

Indian Steel Industry: February 2025 – A Trend Report

India remains a bright spot in the global steel industry and the steel demand in the country is expected to show a healthy growth of 8.5% in 2025 compared to the global demand growth of just 1.2%, according to the latest Short Range Outlook released by the World Steel Association. India has emerged as the strongest driver of steel demand growth since 2021, and the trend is set to continue in 2025 as well with a robust growth of more than 8% in steel demand being anticipated, worldsteel said. This expansion is fuelled by growth across all steel-consuming sectors, especially by continued growth in infrastructure investments.

WORLD ECONOMY AT A GLANCE

- The global manufacturing sector moved further into expansion territory. The JP Morgan Global Manufacturing PMI rose to an eight-month high of 50.6 in February 2025 from 50.1 in January 2025.
- India, Indonesia, Brazil and the USA registered the highest PMI readings during the month under review. The level of the China PMI improved, while contractions were signalled in the euro area, Japan and the UK, among others.
- Expansions were registered in the consumer and intermediate goods sub-industries – with the faster growth in the former – while investment goods production stabilised following an eight-month downturn.
- Increased output was underpinned by improved intakes of incoming new business, as new orders rose at the quickest pace in almost three years since March 2022.

Key Economic Figures			
Country	GDP 2024: % change*	Manufacturing PMI	
		January 2025	February 2025
India	8.2**	57.7	56.3
China	5.0	50.1	50.8
Japan	0.1	48.7	49.0
USA	2.8	51.2	52.7
Eurozone	0.9	46.6	47.6
Brazil	3.4	50.7	53.0
Russia	4.1	53.1	50.2
South Korea	2.0	50.3	49.9
Germany	-0.2	45.0	46.5
Turkey	3.2	48.0	48.3
Italy	0.7	46.3	47.4
Source: GDP: official releases; PMI- Markit Economics, *provisional, ** FY 2023-24			

GLOBAL CRUDE STEEL PRODUCTION

World crude steel production stood at 151.393 MnT in January 2025, registering a 4.4% decline over the same month of the previous year, according to provisional data released by World Steel Association (worldsteel).

World Crude Steel Production (Prov)			
Rank	Top 10	January 2025 (MnT)	% yoy change
1	China	81.910	(-)5.6
2	India	13.642	6.8
3	Japan	6.787	(-)6.6
4	USA	6.620	1.1
5	Russia	6.000	(-)0.6
6	South Korea	5.220	(-)8.8
7	Turkey	3.203	(-)1.4
8	Germany	2.800	(-)8.8
9	Brazil	2.600	(-)4.5
10	Iran	2.235	(-)24.1
Top 10 Total		131.017	(-)4.4
World		151.393	(-)4.4
Source: worldsteel			

Major observations:

- China remained the leader in world crude steel production with an output of 81.910 MnT in January 2025, registering a decline of 5.6% compared with January 2024. The country accounted for 54.1% of world crude steel production during the period under review.
- India was the 2nd largest producer of crude steel with an output of 13.642 MnT in January 2025, showing a yoy growth of 6.8% over the same month of the previous year. The country accounted for 9.0% of world crude steel production during the period.
- Japan was the 3rd largest producer of crude steel with an output of 6.787 MnT in January 2025, down by 6.6% compared with the previous year. Japan accounted for 4.5% of world crude steel production during the period.
- With crude steel production of 6.620 MnT (up 1.1% yoy), the USA was the 4th largest producer of crude steel in January 2025.
- Russia's crude steel production stood at 6.000 MnT (down 0.6% yoy) in January 2025 and the country was the 5th largest producer of crude steel.
- The top 10 countries' cumulative production in January 2025 stood at 131.017 MnT (down 4.4% yoy) and they accounted for 86.5% of world crude steel production during the period.

- Among the top 10 steel producing countries, only India and the USA reported year-on-year growth in production, while others registered y-o-y decline in output during the first month of 2025.
- Asian crude steel production stood at 111.872 MnT in January 2025, showing a decline of 4.4% yoy, led primarily by China and India, with their respective shares of 73.2% and 12.2% in total Asian crude steel production during the period.

GLOBAL DRI PRODUCTION

India led global DRI production in January 2025

World DRI production stood at 9.318 MnT in January 2025, showing a year-on-year decline of 5.1%, according to provisional data released by worldsteel.

World DRI Production (Prov)			
Rank	Top 5	January 2025 (MnT)	% yoy change
1	India	4.812	5.1
2	Iran	1.285	(-)33.6
3	Russia	0.700	4.8
4	Egypt	0.616	6.4
5	Saudi Arabia	0.480	(-)18.8
Top 5 Total		7.893	(-)5.5
World		9.318	(-)5.1
Source: worldsteel			

Major observations:

- India remained the leader in world DRI production with an output of 4.812 MnT (up 5.1% yoy) in January 2025 compared with the same month of the previous year. The country accounted for 51.6% of world DRI production during the period under review.
- Iran was the 2nd largest producer of DRI with an output of 1.285 MnT in January 2025 (down by 33.6% y-o-y). It accounted for 13.8% of world DRI production during the period under review.
- Russia ranked third in terms of DRI production with an output of 0.700 MnT (up 4.8% yoy) in January 2025 compared with January 2024. The country accounted for 7.5% of world DRI production during the period.
- The top 5 countries accounted for 84.7% of total world DRI production in January 2025 with a cumulative output of 7.893 MnT, down by 5.5% yoy.

WORLD STEEL PRICE TRENDS

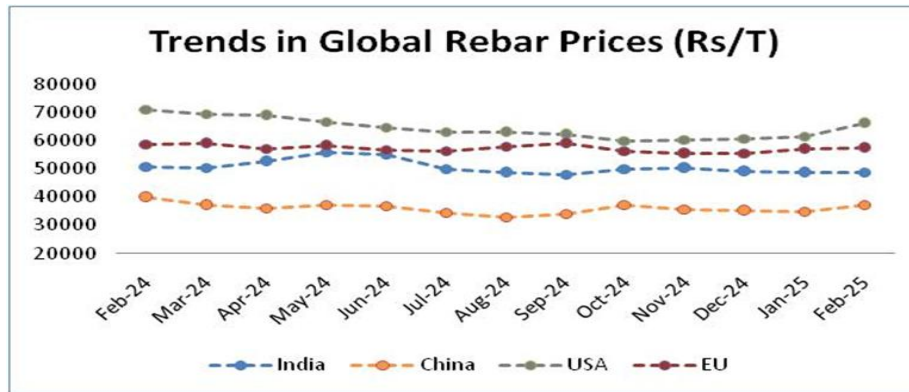
Global steel prices came down in February 2025 on a year-on-year basis in major steel markets like China, India, the USA and the European Union. However, as regards month-on-month comparison, prices were either steady or went up compared with the previous month. Going forward, the movement of global steel prices will be contingent upon a number of factors, including the factors as stated below.

- a) *West Asian crisis*: The West Asian crisis, involving Israel, Palestine and Iran, poses significant challenges that could impact the global economy in multiple ways, including disruptions of global trade and international relations. The conflict could pose a price shock for the global economy, especially if it disrupts oil supplies from the region or major shipping routes.
- b) *Trump's tariff war*: US President Donald Trump's "America first" policy and tariff threats are poised to create an environment of uncertainty and volatility in global trade, besides triggering retaliatory tariff actions from other countries, potentially leading to a trade war. The US administration has decided to impose a blanket 25% tariff on all steel and aluminium entering the USA.
- c) *Russia-Ukraine war*: There are also consequences due to imposition of sanctions against Russia by the developed world and the collapse of normal trading operations due to the Russia-Ukraine war which are likely to have a significant bearing on the global steel industry.
- d) *CBAM*: EU Carbon Border Adjustment Mechanism, set to come into effect from 2026, has already sparked off debate, and is expected to have major ramifications on European steel market as well as global trade flows.
- e) *WSA forecast*: The World Steel Association in its Short Range Outlook (SRO), released in October 2024, has forecast a 0.9% contraction in steel demand in 2024, followed by a 1.2% growth in 2025. India is considered to be a major driver for domestic steel demand growth with an expected 8% and 8.5% rise in steel demand in 2024 and 2025, respectively, while for China, the SRO predicts a 3% contraction in 2024, followed by a 1% contraction in 2025 in steel consumption.

Long Products

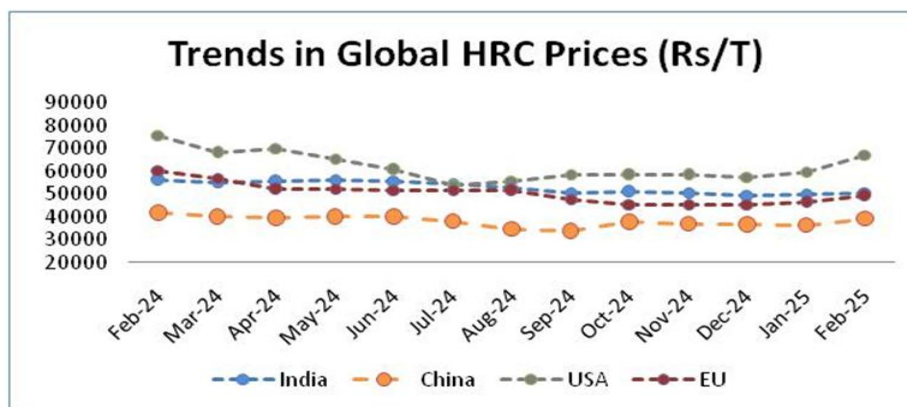
- In February 2025, rebar prices came down on a year-on-year basis in all the major steel markets – China, India, the US and the European Union. As regards month-on-month comparison, prices were either steady or went up compared with the previous month in all the markets under consideration here.
- Rebar prices were steady in India month-on-month, while in China reduction in rebar production, some sources said rebar production was currently about 15% lower year-on-year, and a seasonal recovery in steel demand from the construction sector led to a spike in prices.

- Domestic rebar prices rose in the USA as domestic mills raised their offer levels, with February scrap prices increasing. Early indications for March scrap are pointing higher as mills are expected to ramp up utilization rates to meet demand from imports that will be priced out of the market with tariffs now in place for all countries. In European market too, long steel prices went remained steady month-on-month.



Flat Products

- In February 2025, HRC prices came down on a year-on-year basis in all the major steel markets – China, India, the US and the European Union. As regards month-on-month comparison, prices were either steady or went up compared with the previous month in all the markets under consideration here.
- In India, HRC prices saw an uptick as market participants await a potential hike in mill prices, while in China HRC prices rose, largely due to some optimism following Chinese President Xi Jinping’s meeting with business leaders, as well as expectations that China’s central bank would cut interest rates further.
- In the USA, HRC prices moved up as strong contract ordering continued to bolster mill order books. This is all being driven by tariff implications on semi-finished and finished goods, according to a source. Flat steel prices also moved up in Europe and market participants pointed towards recent news of US tariffs, and upcoming elections in Germany as increasingly bullish factors in the market, as import interest continued to remain poor.



RAW MATERIAL SCENARIO

Prices of major raw materials for steel making have come down year-on-year in February 2025. As regards month-on-month comparison, prices of all the raw materials - Iron Ore 65% Fe Blast Furnace Pellet, Platts IODEX 62% Fe CFR North China, Premium Low Vol HCC FOB Australia and Platts TSI HMS I/II (80:20) have gone up marginally in February 2025 compared with the previous month. (Data source: Platts)



[Source Credit: Fastmarkets Metal Bulletin, Platts, JPC (India news)]

NEWS AROUND THE GLOBE

- US President Donald Trump on Feb. 1 followed through on a threat to hit the nation's three largest trading partners with steep tariffs. Outside of the energy exclusions, Trump's executive orders imposed 25% across-the-board tariffs on imports from Canada and Mexico and a 10% tariff on imports from China.
- The ramifications of the Trump administration's new 25% tariffs on steel could see the EU lose up to 3.7 million mt of steel exports to the US if all product exemptions and tariff rate quotas are removed, President of European steel body Eurofer Henrik Adam said.
- European Steel Association Eurofer has downgraded the expected recovery in 2025 European steel consumption to 2.2%, down from the previously expected 3.8%, according to its Economic and Steel Market Outlook Q1 2025.
- The UK government pushed forward plans for a GBP2.5 billion (\$3.15 billion) investment in the UK, publishing a "plan for steel consultation" on Feb. 16, weeks before planned, with Business Secretary Jonathan Reynolds unveiling the initiative to tackle the long-term challenges facing British steelmakers.
- Nippon Steel Corp. and United States Steel Corp. filed their opening briefs in the joint action to set aside a block by the former US President Biden regarding their agreed \$14.9 billion merger.

- China's Fujian Kebao Metal Products plans to start up a 800,000 mt/year of tinplate production capacity at Zhangzhou, Fujian province, in mid-2026.
- Major Turkish long steelmaker Icdas has received environmental approval from the Ministry of Environment, Urbanisation and Climate Change for its 5 million mt/year hot rolled coil sheet mill project.
- India is prepared to seek approval from the European Commission to import scrap from Europe under the EU's new Waste Shipment Regulation, Material Recycling Association of India President Sanjay Mehta said.
- ArcelorMittal has paused production at its Hunedoara steelworks in Romania from Feb. 14 until March 30 due to high domestic energy costs, a company spokesperson said. "The company has been facing economic challenges in maintaining the operations of its mill at Hunedoara, due to the unsustainable cost of electricity in Romania," it said.
- Malaysia has raised the antidumping duty on imports of coated/plated flat steel from Vietnam's Hoa Phat Steel Sheet to 4.89% from 3.06%, the Ministry of Investment, Trade and Industry said.
- Japan's Mitsui & Co. has acquired a 40% stake in the Rhodes Ridge iron ore project in Australia for \$5.34 billion, joining Rio Tinto as a joint-venture partner.
- Vietnam's Ministry of Industry and Trade has announced that it would impose a temporary antidumping tax on certain steel hot-rolled coil imports from China, but imports from India would be exempted.

INDIAN STEEL MARKET ROUND-UP

The following is a status report on the performance of Indian steel industry during April-January 2024-25, based on provisional data released by Joint Plant Committee (JPC) in its MIS Report for April-January 2024-25. It is to be noted that total finished steel includes both non-alloy and alloy (including stainless steel) and all comparisons are made with regard to same period of last year.

Item	Performance of Indian steel industry		
	April-January 2024-25* (MnT)	April-January 2023-24 (MnT)	% change*
Crude Steel Production	125.485	119.493	5.0
Hot Metal Production	75.678	72.346	4.6
Pig Iron Production	6.969	6.159	13.1
Sponge Iron Production	46.279	47.288	8.2
Total Finished Steel (alloy/stainless + non-alloy)			
Production	120.434	114.972	4.8
Import	8.369	6.895	21.4
Export	3.994	5.619	-28.9
Consumption	125.421	112.632	11.4
Source: JPC; *provisional; MnT=million tonnes			

Overall Production

- **Crude Steel:** Production at 125.485 million tonnes (MnT), up by 5.0%.
- **Hot Metal:** Production at 75.678 MnT, up by 4.6%.
- **Pig Iron:** Production at 6.969 MnT, up by 13.1%.
- **Sponge Iron:** Production at 46.279 MnT, up by 8.2%, led by coal-based route (84% share).
- **Total Finished Steel:** Production at 120.434 MnT, up by 4.8%.

Contribution of Other Producers

- **Crude Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 71.388 MnT (57% share) during this period, up by 0.1%. The rest (54.147 MnT) came from the Remaining Producers, up by 12.3%.
- **Hot Metal:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 69.623 MnT (92% share) up by 3.6%. The rest (6.055 MnT) came from the Remaining Producers, up by 17.7%.
- **Pig Iron:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 1.818 MnT (26% share) down by 3.2%. The rest (5.151 MnT) came from the Remaining Producers, up by 20.3%.
- **Total Finished Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 65.762 MnT (55% share) up by 1.3%. The rest (54.672 MnT) came from the Remaining Producers, up by 9.2%.

Contribution of Public Sector Units (PSU)

- **Crude Steel:** With 84% share, the Private Sector (105.654 MnT, up by 6.1%) led crude steel production compared to the 16% contribution of the PSUs (down by 0.4%).
- **Hot Metal:** With 72% share, the Private Sector (54.164 MnT, up by 6.6%) led hot metal production, compared to the 28% contribution of the PSUs (down by 0.1%).
- **Pig Iron:** With 90% share, the Private Sector (6.262 MnT, up by 11.8%) led pig iron production, compared to the 10% contribution of the PSUs (up by 26.1%).
- **Total Finished Steel:** With 86% share, the Private Sector (103.713 MnT, up by 5.8%) led production of finished steel, compared to the 14% contribution of the PSUs (down by 1.4%).

Contribution of Flat /Non-Flat in Finished Steel

- **Production:** Non-flat products accounted for 55% share (up by 5.4%), the rest 45% was the share of flats (up by 4.0%).
- **Import:** Flat products accounted for 95% share (up by 22.1%), the rest 5% was the share of non-flats (up by 9.7%).
- **Export:** Flat products accounted for 84% share (down by 32.3%), the rest 16% was the share of non-flats (down by 2.3%).
- **Consumption:** Led by Non-flat steel (53% share; up by 9.3%) while the rest 47% was

the share of flat steel (up by 13.9%).

Finished Steel Production Trends

- At 120.434 MnT, production of total finished steel was up by 4.8%.
- Contribution of the non-alloy steel segment stood at 111.098 MnT (92% share, up by 3.6%), while the rest was the contribution of the alloy steel segment (including stainless steel).
- In the non-alloy, non-flat segment, in volume terms, major contributor to production of total finished steel was Bars & Rods (51.378 MnT, up by 5.7%) while growth in the non-alloy, flat segment was led by HRC (44.609 MnT, up by 1.2%) during this period.

Finished Steel Export Trends

- Overall exports of total finished steel at 3.994 MnT, down by 28.9%.
- Volume wise, HR Coil/Strip (0.939 MnT) was the item most exported (24% share in total finished steel).
- Italy (0.610 MnT) was the largest export market for India.

Finished Steel Import Trends

- Overall imports of total finished steel at 8.369 MnT, up by 21.4%.
- India was a net importer of total finished steel in April-January 2024-25.
- Volume wise, HR Coil/Strip (3.650 MnT) was the item most imported (44% share in total finished steel).
- China (2.440 MnT) was the largest import market for India (29% share in total).

Finished Steel Consumption Trends

- At 125.421 MnT, consumption of total finished steel was up by 11.4%.
- Contribution of the non-alloy steel segment stood at 114.399 MnT (91% share, up by 10.3%), while the rest was the contribution of the alloy steel segment (including stainless steel).
- In the non-alloy, non-flat segment, in volume terms, major contributor to consumption of total finished steel was Bars & Rods (51.747 MnT, up by 10.2%) while growth in the non-alloy, flat segment was led by HRC (47.159 MnT, up by 10.6%) during this period.



INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

GDP: As per provisional estimates of the Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation, Real Gross Domestic Product (GDP) at Constant (2011-12) Prices in Q3 2024-25 is estimated to have attained a level of ₹47.17 lakh crore, as against ₹44.44 lakh crore in Q3 2023-24, showing a growth of 6.2 per cent. All the sectors reported positive growth during the quarter under review, with the *Public Administration, Defence & Other Services* sector reporting the highest growth of 8.8% and *Mining & Quarrying* sector registering the lowest growth of 1.4%.

Industrial Production: Provisional CSO data show that the overall Index of Industrial Production (IIP) for April-January 2024-25 rose by 4.2% over the same period of the previous fiscal, encouraged by similar high levels of growth trends noted for the various sectors/sub-sectors.

Infrastructure Growth: Provisional data released by the DPIIT indicate that the Index for the Eight Core Infrastructure Industries saw a growth of 4.4% during April-January 2024-25. Barring Crude Oil, all the other sectors reported positive growth during the period. While crude oil sector reported a contraction of 2% in April-January 2024-25, the coal sector reported the highest growth of 6% during the period under review.

Inflation: The rate of inflation based on Consumer Price Index stood at 3.61% and that on Wholesale Price Index stood at 2.38% in February 2025. While CPI inflation fell significantly, WPI inflation rose marginally in February 2025 compared with the previous month.

Prepared by: Joint Plant Committee