India's Steel Output Sustains Growth in May 2026

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India's steel sector sustained its growth trajectory in May 2026, recording year-on-year gains across key production and consumption indicators.

Production and Demand Trend

Crude steel production reached 14.21 million tonnes in May 2026, up 2.9% year-on-year (YoY). Hot metal production grew 2.0% YoY, while pig iron output (0.77 million tonnes) posted a growth of 1.1% YoY. Finished steel production reached 13.94 million tonnes in May 2026, up 7.7% YoY. Finished steel consumption in May 2026 was 14.33 million tonnes, registering growth of 9.0% YoY.

Crude steel production was 28.04 million tonnes during Apr-May 2026, up 2.7% over the corresponding period last year (CPLY), compared with 27.30 million tonnes in April–May 2025. Hot metal production grew 2.7% CPLY, while pig iron output (1.50 million tonnes) posted a growth of 0.2% CPLY. Finished steel production reached 27.36 million tonnes, up 6.4% CPLY. Finished steel consumption in April–May 2026 was 27.36 million tonnes, registering growth of 8.7% CPLY, driven by sustained demand from construction, infrastructure, and manufacturing end-use segments.

Trade Dynamics

On the trade front, imports stood at 0.69 million tonnes and exports at 0.51 million tonnes in May 2026, registering year-on-year growth of 62.5% and 29.9% over May 2025 levels of 0.42 million tonnes and 0.39 million tonnes respectively.

Imports were 1.37 million tonnes and exports at 0.98 million tonnes during Apr–May 2026, making India a net importer during the period. Compared with Apr–May 2025, when imports were 0.94 million tonnes and exports were 0.77 million tonnes, imports and exports grew by 45.0% and 27.4%, respectively, during Apr–May 2026.

Capacity Expansion and Investment Momentum

India's total crude steelmaking capacity reached at approximately 220 MTPA in FY 2025–26, keeping the industry on track to achieve the National Steel Policy target of 300 MTPA by 2030. In a significant step towards the target, SAIL has approved the expansion of its Bhilai Steel Plant from present crude steel capacity of 6.8 MTPA to 10.2 MTPA. Further, JSW Steel commenced construction of its integrated steel plant at Paradip, Odisha in May 2026 — a phased development with a planned capacity of 13.2 MTPA.

Green Steel Initiatives

Under the Ministry of Steel's Green Steel Initiative, as on 31st May 2026, green steel certificates had been issued to 94 producers across 15 states, spanning products including TMT Bars, HR/CR Coils, Plates, Wire Rods, and Pipes, with a majority of certified products achieving the highest 5-star rating — reflecting strong uptake of the initiative across secondary and mid-size steel producers.

Steel Price Scenario

Domestic steel prices decreased month-on-month (MoM) in May 2026 across all major product categories. TMT/Rebar prices declined ~1.3% MoM, though they still registered a ~4.5% YoY gain — marking the first positive YoY reading after several months of weakness. Flat steel prices also declined, with HR Coil and GP Sheet prices both falling by approximately 0.2% MoM.

Raw Material Overview

Raw material prices strengthened further in May 2026 compared to April 2026. NMDC increased domestic iron ore prices by ₹200 per tonne during the month. MOIL's manganese ore production in May 2026 was 0.17 million tonnes, up 4% month-on-month, while its manganese ore prices eased by 4% during the month.

Global seaborne iron ore prices remained volatile during May 2026. International coking coal costs edged up 2.8% further month-on-month to $239/tonne, sustaining elevated input cost pressures for integrated BF-BOF producers heading into Q2 FY 2026–27. International scrap prices also moved higher during the month, adding to input cost pressures for the electric route steelmakers.

Outlook

The Indian steel industry is well-positioned to sustain its growth trajectory, underpinned by robust infrastructure spending and expanding manufacturing activity. However, weakening steel prices, coupled with rising raw material costs, are expected to put pressure on producer margins in the near term, even as domestic demand fundamentals remain supportive.

Source: *Provisional JPC data for May 2026.*

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