

Special Address
By
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Respected Mr. J.M. Mauskar, Member, PM's Council on Climate Change and former Special Secretary, Ministry of Environment, Forests and Climate Change; Mr. Shatrughna Singh, Additional Secretary, DIPP, Dr. Jigar V. Shah, Executive Director, IIP, Mr. Gregory Harvey, First Secretary, Australian Trade Commission; Distinguished national and overseas delegates, Invitees, Members of the Press, ladies and gentlemen:

Good morning and a very warm welcome to you all. Also, for our overseas guests, a very special welcome to India! I think, at a time when the climate is changing to a very pleasant one in Delhi, I think, it calls for special welcome.

I am extremely happy that the 2nd Edition of the Conference is taking place as a sequel to the first one held at this Venue in August 2013, and the enthusiastic response that this 2nd edition has generated, validates the usefulness of this event. The topical relevance and the theme of the event in today's context to drive the ongoing efforts of the cement industry for reducing usage of conventional fossil fuels (coal) and precious natural resources like limestone etc., can hardly be over-emphasised.

The Indian cement industry has always been in the forefront in actively participating in various Government's initiative towards Energy and resource conservation and environmental protection. The ongoing implementation of the Perform, Achieve and Trade (PAT) scheme of the Bureau of Energy Efficiency of the Government of India, designed to achieve yet Greater levels of energy efficiency and the evolution of new emission norms for the cement industry together with CPCB and MoEF are just two recent examples. A proactive attitude of the Industry has thus virtually raised its status beyond compliance, to be at par with world class benchmark. The carbon footprint of the industry has drastically come down. This has also contributed to upholding India's voluntary pledge towards carbon intensity reduction in the ongoing international climate change negotiations.

It is heartening to note that the Indian cement industry on its own is now undertaking further initiative in this direction, through enhancing the usage of alternate fuels and raw materials in cement plants. I would like to compliment the Industry and other stakeholders in this endeavour. To appreciate our insights and thoughts on the Conference theme, I think, it would be appropriate for me to briefly touch upon the growth story of the cement industry. Starting with a humble presence in 1914, the Industry has seen appreciable growth in cement production after the introduction of partial decontrol in 1982, culminating in total decontrol in 1989. With the implementation of liberalization policies of the Government in 1991 followed by Government's thrust for the infrastructure development in the country, the growth of the cement industry followed an upward trend touching a peak of over 12% in 2009-10.

The exponential growth of the Industry can be gauged from the fact that for creating the first 100 million tonnes capacity, prior to partial decontrol area, the Industry took 83 long years, while for adding the second and third 100 million tonnes mark, the period had been substantially reduced or rather compressed to 11 years and 3 years respectively. Today India is the second largest cement producing country in the world after China, at 360 million tonnes cement capacity, with 100 million tonnes lying idle due to low demand.

With the adoption of massive modernization and assimilation of state-of-the-art technology, resulting in 99% dry process kilns, today Indian cement plants are most energy-efficient and environment-friendly and are comparable to the best in the world in all respects, whether it is kiln size, technology, energy consumption or environmental friendliness. Industry has progressively reduced its thermal energy consumption from 800-900 kcal/kg of clinker in 1980s to 650-750 kcal/kg of clinker now. Similarly, power consumption registered a remarkable improvement from 105-115 kwh/tonne cement to 70-90 kwh/tonne cement during the said period.

The Indian cement industry in its evolution and progress, has crossed many hurdles, but has also grown from strength to strength over a period of time. While the industry has just completed its centenary year in 2014, it is raring to reach further heights in the near future. We as members of Cement Fraternity feel legitimately very proud of it. It is great relief and matter of great satisfaction for the Industry that the new Government has been laying considerable emphasis on the development of infrastructure, affordable housing,

creation of Smart cities, industrial corridors and port developments. Once the emphasis gets converted into concrete actions, sooner or later, the demand for cement is expected to grow in double digits. The first 6 months of the current financial year has already seen more than 8% growth in cement production over the same period in the previous financial year, just in the hopes of better time to come.

Although there are a number of constraints and bottlenecks concerning infrastructure, logistics, taxation, environment, exports plaguing the growth of this core sector industry, I am today focussing only on the supply constraints of coal and its replacement through increased usage of AFAR and WHR through active support and encouragement from Government. The theme of this Conference is about enhancing the use of alternative fuels and raw materials in the cement industry while addressing environmental, economic and social concerns related to it.

Cement industry is highly energy-intensive, and today energy constitutes around 50% of the total manufacturing cost of cement, that is without taking into consideration energy which goes into transportation of cement. Coal is one of the major raw materials needed by the Industry both in the manufacturing of cement and also for generating power. With a steep drop in the supply of linked coal to the Cement industry from 70% in the financial year 2004-05 to almost 35% now, mainly due to priority allocation of coal to the power sector. Cement companies will have no option but to look for alternative fuels like petcoke, lignite, etc. The Working Group on cement industry for 12th Plan, while fixing 407 million tonnes cement production target by 2017, the terminal year of the Plan had indicated that the industry will require about 69 million tonnes of coal. With this huge coal requirement and its uncertain availability, exploring the increased usage of Alternate fuels and raw materials and Waste heat recovery is the only viable option for the cement industry. To supplement its energy needs, the cement industry has been making concerted efforts over the last few years to enhance the usage of Alternate fuels like Solid municipal wastes (MSW), cut tyres, paint sludge, biomass and co-generation through Waste heat recovery after making huge investments in process technology. But unfortunately so far the success rate is not encouraging due to certain technical, regulatory and policy-related constraints being encountered by the industry. I am sure that in this Conference, these issues will be deliberated at length and in detail so that the industry in India can adopt from the best

available practices internationally and provide inputs to the policy makers to work towards enabling policy and regulatory environment.

To help the industry in these endeavours, it is imperative that the Government should encourage and incentivize greater usage of these alternative fuels in the cement manufacturing by making inter-state movement of municipal and other wastes hassle-free and also making their use commercially viable. The imperative is to put in place a set of regulatory measures which make it mandatory for the local bodies to make available cement grade RDF on a consistent and sustained basis by imposing reasonable cost on the generators and creating infrastructure for storage and processing to convert Municipal solid wastes into RDF.

As the country marches ahead on the path of development and towards fulfillment of the vision of Housing for all, electricity, water and road connectivity by 2022, given by our Hon'ble Prime Minister, there shall be huge demand on the precious natural resources including limestone. This would call for exploring all avenues for optimal utilization of resources and I am happy that the cement industry is doing every bit towards this endeavour. Special mention needs to be made of the technical committee of Cement Manufacturers' Association, CMA which is sensitizing the industry and taking it up with the Government and other concerned parties. Cement industry is already known as the scavenger of the power and steel industry, being the biggest user of fly ash and blast furnace slag generated by thermal power and steel plants respectively. Increasing use of these industrial waste products can substantially reduce the demand on depleting natural resource like limestone, while at the same time address the economic and social concerns about improving the lives of millions of people.

In this context, the concerted efforts put in by CMA with the help of IIP to continue with the Active Engagements on the subject through providing this conference platform, dedicated to finding feasible solutions for enhancing the usage of substitutes for fuel and raw materials in the Indian cement industry deserves appreciation. I am sure, that this Conference would see deeper sharing of knowledge and information amongst the Experts and participants from India and abroad, which would help the Indian cement industry scale newer heights to become Beyond World Class in Resource and Energy conservation and environmental protection.

I believe that this CMA-IIP, 2nd International Conference, under the policy, Regulatory and technical spheres, with advice and inputs from the dignitaries and the experts will further fine-tune the measures needed for a successful implementation of enhanced usage of alternate fuels and raw materials co-processing in cement plants.

I am confident this International Conference would provide an excellent opportunity and an interactive platform to all the delegates to exchange experience, network and bond further.

I wish you all a very interactive, constructive and fruitful participation and of course, enjoyable stay in Delhi.

Thank you very much.