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Editor

Dear Readers,

Since last few years, the MSME sector in India is really facing a challenging period. The demand seems to be stagnated, which has somewhat restricted the capital inflow. Also the Indian markets are flooded with Chinese goods which are cheaper. Conventionally Indian markets are said to be quite price sensitive and will prefer a compromised quality at a lower price. This has put the MSME sector in a fix. Many industrial hubs in the country have a long list of closed units. The ones which are running are too struggling to meet both the ends.

Most of the foundries fall under MSME sector but surprisingly they are doing much better as compared to other units. As we all know, around 60 % of the castings are consumed in auto sector which is showing a decent growth rate since last few years. This positive sentiment is naturally reflecting in the performance and the overall

approach of foundries. Many foundries are operating in full swing and also planning expansion. The exports of castings, which was not growing for few years, has also started upward journey.

Of course, this does not mean that foundries are free of all the problems. Employing outdated technology and processes is one of the major issues. Many foundries still use primitive equipment and hardly follow international safety norms. If as an industry, we want to become globally competitive, we have to adopt global standards in all the areas and use smart manufacturing techniques. Another major issue faced by the foundries is lack of technical manpower. It seems the salaries and the environment of foundries cannot match the aspirations of the youth. They want more lucrative and comfortable jobs.

Since April 2018, the situation at national as well as international level started changing. The US economy started moving ahead and this sentiment spread in other parts of the world as well. The oil prices started firming up a little and to some extent, reduced the liquidity crunch in the Middle East economy. Halted infra projects in the region got the fuel to speed up. Also, the warfare activities in this region seemed to have taken a back seat. In India, many infra projects which were on the planning and designing table, came on the site and their metal requirement started showing up. Bridges, metro projects, highways, air & sea ports, all these require huge amount of metals in various forms and are very much capable to change the mood of the metals producing sector.

As such, I see a bright future for foundries as well as metals sector on a long term basis but few policy majors have to be taken immediately to boost the demand of Indian products and to inject some more capital in the MSME sector. ■

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