

# Steel exports slump to 6.7 mt in FY23 on duty levy, weak markets

**Abhishek Law**  
New Delhi

India's steel exports slumped to one of its lowest since FY19 with the country exporting just 6.7 million tonnes (mt) in April-March 2022-23, halving on a year-on-year basis, provisional data available with the Steel Ministry showed.

The fall comes on the back of an export duty imposed for six months of the fiscal and weakening in key markets due to economic and geopolitical headwinds.

Exports for FY22 were 13.5 mt - one of the best year's for Indian mills while in FY21 it was at 10.8 mt. In FY20, exports stood at 8.4 mt. In FY19 and FY18, ex-

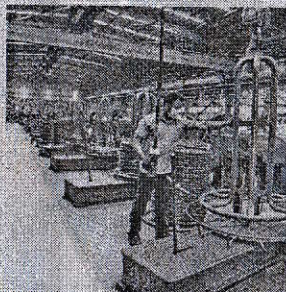
ports stood at 6.4 mt and 9.6 mt, respectively.

"Primarily a six month-long duty regime and a follow-on impact of that, for at least two more months, impacted order books," an exporter said.

However, Vedant Goel, MD at Neo Mega Steel LLP, said both recessionary trends and duty imposition both have contributed but the extent of their impact will vary depending on factors such as the market or steel type sold.

"(For instance) better prices offered by Japan and Vietnam despite the Centre lifting export duties made Indian steel exports uncompetitive," he said.

The saving grace was India still being a net exporter of finished steel for the fiscal



Steel imports rise 30 per cent to 6 mt in FY23

gone by with exports exceeding imports by 0.7 mt.

## IMPORTS UP

Steel imports, on the other hand, rose to one of the highest in the last three years.

Import stood at 6 mt, up 30 per cent y-o-y in FY23. In

FY21 and FY20, imports stood at around 4.7 mt level for each year.

In FY20, FY19 and FY18, imports were 6.8 mt, 7.8 mt and 7.5 mt, respectively, Ministry officials told *businessline*.

Most of the imports were in specialty steel category while some came on account of cheaper offerings mostly from Russia.

Incidentally, the key export offerings - non-alloyed steel - was hit the hardest, primarily because of the duty levy. Non-alloyed steel exports last fiscal stood at 4.5 mt, down 64 per cent y-o-y. Non-alloyed steel exports in FY22 were 12.4 mt.

Indian mills had tried to counter the duty levy by ramping up on alloyed steel

(also called boron steel) offers. Although there were fewer takers, alloyed steel - which did not have tax levy - saw exports double to 2.2 mt on a y-o-y basis. In FY22, exports in the alloyed steel (including stainless steel) category was just 1.1 mt.

India's steel majors had reported a drop in profits in the December quarter. Steel mills project improvement in number March quarter onwards.

## MARCH TRENDS

"There is some uptick in export trends in March over February. Imports are coming down too. We hope that

the momentum sustains as price offers improve," the exporter said.

India had been a net importer for steel for five straight months - October to February - of this fiscal. Steel shipments coming in (imports to India) saw a 28 per cent sequential decline to 28 per cent to 0.42 mt in March (against 0.58 mt in February) but increased 22 per cent y-o-y (0.35 mt in March 2022).

On a sequential basis, India exported 0.8 mt of steel in March, up 41 per cent over February (0.6 mt) but down 32 per cent over the year-ago period (1.2 mt in March 2022).



**National Fertilizers Limited**

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Vijapur Unit, Dist. Guna (M.P.)-473111