

**L R Katrat**

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**“Gujarat produces more than 60 per cent of hydrocarbons, which is higher than any other state in the country”**

**Challenges and opportunities associated with business development in the plastics industry in Gujarat**

The future of the plastics industry seems bright, as statistics show that per person consumption of plastics has grown significantly in recent times. Plastics has replaced metals, glass, ceramics, paper, wood, etc and is one of the significant raw materials used for various purposes ranging from household applications to industrial & high-end automobiles to hi-tech space shuttles.

The challenges faced by the plastics industry are numerous, as plastics is not biodegradable, and hence poses as a major cause of concern for ecology conservation and waste management. Due to the rising costs of petroleum products (hydrocarbons), the economics of the industry will be highly volatile leading to monopoly and misuse by influential manufacturers of raw materials.

**Hurdles faced by Katlax while introducing novel concepts**

We faced critical problems due to various factors such as raw material pricing, which is highly volatile, and while our buying power is low, the selling prices are tagged to levels that are rigid and stagnated. Moreover, our customers have high expectations from us. We are not only expected to achieve technical excellence but also expected to keep the prices low, which generally happens with high volume white consumer goods like PC, laptop, camera, VCR/DVD, etc. We are susceptible to changes on the Brent Index & London Metal Exchange when

it comes to paying for raw materials, and when it comes to selling, we are caught between technical excellence and price war from competitors.

**Views on sustainability of products**

All plastics processors have to ensure that their processes are energy-efficient at all levels of manufacturing and they will cause no harm to the environment as a result of processes that involve chemicals in the form of solid, liquid and gas. Also, more emphasis needs to be given to the recycling of waste material. Plastic waste is already a major concern and many states have outlined certain legislations for banning plastic bags and articles that are dangerous to the environment.

**Strategies for profitable growth of the Gujarat plastics industry**

Gujarat produces more than 60 per cent of hydrocarbons, which is higher than any other state in the country. Major facilities are located in clusters like Vadodara, Ankleshwar, Hazira, Jamnagar, Ahmedabad, and they share similar concerns with regard to the environment and its preservation. With automobile, packaging and infrastructure sectors booming, the plastics industry will witness tremendous growth and profitable operations.

**Future plans of Katlax to capture more markets in India and globally**

We are associated with leading plastics processing machinery manufacturers like Windsor, L&T Demag, Lohia, Prasad

Group, Palican, Rajoo Engineers, KHS, Desma, Polymech, Mamta to name a few. In addition, user industries like drip irrigation, pharma, PET bottles, flexi packaging, etc, help us grow and expand. With our associates – OEMs – going global, we expect to definitely gain a large share in the global market.

**Gujarat’s potential as a market**

As mentioned earlier, Gujarat contributes to more than 60 per cent of hydrocarbons and there are top ranking plastics machinery manufacturers in this region. The State is also a leading pharmaceutical and processed food manufacturing hub. There is a huge potential for the packaging industry, thereby resulting in good demand for both raw materials and machinery; these prospects are all set to fuel the growth of plastics industry. The major refineries such as Reliance, Essar, Indian Oil Corporation (IOC), etc are

located in Gujarat, which are the basic producers of raw materials. This augurs well for Gujarat and puts the State in an advantageous situation.

**Emerging trends and growth drivers**

Unlike any other market, plastic products are facing major quality and cost competition. Hence, there will be lot of pressure on manufacturers to use energy-efficient manufacturing; pollution-free processes; and precision work that will drive organised sector’s growth. Besides, all manufacturers will be required to evolve transparent system and comply with accepted quality norms and benchmarks. The organised sector is bound to grow.

**Role of plastics industry towards economic development of Gujarat**

It is a major contributor to the State’s revenue; a significant source of employment; and overall economical development.

**Advantages & disadvantages of investing in the plastics industry in Gujarat**

Though we are not directly engaged with plastics industry, we are associated with plastics processing industry in all forms. We see a great advantage in being a Gujarat-based company as it is home to both raw material and machinery manufacturers and both are our customers.

**Company’s performance in the last few years and its future plans**

For the past two decades our association with plastics industry is constantly growing and it is next to textiles in terms of revenue generation. We are truly fortunate to be located in Gujarat where most of the leading plastics machinery brands are based and their patronage has enabled Katlax to grow from a small brand to reach its present stature of being a global brand.

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