



# THE GLOBAL MARKETPLACE FOR THE WOOD INDUSTRY

## ISC 2020 Intro to Indian Market



# Who am I and why do I introduce you to the Indian market



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## Tano Sebastian Khan

- **Co-Founder and Managing Director of Timber Base - 1st global digital marketplace for timber**
- **Digital entrepreneur + operations expert**
- **German Mother and Indian Father, with long business relations to India**
- **Share my birthday with my son, best b-day gift one can imagine**



# India - a diverse subcontinent with a massive population & huge catch-up potential

		
Official Languages	24	22
Total Area	4.5 M km <sup>2</sup>	3.3 M km <sup>2</sup>
Population	447M	1.3 Bn
GDP (per capita)	34.8K USD	2104 USD
GDP (% 2010-19)	+1,3%	+6,3%
Age (Median)	43.7	26.8

# India a land of differences

## Workforce



High skilled IT professionals

## Culture



Friendly and very welcoming

## Infrastructure



Broad offer of domestic air travel



Manual labor cheaper than machinery and automation



Hard bargaining culture



Overcrowded ground infrastructure

# QUESTION

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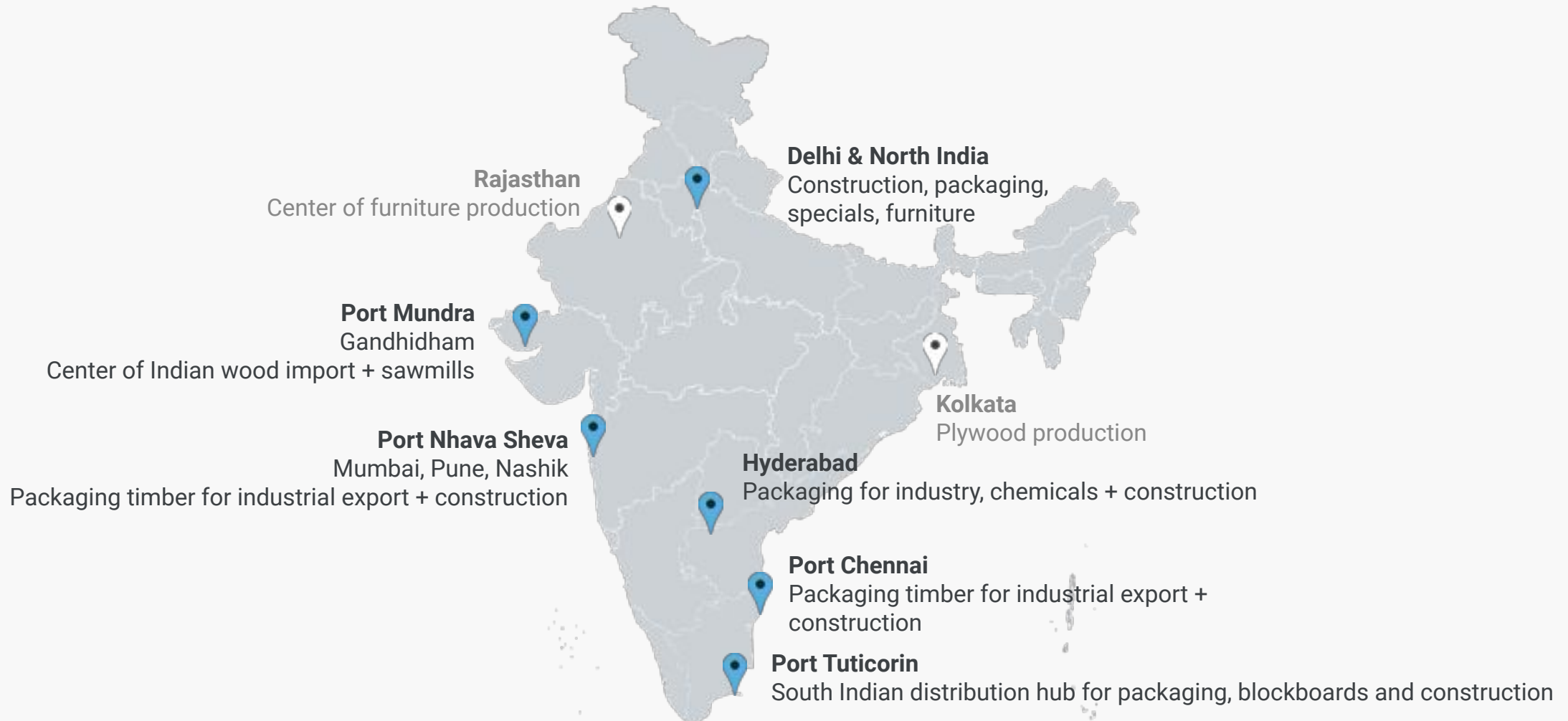
## Do you export to India?

- YES - via Importers
- YES - via dedicated Agents
- YES - with own local sales force

- NO - not planned
- NO - not yet, but planned
- NO - I'm a buyer, not exporting

# Main hubs of Indian wood industry are scattered around the country with a focus on the western part

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# Indian Softwood Buyer structure and functions

## Top Importers

**Import of 100+ Containers per month sawn timber**

### Function

- Import processes
- Distribution to Wholesale & Producers
- Warehousing



## Sawmills

**Import pine logs New Zealand & South America + sawn timber**

### Function:

- Sawing of imported logs, resizing of boards
- Wholesale, distribution



## Traders & Wholesalers

**Partial Import for distribution or procurement from importers & sawmills**

### Function

- Local distribution to construction, producer
- Warehousing



## Producers

**Partial import production or procurement from importers & sawmills**

### Usages:

- Pallet & packaging
- Door & Window
- Blockboard & plywood



# Majority of softwood is used for packaging material & construction

## Furniture & Windows



**Pine, higher visual grade :**

- 67 x 117 mm
- 34 x 94 / 120 / 225 mm
- 37 x 225 / 250 mm

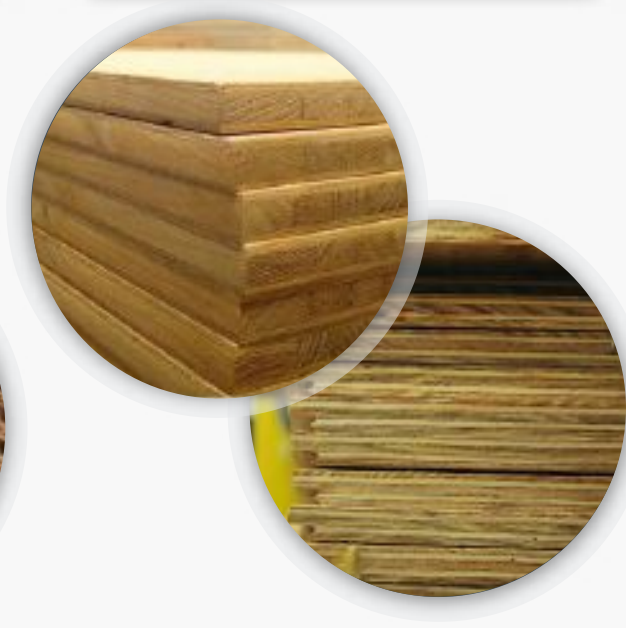
## Pallet & Packaging



**Pine/Spruce :**

- blue stains/wane often critical
- Pallet boards in thickness 17, 19, 20, 22mm
- Blocks sizes: 70x70, 70x90, 90x90mm etc.

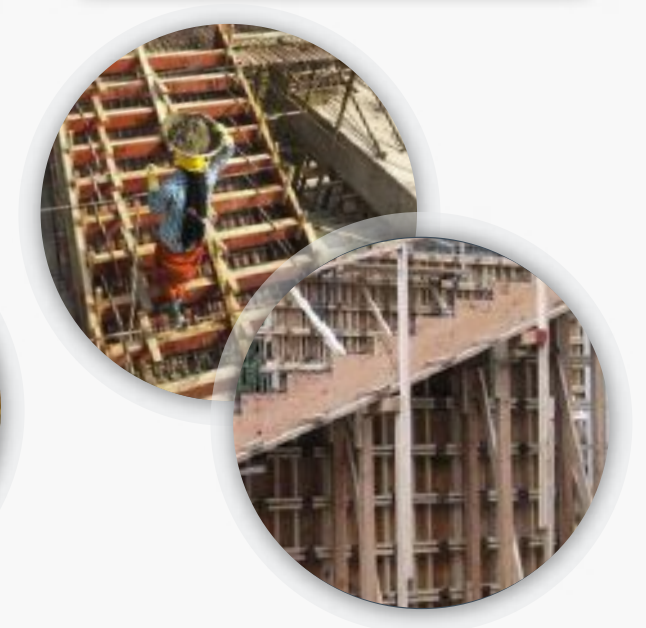
## Plywood & Block boards & Fillers



**Non visible grades as filler:**

- boards 20, 25, 30 mm

## Construction & Formwork



**Pine / Spruce, partially structural timber:**

- boards, planks 28, 32, 38, 67 mm
- KVH rejects



# Total wood import in India is 1.4 bn USD

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**Total Import**

**1.4 BN USD**

**Softwood**



**411 M USD**

**234 M USD - Logs**  
**177 M USD - Sawn Timber**

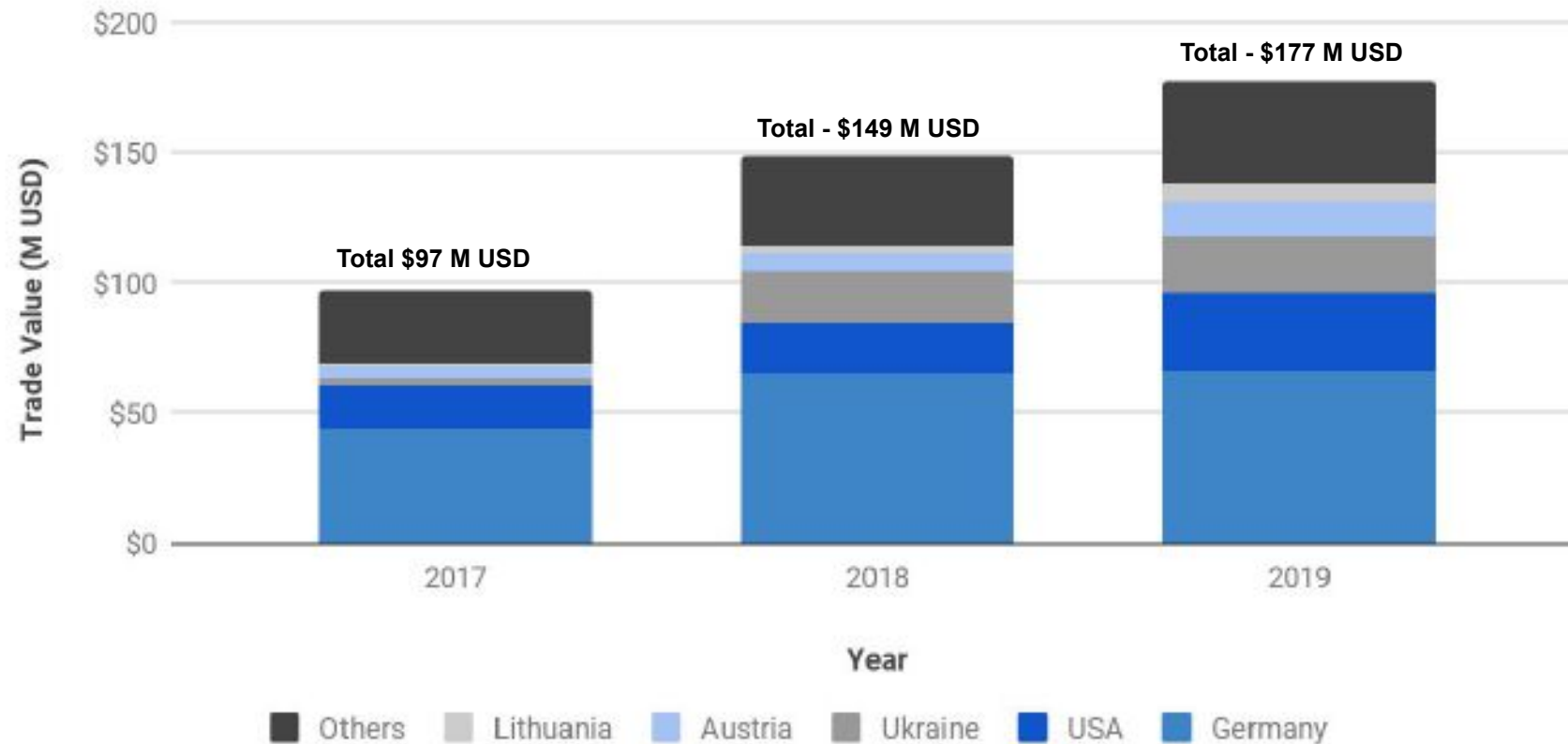
**Hardwood**



**193 M USD**

# Softwood timber import grew significantly over the last years - how will the Covid-Pandemic impact?

Import Value Softwood Sawn Timber



# Covid hit India hard and post covid impact on economy and wood imports is hard to forecast

**5,6 m + cases**  
2nd highest worldwide

**Nationwide full-lockdown 21 days End of March + extension in Red Zones + restriction to travel between states <sup>\*3)</sup>**

**2020-21 GDP forecast to a contraction of 14.8% <sup>\*2)</sup>**

**Rise in unemployment rates from 8% to 23% during April–August 2020 <sup>\*3)</sup>**

**10 million migrant workers returned to their native places <sup>\*3)</sup>**

Sources:

- 1) WHO Sept 20th 2020
- 2) Goldman Sachs - Deccan Herald Sept 8th 2020
- 3) TheWire.in Covid Statistics Sep 22nd 2020

# Developments in international wood market adds an additional challenge for Indian buyers

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## All time high prices in US Market

Large Producers focussing on Lumber Dimensions for US

Shortage or no supply from European suppliers

Price increases from supply side facing price pressure on demand side

# QUESTION

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**What is your sales expectation to India next 12 month?**

- **GROWTH - more business**
- **STABLE - same as the last 12 months**
- **Declining - less business**
- **Don't know**
- **I'm not selling to India**

# Timber Base - your global marketplace as easy gateway to India

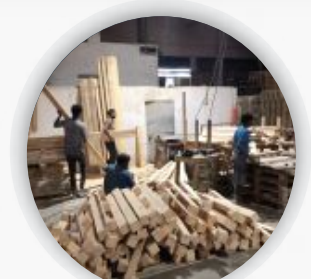
## Seller



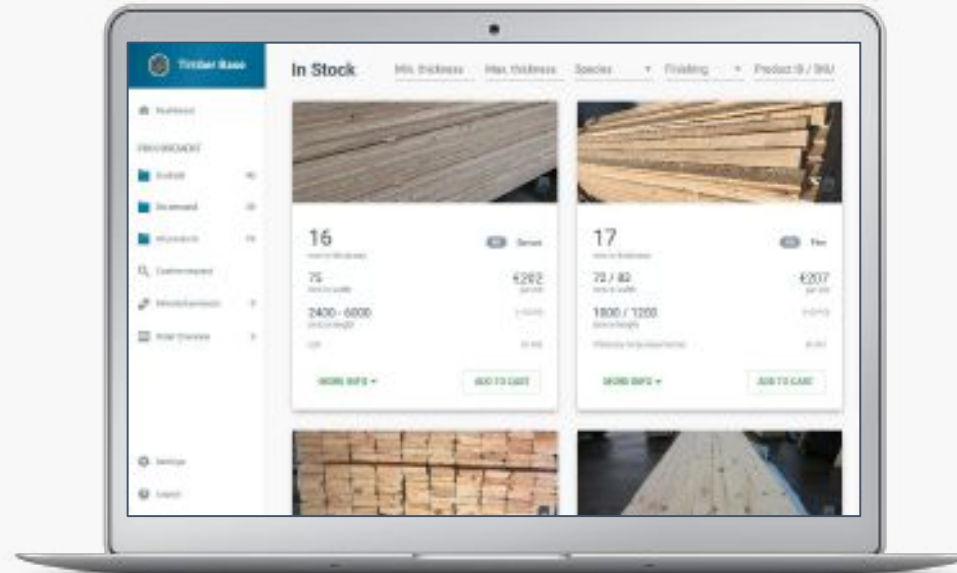
- Reach 1200 leads in India online with your offers
- Reduce the back-and forth of communication
- Increase average price with bidding



## Buyer



- Buy available products with all details incl. pictures
- One-click buy with instant prices incl. logistics
- Track documents & orders online



# Back-Up

# Some regulatory things to know

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## Import requirements

Timber from Europe is required to comply with **IPPC standards** specified in a **phytosanitary certificate**

Non-heat-treated timber have to undergo **fumigation with methyl bromide**



## Import regulations

Certain species are (or have been) **banned from import** to the Indian market (e.g. European douglas fir)

