



# Where in the World is Paul Nugent?

PAUL NUGENT | MNOP

NOTES FROM THE ROAD

It's Goa time - warm days, cool evenings, a resort that would not be out of place in Hawaii and where the forecast is always warm and spicy. And it's amazing to see so many foreign delegates here, a mini-United Nations of Rotomolding (UNR) with some 80 out of 170 delegates at the StAR conference attending from overseas: everywhere from Japan to Ghana and from New Zealand to Iran. There are so many sides to this picture: suppliers contemplating huge growth, molders hungry for new ideas, consultants sitting by the pool. Many of the faces are familiar and a number of the presentations have been seen before - but not by everyone so that there is always the possibility of a new connection. What stands out most for me is the level of optimism, not just from Indian rotomoulders but from the country in general. While Obama has to stop and rethink his path to totalitarianism in the US and Europe drags itself slowly out of recession, the Indian economy seems to have rolled steadily on. It seems to have been largely unaffected by the financial mess (there have been high-level scandals, but they have not been widespread) and there is an expectation for growth and big plans for their infrastructure. And if there is one industry that benefits strongly from



Goa time...warm and spicy"

infrastructure and all its associated products, it is rotomolding. The overall market at the moment is around 100,000 tons per year (albeit with 40,000 tons concentrated in one company!) making it tantalizingly small for a country of 1.17 billion people. However, with a target of 500,000 tons in the sights of the largest material supplier, Reliance Industries, Ltd., it could certainly become one of the most significant.

For the moment though, the market is very much in a developmental mode, products are simple (94% of molders make water tanks which make up 74% of the volume) and technology is still only really being adopted by the major players (not unique in the world). While companies such



as Promens have the ability to bring a highly professional approach to the marketplace, the vast majority of the 300+ molders are small entrepreneurs who could not afford to participate in the conference (again not unique in the world). Whether this is due only to economics or lack of interest it means that there is a relatively concentrated group that seems to join all the events - similar to what we see in the US and elsewhere. How to structure fees and events to attract the smallest (and most likely to benefit) molders continues to be perhaps the most difficult challenge for all associations.

From a bigger perspective, the rotomolding industry is something of a reflection of the real-world where two India's co-exist. Just as a relatively small group of molders can avail of the efforts of their association to bring the world of technology and opportunity to their doorstep while the much larger group is limited in their access to capital, both financial and technical, the population is dramatically divided. Outside the world of plastic tanks, the poster campaigns in New Delhi highlight the plight of the country's tigers - there are apparently only 1411 left and under extreme pressure from poaching and human encroachment on their breeding grounds. But there

are no posters highlighting the plight of 40-60% of the Indian population. While wealth in any country is always concentrated in the hands of a few, the degree to which this occurs here is incredible - a huge proportion of the country lives in shocking poverty while another group integrates with the Western world on an equal footing. In the past, the struggling group could not see beyond their condition but with modern communications (there are 15 million new cell-phones added every month) they can now see what the rest of the world can enjoy. What would happen if the passive culture of acceptance of the Indian people turned to one of resentment? And even if they remain passive, what happens as their consumption rises and puts pressure on the earth's finite resources? It is hard to imagine the pressure-cooker developing as the hopes of hundreds of millions rise - the optimistic forecasts of governments may be derailed simply by that most basic of human demands of a fair shot at life. We may find that events overtake us before that magic mark of 500,000 tons is reached...

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