

Views of President of CEIR

# “Future of Indian Valve Industry is Bright”

*Mr Maurizio Brancaleoni, President, The European Committee for the Valve Industry (CEIR), who was Guest of Honour in CII’s (Confederation of Indian Industry) annual valves conference on 6<sup>th</sup> December 2010 in Mumbai, in an interaction with Mr Anil Upadhyay, Editor in Chief, Valves India, talks about the increasing role of Indian valve industry on global scene.*

*Question : Mr Brancaleoni what are your first impressions about Indian valve industry ?*

Answer : This is my first visit to India & I am quite impressed by the quality of both speakers and papers presented today during the CII Valve Conference 2010 in Mumbai. The Conference was absolutely at high level comparable to international standards and all the speakers were well prepared about their subjects, the presentations were excellent and covered in details all highlighted aspects.

*Q: What is the future of Indian valve*

*industry, in your opinion ?*  
 A: The future of the Indian Valve industries is very bright. **Indian valve**

**technicians and engineers is quite high.** Most of your manufacturers have new production centers which are to the



latest state of the art. This will enable them to reduce the technological gap quite soon and match the increasing demands of the global valve industry, introducing new products tailored to meet various markets' requirements.

*Q: How would you compare Indian & Chinese valves industry ?*

**manufacturers have a very good knowledge of products and of both domestic and international markets.** In addition, the **educational level of your**

A: India has a good technological background. The talent of your designers and engineers, the manufacturing processes and the

language benefit, along with the quality levels, represent already competing winning elements.

***For all European manufacturers it is quite difficult to match prices, we are 25%-30% higher in costs***

***Q: Do you see any threat to Italian valve industry from Chinese manufacturers ?***

A: The global market and the role of many international players, including Chinese manufacturers, has already changed the way business is made. Particular attention must be paid – however - on common comparison grounds and companies' and products' quality levels. Price will be the only winning element since, in the near future, users will expect more tangible benefits, proper services, improved reliability and better product life cycles.

***Q: During my visit to MCE exhibition in Milan, Italy in March this year, I observed that many companies had displayed that product is 'Really Made in Italy' why is it so ?***

A: Because many traders are either importing or selling products as declared as “Made in Italy”, whereas they have no any real justification to act so. This is a big fraud and cannot be tolerated

**any longer.** We are strongly opposing to it and we are insisting, mainly at European Union level, that imported and finished products – like valves and taps - should also be clearly marked, similarly to what is done, for instance, with many well known branded electronics items, where products are marked with sentences stating that the design was made in USA but the manufacturing cycle took place, for example, in China or Korea.

***Q : What are the main objections about quality ?***

A: As valves and taps are also widely used for drinking water services, the respect of material standards is essential, limiting drastically or totally the presence of dangerous substances like Nickel, Cadmium, Lead, etc. The health of End Users is a very crucial point and, currently, many activities are in place either in Europe or in USA to protect the consumers.

***Q: Some Indian companies have recently acquired European valves companies, what do you say ?***

***many traders are either importing or selling products as declared as “Made in Italy”, whereas they have no any real justification to act so. This is a big fraud and cannot be tolerated any longer.***

A: Again this is an additional sign that “globalization”, as such, does not represent a threat but, on the contrary, it is a unique opportunity for all stakeholders involved to share experiences, mutual cultural and personal knowledge which are the basis for honest and trustful business relationships. Via their European manufacturing facilities, in addition, these Indian entrepreneurs will also be able to better know the European Valve Industry and play active and global roles, also in the standardization activities, at both CEN and ISO level.

***Q: How is local demand in Italy or it is mainly exports ?***

A: Yes, we still have a mild domestic demand, primarily on conventional power generation and water plants and irrigation. We expect some improvements which are pending on the investments of the public utilities and governmental agencies. More than 65% of Italian valves and taps are exported worldwide. Italian industrial valves manufactured export primarily high performance products whilst, except for very few exceptions, the so called “commodity” valves (low pressure cast iron or cast steel), are imported.

***Q: Can you match Indian prices ?***

A: For all European manufacturers it is quite difficult to match prices, were often we are 25%-30% higher in costs (labour, electricity, materials).

***Q: Which category is the most promising , in your views ?***

A: High performance valves, properly designed and manufactured to acceptable quality levels, will continue to have a promising and bright future.