



---

# Steel demand likely to fall 12% this year:Report

## OUR BUREAU

Mumbai, November 27

Hit by stringent Covid-induced lockdown, steel demand in this year is expected to fall by a record 10 percent to 12 percent despite early signs of green shoots across consuming sectors. The fall in demand will also hit margins and put pressure on liquidity management in this fiscal year, according to a **Brickwork Ratings** report.

However, it said the steel market has started showing sluggish signs of recovery with demand revival in the rural economy and automobile sector along with increased levels of semi-finished goods exports in the last few months. The infrastructure sector is likely to contribute substantially in reviving steel demand, led by government investment in the infrastructure sector.

The government has announced investment into big-ticket infrastructure projects. In the long term, the steel industry will witness high demand and significant growth as per capita steel consumption in India is much lower than most other countries in the world.

The government's support to rural income and expected consumption related to the upcoming festival season will help in substantial demand recovery for consumption-driven manufacturing goods in the second half of the fiscal.