

Indian Steel Industry: March 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 ended the opening quarter of the year on a lacklustre footing. The JP Morgan Global Manufacturing PMI came down to 50.3 in March 2025 from 50.6 in February 2025 and signalled only a slight improvement in overall operating conditions for the third month in a row.
- There was better news from the euro area and the Asian (excluding Japan) region. Eurozone factory output rose for the first time in two years as companies reported improving domestic demand. Production growth in mainland China hit a four-month high, while expansions were also seen in India, Vietnam, Thailand and Taiwan.
- Four of the PMI sub-components had either a negative or less positive impact on its level. Along with slower growth of production and new orders, employment and stocks of purchases fell marginally.

Key Economic Figures			
Country	GDP 2024: % change*	Manufacturing PMI	
		February 2025	March 2025
India	9.2**	56.3	58.1
China	5.0	50.8	51.2
Japan	0.1	49.0	48.4
USA	2.8	52.7	50.2
Eurozone	0.9	47.6	48.6
Brazil	3.4	53.0	51.8
Russia	4.1	50.2	48.2
South Korea	2.0	49.9	49.1
Germany	-0.2	46.5	48.3
Turkey	3.2	48.3	47.3
Italy	0.7	47.4	46.6
Source: GDP: official releases; PMI- Markit Economics, *provisional, ** FY 2023-24			

GLOBAL CRUDE STEEL PRODUCTION

World crude steel production stood at 301.958 MnT in January-February 2025, registering a 2.2% decline over the same month of the previous year, according to provisional data released by World Steel Association (worldsteel). In February 2025, world crude steel production stood at 144.700 MnT, down 3.4% compared with the same month of the previous year.

World Crude Steel Production (Prov)			
Rank	Top 10	Jan-Feb 2025 (MnT)	% yoy change
1	China	166.300	(-)1.5
2	India	26.372	6.8
3	Japan	13.186	(-)7.5
4	USA	12.858	(-)1.3
5	Russia	11.739	(-)2.5
6	South Korea	10.535	(-)2.8
7	Turkey	6.127	(-)3.7
8	Brazil	5.534	0.9
9	Germany	5.382	(-)13.1
10	Iran	3.958	(-)23.1
Top 10 Total		261.991	(-)1.8
World		301.958	(-)2.2
Source: worldsteel			

Major observations:

- China remained the leader in world crude steel production with an output of 166.300 MnT in January-February 2025, registering a decline of 1.5% compared with January-February 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 26.372 MnT in January-February 2025, showing a yoy growth of 6.8% over the same month of the previous year. The country accounted for 8.7% of world crude steel production during the period.
- Japan was the 3rd largest producer of crude steel with an output of 13.186 MnT in January-February 2025, down by 7.5% compared with the previous year. Japan accounted for 4.4% of world crude steel production during the period.
- With crude steel production of 12.858 MnT (down 1.3% yoy), the USA was the 4th largest producer of crude steel in January-February 2025.
- Russia's crude steel production stood at 11.739 MnT (down 2.5% yoy) in January-February 2025 and the country was the 5th largest producer of crude steel.

- The top 10 countries' cumulative production in January-February 2025 stood at 261.991 MnT (down 1.8% yoy) and they accounted for 86.8% of world crude steel production during the period.
- Among the top 10 steel producing countries, only India and Brazil reported year-on-year growth in production, while others registered y-o-y decline in output during the first two months of 2025.
- Asian crude steel production stood at 224.146 MnT in January-February 2025, showing a decline of 1.3% yoy, led primarily by China and India, with their respective shares of 74.2% and 11.8% in total Asian crude steel production during the period.

GLOBAL DRI PRODUCTION

India led global DRI production in January-February 2025

World DRI production stood at 18.283 MnT in January-February 2025, showing a year-on-year decline of 1.1%, according to provisional data released by worldsteel.

World DRI Production (Prov)			
Rank	Top 5	Jan-Feb 2025 (MnT)	% yoy change
1	India	9.344	5.5
2	Iran	2.526	(-)25.2
3	Russia	1.438	6.4
4	Egypt	1.169	4.1
5	Mexico	0.990	7.1
Top 5 Total		15.467	(-)1.0
World		18.283	(-)1.1
Source: worldsteel			

Major observations:

- India remained the leader in world DRI production with an output of 9.344 MnT (up 5.5% yoy) in January-February 2025 compared with the same month of the previous year. The country accounted for 51.1% of world DRI production during the period under review.
- Iran was the 2nd largest producer of DRI with an output of 2.526 MnT in January-February 2025 (down by 25.2% 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 1.438 MnT (up 6.4% y-o-y) in January-February 2025 compared with January-February 2024. The country accounted for 7.9% of world DRI production during the period.
- The top 5 countries accounted for 84.6% of total world DRI production in January-February 2025 with a cumulative output of 15.467 MnT, down by 1.0% y-o-y.

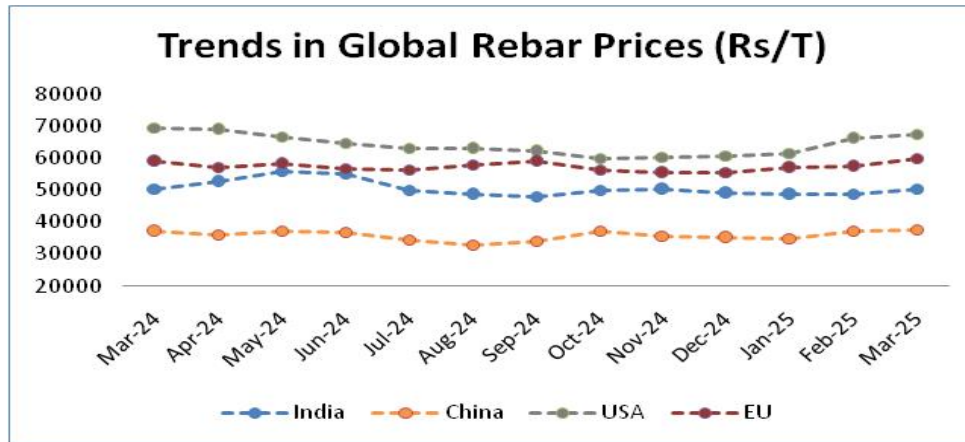
WORLD STEEL PRICE TRENDS

Global steel prices showed a mixed trend in March 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) *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.
- b) *Uncertainties in European market*: The ongoing economic uncertainty is set to continue affecting steel market growth from the demand side over the upcoming quarters. The outlook remains dominated by a worsening combination of uncertainties in energy prices, weak manufacturing sectors' conditions and inflation still being above target levels.
- 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) *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.

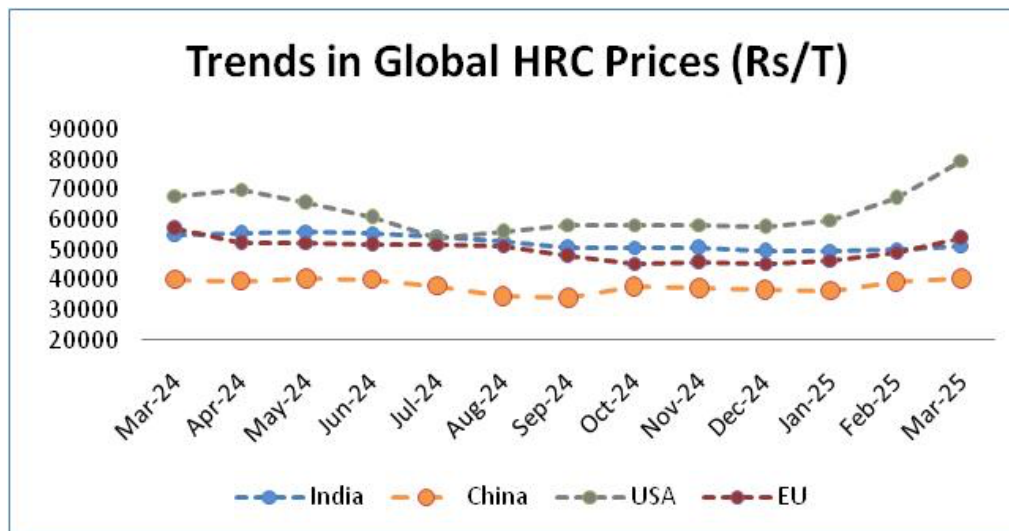
Long Products

- In March 2025, rebar prices came down on a year-on-year basis in the USA and also fell marginally in India, but went up in China and the European Union. As regards month-on-month comparison, prices either remained steady or rose in all the major steel markets under consideration here.
- Rebar prices rose in March 2025 month-on-month in India with the market anticipating more demand in the coming days, while in China long steel prices improved after certain mills said they reduced crude steel production in response to a government directive to curb 2025 output. However, market participants said the reduction in steel output at these mills could have a minimal impact on China's overall iron & steel production.
- US domestic rebar prices were steady month-on-month in March 2025 as buyers were looking ahead to see if the domestic mills would increase prices as the March scrap buy week was underway.



Flat Products

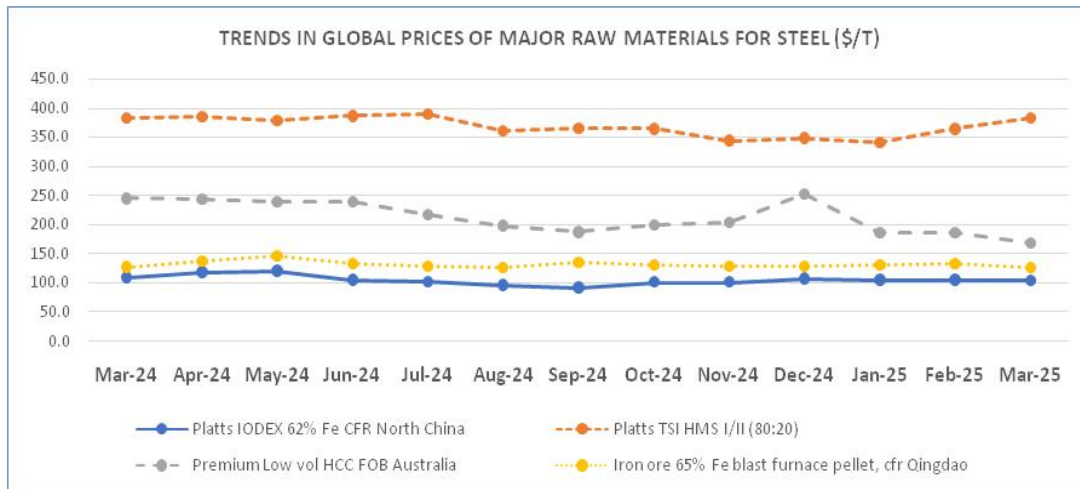
- In March 2025, HRC prices went up on a month-on-month basis in all the major steel markets – China, India, the US and the European Union. As regards year-on-year comparison, prices came down in Indian and the European Union in March 2025. Domestic flat steel prices, however, went up in the USA and marginally in China.
- Indian domestic HRC prices increased month-on-month in March 2025 as expectations of price hikes by mills for the next month extended support to the already existing positive sentiments in the market.
- In the USA, HRC prices rose significantly month-on-month in March 2025 as buyers avoided restocking, ultimately concerned about the potential for spot prices to peak in the coming months due to a lack of demand. In the European Union, the market witnessed a push for higher prices as mills reported stronger order books, though uncertainty around demand persisted.



[Source Credit: Fastmarkets Metal Bulletin]

RAW MATERIAL SCENARIO

Prices of major raw materials for steel making have come down year-on-year in March 2025, barring Platts TSI HMS I/II (80:20). As regards month-on-month comparison, prices of Platts IODEX 62% Fe CFR North China, Iron Ore 65% Fe Blast Furnace Pellet and Premium Low Vol HCC FOB Australia have come down while prices of Platts TSI HMS I/II (80:20) have gone up in March 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 has ordered the US Department of Commerce to add an additional 25% tariff on Canadian aluminum and steel imports in response to Ontario's retaliatory measure to place 25% tariffs on all of its electricity exports into the US.
- The UK Trade Remedies Authority published its initial findings late Feb. 25, proposing that antidumping and countervailing measures on organic coated steel, or OCS, imported from China be maintained for an additional five years, until May 4, 2029. This proposal aims to protect the UK industry from potential harm that could occur if these measures were removed.
- The European Commission will launch an investigation into safeguards in the aluminum sector as part of its steel and metals action plan, which is due to be released on March 19.
- The Australian aluminum and steel industries are optimistic about resolving the tariff issue despite the US government's decision to deny Prime Minister Anthony Albanese's request for an exemption.
- The European Commission said Feb. 26 it will launch a voluntary carbon intensity label for industrial products, starting with steel in 2025, followed by cement, to assist industries in their emissions reporting.

- Ukraine is ready to ratify a free trade agreement with Turkey during the upcoming visit of President Erdogan, President Volodymyr Zelensky said. The countries expressed their commitment to achieving through the agreement the \$10 billion trade target previously set by Zelensky and Erdogan.
- Saudi Arabia-based long steelmaker Al Yamamah Steel has signed a Riyal 175 million (\$46.7 million) steel tower supply contract with Hyundai Engineering and Construction.
- South Korea will prepare measures by the end of March to respond to the US tariff of 25% on all steel imports, the Ministry of Trade, Industry and Energy said March 13.
- Steelmaker ArcelorMittal South Africa is in talks with stakeholders to secure funding that may delay the plan to wind down its long steel business, it said in a March 19 statement.
- Italian steelmaker Acciaierie d'Italia has initiated exclusive negotiations for the sale of Italy's second-largest flat steel plant to an Azerbaijani consortium, Italian Minister of Enterprises Adolfo Urso and sources close to the deal said March 20.
- India's Directorate General of Trade Remedies has recommended a 12% provisional safeguard duty on imports of non-alloy and alloy steel flat products for 200 days, citing injury to the domestic industry from cheaper imports.
- Swedish renewable hydrogen-for-steel project Hybrit has completed a hydrogen storage pilot project, with flexible power procurement reducing variable operating costs by up to 31%.
- German steelmaker Salzgitter has called force majeure on its coil deliveries due to damage caused by a fire, the company's spokesperson told Platts March 5.

INDIAN STEEL MARKET ROUND-UP

The following is a status report on the performance of Indian steel industry during April-February 2024-25, based on provisional data released by Joint Plant Committee (JPC) in its MIS Report for April-February 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-February 2024-25* (MnT)	April-February 2023-24 (MnT)	% change*
Crude Steel Production	138.215	131.407	5.2
Hot Metal Production	83.127	79.371	4.7
Pig Iron Production	7.604	6.727	13.0
Sponge Iron Production	50.812	47.062	8.0
Total Finished Steel (alloy/stainless + non-alloy)			
Production	132.893	126.567	5.0
Import	8.975	7.749	15.8
Export	4.404	6.645	-33.7
Consumption	137.816	123.805	11.3
Source: JPC; *provisional; MnT=million tonnes			

Overall Production

- **Crude Steel:** Production at 138.215 million tonnes (MnT), up by 5.2%.
- **Hot Metal:** Production at 83.127 MnT, up by 4.7%.
- **Pig Iron:** Production at 7.604 MnT, up by 13.0%.
- **Sponge Iron:** Production at 50.812 MnT, up by 8.0%, led by coal-based route (84% share).
- **Total Finished Steel:** Production at 132.893 MnT, up by 5.0%.

Contribution of Other Producers

- **Crude Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 78.417 MnT (57% share) during this period, up by 0.3%. The rest (59.798 MnT) came from the Remaining Producers, up by 12.4%.
- **Hot Metal:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 76.435 MnT (92% share) up by 3.7%. The rest (6.693 MnT) came from the Remaining Producers, up by 18.1%.
- **Pig Iron:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 1.955 MnT (26% share) down by 3.7%. The rest (5.649 MnT) came from the Remaining Producers, up by 20.3%.
- **Total Finished Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 72.488 MnT (55% share) up by 1.8%. The rest (60.405 MnT) came from the Remaining Producers, up by 9.1%.

Contribution of Public Sector Units (PSU)

- **Crude Steel:** With 84% share, the Private Sector (116.336 MnT, up by 6.3%) led crude steel production compared to the 16% contribution of the PSUs (down by 0.4%).
- **Hot Metal:** With 71% share, the Private Sector (59.429 MnT, up by 6.9%) led hot metal production, compared to the 29% contribution of the PSUs (down by 0.3%).
- **Pig Iron:** With 90% share, the Private Sector (6.844 MnT, up by 12.4%) led pig iron production, compared to the 10% contribution of the PSUs (up by 19.2%).
- **Total Finished Steel:** With 86% share, the Private Sector (114.380 MnT, up by 5.9%) led production of finished steel, compared to the 14% contribution of the PSUs (down by 0.5%).

Contribution of Flat /Non-Flat in Finished Steel

- **Production:** Non-flat products accounted for 55% share (up by 5.6%), the rest 45% was the share of flats (up by 4.2%).
 - **Import:** Flat products accounted for 95% share (up by 16.0%), the rest 5% was the share of non-flats (up by 13.0%).
 - **Export:** Flat products accounted for 84% share (down by 37.3%), the rest 16% was the share of non-flats (down by 4.0%).
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- **Consumption:** Led by Non-flat steel (53% share; up by 9.0%) while the rest 47% was the share of flat steel (up by 14.1%).

Finished Steel Production Trends

- At 132.893 MnT, production of total finished steel was up by 5.0%.
- Contribution of the non-alloy steel segment stood at 122.586 MnT (92% share, up by 3.9%), 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 (57.032 MnT, up by 6.5%) while growth in the non-alloy, flat segment was led by HRC (49.072 MnT, up by 1.3%) during this period.

Finished Steel Export Trends

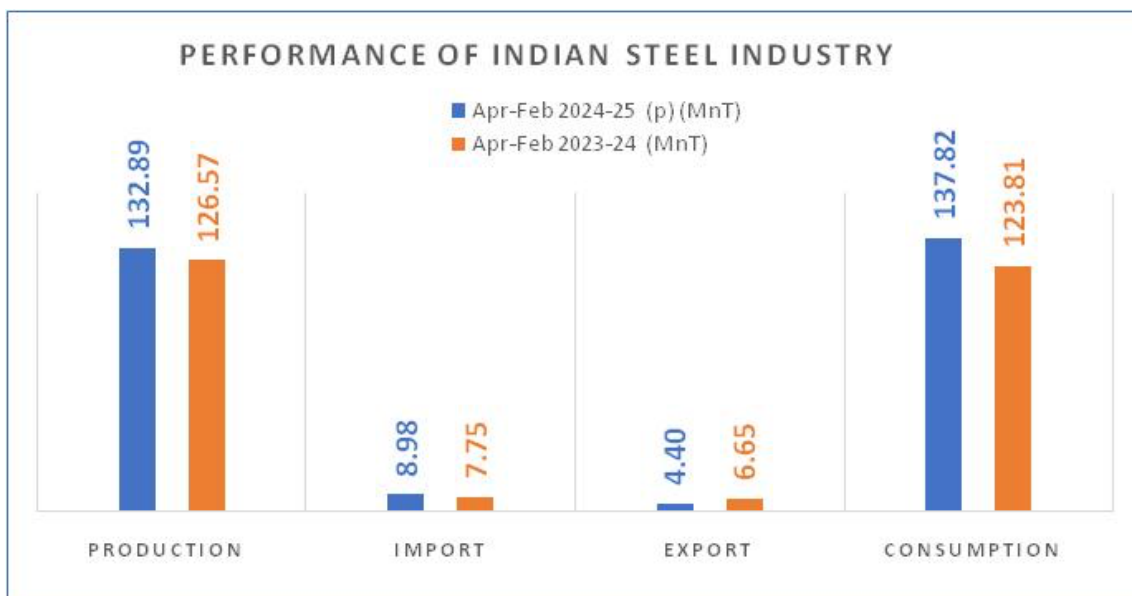
- Overall exports of total finished steel at 4.404 MnT, down by 33.7%.
- Volume wise, GP/GC Sheets/Coil (1.041 MnT) was the item most exported (24% share in total finished steel).
- Italy (0.664 MnT) was the largest export market for India.

Finished Steel Import Trends

- Overall imports of total finished steel at 8.975 MnT, up by 15.8%.
- India was a net importer of total finished steel in April-February 2024-25.
- Volume wise, HR Coil/Strip (3.827 MnT) was the item most imported (43% share in total finished steel).
- Korea (2.648 MnT) was the largest import market for India (30% share in total).

Finished Steel Consumption Trends

- At 137.816 MnT, consumption of total finished steel was up by 11.3%.
- Contribution of the non-alloy steel segment stood at 125.683 MnT (91% share, up by 10.2%), 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 (57.154 MnT, up by 10.1%) while growth in the non-alloy, flat segment was led by HRC (51.643 MnT, up by 10.7%) 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 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-February 2024-25 rose by 4.1% 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-February 2024-25. Barring Crude Oil, all the other sectors reported positive growth during the period. While crude oil sector reported a contraction of 2.2% in April-February 2024-25, the steel sector reported the highest growth of 6.5% during the period under review.

Inflation: The rate of inflation based on Consumer Price Index stood at 3.34% and that on Wholesale Price Index stood at 2.05% in March 2025. Both CPI inflation and WPI inflation fell significantly compared with the previous month.

Prepared by: Joint Plant Committee