

US tariffs may flood India with cheap Chinese steel

TRADE TURMOIL. Trump's levy hits global markets, lowering prices and increasing dumping

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US President Donald Trump's decision to impose a 25 per cent tariff on all steel imports could lead to increased dumping in global markets, driving down prices and forcing large producers in China and other countries to seek alternative markets like India through deep discounts, analysts and steel-makers warned.

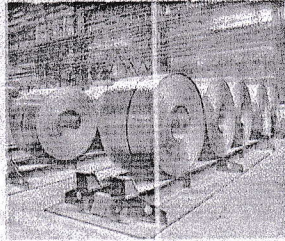
The move is expected to put pressure on domestic steel prices in India, impacting the margins of Indian steelmakers, including Tata Steel, JSW Steel and ArcelorMittal-Nippon Steel.

Canada stayed the top US steel supplier at \$12.98 billion (-8.2 per cent) while China's exports rose 10.5 per cent to \$12.48 billion.

The other large steel suppliers to the US are Brazil, Mexico and South Korea.

CHEAP INFLUX

Anubhav Kathuria, Managing Director of Synergy



Steels, noted that higher US tariffs could divert Chinese and other Asian exports to India, intensifying competition and creating downward pressure on domestic prices.

This, he warned, would particularly hurt small Indian producers as they struggle to compete with low-cost Chinese steel imports.

Ajay Garg, CEO, SMC Global Securities, said there will be a risk of excessive competition impacting steel players at a global level and putting pressure on steel prices.

However, Garg suggested that India might remain partially shielded as the infrastructure push in the recent Budget is expected to in-

crease demand for steel and support domestic manufacturers.

One factor amplifying the impact of the tariff hike is the removal of duty exemptions on imports priced below \$800 per tonne. Previously, over 1 billion small packages — valued at \$100-150 billion annually — entered the US tariff-free, with two-thirds originating from China.

Manish Bhandari, CEO and Portfolio Manager at Vallum Capital Advisors, said that with the removal of this exemption, the effective tariff increase is closer to 12 percentage points rather

than the stated 10 per cent. This raises the real cost of Chinese exports, making alternative markets even more attractive for Chinese steel producers.

Industry experts anticipate that Chinese firms will redirect exports, adjust pricing and expand into alternative markets like India to absorb excess supply.

Puneet Singhania, Director of Master Trust Group, cautioned that if Chinese producers continue dumping steel at below-market prices, it could leave Indian manufacturers struggling to compete.

India explores US steel imports

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India is weighing its options to up the purchase of specialised steel — items not made in the country — from the US as a counter to the proposed Trump tariffs while there are plans to bring in safeguard duties as a control measure to protect the domestic

industry from cheap Chinese dumping, top sources in the government told *businessline*.

The Steel Ministry is reportedly negotiating with the Directorate General of Trade Remedies to speed up the probe into alleged Chinese steel dumping and the re-routing of offerings through FTA countries.

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