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Finished Steel Consumption in India and Future Trends

Submitted to: Joint Plant Committee,
Ministry of Steel, Government of India

Summary
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Background & Objectives

India's finished steel consumption has grown at a CAGR of 4.9% between FY 2013 and FY 2019 – among the fastest sustained growth rates of any large steel market in the world. This is not a coincidence: it reflects the intersection of a vast and growing infrastructure deficit, a population of more than a billion people at an early stage of urbanisation and industrial development, and a government that has consistently prioritised capital expenditure as the primary instrument of economic acceleration.

Steel demand is primarily driven by capital investment and asset creation, with consumption and services-led growth influencing demand only indirectly and with comparatively lower intensity. When the government builds highways, railways, ports, and housing, steel demand surges. When capital investment stalls – as it did between FY 2011 and FY 2016 despite respectable GDP growth - steel demand contracts even as the headline economy grows.

The study focused on 7 core objectives for a thorough understanding of finished steel consumption in India.

Central Question

What is India's current and future **finished steel consumption** requirement, key demand drivers, growth scenarios, and required investments?

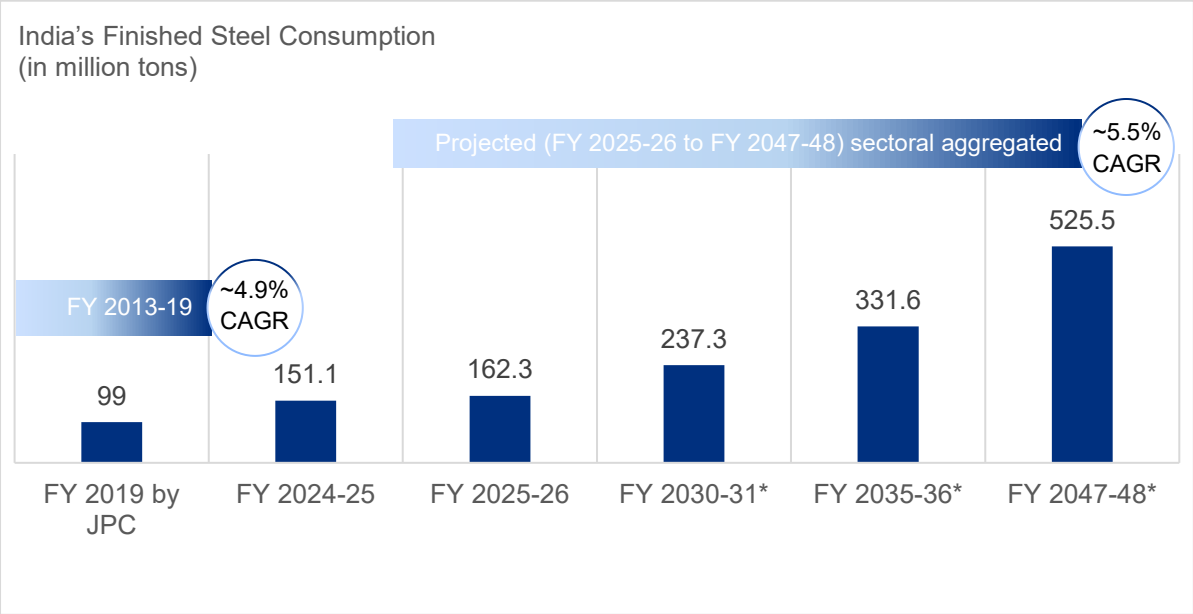
1. Assessing finished steel consumption in the Government/Public Sector, in the Private Sector, and in the Public-Private Partnership Sector
2. Factors affecting steel consumption in the present scenario
3. Factors likely to affect steel consumption in the future
4. Total market for finished steel in India
5. Most likely estimates of growth rate of finished steel consumption
6. Historical growth and future trends in finished steel consumption
7. Meeting estimated growth of finished steel demand

Consumption Outlook

India's finished steel consumption is projected to reach 237.3 million tons by FY 2030-31. The forecast CAGR is computed as sectoral aggregation.

The forecast of FY 2024-25 to FY 2030-31 is consistent with historical growth (FY 2013-19) behaviour and indicates that, while the high-growth phase observed during FY 2021-24 was strong, the medium-term trajectory remains anchored in long-run patterns. Thus, the period from FY 2030-31 through FY 2035-36 can be characterised as 'above average but moderating growth', signalling continued expansion with a gradual normalisation relative to recent peaks.

By FY 2047-48, the finished steel consumption in India is likely to reach ~525.5 million tons.



* Projected estimate

Chart 1: India's Finished Steel Consumption (in million tons)

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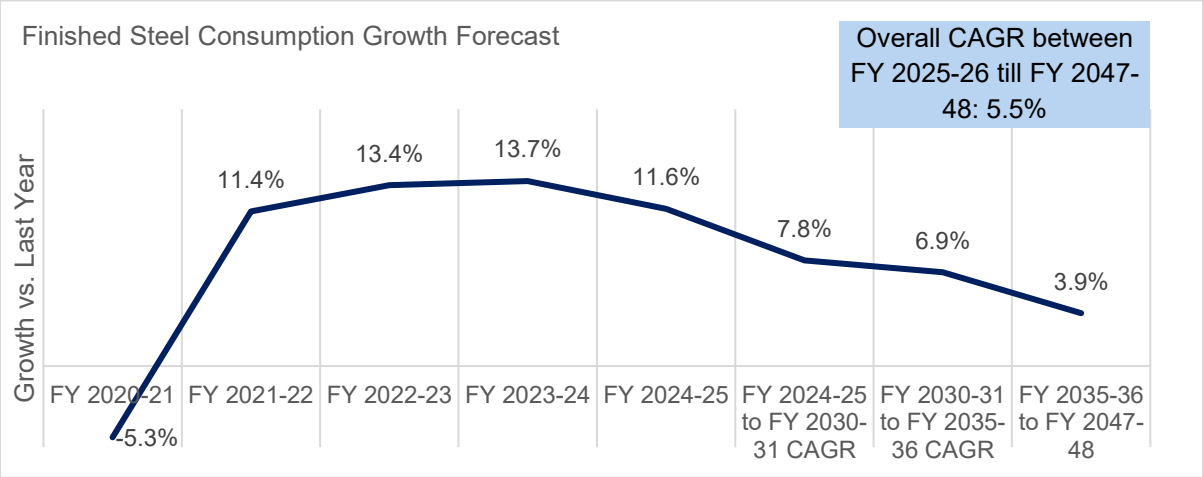


Chart 2: Finished Steel Consumption: Growth Forecast

Finished Steel Consumption: Current & Forecast

The table below summarises the sectoral build-up of India's finished steel consumption for FY 2025-26, FY 2030-31, FY 2035-36 and FY 2047-48. The estimate for FY 2025-26 is 162.3 million tons. Total consumption is projected to reach 237.3 million tons by FY 2030-31, implying a significant step-up in demand over the remainder of current decade.

Sector-wise, Construction remains the largest demand anchor across the horizon (from 60.3 in FY 2025-26 to 84.4 in FY 2030-31, and 109.9 million tons by FY 2035-36), reflecting continued expansion in residential, commercial, industrial and warehousing activity. Infrastructure constitutes the second-largest pillar (from 49 to 69.2 to 95.4 million tons), consistent with sustained public capital expenditure and large multi-year programmes.

Sectoral Build-up of Domestic Finished Steel Consumption (in million tons)	FY 2025-26	FY 2030-31* projected consumption	FY 2035-36* projected consumption	FY 2047-48* projected consumption
Automotive	17.2	30.1	49.0	121.3
Construction	60.3	84.4	109.9	154.7
Infrastructure	49.0	69.2	95.4	110.2
Engineering, Appliances, Steel Packaging & Containment	28.3	40.1	52.4	80.0
Other Capital Goods & Investments[#]	3.2	6.2	13	37.0
Defence	0.8	1.3	2	3.5
Others[##] (industries with consumption <1.6 million tons in FY 2025-26)	3.4	5.9	9.8	18.8
Total	**162.3**	**237.3**	**331.6**	**525.5**

Table 1: Finished Steel Consumption: Sectoral Build-up

*Projected estimate

[#] Other Capital Goods comprise Construction & Earthmoving, Elevators, Dies, Moulds and Press Tools and Datacentres.

[##] Others comprise of Commercial Shipbuilding, Wire Ropes, Utensils, Fasteners, Fuel Retail and Other industries with consumption <1.6 million tons in FY 2025-26

Finished Steel Consumption: % Composition by Sectors

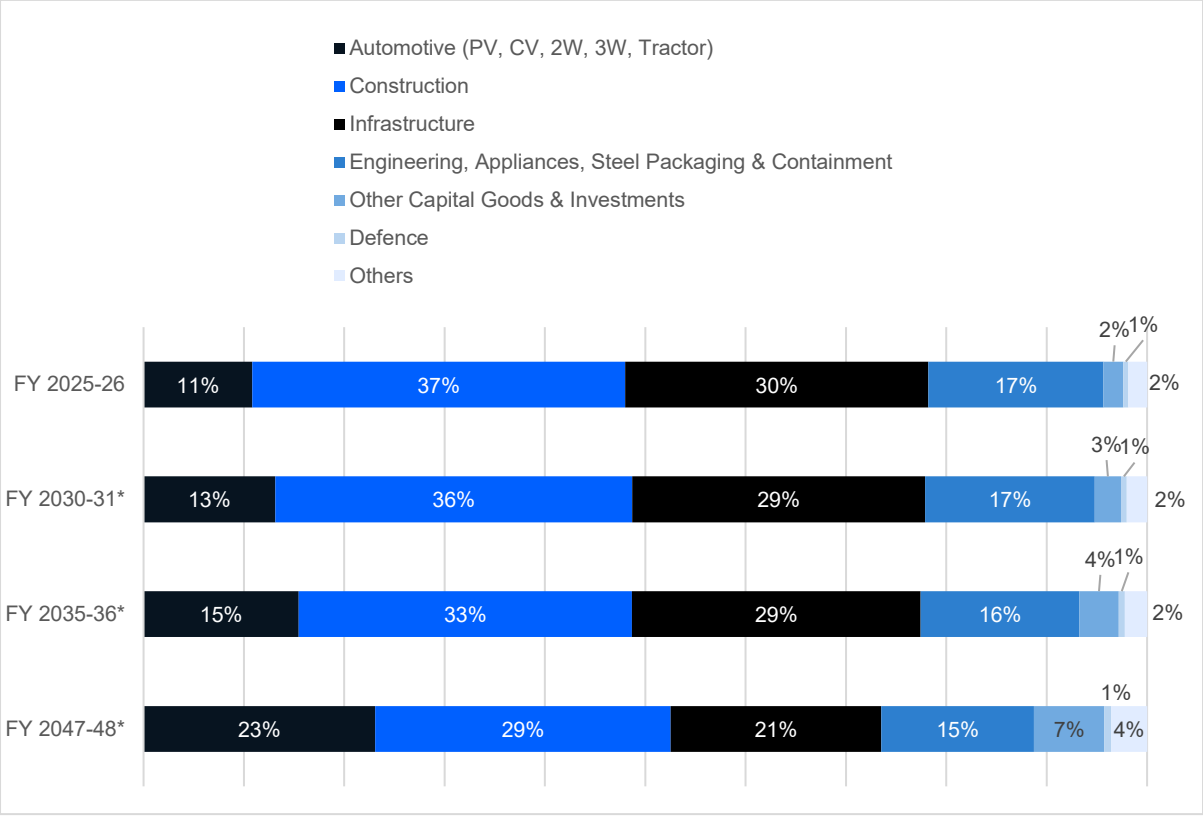


Chart 33: Finished Steel Consumption: Composition by Sectors

*Projected estimate

[#] Other Capital Goods comprise Construction & Earthmoving, Elevators, Dies, Moulds and Press Tools and Datacentres.

[##] Others comprise of Commercial Shipbuilding, Wire Ropes, Utensils, Fasteners, Fuel Retail and Other industries with consumption <1.6 million tons in FY 2025-26

Finished Steel Consumption by States: FY 2025-26

State-wise shares indicate a concentrated consumption footprint, with a small set of large states accounting for a large share of finished steel use. The top consuming states include Tamil Nadu (13.1%) and Uttar Pradesh (13.0%), followed by Maharashtra (9.6%), Gujarat (6.9%), Karnataka (5.7%).

These percentages should be read as each state's share of India's total finished steel consumption (Apparent Steel Use (ASU) based), reflecting the effect of construction intensity.

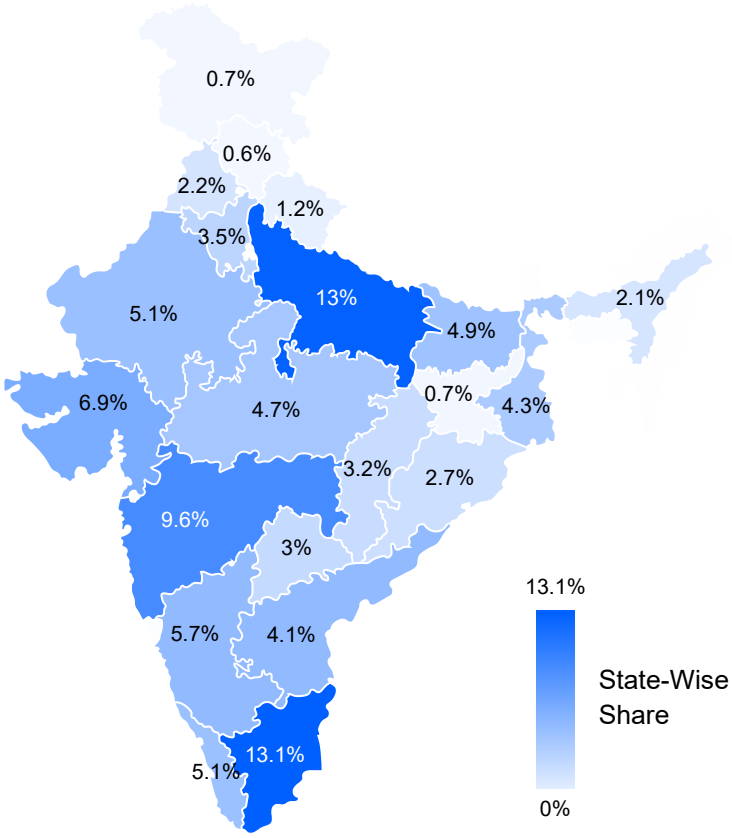


Chart 4: Finished Steel Consumption: State-wise Share

State	% Steel Consumption	State	% Steel Consumption
Tamil Nadu	13.1%	Assam	2.1%
Uttar Pradesh	13.0%	Uttarakhand	1.2%
Maharashtra	9.6%	Jharkhand	0.7%
Gujarat	6.9%	Jammu & Kashmir	0.7%
Karnataka	5.7%	Himachal Pradesh	0.6%
Rajasthan	5.1%	Puducherry	0.3%
Kerala	5.1%	Goa	0.2%
Bihar	4.9%	Meghalaya	0.2%
Madhya Pradesh	4.7%	Tripura	0.1%
West Bengal	4.3%	Nagaland	0.1%
Andhra Pradesh	4.2%	Manipur	0.1%
Haryana	3.5%	Arunachal Pradesh	0.1%
Chhattisgarh	3.2%	Chandigarh	0.1%
Telangana	3.0%	Mizoram	0.1%
Odisha	2.7%	Sikkim	0.1%
Delhi	2.3%	Andaman & Nicobar	0.0%
Punjab	2.2%		

Table 2: Finished Steel Consumption: State-wise Share

Summary of Other Findings

- Strong growth in India's finished steel consumption is projected through FY 2030-31 and beyond, approaching 237.3 million tons by FY 2030-31 (up from 162.3 million tons in FY 2025-26).
    - This trajectory implies an overall 7.4% compound annual growth rate (CAGR) over FY 2025-26 to FY 2035-36, outpacing historical trends (FY 2013-19 ~4.9% CAGR).
- This growth outlook is grounded in a comprehensive bottom-up sectoral build-up, validated by econometric modelling.
- Construction and Infrastructure are and will remain the pillars of India's steel demand.
    - These segments together represent roughly two-thirds of current consumption and a similar share of projected growth to FY 2030-31:
        - Building & Construction (largely private and some public) – the single largest steel-consuming sector – is expected to rise from ~60 million tons (FY 2025-26) to 84 million tons by FY 2030-31, contributing roughly one-third of the total incremental demand.
            - Sustained residential and commercial building activity (both organised urban housing and individual homebuilding), alongside industrial sites, warehouses, and institutional buildings, will drive this expansion.
- Infrastructure (primarily public sector) – including roads & bridges, railways & metros, ports, airports, pipelines (water, oil & gas), irrigation, and power/telecom networks – increases from ~49 million tons to ~69 million tons (FY 2025-26 to FY 2030-31).
    - This reflects strong public capital expenditure and PPP projects across transport, logistics, and utilities, making infrastructure the second-largest source of new steel demand (accounting for over one-quarter of incremental growth by FY 2030-31).
- Engineering, Appliances & Steel Packaging & Containment (primarily private) – a broad category covering capital equipment, consumer durables, and steel-based packaging – will continue to grow solidly from ~28 million tons to 40 million tons (FY 2025-26 to FY 2030-31), as manufacturing output, power equipment, consumer goods, and packaging needs all expand with rising incomes and industrial activity.
- Automotive (private) – spanning passenger vehicles, commercial vehicles, tractors, two-wheelers and other transport – is poised for rapid growth (from ~17 million tons to ~30 million tons by FY 2030-31).
    - This sector's steel demand increase (~13 million tons) is largely unit-driven by strong vehicle production growth, with vehicle lightweighting and EV adoption causing only marginal per-vehicle steel reductions.
    - Automotive's share of total steel use will rise, and this segment demands high-grade flat products, reinforcing the need to develop automotive-grade steel capabilities domestically.

- Defence & Other emerging segments (public sector defence manufacturing, plus smaller industries like fasteners, furniture, etc.) remain niche contributors (combined <5% of consumption).
- India’s finished steel consumption is projected to reach ~525.5 million tons by FY 2047-48, driven primarily by construction, automotive, infrastructure, and engineering-related sectors.
    - The projection is validated through multiple checks: GDP-linked steel intensity, urban-rural per capita steel consumption modelling, and international country benchmarking, all broadly aligning with the sectoral estimate.
    - Export-led finished steel consumption would contribute ~50.2 million tons by FY 2047-48, mainly from automotive, engineering/appliances/steel packaging, and other capital goods exports.

About Kantar

Kantar is the world's leading marketing data and analytics business. We deliver the intelligence needed to power brand growth.

We provide the signals that help organisations act quickly and confidently. We empower brands to make effective marketing decisions based on predictive evidence. And we help them craft powerful growth strategies rooted in the connection between consumers, brands and enterprise value.

All this is powered by our uniquely robust human and synthetic data, our unrivalled IP, our AI-native platform and the team of global brand experts that bring this all together.

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