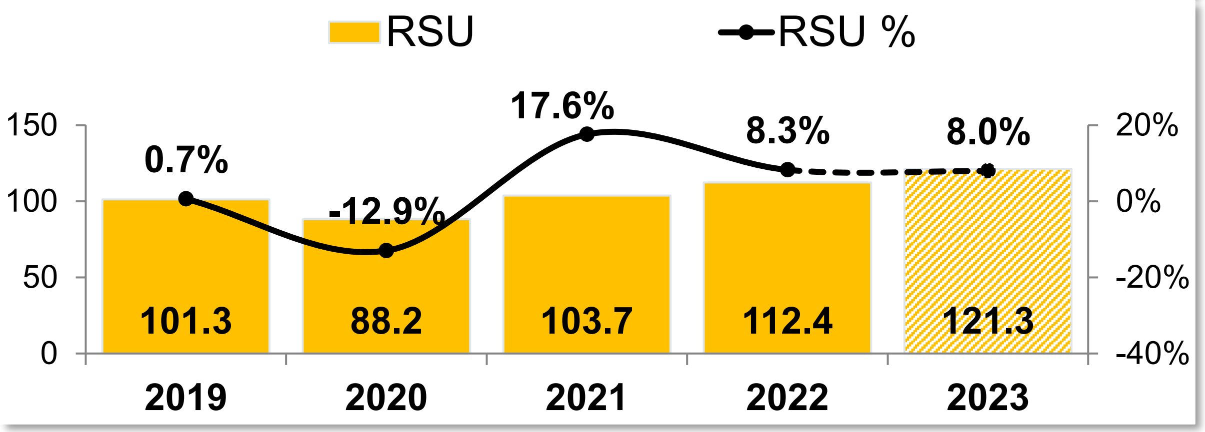
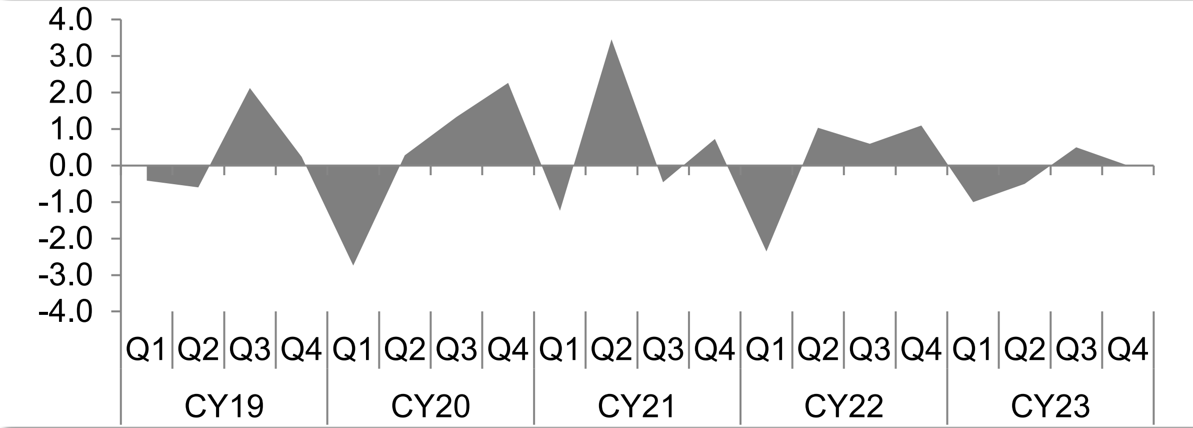
Steel Demand Projections: RSU is estimated to grow by ~8% in next couple of years, while ASU to grow by 6-7%

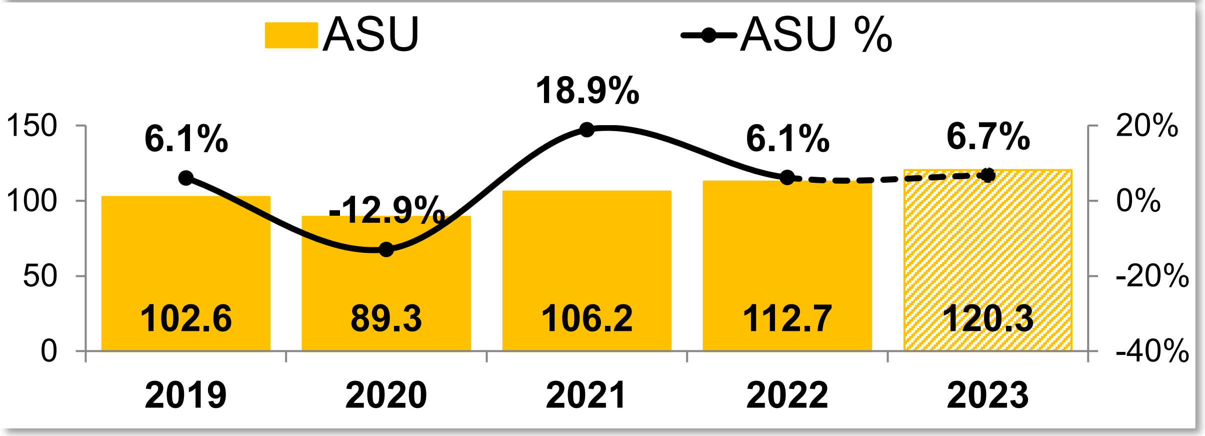
Real Steel Use - RSU (Mnt, %)



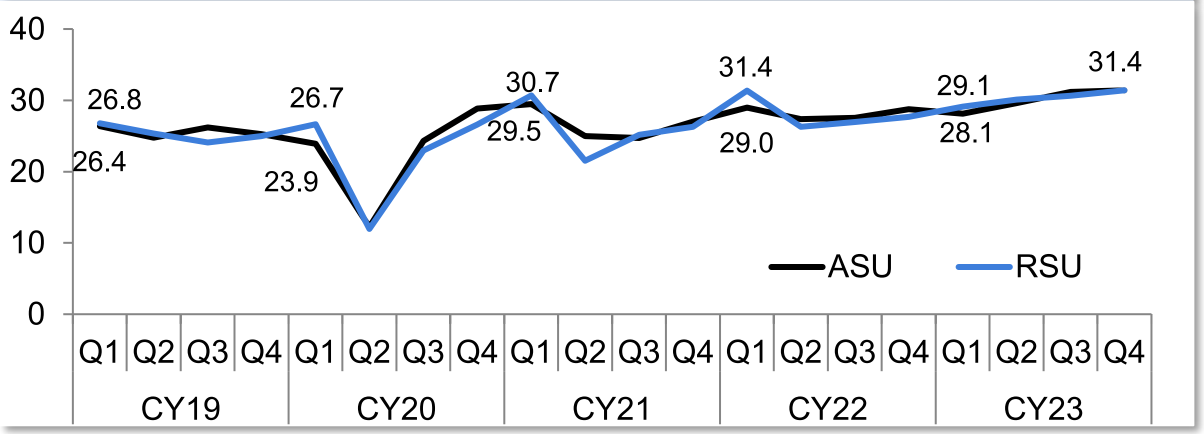
Change in stock (Mnt) at consumers' end



Apparent Steel Use - ASU (Mnt, %)



Quarterly ASU & RSU (Mnt)



Steel Demand Projection Summary: India's steel demand is expected to reach ~113 Mnt in 2022 and 120 Mnt in 2023

	Mar'22 Submission			Sept'22 Submission		
	2021p	**2022f**	**2023f**	**2021a**	**2022f**	**2023f**
ASU (Mnt)	106.1	114.1	120.9	106.2	112.7	120.3
ASU Growth (%)	18.8%	7.5%	6.0%	18.9%	6.1%	6.7%
Change over previous base case forecast				*+0.1 Mnt (+0.1%)*	*-1.4 Mnt (-1.2%)*	*-0.6 Mnt (-0.5%)*
RSU (Mnt)	102.8	111.6	120.7	103.7	112.4	121.3
RSU Growth (%)	16.9%	8.5%	8.2%	17.6%	8.3%	8.0%

a: actual; *p: provisional;* *f: forecast*

Sources: JPC; Industry Consensus

ASU: Apparent Steel Use; *RSU: Real Steel Use*

Concluding Remarks

Recent Developments	➢ Economic recovery is broadly on track; however, inflation has resulted in slower than expected growth ➢ Steel consumption declined recently due to multiple headwinds such as high inflation, monetary policy tightening and monsoon season
Economic Outlook	➢ On going monetary tightening and fiscal measures are expected to control the inflation by end of 2022 ➢ Strong urban consumption and gradual recovery in rural economy coupled with pickup in infrastructure spending are key factors to drive recovery
Steel Consuming Sectors	➢ Construction, capital goods & railways to be driven by infrastructure spending ➢ Automotive sector to be largely driven by PV and CV demand; 2W recovery to depend on rural markets and 3W's replacement by e-Rickshaw & LCVs to continue ➢ Consumer Durable to maintain momentum with sustained urban consumption
ASU & RSU Projection	➢ India's steel demand is expected to reach ~113 Mnt in 2022 and ~120 Mnt in 2023 ➢ RSU is estimated to grow by ~8% in next couple of years, while ASU to grow by 6-7%