

# World steel demand may rise 2.3% in 2023

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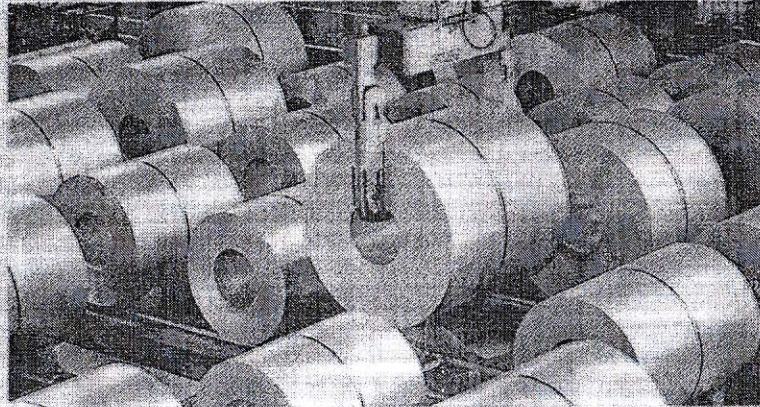
Demand for steel worldwide will witness a 2.3 per cent growth in 2023 and 1.7 per cent in 2024, the World Steel Association (worldsteel), a body with membership of every steel producing country, has said.

In its short range outlook released earlier this week, worldsteel said the demand will increase to 1,822 million tonnes (mt) in 2023 and 1,854 mt in 2024.

“Manufacturing is expected to lead the recovery, but high interest rates will continue to weigh on steel demand. Next year, growth is expected to accelerate in most regions, but deceleration is expected in China,” worldsteel said.

## **WORSE-THAN-EXPECTED**

Máximo Vedoya, CEO of Ternium and Chair of the worldsteel Economics Committee, said, “In 2022, recovery momentum after



**UPBEAT VIEW.** In its short range outlook, worldsteel said the demand will increase to 1,822 million tonnes in 2023 REUTERS

the pandemic shock was hampered by high inflation and increasing interest rates, the Russian invasion of Ukraine, and the lockdowns in China. As a result, steel-using sectors’ activity went down in the last quarter of 2022. This, combined with the effect of stock adjustments, led to worse than expected contraction in steel demand.”

The association said persistent inflation and high-interest rates in most economies will limit the recovery of steel demand in 2023,

despite positive factors like China’s reopening, Europe’s resilience in the face of the energy crisis, and the easing of supply chain bottlenecks.

In 2024, demand growth will be driven by regions outside China, but it will face global deceleration due to “China’s anticipated 0 per cent growth”, overshadowing the improved environment.

## **HEALTHY GROWTH**

In its India outlook, the worldsteel said it “re-

mained a bright spot in the global steel industry in 2022”.

Having managed inflation well, the Indian economy is on a healthy growth track, with a rising share of investment in GDP thanks to strong government spending on infrastructure, it said.

“The residential sector is also expected to grow, backed by affordable housing projects and urban demand. Private investment is improving on the back of the Production-Linked Investment Schemes,” worldsteel said.

India’s capital goods sector is expected to benefit from the momentum in infrastructure and investment in renewable energy. Automotive and consumer durables are expected to maintain healthy growth, the outlook said.

Demand is expected to show a healthy growth of 7.3 per cent in 2023 and 6.2 per cent in 2024, the association projected.