

# Iron ore exports plunge 60% in August

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Iron ore exports dipped 60 per cent year-on-year to 0.41 million tonnes (mt) in August, data from the Ministry of Commerce and trade sources showed.

High export duty and slowing demand in key export markets, primarily China, due to poor demand outlook for steel, property sector crises and Covid-related restriction continued to impact numbers, sources said.

In the year-ago period (August 2021), export of iron ore was to the tune of 1.02 mt.

The Centre has hiked export duty on iron ore to 50 per cent since May 22, and export to key markets fell from a high 2.70 mt in May to 0.31 mt in June and 0.50 mt



**HUGE PILE UP.** An estimated 145 million tonnes of low-grade iron ore are stockpiled at mine heads and dumps

in July. On a sequential basis (July versus August), exports dropped 18 per cent.

According to market estimates, 145 mt of low-grade iron ore is lying at mine heads and dumps. Low-grade iron ore means iron content is less than 58 per cent.

These are the prime offerings in the export market, especially to China, say traders.

## MARKET TRENDS

For the April to August period, exports were 6.97 mt, down nearly 62 per cent y-

o-y and the lowest in four years. Exports in the same period last year was 18.15 mt.

Commerce Department data till July-end, accessed by *businessline*, show that the prime market of China saw a 70 per cent drop in exports for April to July FY23, at 14.6 mt. On a month-on-month basis, the fall in export was 86 per cent.

Among the other markets, exports to Korea saw a 77 per cent fall y-o-y for the period under review (April to July); Brazil 26 per cent; Indonesia 14 per cent; Italy 16 per cent; Nepal 23 per cent; Oman 84 per cent; and Vietnam 37 per cent.

Malaysia, incidentally, bucked the trend: there was a 44 per cent rise in exports during the first four months of the fiscal. In the April to July 2022 period they were 126,808 tonnes.