

Glass-makers line up Rs 7,000-cr investment over next 2-3 years

To ramp up capacity, improve technology

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Anticipating a surge in domestic demand, Indian glass manufacturers are ramping up their capacities and infusing new technologies, having lined up a cumulative investment of over Rs 7,000 crore for the next two to three years.

In the last three years, the industry has invested about half this amount for capacity-building owing to relatively slower demand growth.

The domestic glass industry, estimated to be about Rs 18,000 crore, expects per capita consumption to nudge up from the current levels of 1.2 kg in the container glass segment and 0.8 kg in the float glass segment. The per capita consumption in other developing countries is about 8-9 kg in both the categories, while that in the US is estimated at 35 kg.

RISING DEMAND

The Indian glass industry currently produces about 7,000 tonnes per day of container (or hollow) glass and 4,500 tonnes per day of float glass (used in buildings and the automotive sector), besides a range of speciality glass, including those used for solar panels.

"We expect a 10 to 12 per



Mr Mukul Somany, Vice-Chairman of Hindustan National Glass & Industries, and President of the All-India Glass Manufacturers' Federation, and **Mr Arun Kumar**, President of AGI Glaspac, at a seminar on 'Glass Recycling In India' in Hyderabad on Wednesday. - P.V. Sivakumar

cent growth in demand for various categories of glass products in the next two to three years, which is why the industry is investing significantly in capacity addition and, more importantly, technology infusion," says Mr Mukul Somany, Vice-Chairman of Hindustan National Glass & Industries, and Pres-

ident of the All-India Glass Manufacturers' Federation.

EXPANSION

HNGI has lined up a Rs 1,500-crore expansion for the next 12 to 18 months to add a capacity of 1,000 TPD through a new plant at Naidupetta and brown-field expansion of its Nasik facility.

Besides, its subsidiary, HNGI Float Glass Ltd, is investing another Rs 850 crore to expand the capacity of its existing facility by 300 TPD in the next two years.

"A significant portion of this investment will be in technology injection, which is currently an industry focus," Mr Somany said.

Similarly, AGI Glaspac is investing Rs 600 crore to add 450 TPD capacity at its Andhra Pradesh unit. "We expect to wrap up the expansion project by February 2012," Mr Arun Kumar, the company's President, said.

Float glass manufacturers are estimated to have lined up investment of over Rs 3,000 crore. Leading in this category is Saint Gobain Glass India, which is pumping in Rs 1,000 crore in various projects in the next two years. This includes Rs 800 crore for its new facility coming up in Bhiwadi in Rajasthan, which is expected to be commissioned in the first quarter of 2012, and Rs 100 crore each in its existing facility in Chennai and the recently acquired Sezal plant in Gujarat.

In an effort to bring down costs, the industry is quickening its pace to switch over to natural gas from furnace oil.