Tariff shocks, China exports challenge Indian steel: Jindal

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Chairman and managing director of JSW Steel Sajjan Jindal has called for a "longer-term solution" to ensure competitiveness of Indian steel in the wake of the uncertainty caused by US tariffs.

In his message to shareholders in the company's latest annual report, Jindal said, "We are navigating a period of change, shaped by an evolving global political and policy landscape. While India remains on a transformative growth path, driving healthy steel demand, the steel industry faces a challenging environment marked by weak global demand and record Chinese steel exports, even as iron ore costs remain relatively elevated."

Jindal said that uncertainty related to tariffs imposed by the US had caused volatility in global markets.

He added, "Trade barriers have been rising, with various countries either imposing measures or initiating action to protect their steel industries from unfair imports."

"This is altering global trade flows with surplus steel finding its way into India, posing significant challenges for Indian steelmakers. India has imposed a 12 per cent safeguard duty on certain steel products for 200 days, based on a preliminary investigation undertaken by the Directorate General of Trade Remedies (DGTR)," he said.

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> **Sajjan Jindal**
> Chairman & MD, JSW Steel

Jindal added that a longer-term solution was critical to ensuring the competitiveness of Indian steel, creating a level-playing field, thus allowing Indian steelmakers to earn a reasonable return on investment.

The views come at a time when major Indian steel producers are expanding capacity at a rapid pace.

JSW Steel has committed a capital expenditure of ₹62,000 crore over the next three years to support its goal of achieving 42 million tonne per annum (mtpa) steelmaking capacity in India by September 2027. The company's domestic installed capacity is 34.2 mtpa and plans are afoot to take it to 50 mtpa by FY31.

On April 21, the Ministry of Finance had announced the imposition of a 12 per cent provisional safeguard duty for a period of 200 days on certain steel products. This was done to protect the domestic industry from injury caused by a spike in imports. It came a month after the DGTR had recommended a 12 per cent safeguard duty. However, steel prices have remained soft despite the safeguard duty.

Tata Steel and Tata group chairman Natarajan Chandrasekaran said at the steel major's annual general meeting that China continues to export about 100 million tonnes (mt) of steel.

"That is definitely affecting the overall steel price not only in the global markets but also in India. The Indian government has put a safeguard duty of 12 per cent and the industry was wanting almost double that. But we are happy that the government took the step to put the 12 per cent," he said.

He added that in spite of that, steel prices remained soft.

However, he also said that Tata Steel was expected to post better revenues, earnings before interest, taxes depreciation and amortisation (Ebitda), profits and cash flow in FY26 compared to FY25. This was on the back of overall performance, increased capacity and current spread levels.