

'Steel trade deficit hits a 5-year high'

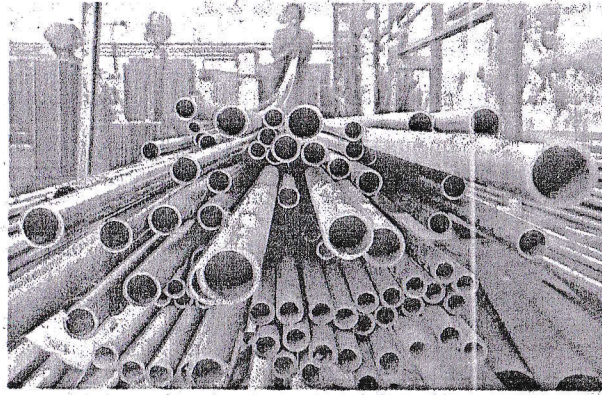
CAUSE FOR CONCERN. Trade gap widens by 18 per cent sequentially with India being a net importer of steel

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India's steel trade deficit has widened to over ₹31,350 crore — amongst the highest in the last five years — for the first nine months of FY25 (April-December) as the import surge continues, a Union Steel Ministry report, accessed by *businessline*, shows. Trade deficit widened by 18 per cent on a sequential basis, which was at ₹26,394 crore, till November (8MFY25).

The report points out that China continues to be the dominant exporter while re-routing of shipments are now happening through other FTA countries like Indonesia, which in turn led to flat steel prices in India declining marginally. The report adds "slow market activity" and "cheap import offerings" as two probable causes.

Exports for the 9MFY25 period stood at ₹29,821 crore for 3.6 million tonnes (mt), substantially lower than the imports at ₹61,171



WIDE CHASM. Exports for 9MFY25 stood at ₹29,821 crore for 3.6 mt, lower than imports at ₹61,171 crore for 7.5 mt

crore for 7.5 mt, indicating that India was a net importer of steel. "There is a continued surge in imports specially with offerings now being routed through FTA countries. While some slowdown was noticed in shipments from Vietnam and even China, but countries like Indonesia and Japan are shipping in high quantities," a Ministry official said.

IMPORT SURGE

Volume-wise HR coil/strip at 3.2 mt was imported the

most, accounting for 46 per cent of total finished steel imports. "China was the largest import market," the report mentioned.

INTENSITY DOWN A TAD

Chinese exports to India stood at 2.2 mt, up by 13 per cent y-o-y, indicating that nearly one out of every three import happening in the country was from the Asian nation. Intensity of imports are slightly lower than last fiscal when 33 per cent of the total imports was from

China, that is 1.9 mt out of 6.0 mt.

Japan saw the highest increase of nearly 94 per cent y-o-y to 1.6 mt, while Korea — the second largest import market — saw a near 7 per cent increase y-o-y to 2.1 mt.

Following anti-dumping probe, shipments from Vietnam — allegedly Chinese shipments being routed through FTAs — moderated to 0.7 mt, near flat on a y-o-y basis; but shipments from Indonesia saw a substantial rise up 80 per cent y-o-y to 0.2 mt.

Stainless steel continued to be the major import item across countries like China (37 per cent of shipments) and Indonesia (95 per cent of shipments). In fact, it was only in stainless steel supplies that saw China overtake traditional large Indian buyer markets like Korea and Japan.

EXPORTS DEPRESSED

Exports remained depressed. Continued economic stress in big ticket European nations — a lull in restocking or trading activ-

ities despite a m-o-m rise in steel prices — were visible with Italy, Spain and Belgium witnessing a 39 per cent, 18 per cent and 16 per cent drop in shipments y-o-y to 0.6 mt, 0.3 mt and 0.4 mt. The three markets together account for nearly 40 per cent of India's finished steel exports.

There was a rise in shipments to the UK, up 20 per cent y-o-y to 0.3 mt, primarily because of Tata Steel supplying raw materials to ensure continuity of its UK operations.

The Steel Ministry report mentioned that "steel prices came down in December 2024 y-o-y in major markets like China, India and the US."

Market sentiments remained weak in China and announced trade stimulus measures there have been "insufficient". Long steel prices there remained under pressure because of weak construction activity. This indicates, sources said, there were excess stocks in country which would be pushed into other markets globally including in India.