Indian Economy · GS - III

Examine the factors driving steel demand in India. Discuss the challenges and opportunities for sustainable growth of the domestic steel industry.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 17/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Infrastructure spending, urbanisation, Make in India, domestic consumption, steel production, import dependence, carbon emissions, green steel, recycling.

Model Answer

Introduction:

Steel is a key industrial material that supports infrastructure development, urbanisation and economic growth. India's expanding domestic market creates opportunities for the steel industry even during periods of slower global growth.

Factors Driving Demand:

1. Infrastructure investment: Highways, railways, housing and urban infrastructure require large quantities of steel.
2. Manufacturing growth: Initiatives such as Make in India and expanding automobile and engineering sectors support demand.
3. Urbanisation: Growing cities increase the need for buildings, transport systems and public infrastructure.
4. Domestic consumption: Rising incomes and industrial activity strengthen demand for steel-based products.

Challenges and Opportunities:

The industry faces volatile raw-material prices, global competition, energy costs and high carbon emissions. Greater use of scrap steel, renewable energy, energy-efficient technologies and green steel production can improve sustainability and competitiveness.

Conclusion:

India's steel demand offers significant opportunities for industrial development and employment. Long-term growth will depend on efficient production, technological innovation and the transition towards low-carbon steel.

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