry, Trade & Services

(GDP in Billion US$)



"Transition from Agriculture → Manufacturing and Services"

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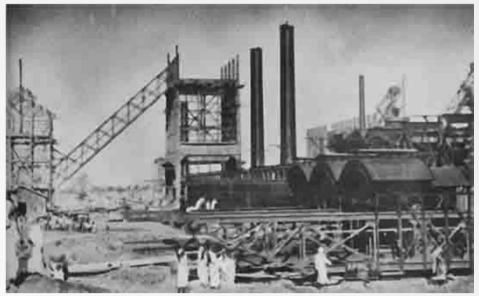
Manufacturing Competitiveness

- Essel Propack : World's largest lamitube manufacturer – supplier to P & G, Unilever & Colgate.
- Moser-Baer : India's largest optical media manufacturer & world's lowest cost CD-R supplier.

- TATA Nano : US$ 2300 Car
- 15 world's largest auto manufacturers' source their components from India.
- 100,000 TATA Indica cars marketed by Rover under it's own brand in Europe.



- Bharat Forge : World's largest single location forging, supplier to Meritor, Caterpillar, Toyota, Ford, FAW(China).
- TISCO lowest cost producer of hot rolled sheet in the world.

Fortune 500 & Major MNCs in India

Automobile

- General Motors
- Volkswagen
- Ford
- Toyota
- Honda
- Nissan
- Fiat
- Hyundai
- Suzuki
- Skoda
- Mitsubishi

Retail

- Walmart
- Carrefour

Health & Pharma.

- Merck
- Pfizer
- Johnson & Johnson
- GlaxoSmithkline
- Bayer

Mining

- Ashton
- American Exploration
- Rio Tinto
- Bhp Billiton

Engineering

- ABB
- Siemens
- Alstom
- Schindler
- Schneider Electric

Consumer Goods & Food

- Sony
- LG
- Sanyo Electric
- Hitachi
- Samsung
- Nestle
- AB Electrolux
- Mcdonalds
- Kellogg
- Nestle SA
- Coca Cola
- PepsiCola

Others

- BASF
- Aventis
- Sanofi Aventis

Telecom

- Nokia
- AT&T
- Swiss Telecom
- Motorola

Auto Components

- Delphi
- Denso Corporation
- Robert Bosch

Banking & NBFC

- Stanchart
- GE
- Citi Group
- Bank of America
- HSBC
- RBS

India's share in global GDP (PPP) to rise

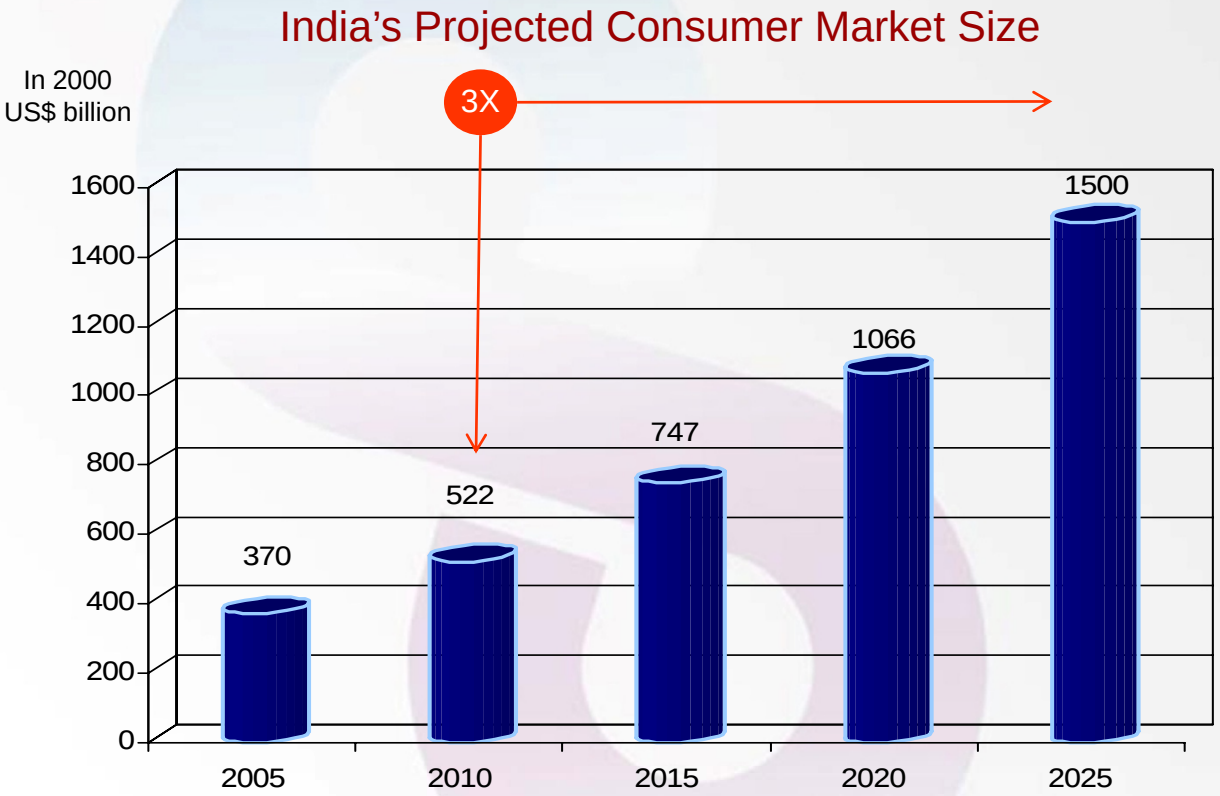
GDP PPP ($ trillion)				
Rank	Country	2010	Country	2020
1	US	14.80	China	28.13
2	China	9.71	US	22.64
3	Japan	4.27	India	10.20
4	India	3.92	Japan	6.20
5	Germany	2.86	Russia	4.32
6	Russia	2.10	Germany	4.00
7	UK	2.20	B razil	3.86
8	France	2.16	UK	3.36
9	Brazil	2.14	France	3.21
10	Italy	1.77	Mexico	2.84

India to move from 4th to 3rd

Source: Euromonitor International

From 5.2% in 2010 to 7.2% in 2020

India's consumer market to treble by 2025



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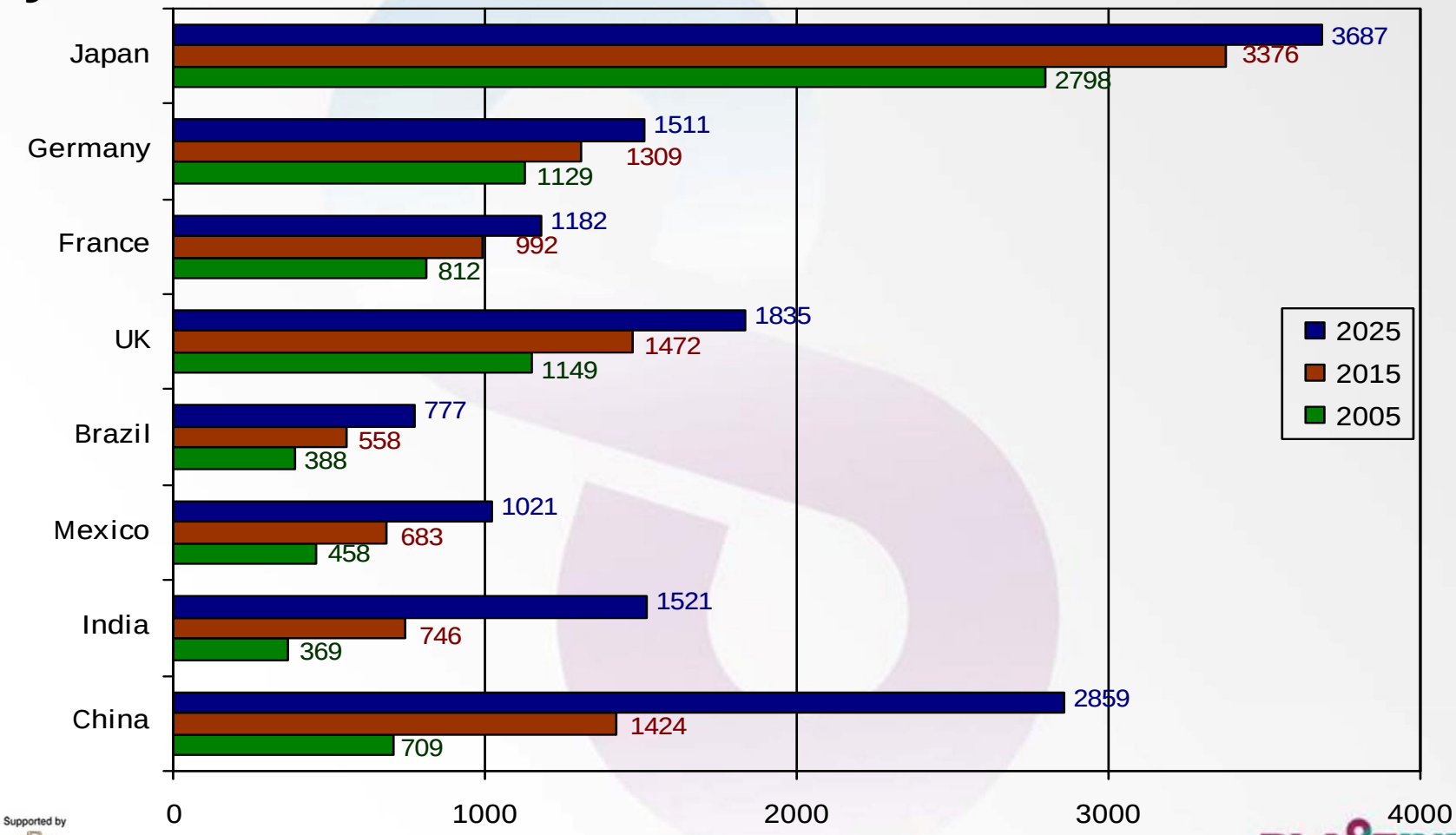
Source: McKinsey Global Institute Study on Indian Consuming Class

World's 5th largest consumer market by 2025



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Source: McKinsey Global Institute Study on Indian Consuming Class

Best is yet to come

Consumer Demand in China & India

	2010 Demand		Penetration (%)	
(million units)	China	India	China	India
2-wheelers	45	9	20	5
Cars	10	2	3	1
Washing Machines	27	3	70	21
Refrigerators	60	7	59	14
A Cs	81	3	51	2

Source: SIAM, CMIE

Sustained high growth for next several years

Key Growth Sectors

- Agriculture
- Infrastructure
- Material Handling
- Packaging
- Auto & Appliances
- Fast Moving Consumer Goods
- Fibre & Filaments
- Medical & Hygiene

Packaging Accounts For Half Of Plastic Consumption

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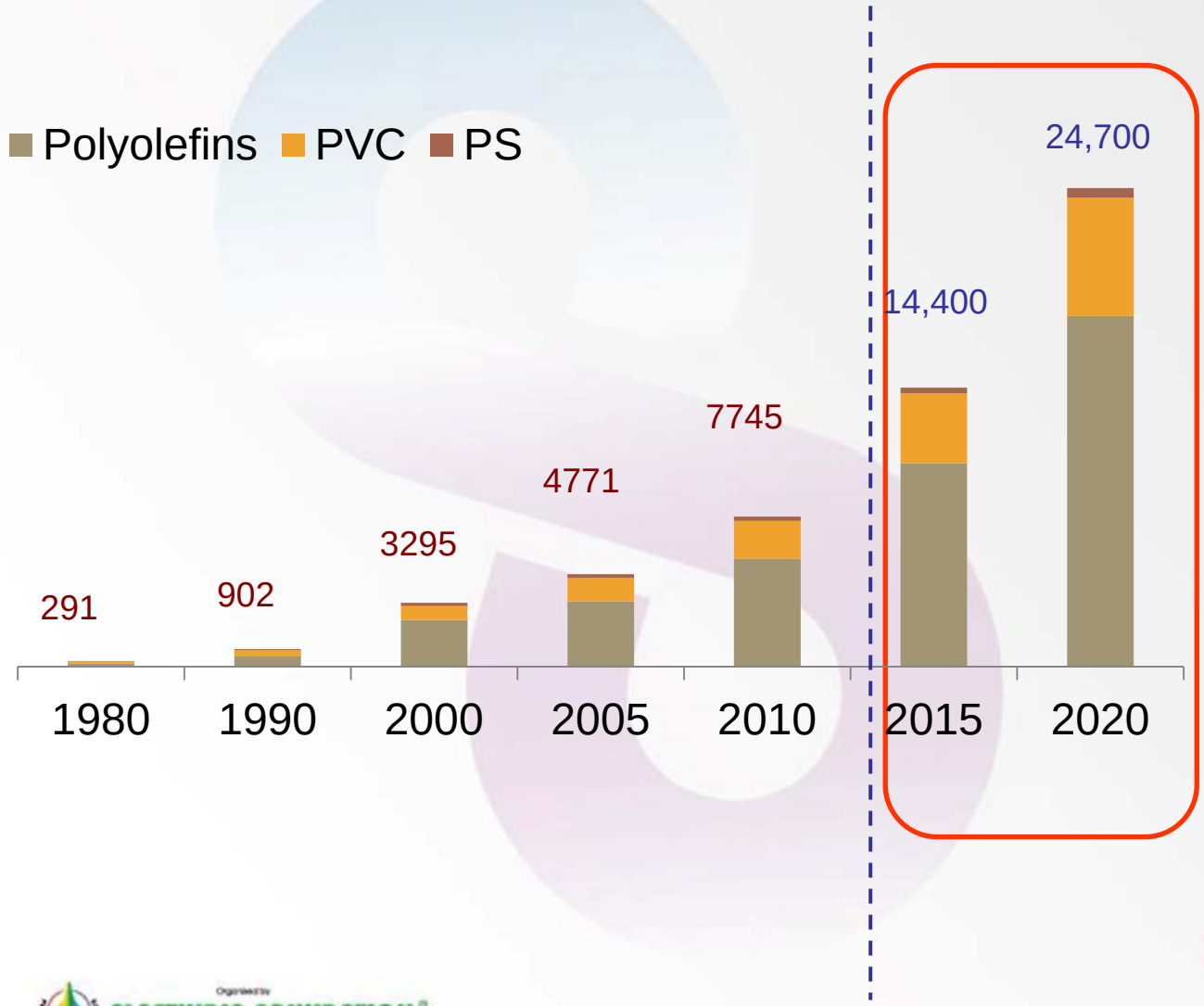
India Overview

Polymer Industry

Opportunity India

Commodity Polymers : Consumption Growth



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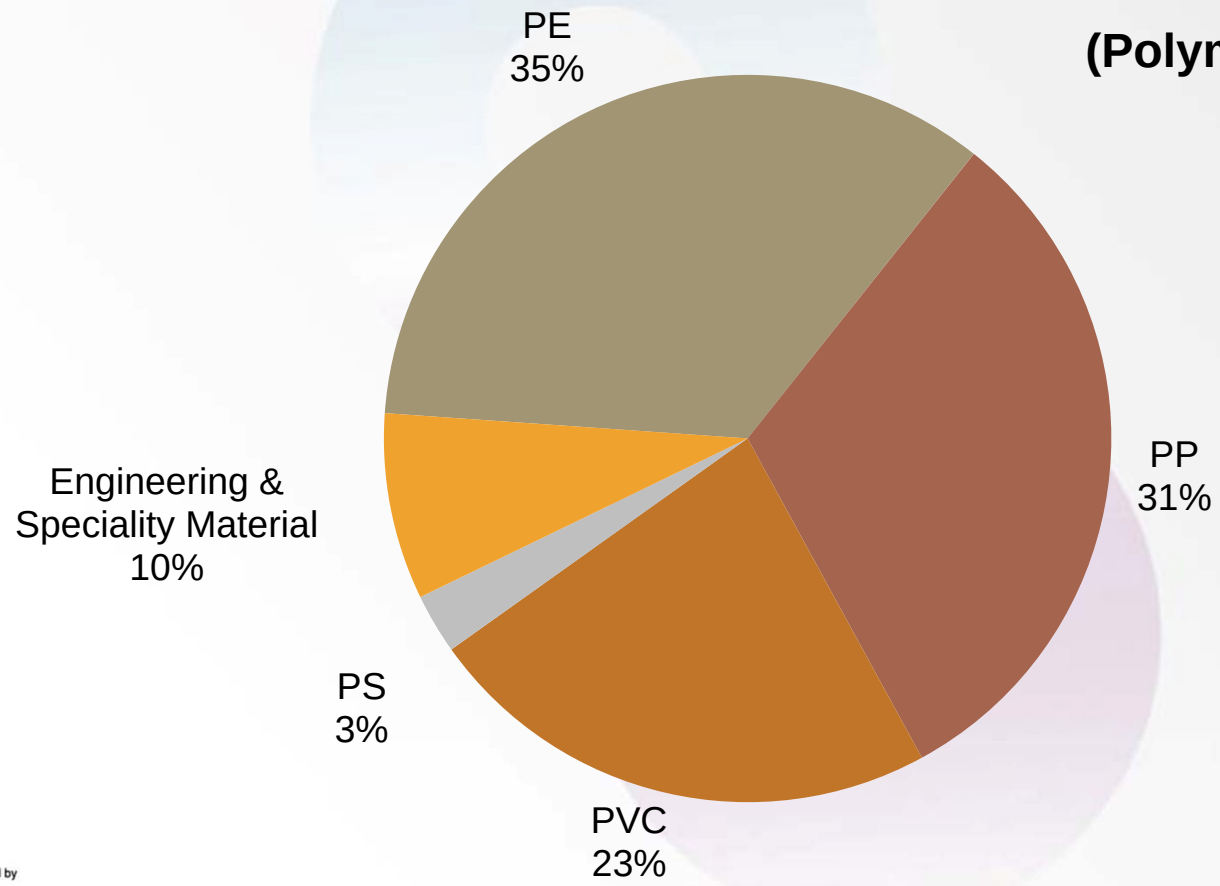
Polymer Consumption in India: 2010

(Polymer Cons. : 8.5 MMT)



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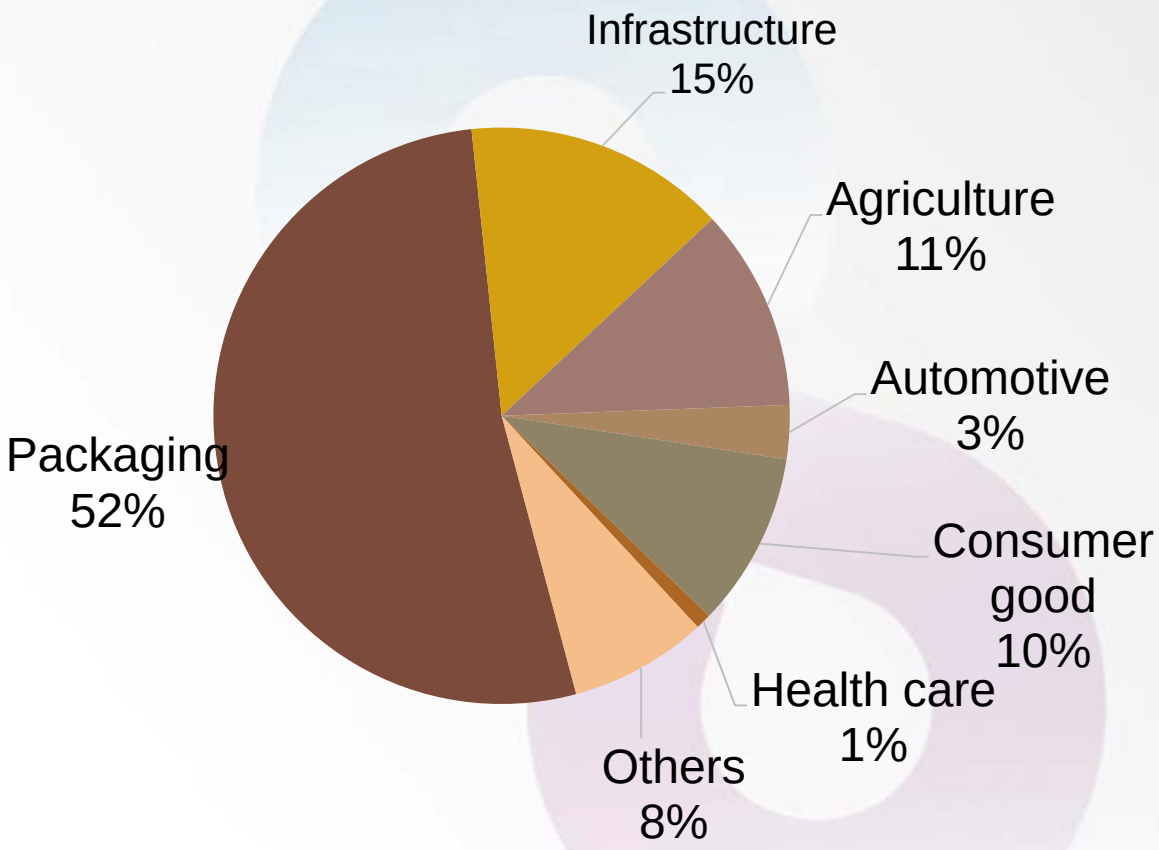
End-use Sectors Market share



Packaging, Agriculture & Infrastructure to expand the market

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Plastic Processing Industry : Present Scenario

- No. of plastic processing units : 23,000+

As on March 2011:

- 97,000+ Processing Machines
- ~23.7 MMT of Installed processing Capacity
- Employment > 3 million
- Concentrated clusters

Most of the processing units in SME sector

Sector wise Processing Industry-March 2011

Sector	No. of machines	Installed Capacity KT
Injection Molding	**61000**	**6850**
Blow Molding	**8000**	**1050**
Extrusion	**28400**	**15800**
Monolayer Film	8650	1500
Multilayer Film	1125	875
BOPP	30	500
Raffia	1600	2250
PO Pipes	1125	1150
RPVC Pipes	4500	4375
Others	11370	5150
TOTAL	**97400**	**23700**

(Note: Rounded off figs.)

Growth over last five years

- 32,100 machines
- 11800 KT Processing Capacity addition
- 5 Yr. Growth : (CARG)
  - Machines ~ 11%
  - Inst. Capacity ~17%
  - Investment ~ 21%

Sectors	Addional M/cs	Capacity Addition
Inj. Molding	21350	4200
BM	2100	400
Monolayer	2400	450
Multilayer	420	450
Pipe	2100	2700
Sheet Lines	380	460
Raffia	360	1100
BOPP	8	360

Commissioning of higher output, latest technology machines

Converting Industry : Present Capability

Film -

- Multilayer film plant with 9 layer
- 7 layers Multilayer blown film line with PVdC processing
- 3 layer PVC cast film line
- Largest BOPP processor, installed capacity 180 KT.

Pipe -

- HDPE pipe plant with capacity to manufacture 1600 mm p
- Corrugated pipe >1400 mm
- PVC pipe – both foam & plain – largest dia. 630 mm
- Drip irrigation plant having capacity of 150 mt/min.

Converting Industry : Present Capability (Cont'd)

Injection Moulding -

- Machines having 3800 Ton clamping (max)
- All Electrical Machine1600 Ton (max)

Blow Moulding –

- 6 layer blow moulding machine for fuel tank & specialty products
- 1500 L blow molding machine

Converting Industry : Present Capability (Cont'd)

Woven Fabric -

- Slit Tape plant with capacity : 1000 Kg./hr.
- World's largest integrated Clean Room FIBC manufacturing facility

Other -

- World's largest CD / DVD manufacturing facility
- World headquarter for largest Lamitube manufacturer
- Largest Water Tank Manufacturer in the world
- Rotomoulding capacity > 35,000 lit

Some of the Overseas Investors…

- Multibase (DOW CORNING)
- Mitsui
- Hyundai Engg. Korea
- Netafim
- John Deere
- Amcor
- Skaps Industries
- Ahlstrome
- Terram
- Interwrap
- ITW Signode
- Enbee Group
- Alcan
- PolyOne

India Overview

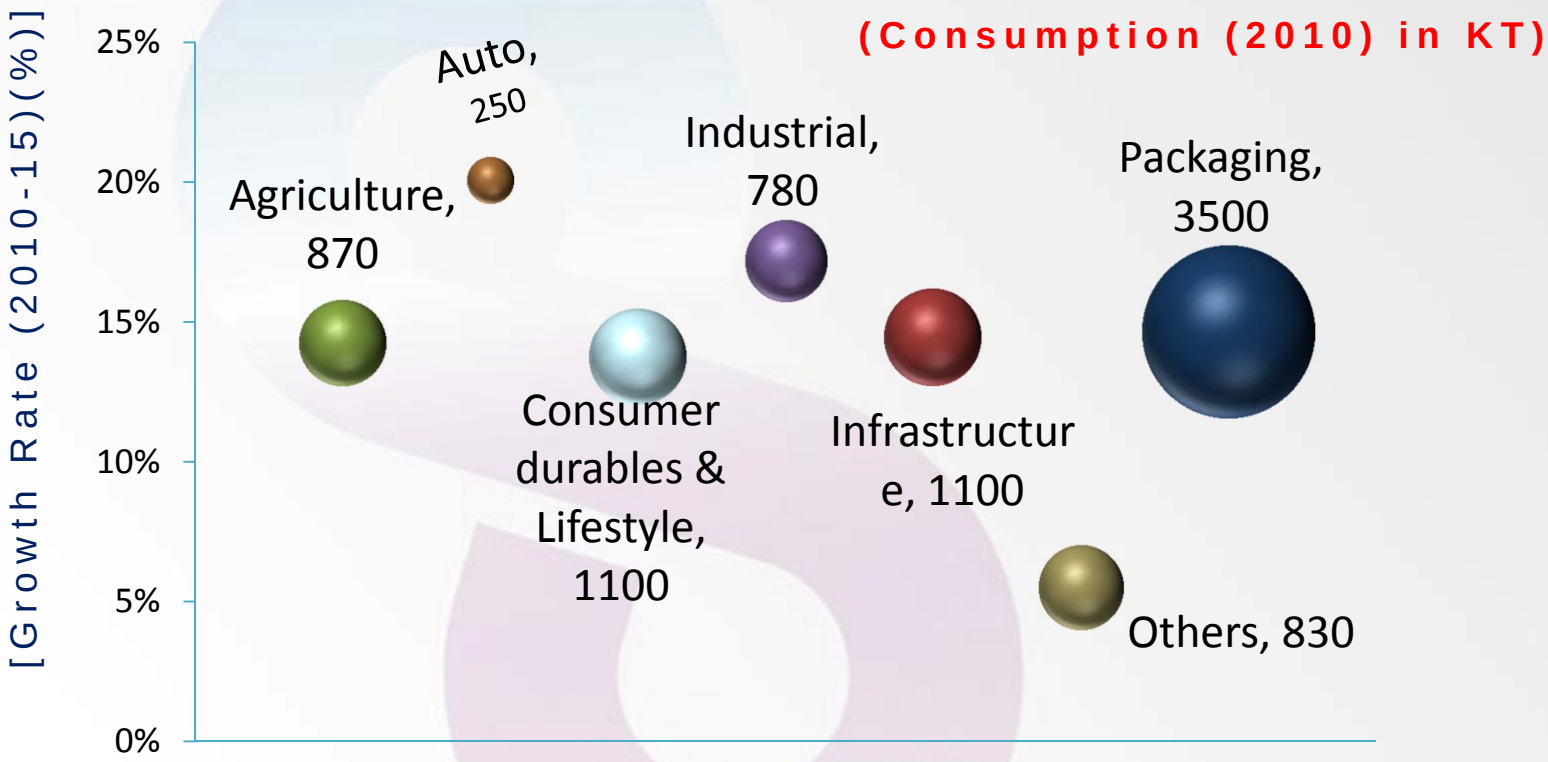
Polymer Industry

Opportunity India

India – A meeting point

- To explore Investment Opportunities
- Identify reliable partners for Sourcing
  - Raw Material
  - Plastic Products
  - Machinery
- Exhibit & Supply Machinery & Technology

Polymer Consumption Growth



Driven by Packaging, Infrastructure & Agriculture Sectors

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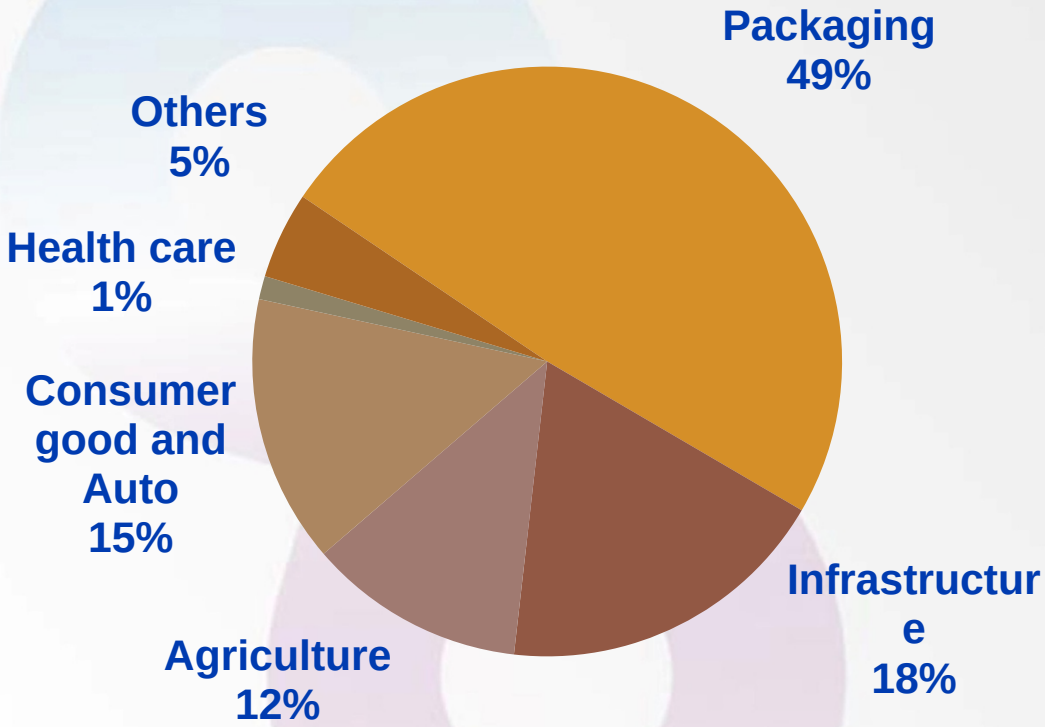
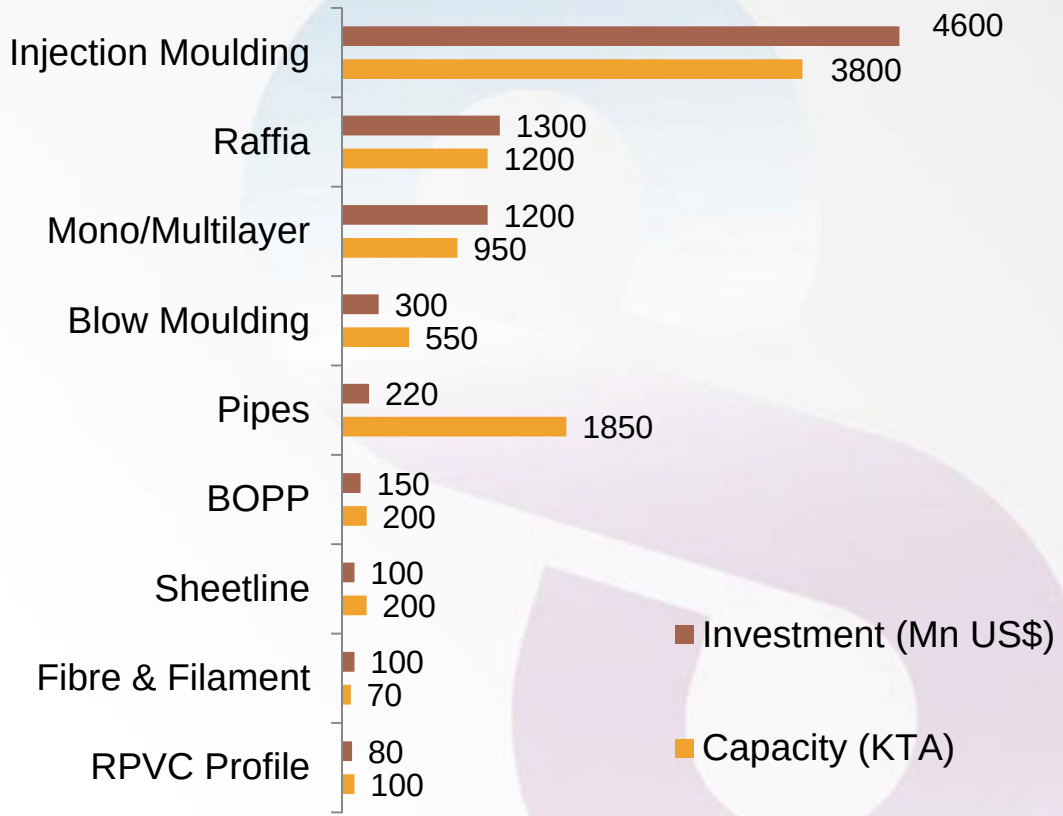
Investment Opportunities in different Sectors



Additional Inst. Cap. ~ 12 MMT by 2015-16

Additional Investment Required by 2015



	No. of Machines
Injection Moulding	23,500
Blow Moulding	3,400
Extrusion	9000
Total	**36,000**

……. To the tune of ~ 10 Bn US$ by 2015-16

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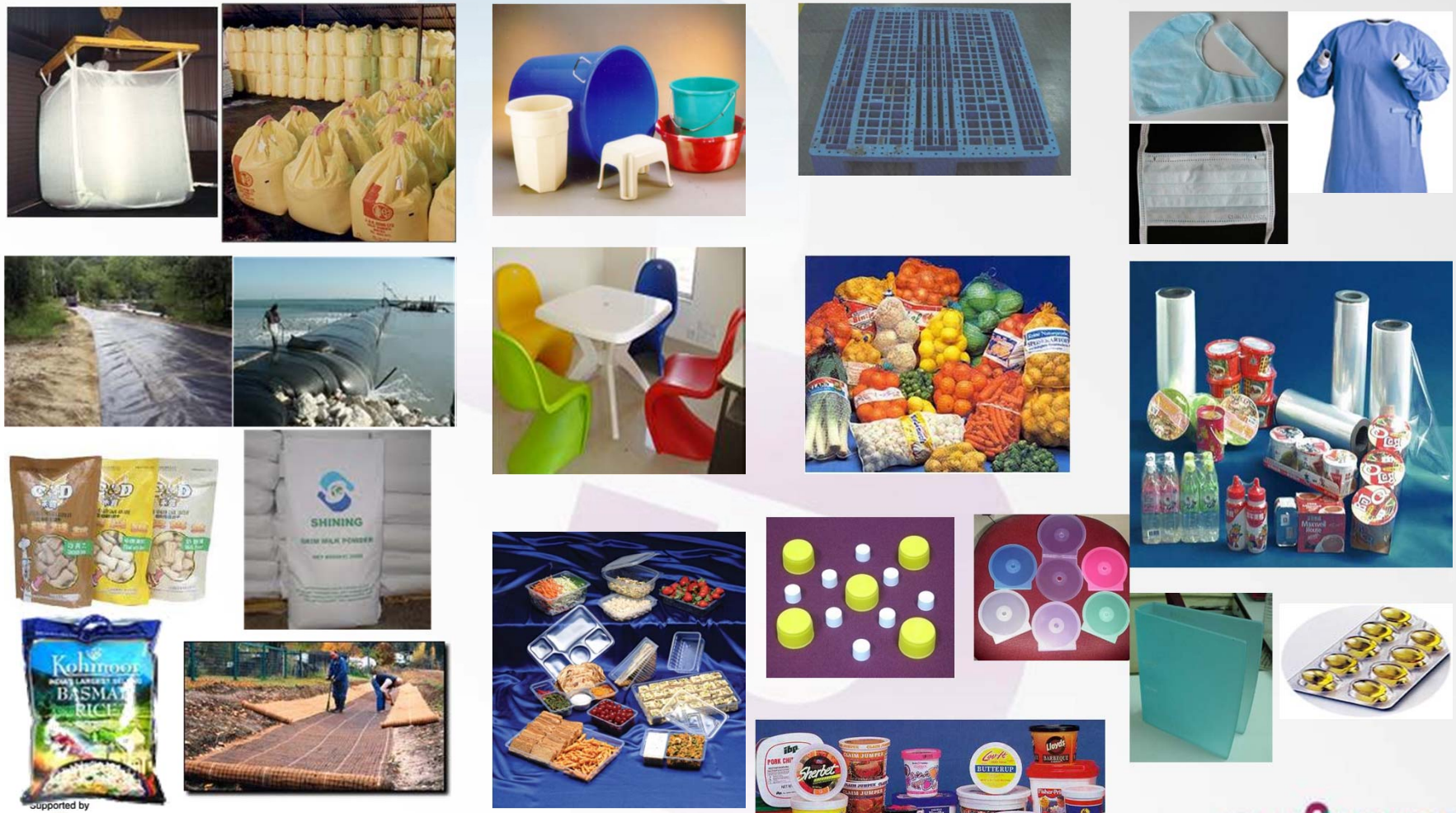
India : Exporter of …….

- *Plastic Raw materials*
- *Plastic sheets, films, plates etc*
- *Leathercloth*
- *Floorcoverings*
- *Other moulded and extruded items*
- *Packaging items*
- *Writing Instruments*
- *Houseware*
- *Woven sacks/FIBCs*
- *Pipes, tubes, hoses etc and fittings thereof*
- *Ropes, twines, Cordage,*
- *Nets, Monofilaments*
- Tarpaulins
- *Laminates*

India : A base for Sourcing Converted Products



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Raw Materials

- ***PE / PP / PVC/ PS / ABS / PET / EVA etc.***

… And Specialized Machinery

- Multilayer blown film line up to 7 layers
- High output (1.5 Tons/hr) RPVC Pipe plant
- Raffia Tape line production 900 Kg./hr.
- Technology for 2 stage stretching of raffia tapes
- Injection Moulding machine production capability upto 1800 T
- All electric IM machine manufacturing <350T in India
- Blow Moulding machines upto 2500 L
- Rotomolding machines to make tanks upto 35KL

India's technology needs

- Multilayer blown film line up to 9/11 layers
- Automatic Block bottom bags production line
- High Output Non-woven machinery
- High production and automatic BM machines
- Higher tonnage Injection Moulding machine >2000 T
- Stretch Blow Moulding Machines
- Speciality film & sheet – BOPP / Cast PP / Multilayer Sheet lines
- Higher tonnage >500 T all electric IM machines.

High output , low specific energy machines- future trends

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1st to 6th Feb. 2012

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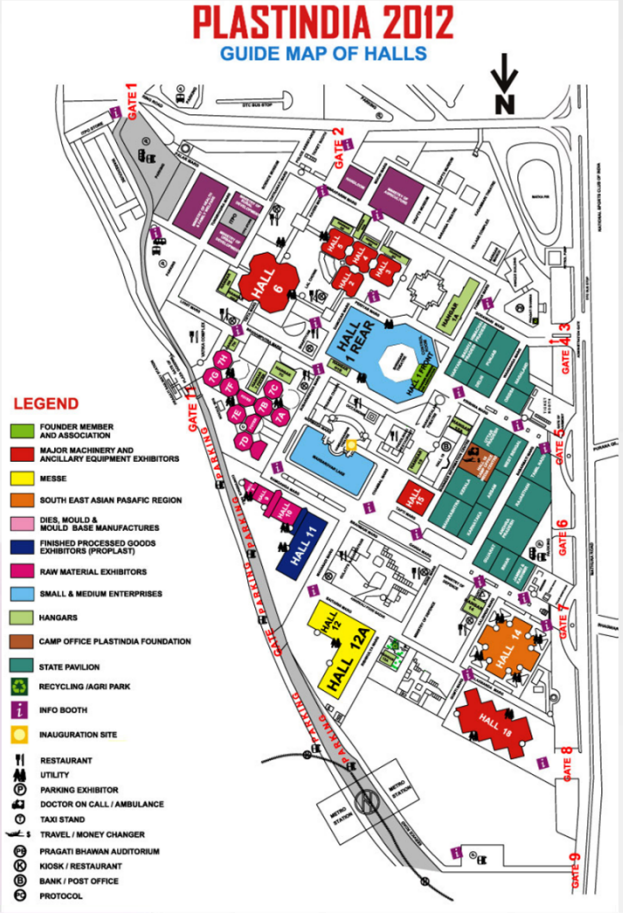
New Delhi, INDIA



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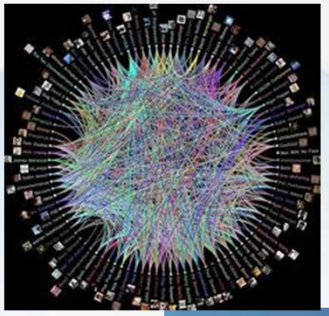

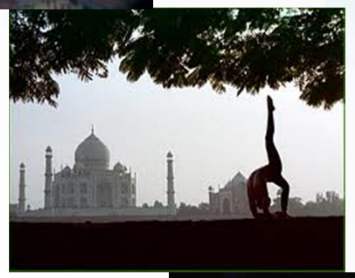

Showcasing the Quintessential India Opportunity Beckons

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