

Steel exports slow down in May on weak offtake

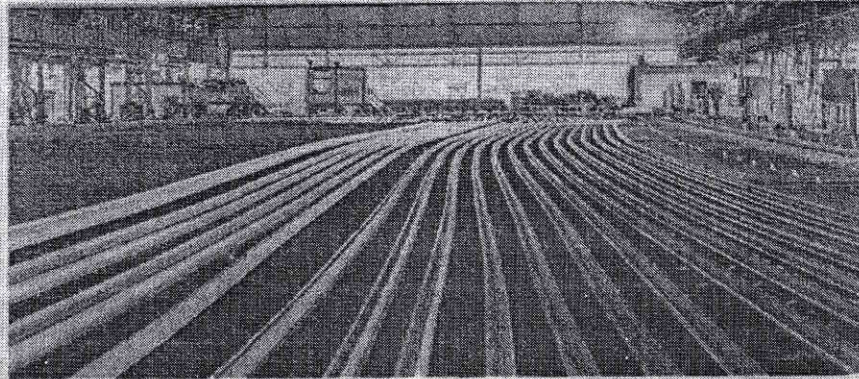
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India's key steel export markets, such as Vietnam, Italy, Spain, Belgium, UAE, and some others, have either reduced orders or kept them flat in May, over April, in view of global economic uncertainties and competitive price offers from China, among other factors, data from the Steel Ministry accessed by *businessline* show.

Exports of finished steel were at 1.6 million tonnes (mt), flat as compared to April-May period of last year while on a month-on-month basis exports had dropped by 19 per cent to 0.7 mt (while in April it was around 0.9 mt), the provisional numbers show.

MARKET BREAK UP

The hot rolled coil / strips (0.584 mt) was most expor-



DIP IN NUMBERS. There was a distinct drop in orders across European nations on account of recession and quotas PTI

ted in volume terms, accounting for 38 per cent share total finished steel.

As per the Ministry report, top buyers of Indian steel in April-May included Italy, Belgium, Spain, Nepal and the UK. But there was a distinct slowdown in orders across European nations on account of recession and quotas, while in Asian markets, lower priced Chinese offerings have hit buying from Indian mills, trade

sources said. As per reports available with the Steel Ministry, Vietnam – one of the prime buyers for Indian steel did not place orders from mills here on account of weak demand and Chinese offers impacting price there. Finished steel exports continued to be at 0.061 mt for April and May. It does not feature among the top five markets too.

In case of Europe, Italy and Belgium saw increased

buying – up 5 per cent MoM and 63 per cent, respectively, to 0.22 mt and 0.08 mt. Belgium, the second largest market in the region, saw a 53 per cent drop MoM to 0.05 mt.

The UAE, a key market that mills tapped recently, saw orders fall by 37 per cent to 0.036 mt in May, as compared to April. Orders to Nepal dropped 15 per cent drop MoM to 0.05 mt.

The Ministry report noted that elevated inflation across geographies, tighter monetary policies and financial uncertainty are expected to keep the steel prices on the edge.

It pointed out, global steel prices “continued to remain volatile in May” due to a combination of local and global factors. Prices slid in Europe amid slow consumption and worsening market conditions. But, in the US price was relatively stable.