

# Steel consumption may rise 6% in FY17

**Surya Sarathi Ray**

**New Delhi, Sept 22:** The steel ministry hopes consumption of the alloy will expand around 6% in 2016-17, buoyed by a pick-up in demand from end-use segments in the second half of the year, even as consumption grew just 1.3% in the first five months of current fiscal.

Attributing the snail pace of consumption growth during April-August period to subdued demand due to slower pick-up in industrial projects and from real estate and other sectors, Joint Plant Committee's chief economist AS Firoz said consumption will "definitely" grow from September onwards as construction activities are set to gather steam as well.

"Steel demand will definitely be strong from Septem-

ber onwards. We generally see strong growth during the September-March period of the year. I expect steel consumption to pick up by 6% in the current fiscal. It will go up at a higher rate of 8-9% next fiscal," Firoz said.

India's steel consumption stood at 33.74 MT during the first five months of the current fiscal. India had consumed 81.52 MT steel in 2015-16, 76.99 MT in 2014-15 and 74.09 in 2013-14 growing by 5.9%, 3.9% and 0.8% respectively year-on-year. India is now the third largest consumer of steel in the world.

Industry sources said consumption growth has been "below expectations" during the year so far as investments in steel-intensive sectors both in the private and public sectors have been slower. Investments are also low in new projects.