

High imports set to exert pressure on steel prices

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The steel sector is hoping for a permanent solution by way of anti-dumping duty rather than safeguard duty to stop the indiscriminate dumping of steel amid geopolitical turmoil.

In April, the government imposed safeguard duty of 12 per cent on the import of certain non-alloy and alloy steel flat products for 200 days, which expired in November.

Following this, the Directorate General of Trade Remedies recommended imposition of safeguard duty of 12

per cent, tapering down annually to 11 per cent in three years. However, it is yet to be implemented by the government.

SAFEGUARD DUTY

Despite the safeguard duty, India remains a net importer of steel products. Between April and November, Indian steel imports fell 13 per cent to 6.54 million tonnes (mt), but exports were at 5.77 mt, up 31 per cent in the same period.

The expiry of safeguard duty and weak pricing globally may open up floodgates for imports.

Despite being the world's second-largest crude steel



producer, cheap imports from China, Japan, Korea and Vietnam continue to be a challenge.

The government recently imposed anti-dumping duty on the import of certain steel products from China for five years. Import of cold-rolled, non-oriented electrical steel from the country will invite a

tariff of \$223.82 per tonne.

A FLAT 2025

After a largely flat 2025, global steel demand is expected to grow modestly by around 1.3 per cent next year, supported by public infrastructure spending, gradual easing in financing conditions and relative economic resilience in regions outside China.

Saurabh Jain, Head of Fundamental Research, SMC Global Securities, said India's domestic steel demand is projected to rise 8-9 per cent in FY26, driven by strong momentum in infrastructure, construction, automotive and capital

goods sectors. However, rapid capacity additions and incremental supply have created near-term surplus conditions, putting pressure on realisations and margins, he said.

Imports, particularly low-priced material from China and Korea, are expected to remain a challenge despite safeguard duties, he added.

Prashanth Kumar Kota, Metals Analyst, Choice Institutional Equities, said while global steel demand is embroiled in the US tariff and other country-specific dynamics, steel demand in India is expected to be relatively stronger and grow in high single digits in FY27.