

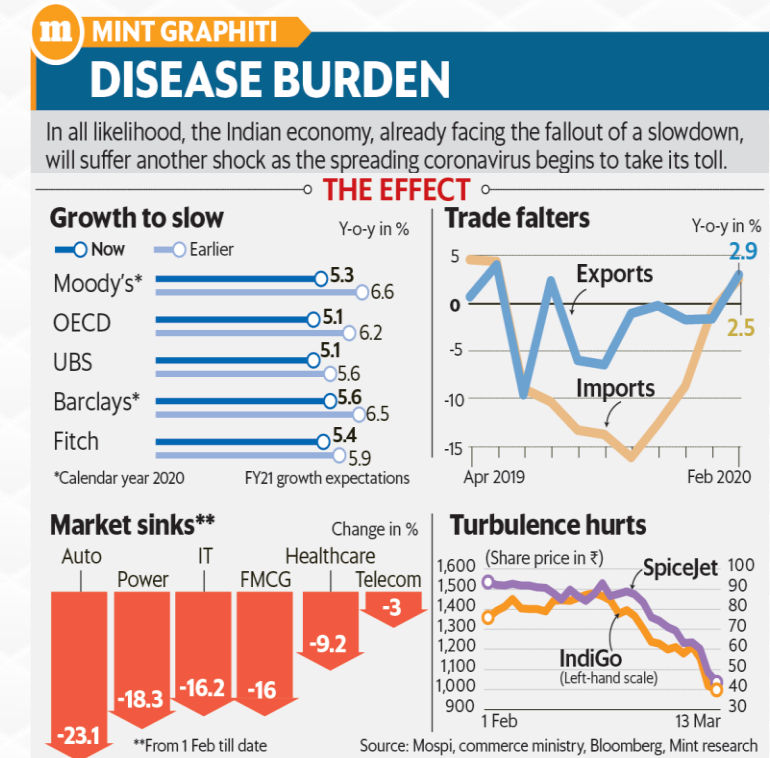
Indian Float Glass Market

By :- Mr. Sanjeev Oberoi, Executive Director - Asahi India Glass Ltd and Member AIGMF.

Macro Economics- India

Indian economy is going through lot of pain

- ❖ India's GDP growth has gone down for the fifth consecutive year, from 8.2% in FY17 to ~11.5% in FY21 (E). Q1 GDP contracted by 23.9% (first instance of economic contraction in last four decades) against 3.1% growth compared to previous qtr.
- ❖ Downturn in Auto Industry: During April to June 2020, PV sales fell by 78.43% in comparison to the same period in 2019. Various contributing factors are
 - The BSVI price increase are likely to hit auto demand.
 - India's Rushed EV Plan to go all electric by 2030
 - Rise Of Ride-share Services over past 3-4 years
 - GST rate of 28%: The Central Govt. is looking into a reduction in GST by 10% across all categories of vehicles based on recommendation from various automotive companies. However, nothing concrete has been decided till date.
 - Coronavirus has impacted the supply chain. The problem on the Indo-China border at Ladakh are not helping matters.
 - Excess inventory and lack of funding options in the post Covid-19 scenario.
 - The Government is ready with the scrappage policy and it is expected to be declared soon.
- ❖ Slowdown in Construction/Real estate segment.

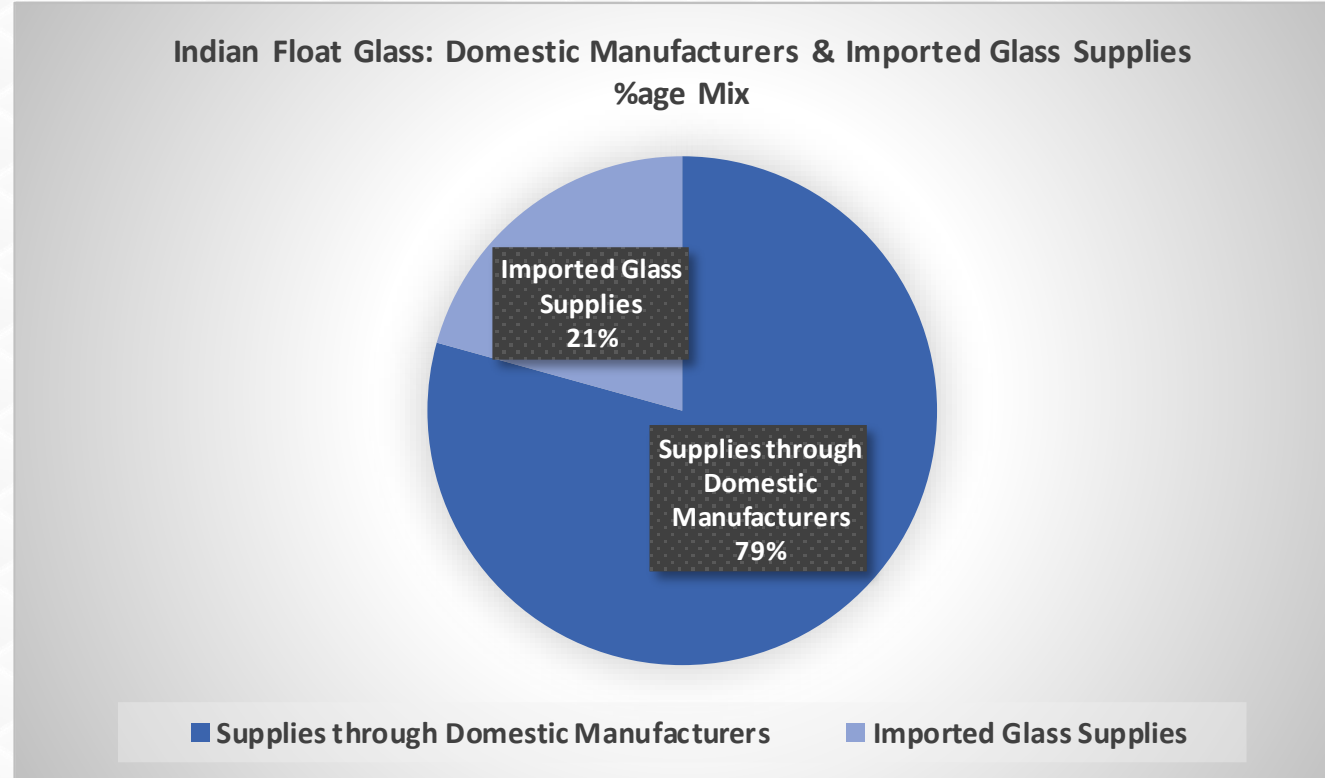


Real Estate outlook

FY19-20 was the best year for commercial Real Estate. As per recent study by Anarock on impact of COVID 19 on Indian real estate sector, following are the observations.

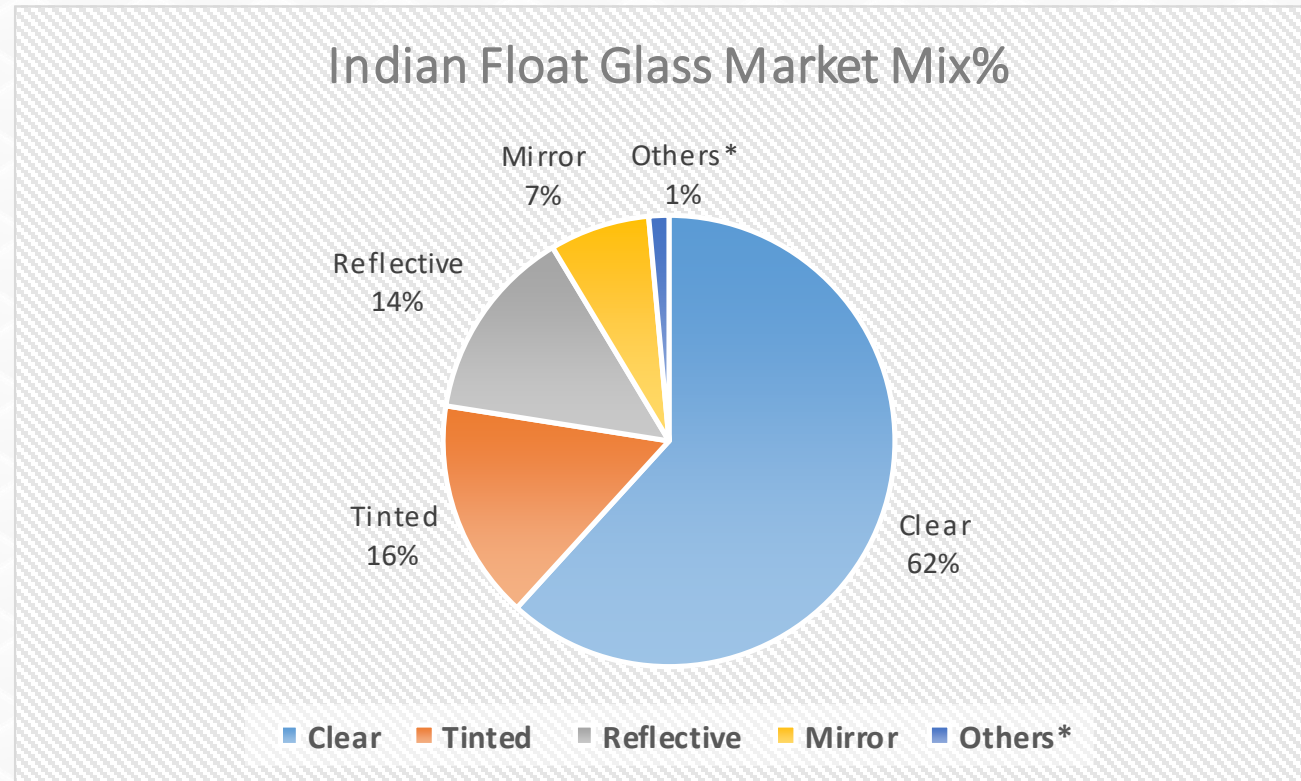
Growth	Real estate contributed nearly 6% to India's GDP in 2017. As per the projected growth trends during the pre-COVID-19 era, the sector's contribution was likely to rise to 13% of India's GDP by 2025 but the current coronavirus lockdown has surely put brakes on its growth momentum.
Employment	After agriculture, real estate is the largest employment generator in the country. The sector creates tremendous opportunities for the skilled and unskilled workforce and the lockdown will impact the employment rate adversely.
Commercial office sector	Net absorption in top 7 cities was recorded at 40 Mn sqft in 2019, growing by 19% over 2018. New completions also kept pace with rising demand and stood at 46.5 Mn sf in 2019, recording 21% yearly growth. Overall vacancy remained almost stable at 14.4% by 2019-end.
Retail sector	Retail sector will be badly hit because of reduction in spending and increase in online buying. Net absorption in top 7 cities was recorded at 8.5 Mn sqft in 2019, growing by 55% over 2018. The planned new completions across the top 7 cities might drop to between 30%-50% overall in 2020.
Residential sector	Residential sector will be badly hit which is already grappling with subdued demand & liquidity crisis. Amidst restricted supply and marginally improving demand, unsold inventory across the top 7 cities of India has been declining during the past few years. In 2018, the annual decline in unsold inventory was 7% while it declined by 4% in 2019 to 648,399 units. Net absorption in top 7 cities was recorded at 261,358 units in 2019, growing by 5.3% over 2018. Nearly 40% of new launches added across the top 7 cities of India during the past few years have come in the affordable housing segment.

Float Glass Industry – An Overview



- Total size of Float Glass industry in India is 2.05 Lakh Tons per Month.
- Per Capita consumption of Float glass in India is approx. 1.90 Kg whereas in developed countries per Capita flat glass consumption is very high ranging between 6 to 10 Kg.
- Imported glass contribution is approx. 21% in total Indian Float Glass market.

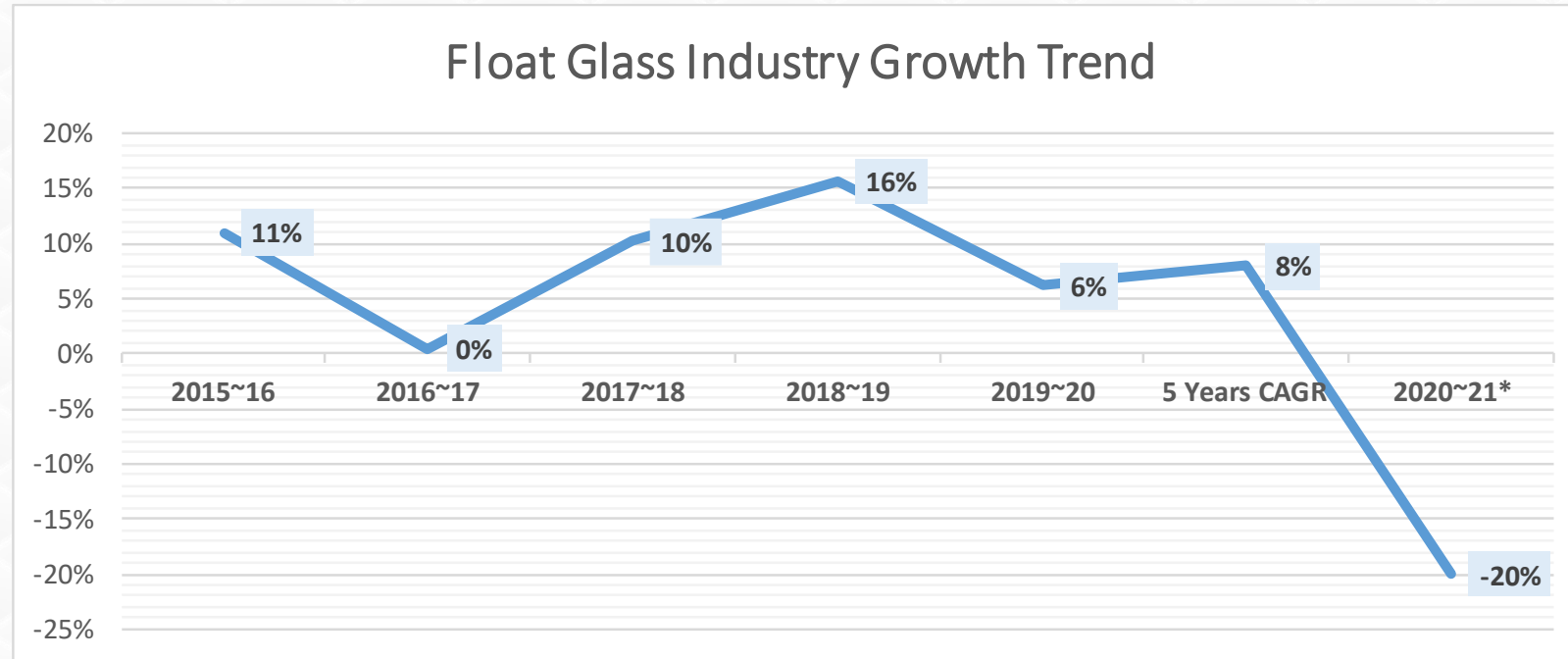
Float Glass Industry – An Overview



** Others – Includes Frosted / Back painted glass*

- As per the estimates, Clear glass is the largest contributor in Indian Float glass Market i.e approx. 62%
- All other products put together contribute approximately 38%.

Indian Float Glass Industry – Growth Trend

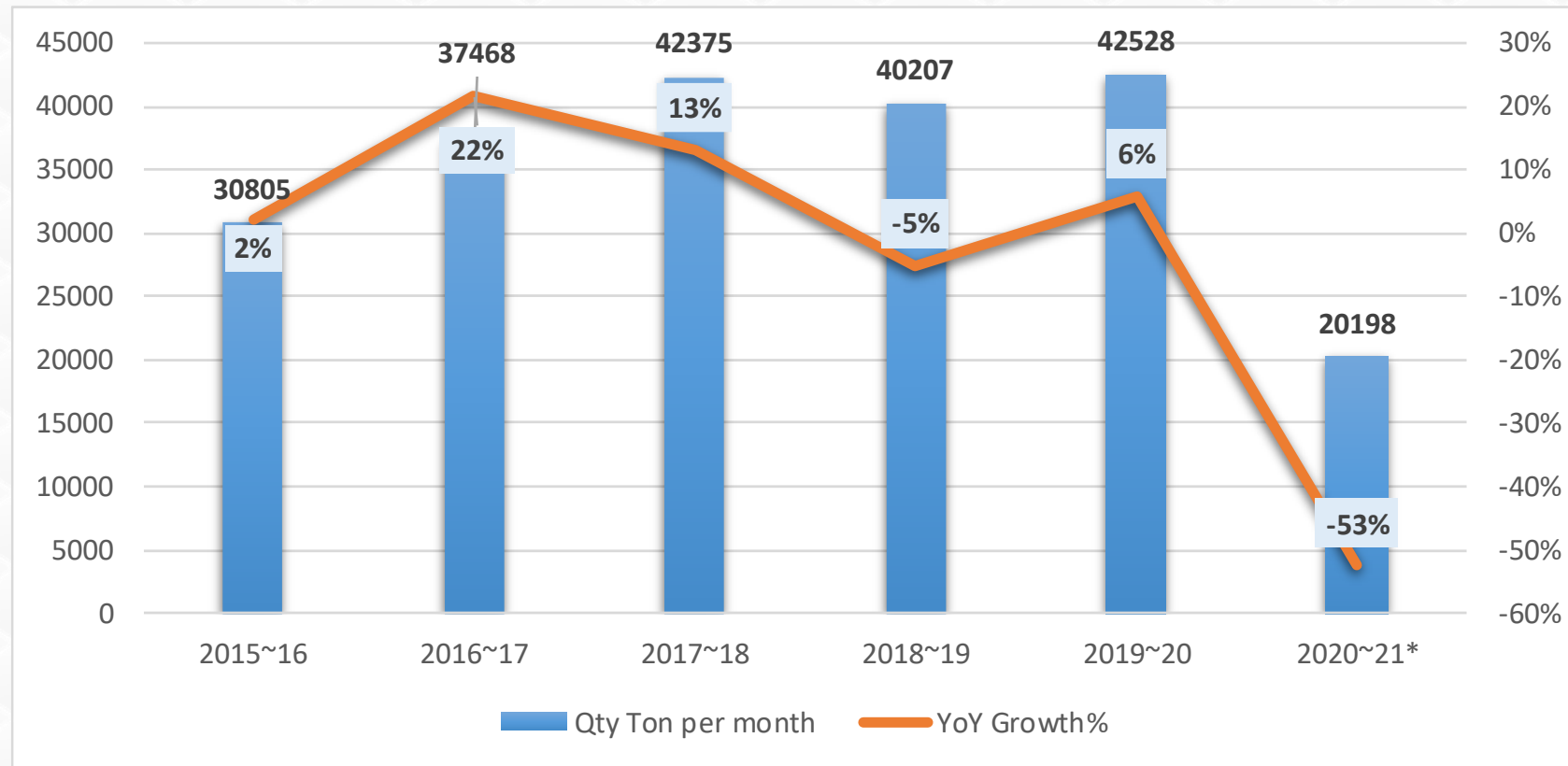


fiscal year – April to March is considered.

** FY 20-21 – Post Covid-19 Estimated growth is – 20%*

- Indian Float glass market is growing at CAGR of 8% per annum.
- Indian Float Glass estimated growth for FY 20-21 is (-Ve) 20% as compare to FY 19-20.

Float Glass Imports in India – At a Glance



* FY 20-21 – Average Imports data upto Sep'20

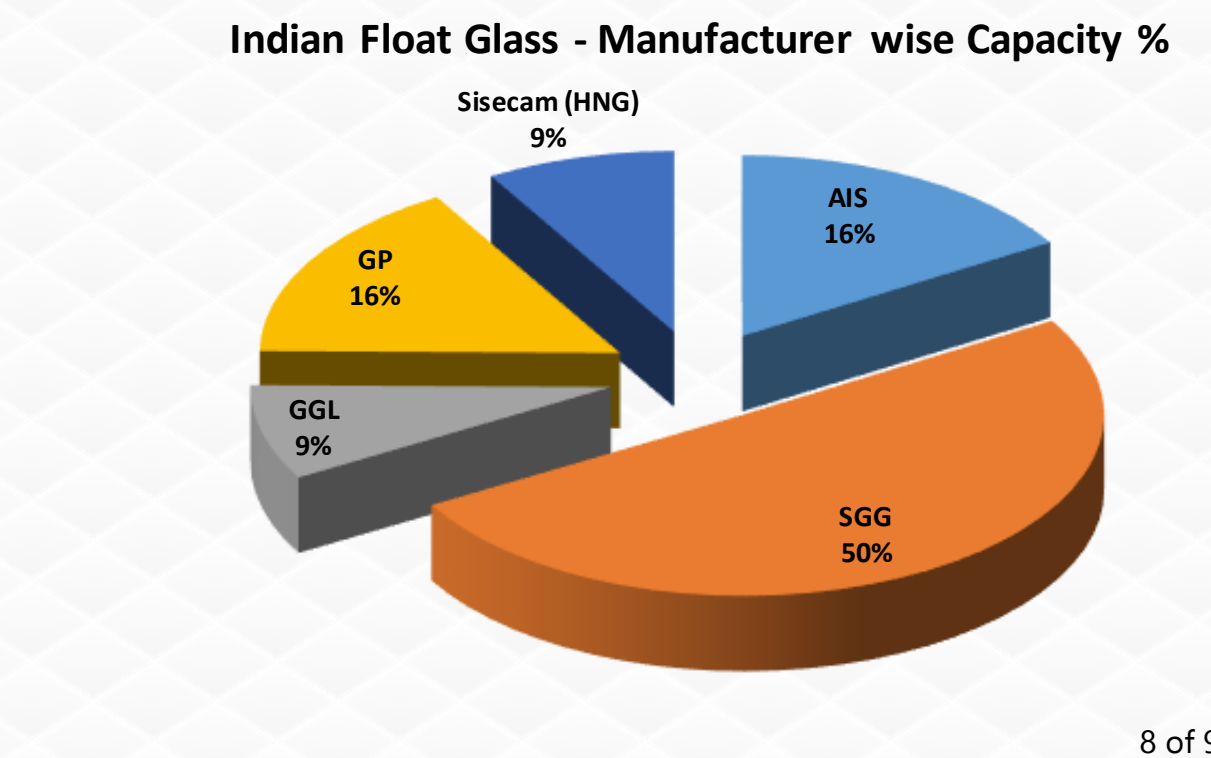
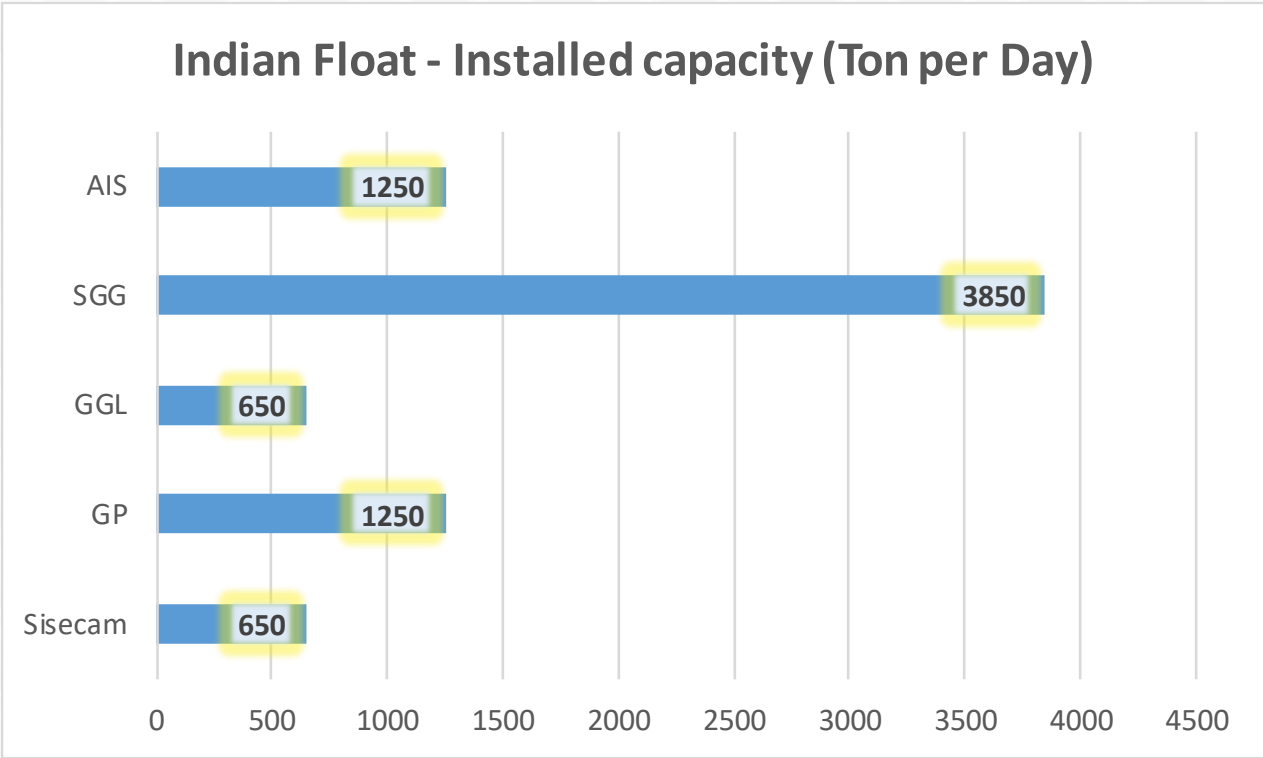
- FY 20-21* (Apr-Sep'20) average float Glass import in India is approx. 20198 Tons per Month.
- Last 5 Years Imports CAGR is approx. 7%

Indian Float glass Installed capacity



5 Float Glass Manufactures / 11 Float Lines are operational in India ;

- 1. Asahi India Glass Ltd (AIS) – 2 Float Lines
- 2. Saint-Gobain Glass India Ltd (SGG) – 5 Float Lines
- 3. Gujarat Guardian Ltd (GGL) – 1 Float Line
- 4. Gold Plus Glass Industry Limited (GP) – 2 Float Lines
- 5. Sisecam Flat Glass India Pvt Ltd (Sisecam) – 1 Float Line



Thank You

ABOUT THE AIGMF:

The All India Glass Manufacturers' Federation (AIGMF) is a not for profit National Apex Body of the Indian Glass Industry, representing all segments and sectors since 1944.

Quarterly Publications:

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