

# Russia supplied nearly 85% of India's pig iron buy in H1

**DIP IN OUTPUT.** The rise in shipments coincided with a decline in domestic production

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Russia has emerged the biggest exporter of pig iron — a key steel making raw material — to India for the April-September period of FY23.

Data from the Steel Ministry, accessed by *businessline*, show that in H1 FY23 nearly 31,700 tonnes of pig iron came into India, of which 26,600 tonnes (or 84 per cent) were from Russia. In values terms, nearly ₹100 crore worth pig iron was imported from Russia (at ₹30,000 per tonne approximately).

Import of the raw material skyrocketed in September this year — up by 3,386 per cent YoY to 27,500 tonnes, mostly coming in from Russia, trade sources said. The sharp rise coincided with the time Indian mills went slow on production as they advanced blast furnace maintenance in view of monsoon, a slowdown in steel demand globally and recessionary pressures.

## FALL IN PRODUCTION

As per data available, pig iron production in India during H1 FY23 fell by nearly six per cent YoY to 2.882 million tonnes (mt) — from 3.058 mt in the year-ago-period.

Vedanta, during its analyst conference call, also corroborated the same pointing out



**SLOWING GLOBAL DEMAND.** Pig iron production during H1 FY23 fell by six per cent YoY to 2.882 mt from 3.058 mt in the year-ago-period

that company's pig iron production was lower because of shutdown of smaller blast furnaces. In the July-September period, production declined 42 per cent to 1,21,000 tonnes.

Major steel mills such as SAIL, RINL, Tata Steel, AM/NS, JSW and JSPL together produced 0.653 mt (23 per cent share) down by 28.6 per cent. The rest (2.229 mt) came from the other producers, up by four per cent.

Other major markets from where Indian players imported pig iron from (in H1FY23) were South Africa (2,100

tonnes) and China (1,700 tonnes).

On the other hand, export of pig iron (from India) witnessed a decline of 77 per cent, 97 per cent and 65 per cent, for July, August and September, respectively. Primary overseas markets include the US followed by Oman, the UAE, Nepal and Bangladesh.

## CHEAPER OFFERINGS

According to trade sources, Russian pig iron offerings were mostly taken up by the secondary or rolling mills and they came in cheaper by at

least 10-14 per cent (over Indian price). Price from Russia is currently working out at ₹40,000 per tonne. Most payments were made in euro or alternative currencies. As per a Steelmint report, a stock of 35,000 tonnes of pig iron has been booked from Russia and is expected to land in Paradip port later this month.

As per ship tracking data available, the carrier, Hong Tai Shun Hang, is currently at the Indo-Malacca Strait after beginning its journey from the eastern Russian port of Nakhoda.