

India will be back as net exporter of steel by fiscal-end: Scindia

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India will be back to being a net exporter of steel soon with the country's steel trade deficit expected to even out by this fiscal-end, Steel Minister Jyotiraditya Scindia has said.

India turning net importer of steel in the ongoing fiscal (April-January) is "temporary", caused by factors such as global supply glut, better domestic realisations and slowing exports, Scindia told *business-line*.

During April-January 2023-24, export of finished steel stood at 5.52 million tonnes (mt) - up 3 per cent YoY - while imports stood at 6.8 mt, up 37 per cent YoY. Thus, imports outpaced exports by 1.28 mt during the period under review. Steel trade deficit widened to ₹11,564 crore for this period, with imports being valued at ₹56,461 crore, against exports valued at ₹44,989 crore.

DOMESTIC DEMAND

"It (being a net importer) will balance out by the end of this fiscal," Scindia said, adding that "across the world there was a glut and it led to a tremendous oversupply". This, in turn, led to a fall in steel prices.

On the other hand, do-



Jyotiraditya Scindia,
Steel Minister

mestic demand and consumption saw a substantial rise which automatically saw mills here concentrate more on the domestic market.

Provisional data for the first 10 months, released by the Steel Ministry, show finished steel production stood at 114.43 mt, up 13 per cent while domestic consumption was 112.515 mt, up 15 per cent.

"Our demand was so huge internally only... so, if you (steel mills) are getting a better price domestically then you obviously would not want to export. But now, demand has improved internationally. So, our exports are also rising," Scindia said.

For January 2024, exports witnessed an over 30 per cent pick-up month-on-month and a 43 per cent increase YoY to 0.9 mt. Indian exports rose nearly after six months of continuous de-

cline. Steel Ministry data show that during the month, India was a net steel exporter by a marginal 0.1 mt.

COKING COAL

According to Scindia, India continues to be in discussion for "diversifying" its coking coal sourcing. Mongolia incidentally is one country with which India has been actively engaging to secure supplies.

India, the second largest crude steel producer, is also among the largest buyers / importers of coking coal - a key feedstock raw material for steel-making.

While Australia continues to be the most prominent supplier country, its share has gone down significantly with Indian mills sourcing more from the US and Russia.

"We are looking at looking at diversification of our sources," he said.

Scindia also said the Ministry is working to avoid shortage of low-grade iron ore in the country. "The issue has been flagged," he said.

Tier-II mills in the country have been seeking a ban on export of the steel-making ingredient, in view of its price fluctuation. Incidentally, senior ministry officials have already ruled out the possibility of an immediate ban on exports (of iron ore).