

# Iron ore exports rise in Q1 despite falling Chinese demand

**Abhishek Law**  
New Delhi

The country's iron ore exports saw a near 5 per cent y-o-y increase for the April-June period (Q1FY25) to 10.25 million tonnes (mt) despite reduced demand from China, the key buyer. Indian exporters tapped into other smaller markets like Indonesia and Malaysia, trade data show.

China, despite a demand slowdown in steel-consuming sectors like real estate, accounted for 80 per cent of the deliveries of iron ore, the key steel-making raw material, or around 8.3 mt of the total shipments for the period under review.

Shipments to the neighbouring nation, however, fell 10 per cent y-o-y from 9.3 mt in the year-ago period, data collated by consultancy firm BigMint (formerly SteelMint) show.

Over the last six years, China has been the highest buyer of Indian iron ore with its share hovering around 70 per cent in Q1FY20, before peaking over 90 per cent during the Covid years (Q1FY21 and Q1FY22). Post-Covid too, the share of Chinese buying hovered around 80 per cent.

## DEMAND OUTLOOK

"In Q1, demand from China has been volatile. After a pick-up in May over April, shipments fell again in June," a mar-

## Iron ore exports

Unload country	quantity in million tonnes			
	April 2024	May 2024	June 2024	Total
China	2.11	3.75	2.45	8.32
Malaysia	0.07	0.11	0.12	0.29
Indonesia	0.06	0.12	0.05	0.17
UAE	0.15	0.06	1.02	1.22
<b>Total</b>	<b>2.44</b>	<b>4.17</b>	<b>3.64</b>	<b>10.25</b>

Source: BigMint

Figures including pellet/concentrates

ket participant told *businessline*. Data from BigMint show that in April, India exported (to China) 2.11 mt of iron ore; in May, the figure increased to 3.75 mt but fell to 2.45 mt in June.

Market sources said iron ore exports are expected to remain volatile in the near term.

Chinese economic conditions continue to be a concern for iron ore's long-term demand prospects. The economy there is not growing as fast as it used to, and is becoming less steel-intensive.

The property sector is in the grip of a protracted crisis. The government is trying to cap

steel production at or below the previous year's level to reduce overcapacity and cut emissions.

BNP Paribas India, in its India Steel Weekly (for July 8) report, said China's National Development and Reform Commission, in a survey, suggested "further weakening of steel prices in July" and the policies, announced earlier, that favoured the real estate market are losing momentum and are failing to significantly boost demand.

On Tuesday, China's Dalian iron ore futures fell. The most traded iron-ore contracts stood around \$114.70 per tonne, down 0.5 per cent in day time trade.