

Indian Steel Industry: June 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

- Conditions in the global manufacturing sector stabilised in June 2025 as the levels of both output and new orders returned to growth. The JP Morgan Global Manufacturing PMI rose to 50.3 in June 2025, up from 49.5 in May 2025, a reading slightly above the neutral mark of 50.0 for the first time in three months.
- The rebound in worldwide production volumes was underpinned by returns to growth in China, the USA and Japan. Output continued to rise in the eurozone, albeit at a slower pace, while India continued to register the fastest overall rate of expansion. The UK, Brazil, Mexico and Russia were among the nations to see contractions.
- The latest increase in production was aided by a marginal improvement in new order intakes. New business rose for the first time in three months and new order intakes stabilised in the euro area. Trends in new work showed little change across the three sub-industries covered.

Key Economic Figures			
Country	GDP 2024: % change*	Manufacturing PMI	
		May 2025	June 2025
India	6.5**	57.6	58.4
China	5.0	48.3	50.4
Japan	0.1	49.4	50.1
USA	2.8	50.2	52.9
Eurozone	0.9	49.4	49.5
Brazil	3.4	49.4	48.3
Russia	4.1	50.2	47.5
South Korea	2.0	47.7	48.7
Germany	-0.2	48.3	49.0
Turkey	3.2	47.2	46.7
Italy	0.7	49.2	48.4
Source: GDP: official releases; PMI- Markit Economics, *provisional, ** FY 2024-25			

GLOBAL CRUDE STEEL PRODUCTION

World crude steel production stood at 783.960 MnT in January-May 2025, registering a 1.3% decline over the same period of the previous year, according to provisional data released by the World Steel Association (worldsteel). In May 2025, world crude steel production stood at 158.775 MnT, down 3.8% compared with the same month of the previous year.

World Crude Steel Production (Prov)			
Rank	Top 10	Jan-May 2025 (MnT)	% yoy change
1	China	431.630	(-)1.7
2	India	67.224	8.2
3	Japan	33.832	(-)5.2
4	USA	33.388	0.3
5	Russia	29.178	(-)5.2
6	South Korea	25.585	(-)3.0
7	Turkey	15.414	(-)1.4
8	Germany	14.429	(-)10.8
9	Iran	14.002	(-)5.3
10	Brazil	13.662	0.7
Top 10 Total		678.344	(-)1.3
World		783.960	(-)1.3
Source: worldsteel			

Major observations:

- China remained the leader in world crude steel production with an output of 431.630 MnT in January-May 2025, registering a decline of 1.7% compared with January-May 2024. The country accounted for 55.1% of world crude steel production during the period under review.
- India was the 2nd largest producer of crude steel with an output of 67.224 MnT in January-May 2025, showing a yoy growth of 8.2% over the same period of the previous year. The country accounted for 8.6% of world crude steel production during the period.
- Japan was the 3rd largest producer of crude steel with an output of 33.832 MnT in January-May 2025, down by 5.2% compared with the previous year. Japan accounted for 4.3% of world crude steel production during the period.
- With crude steel production of 33.388 MnT (up 0.3% yoy), the USA was the 4th largest producer of crude steel in January-May 2025.
- Russia's crude steel production stood at 29.178 MnT (down 5.2% yoy) in January-May 2025 and the country was the 5th largest producer of crude steel.
- The top 10 countries' cumulative production in January-May 2025 stood at 678.344 MnT (down 1.3% yoy) and they accounted for 86.5% of world crude steel production during the period.

- Among the top 10 steel producing countries, only India, the USA and Brazil reported year-on-year growth in production, while others registered y-o-y decline in output during the first five months of 2025.
- Asian crude steel production stood at 578.649 MnT in January-May 2025, showing a decline of 1% yoy, led primarily by China and India, with their respective shares of 74.6% and 11.6% in total Asian crude steel production during the period.

GLOBAL DRI PRODUCTION

India led global DRI production in January-May 2025

World DRI production stood at 53.501 MnT in January-May 2025, showing a year-on-year growth of 5.5%, according to provisional data released by worldsteel.

World DRI Production (Prov)			
Rank	Top 5	Jan-May 2025 (MnT)	% yoy change
1	India	24.380	8.8
2	Iran	12.896	(-)0.6
3	Russia	3.475	(-)1.6
4	Egypt	3.020	11.2
5	Saudi Arabia	2.766	(-)2.0
Top 5 Total		46.537	4.7
World		53.501	5.5
Source: worldsteel			

Major observations:

- India remained the leader in world DRI production with an output of 24.380 MnT (up 8.8% y-o-y) in January-May 2025 compared with the same month of the previous year. The country accounted for 45.6% of world DRI production during the period under review.
- Iran was the 2nd largest producer of DRI with an output of 12.896 MnT in January-May 2025 (down by 0.6% y-o-y). It accounted for 24.1% of world DRI production during the period under review.
- Russia ranked third in terms of DRI production with an output of 3.475 MnT (down 1.6% y-o-y) in January-May 2025 compared with January-May 2024. The country accounted for 6.5% of world DRI production during the period.
- The top 5 countries accounted for 87% of total world DRI production in January-May 2025 with a cumulative output of 46.537 MnT, up by 4.7% y-o-y.

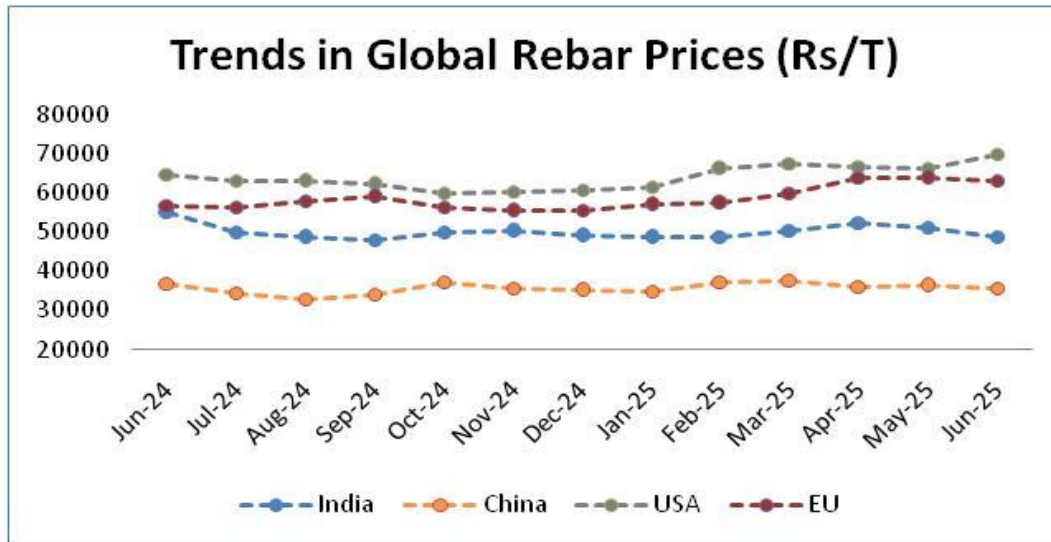
WORLD STEEL PRICE TRENDS

Global steel prices showed a mixed trend in June 2025 both on a year-on-year and month-on-month basis in major steel markets like China, India, the USA and the European Union. While some markets saw an uptick in select product prices, some markets saw a decline in prices. Going forward, the movement of global steel prices will be contingent upon a number of factors, including the factors as stated below.

- a) *US tariff*: US President Donald Trump's "America first" policy and trade actions 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 imposed a blanket 25% tariff on all steel and aluminium entering the USA and has also announced imposing reciprocal tariffs on its trading partners.
- b) *Uncertainties in European market*: Apparent steel consumption is set to continue to decline in 2025 due to an anticipated impact of US tariffs and the resulting uncertainty and trade-related disruptions. Besides, external factors such as global overcapacity, high energy prices and geopolitical tensions continue to affect EU producers.
- 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) *China's property market crisis*: Despite slowed steel production, Chinese steel industry have remained under pressure due to falling end-use demand, particularly in the construction sector. China's property sector, the most crucial steel demand driver in China, has not yet shown signs of bottoming out. Industry people expect the sector's drag on China's steel demand will continue at least through 2025.
- e) *Global growth slowdown*: Global growth is projected to slow to 2.3% in 2025, nearly half a percentage point lower than the rate that had been expected at the start of the year.

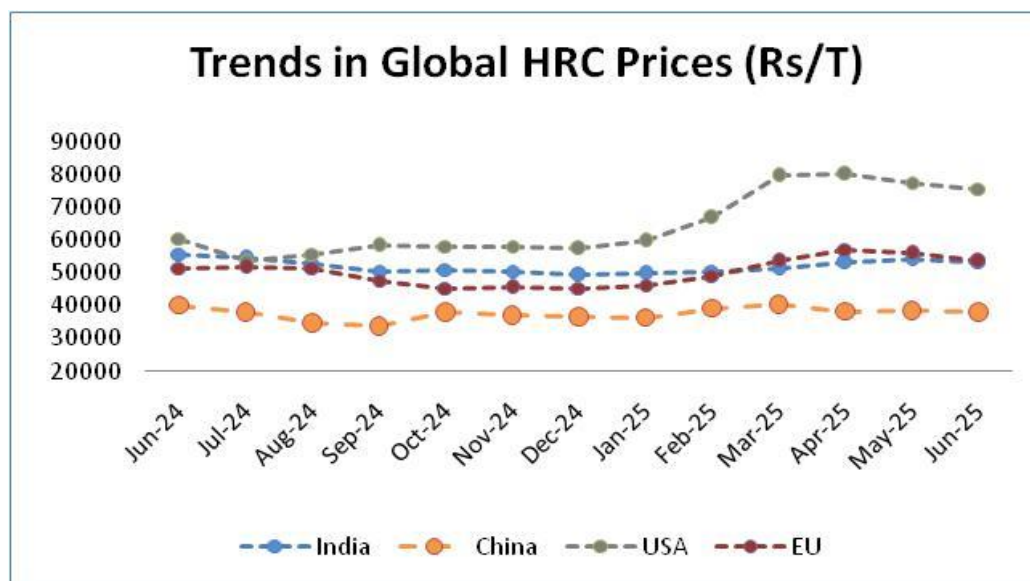
Long Products

- In June 2025, rebar prices came down both on year-on-year and month-on month basis in India and China. In the USA, however, prices went up both y-o-y and m-o-m. As regards the European Union, rebar prices went up y-o-y but came down marginally m-o-m.
- Despite slowed steel production, Chinese steel prices have remained under pressure due to falling end-use demand, particularly in the construction sector, according to market sources. China's property sector, the most crucial steel demand driver, has not yet shown signs of bottoming out. Indian domestic rebar prices edged lower as underlying market sentiment continued to weaken amid sluggish demand and the onset of monsoon.
- Domestic rebar prices in the USA rose as domestic mills sought to make the most of import protection and increased demand. However, buyers are in favour of remaining cautious about building too much inventory.



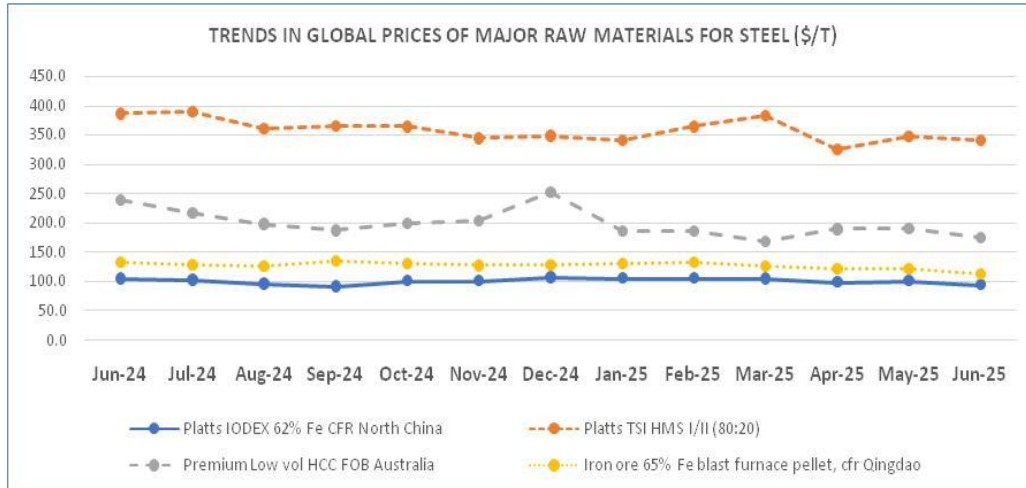
Flat Products

- In June 2025, HRC prices came down both on year-on-year and month-on-month basis in India and China. In the US and the European Union domestic markets, prices, however, went up year-on-year but came down month-on-month.
- Indian domestic HRC prices moved slightly lower, pressured by the subdued demand and the increasing concerns around cheap imports in an oversupplied market.
- In the European Union, hot-rolled coil market saw further price softening as demand fundamentals stayed firmly bearish and buyers remained hesitant amid expectations of further declines as they saw mills trying to secure orders through aggressive contract offers to shore up order books ahead of the summer slowdown.



RAW MATERIAL SCENARIO

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



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

NEWS AROUND THE GLOBE

- A key US tax incentive for critical minerals would be phased out in 2031 and would strictly exclude the use of any materials produced or processed by a foreign entity, according to the budget bill recently passed by the House of Representatives.
- The European Parliament and Council clinched a provisional deal June 18 to streamline the EU's Carbon Border Adjustment Mechanism by exempting small importers and reducing regulatory burden to improve the bloc's industrial competitiveness.
- The UK government is reportedly working non-stop to ensure Tata Steel UK, the country's largest domestic steel producer, is not excluded from tariff-free access to the US market under Keir Starmer's trade deal with US President Donald Trump.
- Vietnam's Hoa Phat has signed a contract with German technology and engineering company SMS group for a 700,000 mt/year production line for rail and structural steel and plans to start commercial production of rails for high-speed railways in the first quarter of 2027.
- Nordic special steel producer SSAB has postponed the commissioning of its new steel mill in Lulea, northeastern Sweden, by 12 months due to complications related to the transmission grid reinforcements necessary for the mill's operation.

- India's Ministry of Steel announced June 13 that finished goods and their input materials need to conform to Indian Standards under the Steel and Steel Products Quality Control Order 2024 for imports into the country.
- South Korea's Dongkuk Steel will suspend rebar production at its Incheon plant from July 22 through Aug. 15 to resolve excess inventory and supply-demand imbalances.
- Flat steelmakers Thai Coated Steel Sheet Co and Thai Cold Rolled Steel Sheet Public Co are scheduled to merge in October, creating an entity with 1.4 million mt/year of output.
- Brazil has renewed 25% import tariffs on 19 steel products that were first implemented last year and expanded the trade measures to include four additional products.
- European steel distribution association Eurometal called for action to address an influx of unregulated steel derivatives entering the EU market, and asked stakeholders to submit data demonstrating the impact on industry.
- US President Donald Trump on June 13 approved Nippon Steel's acquisition of US Steel through an executive order, which requires the two companies to sign a "national security agreement" with the US government.
- Jindal Shadeed Iron and Steel will, with the help of German engineering company SMS, modernize the eight-strand continuous billet caster at its facility in Sohar Port, Oman, to meet the growing demand for special bar quality, or SBQ, products.
- Russian iron ore mining and steel company Severstal has suspended — for a \$22 billion (\$278 million) overhaul — the third-largest blast furnace at its flagship Cherepovets Iron and Steel Works (CherMK).

INDIAN STEEL MARKET ROUND-UP

The following is a status report on the performance of Indian steel industry during April-May 2025-26, based on provisional data released by Joint Plant Committee (JPC) in its Monthly Report: Iron & Steel for April-May 2025-26. 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-May 2025-26* (MnT)	April-May 2024-25 (MnT)	% change*
Crude Steel Production	26.887	24.550	9.5
Hot Metal Production	15.361	14.346	7.1
Pig Iron Production	1.469	1.307	12.4
Sponge Iron Production	10.084	9.049	11.4
Total Finished Steel (alloy/stainless + non-alloy)			
Production	25.457	23.852	6.7
Import	0.947	1.307	-27.6
Export	0.766	0.935	-18.1
Consumption	25.145	23.474	7.1
Source: JPC; *provisional; MnT=million tonnes			

Overall Production

- **Crude Steel:** Production at 26.887 million tonnes (MnT), up by 9.5%.
- **Hot Metal:** Production at 15.361 MnT, up by 7.1%.
- **Pig Iron:** Production at 1.469 MnT, up by 12.4%.
- **Sponge Iron:** Production at 10.084 MnT, up by 11.4%, led by coal-based route (85% share).
- **Total Finished Steel:** Production at 25.457 MnT, up by 6.7%.

Contribution of Other Producers

- **Crude Steel:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 14.908 MnT (55% share) during this period, up by 5.7%. The rest (11.979 MnT) came from the Remaining Producers, up by 14.7%.
- **Hot Metal:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 14.032 MnT (91% share) up by 5.8%. The rest (1.329 MnT) came from the Remaining Producers, up by 22.9%.
- **Pig Iron:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 0.295 MnT (20% share) down by 15.4%. The rest (1.174 MnT) came from the Remaining Producers, up by 22.5%.
- **Total Finished Steel:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 13.394 MnT (53% share) up by 4.2%. The rest (12.063 MnT) came from the Remaining Producers, up by 9.7%.

Contribution of Public Sector Units (PSU)

- **Crude Steel:** With 84% share, the Private Sector (22.484 MnT, up by 8.7%) led crude steel production compared to the 16% contribution of the PSUs (up by 14.0%).
- **Hot Metal:** With 69% share, the Private Sector (10.629 MnT, up by 4.9%) led hot metal production, compared to the 31% contribution of the PSUs (up by 12.4%).
- **Pig Iron:** With 91% share, the Private Sector (1.332 MnT, up by 14.8%) led pig iron production, compared to the 9% contribution of the PSUs (down by 6.3%).
- **Total Finished Steel:** With 85% share, the Private Sector (21.759 MnT, up by 4.3%) led production of finished steel, compared to the 15% contribution of the PSUs (up by 23.6%).

Contribution of Flat /Non-Flat in Finished Steel

- **Production:** Non-flat products accounted for 56% share (up by 7.2%), the rest 44% was the share of flats (up by 6.2%).
 - **Import:** Flat products accounted for 91% share (down by 30.5%), the rest 9% was the share of non-flats (up by 23.8%).
 - **Export:** Flat products accounted for 80% share (down by 24.9%), the rest 20% was the share of non-flats (up by 27.9%).
 - **Consumption:** Led by Non-flat steel (55% share; up by 8.0%) while the rest 45% was
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the share of flat steel (up by 6.1%).

Finished Steel Production Trends

- At 25.457 MnT, production of total finished steel was up by 6.7%.
- Contribution of the non-alloy steel segment stood at 23.341 MnT (92% share, up by 6.0%), 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 (11.153 MnT, up by 7.0%) while growth in the non-alloy, flat segment was led by HRC (9.105 MnT, up by 4.9%) during this period.

Finished Steel Export Trends

- Overall exports of total finished steel at 0.766 MnT, down by 18.1%.
- Volume wise, GP/GC Sheet/Coil (0.151 MnT) was the item most exported (20% share in total finished steel).
- Belgium (0.145 MnT) was the largest export market for India.

Finished Steel Import Trends

- Overall imports of total finished steel at 0.947 MnT, down by 27.6%.
- India was a net importer of total finished steel in April-May 2025-26.
- Volume wise, HR Coil/Strip (0.253 MnT, down by 48.3%) was the item most imported (27% share in total finished steel).
- Korea (0.369 MnT) was the largest import market for India (39% share in total).

Finished Steel Consumption Trends

- At 25.145 MnT, consumption of total finished steel was up by 7.1%.
- Contribution of the non-alloy steel segment stood at 22.799 MnT (91% share, up by 6.3%), 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 (10.700 MnT, up by 6.6%) while growth in the non-alloy, flat segment was led by HRC (9.007 MnT, up by 4.7%) 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 Q4 2024-25 is estimated to have attained a level of ₹51.35 lakh crore, as against ₹47.82 lakh crore in Q4 2023-24, showing a growth of 7.4 per cent. All the sectors reported positive growth during the quarter under review, with the *Construction* sector reporting the highest growth of 10.8% and *Mining & Quarrying* sector registering the lowest growth of 2.5%.

Industrial Production: Provisional CSO data show that the overall Index of Industrial Production (IIP) for April-May 2025-26 rose by 1.8% 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 0.8% during April-May 2025-26. Coal, Steel and Cement sectors reported positive growth in April-May 2025-26, while all the other sectors reported contraction in output during the period. The Cement sector reported the highest growth of 7.8% during the period under review, while Fertilizers sector reported the steepest contraction of 5.1%.

Inflation: The rate of inflation based on Consumer Price Index stood at 2.10% and that on Wholesale Price Index stood at -0.13% in June 2025. Both CPI inflation and WPI inflation fell significantly compared with the previous month.

Prepared by: Joint Plant Committee