

# Steel imports stall; domestic prices now lower than Chinese shipments

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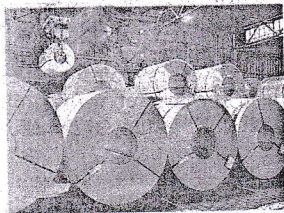
India's steel imports have finally hit the brakes. In a sharp reversal, inbound shipments slumped nearly 30 per cent year-on-year to 1.4 million tonnes (mt) in the first quarter of FY26 — a direct fallout of stiff safeguard duties. Further, domestic steel has regained pricing edge over Chinese imports after months of being undercut.

Prices of local steel eased to ₹50,000–50,700 per tonne, about 2-3 per cent cheaper than the Chinese steel, breaking the stubborn trend of price disparity.

Imports in the Q1FY25 — the year-ago period — were at 2 mt.

The decline was sharper for benchmark HRC coils, nearly 30 per cent, at 1 mt for April–June FY26 against 1.4 mt in the year-ago period. Alloy and stainless steel offerings shipments came down to 0.4 mt, down 30 per cent for the period under review, a Steel Ministry report accessed by *businessline* showed.

The Ministry report said June imports, at 0.43 mt, were down nearly 33 per cent over the same month last year while on a sequential basis (versus May), the de-



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cline was around 8 per cent (0.47 mt).

## EXPORTS DIP IN Q1

Yet, India remained a net importer of the metal. Exports, despite their sequential and y-o-y increase in June to 0.45 mt, were up by 30 per cent and 14 per cent respectively. But first quarter shipments at 1.2 mt were down 5 per cent y-o-y.

"The decline in imports is encouraging. And in terms of price, domestic players now have an advantage over Chinese shipments," a Steel Ministry official said, adding: "The import arbitrage has narrowed." A combination of 12 per cent safeguard duties, stricter enforcement of BIS quality standards, and a crackdown on dubious grade certifications is reshaping trade flows.

Market intelligence firm BigMint said the domestic market is seeing "weak senti-

ment" following low demand and monsoon-led disruptions. "Buyers are only purchasing to meet their demand," the report said. Steel mills have rolled over prices in July, it added.

## PRICE DIFFERENCE

In a recent report, BigMint said the landed cost of hot-rolled coils from "China and South Korea (are) higher than domestic prices after safeguard. Chinese offers are marginally higher than domestic prices," it said.

Sources said Chinese offers into India are around \$470 per tonne, following which a 7.5 per cent BCD (basic customs duty) and a 0.75 per cent cess are levied. This takes the price to \$509–510 per tonne range.

On top of that, a 12 per cent safeguard duty and 1.2 per cent cess are charged, since the price is below the \$675 per tonne threshold limit. The post-duty price is \$576–578 per tonne. Converting it into rupees, at the current exchange rate of ₹85.67, the price works out to ₹49,347–49,520 per tonne. Add to this another ₹2,000–2,500 port and handling charges, and the final market price hits the ₹51,350–52,000 per tonne range. As against this, India prices are ₹50,000–50,700 per tonne.