

Sustainable Growth of Foundry Sector For Manufacturing Growth- Announcement of Foundry Development Council

The Institute of Indian Foundry men organized a special session on” **Sustainable Growth of Foundry Sector For Manufacturing Growth** “ on 19th Sept 2014 from 8:00 PM at Hotel Eros ,Nehru Place, New Delhi.

Approx 200 participants from Govt. Deptt., Industry Associations and leading Industry units & IIF Members attended the Event which was held after the AGM.

Shri Amitabh Kant ,IAS , Secretary to Govt. of India ,Deptt of Industrial Policy & Promotion ,Ministry of Commerce & Industry graced the event as the Chief Guest during the special session .Mr Shailendra Singh,IAS Jt. Secretary, DIPP, Ministry of Commerce & Industry was the Distinguished Guest during the special session .Several Govt officials,industry leaders ,representatives of leading industry associations,Past Presidents,NC members & Members of IIF also participated in the special session which was held immediately after the AGM of IIF .

The President IIF Mr Vikas Garg welcomed the Chief Guest and other dignitaries. He stated that the key objective of IIF is to Promote overall competitiveness of Indian Foundry Industry by Dissemination of Latest Technologies, Promotion of Efficient Energy Management ,Training & , Education , Skill Development, , Business promotion t, Organization of Conferences and Exhibitions, Bringing out Technical Publications ,Maintenance & Updating of Database .

In the coming years, IIF aims to promote lean manufacturing for improved productivity , greener technology for environment protection , Recycling ,Efficient Energy Management , Innovations & skilling for exploiting full potential of foundry sector .All this is reflected in the theme of IIF's upcoming 63rd Indian Foundry Congress & International Foundry Exhibition IFEX 2015 in Feb 2015 at India Expo Center,Greater Noida,

The Foundry Industry generates revenue of USD 16 billion with exports of over USD 2 billion producing approx 9.5 million tons of castings annually .Indian foundry industry is ranked as no 3 globally & has approx 10% share in global production. However, there is huge potential for growth of this sector for increasing its share in global production .Approx .90% units are in MSME category employing 2 million directly & indirectly & is highly labor-intensive sector..The foundry sector is key feeder to various industry sectors such as Auto / Railways / Tractor & Agro Machinery / Machine Tools /Power / Electrical/ Cement/ Textile / Mining machinery and Oil & Natural Gas sectors etc .

The business confidence in last few months is upbeat after several years of economic slowdown. There is clear indications in Policies of the Govt to focus on increasing the share of manufacturing in GDP which will require scaling up of manufacturing & skill development which is the backbone of economic activity .The slogan “**Make in India** “ is true reflection of the Govt policy to promote manufacturing in India .The 1st Quarter of 2014-15 saw a GDP growth of 5.7% after a low of 4.5% after approx 2 years .Given the increased focus of Govt on manufacturing ,we envisage that the industry needs to grow by 2.5- 3 times in next 10 years to meet the demand of manufacturing industry.

This is possible by providing enabling business environment & using various existing supporting schemes of Govt for the industry & MSMEs .However, some of these schemes may need to be relooked and fine-tuned to specific sectoral requirements & to make these more practical & user friendly. And it is needless to say the industry will have to be more competitive by using modern manufacturing tools ,productive & greener technology ,increased usage of IT & by continuous up gradation of skills.

However, there are several challenges, which need to be addressed to sustain the growth of the foundry sector. There are issues of Shortages of training institutes like NIFFT, availability of key raw materials such as sand due to mining issues which need to be addressed & a policy may be made to promote the recycling of sand & solid waste specially by MSMEs by modifying the existing schemes

There is need to promote investments in productive & environment friendly technology & equipment. Duty free import of such equipment not manufactured in India may be considered & accelerated depreciation may be allowed in such sector specific machinery selectively, which is not available in India

The metal scrap is key raw material & is recycled to make finished cast components .The domestic availability of scrap is insufficient to meet the need of manufacturing & the gap is likely to grow as the manufacturing sector picks up momentum t. The Import duty on metal scrap was nil later 2.5% import duty was imposed in May 2013. There is need to abolish duty on scrap

Also other challenges like The quantity of domestic scrap is insufficient to meet the requirements of manufacturing which needs to be imported and due to expected growth in manufacturing, gap in availability and demand of scrap likely to increase.

It is for foundry sector to take advantage of the new business environment which will not only enable to tap its full potential but foundry sector will also contribute significantly to the manufacturing sector for overall economic development of our country . IIF will increasingly continue to endeavour to play a key enabling role for sustainable growth of the foundry sector.

Mr Vikas Garg,President,IIF thanked Shri Amitabh Kant , Secretary Deptt of Industrial Policy & Promotion & Shri Shailendra Singh ,Jt Secretary,DIPP for their gracious presence & their motivating thoughts .He also extended his thanks to Ministry of MSME & office of DC MSME for their continued support & all dignitaries & guests for their active participation

Shri Amitabh Kant mentioned that India needs to grow at 10% year on year for several years to ensure economic upliftment of the masses . The new Government's focus on manufacturing & skill development is a step in this direction . The Real growth of India is not possible without manufacturing and increased share in Export and the foundry is backbone of Engineering. Although Indian foundry industry is reasonably strong, there is a huge potential for increasing further the Global market share. The target should be Fivefold growth in next 10 years by improving utilization of installed capacity and new investments & collaborating and synergizing among Cluster members. The new manufacturing policy envisaged GDP growth from 15 % to 25% by year 2022 and 100 million more jobs to be created in next 10 years through manufacturing sector

Speaking on the Occasion, the Chief Guest Shri Amitabh Kant announced the **formation of The Foundry Development Council** to help formulating policies & interventions to give focus on the foundry sector for sustainable growth for supporting manufacturing industry in India .The Govt notification to this effect will be issued shortly after vetting by Law Ministry . He called upon all industry leaders to take lead to Create Vibrant manufacturing sector for Growth and Progress of India.