

Steel trade deficit swells to ₹6,704 crore in Q1

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India's steel trade deficit has expanded to ₹6,704 crore for the first quarter of the fiscal (Q1FY25), indicating that imports of the metal have continued to exceed exports. In the same period last year (Q1FY24), the country reported a trade surplus, with exports surpassing imports by ₹3,698 crore.

Between the end of May (2MFY25) — when the deficit was ₹4,282 crore — and the end of June (Q1FY25), the trade deficit widened by nearly 60 per cent or ₹2,420 crore as the country's steel mills lost out on in key export markets to Chinese competition.

On the other hand, imports during this period — particularly from China and Japan — saw a constant rise.

Import of finished steel were valued at ₹17,341 crore



(₹2079 million), while exports of finished steel were valued at ₹10,636 crore (\$1275 million).

Thus, the overall trade deficit in finished steel stood at ₹6,704 crore during April-June 2024-25, according to a Steel Ministry report, accessed by *businessline*.

LOSING OUT

During Q1 FY25, there was a 38 per cent y-o-y decline in export volumes of finished steel to 1.3 million tonnes (mt), with flat steel products falling by over 40 per cent to

1.096 mt. In the same period last year, exports of finished steel were 2.05 mt of which flat steel products were 1.9 mt. Among key buyers, three European markets witnessed a decline.

Orders from Italy saw a 46 per cent y-o-y decline to 0.269 mt (from 0.5 mt), while there was a 46 per cent decline in value to \$234.7 million, compared to \$431.6 million in the same period last year.

In the case of Spain, there was a 56 per cent decline in volume to 0.08 mt (from 0.2 mt) and a 61 per cent drop in value to \$71.5 million from \$183.5 million.

Shipments to Belgium saw a 6 per cent y-o-y decline to 0.158 mt (from 0.168 mt), which translates to a 20 per cent decline in value to \$136.4 million from \$169.5 million.

In the case of UAE, there was a 49 per cent y-o-y decline in orders to 0.08 mt,

down from 0.15 mt. The report mentioned that Chinese steel imports increased by 40 per cent in volume to 0.572 mt, overtaking Korea as the key supplier.

RISING IMPORTS

Imports from China were 0.4 mt a year-ago period. In value terms, finished steel shipments were at \$677 million, up 32 per cent y-o-y.

Japan saw a 170 per cent increase in imports to 0.5 mt, from 0.18 mt, and shot up by a 71 per cent rise in value terms to \$435 million (\$255 million). Meanwhile, Nepal emerged as one of the top five sellers, although numbers remained low at 30,000 tonnes (up 69 per cent) and valued at \$27 million (up 50 per cent y-o-y).

"Volume-wise, hot rolled coil/strip (0.717 mt) was the item most imported. China was the largest import market for India," the Ministry report said.