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# Steel demand could slide 12% in FY21:Brickwork

ADITI DIVEKAR

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India's steel demand is expected to decline 10-12 percent in FY21, with the outbreak further hitting the already weak consumption pattern influenced by recessionary conditions, **Brickwork Ratings** said in its report on Friday.

Many small and medium firms shut operations in Q1FY21, and bit players curtailed production given the difficulties in logistics with respect to availability of raw material and distribution of finished products, shortage of manpower, anticipated lower demand, and risk of the piling up of inventory.

In Q1FY21, production of finished steel crashed 49 percent, and consumption by 53 percent, compared to Q1FY20 levels, said the report. However, in iQ2FY21, the Indian steel market started showing signs of recovery, with a demand revival in rural regions, and higher exports of semi-finished goods.

In Q2FY21, production of finished steel fell 2 percent, while consumption declined 10 percent compared to Q2FY20. An exponential surge in export volumes was seen during H1FY21.