

Steelmakers eye robust growth in FY26 but China clouds gather

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Indian steelmakers are eyeing stronger growth this financial year (FY26), supported by the recent safeguard duty on imports and improved steel spreads. However, China remains a wildcard.

Steel imports started dropping in the lead-up to the government's provisional safeguard duty – a measure aimed at protecting domestic producers from a flood of cheap imports.

Data from price reporting and market intelligence firm BigMint showed that India's steel imports fell 21 per cent year-on-year (Y-o-Y) in January-April 2025 to 2.85 million tonnes (mt). Imports from China stood at 1.11 mt in the same period previous year, which reduced to 0.50 mt during January-April 2025.

This reflected on steel prices. The monthly average for hot rolled coil (HRC) ex-Mumbai increased from ₹46,878 per tonne in December to ₹52,033 per tonne in April.

It was at the same level in May 2025, while the average in May 2024 was at ₹54,100 per tonne.

Post-safeguard steel prices have not increased to the extent that was anticipated. "There are concerns around Chinese steel prices, which are trending down. Moreover, it continues to push volumes into the rest of the world," said Ranjan Dhar, director and vice-president – sales and marketing at ArcelorMittal Nippon Steel India (AM/NS India)

US President Donald Trump on Friday announced that he would be increasing tariffs on steel and aluminium to 50 per cent from 25 per cent.

According to a report by Global Trade Research Initiative (GTRI), India exported \$4.56 billion worth of iron, steel, and aluminium products to the US in FY25 with key categories, including \$587.5 million in iron and steel, \$3.1 billion in iron or steel articles, and \$860 million in aluminium and related articles. "These exports are now exposed to sharply



*inclusive of stainless steel, (P): Provisional figures; Source: BigMint

higher US tariffs threatening the profitability of Indian producers and exporters," the report mentioned.

Dhar said that there would be no direct impact on Indian carbon steel, which already faces anti-dumping duty (ADD), countervailing duty (CVD), and Section 232.

"It's clear that in the era of trade barriers, if any country remains open or does not have adequate protection, its domestic industry will be impacted."

"Chinese exports are still very high and a big concern for everyone. They should voluntarily regulate production close to their domestic consumption," he added. "The latest US announcement may result in a higher steel diversion risk into India. It will also stop small volume exports to the US," said another major carbon steel producer.

On April 21, 2025, following an investigation and recommendation by the Directorate General of Trade Remedies (DGTR), the Indian government imposed a 12 per cent provisional safeguard duty following a surge in low-cost imports.

The safeguard duty was expected to impose a \$60 per tonne additional levy for import of HRC.

But falling Chinese steel prices and

Getting stronger

Top 5 countries exporting steel to India* (in mt)

Load country	FY24	FY25	Jan-Apr 2024	Jan-Apr 2025 (P)
China	2.54	2.84	1.11	0.50
South Korea	2.75	2.82	1.00	0.81
Japan	1.17	1.84	0.62	0.46
Vietnam	0.91	0.87	0.11	0.19
Indonesia	0.80	0.72	0.27	0.23
EU	0.35	0.44	0.10	0.22
Others	1.22	1.07	0.40	0.45
Total	9.75	10.60	3.60	2.85

rupee strengthening have taken away half of its benefit," said Ritabrata Ghosh, vice-president, Icara.

According to a report, the government is said to review the possibility of increasing the safeguard duty to 24 per cent. The industry demand was 25 per cent.

Between February and May 2025, Chinese HRC prices have decreased from \$470 a tonne to \$455 per tonne. "This can weigh on Indian steel prices going forward, even as the first quarter of 2025-26 (Q1FY26) is expected to be strong on the back of higher steel prices and lower coking coal prices," Ghosh said. Steel prices started appreciating from January, but Q4FY25 is believed not to have captured it in full.

"The pricing environment has improved from Q4FY25 to Q1FY26. I see a potential improvement of about ₹3,250 per tonne on an average basis from the lows seen in the past few months," said Managing Director and Chief Executive Officer Jayant Acharya, JSW Steel joint.

"We should continue to watch China. Their exports are still high, at about 10 mt a month. In Q4, we have seen a drop in Chinese imports into India, primarily in anticipation of safeguard duty and prices also hitting a low," he added.