

Steel prices remain under pressure: Report

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Steel export prices in September remained under pressure in key markets while Italy was India's largest overseas market at 0.504 million tonnes (mt), a report presented to the Steel Ministry said.

Import of total finished steel was valued at ₹29,793 crore, whereas export was valued at ₹31,049 crore, leading to a trade surplus of ₹1,256 crore during April-September 2022, according to the Ministry's provisional data.

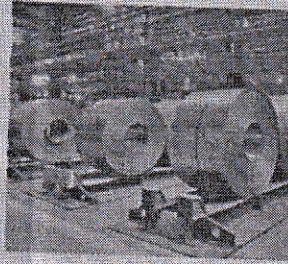
Volume-wise, hot-rolled coil/strip (at 1.860 mt) was the most exported item, accounting for 52 per cent share. Finished steel exports - including non-alloyed, alloyed and stainless steel - at 3.6 mt, was down by 53.6 per

cent. The report said globally steel prices remained under pressure "from many sides in September", including the Russia-Ukraine conflict and "its many-sided repercussions", including raw material supply constraints, logistics issues and uncertainties in trade flows, because of the growing impact of sanctions.

The re-emergence of Covid-19 cases in China, coupled with worries about sinking property market, also led to fluctuations in the price of raw materials for steel-making.

Prices also came under pressure on account of rising energy costs in Europe, where demand conditions remain weak to modest, recessionary traits in the US, and fear of the same sparking off a global recession.

"Global steel prices remained south-bound (post June) with most participants



adopting a wait-and-watch for the price-slide to bottom out and the market to stabilise before they return for a significant volume of transactions," the report accessed by *businessline* said.

EXPORT SLOWDOWN

Indian steel mills have also blamed the export duty levy from May-end as another reason that made Indian offerings costlier than that of some competing nations.

Belgium was a major buyer of Indian steel - at 0.3 mt for

the April to September period.

Finished steel export to Vietnam was over 0.5 mt, but was driven by stainless steel offerings (and not traditional ones like HR coils/strips) to the tune of 0.43 mt (nearly 86 per cent of the export basket).

Exports to the UAE were around 0.4 mt, with the share of stainless steel approximately 45 per cent of total offerings (0.18 mt). HR coils, bars and rods made up the balance.

"Turkey saw nearly 0.19 mt of exports of HR coils/strips but there has been a slowdown in orders. Turkey primarily gets goods from India and then goes in for value addition, before taking them to Europe. With European markets under pressure, orders from Turkey, too, have been hit," an Indian steel mill owner said.