

HOME

LATEST

TRENDING

MY READS

Elections 2021

Market Dashboard

Long Reads

Plain Facts

Coronavirus Vaccine Tracker

Mark To Market

I

[Home](#) > [Auto News](#) > Increase in steel prices to impact auto manufacturers: CARE Ratings

Increase in steel prices to impact auto manufacturers: CARE Ratings



OPEN APP

Steel prices in the world are at an all-time high.

2 min read . Updated: 30 Mar 2021, 08:14 PM IST

Staff Writer

Most manufacturers will not be able to pass on entire rise in input cost as the economy is still not out of the Covid-19 induced slowdown.

HOME

LATEST

TRENDING

MY READS

Elections 2021

Market Dashboard

Long Reads

Plain Facts

Coronavirus Vaccine Tracker

Mark To Market

Increase in prices of steel to record levels will impact automobile manufacturers in the coming months as most of them will have to increase prices of their products, twice in the last four months, to protect their operating margins, at a time when demand for vehicles has gradually been recovering. Also rise in cases of Covid-19 in important states and consequent restrictions imposed by state authorities are likely to impact customer sentiment.

Most manufacturers will not be able to pass on entire rise in input cost as the economy is still not out of the Covid-19 induced slowdown.

[OPEN APP](#)

TRENDING STORIES

[See All](#)

Lockdown in Maharashtra district from 31 March cancelled, revised guidelines soon

1 min read 06:39 AM IST



Stocks to Watch: IRB Infra, Shriram Transport Finance, BHEL, Tata Power, Nazara

1 min read 07:53 AM IST



No job reservation in state firms post privatization

1 min read 05:31 AM IST

“After a slight dip in February 2021 domestic steel prices recovered in March 2021 and are expected to remain elevated over the coming months on the back of higher international steel and iron ore prices. It is anticipated that HRC prices are expected to go up by at least ₹3,500-4,000 per tonne in April 2021. A ₹4,000 per tonne hike will

HOME

LATEST

TRENDING

MY READS

Elections 2021

Market Dashboard

Long Reads

Plain Facts

Coronavirus Vaccine Tracker

Mark To Market

I

It further noted that steel prices in the world are at an all-time high due to steep increase in the prices of iron ore as well as due to the strong growth in steel demand from China, India, USA, Europe and other emerging markets as global markets recover from a year-long slowdown with the reopening of business activities and vaccination drive.

Automobile manufacturers like market leader Maruti Suzuki India Ltd, Nissan India Ltd and Toyota Kirloskar Motor, have announced decision to increase prices of their vehicles from April. Other vehicle manufacturers are also likely to follow suit in the coming days. Most manufacturers had guided for a second round of prices in January, if commodity prices continued to rise.

[OPEN APP](#)

Consequently, automakers had to increase prices of their products to protect their operating margins which have been under pressure over the last two years due to

HOME

LATEST

TRENDING

MY READS

Elections 2021

Market Dashboard

Long Reads

Plain Facts

Coronavirus Vaccine Tracker

Mark To Market

impact of higher steel cost, added analysts of CARE Ratings. Among the worst hit sectors are automobiles and infrastructure sector. The construction and real estate sector accounts for almost 55-60% of total steel consumption followed by auto sector which accounts for nine percent and capital goods and consumer durables with a share of 8% and 6%, respectively."

OPEN APP

Increased price of products might impact sales of two-wheelers especially entry level motorcycles compared to passenger and commercial vehicles.

Click here to read the [Mint ePaper](#)

Mint is now on Telegram. Join [Mint channel](#) in your Telegram and stay updated with the latest [business news](#).

Recommended



Promoted

Help Sudevi Mataji Save



Promoted

Discover Australia's most



Promoted

This Luxury apartment