

# Paid for in dirham or yuan, Russian steel shipment reaches Indian shores

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Russian steel is making its way to India, and if trade sources are to be believed, Akson Serin, a vessel carrying around 24,000 tonnes of hot rolled coil (HRC steel), has entered Indian waters already.

Data on shipments accessed by *BusinessLine* shows that the Panama-registered bulk carrier was moored near Mumbai as on Saturday afternoon.

The ship started its journey from St Petersburg, Russia, on June 25 and reached Egypt on July 11. And from there, it left for Mumbai the same day (July 11).

## Payments

The current shipment, from two Russian steel mills has been reportedly been paid for in alternative currencies (to dollar



or euro), that is either in dirham or yuan.

Orders have most likely been placed by some pipe-makers “or long product makers”, said sources. Details are still awaited.

Indian players — mostly merchant steel and secondary ones — were said to be exploring offers from Russian mills around May-end/June, after mills in the European nation offered “high discounts” of around ₹3,000-5,000 per tonne over the then

Indian prices. According to sources, Russian mills were frantically trying to sell their excess stock as a result of sanctions by the European Union.

## Distress sale

Around this period, they started resorting to distress sale.

Bookings are for 100,000-200,000 tonnes from buyers here, some of the Indian steel mills claim.

Incidentally, when most of the orders were placed, 8-10

weeks back, India’s benchmark HRC price was at around ₹65,000 per tonne approximately, which made the Russian offerings quite attractive. “However, it is very unlikely that there will be a flurry of orders from Russia,” said an Indian steel mill owner, pointing out that rupee depreciation, a cumbersome Letter of Credit process and domestic steel prices coming down to the ₹59,000-60,000 per tonne range have diminished the price advantage of Russian offerings.

## Imports edge up

As per latest data available with the Union Ministry of Steel, the country’s imports are up by 2 per cent for the first three months of the fiscal (April-June) to 1172,000 tonnes — up from the 1158,000 tonnes it imported in the same period last year.