

Demand for Indian steel in key export markets down 17-48% in June quarter

High export duty, cheaper Chinese offering and consumption slowdown take a toll

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Export of finished steel from India to its key markets that include Europe, and West Asia saw a 17-48 per cent fall in the April – June period, due to factors such as high export duty (imposed in May), competitive prices from China and global consumption slowdown. Steel exports in Q1FY23 were down 39 per cent y-o-y.

Data on steel shipments from different ports—Goa, Mumbai, Gujarat, Dhamra, Paradeep, among others—show a similar fall of between 3 and 47 per cent.

Belgium, Italy markets

Finished steel includes flat, longs and alloy and stainless steel offerings. As per

data compiled by the Union Steel Ministry, and accessed by *BusinessLine*, two of the key European markets – Belgium and Italy – saw a 27 and 47 per cent fall in steel exports for Q1FY23, dipping to approximately 3,98,000 tonnes and 2,62,000 tonnes, respectively.

Steel exports to these countries in the year-ago-period was 5,47,000 tonnes and 4,97,000 tonnes.

In the West Asian markets of Turkey and the UAE – two countries that had driven Indian steel exports last year – the y-o-y fall (Q1FY23 vs Q1FY22) is 18 per cent and 15 per cent, respectively. For instance, Turkey bought 1,92,000 tonnes of steel in Q1FY23 versus 2,33,000 tonnes in Q1FY22.

The UAE imported



Steel exports in Q1FY23 were down 39 per cent y-o-y

1,85,000 tonnes of Indian steel during the period under review versus 2,17,000 tonnes in the same period last year.

In the neighbourhood, exports to Nepal fell over 28 per cent y-o-y to 1,31,000. Vietnam, another key market, too saw a drop in imports..

Long, flat variants down

The Ministry data shows that across other export markets – including Vietnam, Spain and the UK – the

fall was a steep 46 per cent, y-o-y.

“The effect of a high export duty was reflected in June orders. Month-on-month, June exports were down over 20 per cent. Moreover, demand from key markets was weak and Chinese offerings were at a price lower than ours. So our exports were badly hit,” an Indian steel mill official said.

“Recessionary pressures are there too,” he added. As

per Ministry data, flat product exports saw a 41 per cent decline, y-o-y, in the period under review. Amongst the categories, cold-rolled coil and sheet exports saw the highest fall and stood at 1,16,000 tonnes, down 62 per cent. Exports in the year-ago-period were 3,05,000 tonnes.

Hot-rolled coil sheet, and hot-rolled coil strips fell 48 per cent and 42 per cent, respectively, for the June-quarter.

Tin plate sales were down 46 per cent for the period.

The hit in non-flat products (also called longs) exports was over 57 per cent.

Bars & rods and railway material exports (part of long products) fell 67 and 70 per cent, respectively.

Export of semi-finished products—billets, slabs, etc—fell 43 per cent in Q1FY23, the Ministry data showed.