

IMPACT OF CBAM ON THE INDIAN STEEL INDUSTRY

The steel sector in India is deregulated, with the Government acting as a facilitator.

Steel exports are influenced by factors such as global market conditions, demand and supply dynamics, and the cost of raw materials like iron ore and coking coal, which are market-linked.



Data on the value of finished steel export to the European Union during the last five financial years is given below: -

Finished Steel Export	
Year	Value (Rs Crores)
2019-20	10,692
2020-21	14,144
2021-22	32,149

2022-23	22,482
2023-24	29,534
Source: Joint Plant Committee (JPC)	

The Government regularly monitors the steel industry, including exports, imports, and prices, and has implemented the following measures to support the Indian steel industry:

- i) In the Union Budget 2024-25, the Basic Customs Duty (BCD) on ferro-nickel and molybdenum ores and concentrates, key raw materials for the steel industry, was reduced from 2.5% to nil.
- ii) The BCD exemption on ferrous scrap and specified raw materials for the manufacture of Cold Rolled Grain-Oriented (CRGO) steel has been extended until 31.03.2026.
- iii) The Production Linked Incentive (PLI) Scheme for Specialty Steel has been introduced to encourage domestic manufacturing of specialty steel and reduce imports by attracting capital investments. The scheme is expected to generate an additional investment of ₹27,106 crores and create a downstream capacity of approximately 24 million tonnes (MT) for specialty steel.
- iv) The Domestically Manufactured Iron & Steel Products (DMI&SP) Policy has been implemented to promote the use of 'Made in India' steel for government procurement.



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