

# MARKET

## BUSINESS & FINANCE



# Asian Paints plans capacity expansion

A joint venture between Al Hassan group and Asian Paints India, the company is planning to raise capacity by four to five times to 25,000tpa from the current 6,000tpa

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**MUSCAT:** Asian Paints (Middle East), a joint venture between Al Hassan group and Asian Paints India, is planning to raise capacity by four to five times to 25,000 tonnes per annum, a top-level company official told *Times of Oman*.

"We are going to put up a plant, which will be four to five times the size of the existing plant. Our existing capacity is around 6,000 tonnes per annum (tpa), which will be raised to around 25,000tpa. It will be implemented in a phased manner. But some level of work is happening," said P. K. Raj, General Manager,



P. K. Raj

Asian Paints (Middle East). Raj noted that his company is on the brink of its capacity, which is prompting the management to go for overtimes and extra shifts.

Asian Paints chief also said that the envisaged investment for the proposed project is around RO4-5 million.

Asian Paints sells all its paints in Oman under Berger Paints brand, after the company took over operations of Berger Paints worldwide some years ago.

### Proposed expansion

Saying that the expansion plan will depend on how the region's economies fare, he noted that the proposed expansion is for catering to the demands from the region. "This plant can cater to neighbouring markets in the region and not just Oman. The Sultanate is not going to have that

kind of demand in the immediate future." Raj also said that in view of "some downtrend in places like the UAE and some problems in Bahrain, the company is slightly on the back foot." He said that Asian Paints (Middle East), which is the third largest paint producer in Oman, has a market share of about 12-13 per cent in the country. "Our intention is to become number two in the next two to three years, by increasing our market share."

### 'Doing extremely well'

Saying that the size of paint market in the country is less than RO50 million, Raj noted that his company has been "doing extremely well this year."

"Our sales growth was around 20 per cent in the first half, though the market conditions were not too good. The market must be growing at around 9-10 per cent this year." Demand for paints is mainly coming from re-painting purpose and from real estate sector for new paints. Demand for paints is related to the development of real estate projects. However, re-paint segment (for both decorative and protective purposes) is a large segment as the average re-painting cycle in Oman is once in two years. "This is actually driving the boom, more than the construction sector."

The company, which is the market leader in wood finish segment, has a strong presence in other segments like protective paints and decorative paints.

## Firm leads in lead-free paints

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**MUSCAT:** Asian Paints has taken a lead in producing lead-free paints, which are non-toxic and healthy for people. "We have moved all our paints into lead-free. We think it is important from the point of our corporate social responsibility," said Raj.

He said most paints are toxic in some nature because of the raw materials used in making paints, especially solvent based paints. This impacts children the most, according to studies conducted by WHO. If lead goes into the blood stream, the nervous system of children can be impacted, causing mental retardness and other complications related to behaviour issues.

"Therefore, we, as a company, have completed moved away from lead-based paints. This is something that we are focusing on and educate people across the world."