

# 'Domestic steel demand likely to grow 8-10% in FY25'

**THE DRIVER.** Global prices, determined by China's output, to impact demand in long run

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Global steel prices, including in India, will continue to be determined by China's production (including cuts) and exports while steel demand in India is expected to grow by at least 8-10 per cent for FY25, a few notches higher than the GDP, TV Narendran, Managing Director, Tata Steel told *businessline*.

According to him, India turning net importer of steel, looks to be a temporary phenomenon, and "it would be a pity" if this continues in the long-run. However, Indian consumption story continues to be strong. Consumption is primarily infrastructure-led.

"I would expect an 8-10 per cent growth (for FY25) in steel demand," he said on the sidelines of All Indian Management Association's (AIMA) National Leadership Conclave.

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country (as imports) is "commodity grade"; and not speciality or high quality.

#### **STEEL IMPORTS**

"Some 95 per cent of the steel coming in, can be made in India," he said, adding as long as it is unfair imports, the government needs to deal with it.

India was a net importer - by less than 1 mt - for FY24. Imports was at 8.3 mt, against exports that stood at 7.5 mt.

"For one - or - two months, here and there, it is

ok (to be net importer). But I think in the long run, it would be a pity if India were to remain a net importer of steel given all the iron ore we have and the production capacities that are coming up," he said.

India's steel consumption in FY24 to 136 mt up 14 per cent y-o-y, against a global demand growth of less than 2 per cent. Production of finished steel was up 12.4 per cent to 138.5 mt.

#### **THE CHINA FACTOR**

Speaking on price move-

ments, Narendran said: "A lot (price of steel) depends on what's happening in China. China has been exporting a lot of steel and that is going to be an issue. We (steel industry) are watching, whether it would get any better or not.... And Indian prices will reflect Chinese prices; but let us wait and watch."

The production cuts, that are expected in China during the year, could help stabilise prices globally as well as in India.

China, the world's biggest producer and exporter of steel, is witnessing a protracted real estate crisis that is yet to bottom out; and infrastructure demand growth is slowing with 12 debtor regions being ordered to halt projects. This is expected to see a 2 per cent-odd demand decline there.

The country exported 10 million tonnes (mt) of steel in March 2024, up by 2.8 mt m-o-m. Total steel exports in January - March were 25.8 mt, up 30.7 per cent y-o-y.