

AN OVERVIEW OF STEEL SECTOR¹

1. Introduction

Global Scenario

- In 2024, the world crude steel production reached 1,886.9 million tonnes (MT) as per provisional data released by World Steel Association. World Steel Association in its Short-Range Outlook, released in October 2025, has forecast that steel demand will remain flat year-on-year in 2025 at 1,748.6 MT while in 2026, it is expected to register a growth of 1.3% and reach 1771.9 MT.
- India is the second largest producer of crude steel. China was world's largest crude steel producer in 2024 (1,005.1MT) followed by India (149.4 MT), Japan (84.0 MT) and the USA (79.5 MT). (Source: World Steel Association and the data is provisional)
- Per capita finished steel consumption in 2024 was 215 kg for world and 604 kg for China as per provisional data released by World Steel Association. The same for India was 108 kg in 2024-25 (Source: JPC).

Domestic Scenario

- Steel is a de-regulated sector. The Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31.
- Government of India is implementing a Production-linked Incentive (PLI) Scheme for Specialty Steel. It is expected that the specialty steel production will reach 42 MT by the end of 2026-27.
- India's crude steel capacity was 200.3 mt in 2024-25.

2. Performance of Steel sector

- Production of pig iron, sponge iron and total finished steel (alloy/stainless + non-alloy) are given in table below for last five years and current year:

Category	2020-21	2021-22	2022-23	2023-24	2024-25	Apr-Jan 2025-26*
Pig Iron	4.88	6.26	5.86	7.36	8.33	7.06
Sponge Iron	34.38	39.20	43.62	51.56	55.76	44.54**
Total Finished Steel	96.20	113.60	123.20	139.15	146.69	132.25

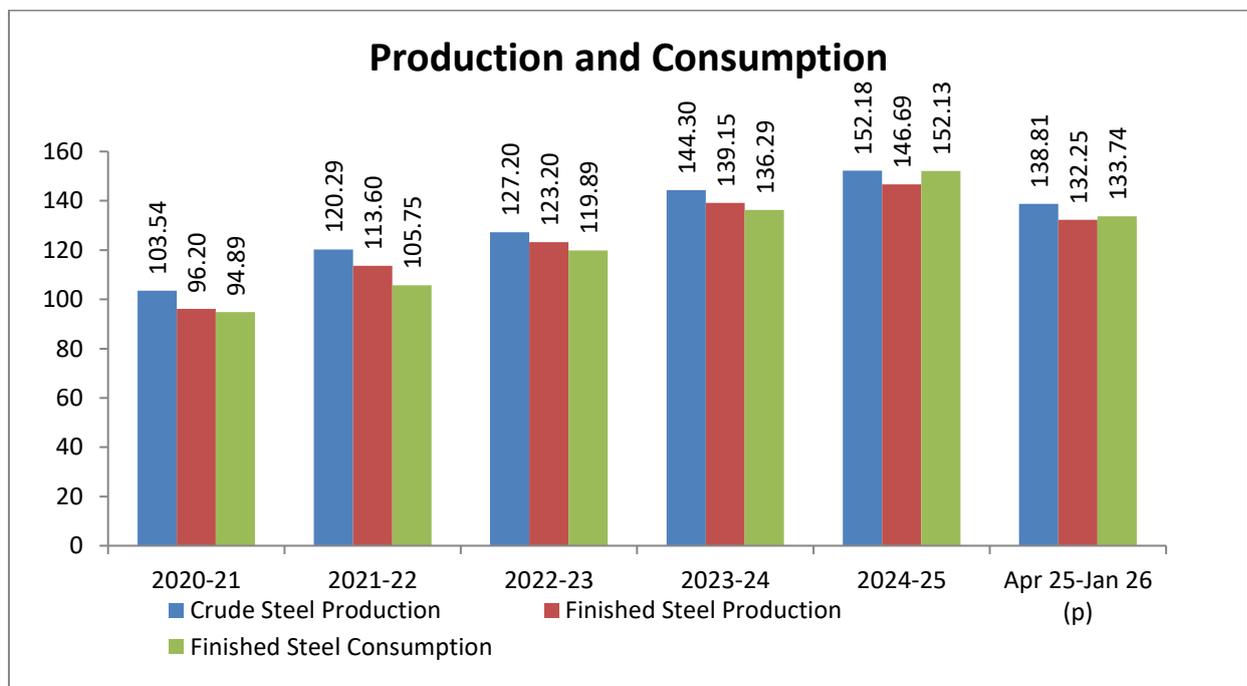
Source: Joint Plant Committee; *Provisional; **for Apr-Dec 2026 period

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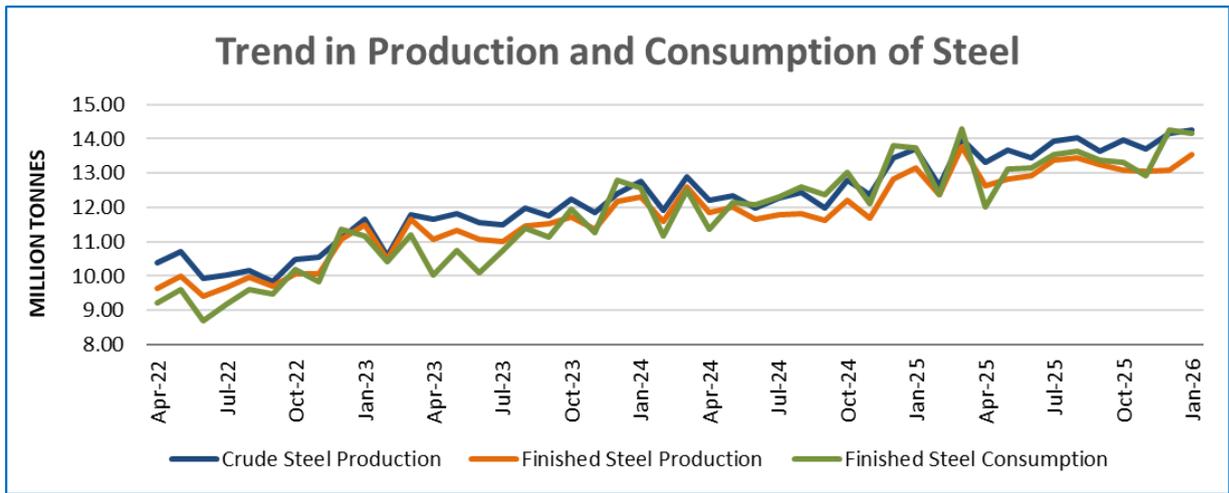
- Performance of Steel sector during 2024-25 has been the best ever of any fiscal year. Cumulative production and consumption of steel during the last five financial years and the current year are given in the following table and graph below:

Table 2: Production and consumption in Million Tonne						
Category	2020-21	2021-22	2022-23	2023-24	2024-25	Apr-Jan* 2025-26
Crude production	103.54	120.29	127.20	144.30	152.18	138.82
Finished Steel production	96.20	113.60	123.20	139.15	146.69	132.26
Consumption	94.89	105.75	119.89	136.29	152.13	133.74

Source: Joint Plant Committee; *Provisional

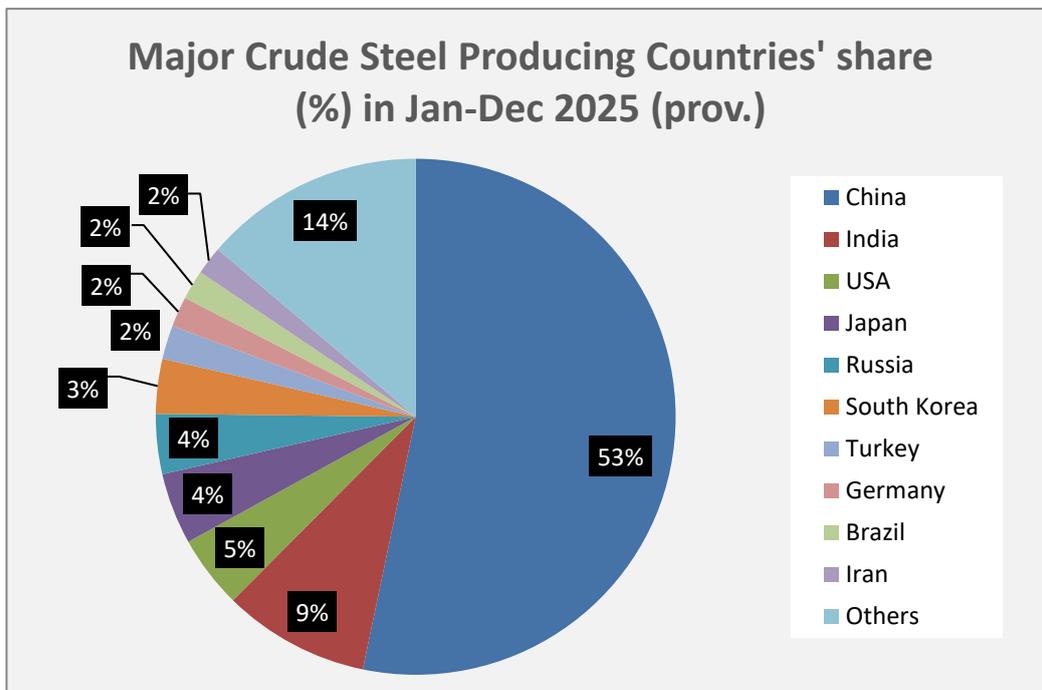


- The month-wise production and consumption indicates month-on-month fluctuations. Broadly speaking it has shown an increasing trend after 2020-21, during which production and consumption was adversely affected by Covid-19 pandemic. The production of crude steel, finished steel and consumption since April, 2022 may be seen from Graph Below:



- The global production of crude steel declined by 2% year-on-year to 1803.77 Mt in January-December 2025 (provisional) against 1840.86 Mt in January- December 2024. Among the top 10 countries, only India, the USA, Iran and Turkey reported growth in output. The remaining countries ~ China, Japan, Russia, South Korea, Germany and Brazil reported fall in crude steel production in this year.

India reported a 10.4% growth in production while the USA reported a 3.1% increase in output. China, the world’s largest producer, registered a 4.4% fall in output while Germany reported a significant 8.6% decline in production during the period. Country wise share of crude steel production in January-December 2025 may be seen from the following graph:



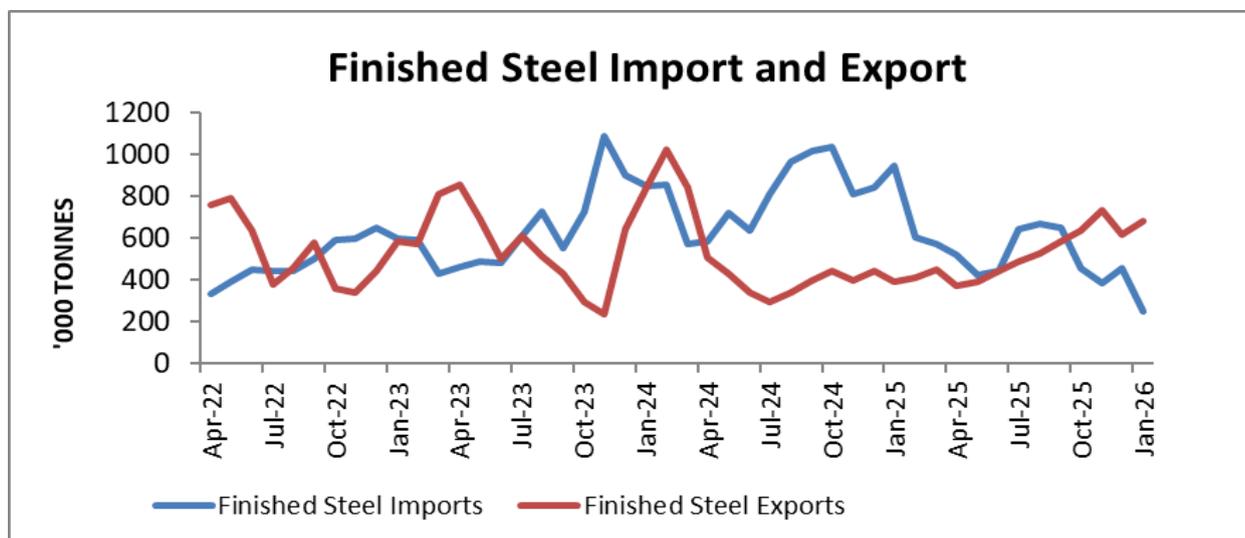
3. International Trade of Steel

- India was a net exporter of total finished steel from 2020-21 to 2022-23, but the country became net importer of finished steel in 2023-24 and 2024-25. In April-January of 2025-26, India again became a net exporter of finished steel, according to provisional data from JPC. The table below contains the details:

Item	2020-21	2021-22	2022-23	2023-24	2024-25	Apr-Jan 2025-26*
Export	10784	13494	6716	7487	4858	5479
Imports	4752	4669	6021	8320	9551	4901
Net Exports/Imports	6031	8824	695	833	4693	578
Source: JPC, *provisional						

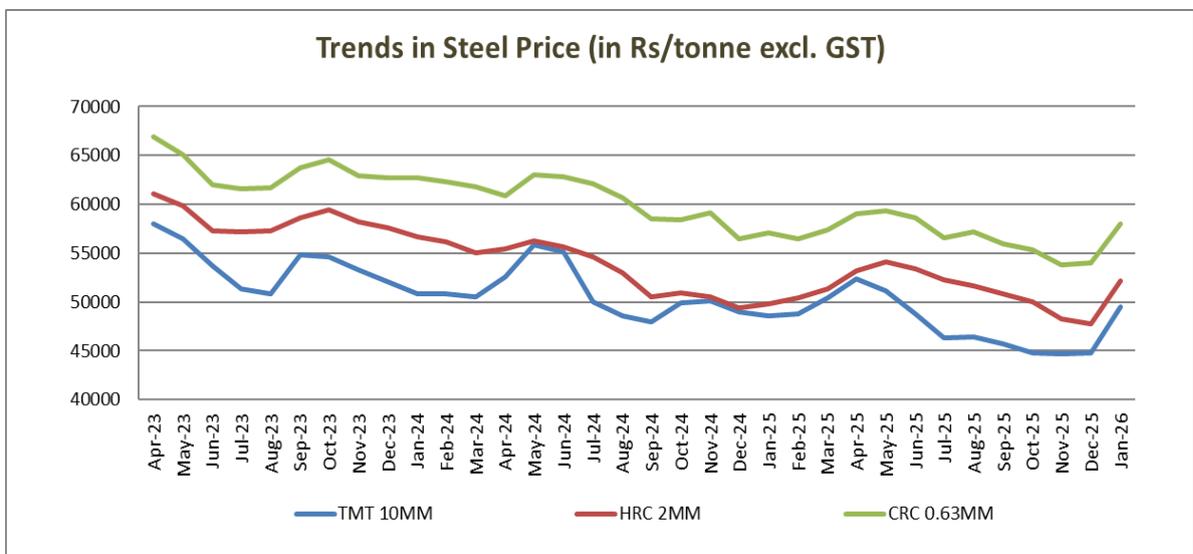
- Month-wise data from January 2025 to January 2026 indicate that India was a net exporter throughout the period, excluding January'25, February'25, March'25, April'25, May'25, June'25, August'25, September'25 and October 25. The table and graph below contain the details.

Item	Jan 25	Feb 25	Mar 25	Apr 25*	May 25*	June 25*	July 25*	Aug 25*	Sep 25*	Oct 25*	Nov 25	Dec 25	Jan 26
Imports	944	606	575	519	424	440	641	667	651	458	386	458	252
Exports	394	409	453	375	390	446	485	528	584	639	733	615	681
Net Imports/Exports	550	197	122	144	33	6	156	140	68	181	346	157	429
Source: JPC, *data is provisional													

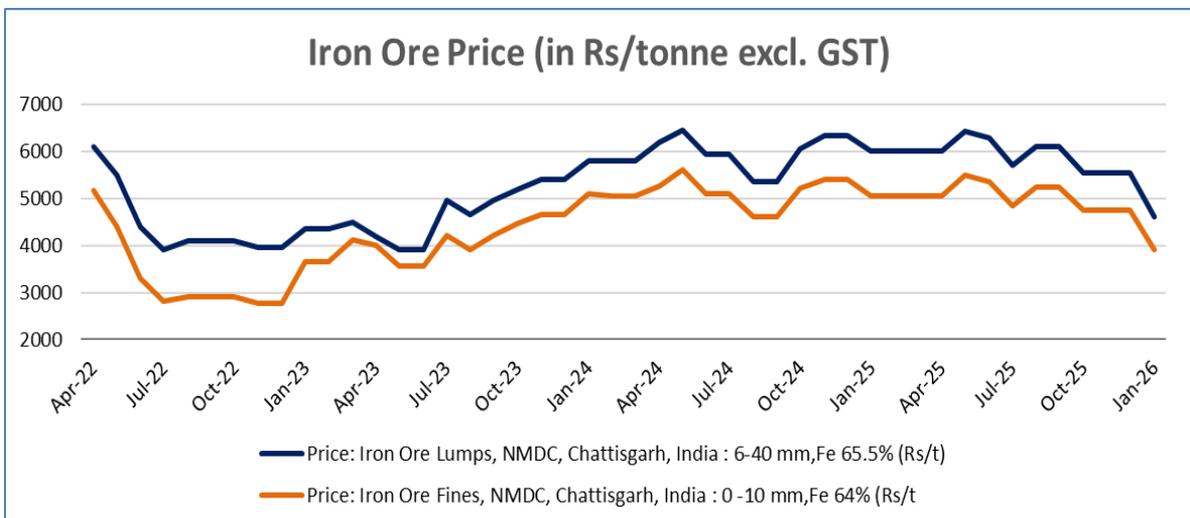


4. Steel Prices

- Price regulation of iron & steel was abolished on 16.1.1992. Since then, domestic steel prices are determined by the interplay of market forces.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment.
- The fluctuations in retail prices of steel (TMT, HRC and CRC) may be seen from the following graph:



- Iron ore prices showed wide fluctuations during the last three years. Prices, however, have generally moved upwards since December 2022. In 2025, prices remained flat in the beginning, from January to April 2025, followed by ups and downs, as maybe seen from the graph below:



5. Important Policies and initiatives of Government of India

Steel is a de-regulated sector, Government acts as a facilitator, by creating conducive policy environment for development of the steel sector. The Government of India has notified National Steel Policy, 2017 which envisages development of a technologically advanced and globally competitive steel industry that provides environment for attaining self-sufficiency in steel production by providing policy support and guidance to steel producers. National Steel Policy covers all aspects of the steel sector such as steel demand, steel capacity, raw material security, infrastructure and logistics, Research & Development (R&D) and energy efficiency. Overall projections of domestic crude steel capacity, production and per capita finished steel consumption value envisaged in the National Steel Policy (NSP) 2017 are shown below: -

S. No.	Parameter	Projections (2030-31)
1	Total Crude Steel Capacity	300 mt
2	Total Crude Steel demand/Production	255 mt
3	Per Capita Finished Steel Consumption	158 kg
Sources: National Steel Policy (NSP) 2017		mt: Million Tonnes

- **Production Linked Incentive (PLI) Scheme** for Specialty Steel was launched by the Union Cabinet on 29.07.2021, with financial outlay of Rs. 6,322 crore to promote the manufacturing of 'Specialty Steel' within the country by attracting capital investment, generate employment and promote technology up-gradation in the steel sector.

The third round of the Production-Linked Incentive (PLI) Scheme for Specialty Steel (PLI 1.2) was launched on 4 November 2025 to attract fresh investments in advanced and emerging categories such as super alloys, CRGO steel, stainless steel (long and flat products), titanium alloys, etc. A total of 118 applications were received from companies. After evaluation, the Ministry of Steel will sign Memoranda of Understanding (MoUs) with 55 companies for 85 eligible applications under PLI Scheme 1.2. This round is expected to attract a committed investment of ₹13,203 crore and a committed capacity of 8.723 million tonnes.

So far, the Ministry has disbursed ₹236 crore as incentives under the PLI Scheme for Specialty Steel. The Ministry has been regularly reviewing the performance of the projects. After a recent review, it has been decided to drop 20 out of 44 projects under PLI 1.0 that have not shown progress in either investment or production.

- **Steel Quality Control Order (QCO):** Ministry of Steel has introduced Steel Quality Control Order (QCO) thereby banning sub-standard/ defective steel products both from domestic & imports to ensure the availability of quality steel to the industry, users and public at large. As per the Order, it is ensured that only quality steel conforming to the relevant BIS standards are made available to the end users. As on date 151 Indian Standards stands notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel have been notified under the QCO.

Suspension of 55 standards from Quality Control Order (QCO) Order date 20/11/2025: As per the recommendations of the Report of High-Level Committee on Non-

Financial Regulatory Reforms regarding Quality Control Orders on Steel Products, the Ministry of Steel, after consultations with the Bureau of Indian Standards (BIS) and has issued the Steel and Steel Products (Quality Control) Amendment Order, 2025, thereby adopting a calibrated approach and suspending QCO enforcement for 55 standards (42 standards for three years and 13 standards relating to specialty steel under PLI 1.2 for one year). The remaining standards have been retained on grounds of unfair trade practices, national security, adequate domestic capacity, and the need to protect small steel producers

- **Research & Development (R&D):** Ministry of Steel is providing financial assistance for Research & Development (R&D) by supporting collaborative projects with academic institutions, research laboratories, and steel companies to address technological challenges in the iron and steel sector.

1. An annual budget of ₹5–10 crore has been earmarked under the R&D Scheme to promote innovation in the steel sector.
2. The thrust areas for providing financial assistance under the R&D Scheme, are development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (low emission steel production, H₂ based iron & steel production, CCUS etc.), waste utilization, energy & resource efficiency etc.
3. Till date, total of 75 projects have been approved under the scheme. Of these, 35 R&D projects have been completed out of which six have been successfully adopted by the industry, 23 have achieved success at the laboratory scale, while six did not yield the desired outcomes. At present, 29 projects are ongoing, and another 11 are nearing completion.
4. During FY 2025–26, the entire allocated budget of ₹6 crore under the R&D scheme has been fully utilized. Additionally, budgetary re appropriation of an additional amount of ₹1 crore has been made to meet the project requirements.
5. Six new proposals have been received and are presently under scrutiny.

Further, in accordance with DoE guidelines, a third-party evaluation of the scheme has been completed, and the scheme has been revised for the next 5 years.

- **Steel Import Monitoring System (SIMS):** SIMS, introduced in 2019, provides detailed data related to imports of steel in India. Based on industry feedback, the Ministry has revamped the portal to develop a more effective SIMS. It is a significant step forward in monitoring steel imports and promoting the growth of the domestic steel industry. Availability of such detailed data not only provides input for policy making but also signals areas for production and growth to the domestic steel industry.

In an effort to simplify the process of compulsory registration under the SIMS for imports of 'small consignments' pertaining to iron and steel items by MSMEs and other small importers; and imports made under Advance Authorization, SEZ and EOU route for 'export purposes', a new facility of 'SARAL SIMS' has been introduced with effect from 21.11.25.

Further, the registration process under the regular SIMS has also been significantly simplified by substantially reducing the number of fields to be filled by importers for facilitating the Ease of Doing Business
