

Report on the Performance of the Indian Steel Industry (FY 2024–25)

Executive Summary:

The Indian steel industry continues to demonstrate robust and sustainable growth, reinforcing its position as a key global player. With significant increases in both production and consumption, India remains the second-largest producer of steel and the world leader in sponge iron manufacturing.

Production Overview:

In the financial year 2024–25, India's sponge iron production rose by 7.9%, with 82–83% of the output derived from coal-based processes. The remaining production utilized natural gas and syngas as alternative energy sources, reflecting a gradual diversification in fuel usage.

Crude steel production also saw an upward trend, registering a 5.3% increase compared to the previous fiscal year. This growth is indicative of strong demand and capacity utilization across the sector.

Global Positioning:

India maintained its position as the second-largest steel producer globally and the leading manufacturer of sponge iron, further solidifying its role in the international steel supply chain.

Domestic Consumption and Trade Balance:

India emerged as a bright spot for the global steel industry, with domestic consumption increasing by 11.5% in FY 2024–25. This surge in internal demand has reshaped trade dynamics:

- Exports declined by 35.1%, primarily due to increased domestic absorption.
- Imports grew by 14.8%, likely reflecting the demand for specific grades or types of steel not sufficiently produced locally.

Conclusion:

The Indian steel industry's performance in FY 2024–25 reflects a healthy, demand-driven expansion. With steady production growth, rising domestic consumption, and continued leadership in sponge iron manufacturing, India remains a critical pillar of the global steel market.

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