

# Global Iron Foundry Industry is Stable



## What are the present trends in Foundry industry on global level?

- The global iron foundry industry is stable. In Europe and the US the foundry industry is on a lower level than in the past, but still stable also for the next coming years. The foundry industry in the MENA, SEA areas as well in India will increase in the coming years. Unfortunately, the investments in the foundry industry in the BRIC countries did not increase as one did expect some years ago for several reasons.

From the history we all know that almost 50% of the iron foundry production is direct or indirect related to the automotive industry. The automotive industry in Europe, US and ASIA is still stable which results also in a more or less stable foundry industry. However, one could observe that more and more European foundries got more specialized in high end products whereas the production of no high end castings got transferred to other parts of the world.

## ABP induction has been operating in India quite a year now, what is your experience?

- India is third largest casting manufacturer in the world; next only to China & USA. Installed Capacity of Indian Foundries is 15 Million MetricTons/ annum and annual production is nearly 10 Million Metric Tons. Number of Foundries is 5000 (Approx.) out of which 85% are Small units; 10% are Medium Size Foundries and Only 5% are large organized units.

Against around 60% capacity utilization in the years 2012/2013, the capacity utilizations have dropped to 40 to 45% in 2014/2015.

With slight upward trend in automotive in 2016, the capacity utilization of foundries are improving. Also the large / professionally managed foundries are performing well.

Some of the foundries are looking at high

technology parts like Turbo chargers housing, thin wall cylinder block etc. These efforts will give them access to export market with good return.

Energy efficient operation is the key to success thus; High power density furnaces are getting more popular. There is clear direction for many foundries to replace old inefficient furnaces with new efficient furnaces.

Also the popular size of furnaces is shifting. The small furnaces of 300 / 500 kgs in large numbers are getting replaced by 2 ton / 3 ton furnaces.

The furnace cover / hood or exhaust ring is now well accepted solution for many foundries as the pollution norms are more stringent.

Saying that, ABP has strong interest in the Indian market and we are proud to be with our own company for more than 40 years in India present, we are also looking in a bright future for our Indian company as well.

## How do you see the future prospects of Foundry industry, short term as well as long term?

- The foundry business is one of the oldest industries in the world and it also survives the next decades. The challenges for the foundry industry for the next years will be:

- Relocation of foundry production more and more to low cost countries

- The major increase of production will take place in ASIA. The biggest demand for foundry products will come from the emerging markets. That will make a global footprint for the main foundries mandatory.

- The consolidation of companies within the foundry industry will continue

- New developments and innovation are required to provide a more environmental friendly working area.

- Innovation on casting technology will be



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During this time, he was responsible for different resorts i.e. sales, project management and others. He is also the Member of Group Executive team.

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**Franz A. Schroeder, Executive Vice President, ABP Induction Systems** in conversation with **Metalworld**. Excerpts

required; in the automotive industry, some iron products will be substituted by other alloys like Al, Mg.

## Tell us about the future of ABP induction Systems.

- ABP is serving it's customers in foundries, forgings and steel plants since more than one hundred years all over the world. It is always our aim to provide our customers latest state of the art technology along with the most reliable service activities.

ABP made during the recent years big innovation steps by installing the most powerful induction furnace which has ever been installed on our globe ( furnace capacity 65 to, 42 MW ) to melt FeCr. Furthermore ABP did supply high sophisticated products for induction heating in steel plants (rolling mills) together with transversal flux technology.

Also in the coming years, ABP will constantly push to be seen by our customers as preferred supplier by offering the best and most efficient technology and quality to make our customers more competitive in their business