Vedanta Group Chairman urges galvanisation drive to tackle infrastructure loss due to corrosion

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As monsoon rains continue across India, Vedanta Group Chairman Anil Agarwal has drawn attention to what he terms an overlooked economic challenge—corrosion. In a recent social media post, he highlighted that rusting of iron and steel caused by moisture, heat, and pollutants contributes to a 5 per cent annual loss in India's GDP. He pointed to galvanisation as a direct and effective method of mitigation.

"Everything made of iron or steel is prone to rusting due to wetness and moisture," Agarwal stated. "This is a huge loss, which can easily be prevented. The solution lies in galvanisation where steel is coated with zinc."

He described zinc as a national protector that extends the life of steel infrastructure, vehicles, and buildings, stressing the need for galvanisation to become standard practice rather than an occasional measure.

Zinc's role in infrastructure and clean energy

Agarwal also underlined zinc's growing role beyond corrosion protection. He noted that zinc is being considered as an alternative to lithium in the development of high-tech batteries, positioning it as a mineral of strategic importance in clean energy and storage applications.

Through its subsidiary Hindustan Zinc Limited—India's only and the world's largest integrated zinc producer—Vedanta has promoted the use of zinc across sectors including infrastructure, mobility, and energy. He described the issue not only as a technical concern but as one with broader economic implications. With India's extensive coastline and widespread exposure to corrosive weather conditions, he warned that lack of corrosion protection continues to drain public resources.
Zinc-coated steel, according to the post, offers resistance to heat, moisture, and mechanical damage, resulting in longer asset life and reduced maintenance costs. Comparatively, countries such as Japan and Australia have managed to cut their GDP losses from corrosion to under 1.5 per cent by mainstreaming galvanisation practices.

Currently, over 90 per cent of vehicles in markets such as North America, Europe, China, and Japan use zinc-coated bodies. In India, this figure stands between 0% and 25%. Agarwal noted that as steel makes up over 70 per cent of a vehicle's body, it is highly prone to rust unless protected.

As India moves towards its target of producing 300 million tonnes of steel annually and expands its infrastructure footprint, Agarwal's statement calls for proactive measures. Galvanisation, he emphasised, is essential not only for reducing recurring maintenance costs but also for safeguarding national investment and ensuring long-term resilience.As monsoon rains continue across India, Vedanta Group Chairman Anil Agarwal has drawn attention to what he terms an overlooked economic challenge—corrosion. In a recent social media post, he highlighted that rusting of iron and steel caused by moisture, heat, and pollutants contributes to a 5 per cent annual loss in India's GDP. He pointed to galvanisation as a direct and effective method of mitigation.

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Cement makers to regain decadal average profitability in 2025-26 over demand revival: Crisil

Growth in India's cement demand will recover to 6.5-7.5 per cent this fiscal (2025-26) after falling to 5 per cent in the recently concluded 2024-25 fiscal, according to a Crisil Ratings report.

This, coupled with an uptick in realisations, will lift operating profitability by Rs 100 to a level just above the decadal average, the rating agency asserted in its report on Monday.

Healthy accrual coupled with robust balance sheets will keep the credit profiles of cement makers stable, a Crisil analysis of 17 cement companies, accounting for over 85 per cent of domestic sales volume, found.

Last fiscal, cement demand hit a soft patch in the first half and reported a tepid growth of 2-3 per cent owing to a slowdown in construction activities due to the general elections and erratic monsoon.However, there was a recovery in the second half, leading to annual demand growth of 5 per cent.

Sehul Bhatt, Director, Crisil Intelligence, "This fiscal, cement demand will be driven by a 7-8 per cent growth in the rural housing segment, which accounts for a third of the domestic demand."

"Indeed, rural housing demand will replace the infrastructure segment as the primary demand driver this fiscal, owing to expectations of a rise in agricultural income on a likely healthy monsoon. Higher disposable income on account of lower interest rates and tax cuts, as well as benign inflation, will also support rural housing demand," added Bhatt.
On the other hand, the infrastructure segment, the second-largest contributor to cement demand with a 30 per cent share, is expected to grow at a relatively slow but steady pace, owing to the lower awarding of national highway projects in the previous two fiscal years and muted capital outlay growth for railways.Meanwhile, cement prices witnessed a healthy uptick in the first quarter of the current fiscal and are expected to rise 2-4 per cent this fiscal after two consecutive years of price lull, the rating agency said today in its report.

Anand Kulkarni, Director, Crisil Ratings, "Along with higher demand, a recovery in realisations, amid stable costs, will lift the operating profitability of cement makers to Rs 975-1,000 per tonne this fiscal against Rs 880 per tonne last fiscal and the decadal average of Rs 965 per tonne."

"Increasing proportion of competitively sourced green energy in the power mix will lead to some savings in power and fuel costs. This will support profitability by offsetting the Rs 20-30 per tonne rise in raw material prices due to higher cost of limestone, fly ash and slag," added Kulkarni.The resultant increase in cash accrual, according to Crisil Ratings, will reduce reliance on external borrowings to fund capital expenditure.

"That said, an extended monsoon impacting construction activity or lower infrastructure spend, which can affect demand, and any adverse movement in commodity and energy prices owing to global geopolitical tensions, which may dent profitability, will bear watching," the rating agency concluded.