

# 'Sector will grow at 20-25% annually'

— Amit Gupta, Chairman and Managing Director, CICO Technologies Ltd



*CICO Technologies Ltd, which manufactures under the CICO brand, recently launched Corchem products in the Indian market. Amit Gupta spells out his company's future plans to Madhu Chittora. Excerpts from the interview:*

**What is the market size of the construction chemicals industry and what factors will contribute to its growth? At what rate is it expected to grow in future?**

The construction chemicals market is scattered and diverse. The market size of the organised construction chemicals sector is around Rs 500 crore and the unorganised sector accounts for much more; the main reason being that waterproofing is the oldest form of construction chemical and there are small manufacturers of waterproofing in various parts of the country.

The construction chemicals industry will grow at the rate of 20 to 25 per cent every year. In devel-

oped countries the requirement of construction chemicals for repairs will be more and in developing countries the requirement from new constructions will be high.

The major growth drivers for this industry are: More mechanisation in construction activities requires more varieties of construction chemicals. People are also becoming more aware about concrete structures and to make these structures durable, construction chemicals are needed.

**Why is this market dominated by so many players?**

There are plenty of construction chemicals manufacturers in the market. Many players venture into this sector because they think that it is easy to manufacture construction chemicals. As in the UK, during the early 1980s there were around 500 registered construction chemicals manufacturers but now hardly five or six remain. This is because in construction chemicals business manufacturing alone is not sufficient; it should be complemented by good service which all the players are not able to provide. Constant upgradation of products, good quality service and quality materials are necessary elements to survive in this industry.

**What are the problems for the growth of the construction chemicals industry? What solutions do you suggest?**

For the growth of this sector, users and specifiers of construction

chemicals need to be educated. Often a designer specifies about construction chemicals products and often they are not fully aware of construction chemicals. It is the duty of the industry to educate various users and specifiers. Fly-by-night operators pollute the industry. The duty on imports (of raw materials) is around 30 per cent. If the duty is reduced, it will create more export potential. It is also necessary to conduct seminars to discuss problems faced by the industry.

Besides, it is necessary to look at the performance of the company, what it can offer and what it can deliver. The client or consultant should opt for good quality construction chemicals and not go by the cost alone.

**Tell us about your company's new ventures and existing units.**

To sell our products in the Middle East, we will be setting up a franchisee in Qatar in association with Al Jabor by April this year.

Within three months the company will venture full-fledged into retail products like stick-on adhesives and flooring materials required by the food and pharmaceuticals industry. The products will be known by the name of Corchem as the knowhow is from Corchem, USA.

The total manufacturing capacity of the company is 10,000 tonne per annum. One unit is located in Gurgaon, Haryana; around six months



ago the company established another unit at Dehradun, Uttaranchal, having capacity of about 150 tonne per month. Apart from this the company has blending units in Chennai and Kolkata. **A brief about your company...** The company manufactures waterproofing compounds, super-plasticisers and retarders, epoxy and polyurethane products, tile adhesives and grouts. The company has a good retail network and exports its high-range products like plasticisers, polyurethanes

and epoxies to Sri Lanka, Bangladesh, Mauritius and Nepal. The company has orders from Korba and Rihand projects of NTPC, Delhi Metro, and various hydroelectric projects. The company's turnover is around Rs 45 crore. CICO is the brand and it has been in existence for the last 70 years. CICO Technologies Ltd was formed following the restructuring of the old family business some five years ago, and in the settlement the company moved out with the CICO brand. ●