

## Vedanta to export over 50% of aluminium as India increases imports

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Jayajit Dash | Bhubaneswar July 30, 2019 Last Updated at 18:52 IST



Vedanta Ltd. aims to increase its

*India is increasingly aluminium imports. (Representative image)*

aluminium exports at a time imports comprise 58 per cent of India's consumption of the metal at the end of FY19.

Vedanta, India's top aluminium producer, in this fiscal year aims to ship more than half of its production volume to international markets. At the end of last fiscal, Vedanta overtook Hindalco as the top aluminium producer, churning out 1.96 million tonnes and clocking year-on-year (y-o-y) growth of 17 per cent.

Domestic aluminium makers have seen their market share steadily erode because of imports, especially those from South East Asian countries that have free trade agreements (FTAs) with India. India's aluminum imports in FY19 peaked at 2.3 million tonnes, resulting in a forex outgo of \$5.5 billion or one per cent of total imports by value.

"Over the last few years we have observed a surge of aluminium scrap imports," said Ajay Kapur, chief executive officer (aluminium and power) of Vedanta Ltd.

"We, as an industry, are working with the Indian government seeking support to protect the domestic primary industry from increasing scrap import. The domestic market continues to be our key focus for maximising sales in India".

Vedanta has a nameplate capacity of 2.3 million tonnes per annum (mtpa) in its smelters in Odisha and Chhattisgarh. The company has 37 per cent market share among domestic aluminium makers.

Vedanta's annual report for 2018-19 said only 30 per cent of the company's sales were in the domestic market--lower than previous years as India experienced a surge of imports.

"Vedanta boosted its sales to Japan and South-East Asia in 2018. International sales to our established customer base in other key Asian, European and North and South American markets also grew, increasing by 30 per cent to 1.3 million tonnes this year", the annual report noted.

The bulk of Vedanta's exports of aluminium products are to freight friendly destinations. "These will continue to be our focus area, apart from specific value-added product sales in Europe and USA. We do not see Rusal-related developments to significantly impact our exports to these geographies," Kapur said.

Vedanta is also sharpening focus on value added, downstream products. It has pioneered the production of primary foundry alloys which is imported in large volumes into India. Also, Vedanta is in the process of ramping up its sales for both domestic and export markets along with multiple alloy variants as per industry requirements for the automotive industry.

"Aluminium billets, which are majorly used in building & construction as well as the transportation industry is one of the most sought-after value-added products. Vedanta, with its stronghold on quality has created an established base of customers globally. With over 20 plus variants, our billets have made a strong mark in the global extrusion industry", said Kapur.

Vedanta ranks among the biggest producers of aluminium wire rods in the world. The flip coil, a recent product, is a variant of its aluminium wire rod and is used as a de-oxidation product in the steel industry.