

Refractory business in India has a potential growth prospect of 6-7 percent YoY



Calderys India, Indian arm of leading global refractory solution and service provider Calderys who are pioneer in monolithic refractories, looking forward for organic and inorganic growth in India on the back of India's growth prospects and infrastructure development plan, **MANIR UZ ZAMAN**, Sales & Marketing Director, (Iron & Steel, Foundry), shares his views with Pradeep Pandey.

How was your experience this time at Minerals, Metals, Metallurgy & Materials International Exhibition and Conference (MMMM 2018)?

It was quite good. Most of our expectations were met as many of the big steel players including Tata Steel, JSW, JSPL and SAIL as well as many steel industry acquaintances including OEMs visited our booth and discussed the wide range of our product and services. The scope of our business is huge as India is pursuing tremendous infrastructure development which is creating humongous demand for Steel, Cement and many other materials and supply of energy. Being said that, refractory plays a vital role in growth of businesses across segments, having enough space to grow in multiple directions.

How is the overall growth of the refractory industry in India? What is the impact of the fast-paced metal industry on the refractory industry? What is the present scenario of the Refractory industry?

After almost 3-4 years of fluctuating

bear and bull market, currently, the refractory industry has gained some stability and seems that recovery is underway in 2018. About 70% consumption comes from steel market hence refractory industry is majorly depended on the steel industry and its growth depends on the ups and downs of the steel market. Market analysts have made the prediction of around 6-7 percent year on year growth in the steel industry for next three years and we may see similar growth in the refractory industry. With an increase in the infrastructure projects across the nation, there is a growing demand for Cement, Steel & Aluminium.

What is the current market state of refractory business and how do you see the market growth going ahead?

The refractory business in India has a potential growth prospect of more than 6-7 percent year on year basis. We have around 10% percent of the total market share (~ 20% of the monolithic refractory market). Refractory products, such as castables and bricks, are vital in all high-temperature

processes in the making of metals like Steel, Aluminium and other construction materials such as Cement, Glass, and Ceramics. Accordingly, we expect a growth in the similar range year on year basis.

In terms of revenue growth, how do you see your company to mark growth?

Our revenue generation from India is approximately around INR 600 crore and for the past couple of years; it has registered a decent growth year on year basis. Going forward also we expect to see higher growth as demand is growing with government's push on infrastructure development to propel economic growth in India. The company has the capacity to produce over 2.1 lakh tonnes of Monolithics and 40,000 MT of other shaped refractory products. We are exploring expansion, both organic and inorganic, to not only increase our manufacturing capacity but also introduce our world class product ranges in India over the next few years.

If you were to recommend a few actions to be taken by our government in order to help promote the growth of the refractory industry, can you please share the top such recommendations with our readers

There are few major issues need to be addressed by the policy makers to make the market conducive. For example import of raw materials: At present imports cover around 40 - 50% of refractory raw materials requirement, most of this is coming from China primarily because of non-availability of good grade refractory raw material in India. During the last one and half years, due to environmental issues in China, refractory raw material prices have gone up drastically. Average Chinese raw material price increase is to the

tune of 20-25% and in a few cases, it is as high as 100% which has put Indian refractory manufactures in very difficult situation. While raw material prices have gone up significantly but the same had not been passed on to our customers.

Government's initiative to beneficiate large deposit of impure grade raw material available in India, to make it usable for the industry, will greatly help India Refractory makers. Refractory raw material processing is highly energy intensive. Industry-specific reduction in power tariff and fuel prices will help India to produce cost-competitive raw materials which in turn will boost Indian refractory industry.

Imposing higher import duty on finished goods and reduction in raw material import duty will help Indian refractory industry as it has already been implemented in certain other industries. While the import duty on Raw Materials is 5% and that on the finished product is 7.5%. This mere difference of 2.5% has to increase to encourage domestic manufacturing activity.

Developing young talent for the refractory industry a big challenge: At present we have a handful of reputed Ceramics specific Science & Engineering institutes to cater to Industry of INR 6500 Cr. We foresee a significant shortage of right talent in coming years to fulfill the needs of industry. Hence Government needs to take steps to nurture more such institutes. Industry also need to prioritize its investment in innovation and create best in class R&D centers which can only happen with a mutual partnership between government, user industry and refractory manufacturers

Last and most important is sustainability & recycling: For decades we have been dumping used refractory in landfills. However, a more

sustainable way is to extract key used refractory material and use the same again for refractory making but this requires a lot of technological development and investment from both users also from Refractory industry.

With the above initiatives, India can emerge as the world's biggest refractory manufacturing hub and make Prime Minister's dream and vision of "Make in India" a reality.

What are the upcoming new products and technologies from Caldeys in India?

At Caldeys, we continuously work towards new product and services development globally. Some of our new products launched recently in India include:-

- A new range of chemically bonded castable under SUPRAMON series
- World class customized shotcrete products under ACCSHOT and CaldeSHOT series
- New and advanced Gunning Material under ACCGUN and CaldeGUN series

A lot of work is in progress to provide our globally established products ranges such as Hot Metal De-S Lances, Pre-cast Prefired Bull Nose, Tip Casting, Burner Pipe Blocks, and a many more special products to improve user industry performance and efficiencies.

While we work on new products, we also focus and invest in developing new refractory applications technologies like:

- Calde-Shotcrete: Environment-friendly, faster and safest refractory application technique
- Calde-Hydrojetting: Cleaner and efficient old refractory lining demolition
- Calde-Robotic-Shotcrete for Blast furnaces.

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