

# Trump's metal tariffs put India exports at risk, spark glut fears

Besides 25% duty on all steel, aluminium imports, US plans 'reciprocal tariffs'

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American President Donald Trump has said he would impose a 25 per cent tariff on all steel and aluminium imports, a move that could further shrink India's already negligible shipments of these commodities to the US and leave the country vulnerable to an influx of surplus supplies.

In addition to the tariffs on steel and aluminium, Trump plans to introduce "reciprocal tariffs" on imports from all countries to match the tariffs those nations impose on US products.

The announcements come ahead of Prime Minister Narendra Modi's scheduled meeting with Trump in Washington later this week.

New Delhi is considering its options to counter the higher import levies planned by the US, with retaliation not "off the table", a senior government official said.

In 2018, India imposed retaliatory tariffs during Trump's first term after the US introduced a 25 per cent tariff on steel and a 10 per cent tariff on aluminium imports, citing "national security" concerns.

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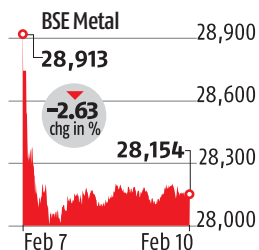
## ONLY A FRACTION FROM INDIA

US imports of steel & aluminium products in 2024 (\$ mn)

	Total	India
Primary steel	33,000	450
Steel pipes, tubes and related items	52,700	2.83
Aluminium and related items	28,300	820

Source: GTRI

## Metal stocks weaken



Source: Bloomberg

Metal stocks tanked on Monday after the US decision to impose a 25 per cent tariff on all steel and aluminium imports. The BSE metal index fell 2.63 per cent.

▶ RBI PULLS BACK ₹ FROM THE BRINK OF 88 VS \$ II, 1

## VISIT WILL BOOST TIES IN DIVERSE SECTORS: PM BEFORE TRUMP MEET



PM Narendra Modi leaves for Paris to co-chair the AI Action Summit. He will then embark on a US visit

PHOTO: PTI

"I warmly recall working with President Trump during his first term and I am sure our talks will build on the ground covered then"

**NARENDRA MODI**, PRIME MINISTER

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### More oil from US may be part of Modi-Trump talks

Sourcing more energy from the US may feature in the meeting between Prime Minister Narendra Modi and US President Donald Trump, Petroleum and Natural Gas Minister Hardeep Singh Puri said.

▶ WORKING TO ENSURE THERE ARE NO SPEED BUMPS IN TIES: USISPF CHIEF

# A massive steel surplus would likely flood India, says Naveen Jindal

At present, the impact of any additional tariffs may not be “significant” for India, according to an Indian government official. “Since tariffs will be imposed on all countries, it will create a level playing field. Exports should continue (as usual),” the official said. “However, if India is specifically targeted, we will have to assess the potential impact across various sectors. So far, India has not been singularly targeted.”

Hui Ting Sim, assistant vice president at Moody’s Ratings, said Indian steel producers would face increased challenges in exporting their products if tariffs were raised.

“We expect the tariffs will benefit steel producers in the US by increasing demand for domestic steel and raising their selling prices. Conversely, US tariffs on steel will increase competition and exacerbate oversupply at other steel-producing markets. Over the past 12 months, high steel imports into India have already dampened prices and earnings of steel producers in India,” he added.

Expressing concern over the impact on India, Naveen Jindal, president of the

Indian Steel Association, said the latest tariff was expected to slash steel exports to the US by 85 per cent, creating a massive surplus that would likely flood India — one of the few major markets without trade restrictions.

“India’s carbon steel exports to the US are already negligible due to longstanding anti-dumping duties (ADD) and countervailing duties (CVD). Yet, this decision will only add to the misery and worsen the situation. With the US shutting its doors to global steel, the surplus will inevitably be redirected to India, threatening our domestic industry with market distortions, price crashes, and unfair competition,” he said, urging the government to take urgent diplomatic action to push for the removal of ADD and CVD and secure exemptions from restrictive measures.

According to data compiled by the Delhi-based think tank Global Trade Research Initiative (GTRI), US steel and aluminium imports have continued to rise since the trade war began in 2018. Primary

steel imports increased from \$31.1 billion in 2018 to \$33 billion in 2024, with imports from India standing at \$450 million.

Similarly, imports of aluminium and related products rose from \$24.2 billion in 2018 to \$28.3 billion in 2024, with India’s aluminium exports to the US reaching \$820 million.

Ajay Srivastava, former trade official and founder of GTRI, said that if the new tariffs were implemented, major steel exporters to the US — including China, South Korea, Japan, and the European Union — could respond with countermeasures.

“China, which has been a long-standing target of US trade actions, could also escalate tensions by imposing tariffs on American agricultural and industrial goods. The move could further complicate the already fragile US-China trade relations,” Srivastava said, adding that while US steel and aluminium industries may benefit in the short term, global trade frictions could intensify due to the import levies.

**According to GTRI data, US steel and aluminium imports have continued to rise since the trade war began in 2018**