

P R E F A C E

Cement plays an important role in the development of social, industrial and commercial infrastructure which are considered prime engines of economic development. Cement being the basic building material, it plays a most vital role in the country's planned economic development. The level of production and consumption can be taken as a barometer of industrial growth.

The cement scene is fast changing and has entered a new phase of vigorous expansion, the pace and dimensions of which were quite unthinkable in early eighties. The changing trends came into the industry after the introduction of partial decontrol in 1982. But the triple wave of liberalisation, privatisation and globalisation has completely altered the basic example of business operations, resulting in burgeoning economic growth of the nation, and unprecedented growth of the industry that has to face many new challenges arising out of fast growth. Besides the clearly visible growth, the extent and scope of changes and basic shifts in the areas of production, marketing and distribution have been starting and are very large in proportion. The challenges facing the industry have also been more diversified and are increasing many fold, particularly due to the decreasing role of the government and the inevitable growing competition in the market scene owing to fluctuations in the demand. The failure of the public sector agencies in providing

adequate infrastructural supports has led to a number of problems that necessitated new dimensions to the responses of the industry regarding the market needs of the new era. These fundamental changes that have been brought about by the partial decontrol in the early eighties, total decontrol in late eighties and total delicensing of the industry in early nineties.

The first chapter gives us a clear picture of the Indian Cement Industry laying emphasis on its origin, growth and structure, various important milestones in the government policies, problems and the contribution made by the cement industry to the country's economic development. Cement industry in India had gone through kaleidoscopic changes in recent years after a long period of near stagnation. Today, India is the fourth largest cement producer in the World after China, Japan and U.S.A. and will probably move into second position in the near future. The importance of cement industry lies in the fact that it has made significant progress during the last 50 years. The number of cement factories increased from 18 at the time Independence to 117 by 1998 and the production is increased from 2.20 million tonnes in 1950-51 to 83.16 million tonnes in 1997-98. India achieved self sufficiency in cement in 1989, 75 years after its first plant was commissioned in 1914. The Indian cement industry contributed richly to the nation's exchequer crossing the magic figures of Rs.2500 crores in 1997-98 and also

contributed the approximate amounts of Rs.2500 crores to the various state governments by means of sales tax, royalty and octroi.

The second and third chapters present a vivid picture of the objectives, methodology and sampling, scope and limitations etc. of this thesis and also the profiles of the select cement plants both the major and mini.

In the fourth chapter, a gallant attempt has been made to study the growth and developmental activities of the Andhra Pradesh Cement Industry as well as that of the select major and mini cement plants. The Andhra Pradesh cement industry occupied the number two slot in the cement map of India. It has all the necessary natural resources to produce large quantities of cement. Further, in the case of a developing country like India, it is not only necessary to increase the cement production and reduce cost of production, but appropriate marketing policy is also needed for tapping the vast Indian and world markets. In the fifth chapter, an elaborate discussion has been initiated about the cost of production and marketing aspects of the Andhra Pradesh cement industry.

The crucial sixth chapter presents us a vivid picture about the areas of prospects of the cement industry and demand / sales forecasting, in the coming five

years, of the industry as well as that of the select cement plants in Andhra Pradesh.

The above said forecasting is arrived at by means of “Least Square Method”.

In this context, an attempt has been made in the present study to analyse the growth trends in the Andhra Pradesh cement industry and find out the demand / sales forecasting figures of the industry as well as of the select cement plants for taking future policy decisions based on these forecasting results.

It gives me immense confidence that this research work would become an invaluable record of facts for the manufacturers of cement in general and those of select cement plants in particular in Andhra Pradesh. It is also hoped that, it will act as a guideline for the researchers doing research on cement industry.

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