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Editor

Dear Readers,

2018 has been a year of steady growth for Indian metals sector. It bettered its performance on all the three fronts, demand, production and consumption. As we all know, China is undoubtedly the world leader in this sector. Further, the difference between India and China is so huge that there is no comparison at all. At the same time, one must remember that India has just entered high growth part of the economic curve and next two decades or so, all are expecting Indian economy to grow at a spectacular rate. This growth will need a lot of infrastructure in the form of roads, ports, airports, railway and metro network etc. which is expected to consume huge amount of metal.

Adding metal capacity is not only about building manufacturing plants. The complete ecosystem of mineral and metals process chain has to gear up. To start with, we need more ore, more coal, more refractories, ferro

alloys and other inputs. Equipment manufacturers have to step up their deliveries. We need more design and contracting companies. This is only part one and to say so, within the periphery of the industry. Given that the land acquisition bill is not yet passed, we all know how difficult it is to get land allotments for mega projects. Further, such project have a longer gestation period. On the backdrop of many defaulters in the recent past, it is not easy to raise finance for future projects. Unlike IT, pharma and other such sectors, given the cyclic nature of metals business, returns from metals are not attractive for the investing community and thus it is never eager to fund these projects. At the same time the silver lining to all the above dark points is that Indian economy is continuously growing and is expected to continue this path for the next few years. As infrastructure development is the heart of economic progress, this will surely act as a trigger to boost the metals demand in the future.

Now a word about recent union budget. Metals industry has always taken a stand that there should be more investment in infra. This will automatically help metals sector to grow. Industry veterans are also arguing that metals sector should be kept out of FTAs. The metal products from these countries compete with the domestic players in an unhealthy way and dent their prospects to that extent. This is especially happening in case of downstream products of aluminium and copper. Pipe fittings, wires, extrusions, castings are the backbone of Indian MSME sector. The unwanted imports from these FTA countries have further increased the problems this sector is facing. Most of these FTAs are done with a political and geostrategic agenda. Nothing wrong with it but in my opinion, industry voice has also to be heard and given due respect while freezing these agreements otherwise it can harm the domestic industry on a long term basis.

The performance of Indian economy largely depends on how and how fast these worries are addressed! ■

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