

Safeguard duty helps India become net steel exporter

TREND REVERSAL. Imports see a significant drop of 40 per cent in April-July

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Reversing a two-year trend, banking on protectionist measures including imposition of safeguard duty and improved quality control, India turned net exporter of steel for April-July period (4MFY26) of this fiscal.

Exports at 1.70 million tonnes (mt) exceeded imports of the metal that stood at 1.67 mt, or by 0.03 mt, as per a Steel Ministry report accessed by *businessline*.

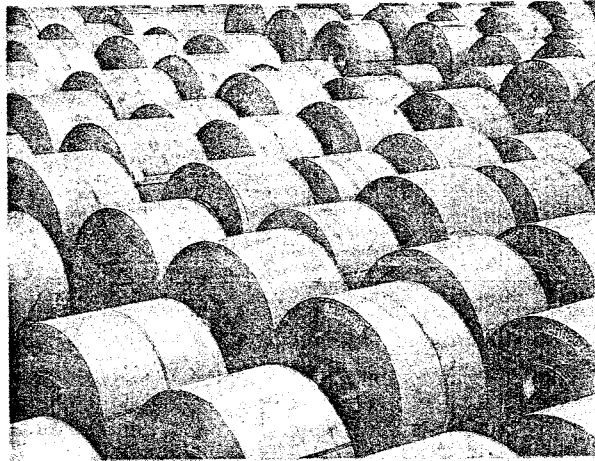
Rising India was a net importer of the alloy in FY24 and FY25, primarily on account of rising imports from China and other FTA countries including South Korea and Japan.

Net importer means, imports were higher than exports.

SIGNIFICANT DROP

For the 4MFY26 period, imports dropped a significant 40 per cent year-on-year (y-o-y) from 2.8 mt. As against this, exports saw a modest 8 per cent y-o-y increase, as compared to 1.57 mt in the year-ago-period.

"Low base effect for exports, combined with safeguard duty imposition saw a significant drop in imports. Hopefully, the import drop and improved demand in



SIGNIFICANT TURNAROUND. India was a net importer of the alloy in FY24 and FY25

some of the overseas market will sustain long term," said an official.

A market participant said, India has also strengthened the quality control mechanism wherein several shipments have either not been cleared or have returned.

The participant, who didn't wish to be named, has seen at least two of their shipments returned over the last few months primarily because the shipments were not BIS-certified.

BIS STANDARDS

For the record, India has 151 BIS standards for steel.

Despite seasonal weakness, India's finished steel consumption grew 7.5 per

cent y-o-y to 51.5 mt.

Data from the Ministry show, non-alloyed steel shipments — the benchmark import offering — saw a 44 per cent drop y-o-y in shipments coming-in to 1.12 mt for 4MFY26, as against 2 mt for 4MFY25; while alloyed and stainless steel imports — which is not covered by safeguards — saw a 29 per cent drop y-o-y to 0.53 mt (0.8 mt).

In comparison, exports across the same categories, saw a 4 per cent rise y-o-y to 1.4 mt for non-alloyed offerings; while there was an over 30 per cent rise for alloy and stainless steel categories to 0.3 mt.

For July, imports saw a 65

per cent drop y-o-y and 36 per cent drop sequentially to 0.282 mt; while exports rose 65 per cent y-o-y and 9 per cent sequentially to 0.5 mt, respectively.

India imposed a 12 per cent safeguard duty steel imports in May, for a 200-day period. Post imposition of safeguard, imported steel, specially from China turned costlier.

Data from market intelligence firm, BigMint shows: on June 3, days after safeguard came into effect the cost of Chinese (inclusive of all duties, safeguard, insurance, etc) and Indian steel were at par ₹51,400/tonne.

CHEAPER STEEL

But by mid-June Indian steel was cheaper at ₹50,850/tonne versus Chinese offerings that were priced at ₹51,700/tonne (up against beginning of the month).

By mid-July, Indian steel prices fell further to ₹49,200/tonne versus China which were at ₹52,900/tonne, price difference being ₹3,700/tonne.

By end of that month, the difference between steel prices had more than doubled to ₹7,800/tonne. Indian steel prices remained rangebound at ₹49,200/tonne, versus offerings from China that were priced at ₹57,000/tonne.