

Apr-Sep steel imports slump, but India still net buyer

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India's steel imports dropped 30% year-on-year (y-o-y) to 3.3 million tonnes (mt) in the first six months of the current financial year (FY26), reflecting the impact of import tax to shield local players and subdued domestic prices.

Yet, despite the steep fall, the country remained a net importer, with inbound shipments exceeding exports by 0.5 mt.

According to an internal Union steel ministry report, reviewed by *Mint*, exports rose 21% y-o-y to 2.8 mt, buoyed by improved demand from Europe and South-East Asia. September was the strongest of the six months for exports, with shipments at 0.58 mt.

During April-September FY25, steel imports were at 4.74 mt, and exports at 2.31 mt, resulting in sharp deficit of 2.43 mt.

Domestically, finished steel output rose 11% to 78.6 mt, while consumption grew 9% to 78.9 mt in the six months to September, signalling a strong



Steel exports rose 21% year-on-year to 2.8 million tonnes, buoyed by improved demand from Europe and South-East Asia. REUTERS

underlying demand.

Market intelligence firm BigMint said India's continued position as a net importer, with inbound volumes exceeding exports, signals that underlying competitiveness issues remain. "While protectionist and quality control measures have stabilized trade flows, long-term sustainability will hinge on improving cost efficiency and global market alignment," it said.

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Analysts say ample local supply and lower international prices have reduced the need for imports. Safeguard duties being in place for flat steel has led to lower imports, which has consequently supported higher capacity utilization for domestic steel mills.

The government on 21 April announced the imposition of a 12% safeguard duty on the import of certain non-alloy and alloy steel flat products to

protect domestic steel manufacturers from the adverse impact of import surges and to ensure fair competition in the market.

BigMint said that anti-dumping action targeting imports from Vietnam and China to curb unfair trade practices, particularly in hot-rolled and electrical steel categories, has helped bring down imports.

"The fall in imports is largely attributable to the safeguard duties being in place which has resulted in domestic steel prices trading at a discount to export offers. While imports have reduced and the pace of exports has picked up, the quantum of exports is still lower compared to what we typically export," Ankit Jain, vice-president and co-group head, Icara Ltd, told *Mint* in an emailed response.

Besides, there are some segments like auto where imports continue to happen, as certain grades of the alloy are not manufactured in India. Domestic capacity for electrical steel is also inadequate, prompting Indian users to rely on imports.

"A combination of these factors is leading to the net importer status," Jain said.

India's import dependence remains visible in certain flat steel and high-grade alloy segments where domestic substitution is still limited. With infrastructure and construction demand expected to strengthen in the second half of the year, both production and exports could see a further uptick.

The current recovery in Indian exports is driven by improved demand from the European Union, which accounted for the largest share of outbound shipments during April-September.

The recovery in EU demand, supported by restocking and local supply constraints, helped Indian mills offset softer orders from the Middle East, BigMint said.

With the Carbon Border Adjustment Mechanism (CBAM) slated for full enforcement in January 2026, EU steel importers face uncertainty over future procurement and cost structures.

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