

Indian Steel Industry: January 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% in 2024 compared to a decline of 0.9% globally according to the latest Short Range Outlook of World Steel Association. Growth in India's construction sector is driven by government spending on infrastructure and recovery in private investment. Infrastructure investment will also support capital goods sector. Besides, healthy growth momentum is expected to continue in the automotive sector. These, in turn, will push up steel demand in the country, worldsteel said.

WORLD ECONOMY AT A GLANCE

- The JP Morgan Global Manufacturing PMI rose to 50.1 in January 2025 from 49.6 in December 2024 to signal the first (albeit marginal) improvement in operating conditions for seven months.
- Regional variations remained marked, with business conditions being affected by, among other things, the possibility of US tariffs being imposed during the coming year.
- Three out of the five PMI sub-indices – output, new orders and suppliers' delivery times – had positive influences on the headline figure at the start of the year. In contrast, employment and stocks of purchases continued to decline.
- Looking at the major industrial nations, growth was again led by India while the USA also saw a noticeable shift in its performance. Meanwhile, downturns continued in the euro area, Japan and the UK, albeit at slower rates for the euro area and the UK.

Key Economic Figures			
Country	GDP 2023: % change*	Manufacturing PMI	
		December 2024	January 2025
India	8.2**	56.4	57.7
China	5.2	50.5	50.1
Japan	1.9	49.6	48.7
USA	2.5	49.4	51.2
Eurozone	0.5	45.1	46.6
Brazil	2.9	50.4	50.7
Russia	3.6	50.8	53.1
South Korea	2.6	49.0	50.3
Germany	-0.3	42.5	45.0
Turkey	4.5	49.1	48.0
Italy	0.9	46.2	46.3
Source: GDP: official releases; PMI- Markit Economics, *provisional, ** FY 2023-24			

GLOBAL CRUDE STEEL PRODUCTION

World crude steel production stood at 1,882.594 MnT in calendar year 2024, registering a 0.8% decline over the previous year, according to provisional data released by World Steel Association (worldsteel). In December 2024, world crude steel production was 144.460 MnT, up by 5.6% compared with the same month of the previous year.

World Crude Steel Production (Prov)			
Rank	Top 10	2024 (MnT)	% yoy change
1	China	1005.090	(-)1.7
2	India	149.587	6.3
3	Japan	84.009	(-)3.4
4	USA	79.452	(-)2.4
5	Russia	70.690	(-)7.0
6	South Korea	63.531	(-)4.7
7	Germany	37.234	5.2
8	Turkey	36.893	9.4
9	Brazil	33.741	5.3
10	Iran	30.952	0.8
Top 10 Total		1,591.179	(-)0.9
World		1,882.594	(-)0.8
Source: worldsteel			

Major observations:

- China remained the leader in world crude steel production with an output of 1005.090 MnT in 2024, registering a decline of 1.7% compared with 2023. The country accounted for 53.4% of world crude steel production during the year under review.
- India was the 2nd largest producer of crude steel with an output of 149.587 MnT in 2024, showing a yoy growth of 6.3% over the previous year. The country accounted for 7.9% of world crude steel production during the period.
- Japan was the 3rd largest producer of crude steel with an output of 84.009 MnT in 2024, down by 3.4% compared with the previous year. Japan accounted for 4.5% of world crude steel production during the period.
- With crude steel production of 79.452 MnT (down 2.4% yoy), the USA was the 4th largest producer of crude steel in 2024.
- Russia's crude steel production stood at 70.690 MnT (down 7.0% yoy) in 2024 and the country was the 5th largest producer of crude steel.
- The top 10 countries' cumulative production in 2024 stood at 1,591.179 MnT (down 0.9% yoy) and they accounted for 84.5% of world crude steel production during the period.

- Among the top 10 steel producing countries, India, Germany, Turkey, Brazil and Iran reported year-on-year growth while the others registered yoy decline in production during 2024.
- Asian crude steel production stood at 1,385.829 MnT in 2024, showing a decline of 0.9% yoy, led primarily by China and India, with their respective shares of 72.5% and 10.8% in total Asian crude steel production during the period.

GLOBAL DRI PRODUCTION

India led global DRI production in 2024

World DRI production stood at 143.626 MnT in calendar year 2024, showing a yoy growth of 3.5%, according to provisional data released by worldsteel. In December 2024, world DRI production was 8.889 MnT, down by 16.1% compared with the same month of the previous year.

World DRI Production (Prov)			
Rank	Top 5	2024 (MnT)	% yoy change
1	India	54.807	10.6
2	Iran	34.146	2.1
3	Russia	8.035	3.5
4	Egypt	7.070	(-)2.1
5	Saudi Arabia	6.913	1.5
Top 5 Total		110.971	5.9
World		143.626	3.5
Source: worldsteel			

Major observations:

- India remained the leader in world DRI production with an output of 54.807 MnT (up 10.6% yoy) in 2024 compared with the previous year. The country accounted for 38.2% of world DRI production during the period under review.
- Iran was the 2nd largest producer of DRI with an output of 34.146 MnT in 2024 (up by 2.1% yoy). It accounted for 23.8% of world DRI production during the period under review.
- Russia ranked third in terms of DRI production with an output of 8.035 MnT (up 3.5% yoy) in 2024 compared with 2023. The country accounted for 5.6% of world DRI production during the period.
- The top 5 countries accounted for 77.3% of total world DRI production in 2024 with a cumulative output of 110.971 MnT, up by 5.9% yoy.

WORLD STEEL PRICE TRENDS

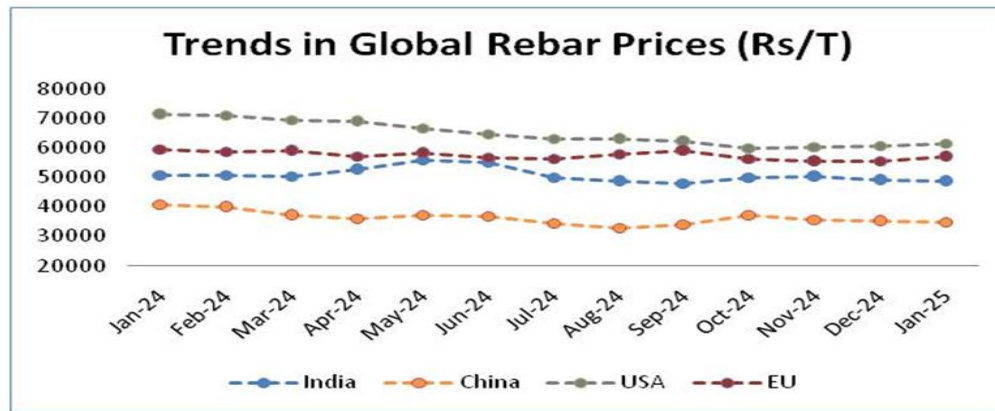
Global steel prices came down in January 2025 on a year-on-year basis in major steel markets like China, India, the USA and the European Union. However, as regards month-on-month comparison, prices were mostly steady with marginal ups and downs compared with the previous month. Going forward, the movement 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.
- 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*: Further, the Carbon Border Adjustment Mechanism proposed by the European Union which has already sparked off debates, promises to have major ramifications on global trade flows.
- e) *China property crisis*: China's crude steel production in 2024 fell below 2023 levels and the downtrend in production is expected to continue in 2025 as well, as steel demand is expected to remain weak due to the ailing property sector and potential trade conflicts in the global markets.
- f) *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

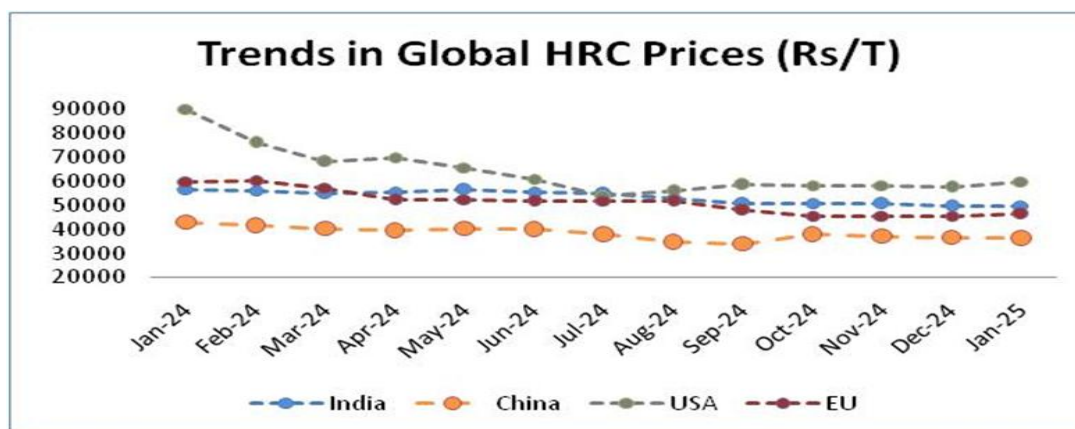
- In January 2025, rebar prices came down on a year-on-year basis in all the major steel markets – China, India, the US and the European Union. As regards month-on-month comparison, prices were mostly steady in January 2025 with marginal ups and downs compared with the previous month.
- In China, long steel prices continued to stay under pressure as domestic steel market sentiment stayed subdued due to bleak outlook for China's construction steel demand in 2025. Market sources expect the rebar prices to fluctuate around current levels until the situation between China and the US becomes clearer.

- In Europe, particularly in Northern Europe, rebar prices saw an increase month-on-month in January 2025 with major steel producers raising prices for long products like rebar due to rising energy costs, despite a relatively weak market with low transactions volume. The price hike was attributed to increased gas and electricity prices impacting production costs.



Flat Products

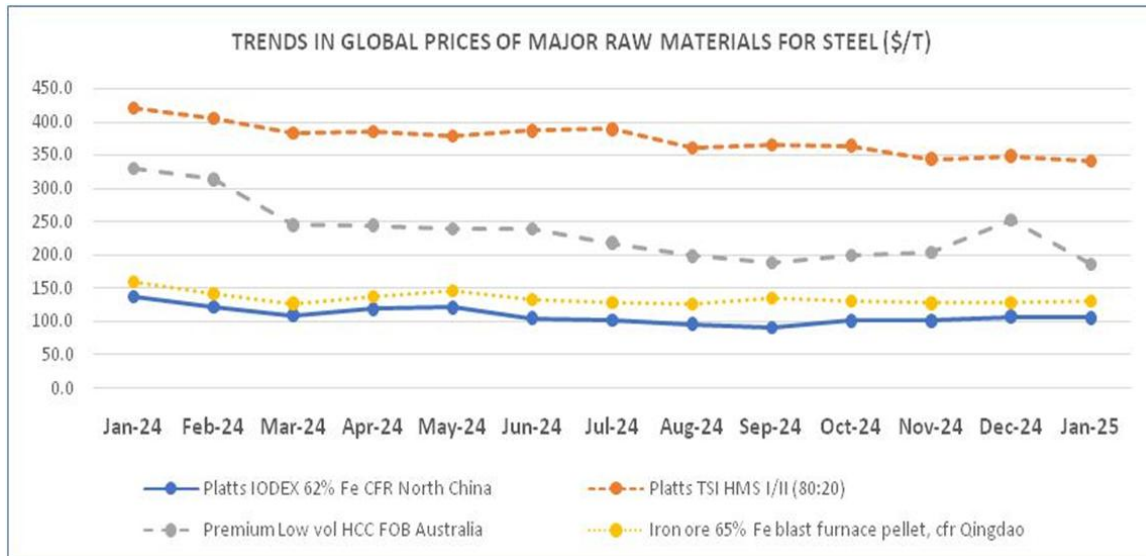
- In January 2025, HRC prices came down on a year-on-year basis in all the major steel markets – China, India, the US and the European Union. As regards month-on-month comparison, prices were mostly steady in January 2025 with marginal ups and downs compared with the previous month.
- Domestic European HRC prices inched up amid a backdrop of mixed demand signals and evolving trade policies. A trade sources highlighted the potential impact of new tariffs, as US President Donald Trump may announce steel tariffs, adding a layer of uncertainty to the market.
- In India, HRC prices remained more or less stable in January 2025 with no major changes in operating conditions and underlying sentiment. Meanwhile, in the USA, HRC prices showed some upward movements though price recovery in 2025 is largely expected to happen on the back of increased trade protection measures anticipated for the new Trump administration.



[Source Credit: Fastmarkets Metal Bulletin]

RAW MATERIAL SCENARIO

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



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

NEWS AROUND THE GLOBE

- US President Joe Biden on January 3 officially blocked Nippon Steel Corp.'s \$14.9 billion bid for US Steel Corp. over national security concerns. Biden thwarted the deal over a year after Nippon made its offer in December 2023.
- China's finished steel exports in 2024 reached the second-highest level in history after 2015, customs data showed. China exported 9.727 MnT of finished steel in December, up 4.8% from November and 25.9% year over year.
- The European Steel Association, or Eurofer, called for "major improvements" ahead of the EU's Carbon Border Adjustment Mechanism launch in 2026. The industry body outlined an urgent need for a "more effective yet simpler CBAM," and that any delay or "launching it without the necessary improvements would further erode the competitiveness of the European steel industry."
- Turkey has issued new import duties on boron-added pre-painted galvanized steel (PPGI) under new codes by updating the official Turkish Customs Tariff Schedule on January 1, according to a communiqué published in the official gazette.
- Brazilian iron ore miner Ferro Sul, owned by private firm Ligga, has won a preliminary licence to boost its production capacity to 8 MnT/year of direct shipping ore and lump ore, from the current 2 MnT/year, a spokesperson said.

- Indonesia will renew antidumping duties on hot-rolled coil from Belarus, China, India, Kazakhstan, Russia, Taiwan, and Thailand, for another five years, effective January 15, 2025, a Komite Anti Dumping Indonesia document showed.
- Malaysia implemented provisional antidumping margins ranging from 2.52% to 36.8% on coated iron or non-alloy steel flat-rolled products from China, India, Japan and South Korea, the Ministry of Investment, Trade and Industry said.
- In 2024, Russia's steel scrap consumption plummeted by 21% year-over-year to 17.75 MnT, the lowest volume since 2009, when it plunged to 16.95 MnT.
- Spanish low-carbon green steel project developer Hydnum Steel has entered into a strategic agreement with Gonvarri Industries, a major Spanish steel re-roller to facilitate the transition to decarbonized steel production.
- The UK government has decided to revoke a safeguard measure on category 2 steel products, including non-alloy and other alloy cold-rolled sheets of steel, it announced on January 22.
- South Korea's Hyundai Steel is considering establishing a steel mill in the US to supply automakers Hyundai Motor and Kia, the steelmaker said on January 8.
- Egypt's 2024 iron and steel exports slipped 1.2% year over year, with Turkey becoming the top destination, large Egyptian steelmaker Elmarakby Steel said on January 23 citing the Egypt Trade Ministry's General Organization for Export and Import Control.
- Turkish induction furnace-based long steelmaker Bilecik Demir Celik aims to reduce its Scope 1, 2 and 3 emissions 40% by 2030, the company said.

INDIAN STEEL MARKET ROUND-UP

The following is a status report on the performance of Indian steel industry during April-December 2024, based on provisional data released by Joint Plant Committee (JPC) in its MIS Report for April-December 2024. 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-December 2024*(MnT)	April-December 2023 (MnT)	% change*
Crude Steel Production	112.009	106.722	5.0
Hot Metal Production	67.643	64.584	4.7
Pig Iron Production	6.332	5.592	13.2
Sponge Iron Production	41.456	38.209	8.5
Total Finished Steel (alloy/stainless + non-alloy)			
Production	107.192	102.666	4.4
Import	7.424	6.049	22.7
Export	3.600	4.773	-24.6
Consumption	111.493	100.073	11.4
Source: JPC; *provisional; MnT=million tonnes			

Overall Production

- **Crude Steel:** Production at 112.009 million tonnes (MnT), up by 5.0%.
- **Hot Metal:** Production at 67.643 MnT, up by 4.7%.
- **Pig Iron:** Production at 6.332 MnT, up by 13.2%.
- **Sponge Iron:** Production at 41.456 MnT, up by 8.5%, led by coal-based route (84% share).
- **Total Finished Steel:** Production at 107.192 MnT, up by 4.4%.

Contribution of Other Producers

- **Crude Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 63.754 MnT (57% share) during this period, up by 0.3%. The rest (48.255 MnT) came from the Remaining Producers, up by 11.9%.
- **Hot Metal:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 62.251 MnT (92% share) up by 3.8%. The rest (5.392 MnT) came from the Remaining Producers, up by 17.2%.
- **Pig Iron:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 1.710 MnT (27% share) down by 1.5%. The rest (4.622 MnT) came from the Remaining Producers, up by 19.8%.
- **Total Finished Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 58.425 MnT (55% share) up by 0.8%. The rest (48.767 MnT) came from the Remaining Producers, up by 9.1%.

Contribution of Public Sector Units (PSU)

- **Crude Steel:** With 84% share, the Private Sector (94.458 MnT, up by 6.1%) led crude steel production compared to the 16% contribution of the PSUs (down by 0.7%).
- **Hot Metal:** With 72% share, the Private Sector (48.558 MnT, up by 6.7%) led hot metal production, compared to the 28% contribution of the PSUs (down by 0.1%).
- **Pig Iron:** With 90% share, the Private Sector (5.677 MnT, up by 11.5%) led pig iron production, compared to the 10% contribution of the PSUs (up by 31.3%).
- **Total Finished Steel:** With 86% share, the Private Sector (92.368 MnT, up by 5.6%) led production of finished steel, compared to the 14% contribution of the PSUs (down by 2.5%).

Contribution of Flat /Non-Flat in Finished Steel

- **Production:** Non-flat products accounted for 55% share (up by 5.1%), the rest 45% was the share of flats (up by 3.6%).
 - **Import:** Flat products accounted for 95% share (up by 23.3%), the rest 5% was the share of non-flats (up by 13.8%).
 - **Export:** Flat products accounted for 84% share (down by 27.7%), the rest 16% was the share of non-flats (down by 1.7%).
 - **Consumption:** Led by Non-flat steel (53% share; up by 9.4%) while the rest 47% was
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the share of flat steel (up by 13.8%).

Finished Steel Production Trends

- At 107.192 MnT, production of total finished steel was up by 4.4%.
- Contribution of the non-alloy steel segment stood at 98.887 MnT (92% share, up by 3.3%), 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 production of total finished steel was Bars & Rods (45.727 MnT, up by 5.4%) while growth in the non-alloy, flat segment was led by HRC (39.676 MnT, up by 0.9%) during this period.

Finished Steel Export Trends

- Overall exports of total finished steel at 3.600 MnT, down by 24.6%.
- Volume wise, HR Coil/Strip (0.866 MnT) was the item most exported (24% share in total finished steel).
- Italy (0.576 MnT) was the largest export market for India.

Finished Steel Import Trends

- Overall imports of total finished steel at 7.424 MnT, up by 22.7%.
- India was a net importer of total finished steel in April-December 2024-25.
- Volume wise, HR Coil/Strip (3.252 MnT) was the item most imported (44% share in total finished steel).
- China (2.135 MnT) was the largest import market for India (29% share in total).

Finished Steel Consumption Trends

- At 111.493 MnT, consumption of total finished steel was up by 11.4%.
- Contribution of the non-alloy steel segment stood at 101.675 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 (45.782 MnT, up by 10.1%) while growth in the non-alloy, flat segment was led by HRC (42.113 MnT, up by 10.8%) 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 Q2 2024-25 is estimated to have attained a level of ₹44.10 lakh crore, as against ₹41.86 lakh crore in Q2 2023-24, showing a growth of 5.4 per cent. All the sectors, barring only Mining and Quarrying sector (-0.1% growth), reported positive growth during the quarter under review, with the *Public Administration, Defence & Other Services* sector reporting the highest growth of 9.2%.

Industrial Production: Provisional CSO data show that the overall Index of Industrial Production (IIP) for April-December 2024-25 rose by 4.0% 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 4.2% during April-December 2024-25. Barring Crude Oil, all the other sectors reported positive growth during the period. While crude oil sector reported a contraction of 2.1% in April-December 2024-25, the coal sector reported the highest growth of 6.2% during the period under review.

Inflation: The rate of inflation based on Consumer Price Index stood at 4.31% and that on Wholesale Price Index stood at 2.31% in January 2025. Both CPI inflation and WPI Inflation fell in January 2025 compared with the previous month.

Prepared by: Joint Plant Committee