

Steel exports dip 6% to 2.05mt in Q1FY24

SHARP FALL. Competitive pressures from China on the price front resulted in drop in steel export volumes across key markets: Sources

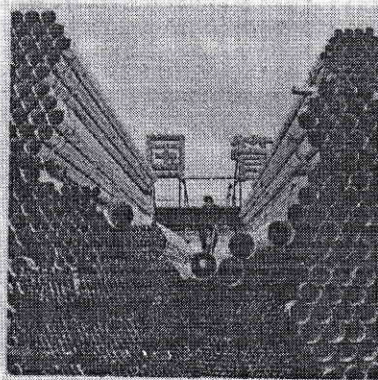
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India's finished steel exports saw an over 6 per cent drop in the April-June period of FY24 to 2.05 million tonnes (mt), on continued pressure, in orders across key global markets and price competitiveness with China. Finished steel exports in the year-ago period stood at 2.19 mt.

Sequentially, exports dropped 28 per cent in June to 0.5 mt, as against 0.7 mt of steel shipments reported in May, provisional data from the Union Steel Ministry, accessed by *businessline*, show. Export volumes decreased 21 per cent in June 2023, over the period last year.

INCREASING IMPORTS

On the other hand, imports increased 19.5 per cent in Q1FY24 to 1.4 mt year-on-year (y-o-y); while June shipments coming in were up 6 per cent over May, to 0.48 mt. On a y-o-y basis June import



volumes were up over 7 per cent.

However, the country remained a net exporter of steel. Exports outstripped imports by 0.65 mt during the April-June period.

Sources said, there has been competitive pressures — on the price front — primarily from China, for Indian mills, across key markets in Europe, Middle East and Vietnam, which has resulted in drop in export volumes. For instance, China's export offer quotes are said to be in the range of \$555 per tonne (FOB Rizhao); against which Indian mills are quoting \$568/569 per tonne (FOB East Coast).

On the other hand, imported offerings coming in from China is around \$581 per tonne (CFR West Coast).

"There was impact of holidays in the Middle East too which saw a drop in volumes," the trader said adding that current recessionary trends continue to exert price pressure on Indian mills.

EXPORT NUMBERS

As per the Ministry's report, non-alloyed steel exports witnessed a 3 per cent-odd drop y-o-y in Q1FY24 to 1.82 mt (vs 1.89 mt in Q1FY23); while sequentially it dipped 31 per cent to 0.43 mt (vs 0.63 mt in May). June volumes were down 9 per cent, y-o-y.

Dip in stainless steel and alloy exports were sharper. For Q1FY24, exports in the category dropped 25 per cent, y-o-y, to 0.23 mt. It was at 0.30 mt in Q1FY23. June volumes in the segment was down 57 per cent y-o-y. But, on a sequential basis, export of stainless steel was up 3 per cent to 72,000 tonnes in June.