

Indian Steel Industry: May 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 remained in the doldrums in May 2025, with the latest survey data signalling that output volumes had fallen back in contraction territory. The JP Morgan Global Manufacturing PMI fell to a five-month low of 49.6 in May 2025, down from 49.8 in April 2025 to signal a deterioration in overall operating performance for the second successive month.
- The downturn reflected weaknesses in the intermediate and investment goods sectors, both of which saw production volumes decline following modest gains in the prior survey month. In contrast, consumer goods output rose for the twenty-second successive month.
- India continued to register the fastest output growth of the nations covered by the survey, while the recovery in the euro area was extended to a third successive month. China, the USA, Japan and the UK were among the nations to see production volumes contract.

Key Economic Figures			
Country	GDP 2024: % change*	Manufacturing PMI	
		April 2025	May 2025
India	9.2**	58.2	57.6
China	5.0	50.4	48.3
Japan	0.1	48.7	49.4
USA	2.8	50.2	50.2
Eurozone	0.9	49.0	49.4
Brazil	3.4	50.3	49.4
Russia	4.1	49.3	50.2
South Korea	2.0	47.5	47.7
Germany	-0.2	48.4	48.3
Turkey	3.2	47.3	47.2
Italy	0.7	49.3	49.2
Source: GDP: official releases; PMI- Markit Economics, *provisional, ** FY 2023-24			

GLOBAL CRUDE STEEL PRODUCTION

World crude steel production stood at 624.378 MnT in January-April 2025, registering a 0.4% decline over the same month of the previous year, according to provisional data released by the World Steel Association (worldsteel). In April 2025, world crude steel production stood at 155.741 MnT, down 0.3% compared with the same month of the previous year.

World Crude Steel Production (Prov)			
Rank	Top 10	Jan-Apr 2025 (MnT)	% yoy change
1	China	345.350	0.4
2	India	53.218	6.9
3	Japan	27.001	(-)5.3
4	USA	26.428	0.0
5	Russia	23.449	(-)4.5
6	South Korea	20.504	(-)3.4
7	Turkey	12.266	(-)1.0
8	Germany	11.446	(-)11.9
9	Brazil	10.956	(-)0.3
10	Iran	10.602	(-)8.0
Top 10 Total		541.220	(-)0.2
World		624.378	(-)0.4
Source: worldsteel			

Major observations:

- China remained the leader in world crude steel production with an output of 345.350 MnT in January-April 2025, registering a growth of 0.4% compared with January-April 2024. The country accounted for 55.3% of world crude steel production during the period under review.
- India was the 2nd largest producer of crude steel with an output of 53.218 MnT in January-April 2025, showing a yoy growth of 6.9% over the same period of the previous year. The country accounted for 8.5% of world crude steel production during the period.
- Japan was the 3rd largest producer of crude steel with an output of 27.001 MnT in January-April 2025, down by 5.3% compared with the previous year. Japan accounted for 4.3% of world crude steel production during the period.
- With crude steel production of 26.428 MnT (no change yoy), the USA was the 4th largest producer of crude steel in January-April 2025.
- Russia's crude steel production stood at 23.449 MnT (down 4.5% yoy) in January-April 2025 and the country was the 5th largest producer of crude steel.
- The top 10 countries' cumulative production in January-April 2025 stood at 541.220 MnT (down 0.2% yoy) and they accounted for 86.7% of world crude steel production during the period.

- Among the top 10 steel producing countries, only China and India reported year-on-year growth in production, while others registered y-o-y decline in output during the first four months of 2025. The USA, however, maintained status quo in production during January-April 2025 period.
- Asian crude steel production stood at 462.233 MnT in January-April 2025, showing a growth of 0.4% yoy, led primarily by China and India, with their respective shares of 74.7% and 11.5% in total Asian crude steel production during the period.

GLOBAL DRI PRODUCTION

India led global DRI production in January-April 2025

World DRI production stood at 41.016 MnT in January-April 2025, showing a year-on-year growth of 4.1%, according to provisional data released by worldsteel.

World DRI Production (Prov)			
Rank	Top 5	Jan-Apr 2025 (MnT)	% yoy change
1	India	19.236	8.1
2	Iran	8.896	(-)2.4
3	Russia	2.798	(-)0.3
4	Egypt	2.424	6.3
5	Saudi Arabia	2.131	(-)7.8
Top 5 Total		35.485	3.5
World		41.016	4.1
Source: worldsteel			

Major observations:

- India remained the leader in world DRI production with an output of 19.236 MnT (up 8.1% y-o-y) in January-April 2025 compared with the same month of the previous year. The country accounted for 46.9% of world DRI production during the period under review.
- Iran was the 2nd largest producer of DRI with an output of 8.896 MnT in January-April 2025 (down by 2.4% y-o-y). It accounted for 21.7% of world DRI production during the period under review.
- Russia ranked third in terms of DRI production with an output of 2.798 MnT (down 0.3% y-o-y) in January-April 2025 compared with January-April 2024. The country accounted for 6.8% of world DRI production during the period.
- The top 5 countries accounted for 86.5% of total world DRI production in January-April 2025 with a cumulative output of 35.485 MnT, up by 3.5% y-o-y.

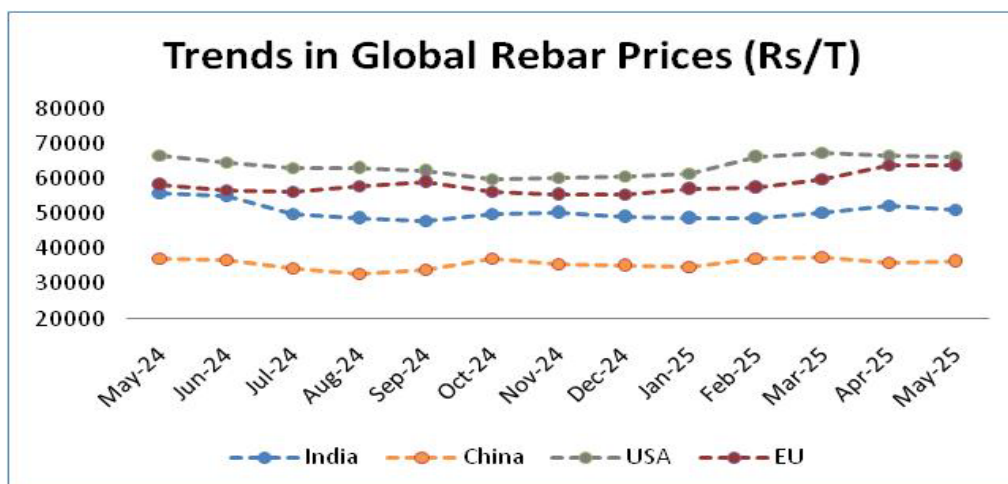
WORLD STEEL PRICE TRENDS

Global steel prices showed a mixed trend in May 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 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:* 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.
- e) *Decarbonisation:* The shift towards low-emission steelmaking technologies presents both challenges and opportunities.

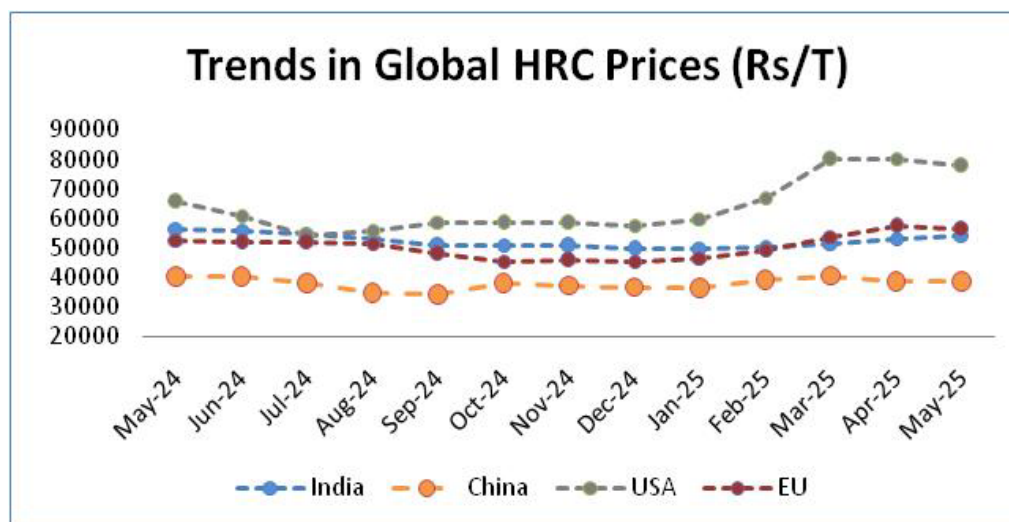
Long Products

- In May 2025, rebar prices came down on a year-on-year basis in India, China and also marginally in the USA, but went up in the European Union. As regards month-on-month comparison, prices were mostly steady barring marginal ups and downs.
- In India, domestic rebar prices moved lower as offers from mills declined further, weighed down by persistently weak demand and the seasonal impact of the monsoon. In China, however, rebar prices saw an upward trend due to easing tariff tensions between the USA and China, which in turn improved market sentiment and led to an appreciation of the yuan.
- Domestic rebar prices in the USA showed little movement as sources reported stagnant demand levels ahead of the summer season. Besides, market participants eyed new capacity coming online in the Midwest.



Flat Products

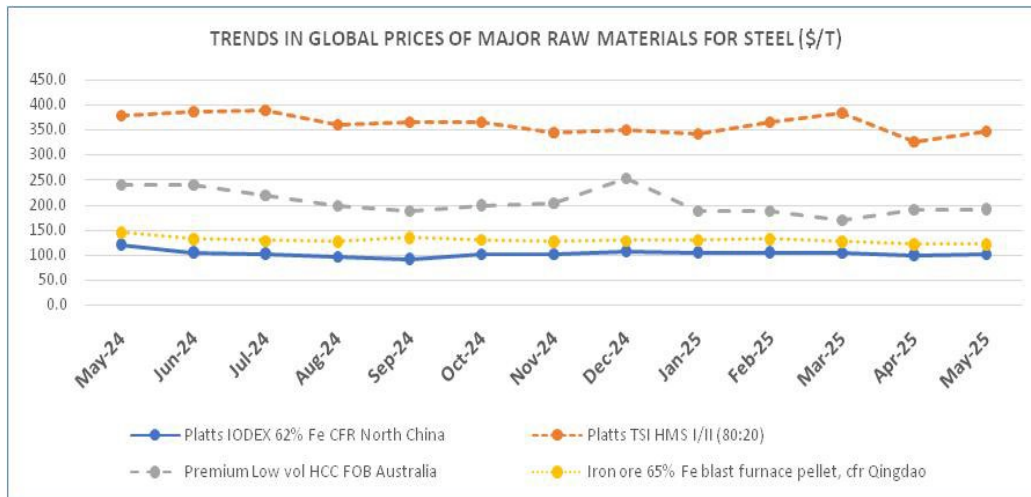
- In May 2025, HRC prices came down in India and China but went up in the USA and the European Union in year-on-year comparison. As regards month-on-month comparison, prices went up in India and also marginally in China, but came down in the USA and the European Union.
- Indian domestic HRC prices moved up, but the broader market remained range-bound amid persistently weak demand. Sluggish spot trading due to growing India-Pakistan tensions also weighed on demand and market sentiment.
- European HRC prices remained under pressure as demand weakness persisted across key end-use sectors and market participants scaled back expectations from earlier in the year for a stronger second quarter. Meanwhile, HRC prices trended down in the USA as some producers were more willing to do lower deals due to shortening lead times.



[Source Credit: Fastmarkets Metal Bulletin]

RAW MATERIAL SCENARIO

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



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

NEWS AROUND THE GLOBE

- The EU steel import quotas for hot-rolled and cold-rolled steel coils and hot-dipped galvanized steel have filled at a slower rate than expected since new import safeguard measures took effect April 1, according to market sources. The European Commission reduced quota levels per country and announced it would stop the quarter-to-quarter transfers of unused quota volumes for HRC, CRC and HDG category 4A.
- UK industry associations have welcomed the US decision to eliminate the 25% import tariff on imports of UK steel and aluminum as part of a landmark bilateral free trade agreement announced May 8.
- China's steel exports soared in April and are expected to remain robust at least in May. Trading sources attributed the strong exports to competitive steel prices, an export rush amid growing concerns around global trade barriers, and China's potential efforts to crack down on tax-evading trades.
- Turkish merchant bar and steel sections producer Kocaer Steel hit a new output record in April of 61,112 mt/month, exceeding its highest monthly output record registered in 2024 at 55,007 mt/month.
- Vietnam prolonged provisional antidumping duties on selected galvanized steel products imported from China and South Korea, as well as hot-rolled coil, the Vietnamese Ministry of Industry and Trade said.

- Primetals Technologies has completed the upgrade of the 800,000 mt/year electric arc furnace at Azeri steel company Baku Steel, the London-headquartered engineering and plant building company said.
- Uzbek rebar and light sections producer Uzbekistan Metallurgical Plant (Uzmetkombinat) is nearing the commissioning of the newly built steel casting and strip rolling complex at its site in Bekabad, eastern Uzbekistan, the company said in a presentation.
- German steelmaker Thyssenkrupp Steel and metalworkers union IG Metall have come to an agreement on the restructuring of the company, delaying immediate plant closure decisions while reducing production capacity to between 8.7 million-9 million mt/ year.
- Russian ferroalloy production fell 18% in 2024 to 1.6 million mt because of restricted exports and lower steel production in Russia.
- South Korea has decided not to impose antidumping duties on flat-rolled stainless steel from most companies and their affiliates based in China, Indonesia and Taiwan subject to price increase pledges from the companies.
- The Brazilian steel sector is expecting the country's government to impose a blanket 25% duty on all steel product imports once the current quotas and tariffs system expires on the last day of May, the Brazilian Steel Distributors' Institute (INDA) said.
- Liberty Steel's Specialty Steel UK division has avoided insolvency as a UK court adjourned its bankruptcy hearing until mid-July.
- Tata Steel has completed the phase two expansion of its Kalinganagar steel plant in Odisha, India; the plant's capacity had increased from 3 million mt/year to 8 million mt/year as a result, taking Tata Steel India's overall capacity to 26.1 million mt.

INDIAN STEEL MARKET ROUND-UP

The following is a status report on the performance of Indian steel industry during April 2025, based on provisional data released by Joint Plant Committee (JPC) in its Monthly Report: Iron & Steel for April 2025. 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 2025*(MnT)	April 2024 (MnT)	% change*
Crude Steel Production	12.895	12.208	5.6
Hot Metal Production	7.573	7.119	6.4
Pig Iron Production	0.738	0.626	17.9
Sponge Iron Production	4.941	4.437	11.4
Total Finished Steel (alloy/stainless + non-alloy)			
Production	12.463	11.853	5.1
Import	0.519	0.585	-11.3
Export	0.375	0.505	-25.7
Consumption	12.031	11.348	6.0

Source: JPC; *provisional; MnT=million tonnes

Overall Production

- **Crude Steel:** Production at 12.895 million tonnes (MnT), up by 5.6%.
- **Hot Metal:** Production at 7.573 MnT, up by 6.4%.
- **Pig Iron:** Production at 0.738 MnT, up by 17.9%.
- **Sponge Iron:** Production at 4.941 MnT, up by 11.4%, led by coal-based route (84% share).
- **Total Finished Steel:** Production at 12.463 MnT, up by 5.1%.

Contribution of Other Producers

- **Crude Steel:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 7.057 MnT (55% share) during this period, up by 0.2%. The rest (5.838 MnT) came from the Remaining Producers, up by 13.0%.
- **Hot Metal:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 6.910 MnT (91% share) up by 4.9%. The rest (0.663 MnT) came from the Remaining Producers, up by 24.6%.
- **Pig Iron:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 0.152 MnT (21% share) down by 11.9%. The rest (0.586 MnT) came from the Remaining Producers, up by 29.2%.
- **Total Finished Steel:** SAIL, RINL, NSL, TSL Group, AM/NS, JSWL Group & JSPL together produced 6.597 MnT (53% share) up by 3.7%. The rest (5.866 MnT) came from the Remaining Producers, up by 6.8%.

Contribution of Public Sector Units (PSU)

- **Crude Steel:** With 84% share, the Private Sector (10.790 MnT, up by 5.1%) led crude steel production compared to the 16% contribution of the PSUs (up by 8.2%).
- **Hot Metal:** With 70% share, the Private Sector (5.312 MnT, up by 6.3%) led hot metal production, compared to the 30% contribution of the PSUs (up by 6.6%).
- **Pig Iron:** With 92% share, the Private Sector (0.678 MnT, up by 23.3%) led pig iron production, compared to the 8% contribution of the PSUs (down by 21.1%).
- **Total Finished Steel:** With 85% share, the Private Sector (10.628 MnT, up by 2.0%) led production of finished steel, compared to the 15% contribution of the PSUs (up by 28.1%).

Contribution of Flat /Non-Flat in Finished Steel

- **Production:** Non-flat products accounted for 56% share (up by 5.4%), the rest 44% was the share of flats (up by 4.9%).
 - **Import:** Flat products accounted for 94% share (down by 13.2%), the rest 6% was the share of non-flats (up by 34.7%).
 - **Export:** Flat products accounted for 81% share (down by 31.7%), the rest 19% was the share of non-flats (up by 20.6%).
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- **Consumption:** Led by Non-flat steel (55% share; up by 5.4%) while the rest 45% was the share of flat steel (up by 6.8%).

Finished Steel Production Trends

- At 12.463 MnT, production of total finished steel was up by 5.1%.
- Contribution of the non-alloy steel segment stood at 11.435 MnT (92% share, up by 4.5%), 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 (5.452 MnT, up by 5.2%) while growth in the non-alloy, flat segment was led by HRC (4.500 MnT, up by 4.3%) during this period.

Finished Steel Export Trends

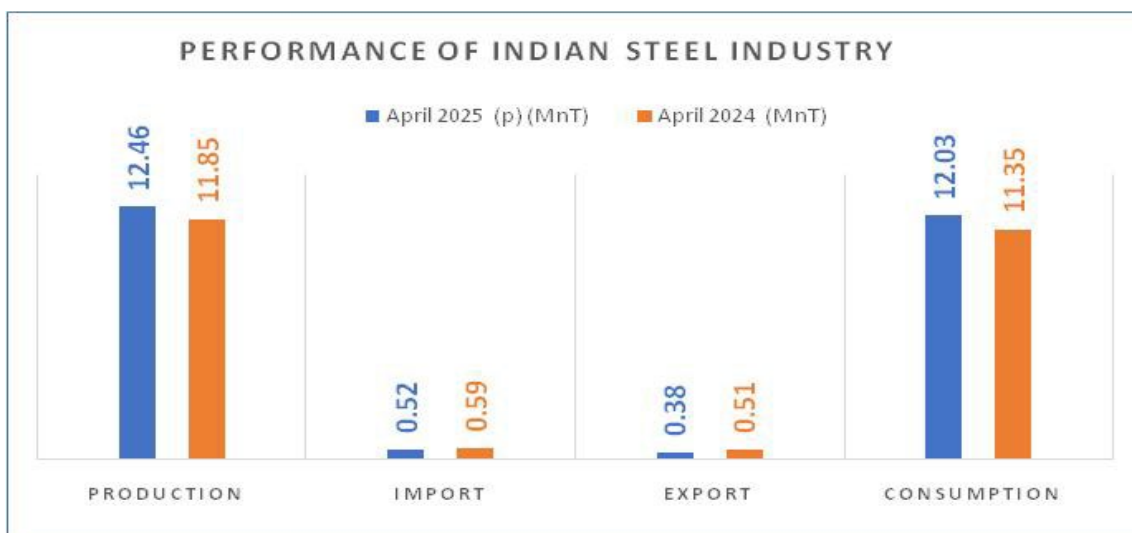
- Overall exports of total finished steel at 0.375 MnT, down by 25.7%.
- Volume wise, HR Coil/Strip (0.087 MnT) was the item most exported (23% share in total finished steel).
- Belgium (0.084 MnT) was the largest export market for India.

Finished Steel Import Trends

- Overall imports of total finished steel at 0.519 MnT, down by 11.3%.
- India was a net importer of total finished steel in April 2025.
- Volume wise, HR Coil/Strip (0.142 MnT, down by 51.8%) was the item most imported (27% share in total finished steel).
- Korea (0.154 MnT) was the largest import market for India (30% share in total).

Finished Steel Consumption Trends

- At 12.031 MnT, consumption of total finished steel was up by 6.0%.
- Contribution of the non-alloy steel segment stood at 10.926 MnT (91% share, up by 4.6%), 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 consumption of total finished steel was Bars & Rods (5.121 MnT, up by 3.1%) while growth in the non-alloy, flat segment was led by HRC (4.264 MnT, up by 3.2%) 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 2025 rose by 2.7% 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 0.5% during April 2025. Crude Oil, Refinery Products and Fertilizer sectors reported contraction in output, while all the others sectors reported positive growth in April 2025. The Cement sector reported the highest growth of 6.7% during the month under review, while Refinery Products sector reported the steepest contraction of 4.5%.

Inflation: The rate of inflation based on Consumer Price Index stood at 2.82% and that on Wholesale Price Index stood at 0.39% in May 2025. Both CPI inflation and WPI inflation fell significantly compared with the previous month.

Prepared by: Joint Plant Committee