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Steel: Forging the foundation for the future of India

Created for the seventh ISA Steel Conclave

November 2026



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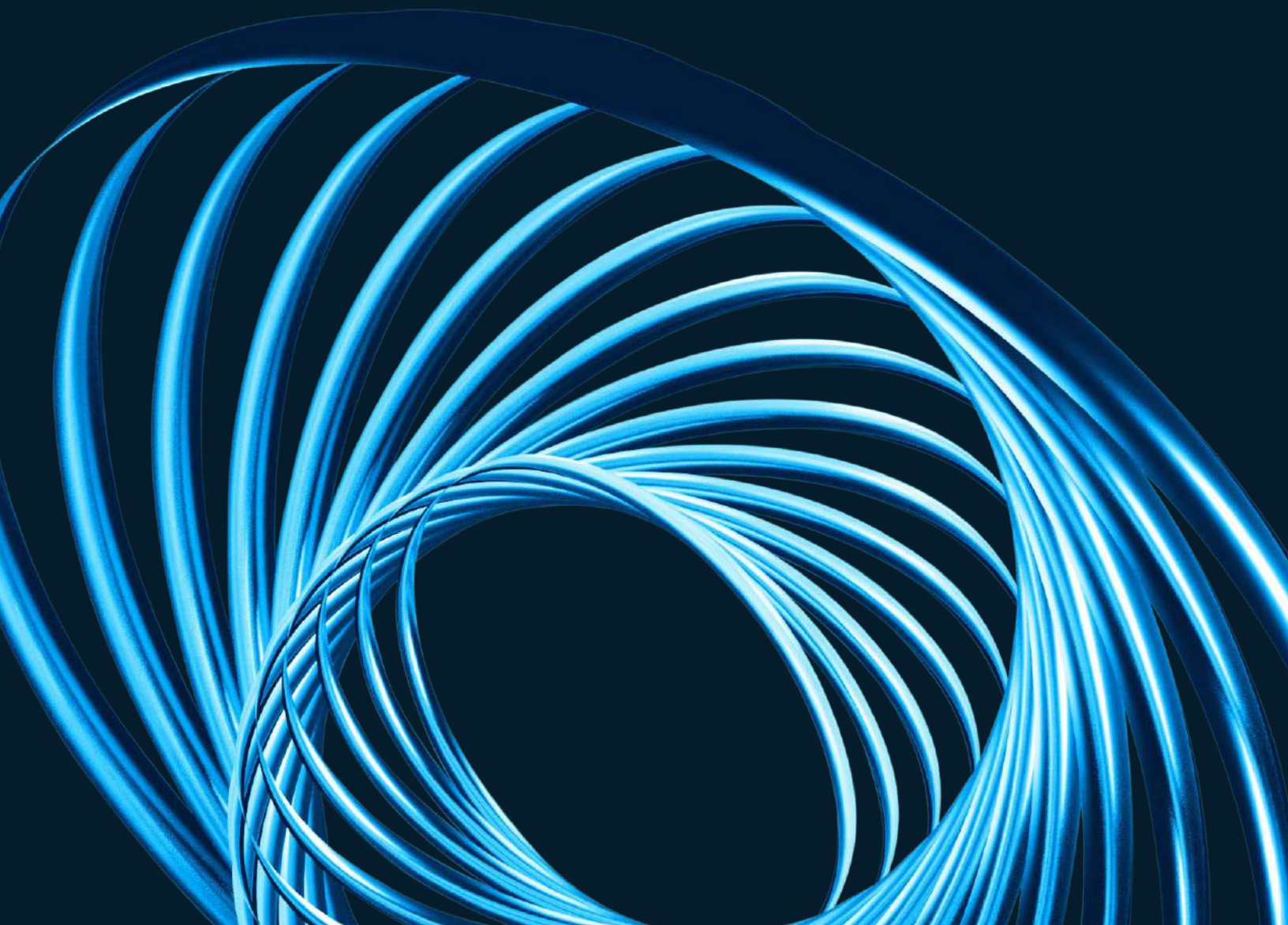
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Executive summary

India's steel industry is at a crossroads. Yet to build half of the manufacturing capacity targeted for 2047, the industry has an opportunity to shape its capacity expansion—with a strategic focus on the most in-demand variety of steel, relevant technology, and an efficient cost structure. This could enable India to expand its low-emission steel manufacturing capacity while maintaining its low-cost position through scale, competitive raw materials and labor, and increasingly digitized operations.

In this report, we project steel demand given India's ongoing infrastructure build across construction, transportation, manufacturing, and other needs. We also assess capacity and raw material readiness to support this demand. Finally, we outline potential areas for coordinated industry measures.

Steel: Shaping India's industrial future

The steel industry contributes around 2 percent of India's GDP and supports approximately 2.8 million direct and indirect jobs.[1] India's industrial and infrastructure expansion and its steel sector are closely linked. By 2035, the total demand for steel is projected to reach 250 to 280 million metric tons per annum.[2]

Building India's steel supply ecosystem

The industry has responded by announcing an additional 60 to 70 million metric tons per annum of steel capacity over the next five to 10 years through conventional blast furnace–basic oxygen furnace (BF-BOF) and electric arc furnace/induction furnace (EAF/IF) routes.[3] These production routes could influence India's emissions levels over the next 30 to 50 years. That raises a question: How can India incorporate sustainability alongside efforts to meet growing demand? Already a low-cost steel producer, the country could explore opportunities to channel export revenues from markets with more extensive regulatory requirements toward building scale and capability through cleaner blast furnaces, greater scrap-based capacity, and eventually hydrogen-based production.

Considerations for India's steel future

Coordinated action by steelmakers and the government could help to build for sustainability, achieving lower emissions, competitive costs, and greater resilience. Beyond sustainability, this is also about avoiding the risk of regret capital—investments that could lose value as regulations and technologies evolve. Steelmakers could shape their future by strengthening domestic capabilities in future demand-heavy segments and markets, expanding capacity at scale to keep pace with growing demand, and securing raw material and cost resilience for the long build-out.

We see 10 areas for the steel industry and its stakeholders to consider:

1. **Increase steel usage to support India's build.** Steel-based and prefabricated construction could help meet the growing demand for India's next wave of data centers, manufacturing plants, and offices for global capability centers. Steelmakers could collaborate with developers and contractors, relying on coordinated standards, potential building code changes, and broader awareness across the construction sector.

[1] *Greening the Steel Sector in India—Roadmap and Action Plan,* Ministry of Steel, September 2024.
[2] McKinsey integrated steel demand model: based on India's GDP growth outlook, corresponding steel growth estimate, outlook for steel-demand-generating sectors, and other macroeconomic factors.
[3] BigMint; Draft National Steel Policy–Vision 2047; expert interviews; McKinsey crude steel database; Ministry of Steel.

2. **Establish steel manufacturing hubs as integrated, globally competitive ecosystems, not standalone plants.** Such hubs could bring engineering, procurement, and construction (EPC), equipment, spares, logistics capacity, raw materials, talent development, engineering, and R&D capacity in a cluster. This approach could support cost competitiveness. Odisha has demonstrated this approach.
3. **Reduce import dependence in specialty grades to meet growing demand.** Growth in manufacturing and strategic sectors is increasing India's specialty-steel demand, and India currently imports much of it. India could consider technology transfer and provide incentives for capacity addition.
4. **Evaluate competitiveness in domestic iron ore.** Meeting the projected capacity build-up calls for a reliable supply of iron ore. While the country has significant iron ore reserves, mining auction outcomes and associated ore costs could influence the availability of competitively priced ore for planned capacity.
5. **Increase domestic coking coal supply.** This could minimize continued dependence on imports and the challenge of volatile seaborne prices, which affect the profitability of domestic steelmakers. The industry could increase coking coal availability through washing and competitive underground mining.
6. **Pursue low-cost beneficiation and upcycling capabilities across raw materials, including iron ore, coking coal, and scrap.** India's raw material reserves are abundant, but quality is a constraint: average iron ore quality has deteriorated, and domestic coking coal is predominantly high-ash. Scaling low-cost beneficiation could increase the usable supply of iron ore and coking coal and improve steelmaking economics. Similarly, domestic scrap collection and upcycling could reduce reliance on imports, which account for about a quarter of the scrap used in India.
7. **Manufacture steelmaking equipment in India to avoid deeper reliance on imported technology and machinery.** Significant capacity additions set for the next five to 10 years could create an opportunity to build a domestic equipment and EPC base, backed by strong engineering, technology development, and skilled talent. This could also lower the cost of new capacity.
8. **Explore technology choices now that could ease the transition to lower-emission steelmaking later.** Every capacity decision today is also a technology choice that could last for decades. Steelmakers could prioritize flexible configurations in new capacity that can adapt as low-emission technologies mature and energy systems evolve. These include blast furnaces designed for hydrogen injection and future carbon-capture retrofits, and coal gasification-based direct reduced iron (DRI) that could eventually shift to hydrogen-based or electric steelmaking.
9. **Explore digitization and AI to improve efficiency and reduce costs and emissions.** As plants strengthen their AI-adoption capabilities, the opportunity lies in moving beyond isolated pilots to redesigning entire functions around AI. Extending these tools to capacity planning and project execution could inform technology decisions, control cost overruns, and ensure timely completion.
10. **Consider funding industry-linked R&D at scale.** Directing a share of national research funding toward steel could help resolve steel's most pressing competitiveness challenges: low-cost beneficiation, effective use of Indian raw materials, gasification, and steel grades not yet produced domestically at a competitive scale.

The decisions ahead could shape the trajectories of individual steel companies and the industry, determining India's global leadership in steel in the coming decade.



1 Steel: Shaping India's industrial future

India's industrial and infrastructure expansion and its steel sector are closely linked: growing investment in construction, transportation, and manufacturing contributes to demand for steel, while a larger domestic steel base provides the material foundation for further economic development. Today, steel contributes approximately 2 percent of India's GDP and supports around 2.8 million direct and indirect jobs.[4] Driven by construction and infrastructure, steel demand is projected to reach 250 to 280 million metric tons per annum by 2035, and around 320 to 350 million metric tons per annum by 2040.[5]

Contributing to India's expanding economy

Steel has been essential to the country's development, as both a cost-competitive input and a lever for regional industrialization. Infrastructure and construction are key drivers for steel demand, growing alongside the broader economy as India expands its infrastructure and industrial base (Exhibit 1).

The cycle of steel use in India begins with a road, railway, port, industrial facility, or urban development project, each of which requires steel at scale. Infrastructure and construction account for about 65 to 68 percent of domestic steel consumption.[6] From 2014 to 2025, India's national highway network expanded by about 61 percent.[7] Indian Railways more than doubled the annual rate of commissioning new lines, gauge conversions, and doubling works compared with the average for 2009 to 2014.[8] The registered shipping fleet also grew by about 32 percent between 2014 and 2025.[9]

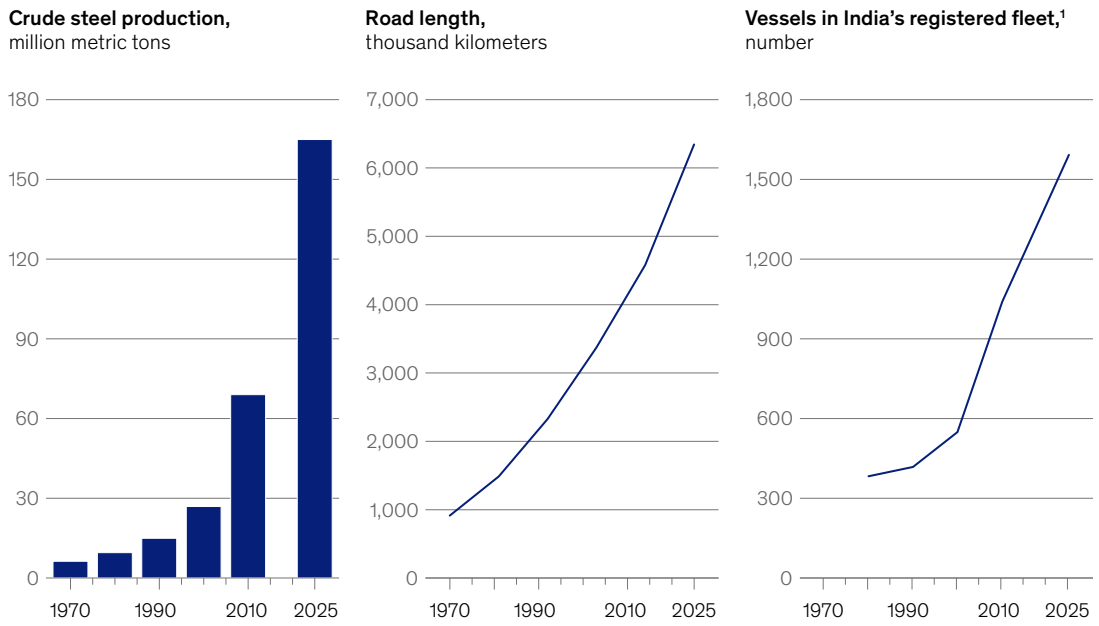
4 *Greening the Steel Sector in India—Roadmap and Action Plan,* Ministry of Steel, September 2024.
5 McKinsey integrated steel demand model: based on India's GDP growth outlook, corresponding steel growth estimate, outlook for steel-demand-generating sectors, and other macroeconomic factors.
6 *Annual Report, 2025–26,* Ministry of Steel; McKinsey integrated steel demand model: based on India's GDP growth outlook, corresponding steel growth estimate, outlook for steel-demand-generating sectors, and other macroeconomic factors.
7 "Year End Review 2025 – Ministry of Road Transport & Highways," Ministry of Road Transport & Highways, PIB, December 30, 2025.
8 "Indian Railways Recently Completes Key Infrastructure Projects Spanning Over 1,900 km to Strengthen Rail Connectivity Across the Nation," Ministry of Railways, PIB, March 13, 2026.
9 *Indian Shipping Statistics 2025,* Ministry of Ports, Shipping & Waterways, May 18, 2026.



Exhibit 1

India's steel production has grown alongside domestic infrastructure.

Crude steel production, road length, and registered fleet in India, 1970–25



[1]Data not available for 1970.
Source: *Indian Shipping Statistics,* Ministry of Ports, Shipping and Waterways; Ministry of Road Transport and Highways; World Steel Association

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As these steel-intensive sectors expanded, India's crude steel output nearly doubled between 2014 and 2025, and its share of global steel production rose from approximately 5 to 9 percent.[10]

Well-planned and efficiently utilized infrastructure could lower logistics costs, improve market connectivity, and support manufacturing activity, potentially creating conditions for further investment and steel consumption. With India already among the world's largest steel producers, domestic steel capacity remains a critical enabler of growth across construction, transportation, manufacturing, and other sectors that underpin the economy. The continued expansion of infrastructure and industry could sustain steel demand in the coming years.

[10] *World Steel in Figures 2015 and 2026,* World Steel Association.

A domestic input base supporting cost competitiveness

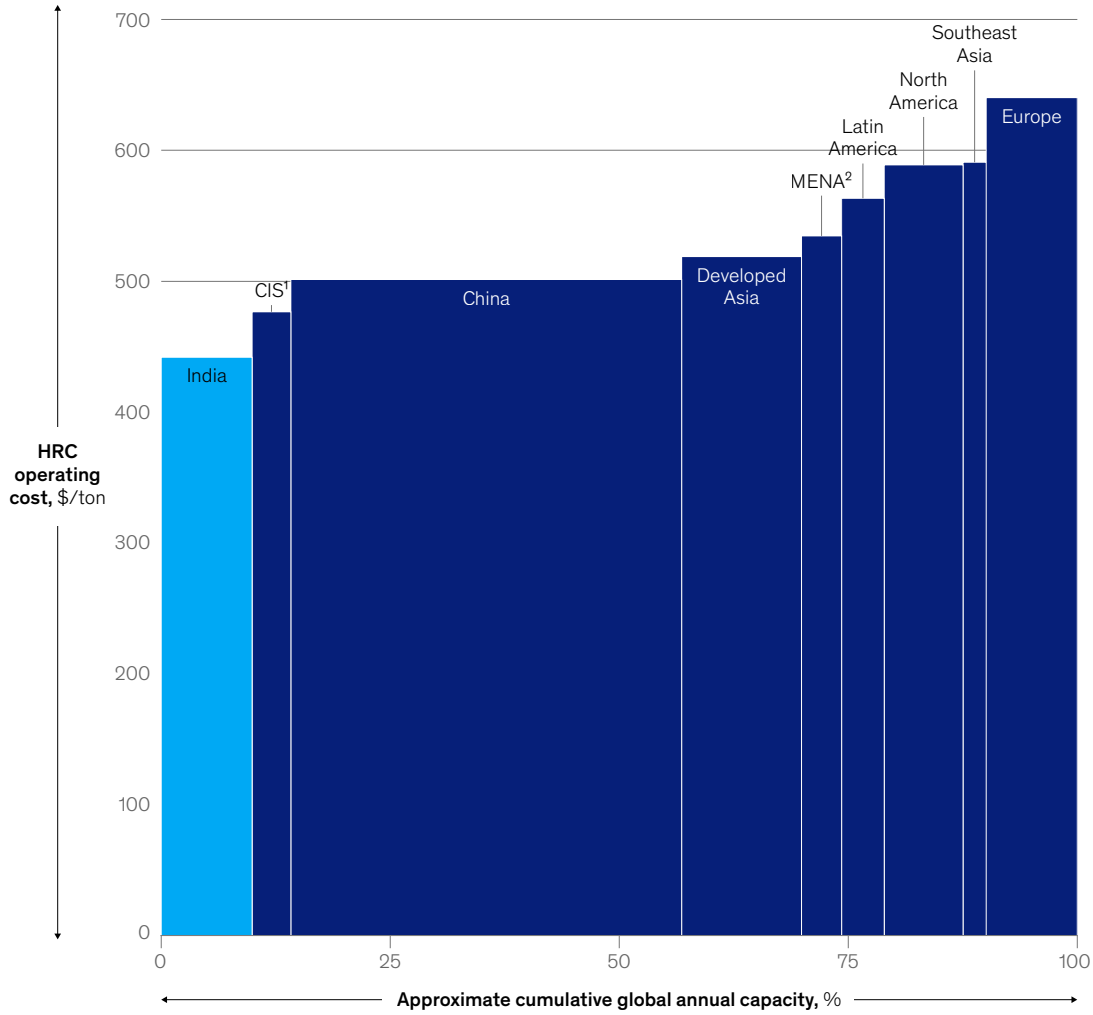
India's steel industry has historically maintained a relatively competitive production-cost position, supported by a domestic base, including the availability of iron ore, relatively low labor costs, and competitive electricity costs (Exhibit 2).[11]

The economics of the prevailing BF-BOF and the DRI route reflect this advantage, especially in India, where coal-based steelmaking is well established. India is the world's largest DRI producer, largely due to its coal-based rotary kiln capacity.

Exhibit 2

India has a relatively low cost of steel production.

Global hot-rolled coil (HRC) operating cost curve (including raw materials), 2024



[1]Commonwealth of Independent States.
[2]Middle East and North Africa.
Source: McKinsey MineSpans; McKinsey analysis

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[11] Karel Eloot, Jeffrey Lorch, Dirk Durinck, Anna Kortis, and Olivier Bus, "EAF Steel: Beyond the blast furnace," McKinsey, June 30, 2026.

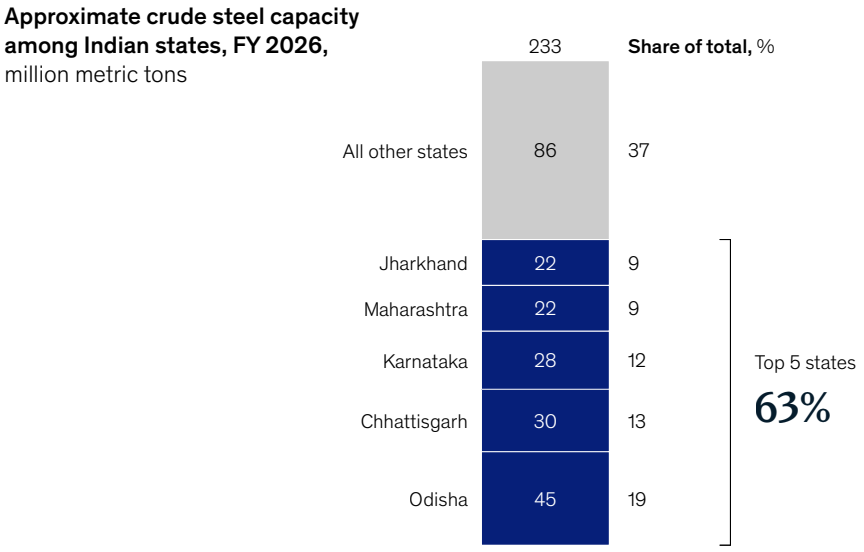
However, these sources of competitiveness could shift as steelmaking transitions toward lower-emission technologies. DRI-EAF production depends more on access to competitively priced natural gas and electricity. While India maintains advantages in labor and electricity, its position in natural gas, in terms of both availability and cost, differs from that of other regions, such as the Middle East.[12]

Driving regional industrialization

Steel has been an important contributor to industrialization in several mineral-rich states, such as Odisha, Chhattisgarh, and Jharkhand, and is expected to continue to play this role (Exhibit 3). Odisha offers one example. The state's industrial sector grew at an average of 8 percent per year between 2018 and 2025, compared with around 5 percent for India over the same period. In fiscal year 2025, the industrial sector accounted for 43.9 percent of Odisha's gross state value added (GSVA), with manufacturing contributing 23.1 percent.[13]

Exhibit 3

Five states account for nearly two-thirds of India's total crude steel capacity.



Note: Figures do not sum to 100%, because of rounding.
Source: BigMint

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Odisha's steel sector has grown in parallel, extending beyond primary steelmaking. The number of factories in Odisha engaged in value-added processing of primary metals increased from 140 in fiscal year 2019 to 181 in fiscal year 2024. Output from these factories rose by 91 percent over the same period, and invested capital increased from ₹844 crore to ₹1,380 crore.[14] The state is also developing dedicated

[12] Karel Eloot, Jeffrey Lorch, Dirk Durinck, Anna Kortis, and Olivier Bus, "EAF Steel: Beyond the blast furnace," McKinsey, June 30, 2026.
[13] *Odisha Economic Survey 2024–25,* Directorate of Economics & Statistics, Planning & Convergence Department, Government of Odisha, February 2025.
[14] *Odisha Economic Survey 2025–26, Directorate of Economics & Statistics, Planning & Convergence Department, Government of Odisha, February 2026.*

Metal Downstream Parks at Badamal in Jharsuguda and Kalinganagar in Jajpur, and has outlined plans to attract ₹2 lakh crore in investment into mega metal parks by 2047.[15]

While Odisha has already developed a downstream steel ecosystem, further clustering could influence its competitiveness. Global examples suggest that infrastructure and capability development could support resource-based industrial clusters, although local conditions differ. In Australia's Pilbara, dedicated mine-to-port rail and port infrastructure helped connect large iron ore resources to global markets, while South Korea's Pohang developed steelmaking alongside port infrastructure, research, and talent capabilities.[16] Co-locating steelmaking with EPC and technology providers, while strengthening logistics, talent-development institutions, and engineering and R&D capabilities, could similarly help Odisha build a more structurally competitive cost position.

In states such as Maharashtra, Karnataka, and Chhattisgarh, where significant capacity is likely to be added, elements of this model could also be relevant. Construction, infrastructure, machinery, automotive, and defense could contribute to steel demand across multiple end-use sectors.

The future of steel demand

Steel's outlook rests on growing demand across construction, infrastructure, and manufacturing. Gaps persist in the availability of domestic specialty steel, leading to the continued import of high-value steel. Global market shifts could also affect the nature of steel demand.

Construction, infrastructure, and manufacturing activity

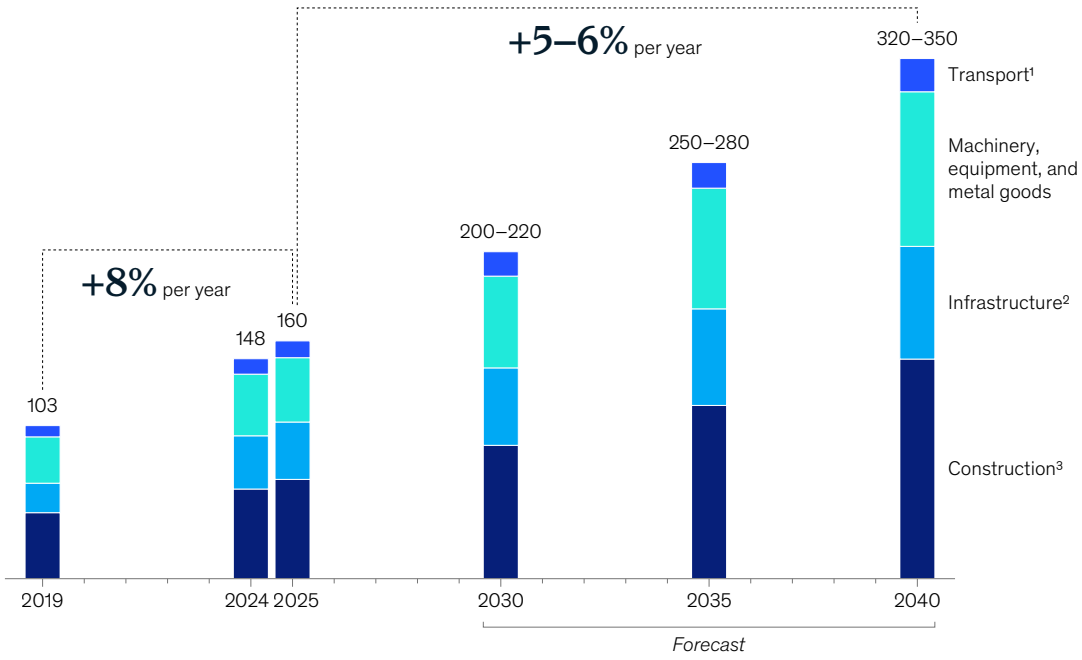
India's finished steel demand increased from about 103 million metric tons in 2019 to about 160 million metric tons in 2025.[17] This demand is projected to reach 250 to 280 million metric tons per annum by 2035 and 320 to 350 million metric tons per annum by 2040—growth of around 5 to 6 percent per annum (Exhibit 4).[18] Construction and infrastructure are expected to remain significant drivers of steel demand. Additionally, growth in defense and other manufacturing sectors is expected to increase demand for higher-grade and value-added steel products.



Exhibit 4

Across sectors, infrastructure investment and growing consumption could raise domestic demand to 320 to 350 million metric tons by 2040.

Steel demand, India, million metric tons



[1]Includes two-wheelers, three-wheelers, four-wheelers, light commercial vehicles, medium and heavy commercial vehicles, tractors, and cycles.
[2]Includes energy and power, renewables, airports, maritime ports, railways, roads, and bridges, among others.
[3]Includes residential, commercial, and industrial construction.
Source: McKinsey integrated steel demand model; World Steel Association

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Construction

Additional rural housing, the development of new industrial corridors, and construction for digital infrastructure, among others, will drive steel consumption.[19] Demand for steel from data centers is expected to grow by 15 to 20 percent through 2040.[20]

Changing construction methods could add to demand. Increased adoption of steel-intensive construction systems enables more off-site fabrication and shorter on-site construction timelines, well-suited for projects requiring fast execution. Steel-intensive construction also offers structural advantages, such as for high-rise developments. Industry estimates suggest that pre-engineered steel buildings can require 40 to 50 percent less construction time and approximately 25 percent less labor than conventional construction.[21]

[19] "Sapno Ka Ghar: Realizing the Dream of Housing for All in Rural India," PIB, September 24, 2025.
[20] McKinsey integrated steel demand model: based on India's GDP growth outlook, corresponding steel growth estimate, outlook for steel-demand-generating sectors, and other macroeconomic factors.
[21] *Interarch Building Products Limited – DRHP,* Securities and Exchange Board of India, March 21, 2024.

Infrastructure

Continued investment in transport and logistics infrastructure could support steel demand across roads, railways, ports, airports, and associated facilities. Since the launch of PM GatiShakti in October 2021, the Network Planning Group has evaluated 396 infrastructure projects with an estimated cost of approximately ₹18.66 lakh crore as of August 2026. Of these, authorities have sanctioned 256 projects and 198 are under implementation.[22]

Maritime infrastructure could provide another long-term source of demand. India's Maritime Amrit Kaal Vision 2047 describes an annual port-handling capacity of approximately 10 billion tons. It envisions India ranking among the top five shipbuilding countries by 2047, supported by an additional 4 million gross register tonnage (GRT) in shipbuilding capacity.[23] These developments will support demand for steel used directly in transport infrastructure, ports, vessels, logistics facilities, and associated industrial ecosystems.

Aviation-related investments could add to this infrastructure pipeline. India's Aviation Vision 2047 outlines a target to expand the airport network to between 350 and 400 airports by 2047.[24] The modified Ude Desh ka Aam Naagrik (UDAN) scheme supports this target with an outlay of ₹28,840 crore. It includes developing 100 airports from existing unserved airstrips along with investments in regional aviation infrastructure.[25] While aviation is less steel-intensive than some other infrastructure segments, the expansion of airports, supporting transportation, and commercial infrastructure will contribute to increased construction demand.

Machinery

Growth in manufacturing and capital goods would increase steel requirements for both production equipment and manufactured products as India aims to raise the manufacturing share of GDP from around 16 to 17 percent today to 25 percent by 2035.[26]

Manufacturing incentives could further support this growth, with the Production Linked Incentive (PLI) scheme for white goods expected to generate around ₹1.9 lakh crore in cumulative production across steel-consuming products and components.[27]

Transport and automotive

Automotive growth and vehicle electrification would similarly affect both steel volumes and product mix. The currently notified PLI scheme for automobiles and auto components has an outlay of ₹25,938 crore and focuses on advanced automotive technology products, including battery-electric and hydrogen fuel-cell vehicles.[28] As automotive platforms evolve and electrify, demand is expected to shift toward higher-strength, coated, and electrical steel grades required for vehicle structures, motors, and other components. The trend is already visible in the steel industry, where demand from automotive and other higher-specification applications is supporting expansion into cold-rolled, coated, high-strength, and electrical steels.

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[22] "PM GatiShakti National Master Plan Enables Integrated and Coordinated Infrastructure Planning," Ministry of Commerce & Industry, PIB, August 11, 2026.

[23] "Sagarmala Programme, Powering India's Maritime Revolution," Ministry of Ports, Shipping and Waterways, PIB, March 27, 2025.

[24] "Soaring Skies, Thriving Economy: India's Aviation Vision 2047," PIB, October 23, 2025.

[25] "Modified UDAN Scheme," Prime Minister's Office, 2026.

[26] *Reimagining Manufacturing: India's Roadmap to Global Leadership in Advanced Manufacturing,* NITI Aayog, October 2025; "NITI Aayog Unveils 'Reimagining Manufacturing: India's Roadmap to Global Leadership in Advanced Manufacturing'," PIB, October 29, 2025.

[27] "Five Companies Selected Under PLI White Goods Scheme; Production to Reach ₹8,337 crore," Ministry of Commerce & Industry, PIB, January 23, 2026.

[28] "The Production Linked Incentive (PLI) Scheme for Automobile and Auto components," Ministry of Heavy Industries.

Domestic specialty-steel gaps

Growth in India's manufacturing and strategic sectors is contributing to higher demand for specialty steel, particularly in defense and electrical equipment. India's defense capital expenditure has grown by around 7 percent since 2015 to about ₹2.19 lakh crore in fiscal year 2027, while total defense production has also increased, reaching ₹1.78 lakh crore in fiscal year 2026.[29] India's electrical equipment market is projected to grow from $59 billion in 2025 to reach $170 billion to $205 billion by 2035, creating opportunities to deepen domestic capabilities across its supply chain, including specialized steel inputs.[30]

In defense, for example, high-hardness and high-strength steels are used in applications such as armored vehicles and naval vessels (Exhibit 5). Demand is also increasing for more specialized grades in automotive and electrical equipment.

Exhibit 5

India's defense sector requires high-hardness and high-strength steel.

Selected defense applications of steel in India

Defense equipment	Drones	Armored vehicles	Naval activity	Artillery and guns
Application	Structural components	Tanks, armored personnel carriers, combat vehicles	Submarines, warships, carriers	Rocket steel, maraging steel, steel casings
Use cases	High-stress joints, motor shafts, and electromagnetic cores	Protection sheet on top of the hull	Hull and deck armor, bulkheads, compartments	Large-caliber projectiles fired from howitzers and cannons, among others
Key steel products	Lightweight hot-rolled coil (HRC) Specialty steels Electrical steels	High-hardness steel Galvanized steel Quarto plates	Galvanized steel Thick HRC Plates	Forged and cast steel

Source: McKinsey analysis

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Much of this demand, however, continues to be met by imports, as commodity-grade steel accounts for a significant share of domestic production. Electrical steel is a notable example, accounting for approximately 23 percent of finished steel imports in fiscal year 2025.[31] Imports also remain

[29] "India's Defence Strength Powering National Security through Self-Reliance," PIB, August 14, 2026.
[30] Amit V. Gupta, Bhavesh Mittal, Bikramjit Chaudhury, and Rajat Gupta, with Aashish Chhiller and Pratheebha G., "Wired for growth: India's electrical equipment opportunity," McKinsey, May 21, 2026.
[31] BigMint.

concentrated among a few Asian suppliers, with South Korea, China, and Japan accounting for more than 70 percent of India's finished steel imports.[32]

The government has introduced policy measures to address the gap between domestic production and imports. The PLI scheme for specialty steel, with an outlay of ₹6,322 crore, seeks to expand domestic capacity for these products. By October 2025, participating companies had invested ₹23,022 crore and produced 2.33 million metric tons of specialty steel.[33]

Evolving regulations and export-led demand

Economies are strengthening quotas, tariffs, and trade-remedy measures that shape access to domestic markets, contributing to regionalizing the steel trade (Exhibit 6). For Indian producers, export opportunities will depend on cost competitiveness, product capabilities, access to quotas, and evolving trade frameworks in destination markets.

[32] *Monthly Economic Report*, February 2026, Ministry of Steel.
[33] "Production linked incentive (PLI) scheme for specialty steel in India," Ministry of Steel; "Lok Sabha Unstarred Question No. 323, for answer on 02.12.2025, Salient features of PLI 1.2 scheme," Ministry of Steel.



Exhibit 6

Regulatory measures in key geographies have contributed to regionalization.

Non-exhaustive list of measures, as of Oct 2026 (measures not yet adopted are marked "proposed")

Exports of steel from India, 2025, million metric tons (Mt)

	Trade protection	Decarbonization	Strengthening domestic demand
Europe and UK ~3	**Steel safeguards:** Import quotas cut 47% to 18.3 Mt per year; 50% duty on excess, up from 25%; "melt and pour" origin rule **Carbon Border Adjustment Mechanism/Emissions Trading System (CBAM/ETS):** Carbon tax with free allowances toward 2034; importers pay for embedded CO_2	**Industrial Accelerator Act (proposed, Mar 2026):** Sustainability criteria in public procurement; lead markets for European Union (EU)-produced low-carbon steel	**Automotive package (proposed, Dec 2025):** Encourages EU-produced low-carbon steel in vehicles to reduce emissions
Southeast Asia ~0.5	**Anti-dumping (AD)/ anti-circumvention:** ~23–31% duty on Chinese hot-rolled steel in select markets (eg, Thailand, Vietnam);[1] measures also target circumvention **Mandatory steel standards:** Tighter quality requirements for coated steel, raising compliance requirements for imports	**Board of Investment green steel policy:** Incentives increasingly favor high-value steel and lower-carbon direct reduced iron/electric arc furnace production	**Capacity controls:** 5-year restriction on new or expanded rebar and billet plants to address overcapacity
US ~0.4	**Section 232:** 50% flat tariff on steel articles; 25% on derivatives; eliminates prior exemptions **AD/countervailing duty (CVD):** Ongoing implementation of AD/CVD measures alongside Section 232, significantly increasing tariff burdens	–	**Automotive tariffs:** Import tariffs on passenger vehicles and pickup trucks to protect and boost domestic production **"Unleashing American Energy" Executive Order:** Expedited permitting for energy and infrastructure projects

[1]Illustrative anti-dumping duties on specified Chinese-origin steel products: Thailand: 30.91% on flat hot-rolled steel; Vietnam: 23.10–27.83% on certain hot-rolled steel products; Malaysia: 4.48–20.42% on tinplate. Rates vary by country, product, and exporter and do not apply uniformly across Southeast Asia.
Source: Global Steel Trade Monitor; Malaysia Ministry of Investment, Trade, and Industry; Ministry of Ecology and Environment, China; Ministry of Industry and Information Technology, China; State Council of the People's Republic of China; Thailand Department of Foreign Trade; The White House; US Department of Commerce; Vietnam Ministry of Industry and Trade

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The procurement requirements of major steel-consuming companies are increasingly shaping demand for lower-emission steel. The European Union (EU) is progressively phasing out free allowances under the Emissions Trading System (ETS) and introducing the Carbon Border Adjustment Mechanism (CBAM) for carbon-intensive imports. Automotive policy in the EU could further raise demand for cleaner steel, with the proposed Automotive Package incentivizing the use of low-carbon steel produced within the EU, subject to regulatory approval.[34] Emission intensity could become an additional consideration

[34] "Automotive package—For a clean and competitive automotive sector," European Commission, December 16, 2025.

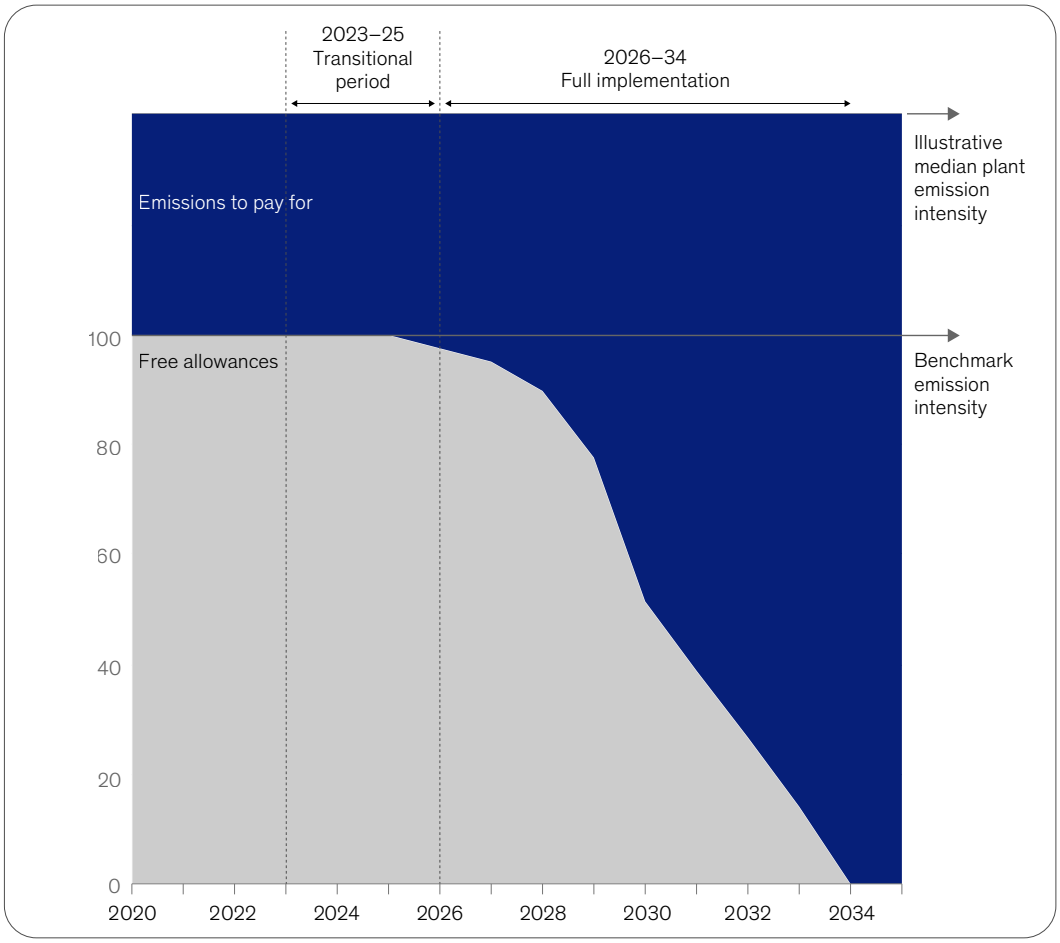
alongside price, product quality, and supply reliability (Exhibit 7). This could affect the competitiveness of Indian steel exports, given that India's current production mix and announced capacity additions suggest that steel production could remain relatively carbon-intensive in the near to medium term (see Chapter 2).

India's exports of all steel products in 2025 totaled 7.3 million metric tons. EU nations such as Italy, Belgium, and Spain accounted for about 45 percent of Indian steel exports, followed by the Middle East at about 15 percent. These markets also account for a large share of China's steel exports. In 2025, China exported about 1.5 to 2 times as much steel as India to the EU and about 15 times as much to the Middle East.[35]

Exhibit 7

The phase-in of the Carbon Border Adjustment Mechanism could add pressure on exports to the European Union.

Carbon Border Adjustment Mechanism phase-in plan, illustrative emission intensity, %



Source: McKinsey Global Materials Insights

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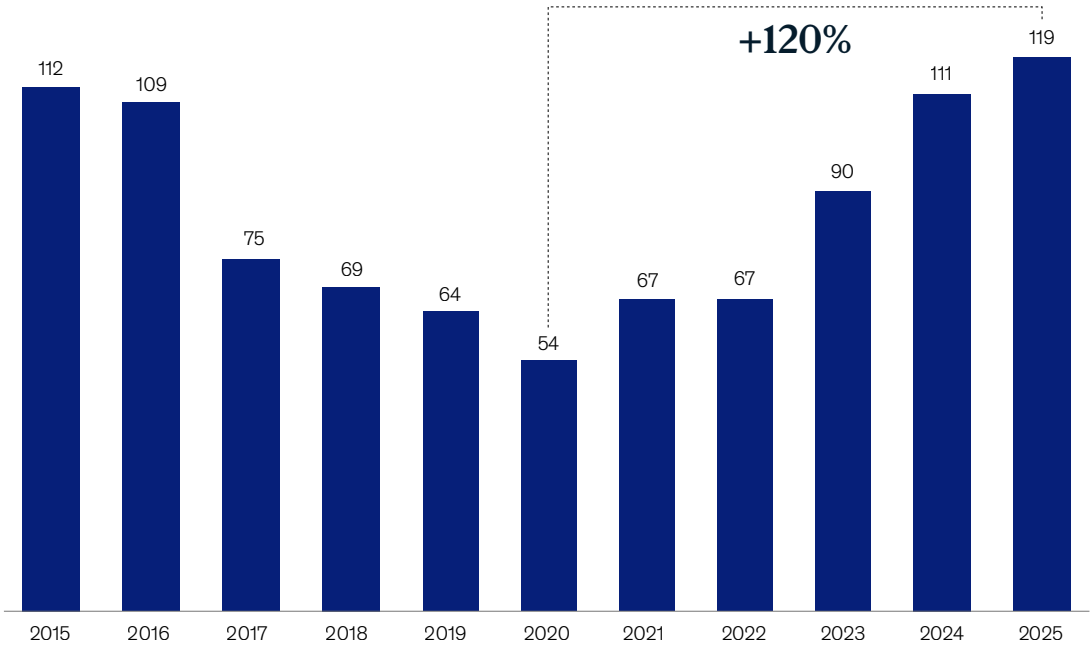
[35] Global Steel Trade Monitor.

Declining domestic steel demand in China is contributing to higher export volumes in international markets. China's finished steel demand declined by about 4.3 percent per annum from 2021 to 2025, falling from around 954 million metric tons in 2021 to about 800 million metric tons in 2025.[36] One contributing factor is the slowdown in China's property and construction sectors. In 2025, China's steel exports increased to about 119 million metric tons (Exhibit 8).[37] This increase in the volume of Chinese steel available internationally could add to competitive pressure on volumes and prices in other exporting countries, including India.

Exhibit 8

Chinese finished steel exports have more than doubled since 2020.

Finished steel exports by China, million metric tons



Source: Mysteel

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Steel's role in shaping India's infrastructure and economic development is poised to continue, supported by sustained demand from key sectors, though it could face uncertainty as markets shift and regulations evolve. Against this backdrop, the next chapter uses capacity and raw material scenarios to examine whether India's steel supply can meet expected demand.

[36] *World Steel in Figures 2026,* World Steel Association.
[37] Mysteel.



2 Building India's steel supply ecosystem

Meeting India's projected steel demand of 250 to 280 million metric tons per annum by 2035 could require the steel sector to translate its long-term capacity ambition into operational, competitive supply. Building new capacity at scale while developing the ecosystem that enables it, from capital and engineering capabilities to equipment, logistics, and skilled talent will require access to the right quality and quantity of iron ore, metallurgical coal, and scrap, as well as evolving energy systems, as India's steelmaking mix changes. Lower-emission routes, such as gas-based DRI-EAF, rely more on competitively priced natural gas, electricity, and clean power.[38]

Developing steel capacity to meet India's 2047 target

Crude steel capacity reached approximately 233 million metric tons per annum in 2026, up from about 210 million metric tons per annum the previous year. Building on this, the government has outlined a longer-term capacity target of 600 million metric tons per annum by 2047 (Exhibit 9).[39] Producers still need to build most of this target capacity. Announced projects are expected to add approximately 60 to 70 million metric tons per annum over the next five to 10 years, with around 40 to 50 million metric tons per annum expected through the BF-BOF route, and 15 to 25 million metric tons per annum through the EAF/IF route.[40] BF-BOF accounts for around 70 percent of currently announced capacity additions. This indicates the importance of conventional integrated steelmaking in India's near-term capacity build-out, even as the industry moves toward lower-emission technologies over the longer term.

Many steelmakers can leverage economies of scale as they build new capacity. Large players are projected to account for approximately 70 to 75 percent of capacity additions through fiscal years 2030 to 2035.[41] At the same time, the long operating life of steelmaking assets means that capacity commissioned over the coming decade could remain operational well beyond 2050.

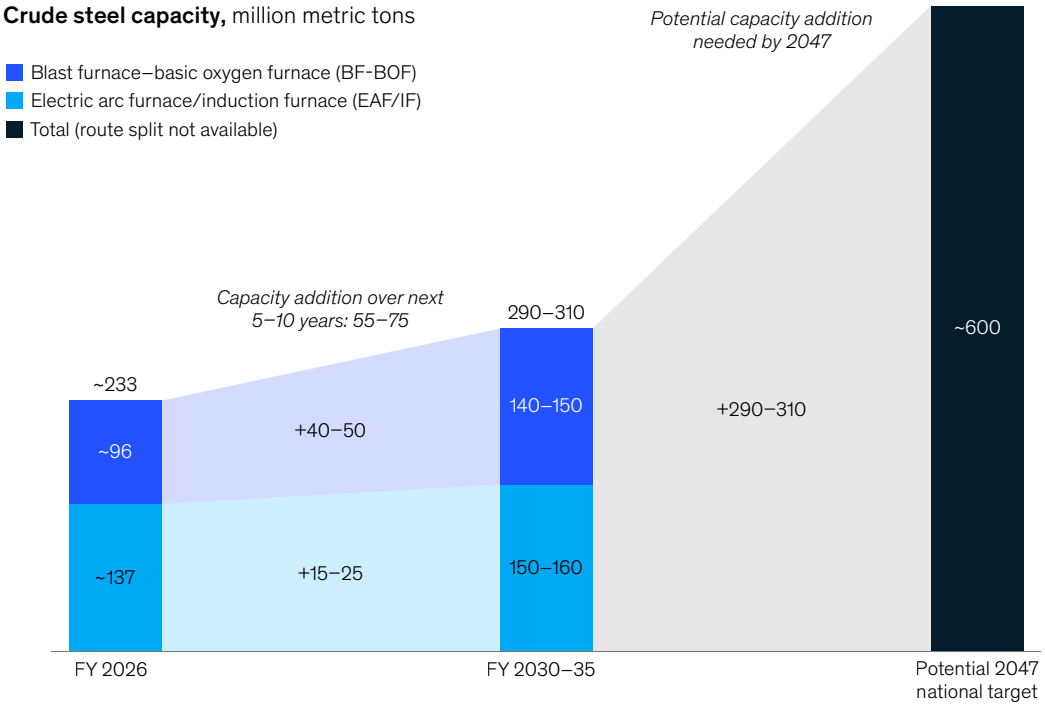
Capacity decisions made today could therefore consider near-term requirements for scale and cost competitiveness alongside the potential to progressively reduce emissions from existing and planned assets. The choice of production route will also affect capital deployment and future technology and raw material requirements.

Building the capacity additions envisaged through 2047 is estimated to require investment ranging from approximately $350 billion to $400 billion.[42] Steelmakers could deploy this capital over the next two decades as they simultaneously expand existing facilities, develop greenfield capacity, and invest in the supporting equipment and infrastructure required to operate new plants.

[38] Karel Eloot, Jeffrey Lorch, Dirk Durinck, Anna Kortis, and Olivier Bus, "EAF Steel: Beyond the blast furnace," McKinsey, June 30, 2026.
[39] Draft National Steel Policy–Vision 2047, Ministry of Steel, October 11, 2026.
[40] McKinsey crude steel database, based on publicly announced expected capacity expansions of Indian steel producers as of 2026, classified by likelihood of commissioning and timeline with integration of BigMint and press releases.
[41] McKinsey crude steel database, based on publicly announced expected capacity expansions of Indian steel producers as of 2026, classified by likelihood of commissioning and timeline with integration of BigMint and press releases.
[42] McKinsey team analysis based on expected split of capacity additions into BF-BOF, EAF, and IF routes, and capex per million metric tons per annum of capacity addition for each route.

Exhibit 9

India would still need to build about half of its steel manufacturing capacity to meet its 2047 target.



Source: BigMint; Draft National Steel Policy–Vision 2047; expert interviews; Ministry of Steel; McKinsey crude steel database

McKinsey & Company

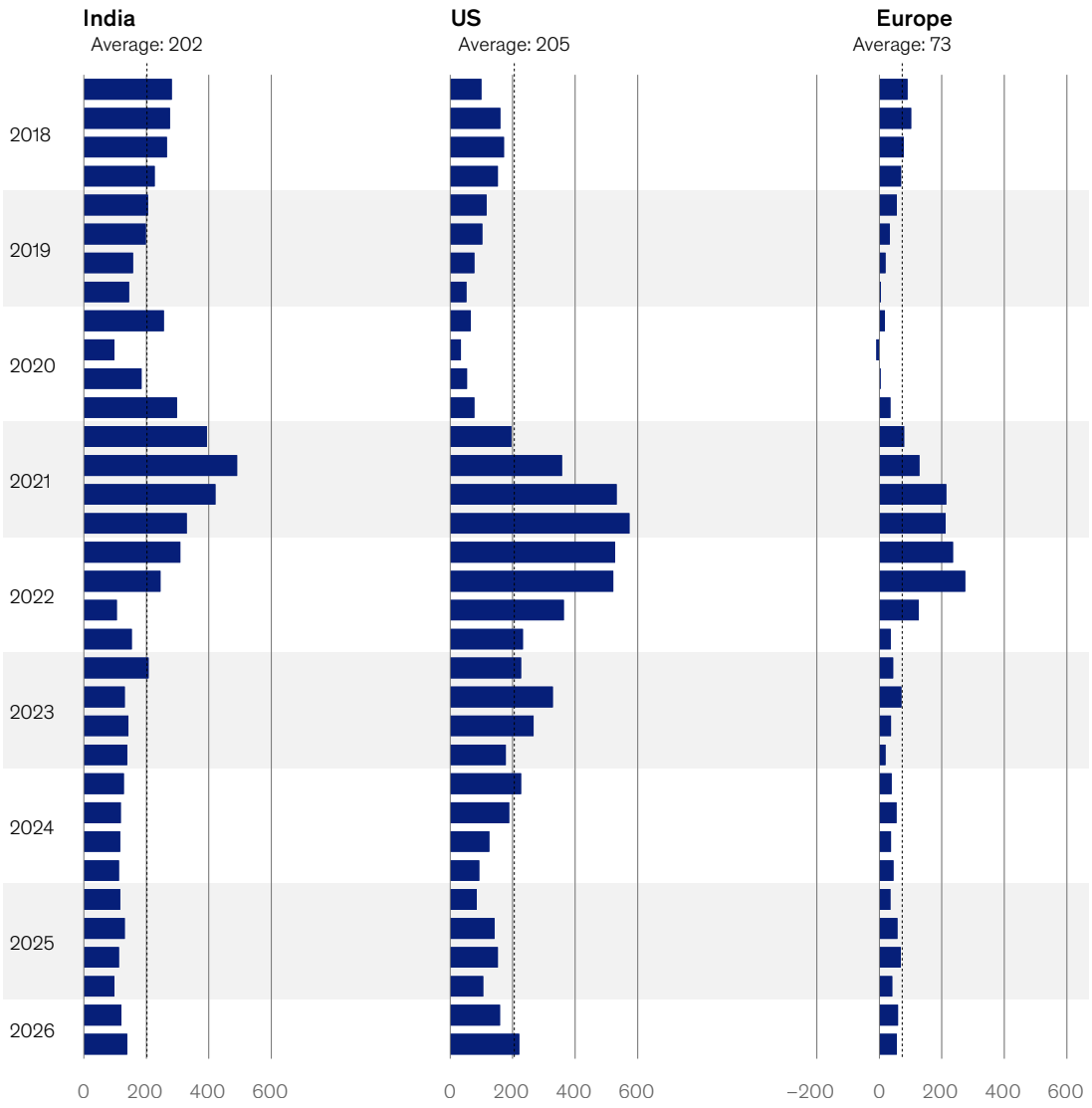


Major steelmakers report an average EBITDA margin of approximately $200 per ton in India from 2018 to 2026. Over the last 12 quarters, average EBITDA margin across steelmakers has ranged from $120 to $125 per ton, peaking at about $150, and reaching a low of about $100 per ton (Exhibit 10). The scale of future capital requirements would therefore shape how steelmakers approach expansion with financial resilience, particularly when developing multiple large projects concurrently. Capital excellence, including project planning and execution management, contributes to managing the timelines and budgets associated with capacity additions.

Exhibit 10

Steel margins have been under pressure over the past three years.

Quarterly EBITDA margin, Q1 2018–Q2 2026, $/ton



Source: Company quarterly reports

McKinsey & Company

The capacity build-out will also create opportunities for EPC firms and for equipment and technology providers. While large Indian steelmakers have developed in-house EPC capabilities, they still rely on external vendors for technology. Other steelmakers may require both EPC and technology capabilities to grow their capacity.

Developing steelmaking equipment capabilities in India involves considerations beyond equipment-manufacturing capacity. For indigenous steelmaking technologies, moving from development and demonstration to commercial-scale deployment may involve project qualification and require relevant engineering experience and the expertise to deliver projects at scale.[43] Building these capabilities would require a broader execution ecosystem spanning technology development and engineering, supported by skilled personnel and specialized contractors.

The Ministry of Heavy Industries has identified gaps between the skills of engineering, diploma, and industrial training institute (ITI) graduates and those required by the capital-goods sector.[44] To bridge the gap, the ministry has supported skill development and technology development through initiatives including Common Engineering Facility Centres and Centres of Excellence.[45]

The development of India's highway ecosystem offers a reference point for how execution capacity has evolved alongside investment. The pace of national highway construction increased from about 12 kilometers per day in fiscal year 2015 to around 34 kilometers per day by 2025, raising annual construction from 4,400 kilometers to more than 12,000 kilometers.[46] A broader project delivery ecosystem has supported this improvement through increased project awards, diverse contracting models, closer coordination with contractors and state governments, and streamlined clearances. Lessons from expanding highway delivery capacity could offer relevant insights into the execution capabilities associated with India's upcoming steel investment cycle.

India's investment cycle could involve developing domestic engineering and equipment capabilities for conventional steelmaking and progressively building capabilities for emerging production routes. Global capacity additions and replacements could further benefit domestic steelmaking equipment manufacturers and EPC players by increasing export opportunities.

The scale of capacity expansion also has implications beyond steelmaking assets. The Ministry of Steel has noted that expansion would involve parallel growth in mining output, logistics networks, beneficiation capacity, and downstream value addition.[47] As steelmakers bring planned capacity online, they may need to secure sufficient raw materials at competitive cost and the appropriate quality.

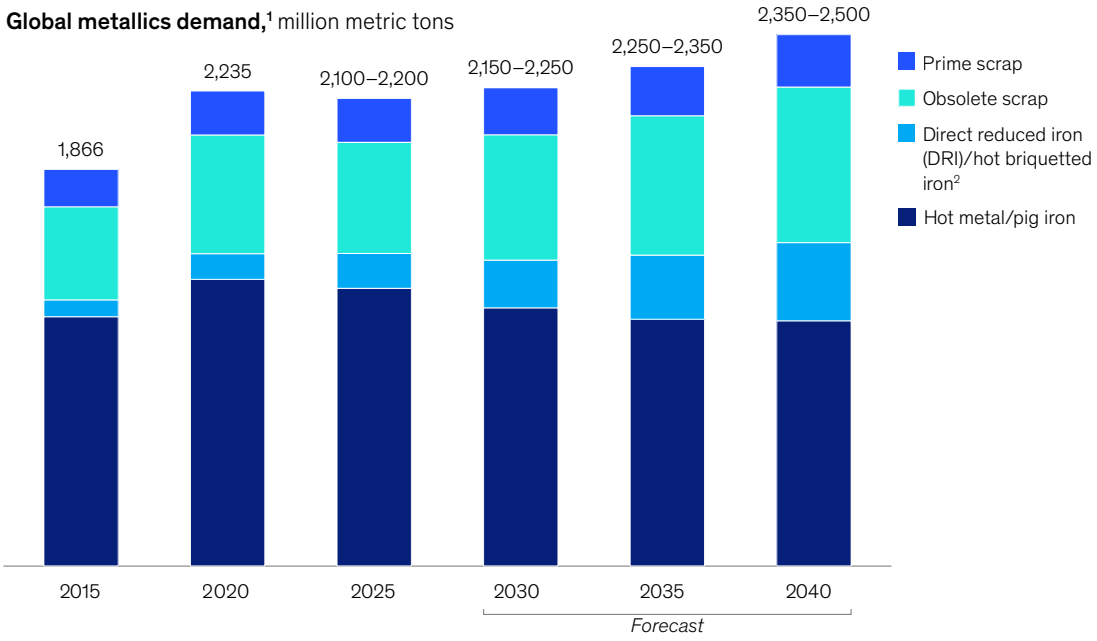
Assessing raw material readiness for sustained supply

The demand for metallics is projected to rise with steel production (Exhibit 11). Hot metal is expected to remain feedstock, particularly in China, India, and Southeast Asia. Decarbonization efforts and constrained scrap availability could drive faster growth in DRI/hot briquetted iron (HBI), with potential implications for demand patterns across iron ore, metallurgical coal, and scrap.

[43] *Revised Policy for Preference to Domestically Manufactured Iron and Steel Products in Government Procurement, 2025,* The Gazette of India, Ministry of Steel, December 17, 2025.
[44] "Capital Goods Skill Council," Ministry of Heavy Industries.
[45] *Scheme for enhancement of competitiveness in the capital goods sector – Phase I,* Ministry of Heavy Industries.
[46] "Transforming India's Transport Infrastructure (2014–2025)," PIB, June 11, 2025; *Annual Report,* Ministry of Road Transport & Highways.
[47] "Ministry of Steel Unveils Digital Roadmap at India AI Impact Summit 2026 to Drive AI-Led Transformation Across Steel Value Chain," Ministry of Steel, PIB, February 18, 2026.

Exhibit 11

Use of scrap and direct reduced iron is projected to increase over the next 15 years.



[1]Metallics demand is estimated top-down from the theoretical iron units required for steel production, by technology route and region; historical production and consumption of DRI, pig iron, and scrap form the baseline; projections reflect expected local DRI and pig iron supply, trade flow trends, and scrap generation and collection rates.
[2]Includes coal-based DRI produced in India.
Source: McKinsey Global Materials Insights

McKinsey & Company

Iron ore

India's planned steel capacity expansion is expected to raise demand for high-quality iron ore amid falling iron ore grades and delayed supply from auctioned iron ore mines.

Supply–demand gaps vary by product and quality

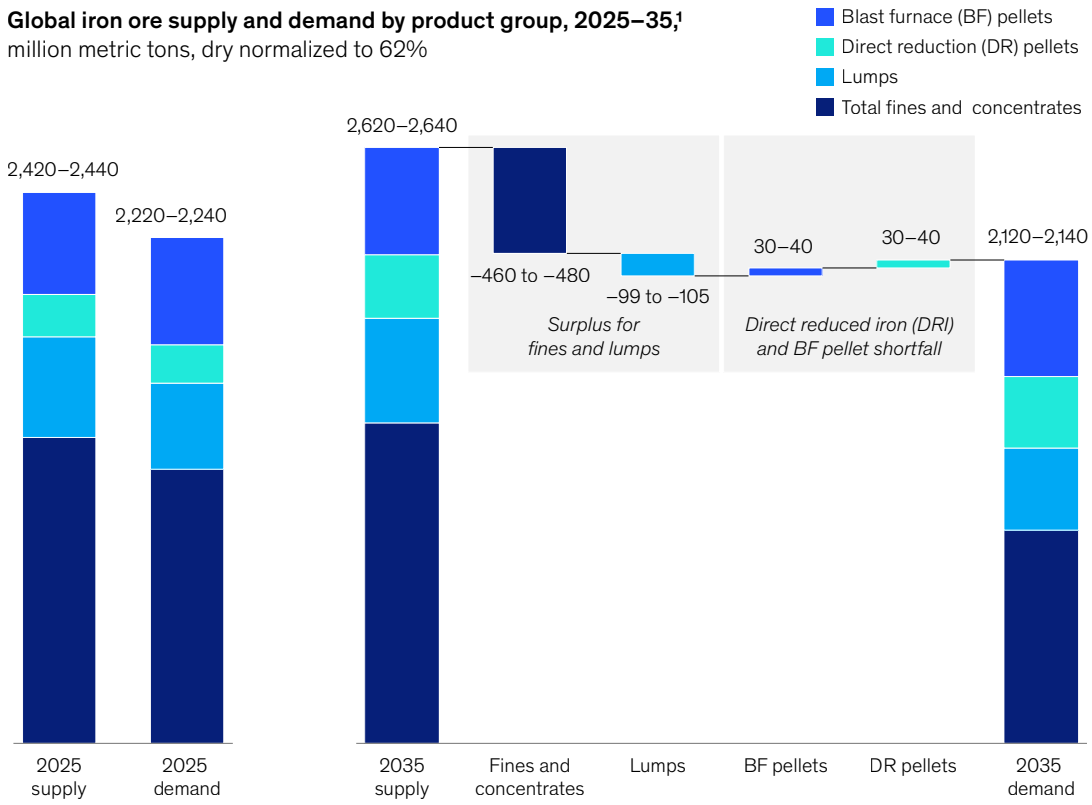
Globally, aggregate iron ore supply is projected to keep pace with demand, but the balance varies significantly by product. Fines and concentrates are projected to remain in surplus, while BF pellets and direct reduction (DR) pellets could face tighter availability as the steelmaking mix evolves (Exhibit 12).[48] This distinction is becoming increasingly relevant as India expands its conventional BF-BOF capacity and its lower-emission production routes.

[48] McKinsey Global Materials Insights; McKinsey MineSpans; the iron ore demand estimate is based on the theoretical iron units required for virgin metallics (DRI and pig iron), which varies on a regional basis.

Exhibit 12

The global iron ore supply–demand dynamics continue to evolve.

Global iron ore supply and demand by product group, 2025–35,[1]
million metric tons, dry normalized to 62%



[1]Methodology: The iron ore demand estimate is based on the theoretical iron units required for virgin metallics (DRI and pig iron), which vary on a regional basis. The demand figure does not account for transport losses and non-metallurgical uses or demand only for steel; historical comparisons of supply and demand are subject to error because trade data for some regions are uncertain.
Source: McKinsey Global Materials Insights iron ore demand model; McKinsey MineSpans

McKinsey & Company

India's iron ore production has continued to increase, but converting the auctioned resource base into operating supply has progressed more slowly. Since introducing the mineral-block auction regime in 2015, authorities have auctioned around 140 iron ore blocks, and 47 were operational by May 2026.[49]

For any individual steelmaker, what matters is not only how much ore India produces but also whether the required grade is available when needed. That depends on mine-development timelines, beneficiation, pelletizing capacity, and logistics.

Lower iron content raises the importance of processing and grade management

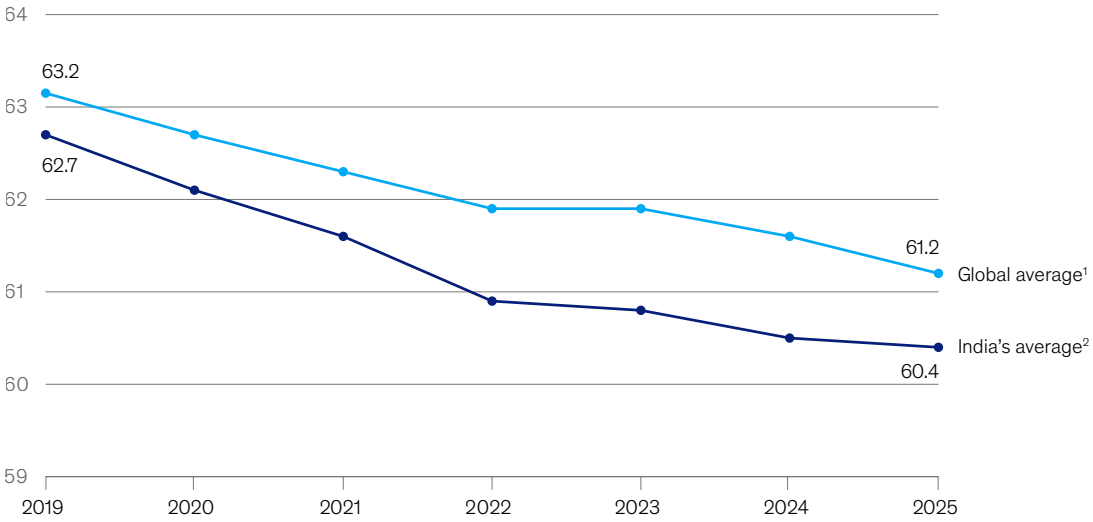
As elsewhere, average iron ore quality in India has declined over the years (Exhibit 13). Lower iron content implies higher levels of impurities such as silica, alumina, and phosphorus. These impurities add complexity to the steelmaking process, increasing the importance of beneficiation, blending, and efficient material handling.

[49] "Ministry of Mines Achieves Landmark with Operationalization of 101 Auctioned Mineral Blocks," Ministry of Mines, PIB, May 7, 2026.

Exhibit 13

Global and domestic iron ore quality is declining.

Average iron ore quality, India and global, % iron content



[1]Average quality calculated based on Vale's portfolio, BHP Newman Fines, Jimblebar Blend Fines, Mine Area C Fines, Rio Tinto Pilbara Blend Fines.
[2]The weighted average iron content is derived by assigning a representative grade (generally the band midpoint) to each iron grade band, weighting it by that band's share of India's annual iron ore production, and normalizing each year's shares to total 100%.
Source: BigMint; company reports; McKinsey MineSpans

McKinsey & Company

Global benchmark indices reflect declining ore content and rising gangue levels. Effective January 2026, S&P Global Platts revised the baseline specifications for its IODEX benchmark from 62 to 61 percent Fe, and increased the reference specifications for silica from 4.0 to 4.5 percent, alumina from 2.25 to 2.5 percent, and phosphorus from 0.09 to 0.10 percent.[50]

This trend has implications for DRI-based production, which requires iron ore with lower impurity levels. The global shift toward lower-emission technologies could therefore increase demand for higher-quality metallic inputs. In India, this presents two concurrent challenges: managing domestic ore quality more effectively and securing higher-quality inputs for future production routes. Beneficiation and pelletization could play an important role in improving the usable quality of domestic ore.

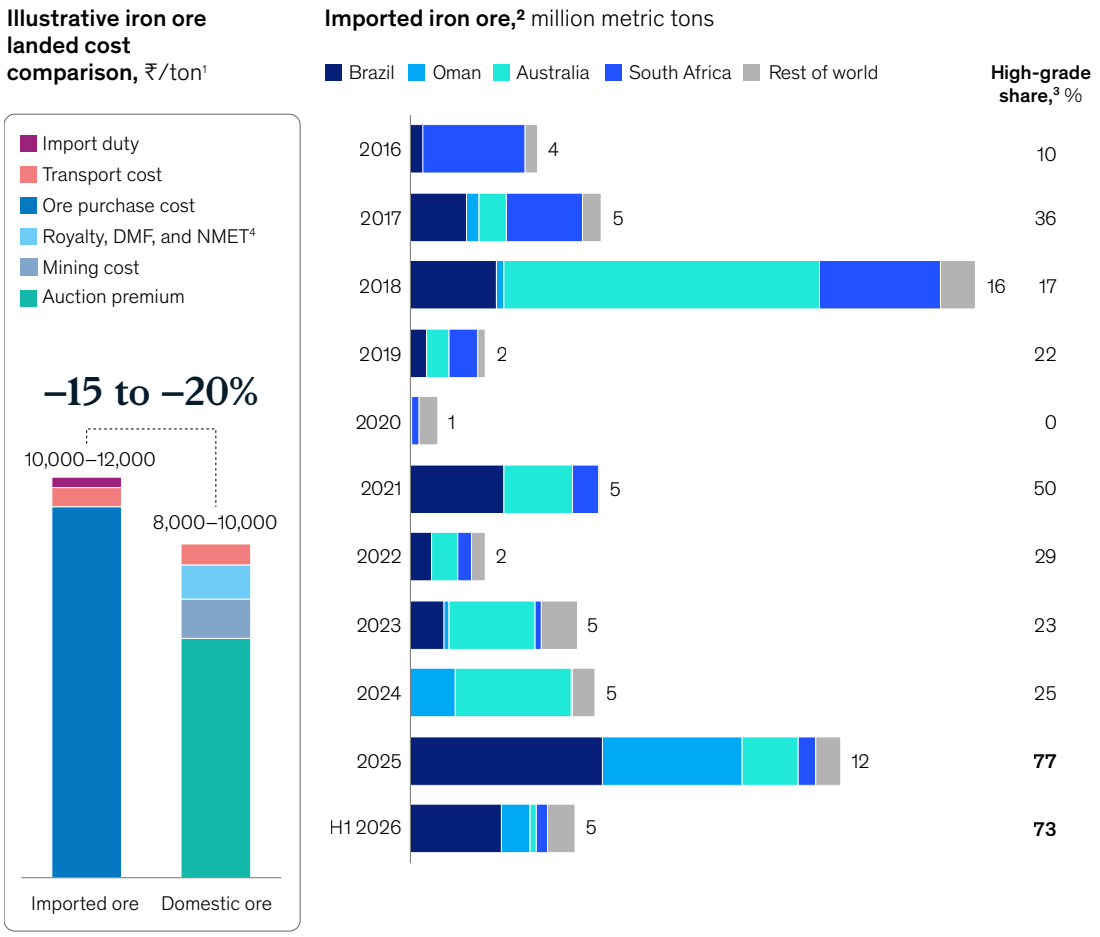
High auction premiums can influence the competitiveness of domestic iron ore

Domestic iron ore can offer a cost advantage over imported material for many steelmakers. An illustrative landed-cost comparison indicates a domestic advantage of around 15 to 20 percent (Exhibit 14). However, accounting for additional factors such as value in use and carbon costs could narrow this gap.[51]

[50] "Platts updates IODEX quality specifications to reflect 61% Fe effective January 2, 2026," S&P Global, January 2, 2026.
[51] McKinsey analysis. Landed cost is estimated on an illustrative per-ton basis for ore delivered to an Indian steel plant. Domestic ore landed cost is built up as mining cost, plus statutory levies (royalty, DMF, and NMET at prevailing rates), plus the auction premium payable under the mining lease, plus inland transport from mine to plant. Imported ore landed cost is built up as the ore purchase cost, plus ocean freight, port handling, and inland transport to the plant, plus applicable import duty.

Exhibit 14

Rising imports of higher-quality iron ore suggest growing competitive pressure on domestic iron ore.



[1]Illustrative per-ton landed cost of ore delivered to an Indian steel plant. Domestic cost includes mining cost, royalty, DMF, NMET, auction premium, and inland transport. Imported cost includes ore price, ocean freight, port handling, inland transport, and import duty.
[2]Includes fines and lumps.
[3]Share of Brazil and Oman.
[4]District Mineral Foundation (DMF), National Mineral Exploration Trust (NMET).
Source: TradeMap; McKinsey analysis

McKinsey & Company

The Mine Development and Production Agreement entered into by the winning bidder with the state government under the mine auction regulations establishes a minimum production obligation for the miner.[52] Reducing the quality of domestic iron ore affects the production process, as existing technologies have limited tolerance for impurities such as alumina and silica. Domestic steelmakers could explore importing high-quality iron ore to blend with domestic iron ore (extracted in accordance

[52] "Tender Document for E-Auction of Mining Lease for Name of the Block in State of Rajasthan," Department of Mines & Petroleum, Government of Rajasthan.

with contractual obligations) to sustain operational stability and support the anticipated growth in high-quality DRI production.

Iron ore import data from the last two years suggests that as India's steel capacity expands, steelmakers appear to be prioritizing two goals: a competitive domestic supply and access to diversified seaborne sources. While access to seaborne sources provides flexibility for domestic steelmakers, realizing the potential of domestic iron ore mining could remain important for the competitiveness and continued growth of the domestic steel industry.

Metallurgical coal

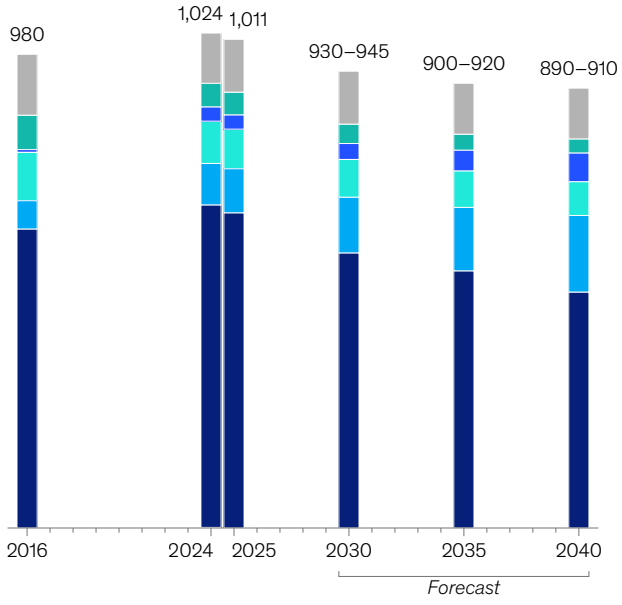
Global metallurgical coal demand is projected to moderate, driven by the shift to EAF and changes in demand from China. Continued growth in steel demand and the addition of BF-BOF capacity are expected to sustain metallurgical coal demand in India and Southeast Asia, making these regions exceptions even as the global market contracts (Exhibit 15).

As India's steelmaking capacity expands predominantly through the BF-BOF route, its demand for seaborne metallurgical coal could remain structurally higher than in mature steelmaking markets (Exhibit 16). This could increase the importance of reliable and diversified supply sources amid evolving competition for seaborne coal.

Exhibit 15

Global metallurgical coal demand could decline through 2040.

Metallurgical coal demand by region,[1] million metric tons



	CAGR, % 2016–25	2025–40
Other[2]	–1.8	–0.2
Europe	–4.5	–3.2
Southeast Asia[3]	23.2	4.3
Developed Asia	–2.5	–1.0
India	5.0	3.7
China	0.6	–2.0
Global	**0.4**	**–0.8**

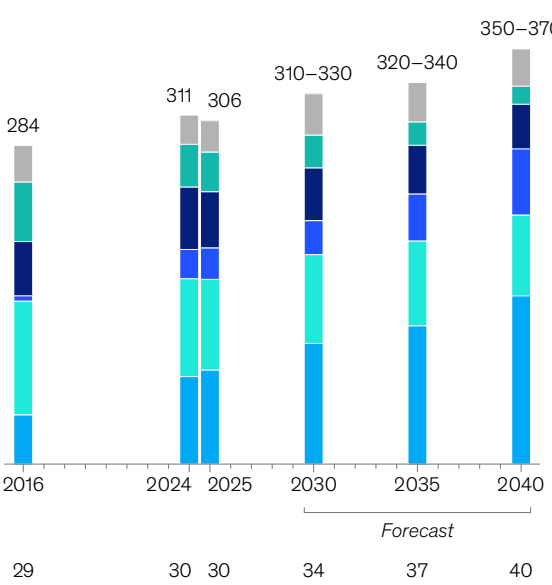
[1]The metallurgical coal demand estimate is based on the coke required for pig iron, sinter, and ferrosilicon production, derived by applying consumption factors to regional pig iron, sinter fines, and ferrosilicon volumes.
[2]Includes Middle East and North Africa, Sub-Saharan Africa, and Oceania.
[3]Includes Indonesia, Malaysia, the Philippines, Thailand, and Vietnam.
Source: McKinsey Global Materials Insights

McKinsey & Company

Exhibit 16

India and Southeast Asia could drive growth in seaborne metallurgical coal demand through 2040.

Seaborne metallurgical coal demand by region,[1] million metric tons



	CAGR, % 2016–25	2025–40
Other[2]	–1.9	0.9
Europe	–4.3	–5.1
China	0.5	–1.6
Southeast Asia[3]	22.1	4.8
Developed Asia	–2.5	–1.0
India	7.3	3.9
Global	**0.8**	**1.1**

Share of seaborne in total metallurgical coal demand, %	29	30	30	34	37	40

[1]Seaborne demand is estimated as the difference between regional metallurgical coal demand and domestic production.
[2]Includes Middle East and North Africa, Sub-Saharan Africa, and Oceania.
[3]Includes Indonesia, Malaysia, the Philippines, Thailand, and Vietnam.
Source: McKinsey Global Materials Insights

McKinsey & Company

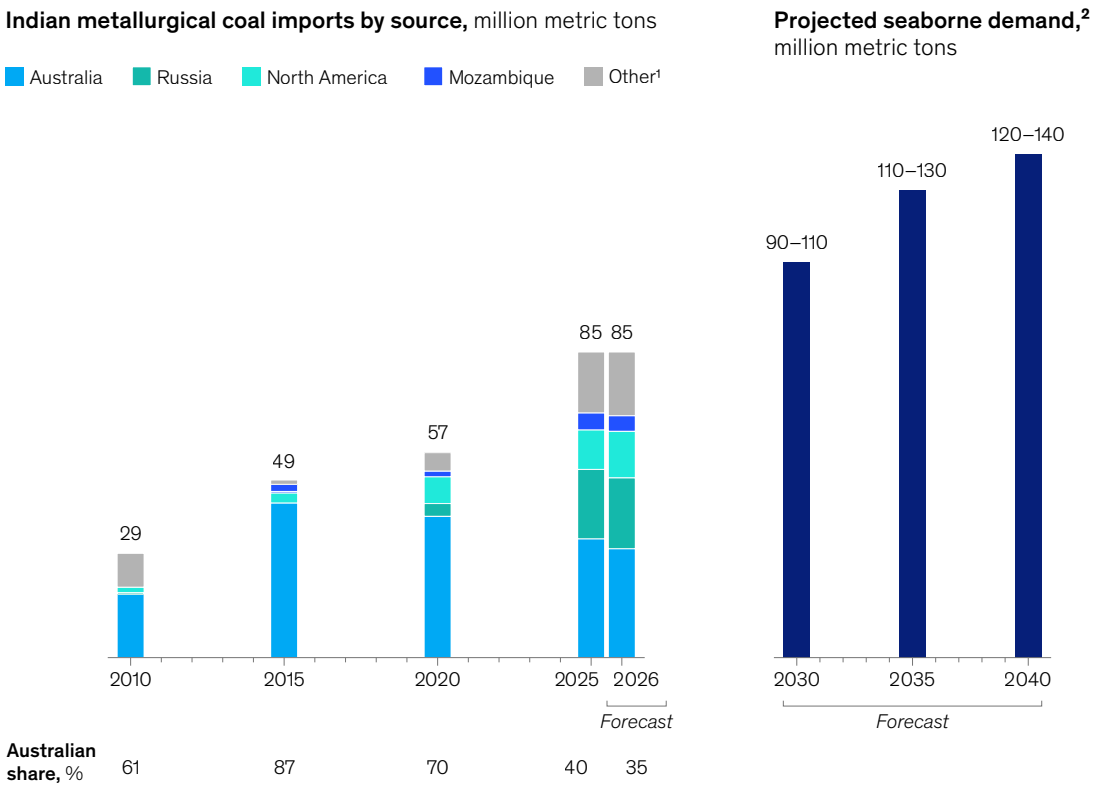
India imports about 95 percent of its coking coal

India remains highly dependent on imported coking coal for steelmaking. In fiscal year 2025, imports met around 95 percent of the steel sector's coking coal requirement.[53] Australia remains the largest source, though its share of India's coking coal imports has declined as steelmakers have diversified sourcing toward Mozambique, North America, and Russia (Exhibit 17). Longer-term supply arrangements and greater geographic diversification could therefore help mitigate exposure to price volatility and changes in individual supplier availability.

[53] "Government Notifies Coking Coal as Critical & Strategic Mineral under MMDR Act, 1957," Ministry of Coal, January 29, 2026.

Exhibit 17

India's metallurgical coal imports are increasing with a more diversified supply base.



[1]Includes China, Indonesia, New Zealand, and South Africa.
[2]Projected seaborne demand is estimated as the difference between regional metallurgical coal demand and domestic production.
Source: McKinsey MineSpans

McKinsey & Company



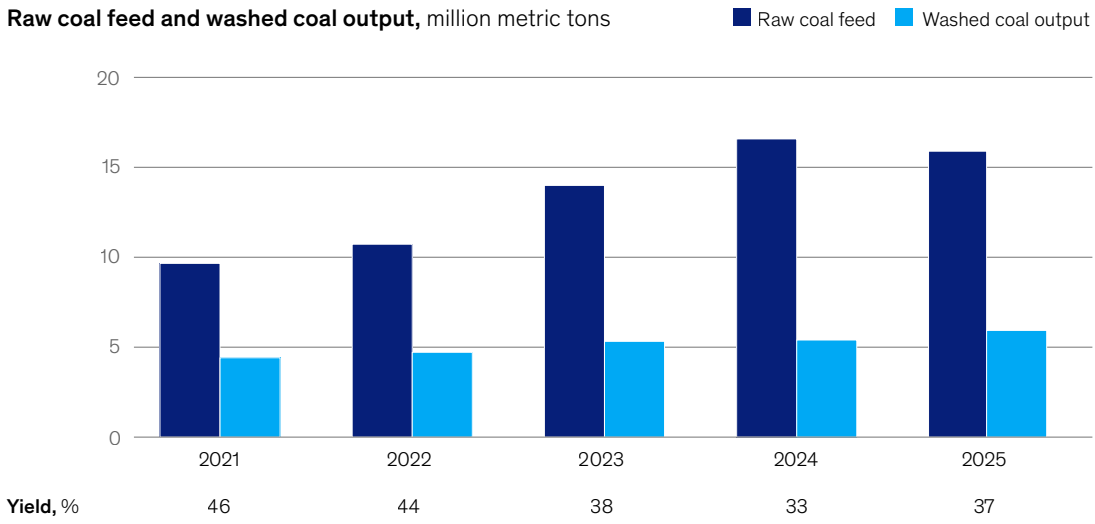
Beneficiation could unlock more domestic coking coal

Improving domestic coking coal quality could reduce import dependence. Indian coking coal is relatively high-ash, with washery grades ranging from 18 to 49 percent ash (around 13 to 14 percent is considered more suitable for steelmaking).[54]

This makes beneficiation more important (Exhibit 18).[55] Beneficiation capacity is expanding. Coal India Limited (CIL) has approximately 18.35 million metric tons per annum of operable coking coal washery capacity and has outlined plans to build eight additional washeries with a capacity of 21.5 million metric tons per annum by fiscal year 2030.[56] These investments could contribute to the volume of domestic coal available for steelmaking. However, the extent to which additional capacity translates into increased usable supply would depend on recovery rates and the quality of feed coal.

Exhibit 18

India's high-ash coking coal can influence recovery from washeries.



Source: Coal Directory of India 2024–25, Coal Controller's Organisation, Ministry of Coal

McKinsey & Company

[54] Coal Grades, Ministry of Coal; *Inter-Ministerial Committee Report, Section 3.7,* Ministry of Coal.
[55] Coal Directory of India, Coal Controller Organization, Ministry of Coal.
[56] *Annual Report 2024–25, Chapter 3, Section 12, "Thrust on Washing of Coal,"* Ministry of Coal.

Scrap

As the steel industry transitions to lower-emission production routes, ferrous scrap is expected to play a growing role in steelmaking. Scrap reduces the need for primary raw materials and energy. It serves as a feedstock for EAF production and improves material efficiency in BOF steelmaking. The expansion of EAF capacity and efforts by steelmakers to reduce the emissions intensity of existing production routes are expected to contribute to increased global demand for scrap.

Many countries are limiting scrap exports

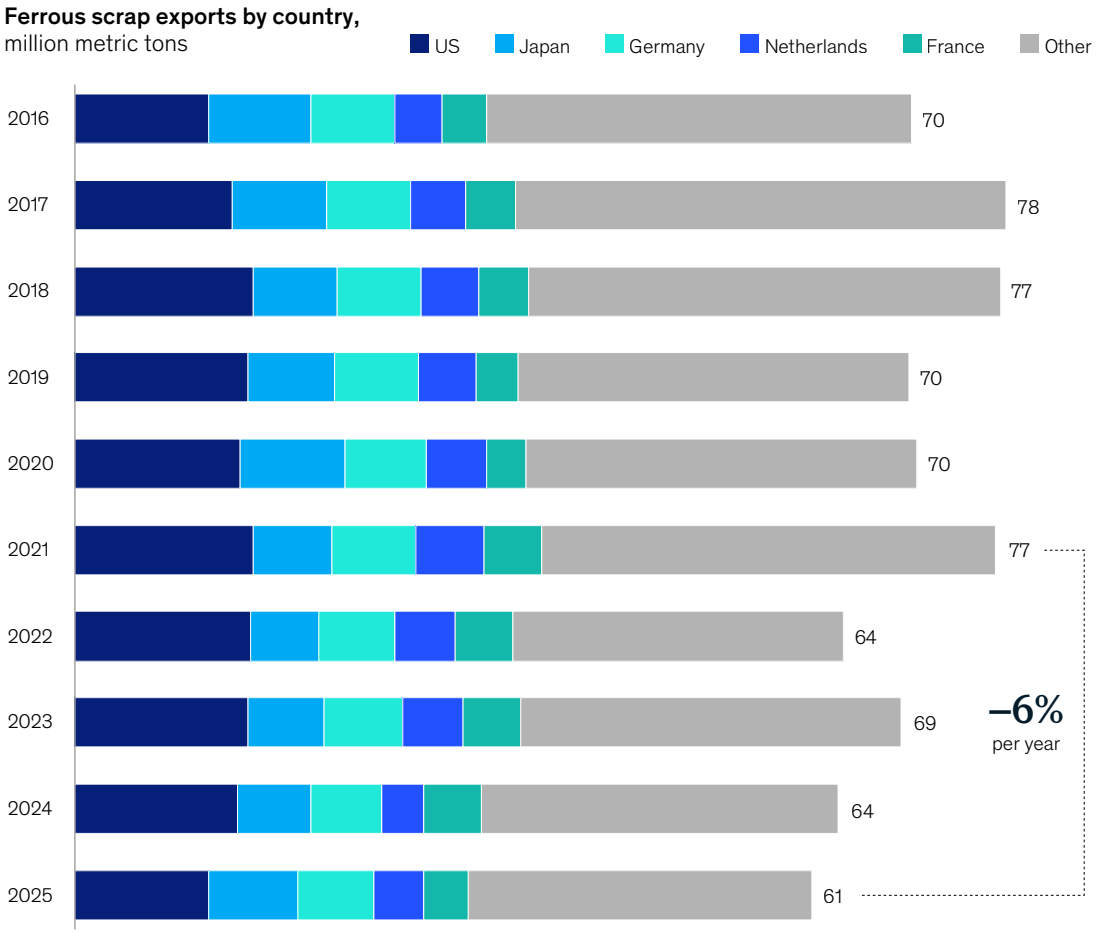
At the same time, the international availability of traded scrap has become more constrained (Exhibit 19). Ferrous-scrap exports from major exporting markets have declined.[57] This trend could become increasingly important as scrap-rich steelmaking regions absorb more material domestically to support their production and decarbonization pathways. The OECD notes that economies increasingly treat scrap as a strategic raw material, with 42 countries restricting ferrous-scrap exports in 2023.[58]

[57] Scrap global data, UN Comtrade.
[58] *OECD Steel Outlook 2026, Section 5, OECD,* June 4, 2026.



Exhibit 19

Global ferrous scrap exports have declined since 2021.



Source: UN Comtrade

McKinsey & Company

India's scrap needs are rising

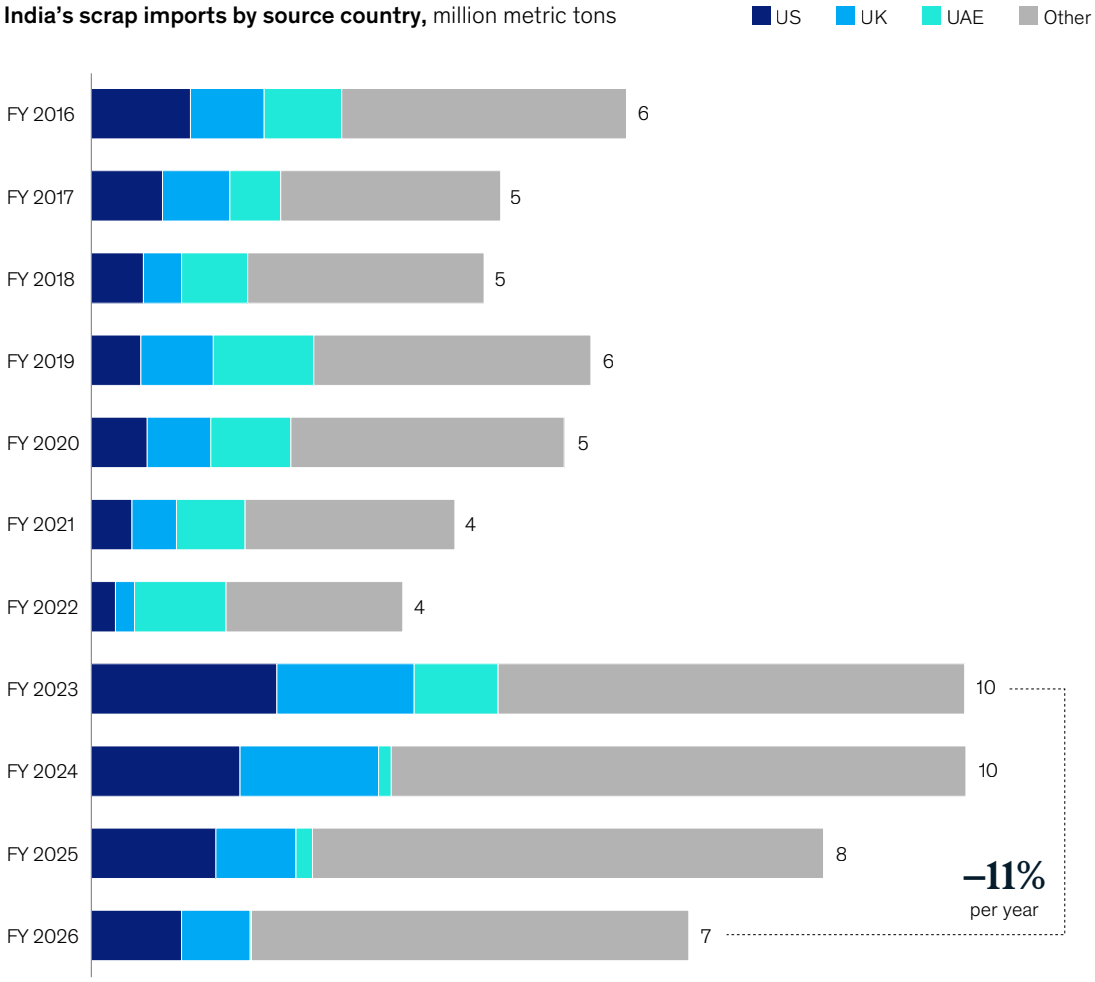
For India, the tightening global scrap market reflects in reduced imports of scrap over recent years (Exhibit 20). In fiscal year 2024, scrap made up about 21 percent of India's crude steel production via the ferrous-scrap route. The country imported approximately 25 percent (nearly 10 million metric tons) of that scrap.

India's growing requirement for scrap is expected to reach 50 to 60 million metric tons by 2030.[59] As the industry expands and considers greater use of EAF-based steelmaking, securing sufficient quantities of competitively priced scrap could become increasingly important. Constrained global scrap supply is expected to pose a longer-term sourcing risk for import-dependent markets, including India.

[59] McKinsey integrated metallics model: scrap demand estimate based on India's steel capacity growth outlook, capacity mix, and availability of scrap and metallics.

Exhibit 20

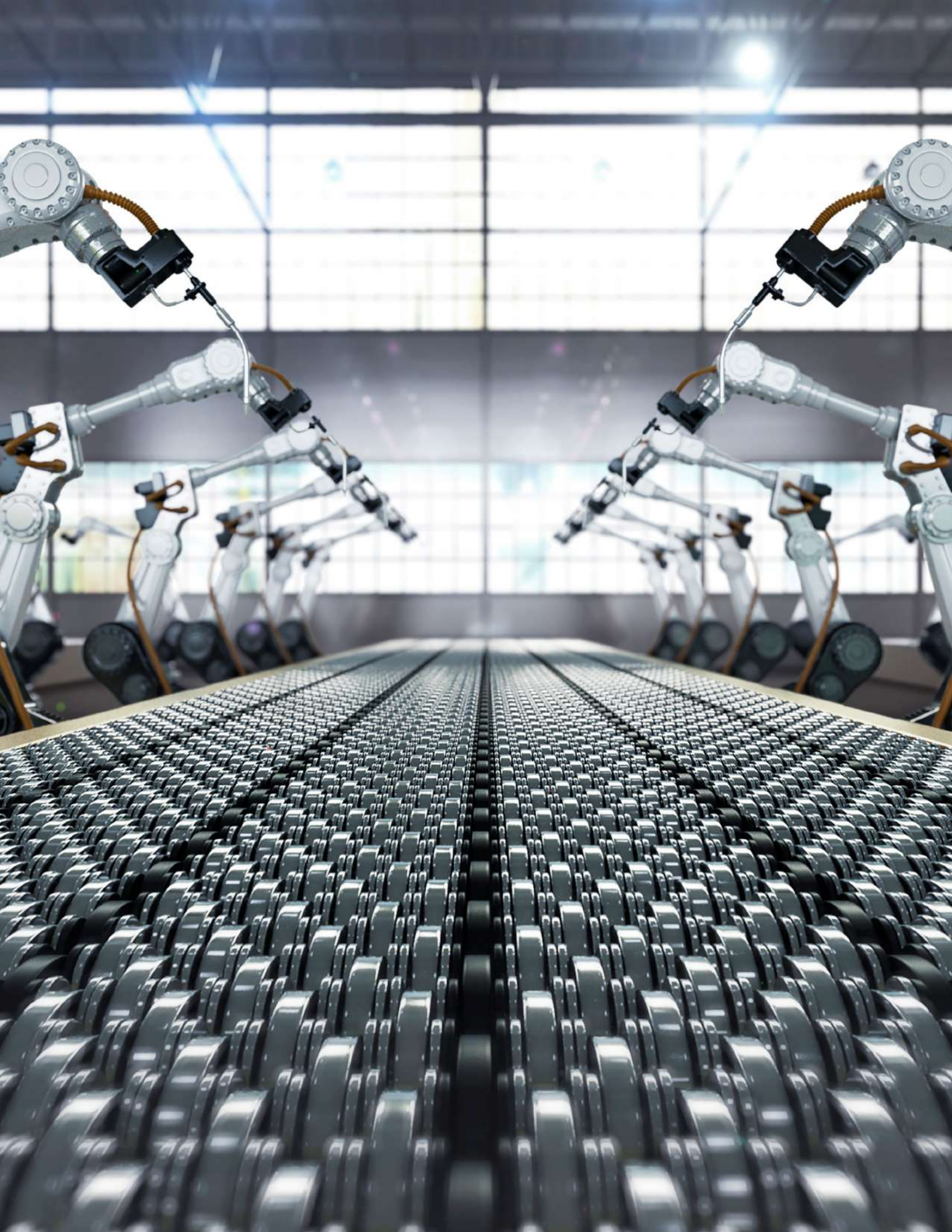
India's scrap imports have fallen since fiscal year 2023.



Source: BigMint

McKinsey & Company

India's steel industry is expected to undergo a decade of transition. Steelmakers have yet to build about half the capacity required to meet the 2047 target. This presents an opportunity for India to consider lower-emission steelmaking, at competitive costs and with greater resilience. Progress will depend on coordinated action by the industry.



3 Considerations for India's steel future

Three questions for steelmakers

Steelmaker strategy could incorporate responses to the following questions.

Which segments and markets are expected to contribute to future demand, and where could domestic capabilities be developed?

- Assess portfolio toward the highest-growth end uses, including construction, infrastructure, transportation, renewables, and defense.
- Evaluate opportunities in specialty and value-added grades with high import exposure and higher price per ton, in areas backed by government initiatives that support capital spending—such as electrical, coated, and high-strength steels.
- Explore export opportunities in markets with more favorable trade terms for India. Access to export markets is expected to increasingly depend on regional quotas, carbon requirements, and trade-remedy measures, not just cost.

How could capacity additions be planned to align with projected demand?

- Plan capacity in advance to lock in technology decisions, manage cost overruns, and ensure the timely completion of projects.
- Explore adoption of AI and digitization to improve operational efficiency, potentially unlock cost reductions of around $50 per ton, and reduce emissions.
- Evaluate optionality in new investments. Options include blast furnaces designed for hydrogen injection and future carbon-capture retrofits, and coal gasification-based DRI that could eventually shift to hydrogen-based or electric steelmaking.

How could raw material and cost resilience be secured for the long build-out?

- Evaluate investments in beneficiation, agglomeration, washing, and related quality improvement techniques to manage the quality of domestic iron ore and coking coal.
- Assess pelletization infrastructure to address the projected pellet shortfall by 2035.
- Consider supply chain diversification based on the viability of imported iron ore and on sources of low-ash coking coal and scrap.
- Explore domestic scrap collection and upcycling capabilities for obsolete scrap.
- Assess opportunities to collaborate with the local scrap economy, track materials through the value chain, and build a reliable, traceable feedstock pool for future use.

Seven areas for government consideration

Alongside initiatives undertaken by steelmakers, government policies could support the development of India's steel sector across several areas.

1. Assess opportunities to increase steel usage
    - Greater adoption of steel-based and prefabricated construction could speed project delivery.
    - Developments in construction standards, potential building code changes, and awareness across the construction sector could support this shift where execution timelines are a consideration.
2. Consider the implications of the iron ore auction mechanism for supply
    - The current setup could have an impact on mine operationalization timelines and the availability of competitively priced ore.
    - Mine operationalization timelines could enable greater value creation across the wider downstream steel and manufacturing ecosystem.
3. Explore further support for raw-material enhancement
    - Expansion of washery and beneficiation capacity could contribute to the usable supply of iron ore and coking coal.
    - Modernizing washeries and coordinating across ministries could influence the availability of low-ash coking coal.
4. Support the development of domestic equipment manufacturing and clusters
    - Domestic EPC and heavy equipment manufacturers could explore investing in R&D for domestic steelmaking technologies and building steelmaking equipment in India—at costs that are competitive with global peers.
    - Skill development initiatives and shared engineering facilities could contribute to the availability of domestic talent, supporting growth in the heavy manufacturing industry.
    - Integrated clusters, such as Odisha's Angul–Jajpur belt, could facilitate the co-location of EPC, equipment, logistics, raw materials, and talent, which could improve cost competitiveness.
5. Consider greater clarity on carbon pricing and measurement
    - Visibility into long-term carbon price signals could help steelmakers select and time the adoption of low-emission technologies.
    - Measurement, reporting, and verification (MRV) frameworks aligned with global benchmarks could support export competitiveness as markets such as the EU tighten carbon requirements.
6. Evaluate financing, green technology, and R&D
    - Access to concessional and climate-linked finance could help offset the capital costs of decarbonization.
    - Allocation of research funding toward steel, closely aligned with industry priorities, could support beneficiation, gasification, and the development of grades India does not yet produce at a globally competitive scale.
    - Technology-transfer arrangements could contribute to capability development in specialty and high-finish steels.

7. Consider measures relating to scrap

    - As the industry explores more scrap-intensive steelmaking, policy measures could support domestic scrap collection, upcycling, and processing.

India's steel scenario is influenced by evolving demand, changing raw materials, market dynamics, and planned expansion of steel manufacturing capacity in an environment that increasingly emphasizes sustainability. Steel companies and the broader industry are considering future capacity development and how to build it right. The choices industry participants make will determine the competitiveness of India's steel sector, its role in India's development, and its ability to strengthen its position in global markets.



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