



# LEAD

## MARKET OVERVIEW

The COVID-19 pandemic impacted lead demand in CY 2020, reducing consumption by 3.6% Y-o-Y. The outlook, though, is of a strong rebound of 4.5% growth Y-o-Y in CY 2021. The refined lead output increased by 1% in CY 2020 and lead mine production plummeted 7.4% in CY 2020 and is expected to rebound by 3.6% in CY 2021. There has been a significant dropdown in concentrate stocks in CY 2020.

The resilient nature of lead markets means a significant proportion of the impact will be demand deferral rather than demand destruction, with the majority of this deferred demand carried over into CY 2021. Lead Acid Battery industry, that drive more than 80% demand for lead, was muted for Q1 in FY 2020-21 due to the lockdown, but we saw marginal increase in demand in the Lead Acid Battery (LAB) segment, driven by the upsurge in aftermarket demand for replacement of old and discharged batteries. As per our findings, the LAB segment's revenue was approximately ₹ 33,000 crore in FY 2020-21, driven by an aftermarket volume growth of 14% in two-wheelers and 6% in other vehicular batteries. In comparison, OEM exports and industrial battery segments were under pressure in FY 2020-21.

A strong rebound  
is expected in lead  
consumption

**4.5% growth Y-o-Y**

Key factors that could affect lead market in CY 2021 are:

- > The post-pandemic green energy transition and the push on EVs
- > Short-term demand
- > Elevated mine disruption
- > Smelter rationalization
- > The Nordenham question

## Products & Customers

India's refined lead market is about 1.1 Mt, including both primary and secondary markets. The demand for primary lead remained stagnant at approximately 250 kt in FY 2020-21. We have increased our domestic share in primary lead market by 14% in FY 2020-21. We sold 85% of our production in the domestic market and exported the rest to the South-East Asian market during FY 2020-21. Next year, we are expecting to increase our sales by 3-4% through new customers, via ecommerce platform and introduction of lead alloys in our product portfolio. We added a total of 60 new customers during FY 2020-21 through normal and EVOLVE sales.