Home Decor and Furnishing
Growth, Sustainability and New Opportunities

The plastic processing industry in India is thriving. The industry's decentralisation reduces reliance on major suppliers, with stabilised raw material prices aiding growth. Export opportunities in home decor and furnishing emerge with the diversified sourcing strategy of global players. On the other hand, new-age technologies like IoT and robotics enhance efficiency, while sustainability efforts focus on recycled materials. In this context, Pallav Doshi illustrates opportunities and challenges in the plastic processing industry while in dialogue with POLYMERS Communique.

Q. How is the plastic processing industry faring in India?

The plastic processing industry in India is thriving. We're seeing a significant increase in per capita consumption globally. The anticipated surge is mainly driven by the packaging industry, especially in food packaging, which is witnessing maximum growth. Over the past two years, the industry has experienced a substantial reduction in price volatility and shipping issues, which has greatly benefited the sector.

Moreover, the industry's dependency on one or two major global players has decreased significantly. Countries are starting to hedge against this dependency, leading to a decentralisation of production and converting processes. This shift has opened up numerous opportunities. We are also seeing stabilisation in raw material prices and most global supply chain issues that affected us have been effectively addressed. As buyers / consumers increasingly seek to diversify their sources, they are purchasing from different countries to reduce dependency, further propelling growth in our sector. The Indian government is actively promoting the 'Make in India' initiative and implementing policies to boost manufacturing. This also creates a conducive environment for new opportunities, investment and growth in the plastic processing sector.

Q. What are the challenges that a contract manufacturer in your sector faces? What are the ways to overcome these challenges?

In contract manufacturing, customer relationships typically span a minimum of 10 years. Building and maintaining these relationships requires significant time, monetary investment and a long-term strategic commitment from both parties.

There are primarily two types of challenges we encounter as below.

Longer Customer Acquisition

Because these relationships are long-term, the acquisition process can be slow. It involves thorough due diligence, ethical audits, product audits and training, all of which take time and resources.

Changing Customer Preferences and Smaller Product Life Cycles

Pre-COVID, a product might have a stable life cycle of 4 - 5 years without major changes. However, post-COVID, customers often negotiate programmes that include numerous variations and versions right from the start. This shift requires technology that supports smaller production runs and quick changeovers. As customer needs evolve rapidly, we must cultivate a mindset focused on achieving optimal efficiency in the shortest possible time.

Additionally, customers are increasingly seeking customised solutions, which represent a broader shift in expectations. This demand for personalisation complicates production processes, making short-run technology and planning more challenging.

While there are significant opportunities arising from diversification and the +1 sourcing strategy, manufacturers or processors also face challenges due to an underdeveloped ecosystem. The success rate of consumer initiatives and the speed of project turnaround need substantial improvement to meet the evolving market demands effectively.

To overcome these challenges, we need to enhance our understanding of customer needs through regular communication and feedback. Investing in flexible production capabilities that support short runs and personalised solutions is essential. Furthermore, building stronger partnerships within the industry will help create a more robust ecosystem that fosters innovation and improves overall success rates.

Pallav Doshi
Chairman and
Wholetime Director,
Essen Speciality Films Ltd.,
Rajkot

POLYMERS Communique • December 2024 - January 2025