

Iron ore exports treble in H1FY24

LION'S SHARE. China bought 95 per cent of shipments

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India's iron ore exports nearly trebled on a year-on-year basis to 18.68 million tonnes (mt) in the first half of the fiscal (April-September of FY24), with China buying 95 per cent of shipments.

Exports of iron ore, a key steel-making ingredient, stood at 6.98 mt in H1FY23. On a y-o-y basis, lumps or pellet offers rose 240 per cent to 14.88 mt in H1FY24, while concentrates rose 44 per cent to 3.80 mt.

FACTORS RESPONSIBLE

Easing of Covid restrictions in China and improved demand after opening up, have led to an increase in orders for Indian iron ore during the period under review.

Another determining factor was withdrawal of duty (in India), which had an impact on FY23 numbers, that in turn led to a low base effect in case of y-o-y comparisons, said a Steel Ministry official.

Cheaper Indian offerings were also picked up, as Chinese steel mills looked to use the ingredient as a cost-saving measure and protect margins in the face of weak demand.

China purchased 17.82 mt of iron ore - lumps, fines, pellets and concentrates put together - which is nearly four times the 4.75 mt

Going great guns

Country	FY20	FY21	FY22	FY23	FY24
China	13.283	27.675	16.722	4.752	17.819
Indonesia	0	0.223	0.448	0.421	0.287
Malaysia	0.269	0.330	0.202	0.231	0.150
Brazil	0	0	0	0.111	0.085
United Kingdom	0	0	0	0.068	0.067
Qatar	0.057	0	0	0.060	0.055
South Korea	0.478	0.144	0.44	0.070	0.054
United Arab Emirates	0.057	0.013	0	0	0
Poland	0	0.075	0	0.055	0
Others	3.248	1.312	1.071	1.209	0.171
Total	17.391	29.771	18.883	6.976	18.688

Source: SteelMint

ordered in H1FY23. Current shipments are the second highest since FY20, data collected from research firm SteelMint said.

Shipments in the April-September period were at 13.28 mt in FY20, 27.67 mt in FY21 - the highest in the last five years - and 16.72 mt in FY22, respectively.

Over the last three months, prices of iron ore (benchmark of fines with 62 per cent iron content) have firmed up following increased demand, from \$90 per tonne in August, to \$107 per tonne in September, and is currently trading at \$110 per tonne in October.

Increased buying of lower grade ores saw the price of fines with iron content of less than 58 per cent, jump from \$67 per tonne in August to \$84 per tonne in September, and currently settle at \$85 per tonne. Other buyers were Indone-

sia, Malaysia, Brazil and the UK, and the "numbers were not so significant," a trade source said.

According to a SteelMint report, the higher export demand saw iron ore production increase to 129 mt for H1 FY24, up 15 per cent y-o-y, against 111 mt of H1 FY23.

Incidentally, crude steel production rose saw a 14 per cent rise to 70 mt in H1. India's crude steel production was 126 mt in FY23, with 46 per cent coming from the blast furnace route, and the remaining via electric arc furnace.

The price of iron ore in the domestic market (Fe content 62 per cent) was \$60 per tonne in October (₹5,000 per tonne) in Odisha, which has improved from \$57.67 per tonne (₹4,300 per tonne) in August. The September price was \$58.87 per tonne (₹4,900 per tonne).