



D. A. Chandekar
Editor

Dear Readers,

It is a well-known fact that the economic progress of any region is triggered by the infrastructure development. Huge quantities of steel in various forms is required in this process. As the society progresses, its requirements change too and the usage of aluminium starts increasing.

Extrusions are used in auto sector and have replaced certain steel items. Now construction industry has started using huge quantities of aluminium extruded products and the demand of extrusions is gradually increasing for the last few years. Other sectors such as shipping, railways, defense are also exploring the possibility of using extrusions on a large scale which will further boost the demand.

Aluminium castings are largely used in auto sector. Today there is tremendous pressure on the auto sector for

fuel efficiency and light weight consideration. This has prompted use of more and more aluminium castings instead of steel. The other sectors like power, engineering, defense are also preferring these products over other options and thus greatly contributing to the demand of aluminium metal in the country.

The use of other downstream aluminium products like wires, sheets, foils is also increasing and helping the other industries to grow. Thus there is a great demand for these downstream products and as these are essentially smaller units need support of primary metal producers. This is the logic behind development of downstream aluminium parks in the vicinity of primary producers. In my opinion, this concept creates a perfect win-win situation for both primary as well as secondary units.

Around half of castings go in the auto sector and thus the fortune of Indian foundries largely depends on the performance of the auto sector. Though the auto sector is steadily growing for the last few years, presently it is in somewhat depressed mode. The sales curve has deepened a bit and this negative sentiment has affected the foundry industry too. This year's low monsoon and possibility of forthcoming drought can be one of the reasons for such a slow down. Let us hope the situation revives fast.

The union budget for the fiscal 2019-20 was recently announced in the parliament. While it certainly addresses the middle class and the agro based population, unfortunately it is silent on MSME sector. As we all know, MSME forms the backbone of any developing economy and provides maximum employment and also collective turnover. Most of the foundries and other downstream units of non ferrous metals fall under this category. Today, they are in a dire state and are fighting for the survival. Stagnated domestic markets, shrinking export opportunities, lack of access to reasonably priced capital are few of their major worries.

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

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