

PRESS RELEASE

Recent BIR World Recycling Convention (Round-Table Sessions) in New Delhi (14 - 16 October 2017)

Non-Ferrous Metals Division:

Aluminium recycling in India: the best is yet to come

Brussels, 20 October 2017

India's demand for secondary aluminium will increase by 8-10% per year, mainly boosted by the country's rapidly-growing automotive industry, according to Akshay Agarwal. The Executive Director of Century Metal Recycling, a major producer of aluminium and zinc die-casting alloys and India's largest aluminium scrap importer, told delegates at the October 16 meeting of the BIR Non-Ferrous Metals Division in New Delhi: "This growing scrap appetite will be met primarily by increased aluminium scrap imports."

Secondary aluminium accounts for 30% of India's overall aluminium consumption of 3.3 million tonnes per year. In the past six years, secondary aluminium demand has almost doubled to 1.1 million tonnes, of which some 90% is imported. By 2021, demand is expected to reach 1.5 million tonnes.

In 2016, some 120,000 tonnes of aluminium scrap was generated in India, with the automotive and power segments together accounting for 75% of the total. India's domestic scrap market may be fast-growing but still has a long way to go, believes Mr Agarwal. "There is largely unorganised scrap collection and insufficient awareness, leading to a major proportion of scrap going to landfill rather than recycling," he told his audience.

On the positive note, new initiatives are underway to boost recycling - including the first car dismantling and depollution facility which is scheduled to be running before the end of this year, to be followed by the country's first car shredder. These were described by Mr Agarwal as "baby steps to a future where you may abort scrap import dependency". And he emphasised that, although India's domestic scrap industry is trying hard to modernise, this can be achieved only with regulatory support.

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Fellow guest speaker Deepak Mahendra, former Managing Director of Chassis Brakes International, also acknowledged the major potential for “large-scale adoption of aluminium” within India, particularly in car manufacturing. At present, he pointed out by way of example, “only 10% of cars in India carry aluminium wheels”.

Navin Sharma, CEO of major lead producing and recycling business Gravita India Ltd, focused on his country’s lead recycling potential and on what he sees as a bright future for his sector. One of the emerging drivers is the country’s National Electric Mobility Mission which is targeting sales of 6-7 million hybrid and electric vehicles by 2020, thus clearly boosting demand for batteries. “Where China has seen an increase in e-bikes, we see the trend of e-rickshaws (three wheelers) growing by 20% in the coming years,” said Mr Sharma. “Also, the first electric buses are on the streets already and thousands more have been ordered.”

“This is all work in progress,” declared the BIR Non-Ferrous Metals Division’s Senior Vice President Dhawal Shah of Metco Marketing (India), who chaired the meeting in the absence of the Division’s President David Chiao of Uni-All Group. In summarising India’s long road to becoming a modern economy with a fully-grown recycling sector, he said: “True, we have to undo decades of inefficiency and corruption. But the good news is, India is the seventh biggest economy in the world with 65% of its population below the age of 35. Every day, 30 km of new road is being added; there are already one billion telephone connections. We’re not there yet, but the good days will come.”

According to Mr Shah, there will only be more growth. “There is huge opportunity thanks to a fast-growing middle class. Imagine, there are now only 19 cars for every 1000 people; there is only a 4% penetration of air-conditioners whereas China has 51%.”

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