IndianSteel ASSOCIATION

# A REVIEW OF DEVELOPMENTS IN THE GLOBAL AND INDIAN STEEL INDUSTRY

## Issue No – 114

## May - 2026

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# About the Report

- The Indian Steel Association introduced a monthly report titled '**A REVIEW OF DEVELOPMENTS IN GLOBAL & INDIAN STEEL INDUSTRY'**, from August 2016.

- The report provides general background information reviewing the status of the developments in the global and Indian steel industry, pertaining to raw material, production & consumption, trade, shipping & forecasts, country reportage, policy developments, economic parameters etc.

- The report provides the various aspects of Global and Domestic Steel Scenario.

- Any Latest available data is also shared in this report.

- The information has been sourced from independent third party databases, knowledge sources and news reports, and the authenticity of the data has not been independently verified by ISA.

- The report is issued on monthly basis to the members of Indian Steel Association.

- All the units are in Million tons (denoted by MT)

# Contents



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# GLOBAL ECONOMIC DEVELOPMENT

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# Global Economy Outlook

## Overview:

- The global economy entered 2026 on a positive note, with the IMF projecting global growth of 3.3% in Jan’26. **However, global growth forecast for 2026 was subsequently revised down to 3.1% in the April by IMF**

- **The initial growth momentum, supported by AI-led investment, easing trade tensions, and accommodative financial conditions, was disrupted by the conflict**.

- **The energy shock reversed the expected disinflation trend, with the IMF raising its 2026 global inflation forecast from 3.8% (Jan) to 4.4% (Apr), with forecasted inflation rising to 5.4–6.0% under adverse scenarios**.

- The 2027 outlook remains one of moderate growth (3.2%): the U.S. and euro area are expected to expand steadily as inflation eases, while India remains the fastest-growing major economy, supported by resilient domestic demand and public investment.

| Growth Drivers | Growth Headwinds |
|---|---|
| Accommodative financial conditions and lower-than-expected US tariffs | Higher oil, gas and fertilizer prices due to West Asia conflict and supply chain disruptions |
| Supportive fiscal and monetary policies and easing trade tensions | Risk of higher policy rates by major central banks due to persistent inflation |
| Strong private sector resilience | Structural weaknesses (China's domestic demand, weak US employment growth) and limited fiscal space due to high public debt |

Source: IMF

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# Global Economy Outlook

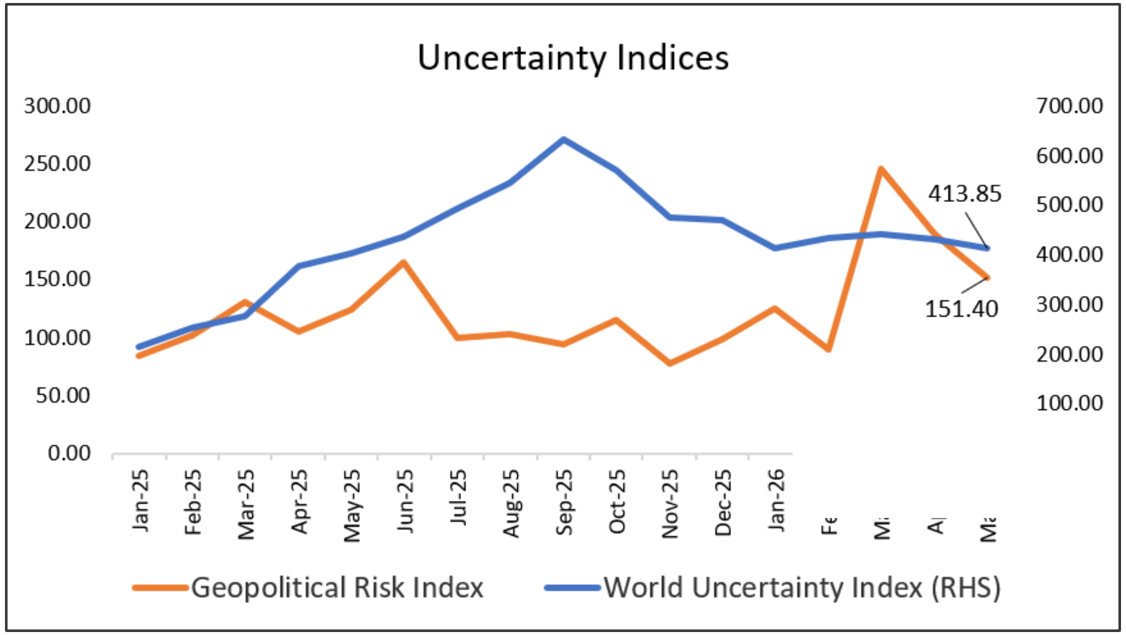
**Global Uncertainty and Global Supply Chain Pressure:**

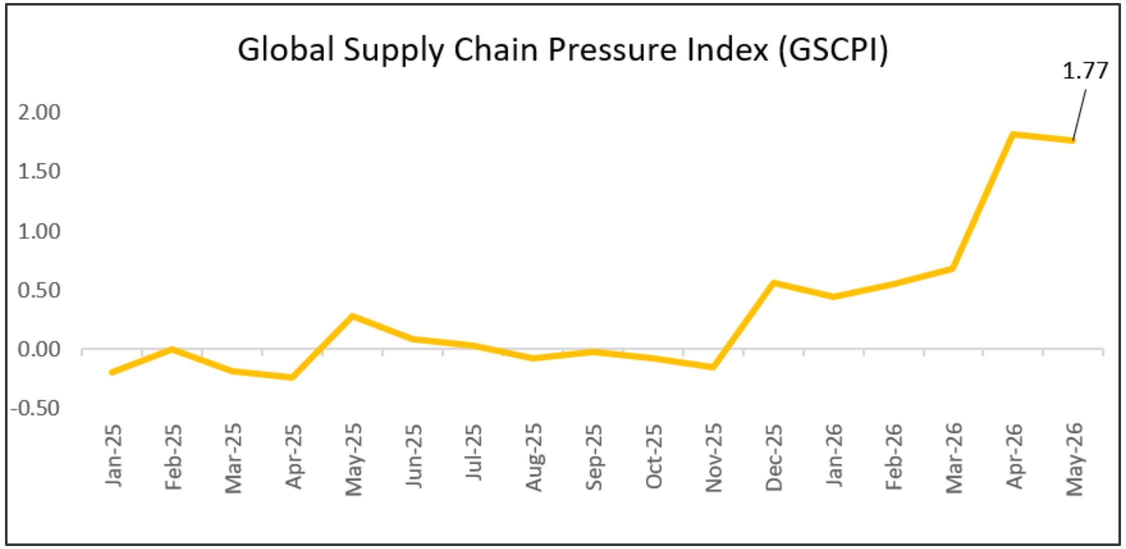
- World Uncertainty Index (policy uncertainty across trade, fiscal, monetary and political conditions) continue to ease in 2026 from Sep 2025 high as trade tensions moderated.

- Geopolitical Risk Index (news-based measure of wars and security threats) peaked in March 2026 during the Middle East conflict before moderating in April-May, though it remains elevated.

- The Global Supply Chain Pressure Index (GSCPI) rose sharply to its highest level in April–May 2026, reflecting supply chain disruptions triggered by the West Asia conflict.

- According to WTO, crude oil shipments through the Strait of Hormuz fell by 95–98% during March–May 2026 versus the 2025 average, tightening energy supplies, raising oil prices, and amplifying global inflation and growth risks.




**Source: PolicyUncertainty.com , WUI database, Federal Reserve Bank of New York**

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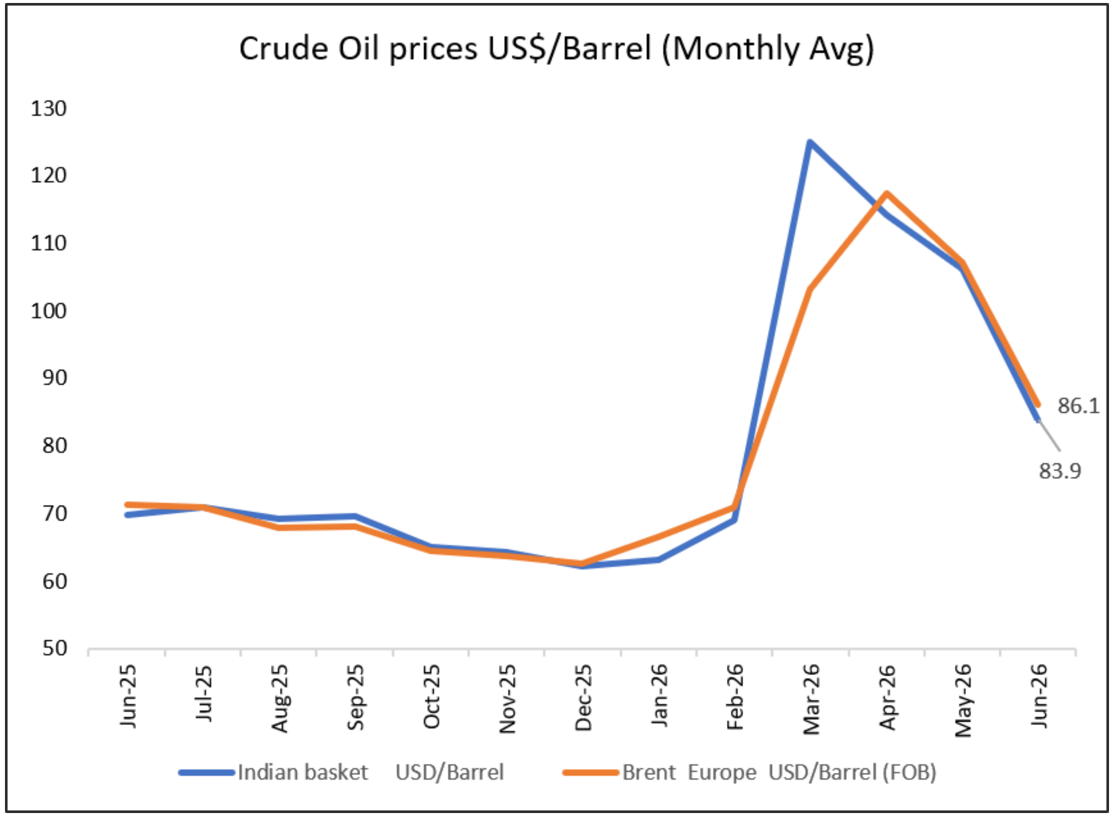
# Global Economy Outlook

## Oil Price Trends

- Crude oil prices surged following the West Asia conflict, with the Indian Basket peaking at US$124.9/bbl (March 2026) and Brent at US$117.3/bbl (April 2026).

- Prices moderated during May–June as fears of prolonged Strait of Hormuz disruptions eased; however, the RBI continues to identify energy price volatility as a key upside risk to inflation and India's external sector.




Source: PPAC, USEIA

## Global Manufacturing Conditions

- Among major advanced economies**,** composite PMI rose in the **U.S.** and **UK**, but declined in the **euro area** and **Japan in xxx**. The US Federal Reserve noted resilient but moderating U.S. manufacturing, while the **ECB** expects only a gradual recovery amid elevated energy prices and geopolitical risks.

- Among EMDEs**,** business activity expanded in **India** and **China**. Indian manufacturing remained resilient, with business sentiment in expansion despite higher input costs, supply chain disruptions and weaker external demand.

**Source: PPAC,USEIA,RBI,CMIE**

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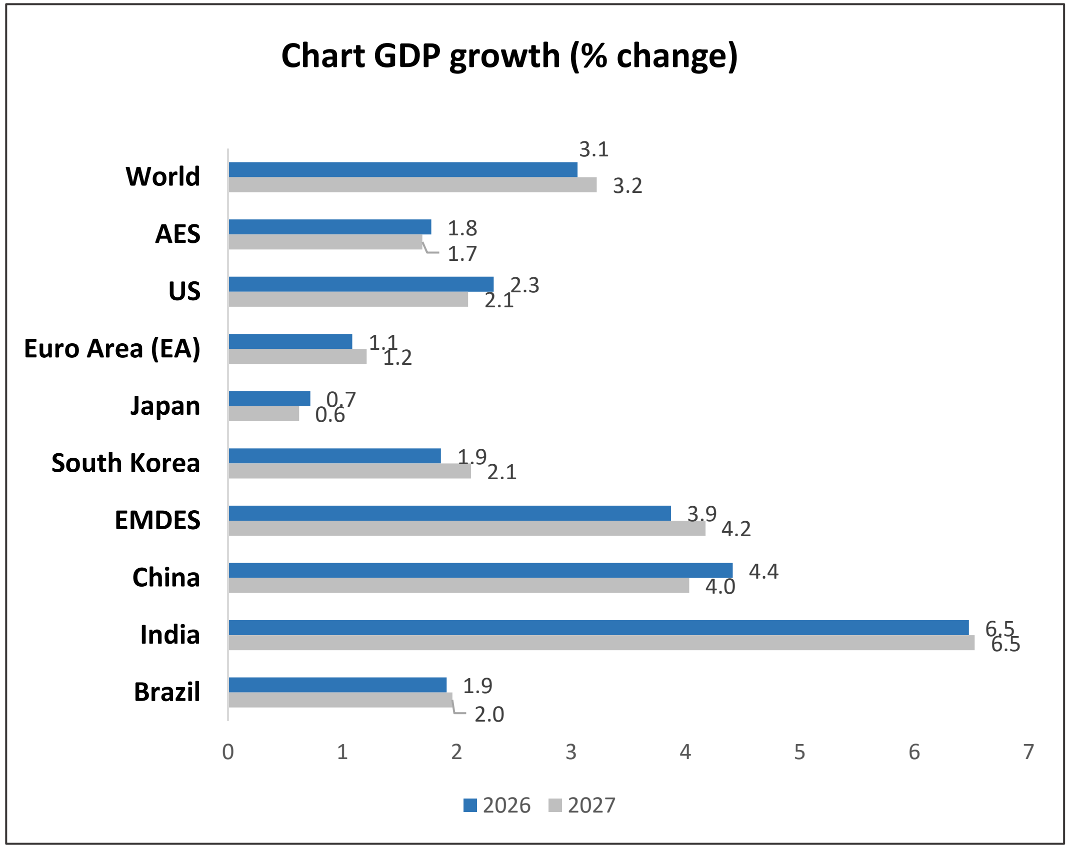
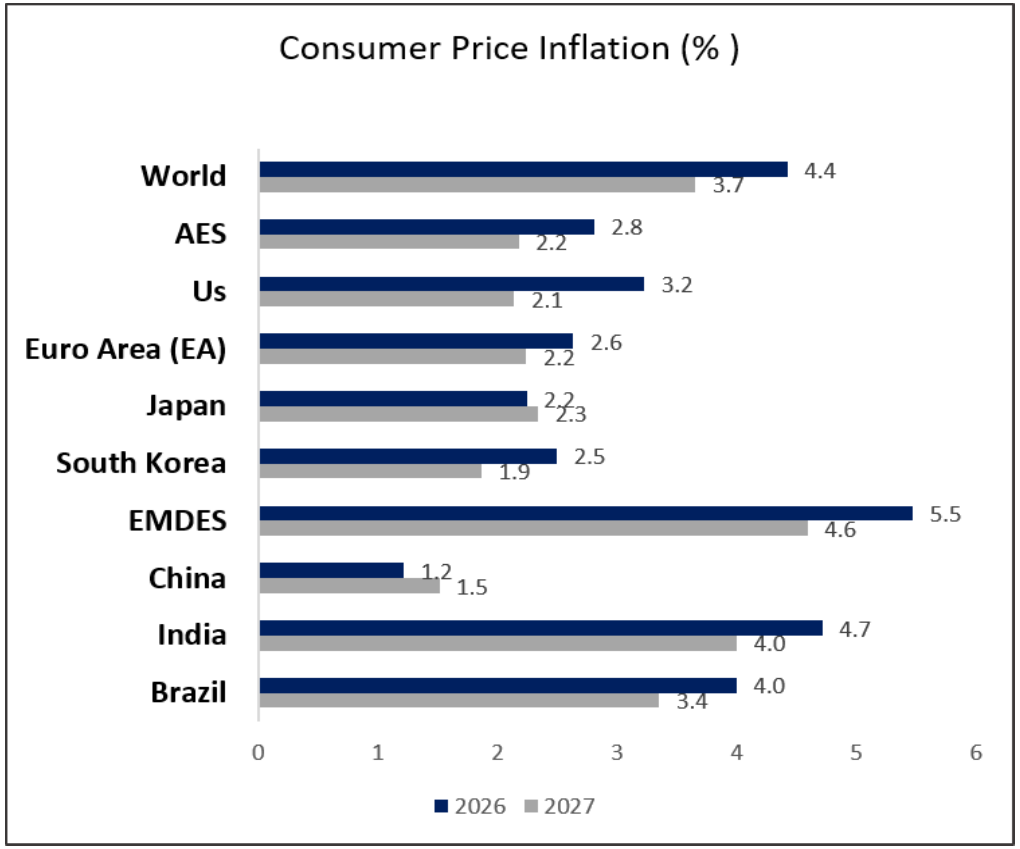
# Global Economy Outlook

**Growth Outlook:** IMF projects **world GDP growth at 3.2% in 2027**, with **emerging market and developing economies** continuing to outperform **advanced economies**, despite persistent risks from geopolitical tensions, trade fragmentation, and policy uncertainty.

**Global Inflation Outlook:** Global inflation is expected to increase to 4.4% in 2026, from 4.2% in 2025, led by Higher commodity prices, and logistics costs following the West Asia conflict. In 2027, inflation could moderate to 3.7%.




**Source: IMF**

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# GLOBAL STEEL DEVELOPMENT

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# Global Steel Outlook

***World crude steel production for the 70 countries reporting to the World Steel Association (world steel) was 157.9 million tones (Mt) in May 2026, a 0.3% decrease compared to May 2025.***

| Region | May 2026 (Mt) | % change May 26/25 | Jan-May 2026 (Mt) | % change Jan-May 26/25 |
|---|---|---|---|---|
| *Africa* | 2.1 | 10.3 | 10.5 | 8.2 |
| *Asia and Oceania* | 116.2 | -0.9 | 574.4 | -1.5 |
| *EU (27)* | 11.4 | -0.4 | 54.4 | -1.5 |
| *Europe, Other* | 3.8 | 4.9 | 18.4 | 4.6 |
| *Middle East* | 3.9 | -19.4 | 19.9 | -14.6 |
| *North America* | 10.1 | 15.6 | 47 | 5.9 |
| *Russia & other CIS + Ukraine* | 6.7 | -4.8 | 31.6 | -9.6 |
| *South America* | 3.5 | 3.7 | 17 | -0.7 |
| **Total 70 countries** | **157.9** | **-0.3** | **773.1** | **-1.5** |

Source: World Steel Association

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# Top 10 Crude Steel Producing Countries in the World

| Country | May 2026 (Mt) | % change May 26/25 | Jan-May 2026 (Mt) | % change Jan-May 26/25 |
|---|---|---|---|---|
| China | 84.4 | -2.7 | 415.5 | -3.9 |
| **India** | **14.1** | **1.9** | **72.9** | **7.8** |
| United States | 7.5 | 9.2 | 35.6 | 6.8 |
| Japan | 7 | 1.7 | 33.6 | -0.7 |
| South Korea | 5.4 | 3.3 | 26.4 | 2.7 |
| Russia (e) | 5.6 | -5.4 | 26.4 | -10 |
| Türkiye | 3.4 | 8.9 | 16.5 | 6.8 |
| Germany | 3.2 | 7.3 | 15.7 | 8.8 |
| Brazil | 2.8 | 2.4 | 13.4 | -1.9 |
| Viet Nam | 2.6 | 27.2 | 12.6 | 26.8 |

Source: World Steel Association, Mt- Million tons

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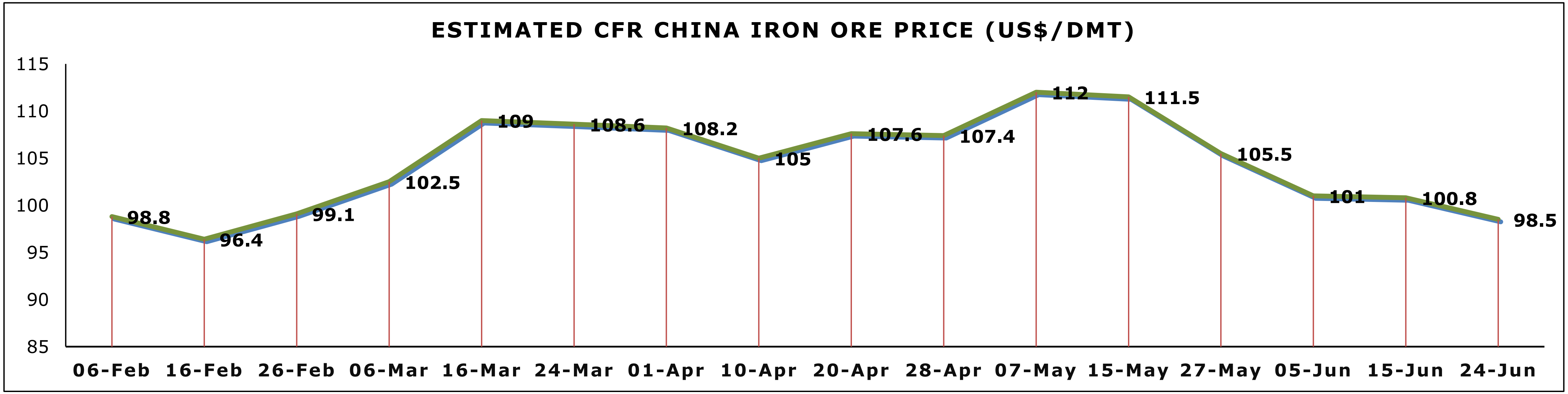
# China Iron Ore Market Update (June 2026)

- **Iron ore price increased** to **US$98.45/dmt CFR China**, mainly because buying improved after the holidays.
- **Chinese domestic iron ore and coke prices increased**, which supported iron ore prices.
- **Steel mills started buying again** as prices had fallen to their **lowest level in nearly one year**.
- **Outlook:** Iron ore prices may get **short-term support**, but **weak steel demand and slow trading** could limit further price increases.




**Source: Big Mint data**



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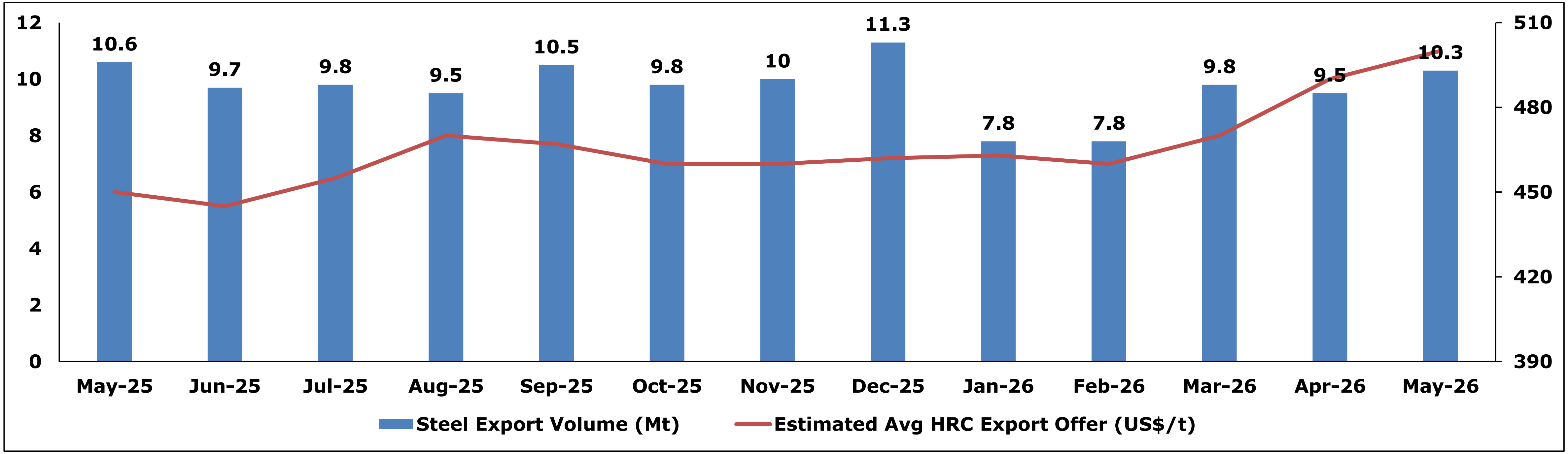
# China Steel Exports and Avg HRC Export offer

- **China exported 10.34 million tons of finished steel in May 2026**, the **highest in the last 5 months**, mainly due to temporary higher overseas demand.
- **Weak demand in China's property and construction sector** is forcing steel mills to **sell more steel in export markets**.
- **Iran's steel supply disruptions** created a shortage in the Middle East and Southeast Asia, allowing **China to increase its exports**.
- **Many countries are imposing anti-dumping duties and import restrictions** on Chinese steel, making exports more difficult.




Source: Big Mint data

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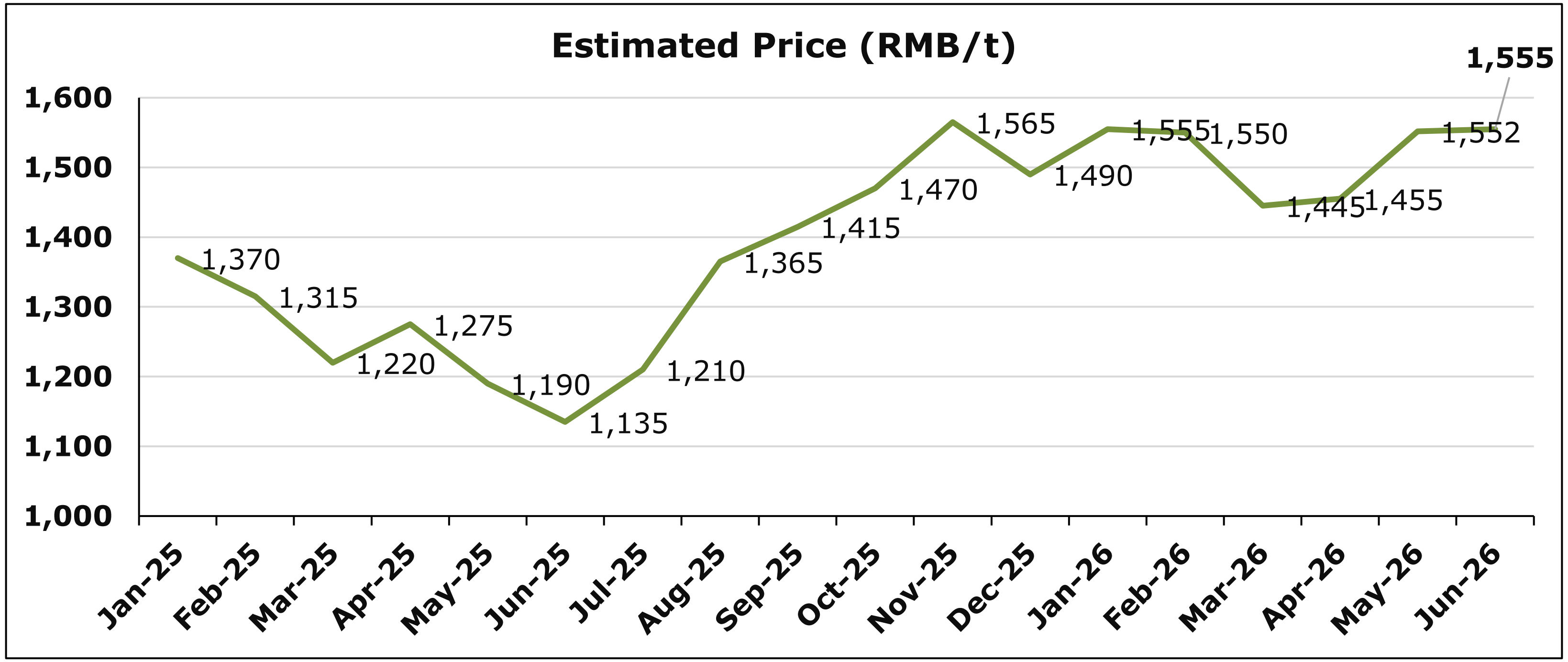
# Metallurgical (Coking) Coal Market- China Market

- **Premium (high-quality) coking coal prices remain strong** because supply is limited and China is still buying.
- **Lower-quality coking coal prices are falling** as China is using more of its own coal and buying fewer imports.
- **Indian steel companies are buying only what they need** because steel profits are weak.
- **China's coke prices are increasing**, but steel mills are still trying to keep coal costs low.

**Outlook:** Premium coal is likely to stay strong, while **lower-quality coal may face more price pressure** in the coming weeks.




**Source: Big Mint data**

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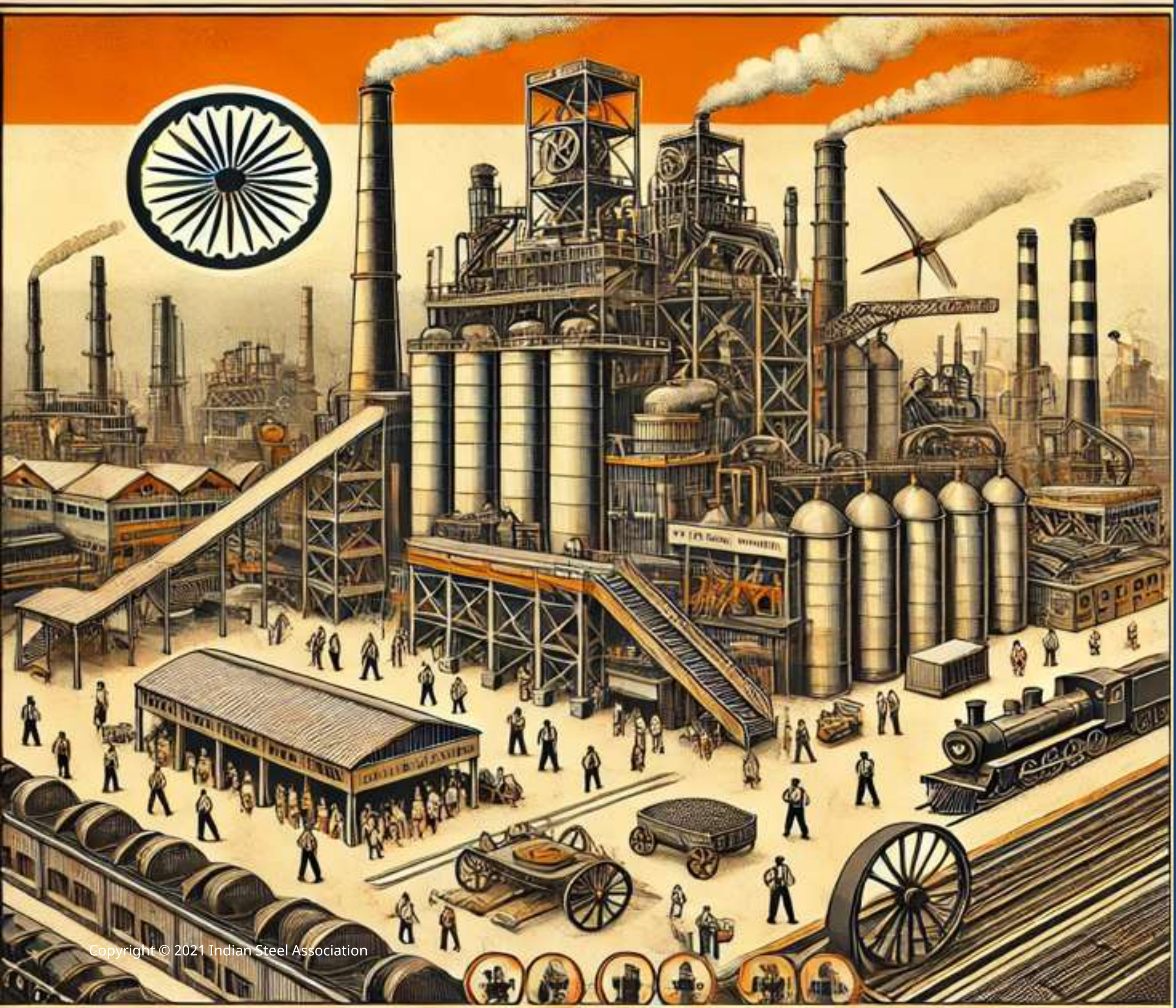

# DOMESTIC STEEL DEVELOPMENT

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# Indian Steel Industry Performance Highlights: April 2026 - May 2026

| Item | Apr-May 2026 (Mt) | Apr-May 2025 (Mt) | % Change |
|---|---|---|---|
| Crude Steel Production | 28 | 27.303 | 2.6 |
| Hot Metal Production | 15.639 | 15.3 | 2.2 |
| Pig Iron Production | 1.502 | 1.495 | 0.4 |
| Sponge Iron Production | 10.227 | 10.202 | 0.2 |
| Finished Steel (alloy/stainless + non-alloy) | | | |
| Production | 27.236 | 25.713 | 5.9 |
| Import | 1.368 | 0.943 | 45 |
| Export | 0.977 | 0.766 | 27.5 |
| Consumption | 27.384 | 25.166 | 8.8 |

**Source note:** ***JPC; Mt = million tonnes***

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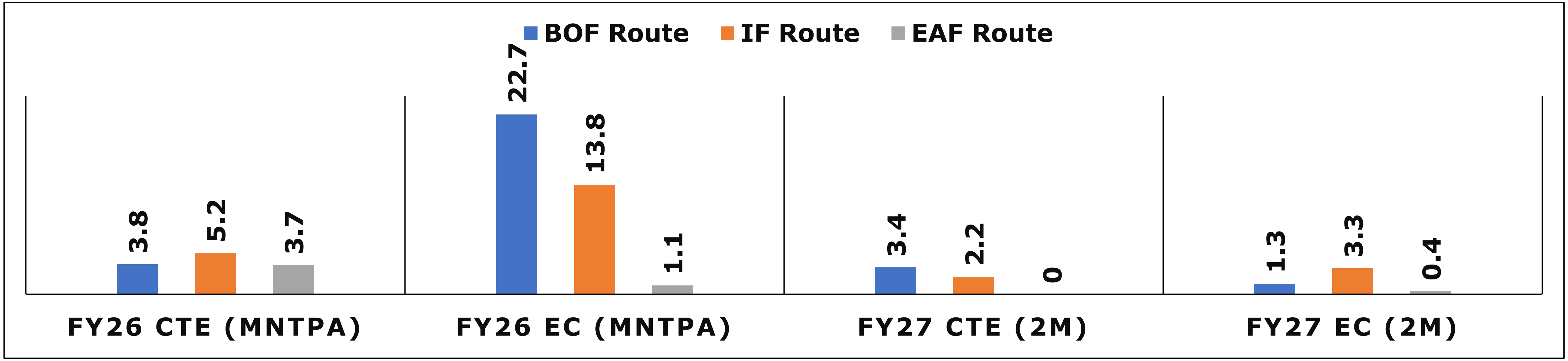
# India Steel Capacity Expansion

- **India approved 5.8 million tons/year (MTPA) of new steel capacity in May 2026**, showing continued investment in the steel sector.
- **Eastern India (Odisha, Jharkhand and Chhattisgarh)** received the highest share of approvals because of **rich iron ore reserves and strong steel infrastructure**.
- **3.7 MTPA received Environmental Clearance (EC)** and **2.1 MTPA received Consent to Establish (CTE)**, moving projects closer to construction.
- **Induction Furnace (IF) projects led new approvals (5.54 MTPA)**, followed by **Blast Furnace (BF-BOF) projects (4.67 MTPA)**, while **Electric Arc Furnace (EAF) projects remained limited (0.44 MTPA)**.




Source: Big Mint

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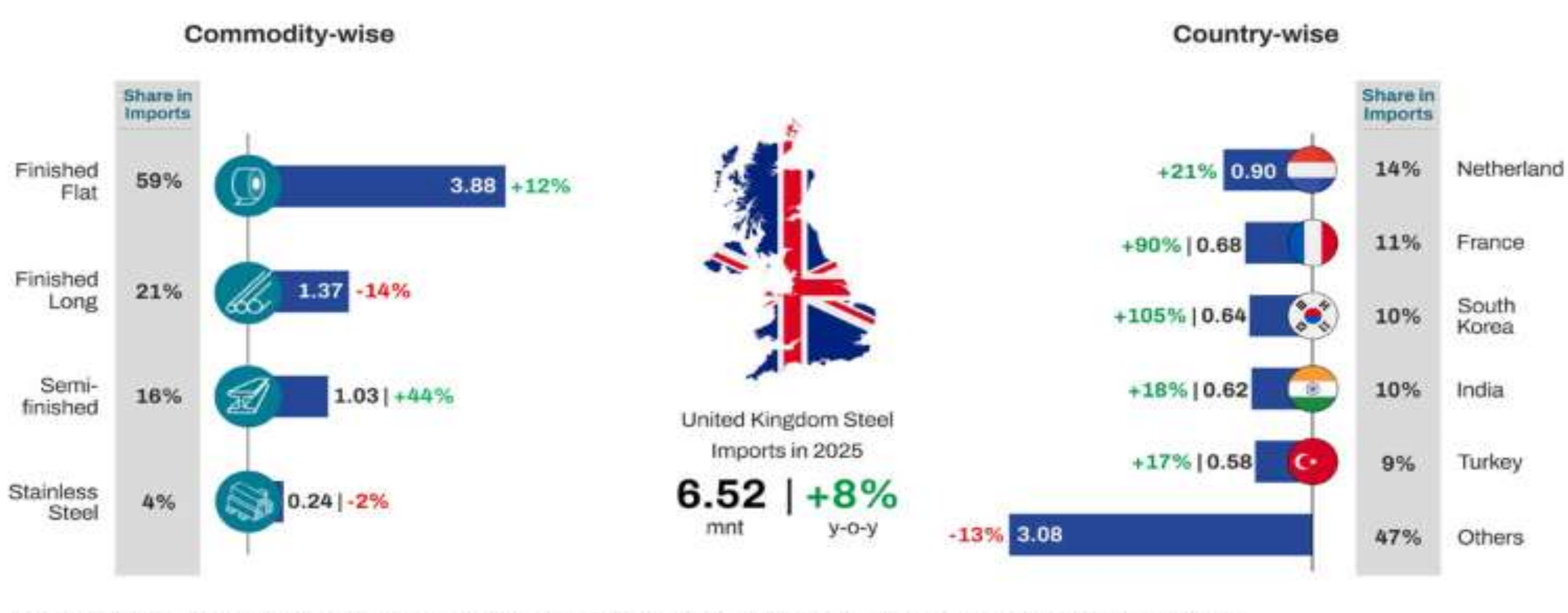
# UK–India FTA & Steel Exports

- **The UK–India Free Trade Agreement (FTA) starts next month**, giving **about 85% of India's steel exports duty-free access** to the UK.
- **The UK has sharply reduced steel import quotas (TRQs)**, so **India's steel exports may still face volume limits** despite the FTA.
- **The UK needs imported steel** because its domestic steel production has fallen sharply after the closure of major steelmaking facilities.
- **India has increased steel exports to the UK**, especially **slabs and billets**, as the UK has become more dependent on imports.

**Outlook:** India has a **good opportunity to export more steel to the UK**, but **TRQ limits and the upcoming UK CBAM may restrict future growth.**



Provisional figures | All above figures are rounded off | Quantity in million tonnes (mnt) | % change in year-on-year (y-o-y) | Source: BigMint

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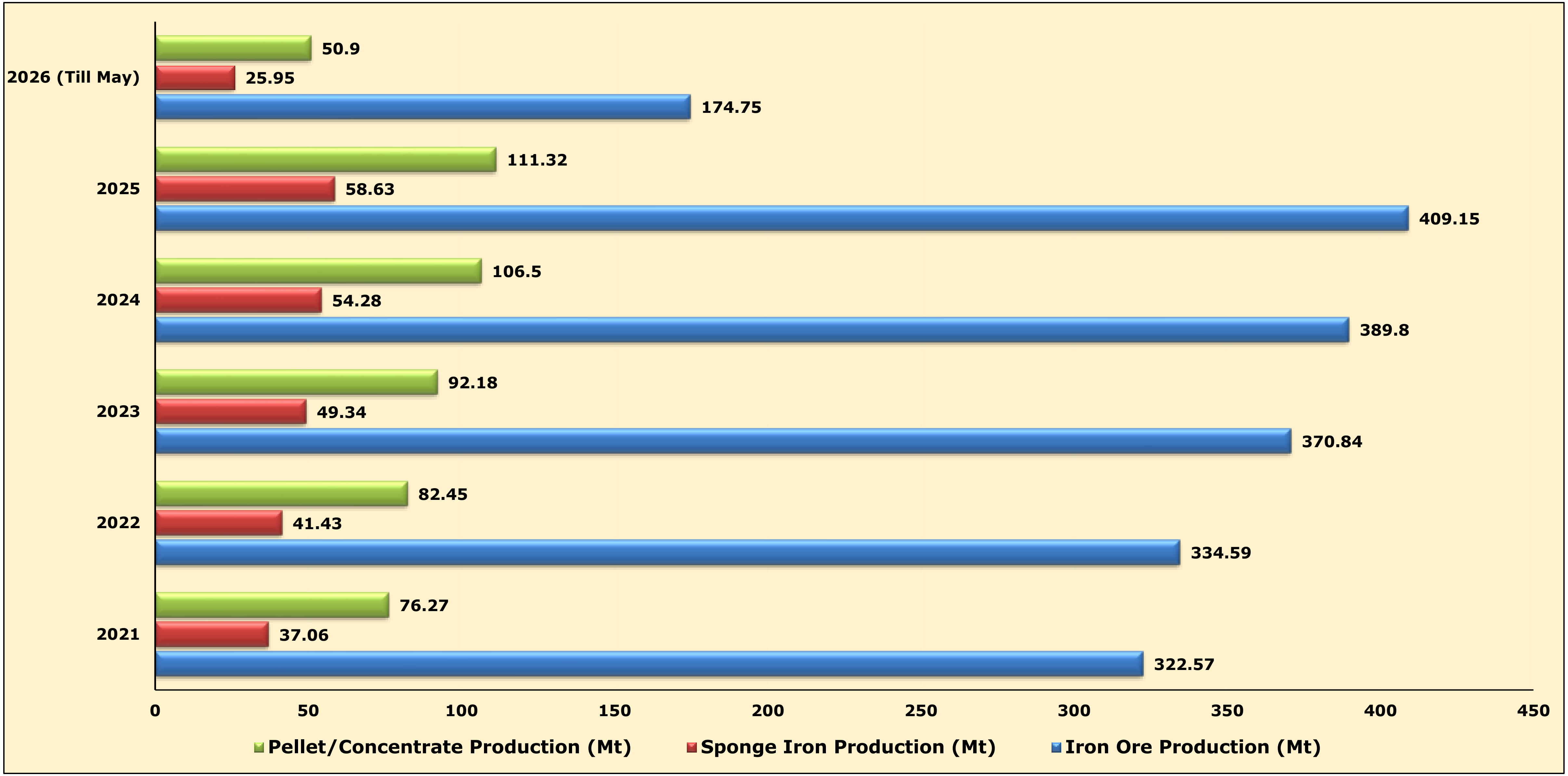
# Production Trend - Iron Ore, Sponge Iron, Pellet

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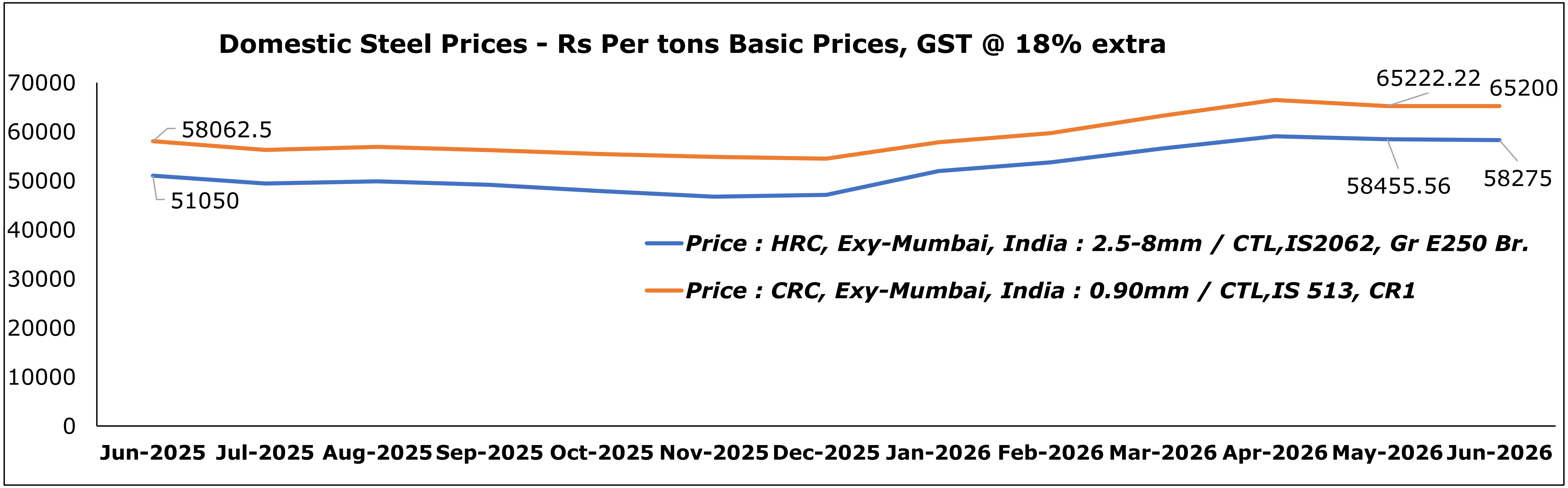
Source: Big Mint

# Trend in Domestic Steel Price- Rs per Ton

- **HRC and CRC prices declined from June to December 2025** due to weak steel demand.
- **Prices started recovering from January 2026** as market demand improved.
- **In June 2026, HRC price was around ₹58,275/ton**, while **CRC price was around ₹65,200/ton** (basic price, GST extra).
- **Overall trend:** Domestic steel prices have **recovered strongly in 2026**, indicating improved market sentiment and stronger demand.




**Source: Big Mint**

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# INDIAN ECONOMIC DEVELOPMENT

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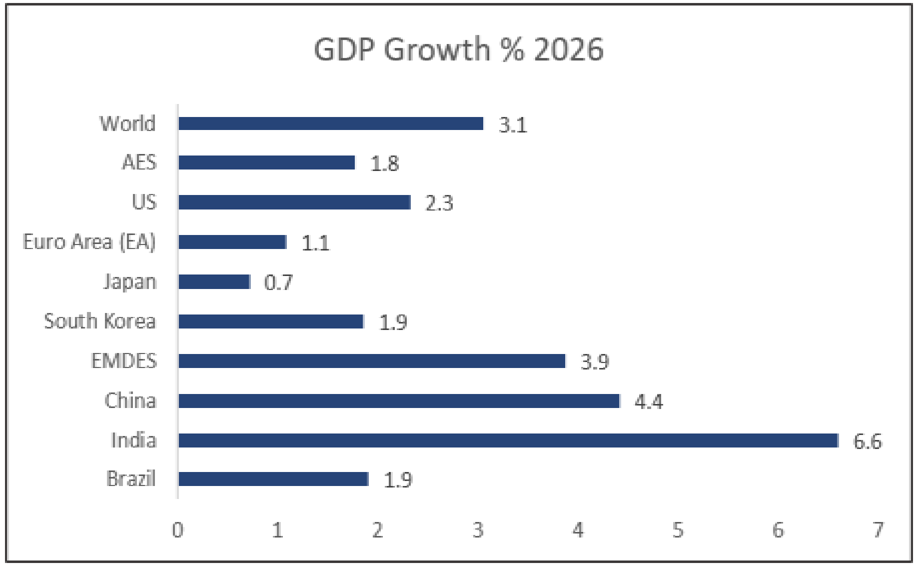
# Indian Economy Highlight- April 2026

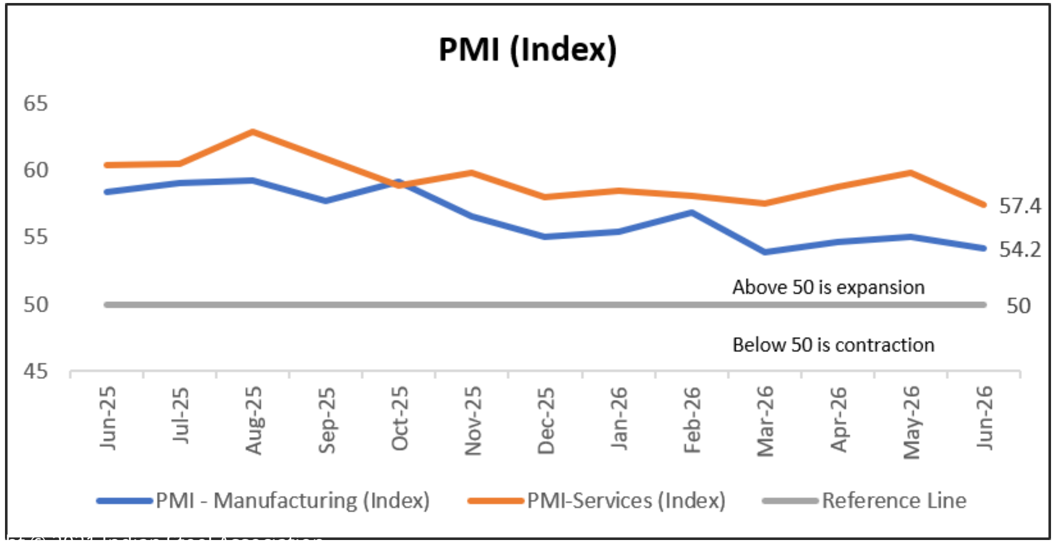
## India's Resilience Amid Global Headwinds

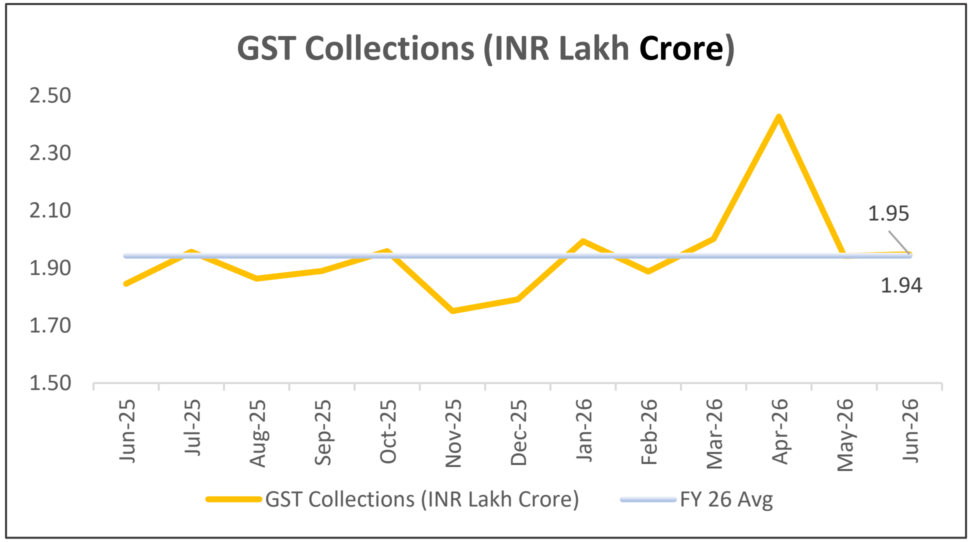
- India remains the fastest-growing major economy, expanding by 7.7% in 2025-26. Growth in 2026-27 is expected to remain healthy at 6.6%, as per RBI.

- Manufacturing remains resilient : Manufacturing PMI remained firmly in expansion territory, averaging 54.6 in Q1’FY27, despite some moderation following the spike in crude prices, disruption in supply chain, and higher cost of imported inputs.




- Services PMI remained consistently above 50, indicating sustained expansion in India's services sector, though growth has moderated slightly from its peak.

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Source: IMF, RBI, CMIE

# Indian Economy Highlight- April 2026

## External Sector

- The rupee weakened to its 2026 lows against all four major currencies through May, **peaking on 20-May (USD: 96.84, GBP: 129.77, EUR: 112.37, JPY: 60.94)** amid rising geopolitical risk and peak global supply chain pressures, then recovered steadily through June; briefly touching its **strongest level since end-April on 29-Jun (USD/INR ~94.35)** , aided by RBI's capital-inflow measures (FPI limit removal, expanded FAR, forex swap facility, capital gains tax exemptions) and market interventions to curb excess volatility. The **depreciation pressure resurfaced in INR** in early July (USD/INR back to 95.27 by 02-Jul, signaling only partial stabilization as energy-cost and risk-aversion pressures persist.

- RBI kept the repo rate unchanged at 5.25% (and CRR at 3%), the WACR rose from Avg of 5.13% in April to 5.26% in May, running marginally above the repo rate as the RBI absorbed surplus liquidity, signaling a gradual tightening of systemic liquidity even as a durable surplus persisted.

- In response to the repo rate cut (Feb 2025–Mar 2026), transmission was uneven and lagged for MCLR versus much fuller for WALR reflecting MCLR's slower cost-of-funds-based reset versus the faster, EBLR-driven repricing embedded in WALR.

| Exchange Rate (₹ per unit of foreign currency) | | | | | |
|---|---|---|---|---|---|
| Year/Month | SDR | US Dollar | Pound Sterling | Japanese Yen | Euro |
| | End-month | End-month | End-month | End-month | End-month |
| Jun-2026 | 128.28 | 94.60 | 125.13 | 58.27 | 107.72 |
| May-2026 | 131.08 | 95.38 | 128.18 | 59.89 | 111.11 |
| Apr-2026 | 130.67 | 95.24 | 128.20 | 59.28 | 111.07 |
| Mar-2026 | 128.53 | 94.65 | 125.63 | 59.25 | 109.01 |
| Feb-2026 | 125.04 | 90.95 | 122.54 | 58.34 | 107.37 |

| Lending Rates ( %) | | | |
|---|---|---|---|
| Month-Year | WACR | MCLR(SCB) | WALR(SCB) |
| Jun- 25 | 5.38 | 8.90 | 9.44 |
| Jul-25 | 5.38 | 8.75 | 9.38 |
| Aug-25 | 5.44 | 8.60 | 9.32 |
| Sep-25 | 5.45 | 8.60 | 9.26 |
| Oct-25 | 5.48 | 8.55 | 9.24 |
| Nov-25 | 5.41 | 8.50 | 9.21 |
| Dec-25 | 5.36 | 8.45 | 9.06 |
| Jan-26 | 5.38 | 8.40 | 9.04 |
| Feb-26 | 5.07 | 8.45 | 9.00 |
| Mar-26 | 5.29 | 8.40 | 8.99 |
| Apr-26 | 5.13 | 8.55 | 8.98 |
| May-26 | 5.26 | 8.65 | 8.97 |
| *May v Feb* | *0.19* | *0.20* | *-0.03* |

**Source: DBIE , RBI**

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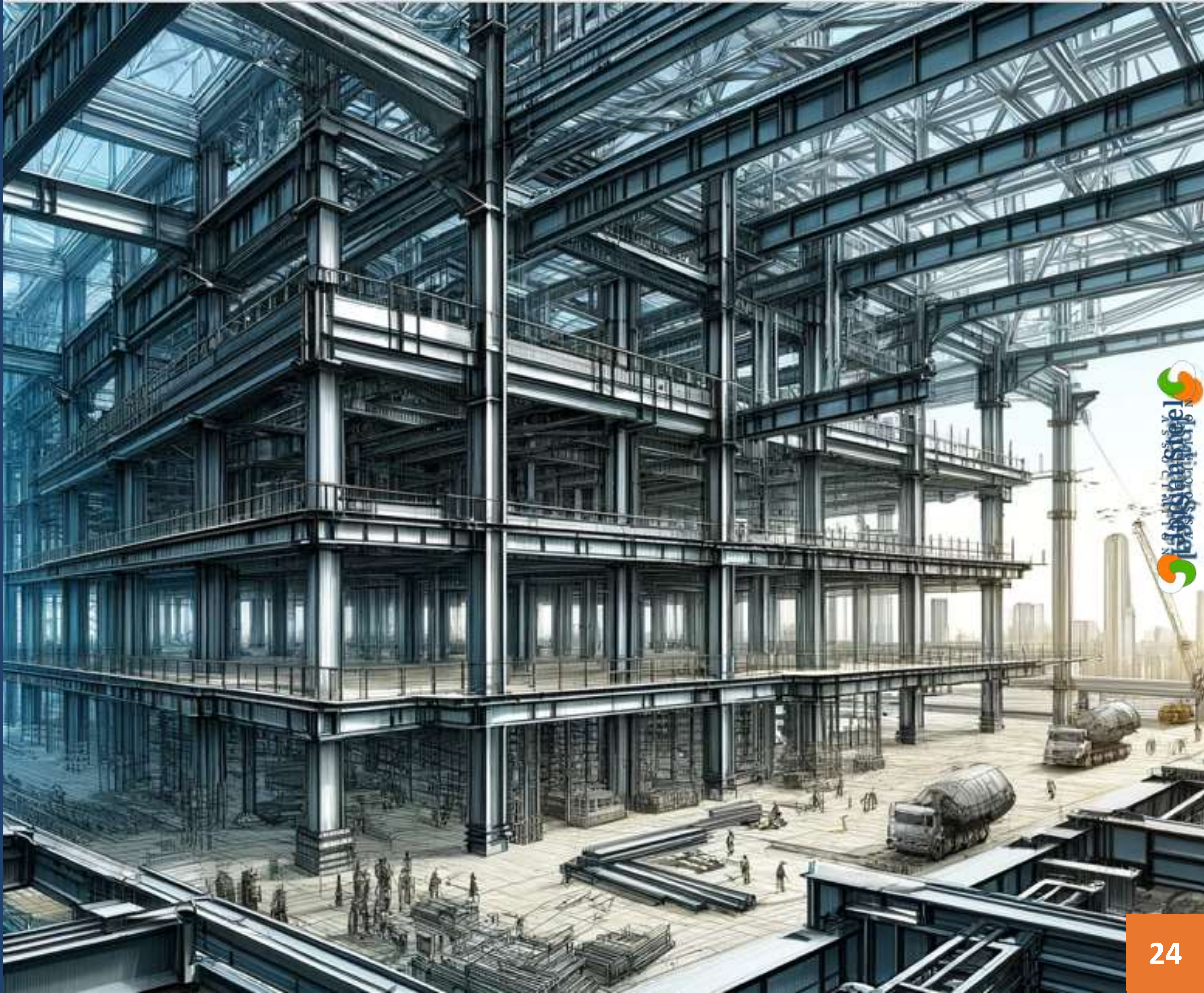

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# About the Indian Steel Association

- The Indian Steel Association (ISA) is the voice of the Indian Steel Industry, in both domestic and global forums. It is at the forefront of all deliberations pertaining to matters of public & regulatory policy, raw materials, international trade, logistics, environmental concerns, technology and other aspects of steel-making.

- The Indian Steel Industry looks at ISA to further its critical agenda of sustained growth, both in steel production and in generating domestic demand.

- ISA is an affiliate member of World Steel Association (WSA and is a part of their various technical Committees and interacts with them on behalf of Domestic Steel Industry, regularly collaborates with WSA on the organization of events / Meetings, as well as takes part in other key meetings with global partners at WSA platform.

- ISA also has an MoU with **KOSA, JISF,SEAISI/AISC,NISC, Saudi Arabia, CISA, Future Coal (erstwhile WCA)** at global level and GeM at domestic level.

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*Information is given in summary form and does not purport to be complete or all inclusive. The information has been sourced from independent third party databases, knowledge sources and news reports, and the authenticity of the same has not been independently verified by ISA.*

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