Steel Consuming Sectors' Outlook: Healthy momentum expected to continue with strong infrastructure spending pipeline along with rising investments

Sector	Growth (%, y-o-y)			Drivers & Barriers
	CY23p	CY24f	CY25f	
Construction (wt: 64%)	9.6%	7.6%	7.5%	+ Key infrastructure projects under National Infrastructure Pipeline to drive growth. + Real estate demand to be driven by affordable housing and premium residential projects. – Impact of elections remains monitorable.
Capital Goods (wt: 10%)	8.4%	5.5%	4.5%	+ Supported by Infra projects, private capex coupled with PLI scheme and rising renewable capacity additions. – Export growth to remain subdued due to global uncertainties.
Automotive (wt: 9%)	10.4%	7.0%	7.5%	+ Rising demand for SUVs and healthy traction from new models. + Transition to EV with industry scale up coupled with govt support schemes. – Dedicated freight corridors and cost push due to revised emission norms.
Consumer Durables (wt: 6%)	1.1%	7.0%	6.0%	+ Appliances demand to remain supported by urban consumption. – Rural recovery remains slow, expected to improve in CY24 with good monsoon.
Railways (wt: 4%)	19.4%	8.5%	8.5%	+ Ramp-up in production of wagons and coaches with DFCs and Vande Bharat trains. + 40,000 normal bogies to be upgraded to enhance safety and comfort.
Intermediates (wt: 7%)	9.9%	6.0%	6.0%	+ Growth to be supported by PV and CV production. – Weaker exports due to global market uncertainties to affect packaging segment.

a: actual; p: provisional; f: forecast

Source: Crisil; Industry Estimates; Team Analysis; DFC- Dedicated Freight Corridor; PLI: Production Linked Incentives

Steel Demand Projection Summary

	Sept’23 Submission			Mar’24 Submission		
	2022a	2023f	2024f	2023p	2024f	2025f
ASU (Mnt)	116.2	126.1	135.8	133.4	144.3	156.0
ASU Growth (%)	9.3%	8.6%	7.7%	14.8%	8.2%	8.2%
RSU (Mnt)	115.3	125.7	136.1	130.6	141.5	153.0
RSU Growth (%)	9.5%	9.0%	8.2%	10.8%	8.3%	8.2%

a: actual; p: provisional; f: forecast

Sources: JPC; Industry Consensus ASU: Apparent Steel Use; RSU: Real Steel Use