



IIF FOUNDRY NEWS BULLETIN

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65th IFC & IFEX 2017 - Kolkata



3-5 Feb • 2017
Eco Park • Kolkata • India

For details please visit website <http://www.ifcindia.net>

To register as delegate for 65th Indian Foundry Congress (IFC) please click on the link below

<http://www.ifcindia.net/registration.html>

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IIF upgrades its Simulation Software

National Center for Technical Services (NCTS) - vibrant Technical Arm of the Institute of Indian Foundrymen (IIF) has upgraded its Solidification Simulation Software to **AutoCAST X1 with FLOW+**

The new physics-based Solidification Simulation Software will enable us to offer more precise assessment of casting defects like Shrinkage, Inclusions, Cold Shuts, Misruns and hard spots.

We urge you to get in touch with NCTS (contact details given below) for accurate and affordable simulation services.

National Centre for Technical Services

The Institute of Indian Foundrymen,
104, Sharmad Residency,
Shilavihar Colony,
Behind Hotel Olivia,
Off Karve Road,
Pune - 411 038.
Contact (1pm to 7pm)
Tel : +9120- 2543 7374, 2542 2902.
Mr. Anil Agashe, Director - 9822039485

Export/ Import of Major Castings

Exports of major castings continue to show downward trend in the first two quarters of the year 2016-17. Comparing with the half yearly average of the previous year (2015-16), exports dropped by **5.27%** from approx 1252 Million USD to 1186 Million USD.

Imports on the other hand showed slight increase of **3.45%** from the half yearly average of the previous year (2015-16).

IIF's Meeting with Ministry of Rural Development

A meeting was held with Jt. Secretary, National Rural Roads Development Agency (NRRDA), Ministry of Rural Development, Mr. Rajesh Bhusan in his office on 16th Dec., 2016 which was attended by representatives from IIF & Central Road Research Institute (CRRRI).

IIF was represented by Mr. Naresh Garg, Ms. Sheela Bhide & Mr. A. K. Anand.

Following major points were discussed :-

1. There is possibility of usage of sand in rural roads. NRRDA has mandate to promote use of 15% new & unconventional material for rural roads under Pradhan Mantri Gram Sadak Yojna (PMGSY).
2. IIF will sign agreement with CRRRI for testing of ten sand samples drawn from various foundries as per proposal submitted by CRRRI on 29th July 2016 with minor amendments which will be forwarded separately.
3. IIF will pay to CRRRI for testing of sand samples as per CRRRI's proposal dt 29-7-2016 & IIF will arrange to door deliver the sand samples to CRRRI free of cost for testing drawn from various locations
4. CRRRI will conduct testing & submit detailed report with recommendations & voluntary guidelines within 10-12 months as per their proposal
5. NRRDA will co ordinate with SRRDAs & STAs such as IITs/NIT/CRRRI for construction & testing of test tracks in rural areas where there is concentration of foundries such as West Bengal, Uttrakhand, Tamil Nadu, Rajasthan, Orissa.

MoU shall be signed between NRRDA, IIF & CRRRI to this effect.

Invitation to the 65th IFC & IFEX 2017

We wish to inform you that The Institute of Indian Foundrymen (IIF) is organizing the 65th Indian Foundry Congress (IFC) concurrently with Foundry Exhibition IFEX-2017 from 3rd February, 2017 to 5th February, 2017 at ECO Park, Rajarhat, Kolkata, West Bengal.

We are pleased to invite you & your colleagues to this unique Mega event on behalf of IIF. As the date is approaching fast, you are advised to register well in advance to ensure your delegate kit & book your Hotel to avoid last minute inconvenience.

You can register online or download registration form & send to us duly filled in with the applicable fees.

For registration please click on the link below
<http://www.ifcindia.net/registration.html>

There is also an opportunity to advertise in the Souvenir & Sponsorship opportunity to build your brand image.

Form for advertisement in the Souvenir, Tariff details & benefits are attached along with the bulletin.

The objective of this Mega Event is to provide unique platform & opportunity to interact with global leaders, leading technology and service providers, policy makers, buyers, and to show case products & services and explore new business opportunities and partnerships & transact business.

The main highlights during the Mega Event will be special sessions on Railways & Defence, the emerging sectors creating new opportunities for foundries. Also events like Cast India Expo, Cast Source Meet, Panel Discussions, Case Studies, Success Stories, in addition to carefully selected Technical Presentations will add value to the event.

Post congress tours, works visits & special attractive programme for the participants & spouses are being planned by the organizers to mix business with leisure.

Several leading Buyers from across various industry sectors from India & Overseas are being invited to interact with casting manufacturers to discuss the present & future market challenges & opportunities for the casting producers.

A very experienced and dedicated organising team is working overtime to ensure that the delegates and visitors get true value for their money and the time spent during the event and make your visit and experience truly productive, enjoyable and memorable.

We once again invite you to participate along with your colleagues in large numbers and be a part of this mega event and look forward to welcoming you to 65th Indian Foundry Congress & Foundry Exhibition IFEX 2017!

We will be glad to provide any assistance to you & look forward to welcoming you to the mega event.

For more details on the events, please visit www.ificindia.net & www.ifexindia.com

Approx Major Raw Material Prices

ITEMS	Price 16.12.2016 Rs./Kg (Incl. Excise)	Price 23.12.2016 Rs./Kg (Incl. Excise)
Pig Iron (Mumbai)	31.6	31.6
Melting Steel Scrap	24.3	24.6
CRCA Scrap	24.7	25.8
Copper Ingot	385	382
Aluminum Ingot	143	142

News Headlines..

- India Brass, Copper Scrap prices down
- Indian FeCr prices rise further
- Indian ferrosilicon market sees softer demand
- India Containerized Shredded Scrap import prices climb
- Global Scrap: Prices rise in Turkey, steadier elsewhere
- Russian silicon metal prices remain stable
- Russia's Ferroalloy exports fall, imports rise in Oct
- Chinese ferromolybdenum market quiet
- Chinese magnesium ingot suppliers anxious to sell
- Chinese FeCr prices fall

In the News..

Govt to Fund Defence MSME Work Upto Rs 10 crore

INITIAL PUSH Six projects listed include bulletproof materials and fuel cells.

More than two years after announcing it, the government has finally kick started its defence technology fund scheme -a cornerstone of the Make in India initiative that will fund research by MSMEs on urgent military technology projects up to a value of Rs. 10 crore

In the first round, six projects have been identified for the Technology Development Fund (TDF) plan, in which the government will fund the development of technologies or a

prototype by selected companies that has to be completed within two years. The Defence Research and Development Organisation (DRDO) will oversee the execution. Among the projects chosen to initiate the plan are light weight bulletproof materials for the Army that can be used to make bulletproof jackets and vehicles. Another project is to develop and demonstrate a series of fuel cells to meet different requirements of the Army.

First announced in the 2014-15 budget, the scheme already has an annual allocation of over Rs. 100 crore that is still to be utilised.

"The programme will cover improvements to existing systems, development of futuristic technologies and import substitution. The idea is to encourage the private sector to undertake research and come up with solutions," an official involved in the project said.

Limited to a two-year developmental cycle to avoid delays, the plan is to make industry work in collaboration with the academia or research institutions for selected projects. A detailed standing operating procedure has been drafted and made public which lays out selection criteria for Indian companies wishing to apply for the funds. "Such chosen entities will be referred to as Development Agencies (DAs). In cases where academia or research institutions are involved, their work involvement cannot exceed 40% of the total efforts required," an MoD paper on the fund says.

Beijing to close all coal mines within 5 years

ECNS reported that Beijing municipality plans to close all the coal mines in the city within five years and gradually introduce new industries including healthcare, high technology and entertainment, the municipal government said.

Beijing will eliminate 6 million tons of coal production capacity and channel 11,615 employees to other posts within five years, realizing the goal of closing all its coal mines in the city, the People's Government of Beijing Municipality said on its official Sina Weibo account.

"Closing coal mines is not enough for cutting production capacity. For the infrastructure of substitute industries in these areas, Beijing will

provide 90 percent of the fixed-assets investment to support their upgrading and transformation," an official from the Beijing Municipal Commission of Development and Reform was quoted as saying in the statement.

A green ecological industry belt will be established in Beijing, which involves healthcare, leisure travel and new-energy industries.

The city achieved the goal of cutting coal production capacity of 1.8 million tons in 2016 by closing the Changgouyu coal mine in Fangshan district and the Wangpingcun coal mine in Mentougou district, according to the statement.

A 'positive and solid' difference awaits exports in 2017

The lacklustre show of exports for almost past two years is no deterrent for the government, which is confident that it will see a "positive and solid difference" in 2017.

"I look at the new year which is going to definitely see positive and solid difference in exports compared to the previous years when we have been really very slow. I hope newer market should emerge," Commerce and Industry Minister Nirmala Sitharaman told PTI.

The minister's optimism came against the backdrop of a positive growth recorded by the exports in the last three months.

Since December 2014, exports fell for 18 straight months till May 2016 due to subdued global demand and slide in oil prices. Shipments started witnessing growth only in June this year, but again entered the negative zone in July and August. In September, October and November, it registered growth though.

Government clears creation of Indian Enterprise Development Services

Government approved the creation of the Indian Enterprise Development Services (IEDS) in the Office of Development Commissioner, Ministry of Micro, Small and Medium Enterprises. The service has been created by

absorbing 11 trades, recruitment to which had been done differently following different rules, official sources said.

The decision was taken at a meeting of the Union Cabinet chaired by Prime Minister Narendra Modi.

"The 11 trades were created in the 1950s and 1960s when there was prevalence of a regulation regime. Therefore, a need was felt for a cadre to work towards development of enterprises in the country," a senior official said.

The Indian Enterprise Development Services, to start with, will have a cadre strength of 617 officers, 6 of which will be at the level of joint secretaries.

These officers will man 72 field offices of the Development Commissioner and the headquarters in Delhi. Out of the 72 field offices, 30 are MSME development institutes and 28 branch institutes.

Steel scrap prices in Japan soar by 30% in past 2 months

Nikkei reported that trading prices for steel scrap, conventionally used as feedstock for electric arc furnaces, have climbed more than 30% in the past two months. The price has risen to around 26,500 yen (\$226) a ton in greater Tokyo, the highest in about a year and a half. A similar upturn in the Osaka area sent scrap to 25,000 yen a ton in mid-December, up 6,000 yen from a low in late October. Some operators of electric arc furnaces must pay 1,000 yen to 2,000 yen above the going rate to ensure sufficient supplies of steel scrap for their planned production, said an official at a processing company in greater Osaka. Blast furnace operators increasingly are tapping scrap steel as an alternative feedstock amid surging coal and iron ore prices. They consumed 900,000 tons of scrap during the converter process in October, the most in nearly two and a half years. Nippon Steel & Sumitomo Metal's Oita works in the Kyushu region cannot secure enough steel scrap locally, apparently bringing in additional scrap from the Tokyo area by sea.

Steel prices in China have rebounded amid higher costs for raw materials and growing hopes for infrastructure spending by Beijing. This has lifted the cost of semifinished steel, or billets, in Asia to around \$450 a ton up 70% from spring. As a result, steelmakers in Southeast Asia are avoiding billets and instead buying Japanese scrap, which has become more affordable amid the yen's decline against the greenback.

Steel scrap's price gains raise the prospect of steelmakers passing the increases on to customers. Tokyo Steel Manufacturing announced price hikes for its steel materials Monday. But whether such moves will gain momentum is uncertain. Demand for steel sheet remains firm among automakers, but reinforcing steel, used mainly for apartment buildings, faces soft demand.

Indian steel makers looks for price hikes

Economic Times reported that Indian domestic steel players could be looking at perhaps the single largest price hike in the last five years. With the gap between imported and domestic steel prices going up to 18% steel majors are now in a position to raise prices by nearly INR 6:500 per tonne.

While it would help offset a sharp spike in coal costs that has seen production costs shoot up since July this year, low demand at home and impact of demonetization could force companies to initially seek a somewhat lower price increase of INR 3000 to INR 4000 per tonne.

Mr Seshagiri Rao joint MD of JSW Steel told ET that "We are looking at a price hike since local domestic prices are at an 18 per cent discount compared to landed cost of imports. The increase will have to be in phases given the demand situation at home." He, however, declined to comment on the possible extent of the price hike.

Benchmark global steel prices are now at USD 523 per tonne (f o b) China and ruling well above the reference price of USD 474 per tonne fixed by government. Adding local transport charges and taxes, price comes to around Rs 43,040 per tonne whereas the landed cost is INR 37,500 per tonne.

It is similar in case of products from Japan or Korea, in which case, the base price is higher at \$560 per tonne. When asked about a possible price hike, Vikram Amin executive director of Essar Steel said that "Our prices will be in line with the market."

The possibility of raising prices by nearly INR 6,000 to INR 6,500 per tonne is being tempered by the fact that domestic steel demand remains weak and companies may not be able to pass on the hike entirely.

Further, demonetisation has also impacted retail demand in the steel sector. Additionally, coking coal prices are seeing a correction from USD 300 per tonne to USD 265 per tonne now.

This is generally followed by a correction in global steel prices too. Hence, steel companies said they would like to keep a watch on prices over the next fortnight before deciding on the quantum of price hike.

Yanmar buys Blackstone's 18% stake in International Tractors

Japan's Yanmar has agreed to buy 18% stake in International Tractors, makers of Sonalika branded tractors, for about Rs 1,600 crore, increasing the Tokyo-based firm's stake to 30%, in one of the largest foreign capital inflow into India's core agriculture-related industrial sectors.

Yanmar will acquire shares held by the world's biggest private equity fund, Blackstone Group, which will make a rough three times return on a four-year-old investment.

The deal will value the company about Rs 9,000 crore. Blackstone had invested in ITL in 2012 and this exit adds to a series of successful ones the New York-head quartered private equity giant has made in the recent past. The transaction is expected to close in next few months, subject to the receipt of requisite regulatory approvals.

The deal has been signed and a formal announcement expected over the weekend or on Monday.

The transaction would be the second Japanese investment into agriculture-related sector.

Earlier in June, Sumitomo Chemicals acquired a majority stake in Excel Crop Care for about Rs 1,386 crore.

BMR Advisors was the financial advisors and BMR legal as the legal counsels for Yanmar, while Goldman Sachs advised Blackstone on the deal, sources said.

Yanmar buys Blackstone's 18% stake in International Tractors
Yanmar buys Blackstone's 18% stake in International Tractors - Image ET reported in its June 16th edition that Yanmar is looking to increase its stake in International Tractors.

Yanmar was an early investor in the Indian company having bought the stake in 2005 for Rs 200 crore.

Both International Tractors and Yanmar confirmed the transaction. Confirming this development, ITL Vice-Chairman, AS Mittal said that partnership with Yanmar has and will be a game changer for the tractor industry both in India and overseas.

Naoki Kobayashi, India head and member of Yanmar Board said ITL is an integral part of the growth strategy for Yanmar and this investment is a testimony towards this commitment.

Sonalika is the third largest tractor maker in the country. Sonalika has sold around 50,000 tractors (domestic and exports) in the first eight months of this financial year.

The company has been working on scaling up its presence in international markets, its exports have grown by 20% to 8121 units between April and November this year.

The company had a share of 14.2% in domestic tractors' market as of November 2016. Mid-term, the company is targeting doubling turnover to over Rs 10,000 crore by 2020. The company is eyeing profits of Rs 1,200 crore and volumes of close to 2 lakh units by the end of the decade.

Sona BLW opens third manufacturing facility in India; plant to create 300 new jobs

Total investment planned for the new facility is approximately Rs 1,000 mn, which will be spent over the next 2-3 years, creating around 300

new jobs. This facility will augment the Company's production capacity by 30%.

Automotive components manufacturer Sona BLW Precision Forgings (SBPFL) on Thursday inaugurated its third manufacturing facility in India in Gurugram. The new unit is Sona BLW's seventh manufacturing facility worldwide, with three plants in Germany and one in Hungary as well.

Total investment planned for the new facility is approximately Rs 1,000 million, which will be spent over the next 2-3 years, creating around 300 new jobs. This facility will augment the Company's production capacity by 30%, further contributing towards the country's development and GDP.

Managing Director Sunjay Kapur said, "We at Sona BLW are committed to bringing significant value through local sourcing, creation of more jobs and offering of high-quality products to our customers globally."

Kapur added "We focus on development of latest technologies to manufacture our products and deliver only the best to customers worldwide. Our units are in line with the Government of India's 'Make in India' mission and we are humbled with our contribution to India's economic development."

Sona BLW's customers include key OEMs such as Maruti Suzuki, Tata, TAFE, Mahindra & Mahindra, IITL, John Deere, Escorts, DICV Trucks India, Volvo Eicher and New Holland India. The Company also exports auto components to leading global automotive players such as John Deere, American Axle, Linamar, CNH and DANA.

International News..

Keokuk Steel Castings Set to Resume Production

Keokuk Steel Castings (Keokuk, Iowa) is set to resume production. The new owners, Brad and Annie Mills, closed the purchase of the dormant facility Nov. 30 and are looking to resume production in 2017. In July, the Iowa Economic Development Authority Board gave the Mills an incentive package worth over \$1.6 million, while Keokuk pitched in with a \$200,000 forgivable loan.

Matrix Metals, the plant's former owners, announced in Dec. 2015 it would be shuttering the facility.

"Manufacturing jobs have been leaving this country for quite some time," Lee County Supervisor Gary Fulluo said to the Des Moines Register. "It's always nice when you can turn a facility around."

Schaeffler sells automotive cylinder head manufacturing unit

The automotive and industrial supplier Schaeffler is going to sell its Magdeburg-based subsidiary Schaeffler Motorenelemente to the family-run automotive parts maker Weber Group. The contract for the sale was signed on December 21, 2016.

Schaeffler Motorenelemente specializes in the mechanical processing of cylinder heads and other complex housings for the automotive industry, which are not an integral part of the Schaeffler Group's core business. During the 2015 financial year, the company generated sales of around 42 million euros.

All of the company's 185 employees will be retained by the new owner. A long-term agreement for the company to supply components to the Schaeffler Group was also concluded as part of the transaction. Klaus Rosenfeld, CEO of Schaeffler AG, said "We have decided as part of our 'Mobility for tomorrow' strategy to concentrate on selected core competencies and future fields of development. The sale of Schaeffler Motorenelemente is a further step in this direction. It will allow us to free up resources that we can then invest in future fields of development that are important for us."

Peter Pleus, CEO Automotive at Schaeffler AG, said "We are pleased that, with the Weber Group, we have found a buyer who will continue and expand activities at our Magdeburg plant in the interest of our customers and our employees. This is also important for us, since Schaeffler Motorenelemente AG & Co. KG will remain a supplier to the Schaeffler Group in the future, even after it becomes part of the Weber Group."

The closing of the transaction is expected for the first quarter of 2017. It has been agreed that the details of the transaction will be kept secret.

Government Schemes

Support for Entrepreneurial and Managerial Development of SMEs through Incubators under National Manufacturing Competitiveness Programme (NMCP)

The main objective of the scheme is to promote emerging technological and knowledge based innovative ventures that seek the nurturing of ideas from professionals beyond the traditional activities of Micro, Small & Medium Enterprises (MSMEs).

Such entrepreneurial ideas have to be fostered and developed in a supportive environment before they become attractive for venture capital. Hence the need arises for incubation centres: to promote and support untapped creativity of individual innovators and to assist them to become technology based entrepreneurs.

This initiative is now being taken up by the Ministry of MSME – the nodal Ministry for the development of entrepreneurship and creation of self-employment and more employment avenues.

For more details please visit the following link:
<http://www.dcmsme.gov.in/schemes/Incubators10.pdf>

Notifications/ Circulars

Ministry of Commerce & Industry, Dept. of Commerce, DGFT

Public Notice No. 47/ 2015-2020, dt. 15th Dec., 2016

Enlistment of Seven PSiAs in terms of Para 2.55 (d) of HBP 2015-20 in Appendix 2G.

<http://dgft.gov.in/Exim/2000/PN/PN16/PN4716.pdf>

Ministry of Finance, Dept. of Revenue, CBEC

Notification No.147/2016 - Customs (N.T.), dt. 15.12.2016

Rate of exchange of conversion of the foreign currency with effect from 16th December, 2016

<http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt147-2016.pdf>

Upcoming Indian Events

 <p>3-5 Feb • 2017 Eco Park • Kolkata • India</p>	<p>65th IFC and IFEX 2017 From.: 3rd to 5th Feb, 2017 Venue: Eco Park, Kolkata URL: http://www.ifcindia.net</p>
	<p>ALUCAST-2016 01 - 03 Dec., 2017 BIEC, Bengaluru, India http://www.alucast2016.com/</p>

Upcoming International Events

	<p>CHINA DIECASTING 2017 From.: 19th to 21st July, 2017 Venue: SHANGHAI URL: HTTP://WWW.DIECASTEXPO.CN/EN/</p>
	<p>THE 73RD WORLD FOUNDRY CONGRES From.: 23rd to 27th Sept., 2017 Venue: Poland URL: HTTP://WWW.73WFC.COM/</p>

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