



PRIMARY ALUMINIUM INDUSTRY

**India's aluminium consumption to
grow by 9% in FY2024, despite global
headwinds**

AUGUST 2023



Central Government's massive infrastructure development plans, growing urbanisation levels, Housing for All schemes along with railways' investment in the metro rails network and aluminium-bodied Vande Bharat trains bode well for the domestic aluminium demand.

While global aluminium consumption would remain tepid at ~1% in CY2023, domestic aluminium demand growth is expected at a healthy 9% in FY2024 and FY2025.



- Domestic aluminium demand growth is expected to remain healthy at ~9% in the next two fiscals, given the Government's thrust on infrastructure development, outpacing the rate of global growth in aluminium demand.



- In the domestic market, around 48% of the aluminium is consumed in the power transmission and distribution (T&D) sector. ICRA notes that the Central Electricity Authority (CEA) has outlined a planned capacity expansion of 16,600 circuit kilometres (ckm) for the current financial year, which is an increase of over 13% compared to FY2023.



- The Government of India's (Gol's) ambitious target to achieve 500 GW of renewable energy capacity by 2032 would further entail significant capacity additions in transmission lines in the coming decade and bodes well for domestic aluminium demand in the foreseeable future.



- In addition, the Gol's massive infrastructure development plans, growing urbanisation levels, Housing for All schemes along with airport infrastructure and investment in metro rail network and aluminium-bodied Vande Bharat trains bode well for the domestic aluminium demand in the medium term.



- The automotive sector also plays a pivotal role in the overall consumption of aluminium in India. After a stellar performance in FY2023, the automotive demand is expected to remain steady in FY2024 and FY2025. Further, a significant transition to the electric vehicles in the coming decade would aid domestic aluminium demand.



- While the domestic demand remains resilient, global aluminium consumption is likely to remain muted in the current calendar year. In addition, global metal supply is showing signs of improvement, primarily in China, which is likely to result in a surplus metal balance in the current calendar year.



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Jayanta Roy	Senior Vice-President	jayanta@icraindia.com	033 – 7150 1120
Priyesh Ruparelia	Vice-President	priyesh.ruparelia@icraindia.com	022 – 6169 3328
Sumit Jhunjunwala	Assistant vice-President	sumit.jhunjunwala@icraindia.com	033 – 7150 1111
Maitri Vira	Senior Analyst	maitri.vira@icraindia.com	079 – 4027 1538





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693377
Rohit Gupta	Head Business Development - Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development - Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vipin Saboo	Head Business Development – Corporate Sector - West & East	vipin.saboo@icraindia.com	022-61693348
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Media & Communications	communications@icraindia.com	0124-4545860





© Copyright, 2023 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!