



EDITORIAL

The Electrical Industry - Prospects after Elections

With the world economy continuing to be in turmoil, it was feared that the manufacturing industry would feel the heat sooner or later. And indeed some sectors of the industry, which were more dependent on the overseas markets took some beating.

The Indian electrical industry however depends to a great extent on the investment in the domestic power sector and the first three months of 2010 - the last three of the previous financial year saw finalization of some good Rs. 2,000 crores + orders from the utilities including PowerGrid.

There is therefore no reason to complain as of now for the Indian electrical industry, particularly the part that depends heavily on the tender business. This was confirmed during the recent meeting, where some of the major members were present.

The different segments of the industry of course are performing differently depending on the drivers for their demand. For example, low tension products supplied to realty sector, industry and the end products in the power scheme are doing below par. However, by and large the industry is doing reasonably well and continues to grow, though at very low levels, in the environment of economic slowdown.

Whereas there is comfort experienced in the generation and transmission sectors, with orders flowing in, the major concern remains the distribution sector, where a lot still needs to be done as the confusion on the action plan prevails.

We believe that only the political will have some positive effect on the distribution sector and therefore the parliament elections have assumed great significance for the Indian electrical industry. It is necessary that, whichever Government is formed at the Center, it quickly gets into its act and addresses the woes emerging from the distribution sector and evolves a policy to take corrective actions.

We look forward with expectations to the new Government and its policies.

Sunil More

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