

Forging industry plans significant capacity addition on China+1 boost

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The Indian forging industry has returned to the pre-Covid production level and the growth prospects are bright to boost the capacity significantly in the next three years, supported by China+1 strategy amid the threat of technological disruption by way of alternative fuels in the automotive segment.

After a challenging phase during Covid and some labour issues later, the Indian forging industry is back supported by steady global and domestic demand. Currently, the annual production level is at about 2.2 million tonnes, including all categories. About 35 per cent of this

production is exported to various geographies.

"At this capacity, We are currently number two in the world after China," said S Muralishankar, Director of the Association of Indian Forging Industry (AIFI), and Managing Director, Super Auto Forge Pvt Ltd.

FAVOURABLE OUTLOOK

Discussing the China+1 opportunities, Vidyashankar Krishnan, Director, AIFI and MD of BSE-listed M M Forgings Ltd, said the opportunities are huge for the Indian forging firms as we are witnessing a lot of enquiries for forging parts from Europe and North America and other parts of the globe.

With the favourable growth outlook both in India

and overseas, the industry's capacity is expected to increase to 3.5-4 million tonnes in the next 3 years.

On the threat of EV technology, Krishnan said forging parts below 2-3 kg would come under severe threat seven years from now. In the case of two-wheelers and passenger cars, the transition to EVs will see the forging industry lose about 80 per cent of the business in terms of weight. Overall, about 40 per cent of the industry is expected to be hit by the shift to battery-electric technology in 7 years.

However, in the case of hybrid vehicles, the forging contents will increase. If hydrogen ICE takes off, it will be a big positive for the industry. "Our view is that the

battery electric technology is a passing phase and hydrogen EV will be the future," said Krishnan.

Earlier, Vinoth Kumar, Chairman Southern Region, AIFI & Managing Director, Accurate Steel Forging (I) Ltd, said AIFI will be hosting ForgeTech India 2023, a forging industry conference and exhibition during November 3-5, 2023 in Pune, Maharashtra. The third edition of ForgeTech India will discuss industry, growth, future trends and emerging technologies. More than 20 research papers will be presented. More than 600 delegates, including 100 overseas people, are expected to participate and 50 companies will exhibit equipment, lubricants etc.