

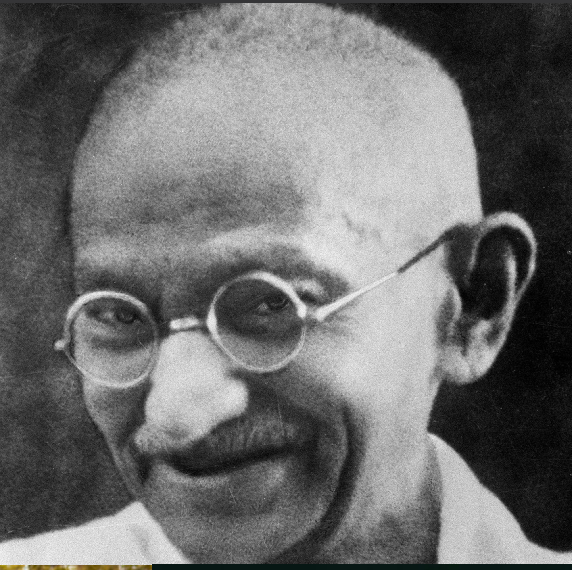
The image features the Indian national flag, known as the Tiranga, waving against a clear blue sky. The flag consists of three horizontal stripes of equal width: saffron at the top, white in the middle, and green at the bottom. In the center of the white stripe is a navy blue wheel with 24 spokes, known as the Ashoka Chakra. The flag is attached to a silver flagpole on the left side. The text is overlaid on the flag in a white, serif font.

# INDIA @ THE INTERNATIONAL SOFTWOOD CONFERENCE 2024

BY  
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DIRECTOR, MEGAMET

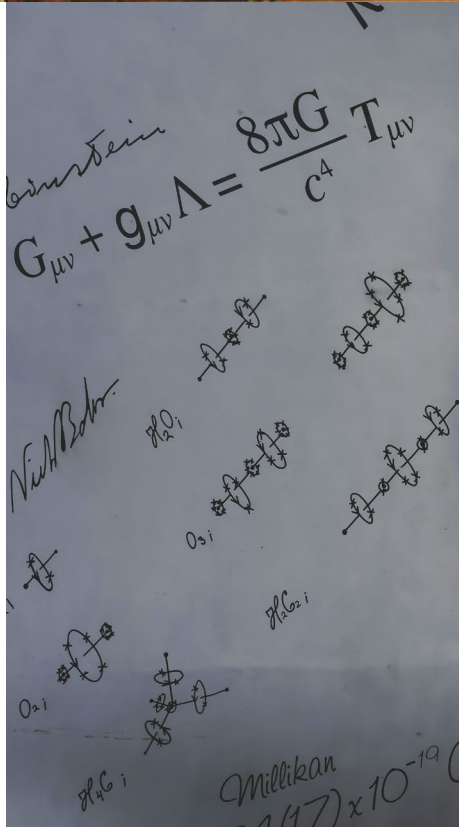
# INDIA

What comes to your mind, when you think of India?



# INDIA

What does not come to your mind, when you think of India!



5G



# INDIA

The enigma - raw and decoded

# World Bank Pegs India Growth at 7.5% for 3 Yrs

Sees 'storm clouds' gathering over global economy, warns of trade tensions

Our Bureau

New Delhi: India is set to grow at a faster pace over the next three years than most other major economies, the World Bank said, while warning about softened international trade and tensions remaining elevated.

India's economic growth is forecast to accelerate to 7.5% in each of the next three financial years (fiscal 2020-22), up from 7.3% in the current year, riding an upswing in consumption and a pickup in investment. As the effects of demonetisation and the goods and services tax rollout wane, the World Bank said. This is unchanged from the June 2018 forecast.

## World Bank: India Growth

World Bank compares global growth in India to maintain upward climb

	2018	2019	2020	2021
World	3.9	2.9	2.8	2.8
Advanced economies	1.9	1.6	1.5	1.5
India	7.3	7.5	7.5	7.5
China	6.5	6.5	6.2	6
Brazil	1.3	5.2	5.3	5.3

### DARK CLOUDS OVER GLOBAL ECONOMY

INTERNATIONAL trade & investment tensions remain elevated

TRADE TENSIONS remain elevated

Higher debt levels in many emerging economies

SUBSTANTIAL financial pressures last year

More frequent weather events

### INDIA ADVANTAGE



Upswing in consumption

Investments growth has firmed up

Temporary drags have faded

weakening US economy and moderation in the euro area.

China is projected to slow

region effects," the report said.

It warned of escalation in simmering trade disputes

by the government on Monday showed the Indian economy is likely to grow 7.2% in FY20, all in line with 7.3% estimated by the World Bank and up from 6.7% last year.

"While investment continued to strengthen amid GST harmonisation and a rebound of credit growth, consumption remained the major contributor to growth," the bank said about the ongoing fiscal year.

Going ahead, "private consumption is projected to remain robust and investment growth is expected to continue as the benefits of recent policy reforms begin to materialise and credit rebounds", it said. Strong domestic demand is likely to widen the current account deficit to 2.6% of GDP next year, while inflation is forecast at the

Indian economy has proved remarkably resilient to the ongoing impacts of the deteriorating external environment. Indian market economies are growing faster than most major economies.





# INVESTMENT HOT BED

- ✓ JP Morgan's Government Bond Index-Emerging Markets (GBI-EM)\*
- ✓ Goldman Sachs India Equity Portfolio
- ✓ Mark Mobius \*\*

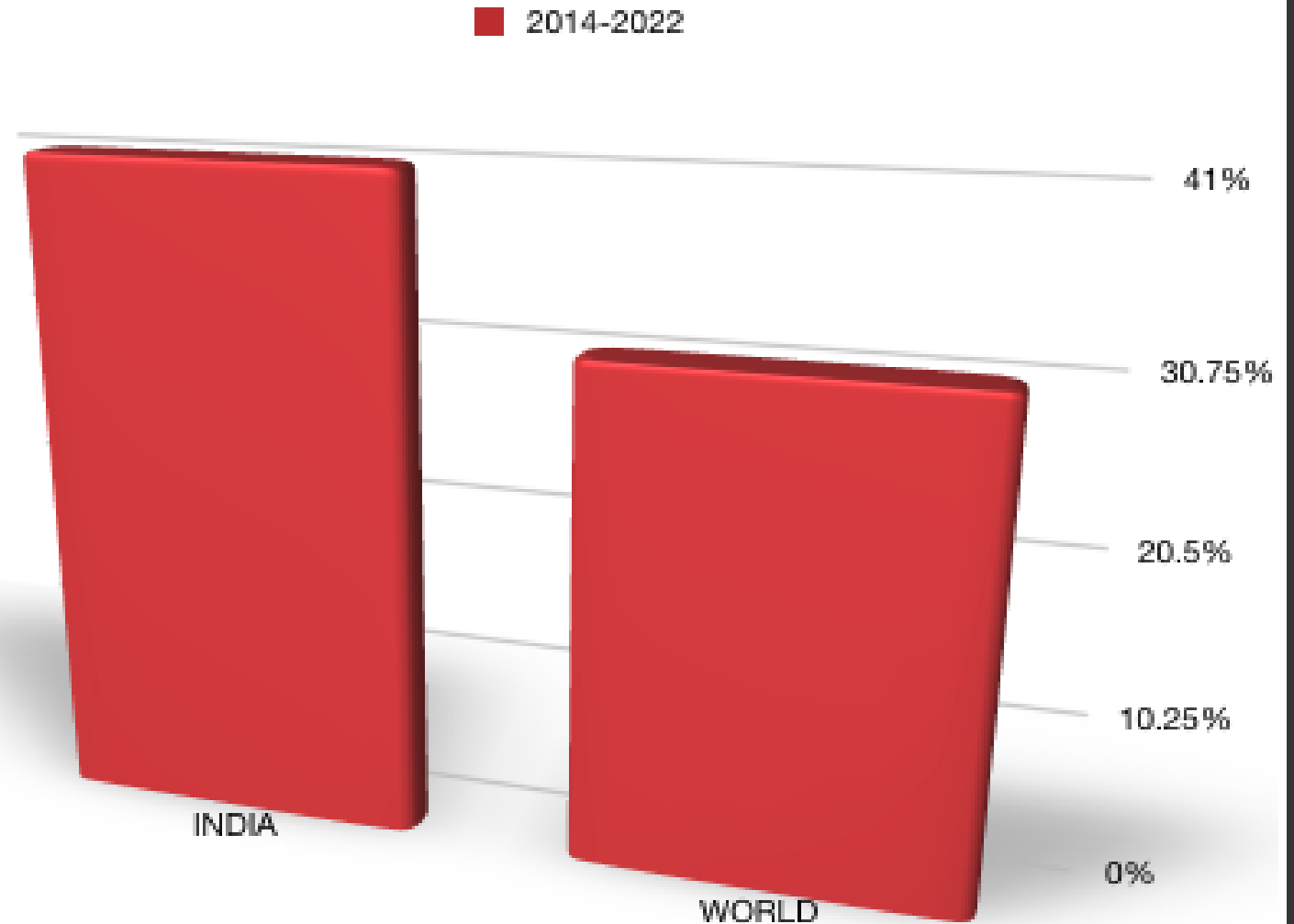


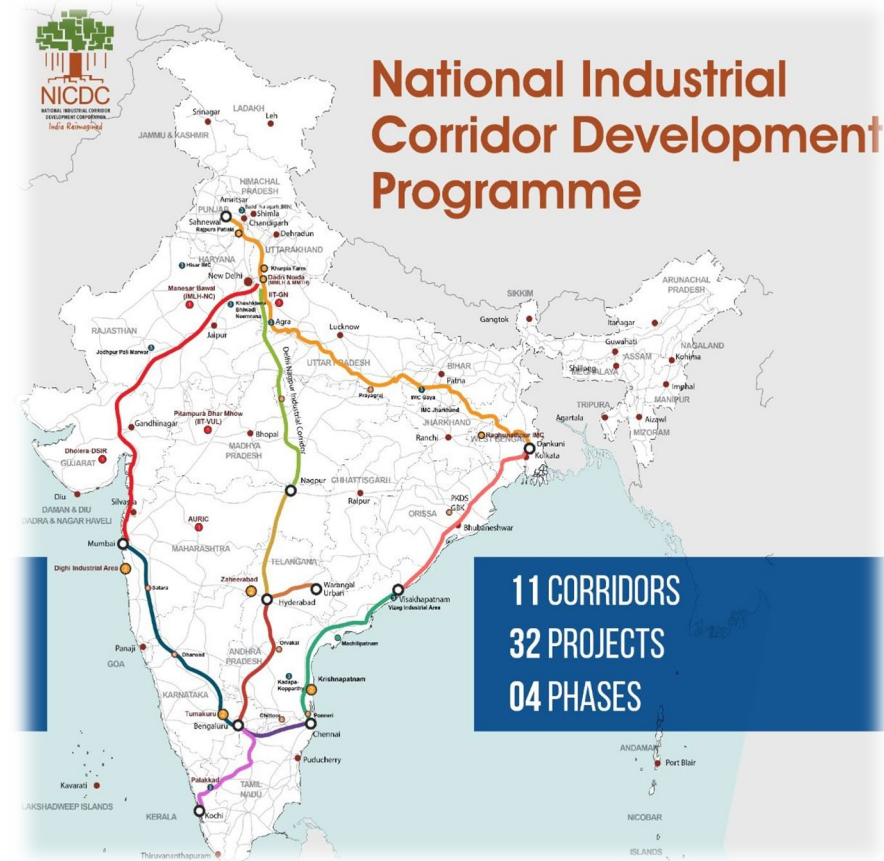
FIGURE 1: MERCHANDISE EXPORTS GROWTH

\*[https://www.gsam.com/content/dam/gsam/pdfs/international/en/fund-literature/monthly-fundupdate/mfu\\_indiaeq\\_ocssek\\_en.pdf?sa=n&rd=n](https://www.gsam.com/content/dam/gsam/pdfs/international/en/fund-literature/monthly-fundupdate/mfu_indiaeq_ocssek_en.pdf?sa=n&rd=n)

\*\*<https://x.com/MarkMobiusReal/status/1742392958467670143?s=20>

# INFRASTRUCTURE DEVELOPMENT

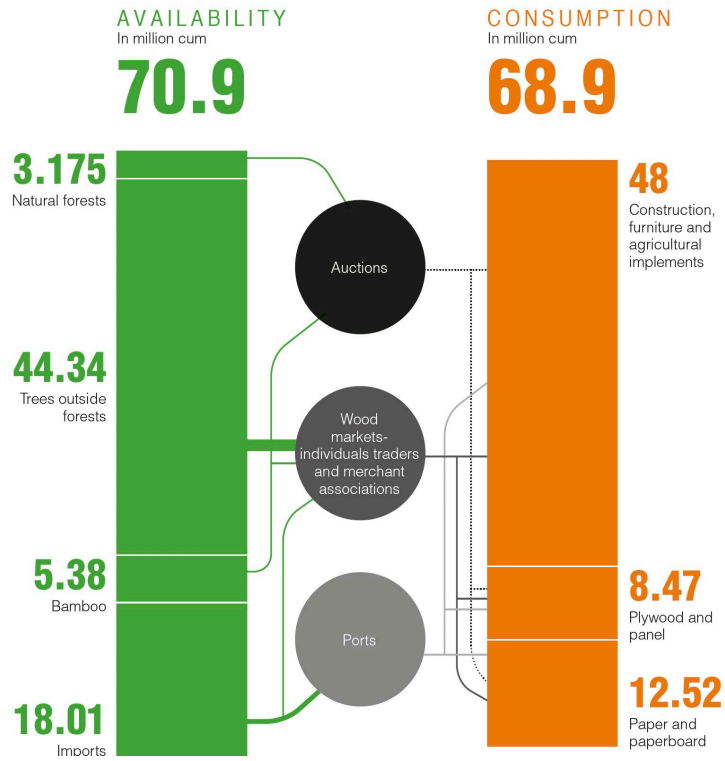
- ✓ National Infrastructure Pipeline
- ✓ National Industrial Corridor
- ✓ Dedicated Freight Corridor
- ✓ Sagarmala Program (Ports)



According to the Minister of Housing & Urban Affairs, India is expected to become the world's third largest construction market by 2025.

# INDIA & FORESTS

## Timber consumption in India

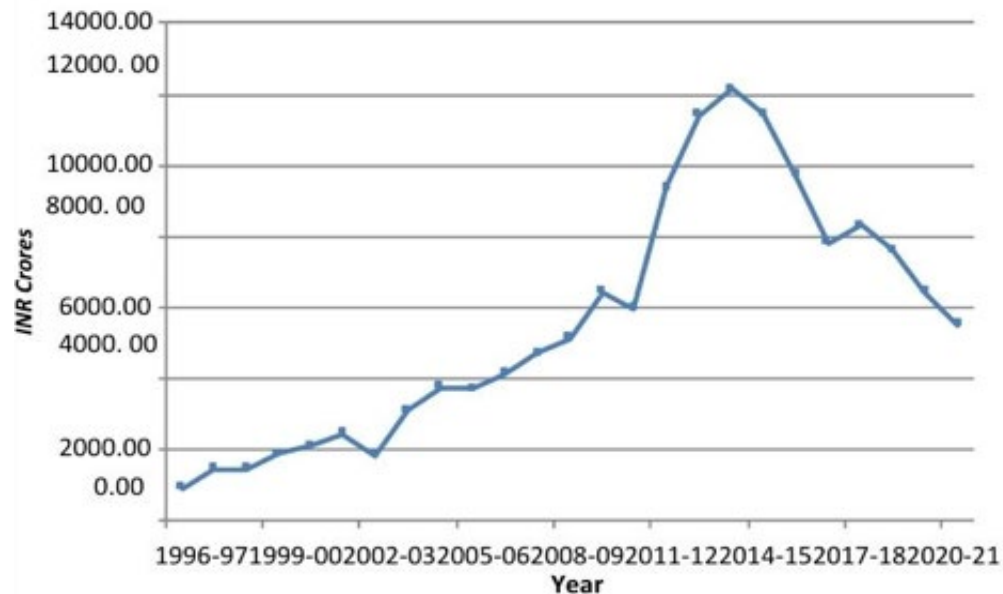


## Fast facts about forests

- ✓ only 1 per cent of the world's forests
- ✓ forest cover has been on a constant decline
- ✓ policy initiative in 1996 permitted import of wood
- ✓ increasing trend for import with current annual growth rate of 21% - Bansal (2004)
- ✓ imports in 2030 was projected to be 32 million M3

# INDIA & TIMBER

## Decline of roundwood import



Source: DGCIS, Ministry Commerce & Industries

## Fast facts about timber

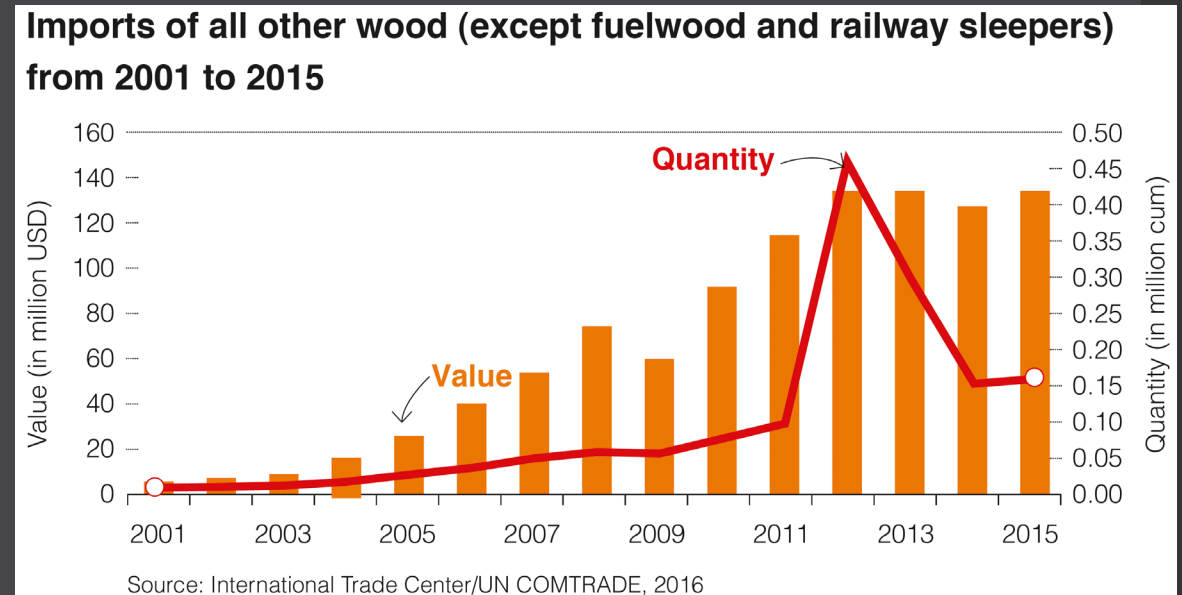
- ✓ decline in domestic production due to increased focus on conservation of forests
- ✓ import tariff structure that is biased for unprocessed logs
- ✓ poor/inadequate quality of processing by domestic sawmills
- ✓ **lack of sustainable forestry**

# DEMAND OF IMPORTS

## Fast facts about import

- ✓ around **25%** of the demand for industrial wood is met from imports
- ✓ ITTO study predicts 6.4% average annual growth in total wood demand
- ✓ Logging ban , roundwood handling further improves wood imports
- ✓ Coniferous wood is the major imports of sawn wood from Germany & USA

## Projected increase in imports

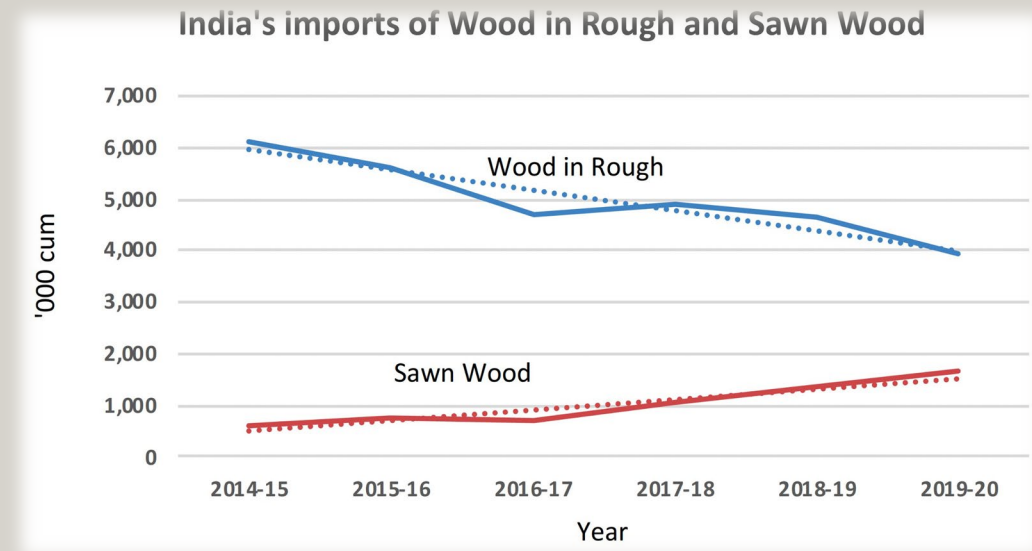


# TRENDS IN IMPORTS

## Fast facts about trends

- ✓ roundwood imports are declining, decrease to 1 million m<sup>3</sup> by 2030
- ✓ while sawnwood are up by **97 %**
- ✓ teak roundwood is stagnated & insignificant
- ✓ **sawnwood increase is of softwood**

## Import of round vs. sawn wood



Source : NCCF Policy Paper No. 1/2022

# NEED FOR IMPORTS

- ✓ Meeting the domestic demand
- ✓ Diverse industrial applications
- ✓ Cost-effective
- ✓ Unique requirements



# USAGE OF SOFTWOOD

✓ CONSTRUCTION

✓ FURNITURE

✓ PACKAGING

**Table 3.4.1: Estimates of demand for wood by the construction sector, 2021-2030 \***

Year	Demand for sawn timber in construction	Demand for sawn timber in construction (RWE)
2021	15.899	22.71
2022	15.253	21.79
2023	14.617	20.88
2024	13.971	19.96
2025	13.335	19.05
2026	12.699	18.14
2027	12.053	17.22
2028	11.417	16.31
2029	10.771	15.39
2030	10.135	14.48

**Fig. 2.6.2: Growth in output of the furniture industry, \*\***



\*&\*\* Source : IndiaTimber Supply and Demand 2010–2030



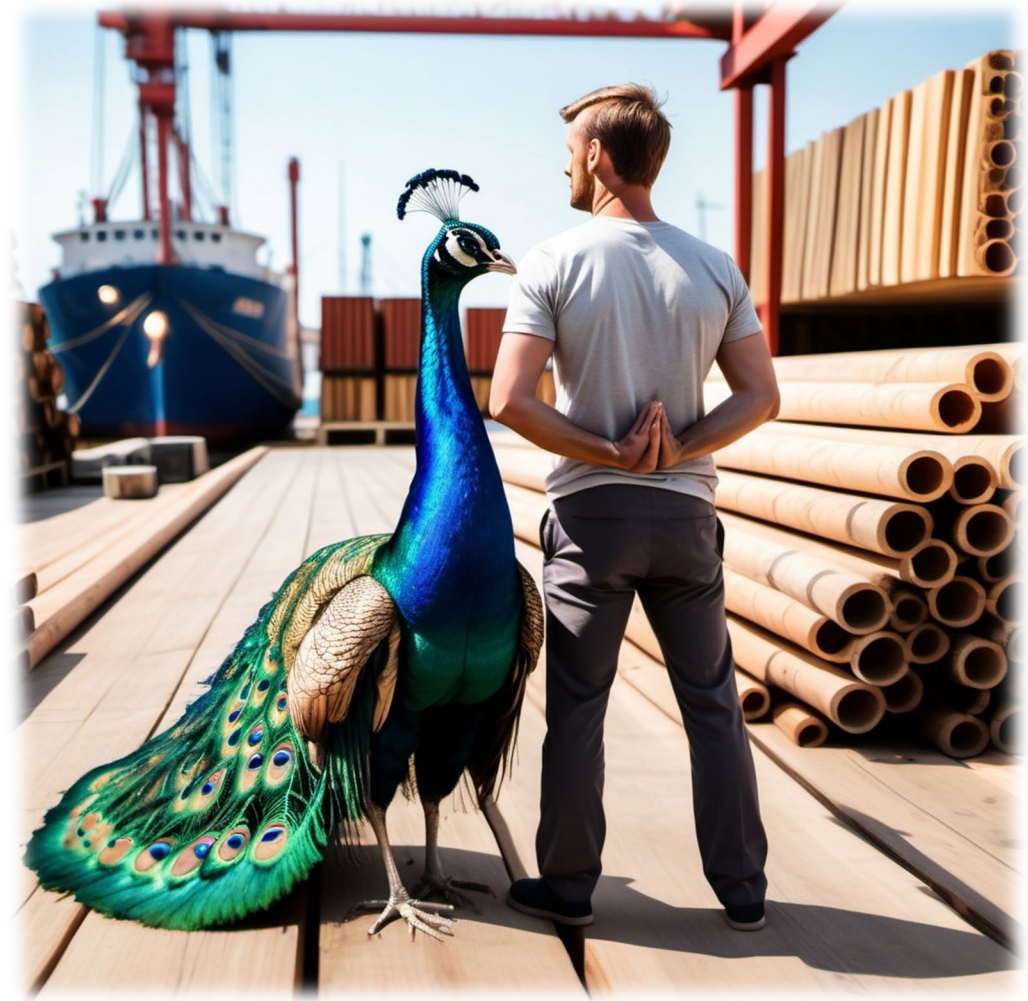
# CHALLENGES



- ✓ fragmented
- ✓ logistics
- ✓ financing
- ✓ awareness
- ✓ **micro customers**

# Thoughts , to leave you with ...

- ✓ PwC report states India could achieve a 9 percent growth rate and become a \$10 trillion economy by 2034
- ✓ export oriented and investor friendly economy
- ✓ unsustainable domestic production , leading to increase in imports
- ✓ logging ban , tariff structure favorable to processed logs and inefficient sawing leads to sawn timber increase and round log decrease
- ✓ customer education , efficient distribution and novelty in product availability is the new timber game
- ✓ American & European sawmillers are at an advantage point





Thank You

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