

Steel imports surge 45% to 7 mt in FY23

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Despite India being a net exporter of steel, imports of the key infrastructure commodity increased by over 45 per cent year-on-year to 7 million tonnes (mt) in FY23. This is among the highest increase in the last three years.

The rise came on the back of a sharp 500 per cent jump in shipments for semi-finished offerings; finished steel imports rose by 30-odd per cent, as per a report of the Steel Ministry accessed by *businessline*.

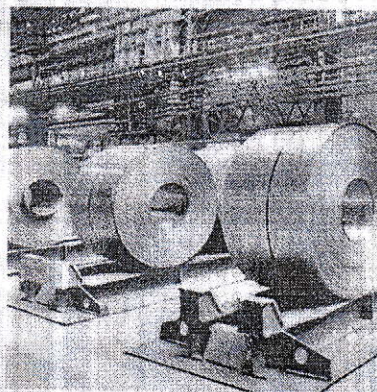
Over the last few years — since India became net exporter of steel — the highest imports were in FY20 at 7.20 mt. It had since declined to 5.04 mt in FY21 and 4.80 mt in FY22.

For FY23, import of semi-finished steel offerings stood at 1 mt (against 0.2 mt in FY22), while it was 6 mt (4.7 mt) for finished steel.

CHEAPER OPTION

In value terms, steel mills bought \$1,313 million worth of semis (up 73 per cent) and \$8,018 million of finished steel, up 29 per cent.

Total steel imports include semis such as ingots, blooms,



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slabs and billets, and finished steel, including alloyed, non-alloyed and stainless steel offerings. Semi-finished steel, an intermediate offering, needs further processing, and is often used for casting.

“At one point, it was cheaper to buy steel from overseas markets — countries with which India has FTA and Russia — since domestic price was higher. So some traders and smaller/ secondary mills resorted to imports. Accordingly, it impacted numbers,” an official in the know said.

The Indian Steel Association — an industry body with the country’s largest steel mills like JSW, Tata, JSPL, AM/NS and SAIL as members — has been red-flagging the rising imports for some time now.

Interestingly, Russia and

Korea dominated import shipments of semis (categorised under non-alloyed semis and melting scrap), displacing Japan, China and Vietnam in value terms.

Russia supplied over 100,000 tonnes (semis) worth \$52 million (up from zero a year ago).

Korea supplied 210,000 tonnes, valued at \$68 million (also up from zero).

FINISHED IMPORTS

In the finished steel category, Russia was among the top five suppliers to India, displacing Taiwan and Indonesia, the Ministry report showed. Finished steel supplies (in volume terms) rose 470 per cent YoY to 0.31 mt.

Even for hot rolled coil and strips, Russia displaced traditional suppliers like Japan, China and Vietnam in FY23. At 0.23 mt supply, Russia was second only to Korea, which supplied 0.84 mt in the sub-category.

Korea was the largest supplier of finished steel at 2.2 mt (up 11 per cent YoY), followed by China at 1.4 mt (up 69 per cent YoY). Japan and Vietnam occupied the third and fourth spots with supplies to the tune of 0.8 mt (up 27 per cent) and 0.32 mt (up 324 per cent), respectively.