



On the Spot... Rajesh K Khosla

Announcing plans to enhance production capacity by 100% during the next phases of an ambitious investment programme, Rajesh Khosla, President and CEO of AGI glaspac, spoke exclusively to *Glass Worldwide* about the company's growth, current market trends and the performance of glass versus competitive packaging in India.

GW: What are the prevailing market conditions for the hollow sector in India and what are your forecasts for the next 12 months?

There is a temporary slowdown in the general market, owing to the local political conditions and muted consumer sentiments. The hollow sector, too, is not insulated and is going through a brief period of calmness. The Indian government is taking the necessary steps to drive up the investment, boost liquidity, restore consumer confidence and bring back the bullishness in the economy. We foresee good growth in the alcoholic beverage and pharmaceutical segments in the coming year and estimate 9% to 10% growth in the container glass market in India.

GW: Are any markets performing better than others and if so, what is the driving force?

Yes. The alcoholic beverages segment is performing better than other segments such as food and soft drinks. The liquor and wine segment benefitted from an extended winter this year and contributed positively to glass bottle sales. On the other hand, the crop yield this year has been low, as most of it was damaged due to heavy rainfalls in some parts of the country, while also affecting demand for jars in the food segment.



Both AGI glaspac plants have started using natural gas in their furnaces.

GW: How is legislation from the Indian government influencing the performance of glass versus competitive packaging such as plastic?

The initiative by the government to phase out single use plastics has been commended, in general, by the public. But the impact of the same on glass sales is yet to be realised. For alcoholic beverages, which is our major user segment, glass is already a preferred packaging material and is being used extensively. In the food and soft drinks segment, which is a high potential market for packaging materials, the switch from plastic to alternate packaging materials is happening at a slow pace. Similarly, pharmaceutical companies are yet to make up their mind on glass replacing plastics. In the long-term, I expect that most segments will follow the consumer preference of sustainable packaging, thus benefitting the hollow sector.

GW: How have other political climates such as the China-USA trade war affected prospects for the Indian glass sector?

In the age of globalisation, no country or market is insulated from the global political climate and India is no exception to that. The US adventure in Iran affects global crude supplies and has an impact on the profitability of glass in India. The China-USA trade war is also expected to affect the Indian industry but its impact on glass would be a fraction of that, as the glass business is very cost-sensitive and freight becomes a major cost element when transporting over long distances.

GW: How would you summarise the performance of AGI since our interview last year?

The past year has been a very positive and promising one. We have launched new designs, resolved bottlenecks that were limiting our capacity and improved operational indicators. Looking forward, we have plans to invest in greenfield and brownfield expansion and double our capacity.



Future plant investments will see manufacturing capacity increased by 100%.

GW: What are the significant movements in Indian consumer trends and how well positioned is AGI to adapt accordingly moving forward?

Indian consumer taste is evolving. The demography is shifting towards the young. They are educated, have higher disposable income and are striving for a lifestyle that is on par with international standards. They are sensitive to the environment and prefer a sustainable product. AGI, with its in-house design team and R&D capability, is well equipped and abreast of evolving trends and preferences; and would be first among equals in meeting customer expectations.

GW: Have you been particularly pleased with any recent product innovations launched by AGI?

Yes, we had a good year. The new design launches were well received and appreciated by our customers. The drive towards reducing bottle weight has been a mutually beneficial initiative and is bringing good returns to us and to customers. This year, we have launched two special types of bottles:

- Hollow decoration bottle, where the design is clearly visible but cannot be felt when the container is emptied.
- Anti-depression (negative ion) bottle: The most important benefit of AGI's negative ions is that they clear the air of airborne allergens such as pollen, mould spores, bacteria and viruses. Negative ions perform this function by attaching themselves to positively charged particles in large numbers and negatively charging those particles.

GW: Are any further product launches already planned for this year?

Yes, we have a few product launches planned this year and some of them are already in the pipeline. Our thrust is towards strengthening the in-house design and R&D capability, so you will be seeing more innovations from us in the future.

GW: Is the company taking any specific measures to control energy, raw materials and other production costs?

The company is very particular about its cost of production and believes that each cost should be accounted for and nothing should go to waste. We are entering into long-term contracts ▶



A series of greenfield and brownfield investment projects are planned.




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AIGMF/Glass Worldwide co-operation

Glass Worldwide is the preferred international journal of the All India Glass Manufacturers' Federation (AIGMF), in association with *Kanch*, providing the Indian sub-continent with the best possible forum for the exchange of news and views between glass manufacturers and their suppliers. *Glass Worldwide* shares the AIGMF's goals of promoting the Indian glass sector to a domestic and global audience, as well as informing Indian glass professionals of all developments from other regions. Rajesh Khosla, a member of the AIGMF executive committee, lists the main benefits of this exclusive co-operation:

- To encourage, promote and develop the manufacture of glass articles of all kinds and to safeguard and protect the interests of the glass industry and glassware business in India.
- To form a common link among glass manufacturers in India and thus develop a spirit of mutual help and co-operation with one another.
- To promote study and research in glass technology.
- To consider all matters relating to the manufacture and marketing of glass articles in India and the question of exports and imports.
- To devise ways and means for securing necessary supply of raw materials required for the manufacture of glass articles at comparatively lower prices and thus to reduce the cost of production and increase the national wealth.
- To collect necessary information and data and propagate it for the benefit of the glass industry and trade in India.
- To make representations whenever necessary to the Union Government or any unit of the Union of India for the removal of difficulties that might hamper the trade of glass articles or for the granting of special facilities for the glass industry.
- To organise a united front on behalf of all glass manufacturers and thus strive to gain all those advantages that may not be possible through individual efforts.



The Anti-depression (negative ion) bottle development

AGI glasspac's Hollow decoration bottle innovation.

on account of human inefficiency and equip us with a lot of process data that can be analysed for further improvements. Our intention is to extend digitisation to our customers and suppliers as well.

GW: How important are your suppliers of production technology and machinery in reaching the company's goals?

We believe in maintaining a sustainable business relationship with our suppliers. They are very important and are an integral part of our business strategy.

GW: How useful was glasspex INDIA 2019 in Mumbai last September for meeting your international suppliers and what was achieved?

Glasspex INDIA 2019 was fantastic for AGI glasspac. Our stand attracted many visitors and suppliers from more than 10 countries and from companies involved in glass production, processing and finishing technology, measurement and control engineering, tools, replacement, auxiliary, equipment fittings, contracting, consulting, engineering, research and teaching, trade literature, trade associations and many more. We have built many strong relationships with our suppliers and discussed their contributions to AGI glasspac.

GW: And what did the parallel 13th International Conference of the AIGMF add to proceedings?

This was a high profile content-driven conference that highlighted key issues and developments by industry experts. I compliment the complete AIGMF team and Dave Fordham of *Glass Worldwide* for his exceptional moderation. ●

Further information:

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with our suppliers so that they have visibility and we get the best price and guaranteed sustained supply. An energy audit of the plants is being carried out to identify and plug the energy leakages. Now, both of our plants have started using natural gas in the furnaces and are substituting for a part of the alternate less green fuel in our energy mix. To harness the advances in technology, the company has plans to invest 130 Crs in the technology upgrade.

GW: How successful have investments in production facilities proved to be in recent times?

We have generated favourable returns on investments. As mentioned earlier, we have plans for further technology upgrades and investment in building new capacities.

GW: What is your strategy for further investments in AGI's manufacturing plants?

As stated earlier, we are enhancing our production capacity by 100%. The investment is planned in two phases and will be spread over a number of years.

GW: Will there be any further increases in capacity and are any specific investment projects already underway or planned for the coming months?

The additional capacity will be added through both greenfield projects and brownfield expansions. The major addition will be from new facilities planned in two phases. Phase one will add 400 tonnes/day and phase two will add 350 tonnes/day capacity.

GW: Are you investing in digital platforms to assist the production capabilities?

Yes, we are working on automation, IoT, Industry 4.0, smart manufacturing and digitalisation fronts. It will standardise processes, minimise errors