

Amid Trump's tariff turmoil, steel imports surge even as exports fall

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India continued to be a net importer of steel for the April-January period (10M FY25) with imports exceeding exports by 4.4 million tonnes (mt). The trade deficit is higher than India's steel exports, per a Ministry report accessed by *businessline*.

In the backdrop of Trump's tariffs on steel and aluminium, there are fears of a supply glut in the domestic market amidst fears of increased dumping of the metal by Chinese suppliers.

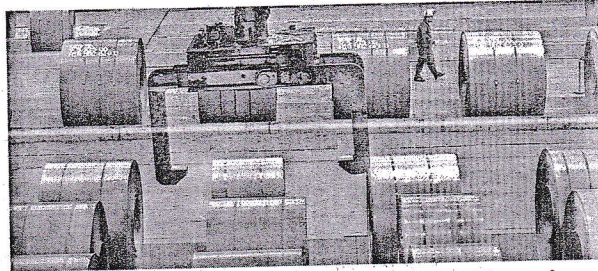
IMPORTS UP

Finished steel imports saw a 20 per cent increase year-on-year (y-o-y) to 8.3 mt for the 10-month period, while exports dipped by 30 per cent-odd to 3.9 mt.

Finished steel includes alloyed and non-alloyed offerings and stainless steel. Nearly one out of every three imported item is in the stainless steel category, which rose by 23 per cent y-o-y to 2.2 mt (1.9 mt); whereas non-alloyed offerings were at 6.1 mt, up 19 per cent, for the 10MFY25 period.

In the year-ago period, India was also a net importer of the metal, but with a much narrower deficit of 1.3 mt. Imports stood at 6.9 mt; exports were at 5.6 mt.

"Key export markets like the EU continue to have a bleak outlook, and consump-



GROWING CONCERN. US tariffs have prompted fears of a supply glut in the domestic market REUTERS

tion was weaker. Major buyers like Belgium, Italy and others were down. In the ME, Indian mills are competing with China on price, and are holding back on offers," an official said, requesting anonymity. EU's steel consumption is expected to be lower in 2024, indicating continued stress across its economies.

"Imports are still at elevated levels, because corresponding exports have dropped," an official said. In comparison, exports saw an over 50 per cent drop y-o-y to 0.4 mt in January, from the same period last year when it was at 0.9 mt; while on a sequential basis — January vs December — there was a 11 per cent drop, from 0.45 mt.

India has been amongst the economies that saw double-digit growth in steel consumption, up 11 per cent y-o-y to 125 mt for 10MFY25.

Metal prices of the benchmark hot rolled coils improved by 4 per cent-odd sequentially to ₹48,500 per tonne in February, as against

₹46,500 per tonne in January. Steel prices in India saw a 10 per cent decline y-o-y from the ₹54,000 per tonne levels last February.

TRUMP FACTOR

Meanwhile, US President Donald Trump has signed proclamations raising the US tariff rate on steel and aluminium to 25 per cent (from 10 per cent for aluminium) while eliminating country exemptions and quota deals as well as thousands of product-specific tariff exclusions for both metals.

According to Abhyuday Jindal, MD, Jindal Stainless, there is a mechanism in place wherein importers can file for exclusions. Based on the strategic pact signed between India and the US, up to 70 per cent of the exclusion requests are to be considered favourably by the US. "The industry waits for more clarity on the coverage of tariffs on product line and countries," he said, adding that it is imperative that the trade environment remains conducive to growth.