

# Industrial gas market to grow at the rate of 12-15 percent

With major push for enhancing refining capacity along with meeting global environment norms, India will have a huge market demand for industrial gases, says **SADHAN BANERJEE**, Regional General Manager and Managing Director at Air Products India, in an exclusive interaction with Pradeep Pandey. Air Products, one of the major global industrial gases company, is expecting its Indian operations to grow by over 10% given the pace at which the Indian economy is expanding.



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## How the industrial gas market is shaping up with rise in demand on the back of refining and manufacturing capacity growth requirements?

India particularly having GDP growth prediction of around 7.4 per cent and going forward we look it in the range of 7.5 to 8 per cent, which makes it global leader followed by China with GDP growth of around 6.6 per cent. Normally, the growth in industrial gas market is assessed primarily on GDP linked perspective. Globally, the industrial gas grew at 1.5 to 2 times of GDP as per thumb rule. That means in the range of 12 to 15 per cent. In addition for a country like India that needs rapid expansion of refining capacity. It has been reported that in next 20 years India has to double its refining capacity to meet the fuel demand. And the third thing is that focus on environmental concern following the global norm. We are moving from Bharat IV to Bharat VII in next couple of years that may further require increase in refining capacity and industrial gases have major part in refining crude. Another new prospect in India is coal gasification as it is having fifth largest coal reserve in the world and the Indian government is

taking initiative to bring in use this clean method of energy resource. We think all these factors will propel the growth of industrial gas market.

## Apart from crude refining, which are the other sectors India that could create prospects for industrial gases?

As we discussed earlier, largely industrial gases are used in crude refining. Other sectors, which have large consumption, include steel manufacturing, chemicals, pharmaceuticals & health care, and a small part is in food & beverages. Moreover, industrial gas market for refining and steel sector is well organised, however, in other sectors it is yet to be organised. So, here in India also there are major efforts being put by the government for overall industrial and manufacturing sector that might create huge demand.

## Being one of the major players in Industrial gas segment, how do you see growth in your Indian operations?

We expect to grown in the range of 10-11 per cent as India is predicted to grow at 7.2%. Our growth will be 1.5 to 2 times of GDP growth of the country as there will be increased

requirement of industrial gas in refining and other sectors.

## Can you elaborate on your expansion plan in India?

Air Products is already developing \$400 million industrial gas complex within integrated refinery expansion project of BPCL Kochi Refinery. The first phase has been completed while the second phase will be completed soon. In addition, we will invest about \$100 million in India for setting up six new liquid oxygen and nitrogen production facilities catering to manufacturing industries. The investment will be done through its Indian joint venture INOX Air Products. The new plants are strategically located and are currently at various stages of implementation and will be completed by the end of 2019 calendar year. The new facilities will be built in Chakan, Pune; Durgapur, West Bengal; Sriperumbudur, Tamil Nadu; Simej, Gujrat; Modinagar, UP; and Kanjikode, Kerala. Having a combined capacity of over 1,200 metric tonnes per day of liquid product, these plants will serve a variety of industry segments, including car manufacturing, iron and steel making and pharmaceuticals. EPCWorld