

Steel trade deficit soars 330% to \$4.7 b as Chinese shipments soar

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India's steel industry is reeling under a 330 per cent surge in trade deficit at \$4,748 million in FY25, the highest in recent times, according to Steel Ministry data accessed by *businessline*.

The trade deficit was just \$1,092 million last year.

In rupee terms, India's steel trade deficit for FY25 is ₹40,152 crore, a near 345 per cent jump, against FY24's import-to-export gap of ₹9,035 crore.

Domestic mills are hemorrhaging market share, outpriced by ruthless price calibration by the Chinese in export markets and have also been battered by Europe's slowing demand.

Imports stormed to a multi-year zenith, with China, South Korea and Japan commanding over 80 per cent of shipments while ASEAN nations like Vietnam and Indonesia serve as possible backdoors for Chinese steel, exploiting Free Trade Agreements.

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Nearly 30 per cent of the imports are Chinese (in both volume and value terms)

CHINESE IMPORTS

Imports zoomed to 9.55 million tonnes — a 10 year high, and were valued at ₹80,737 crore (\$9,547 million). As against this exports stood at about 5 mt, a decadal low, valued at ₹40,585 crore (\$4,799 million), the report mentioned.

In FY24, incoming shipment of the alloy were valued at ₹68,193 crore (\$8,237 million) for 8.3 mt of the metal. Outbound shipments of 7.5 mt in that year were valued at ₹59,157 crore (\$7,145 million).

Last fiscal, China was the second largest seller of steel to India by volume, at 2.5 mt (down 5 per cent y-o-y) but was the largest in value terms, at \$2,647 million (down 4 per cent).

Korea imported 2.8 mt (up 5 per cent) valued at \$2,200 million (down 2 per cent). Japan imported 2 mt of the meta, up 60 per cent y-o-y and it was valued at \$1,800 million, up 32 per cent over FY24.

Plummeting global prices and cut-throat imports have left Indian producers staggering, prompting an imposition of 12 per cent provisional safeguard duty on select flat steel offerings from China and Vietnam, announced on April 21, for 200 days.

Data showed that exporters ceded market share in key EU nations that include Italy, where shipments dipped by 60 per cent to 0.7 mt and valued at \$673 million (down 50 per cent); in Belgium, there was a 35 per cent dip in volumes at 0.54 mt, valued at \$482 million (down 35 per cent y-o-y). Spain saw a 40 per cent drop to 0.42 mt and 43 per cent fall in value at \$331 million.

In the case of the UAE, volumes were at 0.5 mt, down 6 per cent, and valued at \$445 million, down 8 per cent. Nepal saw volumes at 0.54 mt, down 4 per cent, and valued at \$300 million (down 16 per cent).