Technology & Innovation are the Keys

K. SAMARAJ

K Samaraj, President of IIF & M.D of Magna Electro Castings Ltd. has completed BE from University of adras in 1977 and MBA from University of Michigan in 1979. He was also a member of CII – Chairman of Coimbatore Zone from the year 2004-05, Tamilnadu State Council (2005-2013), Southern Regional Council (2005-2012), Co- convenor of SME Panel from 2006-2007 and Director of Tamilnadu Electricity Consumers Association between 2004-2007. In the past K. Samaraj was a Chairman of Coimbatore Chapter and NC member from 2008 till date. He was also a Co- Chairman of Finance Sub Committee from the year 2014-2015. In 2012, he was Chairman of Asian Foundry Forum, Banglore and from 2014-2015 he held the position of Vice President.

"The foundry industry in India will continue to play vital role in Indian Manufacturing especially in engineering sector. Since the policy makers have realized that manufacturing needs to grow to enable create millions of jobs that will be required in the next decade & to meet the aspirations of the people & for inclusive growth, we see good prospects for the foundry sector in the long term", says **K.Samaraj, President, IIF** in an exclusive interview with **Metalworld.** Excerpts

Indian auto industry is growing rapidly. How will it impact foundry sector?

- As per Automotive mission plan (AMP) 2006-16, the auto sector was to be 160 Billion USD industry by 2016 which has not happened. Now a new AMP 2016-2026 has been envisaged which aims the Auto sector to be approx USD 260-300 Billions industry by 2026 from current levels of approx. USD 74 Billions. This means a fourfold growth of auto sector is the new target in next 10 years. However, as seen in the past the actual achievement was only 50% of what was planned in original AMP (2006-16). Experts however, feel the new target is achievable given the policy initiatives being taken under the Make in India programme by improving ease of doing business & promoting investments in infrastructure & manufacturing & initiatives in skill development.

Since foundry industry is the key feeder to auto& auto component industry, this will augur well for foundry sector in the long run & will drive demand for castings from foundries .The foundry industry will also have to grow in tandem to meet the demand of components.

However for the auto industry to grow the focus will have to be on manufacturing for exports as the present infrastructure in our cities & towns may not be able to take so many vehicles inspite of growing needs .Moreover, the auto industry will have to be extremely innovative & fuel efficient & environment friendly & be able to compete internationally .This will need acquisition of new technology, development of new materials & new technology partnerships with global leaders in the field to achieve the set targets.

Do you see any impact of the pollution control majors taken by the government on the foundry sector?

- The pollution control measures are likely

to be more & more stringent in future .This will mean additional environmental cost to foundries .Foundries have already realized this & are gearing up for the change by adopting greener processes & technologies , energy & natural resource conservation, recycling of waste like sand & other waste.

Which countries and markets will you focus in the coming years?

- The main thrust will be of course USA, Europe, Africa, Gulf countries .There will be good scope for foundries in defence, Railways & aero space & power generation in the coming years.

What is the present status of the Indian Foundry industry?

- The Foundry industry currently produces 10 Mn Tons approx. of cast components in ferrous & non ferrous category as per various international standards. The foundry sector's annual turnover is approx. USD 18 Billion at current production rates. It is however only 10 % of global production by weight.

Indian Foundry industry gradually rose from no. 5 to 3rd largest producer of castings globally over last 10 years. Indian casting industry has grown by over 43% over 2008.

It is estimated that to meet demand for castings for various sectors, the replacement parts & export requirements, the industry production will have to increase to at least 30 Mn Tons in next 10 years to support manufacturing.

Currently, the foundry sector is exporting castings worth USD 2.2 Bn annually & there is a huge potential to improve market share by increased value addition markets.

How do you see the future prospect of foundry nationally as well as globally?

- The foundry industry in India will continue to play vital role in Indian Manufacturing especially in engineering sector. Since the policy makers have realized that manufacturing needs to grow to enable create millions of jobs that will be required in the next decade & to meet the aspirations of the people & for inclusive growth, we see good prospects for the foundry sector in the long term.

India has over the years moved from 5th to 3rd largest rank as manufacturer of metal castings .In fact it is marginally behind USA .We are confident that India will become 2nd largest manufacturer of castings in a couple of years & also improve exports of castings by three fold in 5 years to at least USD 6-7 Billions.

What are your views on technological up -gradation in foundry industry ? How is IIF catering to this?

- The technology & innovation are the keys to global competitiveness .IIF has been disseminating the information of latest technologies available worldwide & helping the industry to adopt these by forming clusters ,by partnering with global leaders .IIF has signed MoU with japan Foundry Society for sharing of knowledge & information for benefit of the members & also organized works visit of its members to Japanese foundries to give exposure to the Japanese processes, technologies & best management practices .IIF regularly organizes participation in various international events for its members for giving exposure to the global markets & best practices .Some of these events have been supported by Ministry of MSME.

IIF also organizes Indian Foundry Congress & International Foundry Exhibition annually which is the largest event of its kind in India .The objective of this event is to provide platform to Indian foundry fraternity to interact with global leaders & to learn & adopt the latest technologies ,application of IT in foundry processes & management ,learn & adopt new environment friendly greener & productive technologies ,in process quality management techniques by use of IT ,robotics ,recycling of natural resources ,waste reduction & productive cost effective design by use of IT as a design & manufacturing tool.

What support do you expect from the government for foundry sector?

- We expect the Govt. to rationalize tax structure on raw materials ,take corrective actions for inverted duty structure in certain cases & promote ease of doing business by simplifying procedures with regard to environmental clearances ,consent to operate ,waste handling & disposal.

The tax incentives on investments in energy efficient, Recycling equipment & productive equipment will be helpful in promoting investments in manufacturing in foundry sector which will help create capacities to support "Make in India" as well as help conserve energy & natural resources.

We also need help from Govt. in upgrading the ITI & polytechnics near major foundry clusters to meet the present day & future needs of foundry industry by creating modern infrastructure for skill development & also for setting up two modern institutes like NIFFT Ranchi for ensuring availability of skilled manpower for present & future needs of industry & to support "Make in India".

Further, we will also like to see if the Electricity act is modified to ensure compliance by all states & State Regulatory commissions to make available open access to power & also to make power available at competitive rates as foundry industry is highly energy intensive.