

India to log highest growth in steel demand both in 2025, 2026: WSA

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India is likely to log the highest growth in steel demand, around 9%, among the world's major consuming nations in both 2025 and 2026, driven by continued growth in steel-using sectors such as construction and automobiles, according to the World Steel Association (WSA). India is the world's second-largest producer and consumer of steel.

"Our projections suggest Indian steel demand will continue to charge ahead with around 9% growth in its steel demand over 2025 and 2026, driven by continued growth in all steel-using sectors. In 2026, steel demand in India is projected to be almost 75 million tonnes (MT) higher than in 2020," WSA said in its short-range outlook for global steel demand.

The association, whose members produce 85% of the global steel, said that global steel demand may remain flat in 2025 compared to 2024, at about 1,750 MT. However, a modest 1.3% rise in demand could be seen in 2026, pushing the demand to 1,772 MT.

"Despite a considerable escalation of the global trade war and inherent uncertainties, we are cautiously optimistic that global steel demand will bottom out in 2025 and demonstrate moderate growth in 2026. This positive outlook is underpinned by the demonstrated resilience of the global economy, continued strength in public infrastructure investments in most major economies of the world, and the expected ease in financing conditions," said Alfonso Hidalgo de Calcerrada, Chief Economist, Spanish Steel Producers Association (UNESID) and Chair of the Worldsteel Economics Committee.

Steel demand in China will decline by around 2% in 2025, the WSA said, adding that the forecast represents a moderation of the downward trend observed since 2021, driven primarily by the ongoing downturn in the housing market.

"Looking ahead to 2026, the decline is projected to further decelerate to 1% as the housing market bottoms out. We believe that the risks to our current China steel demand outlook weigh on the downside. A tougher global trade environment poses a significant downside risk, potentially slowing steel demand from the manufacturing sector. Additionally, lingering financial pressures on local governments could constrain infrastructure investments, further dampening demand," it said.

Steel demand in the developing world, excluding China, is expected to grow robustly, with a 3.4% increase in 2025 and a 4.7% increase in 2026, according to WSA. This expansion will primarily be driven by strong performance in India, and some ASEAN and MENA countries. In the developed world, demand

is forecast to experience a 0.5% decrease in 2025, marking the fourth consecutive year of decline since 2021. However, a recovery is anticipated in 2026, with projected growth of 1.5% in steel demand. Conversely, steel demand in Japan and Korea is projected to remain subdued throughout 2026.

While demand in the EU and UK is expected to grow 1.3% in 2025 and 3.2% in 2026, in the US, it is likely to rebound by 1.8% in 2025, thanks to the front-loading of production ahead of increased tariffs and continued growth in infrastructure spending. In 2026, we expect steel demand to grow by 1.8%, aided by pent-up demand in residential construction and private investment, easing financing conditions, and reduced uncertainty.

Top 10 steel-using countries and year-on-year consumption growth rate:

Country	2024	2025 (f)	2026 (f)
China	(-) 5.4	(-) 2	(-) 1
India	11.4	8.9	9.1
US	(-) 1.6	1.8	1.8
Japan	(-) 3.9	(-) 3.1	(-) 0.8
South Korea	(-) 8.9	(-) 6.3	0.6
Russia	(-) 2.1	(-) 8	(-)3
Turkiye	0.6	3.7	1.5
Mexico	(-) 4.3	(-) 10.5	4
Germany	(-) 6.2	1.5	4.6
Brazil	8.9	5	1

(Source: WSA; f=forecast)