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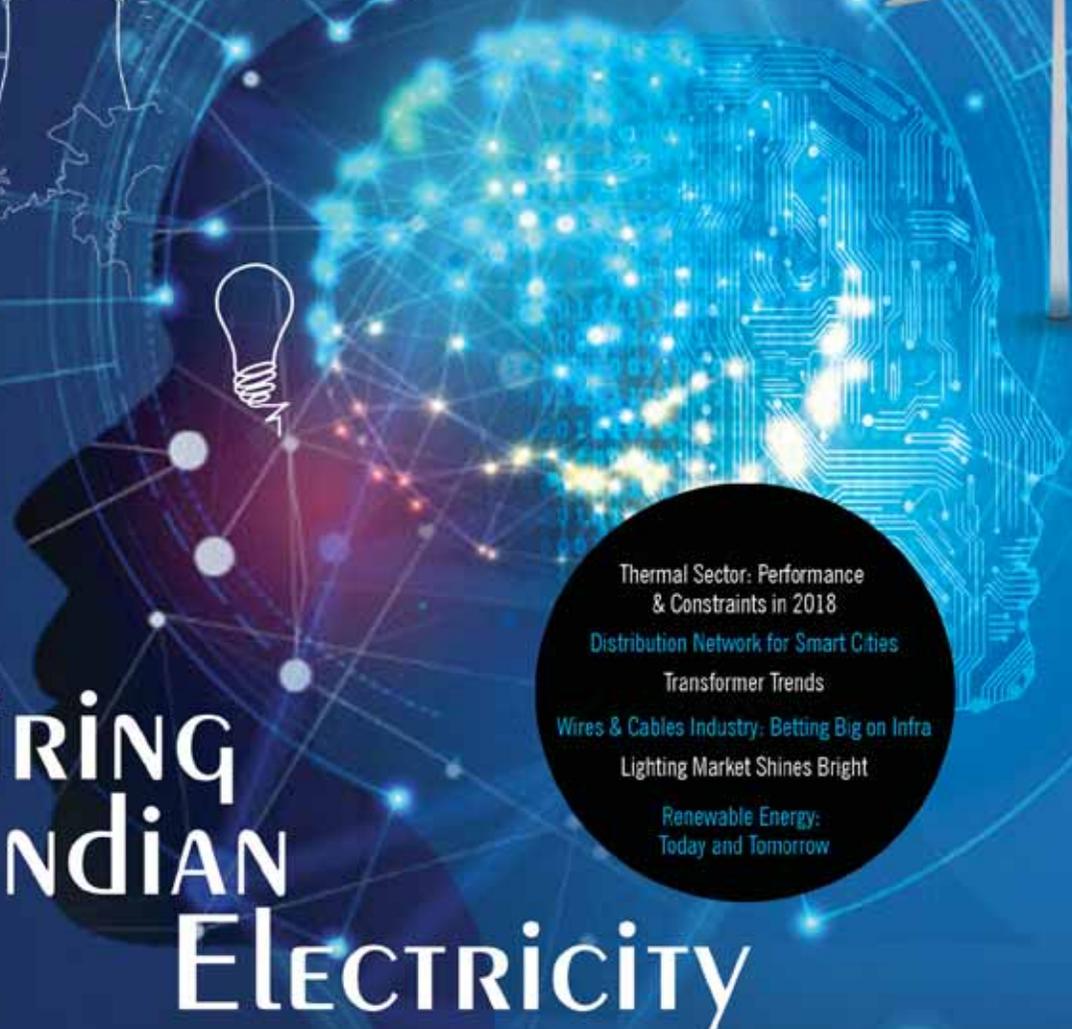
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**Sanjeev Ranjan,
Managing Director,
International Copper
Association India**

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HAS THE COPPER INDUSTRY HIT A ROAD BUMP?

Copper is one of the most widely used metals in India and its usage is next only to steel and aluminium in volume terms. On the sidelines of the Power Cable Alliance (PCA) launch event, Managing Director of International Copper Association India (ICAI) Sanjeev Ranjan speaks to *Subhajit Roy* and briefs about present and future scenario of the industry. **How do you look at the demand-supply scenario of copper post closure of Sterlite's Tamil Nadu factory?**

There is a supply issue. The closure of the Sterlite plant, one of the three primary copper producers in the country, has impacted supply. It has forced more material to come from outside India

through imports. Hence, the sooner we start the better it is. It will help us to conserve forex (foreign-exchange).

Has the industry hit a road bump because of Sterlite plant closure?

Copper rods are used as raw material for the manufacturing of various electric and engineering applications like wires and cables. It is the ultimate product from plants like Sterlite, Hindalco, Hindustan Copper, and other copper producers in the country. Post the closure of Sterlite's plant at Thoothukudi, any application and production that is related to copper rod has been impacted in terms of the local supply. The wire manufacturers in South India are facing difficulties in terms of

meeting their copper requirement and are increasingly becoming import-dependent. Further, the rupee's depreciation makes copper imports costlier. This is a challenge!

What is the overall impact on the electrical industry and more specifically the wire and cable industry?

The overall copper usage in the electrical applications sector in India accounts for about 54 per cent. There are two sources of copper raw materials supply—primary producers and secondary suppliers. In the case of some secondary suppliers, where sources and origins of materials are unknown, there are chances of compromised quality of the final output – whether it is a wire, cable, a motor or a transformer. When we talk about electrically reliable and safe products and building infrastructure, such challenges should be addressed strictly and as immediately as possible.

As an association, are you taking up this issue with the government?

Yes, we have shared our views and comments with the concerned government authority requesting and urging them on the need to resolve the issue as soon as possible. The local copper users are strongly dependent on the plant and closure has impacted them as this plant addresses the requirements of the local fabricators. Further, the local fabrication industry and employment is also getting impacted.

Copper is a barometer of the economic growth of the nation and if we wish India's growth story remains intact, then the usage of copper must grow simultaneously. If copper growth is not growing in line with the GDP growth, then that should show we lack something behind during our progress.

So how is the supply-demand being met?

If we look at the quarter-on-quarter data, there is a certain increase in the import of less than 6 mm copper rods. Similarly, the imported finished goods from the Association of Southeast Asian Nations (ASEAN) regions come under the duty-free route as per the Free Trade Agreement (FTA). This could lead to a rise in imports of finished goods at the cost of domestic producers. Now the question is: Why should it come from outside when we have enough potential? Decisions should be reached quickly as the industry is suffering.

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How do you promote local manufacturing?

At ICA India, we cannot set the roadmap, we can only help encourage the use of copper. We promote generating fresh or sustaining demand of copper in various applications towards the infrastructural development of the country. We help the local manufacturers by training and working with them in sharing knowledge about the right electrical practices; encouraging them to switch to copper motors and transformers for its lifetime warranty and properties like anti-corrosion, durability and efficiency. We encourage local suppliers to meet the demand whether it is in the motors, transformers, wires and cables, pumps, or the air-conditioner tubes and simultaneously work with the government to help standardise and implement stringent norms for a better tomorrow.

You have recently launched Power Cable Alliance. What was the need?

India is the fastest growing economy and its energy consumption is likely to double in the next six years. This makes it important for the country to develop quality electrical infrastructure which will support its growth for several years to come. Power Cable Alliance or PCA is our endeavour to bring like-minded people together right from rod producers to actual users and policymakers. We are proud to present PCA as a voice for quality electrical infrastructure in India to answer the many unanswered questions which must be addressed. The alliance will work with policymakers, regulators industry, academia, and civil society to push for safe, reliable and efficient electrical infrastructure. It is an advocacy group towards the creation of an infrastructure that is advanced. Ultimately, PCA provides a platform to raise our concerns towards a safer, reliable and efficient India as a movement for quality electrical infrastructure is in alignment with Government of India's "Make in India" initiative. 