

Indian Steel Industry: November 2024 – 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 50.0 in November 2024, up from 49.4 in October 2024. November saw the global manufacturing sector stabilises following four months of contraction. Improved business conditions in mainland China and the rest of Asia contrasted with a deepening downturn in the eurozone.
- Three out of five PMI sub-indices were at levels consistent with expansion in November, as output and new orders registered mild growth and average vendor lead times lengthened. In contrast, employment and stocks of purchases both decreased.
- Manufacturing production rose for the second successive month in November. Although the rate of expansion was only slight, it was nonetheless the best since June. Data broken down by sector signalled that output growth at consumer and intermediate goods producers more than offset a further downturn in the investment goods category.

Key Economic Figures			
Country	GDP 2023: % change*	Manufacturing PMI	
		October 2024	November 2024
India	8.2**	57.5	56.5
China	5.2	50.3	51.5
Japan	1.9	49.2	49
USA	2.5	48.5	49.7
Eurozone	0.5	46	45.2
Brazil	2.9	52.9	52.3
Russia	3.6	50.6	51.3
South Korea	2.6	48.3	50.6
Germany	-0.3	43	43
Turkey	4.5	45.8	48.3
Italy	0.9	46.9	44.5
Source: GDP: official releases; PMI- Markit Economics, *provisional, ** FY 2023-24			

GLOBAL CRUDE STEEL PRODUCTION

World crude steel production stood at 1,547.324 MnT in January-October 2024, registering 1.6% decline year-on-year, according to provisional data released by World Steel Association (worldsteel). In October 2024, world crude steel production was 152.119 MnT, up by 1% compared with the same month of the previous year.

World Crude Steel Production (Prov)			
Rank	Top 10	Jan-Oct 2024 (MnT)	% yoy change
1	China	850.730	(-)3.0
2	India	122.982	5.6
3	Japan	70.214	(-)3.7
4	USA	66.666	(-)1.9
5	Russia	59.435	(-)6.8
6	South Korea	53.064	(-)5.1
7	Germany	31.581	5.0
8	Turkey	30.905	12.4
9	Brazil	28.394	6.0
10	Iran	24.956	0.6
Top 10 Total		1,338.927	(-)1.8
World		1,547.324	(-)1.6
Source: worldsteel			

Major observations:

- China remained the leader in world crude steel production with an output of 850.730 MnT in January-October 2024, registering a decline of 3% compared with the same period of 2023. The country accounted for 55% of world crude steel production during the period under review.
- India was the 2nd largest producer of crude steel with an output of 122.982 MnT in January-October 2024, showing a yoy growth of 5.6%. 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 70.214 MnT in January-October 2024, down by 3.7% compared with the same period of the previous year. Japan accounted for 4.5% of world crude steel production during the period.
- With crude steel production of 66.666 MnT (down 1.9% yoy), the USA was the 4th largest producer of crude steel in January-October 2024.
- Russia's crude steel production stood at 59.435 MnT (down 6.8% yoy) in January-October 2024 and the country was the 5th largest producer of crude steel.
- The top 10 countries' cumulative production in January-October 2024 stood at 1,338.927 MnT (down 1.8% yoy) and they accounted for 86.5% 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 January-October 2024 period.
- Asian crude steel production stood at 1,138.945 MnT in January-October 2024, showing a decline of 2% yoy, led primarily by China and India, with their respective shares of 74.7% and 10.8% in total Asian crude steel production during the period.

GLOBAL DRI PRODUCTION

India led global DRI production in January-October 2024

World DRI production stood at 105.705 MnT in January-October 2024, showing a yoy growth of 6.1%, according to provisional data released by worldsteel. In October 2024, world DRI production was 12.843 MnT, up by 16.9% compared with the same month of the previous year.

World DRI Production (Prov)			
Rank	Top 5	Jan-Oct 2024 (MnT)	% yoy change
1	India	45.192	11.3
2	Iran	30.786	12.1
3	Russia	6.620	4.2
4	Saudi Arabia	5.687	(-)0.1
5	Egypt	5.654	(-)5.0
Top 5 Total		93.939	9.2
World		105.705	6.1
Source: worldsteel			

Major observations:

- India remained the leader in world DRI production with an output of 45.192 MnT (up 11.3% yoy) in January-October 2024. The country accounted for 42.8% of world DRI production during the period under review.
- Iran was the 2nd largest producer of DRI with an output of 30.786 MnT in January-October 2024 (up by 12.1% yoy). It accounted for 29.1% of world DRI production during the period under review.
- Russia ranked third in terms of DRI production with an output of 6.620 MnT (up 4.2% yoy) in January-October 2024. The country accounted for 6.3% of world DRI production during the period.
- The top 5 countries accounted for 88.9% of total world DRI production in January-October 2024 with a cumulative output of 93.939 MnT, up by 9.2% yoy.

WORLD STEEL PRICE TRENDS

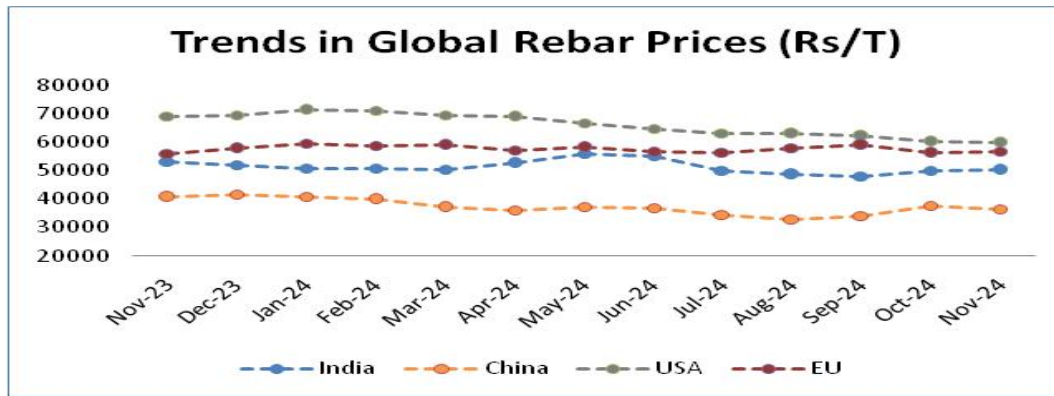
Global steel prices came down in November 2024 on a year-on-year basis in major steel markets like China, India, the USA and the European Union. However, as regards month-on-month comparison, prices were mostly steady with marginal ups and downs compared with the previous month. Going forward, the movement of global steel prices will be contingent upon a number of factors, including the factors as stated below.

- a) *Economic Uncertainties:* The Iran-Israel conflict poses significant challenges that could impact the global economy in multiple ways. The conflict could pose a price shock for the global economy, especially if it disrupts oil supplies from the region or major shipping routes. That apart, it could also destabilize the already volatile West Asian region and affect neighbouring countries.
- b) In the European Union, the steel industry has been experiencing its worst phase since the 2009 financial crisis, exacerbated by global steel overcapacity and allegedly unfair trade practices. The European Steel Association has issued an urgent plea to EU leaders for remedial measures to revive the industry.
- c) 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 factor:* China's economy grew by 4.6% in Q3 2024, the slowest pace since early 2023. A tumbling property sector remains a major challenge for the country as it aces to revitalize growth. China has launched its biggest monetary stimulus measures in September 2024 since Covid-19 pandemic and signalled that more fiscal support was on the way, reflecting the government's urgency in reviving the country's troubled economy.
- 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

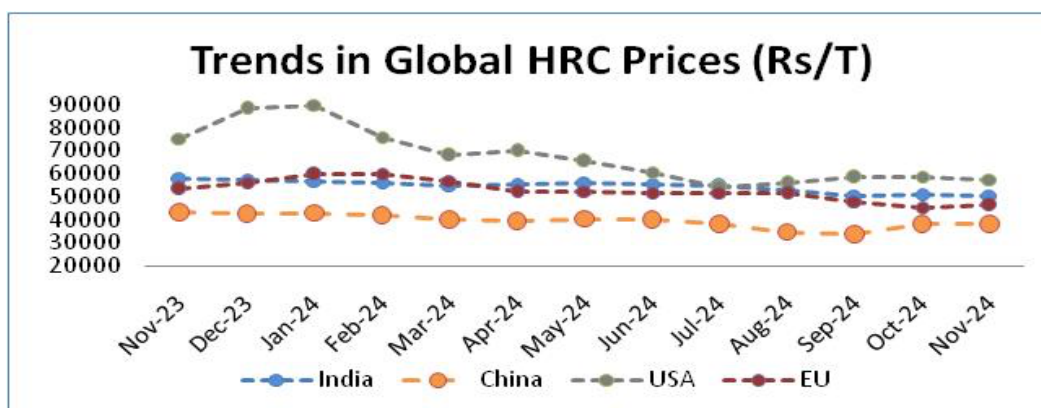
- Rebar / TMT prices have seen fluctuations in all the major markets, due to a mix of seasonal factors, local supply-demand imbalance and policy impact.
 - In November 2024, rebar prices came down on a year-on-year basis in all the major steel markets – China, India, the US and the European Union. As regards month-on-month comparison, prices were mostly steady in November 2024 with marginal ups and downs compared with the previous month.
 - In China, steel prices weakened month-on-month amid languishing market fundamentals, especially as the Trump administration is likely to bring more uncertainty to global trade, making exports more challenging for China's steel and steel-made manufactured goods in 2025, according to trade sources.
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- In the USA, rebar prices were mostly steady as buyers were seeing good activity for November 2024. However, they expect the market to remain quiet into the holidays. Similarly, in India, long steel prices were stable as market participants waited for clarity amid the post festival slowdown.



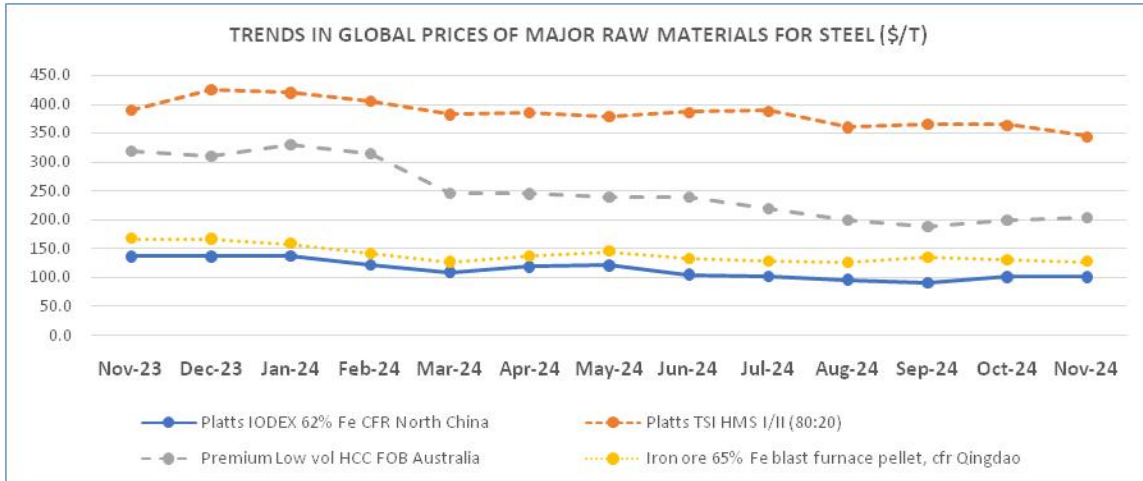
Flat Products

- As in case of rebar, HRC prices have also seen fluctuations in major markets, due to a mix of seasonal factors, local supply-demand imbalance and policy impact.
- In November 2024, 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 November 2024 with marginal ups and downs compared with the previous month.
- Domestic European hot-rolled coil prices remained largely stable in November 2024 as the spread between import and domestic prices continued to narrow amid very few changes to supply-demand fundamentals, according to trade sources.
- In India, HRC prices inched down amid slow market activity during the month under review. Meanwhile, in the USA, flat steel prices were steady as buyers expressed confusion following a recent push from domestic mills to increase base prices amid a prolonged lull in spot trading.



RAW MATERIAL SCENARIO

Prices of major raw materials for steel making have come down year-on-year in November 2024. As regards month-on-month comparison, prices of Platts IODEX 62% Fe CFR North China maintained the status quo and prices of premium Low Vol HCC FOB Australia have gone up. Prices of Platts TSI HMS I/II (80:20) and Iron Ore 65% Fe Blast Furnace Pellet have come down compared with the previous month. (Data source: Platts)



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

NEWS AROUND THE GLOBE

- European Steel Association Eurofer and trade union IndustriAll have urged the European Commission to implement an EU Steel Action Plan to safeguard the sector with robust trade policies, support for green steel investments and measures to secure access to critical raw materials for steelmaking.
- China's finished steel exports reached 11.182 MnT in October, up 40.9% yoy, marking the second highest level ever after September 2015, China's customs data showed.
- Latin America's steel industry will not attain net-zero emissions status by 2050 without state aid, which is currently not on offer, according to industry representatives.
- Turkey aims to cut carbon emissions by 99% in the steel sector, 75% in the aluminum sector and 93% in the cement sector by 2053 through new investment, Murat Kurum, Turkish Minister of the Environment, Urbanization and Climate Change, said.
- Brazilian government foreign trade management body Gecex has turned down requests from industrial consumers and associations to zero out tariffs on imports of various categories of metal and steel products for a 12-month period.
- Ukraine's exports of ferroalloys plunged 80.1% yoy to 66,260 mt in January-October from 334,000 mt exported in the same period of the previous year.

- Italian steelmaker Acciaierie d'Italia has signed a memorandum of understanding with DRI d'Italia, a 100% owned subsidiary of the state investment agency Invitalia, to build a direct reduction iron plant (DRI) at ADI's Taranto site.
- Large Turkish steelmaker Tosyali Holding's steel pipe and profile subsidiary Toscelik will build a 100 MWe solar power plant in Nigde to reduce its energy costs and carbon emissions.
- Marcegaglia Fagersta Stainless announced a euro 100 million investment to double the company's production volumes in the coming years. In Sweden, Marcegaglia produces around 60,000 mt of wire rod and aims to double its total production.
- Tata Steel UK has submitted its hybrid planning application to Neath Port Talbot Council for state of the 3.2 MnT a year electric arc furnace-based steelmaking at its Port Talbot steelworks.
- South Korea's Posco closed its No. 1 700,000 mt/year wire rod mill at Pohang due to a global supply glut, the onslaught of low-cost steel from overseas, and the mill's age that exceeded 45 years.
- Spain-headquartered long steel producer Celsa has sold its UK and Nordic subsidiaries to Czech investment group Sev. en Global Investments and will use the proceeds from the transaction to pay down debts and support its key operations in Spain.
- JSW Steel Italy and Metinvest Adria have signed a commercial agreement to relaunch the Piombino steel hub in coastal southern Tuscany. JSW Steel Italy is a subsidiary of Indian steelmaker JSW Steel.

INDIAN STEEL MARKET ROUND-UP

The following is a status report on the performance of Indian steel industry during April-October 2024, based on provisional data released by Joint Plant Committee (JPC) in its MIS Report for April-October 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-October 2024*(MnT)	April-October 2023 (MnT)	% change*
Crude Steel Production	85.404	82.471	3.6
Hot Metal Production	50.851	49.944	1.8
Pig Iron Production	4.810	4.342	10.8
Sponge Iron Production	31.841	29.239	8.9
Total Finished Steel (alloy/stainless + non-alloy)			
Production	82.808	79.135	4.6
Import	5.768	4.059	42.1
Export	2.753	3.896	-29.3
Consumption	85.698	76.012	12.7
Source: JPC; *provisional; MnT=million tonnes			

Overall Production

- **Crude Steel:** Production at 85.404 million tonnes (MnT), up by 3.6%.
- **Hot Metal:** Production at 50.851 MnT, up by 1.8%.
- **Pig Iron:** Production at 4.810 MnT, up by 10.8%.
- **Sponge Iron:** Production at 31.841 MnT, up by 8.9%, led by coal-based route (85% share).
- **Total Finished Steel:** Production at 82.808 MnT, up by 4.6%.

Contribution of Other Producers

- **Crude Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 48.826 MnT (57% share) during this period, down by 0.7%. The rest (36.578 MnT) came from the Remaining Producers, up by 9.8%.
- **Hot Metal:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 46.765 MnT (92% share) up by 0.8%. The rest (4.086 MnT) came from the Remaining Producers, up by 14.5%.
- **Pig Iron:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 1.301 MnT (27% share) down by 3.8%. The rest (3.509 MnT) came from the Remaining Producers, up by 17.4%.
- **Total Finished Steel:** SAIL, RINL, TSL Group, AM/NS, JSWL Group & JSPL together produced 45.178 MnT (55% share) up by 1.3%. The rest (37.631 MnT) came from the Remaining Producers, up by 8.9%.

Contribution of Public Sector Units (PSU)

- **Crude Steel:** With 84% share, the Private Sector (71.810 MnT, up by 4.4%) led crude steel production compared to the 16% contribution of the PSUs (down by 0.5%).
- **Hot Metal:** With 71% share, the Private Sector (36.020 MnT, up by 2.3%) led hot metal production, compared to the 29% contribution of the PSUs (up by 0.6%).
- **Pig Iron:** With 89% share, the Private Sector (4.279 MnT, up by 7.4%) led pig iron production, compared to the 11% contribution of the PSUs (up by 48.4%).
- **Total Finished Steel:** With 86% share, the Private Sector (71.406 MnT, up by 5.9%) led production of finished steel, compared to the 14% contribution of the PSUs (down by 2.7%).

Contribution of Flat /Non-Flat in Finished Steel

- **Production:** Non-flat products accounted for 55% share (up by 5.5%), the rest 45% was the share of flats (up by 3.6%).
 - **Import:** Flat products accounted for 95% share (up by 43.6%), the rest 5% was the share of non-flats (up by 20.3%).
 - **Export:** Flat products accounted for 84% share (down by 32.3%), the rest 16% was the share of non-flats (down by 8.0%).
 - **Consumption:** Led by Non-flat steel (53% share; up by 10.3%) while the rest 47%
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was the share of flat steel (up by 15.7%).

Finished Steel Production Trends

- At 82.808 MnT, production of total finished steel was up by 4.6%.
- Contribution of the non-alloy steel segment stood at 76.377 MnT (92% share, up by 3.5%), 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 (35.363 MnT, up by 6.0%) while growth in the non-alloy, flat segment was led by HRC (30.618 MnT, up by 0.9%) during this period.

Finished Steel Export Trends

- Overall exports of total finished steel at 2.753 MnT, down by 29.3%.
- Volume wise, HR Coil/Strip (0.666 MnT) was the item most exported (24% share in total finished steel).
- Italy (0.481 MnT) was the largest export market for India.

Finished Steel Import Trends

- Overall imports of total finished steel at 5.768 MnT, up by 42.1%.
- India was a net importer of total finished steel in April-October 2024-25.
- Volume wise, HR Coil/Strip (2.589 MnT) was the item most imported (45% share in total finished steel).
- China (1.742 MnT) was the largest import market for India (30% share in total).

Finished Steel Consumption Trends

- At 85.698 MnT, consumption of total finished steel was up by 12.7%.
- Contribution of the non-alloy steel segment stood at 78.134 MnT (91% share, up by 11.6%), 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 (35.365 MnT, up by 10.9%) while growth in the non-alloy, flat segment was led by HRC (32.384 MnT, up by 13.4%) 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-October 2024-25 rose by 4% 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 4.1% during April-October 2024-25. Barring Crude Oil, all the other sectors reported positive growth during the period. While crude oil sector reported a contraction of 2.5% in April-October 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 5.48% and that on Wholesale Price Index stood at 1.89% in November 2024. Both CPI inflation and WPI inflation came down compared with the previous month.

Prepared by: Joint Plant Committee