

Kamal Prakash, Director, Jiwanram Sheoduttrai Group tells us why aluminium is hot stuff in India right now

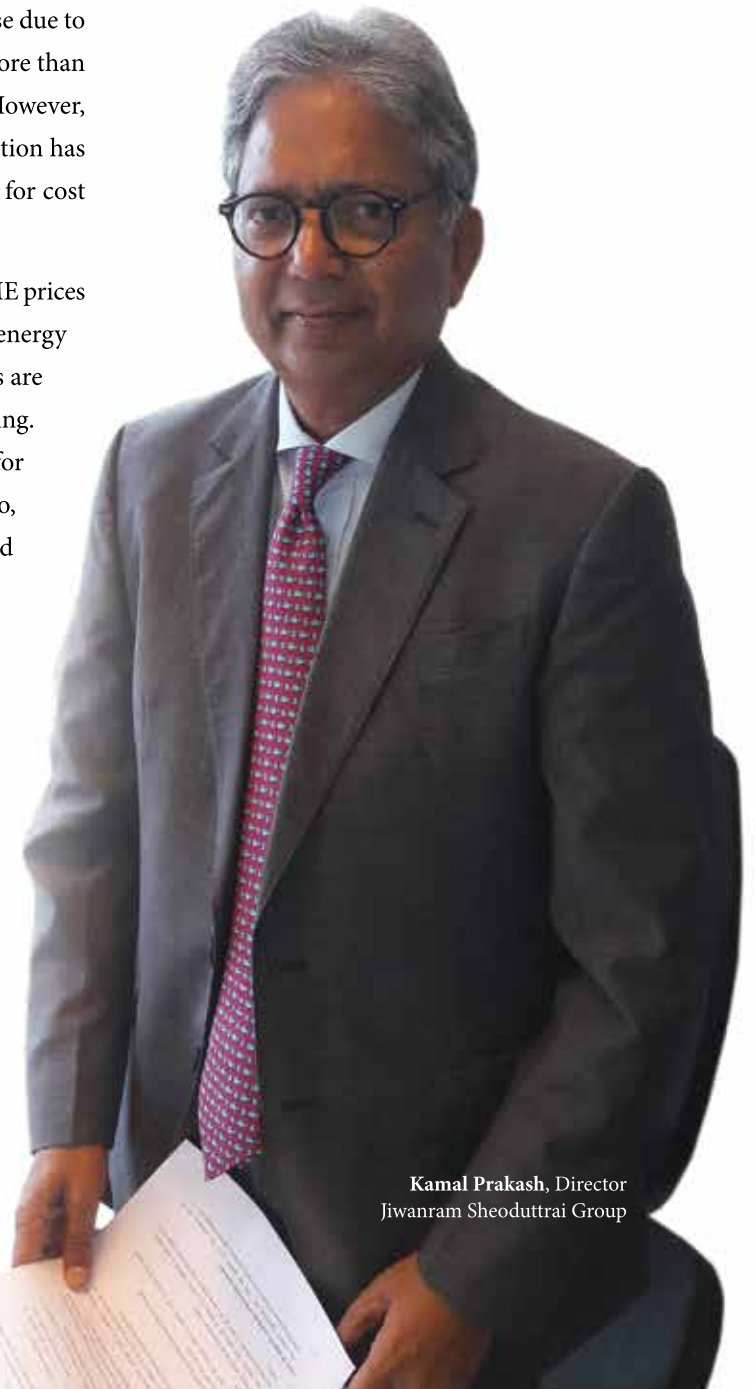
How do you see the current domestic and global aluminium industry?

Challenges are the other side of opportunities. The global aluminium industry as well as the domestic industry has been going through a critical phase due to volatility in the commodity market. Low LME prices have lingered more than we expected defying the cyclic price movement of the metal market. However, the challenge to survive low LME price and the higher cost of production has compelled aluminium producers to work on alternative technologies for cost cutting and also towards building a strong value-added segment.

While the primary aluminium industry is lagging behind due to low LME prices and premiums, the costs have also significantly come down due to low energy costs, freight, CPC, pitch, aluminium fluoride. Almost all input prices are significantly lower. On the other hand, the demand situation is improving. Globally, the aerospace and automotive sectors are boosting demand for aluminium alloy, extrusions and rolling sheets. In the Indian scenario, demand is mostly driven by the electrical and construction sector, followed by railways and defence industry. Overall, the situation looks promising. Asia is getting stronger both in the upstream and downstream sector. India holds a strong position in aluminium due to the availability of metallurgical grade bauxite & coal and the recently upgraded MMDR act (this needs to be further tweaked) is expected to change the mining situation in India to a great extent. The downstream sector is going to be benefitted highly by the 'Make in India' campaign and the upcoming smart cities project. Most importantly, Asian upstream players are investing on cost cutting & energy saving technologies to cope with the low primary aluminium prices.

If the GDP grows at 7 to 8%, we can expect a bigger growth in aluminium consumption, because aluminium growth is normally about 2 times the GDP growth. With India's steady GDP growth, the per capita consumption of aluminium, though relatively low at 2.2 kg. at present, will touch the global average of about 8.4 kg. Even if it reaches half of this by 2020, the aluminium consumption may be expected to touch 5.5 million tonnes.

What are the upcoming changes that you foresee in the aluminum downstream sector?



Kamal Prakash, Director
Jiwanram Sheoduttrai Group

INTERVIEW

As I have mentioned earlier, the crisis in the metal industry has actually shifted the focus to the downstream sector, as the demand situation is very positive. Globally, aluminium leader Alcoa has separated its upstream and downstream business into Arconic (value-added) segments and Alcoa Corporation (upstream) segment to be effective from H2 2016. Rusal has also announced their plan to invest on a project to develop 3D printing technology to design products for aerospace and automotive industry.

In India, aluminium majors are shifting their focus towards value-added segments. Hindalco has already been operating a strong value added segment since inception. Now, both NALCO and Vedanta are focusing on building a strong value-added portfolio to cater to the growing demands in aerospace, defence and construction sector. The upcoming aluminium parks are a significant step towards this.

Urbanization is one factor that can truly boost aluminium demand in India. With 40% aluminium demand coming from electrical sector, I see a strong boost in demand with the rapid urbanization. Prime Minister Narendra Modi recently kick started the execution of the Smart City Projects in 20 cities in India. This project will tremendously boost demand for aluminium cables and building facades and uplift the extrusion sector. There is also an emphasis towards indigenizing defence sector which will raise demand for high strength/value alloys to be used in defence equipment.

With all inherent advantage of aluminium as one of the most versatile metal, the consumption of aluminium made products will continue to go up steadily.

What is your take on the recent 'Make in India' campaign and how do you think the aluminum industry can participate in it?

The government has launched the 'Make in India' campaign to make India a global manufacturing hub with an aim to raise the share of manufacturing in our GDP to go up to 25% in the near future. The gross FDI flows to India jumped 27% to \$45 billion in 2015-16, which is a very positive sign.

The aluminium industry in India is gearing up to contribute to the 'Make in India' campaign. With its growing economy, India has been the centre of attention for a multitude of industries, and aluminium has certainly been one of them. Increasing usage and applications of aluminium across sectors like transportation, electrical and construction has seen an upward trend in the demand for aluminium in India. This, coupled with India's strategic advantages of having access to a huge reserve of metallurgical grade bauxite and low refining cost (due to minimum reactive silica content of bauxite and availability of coal), does augur well for the Indian aluminium industry. 'Make in India' has encouraged the construction of two aluminium parks in Odisha, India, by Indian heavyweights NALCO and Vedanta. A lot of efforts are on way to attract investment in the defence and aerospace sector in India.

“PM Modi's execution of the Smart City Projects, will tremendously boost demand for aluminium cables”

The Indian growth story continues in the first half of 2016, with aluminium demand rising by 8.4% a Proposal for setting up of the Aluminium Development Council of India, recognizing Odisha as the aluminium capital of India and to treat alumina at par with limestone in the context of railway freight charges, are the steps towards encouraging the participation of aluminium industry in the 'Make In India' campaign.

However, for growing application and meeting International Standards for various inputs, India has to invest heavily in Advanced Technologies and Plant and Machinery to meet the desired standards and volumes.

Are there any notable changes in the infrastructure and construction sector in India that you want to discuss?

The Indian Government recognises the growth potential of the aluminium industry in India in the infrastructure and construction sector. There has been a strong focus on urban and rural infrastructure development, a trend that is more than likely to continue in the 13th Five Year Plan too. As mentioned earlier, solar power, smart cities, roadways and railways have been in the limelight, and that implies increasing consumption of aluminium in the time to come. Simultaneously, electrification, as usual, will boost a large portion of aluminium demand in India with rapid urbanization.

What role has Jiwanram Sheoduttrai Group been playing in the Indian aluminium industry so far?

Jiwanram Sheoduttrai Group has been serving the global aluminium industry value-chain for more than four decades. With a well-established network of redoubtable technology partners and associates spread almost all over the globe, the Jiwanram Sheoduttrai Group offers one-stop end-to-end services to the aluminium industry through technology, basic & detailed engineering, plant & equipment, EPC services, raw materials, consumables and marketing assistance. The Jiwanram Sheoduttrai Group imbibes its strength as much from its core business values as it does from the cutting-edge technology and management practices of its globally established partners. It has remained unwavering in its focus on helping build profitable, best-in-class and environmentally sustainable businesses. The Group's international partners possess proprietary technologies and high-efficiency energy-saving equipment that include, among others, pot-control system, online pot switch on-off device and fume treatment plants, developed through in-house research and through collaboration with global technology institutes.

The Jiwanram Sheoduttrai Group has thus remained committed towards reducing energy consumption for the smelters while reducing carbon footprints without compromising efficiency or productivity. Promoting downstream development areas in transportation, packaging, construction, electrical and consumer durables with continuous and consistent efforts, the Group has been active in practically all major projects in India, as also in energy reduction projects in other parts of the world. It has taken a lead role not only in facilitating and promoting the recovery of iron ore from red mud in India, but also in the conversion of Soderberg smelters to pre-baked.

The formidable range of technology available with the Jiwanram Sheoduttrai Group caters to, amongst others, Greenfield & Brownfield alumina refinery, Greenfield & Brownfield Aluminium smelter, carbon plant, conversion of soderberg to pre-baked smelter, cast house & downstream, scrap recycling for secondary aluminium production, alloy wheel and aluminium beverage can. In nutshell, its deep rooted understanding, global network, and commitment, JS is contributing significantly to the global Aluminium Value chain more than before.

What is the idea behind Alcircle? How does it intend to benefit the global aluminium industry?

The mission of AlCircle is to provide a virtual aluminium ecosystem for all stakeholders of the industry- right from raw material suppliers till end users where they can exchange ideas, network and do business faster with minimum intervention of any negotiator using over 4 decades of experience of serving the aluminium value chain and Information Technology. The architecture of AlCircle.com carefully builds up its range of state-of-the-art services around the six verticals of the aluminium value chain: bauxite, alumina, primary aluminium, downstream products, end user and secondary aluminium.

AlCircle users can get up-to-date and curated information about the aluminium industry including news, reports, prices blogs, events, etc. Apart from this, users can post their business requirements which could vary anything from buying or selling to manpower hiring. AlCircle also participates as a prestigious media partner in all the major industry events.

"AlCircle Daily Newsletter" needs a special mention here. With about 13,000 registered users spread across 124 countries, AlCircle Daily Newsletter is very popular amongst our readers.

Very soon, AlCircle is going to launch a bucket of services to be called AlToolz, for the aluminium industry participants. AlToolz, a unique business decision enabler is a range of absolutely necessary data that is designed to facilitate informed decision making for the large scale enterprises as well as SME sector. The eventual goal is to build an aluminium industry ecosystem, which, irrespective of languages, nationality, geographies, individuals and businesses, can work seamlessly across the globe.

Tell us about your new joint ventures in the Aluminium sector

JS Group has joined hands with global recycling leader, Befesa, to provide dross processing facilities to aluminium smelters. It has JV with major european service groups, for refractory engineering, supply and application not only for the aluminium industry but other sectors as well. Group companies are jointly bidding for major projects together with global leaders like Chalico, Mecatherm, Hertwich, etc. ■