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**Association of Indian Forging Industry**

**Key Press Reports on Industry and Govt. Policies**

**(1<sup>st</sup> Fortnight January 2025)**

# AUTOMOIVE INDUSTRY

Business Standard 7-01-2025

## Tata Punch tops '24 sales charts, ends Maruti's 40-year reign

SOHINI DAS

Mumbai, 6 January

For the first time in four decades, a non-Maruti Suzuki India car has topped the list of India's best-selling cars. In 2024, the Tata Punch, a sub-compact sport utility vehicle (SUV), became the highest-selling vehicle by delivering 202,030 units.

This marks a clear shift in consumer preference towards premium features, driving the rise of SUVs in the domestic car market. The SUV market in India has grown rapidly in recent years, with its share of the passenger vehicle (PV) market increasing from 32 per cent in 2021 to over 50 per cent in 2024.

In fact, three of the top five best-selling cars in 2024 were SUVs. The Maruti Brezza ranked fourth with 188,160 units, and the Hyundai Creta ranked fifth with 186,919 units. The WagonR retained its position among, coming in a close second with 190,091 units.

Deven Choksey, managing director (MD) of DRChoksey Finserv, a wealth



### SALES SCOREBOARD

Bestselling cars in 2024

	Units sold
Tata Punch	202,030
Maruti WagonR	190,855
Maruti Ertiga	190,091
Maruti Brezza	188,160
Hyundai Creta	186,919

Source: DRChoksey Finserv

management company, said that the premiumisation trend will continue to dominate in 2025.

Shailesh Chandra, MD of Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said, "SUV volumes grew by 19 per cent, with the Punch selling over 200,000 units, making it the highest-selling car model in India in 2024."

Maruti has also lost market share in recent years, dropping from 52 per cent in 2018 (when 3.3 million PVs were sold domestically) to 41 per cent in 2024 (4.28 million units of PVs sold).

Maruti Suzuki did not comment until the time of going to press.

While Maruti held the top spot for four decades, earlier, Hindustan Motors' Ambassador was the best-selling car in post-Independence India for three decades. Maruti overtook the Ambassador in the mid-1980s with the Maruti 800.

Tarun Garg, whole-time director and chief operating officer of Hyundai Motor India (HMITL), recently said that SUVs contribute 68 per cent of HMITL's overall domestic volumes, higher than the industry average of 54 per cent.

# PV inventory to normalise by fiscal-end: FADA

Aroosa Ahmed  
Mumbai

Passenger vehicle (PV) inventory is expected to be normalised by the end of the financial year.

According to the Federation Of Automobile Dealers Association (FADA), the PV inventory in December was between 55 and 60 days. Normal PV inventory with dealers is between 21 and 35 days.

"PV inventory has reduced gradually from 85 days to now 60 days. We are anticipating the inventory to normalise by the end of this financial year. The PV retail



**BULLISH OUTLOOK.** FADA said that it sees an increase in PV retail sales at the start of 2025 PTI

sales increased at the end of December while the wholesale saw a reduction. The sales of two-wheelers were impacted in December largely due to cash flow.

However, the tractor sales have increased during the year, which indicates that the rural demand will come back," CS Vigneshwar, FADA President, told *businessline*.

FADA added that it sees an increase in PV retail sales at the start of 2025.

"For PV, upcoming new launches, wedding-season demand and year-start promotions should drive footfalls, though potential price hikes could moderate gain. Despite financing headwinds and heightened competition, many retailers believe that focused marketing strategies, robust supply chains and better alignment with customer preferences will create a foundation for sustained expansion," FADA said in a statement.

**CONCERNING LEVELS**  
Earlier, FADA had flagged the

high inventories causing financial pressure with increased cash-flow challenges.

The association had urged the Reserve Bank of India to issue strict guidelines on funding to mitigate the risk automobile dealers face.

The PV inventory held by dealers had increased from 80 to 85 days with over 7.9 lakh vehicles available with dealers valued at ₹79,000 crore.

To reduce inventory, the OEMs were offering discounts on PVs in the range of ₹50,000 to ₹5,00,000 during the festival season while automobile dealers were giving offers on accessories.



# December auto sales disappoint dealers in both PV, 2W categories

**IN WAIT AND WATCH MODE.** Sentiment for January remains cautiously optimistic, says FADA report

**S Ronendra Singh**  
New Delhi

Auto dealer sentiment for January remains cautiously optimistic, with nearly half (48.09 per cent) of surveyed dealers anticipating growth, 41.22 per cent expecting stable demand and only 10.69 per cent foreseeing a decline, the Federation of Automobile Dealers Associations (FADA) said on Tuesday.

In the two-wheeler (2W) segment, improved MSP and rural fund inflows could bolster sales, although financing challenges persist. The rise of electric vehicles (EVs) in this segment will also begin to impact entry-level 2W market share, CS Vigneshwar, President, FADA, said.

The commercial vehicle (CV) segment may see a mild uptick — Q4 is traditionally stronger — but progress will hinge on the pace of infra-

structure projects and easier credit approvals, FADA said.

In terms of monthly sales, the PV retail sales declined almost 9 per cent year-on-year (y-o-y) in December 2024 to 2,93,465 units compared with 2,99,351 units in December 2023.

“Poor market sentiment, limited new model launches and intense price competition among co-dealers further impacted sales. While some dealers benefited from year-end schemes and expanded product ranges, overall demand remained subdued, with many customers deferring purchases to January for anticipated benefits,” Vigneshwar said.

## 2W RETAIL SALES

The two-wheeler retail sales declined more than 54 per cent y-o-y to 11,97,742 units during the month (as against 14,54,353 units).

“Supply challenges for popular models and the



**POOR SHOW.** Two-wheeler retail sales declined more than 54 per cent to 11,97,742 units during December

growing push toward EVs further weighed on volumes. Many dealers also mentioned that heightened discounts and limited financing options failed to offset weak demand,” Vigneshwar said. Because of the decline in both segments, the total retail sales of vehicles declined 45.26 per cent to 17,56,419 units (20,07,042 units).

However, in terms of cal-

cent in CY24 (31.33 per cent) and Bajaj Auto's also dropped marginally to 11.55 per cent in 2024 (11.84 per cent).

However, the market share of the second-largest 2W manufacturer, Honda Motorcycle & Scooter India, grew at 25.37 per cent in CY24 (23.25 per cent), the FADA data indicated. Also, TVS Motor's market share grew at 17.13 per cent (16.81 per cent).

## OTHER SEGMENTS

PV sales grew at 40,73,843 units in 2024 (38,73,381 units). Three-wheeler sales grew 10.49 per cent to 12,21,909 units in 2024 (11,05,942 units). CV retail sales grew marginally to 10,04,856 units in CY24 (10,04,120 units).

Overall, the total retail sales of all categories grew 9.11 per cent to 2,61,07,679 units during CY24 (2,39,28,293 units).

endar year (CY) sales, both PV and 2W performed much better with PV sales growing more than 5 per cent and 2W sales almost 11 per cent y-o-y.

In the 2W retail sales, the total sales grew at 1,89,12,959 units during the year (1,70,72,932 units). In terms of market share, market leader Hero MotoCorp's share dropped to 29.02 per



# 3W exports took to revival road in 2024 amid global headwinds

ANJALI SINGH  
Mumbai, 8 January

India's three-wheeler exports have shown a resurgence in 2024, due to a host of factors including recovery in key export destinations like Sri Lanka, Kenya and Nepal, and a falling rupee.

Data from the Society of Indian Automobile Manufacturers (Siam) reveals a modest growth of 1.73 per cent in exports for January-November period in the calendar year 2024 reaching 273,548 units compared to 268,888 units in 2023.

This positive trend comes after consecutive years of decline, with exports falling by 26 per cent in FY23 and 17 per cent in FY24.

The growth in exports is particularly noteworthy considering the prevailing macro-economic headwinds, rising



## SMOOTHER RIDE

Exports growth for 3-wheelers (%)

FY 20	-11.60
FY 21	-21.70
FY 22	27.20
FY 23	-26.80
FY 24	-17.00
FY 25 (April-Nov)	-1.60

Note: For the calendar year of 2024 (Jan to November) the exports have increased by 1.73%  
Source: Siam

inflation and slowing global growth. Key export markets like Sri Lanka, Bangladesh, Nigeria, and Egypt have been facing significant economic challenges, impacting demand for Indian three-wheelers.

For the calendar year 2024, exports increased by approximately 1.73 per cent during the January-November period reaching 273,548 units compared to 268,888 units in 2023.

Industry experts attribute this growth to a combination of factors.

"Sri Lanka, Kenya, and Nepal, which are our key export destinations, are witnessing some recovery after a period of turmoil," said Anurag Singh, Advisor at Primus. "Furthermore, the depreciation of the Indian Rupee against the US Dollar has made our three-wheelers more com-

petitive in the international market."

Speaking on the outlook of FY26, Singh said, "The key export countries still face significant uncertainties, making it difficult to predict future trends. However, based on the current trajectory, it is likely that the growth momentum will continue in the coming year."

The three-wheeler industry has faced significant challenges in recent years, with exports declining by 11.60 per cent in FY20 and 21.70 per cent in FY21. However, a strong recovery in FY22, with a growth of 27.20 per cent, provided a much-needed boost to the sector.

The recent growth in exports, despite the global economic slowdown, indicates a resurgence in demand and provides a positive outlook for the Indian three-wheeler industry.



# Passenger vehicle dispatches hit record 4.3 mn units in '24

Sales grew 11.4% in December as several OEMs continued with their festive discounts

SOHINI DAS  
Mumbai, 14 January



## BUMPY ROAD

Domestic wholesales	CY24	Y-o-Y chg in %
PCs	1,371,068	-14.4
UVs	2,749,932	16.8
Vans	153,793	5.2
<b>Total PVs</b>	<b>4,274,793</b>	<b>4.2</b>
CVs	951,991	-2.7
2Ws	19,543,093	14.5
3Ws	728,670	6.8
<b>Exports</b>		
PVs	743,976	9.7
2Ws	3,977,162	22.6
CVs	72,511	5.9
3Ws	298,235	2.2

Note: PC stands for passenger car, UV for utility vehicle, and CV for commercial vehicle

Source: Siam

The passenger vehicle (PV) segment, which comprises cars, utility vehicles (UVs) and vans, posted a 4.2 per cent growth in 2024 calendar year (CY) to 4.3 mn units, the highest ever, riding on the back of SUV (sports utility vehicle) sales. UV sales were up by almost 17 per cent to 2.7 mn units while passenger cars dipped by 14.4 per cent to 1.37 mn units during the CY.

The month of December was strong too, when PVs grew by 11.4 per cent as several OEMs (original equipment manufacturers) continued with their festive discounts and kept focusing on liquidating inventory before the start of 2025. Two-wheeler dispatches, however, dipped by 8.8 per cent in the month. Three-wheelers posted a modest growth of 3.5 per cent.

As far as the October-December quarter (Q3FY25) goes, PVs posted a 4.5 per cent growth (within PVs cars dipped by 8.1 per cent); two-wheelers grew by 3 per cent (riding on 13.6 per cent growth of scooters); and commercial vehicles (CVs) registered a modest growth of 1.2 per cent (within CVs passenger carrier medium and heavy commercial vehicles, or MHCVs, grew 24.5 per cent).

For the full CY, scooters posted a strong growth of 19.7 per cent to 66,75,231 units while motorcycles grew by almost 12 per cent to 12.3 mn units. Among MHCVs, passenger carriers (mostly buses) were strong with a 33.5 per cent growth while light commercial vehicles (LCVs)

saw a 2.4 per cent decline.

Shailesh Chandra, president, Society of Indian Automobile Manufacturers (Siam), said: "Year 2024 has been reasonably good for the auto industry. Positive consumer sentiments and the country's macroeconomic stability helped in propelling reasonable growth for the sector across vehicle segments. The year's growth has been primarily driven by the two-wheeler segment, which grew by 14.5 per cent as compared to the previous year, posting sales of 19.5 mn units."

"In addition, PVs and three-wheelers posted their highest-ever sales in a calendar year. PVs grew by 4.2 per cent in 2024 as compared to last year, with sales of around 4.3 mn units. Three-wheelers posted a growth of 6.8 per cent in 2024 as compared to the previous year, with sales of 730,000 units. However, CVs posted a slight decline of (-) 2.7 per cent in 2024 as compared to the previous year, posting sales of 950,000 units, though signs of growth are visible in Q3FY25," he added.

Rajesh Menon, director general of Siam, said: "PVs, CVs and three-wheelers posted their highest-ever sales of Q3FY25. Two-wheelers also posted their second-highest sales during the quarter. PV grew by 4.5 per cent with sales of 1.06 million units, compared to the same quarter of the previous year. Three-wheelers grew by 0.2 per cent in Q3FY25, with sales of 189,000 units. Two-wheelers grew by 3 per cent in this quarter, compared to last year, posting sales of 4.9 million units while CVs rose by 1.2 per cent, compared to Q3FY24, with sales of 238,000 units."



# ELECTRIC VEHICLES

## Business Line 2-01-2025

### EV sales touch 2 m units in 2024, e2Ws up 34%

**G Balachandar**  
Chennai

Total electric vehicle (EV) registrations (including all segments) in the country reached nearly two million units in calendar year 2024, marking a significant increase, with the electric two- and three-wheeler (e2W and e3W) segments seeing transformative growth despite uncertainties over government subsidy support during the year.

The overall volume of battery-powered vehicles in 2024 stood at about 1.95 million units, compared with 1.53 million units in 2023, reflecting a robust 27 per cent increase.

Industry experts pointed to initiatives such as PM E-Drive, FAME II and reduced import duties as key factors driving the adoption of EVs.

#### SEGMENT-WISE

The e2W segment continued



**ZOOMING PAST.** Ola finished the year with about 4.08 lakh units sold in 2024, followed by TV Motor (2.2 lakh) BLOOMBERG

to be the dominant driver of green mobility, recording a 34 per cent increase in total sales, reaching 1.15 million units in 2024 (0.86 million units), according to Vahan data.

Within the e2W market, Ola remained the leader, although it lost its top position and dropped to third place in December 2024.

Ola finished the year with 4.08 lakh units sold (2.67 lakh units).

TVS Motor followed, with total electric scooter sales

reaching 2.2 lakh units (1.67 lakh units). Bajaj saw a substantial rise in e2W sales reaching 1.93 lakh units (0.72 lakh units). Ather also saw sales rising to 1.26 lakh units (1.05 lakh units).

Other e2W manufacturers, including Hero Moto-Corp, Greaves Electric Mobility, Revolt Motors, Bgauss Auto and Kinetic Green, also reported notable growth in their vehicle sales during the year. The e3W segment saw a rise in volumes, reaching 6.91 lakh units (5.84 lakh

units). Mahindra & Mahindra continued to lead with about 69,000 units sold (54,623 units). Bajaj Auto secured the second position with total e3W sales of 41,915 units (4,574 units). Piaggio's sales reached about 22,000 units (21,085 units).

Electric passenger vehicle sales, including electric cars and SUVs, grew to over 98,500 units (82,238 units), fuelled by new launches.

Tata Motors remained the leader, with more than 61,000 units sold, while MG Motor held the second spot with 21,415 units. Mahindra & Mahindra sold 7,098 units.

#### businessline.

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# Hyundai expects passenger EV mkt to double in 2 yrs

## CONTRASTING FORTUNES

Electric passenger vehicle sales

	2024	Y-o-Y chg in %
Hyundai	911	-43
Industry	99,165	20

Source: company



Hyundai will launch Creta Electric SUV at the Bharat Mobility Global Auto Expo

SHINE JACOB

Chennai, 13 January

Hyundai Motor India, which is set to launch its Creta Electric SUV at the Bharat Mobility Global Auto Expo, expects the passenger electric vehicles' volume in India to double in the next two years from around 106,000 units, owing to a series of launches by major original equipment manufacturers in 2025.

Hyundai India's Chief Operating Officer (COO) Tarun Garg says an improving ecosystem may help passenger EV penetration touch 17 per cent by 2030 from the current 2.4 per cent. The company is planning to come out with three more EV products after the Creta EV. The carmaker also expects its production capacity to touch 1.1 million by 2028, from the current 824,000, as the Pune plant, with phase I capacity of 170,000 units, will be operational in the fourth quarter of 2025. The second phase of 80,000 units will begin after that.

"If you look at the EV wholesale numbers, they will broadly be around 106,000 in 2023, with a penetration of 2.4 per cent. I believe that by 2030, EV penetration could reach 17 per cent. I personally feel that EV volumes can double in the next two years," Garg said. "I think 2026 will be the year for the trigger of EVs. In 2025, every big manufacturer will launch EVs," he added.

Creta Electric will be competing with the Maruti Suzuki e-Vitara, Mahindra BE 6, Tata Curvv, MG ZS EV, and Toyota Urban Cruiser EV, among others. The Hyundai Creta EV range is claimed to travel 473 kilometers on a single full charge for the 51.4kWh battery pack and 390 kilometers on a single full charge for the 42kWh battery pack option.

The company, after its stock market debut last year, is also betting big on developing an EV ecosystem in India. "Our battery packs are already localised with the Creta EV. For cells, we have



**"I THINK 2026 WILL BE THE YEAR FOR THE TRIGGER OF EVs. IN 2025, EVERY BIG MANUFACTURER WILL LAUNCH ELECTRIC VEHICLES"**

**TARUN GARG,**  
COO, Hyundai India

already announced that we will be having a local Indian partner, Exide. We are also looking at drivetrain and power electronics. Almost the entire EV supply chain will be localised," Garg added.

"We have already sold 1.1 million Creta units. We believe that the Creta EV will really give the customer a great option for electrification," he said. Hyundai has seen its share of SUVs touching 67.6 per cent in 2024, against an industry average of 54 per cent. "In rural areas, also, SUV contribution is 57 per cent, which shows shifting customer focus. CNG penetration is also at an all-time high of 13.1 per cent, and we are finding more and more customers shifting to CNG," he said.

In terms of premiumisation, the company is seeing a rising customer demand, with 25 per cent penetration for automatic, 53 per cent for sunroof, and 15 per cent for ADAS.



# TRACTOR

Business Standard 14-01-2025

## Domestic tractor sales dip in 2024, exports see growth after slump

**G Balachandar**  
Chennai

Domestic tractor sales saw a slight decline in the calendar year 2024 while tractor exports experienced positive growth after a double-digit drop in the previous year. Total tractor production remained below one million units for the second consecutive year, following two years of surpassing the million-unit mark.

For 2024, total domestic tractor sales reached 9.02 lakh units, compared to 9.15 lakh units in 2023, according to data from the Tractor & Mechanisation Association (TMA). Tractor sales were sluggish in the first five months of 2024 but began to recover. This was driven by favourable monsoon conditions and an increase in min-



imum support prices (MSP), which provided better financial stability for farmers. Sales peaked during festive season.

### **MILLION MARK MISSED**

Total tractor production in 2024 was slightly lower at 9.82 lakh units, compared to 9.86 lakh units in 2023, 10 lakh units in 2022, and 10.6 lakh units in 2021, which marked the highest-ever annual production.

The year 2024 marked a

recovery period for tractor exports. Total shipments of 'Made in India' tractors rose to 97,745 units, up from 96,223 units in 2023. However, exports were still lower than the 1,31,850 units shipped in 2022.

In December 2024, domestic sales showed positive growth, with volumes increasing to 50,993 units from 44,735 units in December 2023. The sentiment remained positive, supported by cash flow from the kharif harvest. Favourable reservoir levels contributed to robust sowing for the rabi season, further boosting tractor demand.

Hemant Sikka, President of the Farm Equipment Sector at Mahindra & Mahindra Ltd, said the tractor industry is poised for growth, driven by positive agricultural sentiment and favourable trade conditions for farmers.

# RAW MATERIAL

## Business Line 8-01-2025

### Steel price slump, Chinese dumping may slow SAIL, CPSEs' capex plans

**Abhishek Law**  
New Delhi

PSU steel-major SAIL has put its capex plans "under review" following a continued fall in steel prices, rising imports of the alloy from China and its own high debt situation. The price slump of the metal, if it continues, could have an adverse impact on the capex plans of other sectoral CPSEs too, a Steel Ministry official told *businessline*.

Steel Authority of India Ltd (SAIL), has a ₹6,500-crore capex plan for FY25, which is on track. But future expansion projects, pegged at ₹1,00,000 crore to take its capacity to 35 million tonnes per annum (mtpa), is being reviewed.

There are apprehensions that investments could "get staggered" if depressed conditions persist.

The expansion plan was green-lighted by the Ministry, and most of SAIL's capex flows were expected FY26 onwards, particularly the second half of the next fiscal. Funding was to be through internal accruals, banking on improved steel demand and favourable prices.

As per the initial plans, the company was to "freeze most contracts for IISCO modernisation and some of the major projects" includ-



ing revamping the blast furnace of Durgapur and the bar mill there. Capex was planned to be higher than FY25 levels.

The steel-major is yet to respond to *businessline's* queries.

"Review is being carried out of capex plans. These could be spread out now in view of factors like available profits, steel prices and demand. But if the market continues to be as depressed, as they are now, for another 6-9 months into 2025, then there could be delays," an official said.

#### INCREASING IMPORTS

Sources said the surge of exports from China has dented international prices in a big way.

And performance of the industry, in-general; and SAIL in particular, was impacted "significantly" (on the back of international price trends).

"Market conditions are

still depressed," a participant said.

In January, trade level hot rolled coil (HRC) prices stood at ₹46,600 per tonne down one per cent-odd over December prices of ₹46,900 per tonne; whereas Chinese imports saw a 1.2 per cent decline to ₹48,900 per tonne, as against ₹49,500 per tonne in the previous month, data from market intelligence firm, BigMint, showed.

#### HIGH DEBT

SAIL also has a problem of high debt. Net debt rose to ₹35,000 crore, up by around ₹5,000 crore from FY24 levels.

And according to the management commentary, during a post results analysts call, this increase is primarily because of a build-up of finished goods inventory ahead of a planned shutdown at one of its plants.

Debt levels will return to FY24 levels by the end of FY25, a company source said.

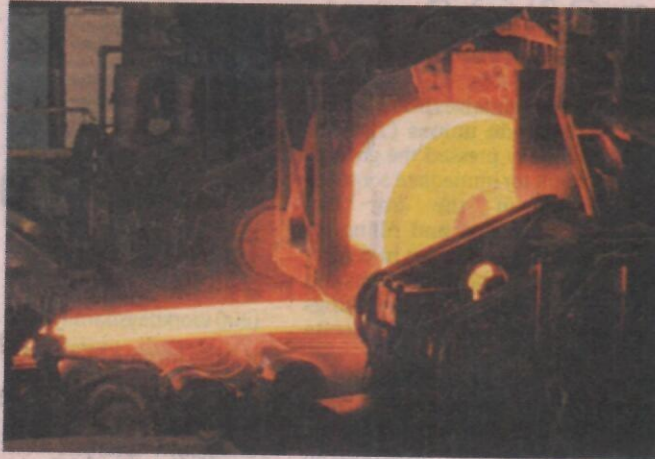
#### OTHER CPSEs

At present, there is no change in capex plans of NMDC, the largest iron ore merchant miner in the country.

However, iron ore outlook continues to be bearish in 2025 in view of excess stocks and a slowdown in China, the largest consumer of the steel-making feedstock.

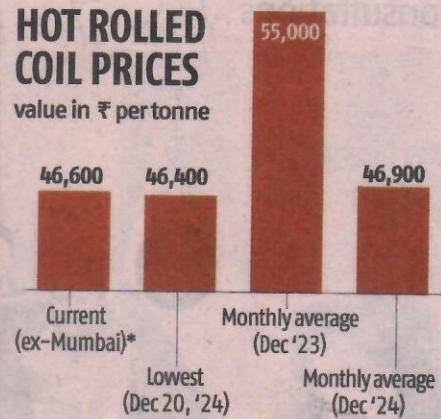


# Govt capex, safeguard duty key to steel sector



## HOT ROLLED COIL PRICES

value in ₹ per tonne



\* As of January 3, 2025

Source: BigMint

ISHITA AYAN DUTT  
Kolkata, 6 January

A surge in imports, lower exports, and weak prices reflected on the Indian steel industry in calendar year (CY) 2024. As the possibility of a safeguard duty gathers momentum, the big question facing the industry is, will 2025 be any better?

Prices of hot rolled coil (HRC), a benchmark for flat steel, are at a four-year low. Data from the price reporting and market intelligence firm BigMint shows that the price of HRC ex-Mumbai stood at ₹46,600 per tonne as of January 3, 2025, with the lowest recorded price at ₹46,400 per tonne as of December 20, 2024.

The monthly average price for December 2023 was ₹55,000 per tonne, while for December 2024, it stood at ₹46,900 per tonne, reflecting a year-on-year decrease of 14.7 per cent.

According to a BigMint analysis, despite anticipated volatility from the safeguard duty investigation, prices have remained stable due to subdued demand and lower market activity during the holiday season.

Prices reached a four-year low, driven by weak demand, increased imports, and greater domestic mill supply availability, it said.

Elections across the globe marked the year 2024. In India, the general elections were held during April-May, alongside at least eight state elections. That, coupled with extended monsoons, impacted the infrastructure and construction segment, the biggest end-user segment for steel.

Jayant Acharya, joint managing director and chief executive officer of JSW Steel, noted that elections disrupted the government capital expenditure cycle in India. "But we expect the government to push the pedal in

the January-March quarter."

The long-term India story is solid, Acharya explained, adding that the rural side has been supportive, and consumption-boosting measures are expected in the upcoming Union Budget.

However, he said that the external environment has not been conducive. "With the new administration in the US, we may see additional duties and tariffs. That may help check exports from China to some countries, but our basic challenge will be how India reacts to a changing geopolitical situation where every country is becoming more protective and putting up trade barriers. As a country, we need to ensure it does not become a dumping ground for material."

Ranjan Dhar, director and vice-president — sales and marketing at ArcelorMittal Nippon Steel India, expects 2025 to be a stronger year compared to 2024. "With elections mostly behind, every government in power will have targets to achieve."

In India, a revival in domestic drivers, including public consumption and investment, is expected to gain momentum, according to Dhar. However, to strengthen its position as a competitive manufacturing hub and achieve *atmanirbharta*, India must focus on strategically reducing import dependency through a comprehensive, multi-faceted reforms agenda, he noted.

Steel companies have been raising concerns that low-cost imports, especially from China, have led to price erosion, leaving little scope for reinvestment. Globally, steel demand is projected to grow by 0.5-1.5 per cent in

2025, marking a change in course after three years of decline, Sehul Bhatt, director of research at CRISIL Market Intelligence and Analytics, said. "However, in India, despite high domestic demand, production growth has been modest, mainly due to an increase in net imports capturing incremental demand. As a result, steel prices have remained soft."

Bhatt highlights three key factors expected to drive growth in the steel industry in 2025: easing financing conditions, a push for localisation by a few major economies, and pent-up demand on a low base from key steel-consuming economies.

India has initiated an investigation to determine whether a safeguard duty should be imposed to curb the rise in steel imports. Much will depend on whether it happens.

Ritabrata Ghosh, vice-president at ICRA, presents different scenarios. "If the safeguard duty is imposed, it will ring-fence the home market and give the domestic steel industry the head-

room to increase prices."

"However, if the duty is deferred or is at an ineffective level, then in our base case scenario, the average Ebitda per tonne for the top four players in their domestic operations is expected to hover in the range of \$110-130 per tonne, similar to levels observed over the past three years," he added.

Without any kind of safeguard duty and profits at current levels, the industry leverage is expected to rise if it continues to expand capacity. BigMint data showed that imports in CY 2024 were 10.4 million tonnes (provisional), compared to 8.53 million tonnes in CY 2023.



## 2025: THE OUTLOOK



# Copper Scrap Import may Turn Duty Free

Twesh Mishra

**New Delhi:** The centre is mulling duty free import of copper scrap, in a move expected to boost prospects of domestic units.

"Earlier budgets had lowered the import duty from 5% to 2.5%. A case for completely doing away with the basic customs duty has been made to the finance ministry for inclusion in Budget 2025-26," a senior government official told ET.

India currently levies a 2.5% concessional basic customs duty on copper scrap.

Imports under this category have

risen by 33.42% to reach ₹11,476.76 crore in the first seven months of the current financial year. Saudi Arabia remains the largest source of copper scrap to India with ₹2,208.43 crore worth exports in the months under review.

Import duty on copper scrap was reduced from 5% to 2.5% in Budget 2021-22.

Budget 2024-25 had maintained the concessional cus-

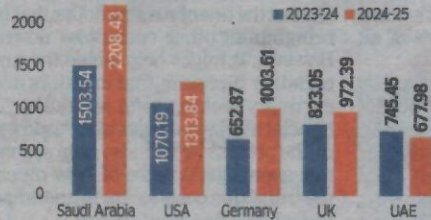
toms duty on copper while completely doing away with it for other Critical minerals such as Lithium.

This was done to promote recycling in the country as the basic raw materials will become economical.

## BUDGET TRACK

### Scrappy Business

TOP SOURCES OF COPPER SCRAP TO INDIA  
(₹ cr April to October)



#### BUDGET PITCH

- ◆ Remove 2.5% import tax
- ◆ Promote domestic copper value chain
- ◆ Support EV and electronics manufacturing



"While copper is not a categorised as a Critical mineral in India, it finds application across industries driving up its value. The push for domestic electric vehicle (EV) and electronics manufacturing has also raised its demand,"

the official said.

According to industry representatives, the savings in custom duties will help to invest in modern recycling technologies, enabling industry to improve the quality of recycled copper.



## With China buying less, iron ore exports decline nearly 30% to 22.67 mt in nine months of FY25

Abhishek Law  
New Delhi

The country's iron-ore exports for the nine-month-period (9MFY25) saw a near 30 per cent drop y-o-y with shipments slowing down to 22.67 million tonnes.

A slowdown has been noticed in the largest buyer market China — down to 20.17 mt — on account of excess steel stocks due to poor demand there, iron-ore stockpiles and tightening of imports (of steel) into India by policymakers, thereby im-

pacting buying. Iron ore exports for 9MFY24 stood 32.46 mt. However, the numbers are substantially higher than 9MFY23 — when duty imposition by India's policy makers — slowed down shipments going out of the country to 9.67 mt.

### TOP BUYER

According to data available from market intelligence firm, BigMint, China continues to be the major buyer of iron ore from India for the nine months of this fiscal, accounting for 90 per cent of the shipments, at 20.17 mt.

In comparison, China's iron ore buying from India was at a three-year high last year and stood at 24.75 mt (higher than 9M FY25) for eight-month period of April-November in FY23.

For the fiscal, iron ore exports in April were 2.44 mt and peaked in May to 4.17 mt. Shipments started declining June onwards to 3.64 mt, and moderated further during the monsoon seasons — to 2.55 mt in July, further down to 1.85 mt in August, and then slid to 1.65 mt in September. Some pick-up was witnessed October on-

wards — at 2.41 mt, but again dipped to 1.82 mt in November and then to 2.14 mt in December.

"So, China has seen record buying of iron ore, but from bigger sourcing nations like Australia and Brazil. Since, stockpiles have happened, shipments or order to smaller supply nations like India are down," a market participant told *businessline*.

China continues to be a global buyer of the steel-making feedstock; and as per data publicly available, in 2024 (calendar year), China increased iron ore imports

by 5 per cent-odd (versus 1.18 billion tonnes in 2023) to 1.24 billion tonnes.

The country has been importing raw materials in record volumes for the second year in a row, a market source said. Poor steel demand globally has led to a dip in iron ore prices, which the Asian nation has taken advantage of to make increased purchases.

However, steel production in China has declined and in the 11M CY2024 production fell by 2.7 per cent with electric arc furnace makers slowing down on production.



## GOVERNMENT POLICY

Business Line 12-01-2025

# Clean energy sector must become independent of govt support: Goyal

**RE PUSH.** Bharat Cleantech Manufacturing Platform will enhance value chains in solar, wind, H<sub>2</sub>, battery storage

Our Bureau  
New Delhi

Product Linked Incentives (PLIs) and subsidies are detrimental to long-term growth and development of the clean energy sector, Commerce and Industry Minister Piyush Goyal has said.

"PLI schemes can only help kick-start the sector, but the clean energy sector must strive to become self-sustaining and independent of the government," he said while unveiling the Bharat Cleantech Manufacturing Platform at the Bharat Climate Forum 2025.

The Bharat Cleantech Manufacturing Platform is an initiative designed to enhance India's cleantech value chains in the solar, wind, hydrogen and battery storage sectors, according to a press statement issued by the Commerce Ministry on Saturday.

Goyal hoped that the participants at the Forum would be able to achieve the target set by Prime Minister Narendra Modi of setting up



The Bharat Cleantech Manufacturing Platform will help India become an attractive business case and a global leader in the sustainability and cleantech sector

**PIYUSH GOYAL**  
Commerce & Industry Minister



500 Giga Watt (GW) of clean energy sources in the country by 2030.

The Ministry of New and Renewable Energy is implementing the PLI Scheme for National Programme on High Efficiency Solar PV Modules, for achieving manufacturing capacity of GW scale in High Efficiency Solar PV modules with outlay of ₹24,000 crore.

The scheme has provision for PLI to the selected solar PV module manufacturers for five years post commissioning, on manufacture

and sale of High Efficiency Solar PV modules.

### 'THINK INNOVATIVELY'

Goyal asked the participants at the event to think innovatively, and increase manufacturing scale in the country.

He said that the launch of the Bharat Cleantech Manufacturing Platform will provide an opportunity for the Indian firms to collaborate, to co-innovate and will help provide a platform for financing, to

share ideas, technologies and resources.

"This will help India become an attractive business case and a global leader in the sustainability and cleantech sector," the Minister added.

India has been one of the best performing countries in terms of meeting the Nationally Determined Contributions (NDCs) submitted in 2015 to the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, the Minister noted.

### AHEAD OF SCHEDULE

"We have achieved the target of installing renewable or clean energy by 2022, eight years ahead of schedule.

"Having achieved the milestone of setting up 200 GW of clean energy, we are well poised to achieving 500 GW (by 2030)," he said.

The challenges of climate change are not new to India, the Commerce Minister said, adding that Gujarat was one of the first States to adopt solar power.



## Labour codes: Centre looks to keep 'divergences to minimum'

Earlier in 2022, a study by the VV Giri National Labour Institute, an autonomous body under the Union labour ministry, highlighted divergences in the draft rules under the codes, not only between the rules of the Centre and those of the states and UTs, but also among the states as well.

"The rules of some of the states/UTs prima facie seem to go against the basic ethos and spirit of the codes and may defeat the objective sought to be achieved. All these aspects require the attention and a re-look by the governments concerned," the study has then noted.

For example, under the Code on Wages, the central rule provides for the spread over (work hours and the period of rest within work hours) of 12 hours a day while Assam and Kerala restrict the spread over to ten and a half hours.

Chhattisgarh and Maharashtra have provisions for both under different conditions, the study had flagged.

Further, while the central rules provide for revising dearness allowance twice a year, Andhra Pradesh prescribes it for once a year and Uttar Pradesh does not have any rule in this regard.

Labour economist K R Shyam Sundar said the "vaguely constructed" new labour laws were at the root of the "malady". Had the new labour codes been formulated properly with precision and definitive character, states would have had less scope for interpretation, he said.

"Tripartite consultative bodies have not been utilised properly in the recent years to iron out the divergences, which are bound to emerge due to rulemaking at state level," he added.

The official added: "Since labour is a concurrent subject, a certain amount of divergence will exist in the rules and that is also natural due to the varied geographic and economic conditions in the country. Hence our endeavour is to keep these divergences to the minimum possible, so the objective of new codes is fulfilled."

# Labour codes may align with state rules by March

West Bengal only state not on board

SHIVA RAJORA  
New Delhi, 14 January

**T**he Union labour ministry is aiming to "standardise and harmonise" by March the rules made by state governments, except West Bengal, under the four new labour codes, which may pave the way for implementing the labour legislation.

"The government is fully committed to implementing the new codes. Regarding this, it has been working with states and Union Territories (UTs) to bring in the desired level of uniformity in their rules, so that the objective of consolidating the existing myriad labour

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**MCA TO REACH OUT TO STATES, WIDEN INTERNSHIP SCHEME**

laws into four new codes is fulfilled. The exercise is slated to be completed by March," a government official said.

According to the official, barring West Bengal and Nagaland, all other states and UTs have framed rules under the new codes.

"All Northeastern states, which were earlier lagging in formulating the rules, have been handheld and assisted by us. While Nagaland is yet to formulate the rules, it is on board and will publish draft rules in a month or so. In effect, barring West Bengal, all other states and UTs are on board. Once this exercise gets completed, we will be ready to operationalise the new laws at the earliest, as and when and the manner in which the government wishes to take a call," the official said.

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## EXAMPLES OF DIVERGENCE

**Code on Wages:** Central rule allows a 12-hour workday spread; Assam, Kerala limit it to 10 hours and 30 minutes; Chhattisgarh, Maharashtra apply both under different conditions.

**Code on Industrial Relations:** Central rule requires union office space in firms with 300+ workers; Assam, Bihar, and a few others impose no threshold.

**Code on Occupational Safety:** This bars those convicted in past 2 years for an offence liable for over 3-month jail from contracting; Chhattisgarh, Karnataka, Madhya Pradesh and Telangana limit it to criminal cases

**Code on Social Security:** Central rule mandates ₹15,000 for funerals; Gujarat, Kerala, and a few others lack such provisions

Source: VV Giri National Labour Institute study (2022)



# Making in India Gets Tough as China Calls a Halt to Machinery Exports

Cos like Foxconn, BYD and Lenovo won't be able to scale up without high-tech equipment

Kiran Rathee

**New Delhi:** Sectors with heavy reliance on China, like electronics, solar panels and electrical vehicles (EVs), are facing severe challenges in getting capital equipment including hi-tech machinery, with India's Far East neighbour almost halting supplies, say industry executives.

Beijing's move, experts said, is aimed at stalling the manufacturing expansion of the likes of Apple supplier Foxconn, EV maker BYD and laptop major Lenovo in India. It is difficult to scale up capacity without the high-tech machinery, which is not available readily in India.

The government has been made aware of the situation by industry and mitigating measures are being considered. But for the near term, this would mean a setback to the large manufacturing operations that have been set up by companies such as Foxconn in the electronics sector and joint ventures in the auto sector, the executives said.

"The Chinese government is stopping capital equipment exports from China which are critical to the manufacturing of various products, especially electronics,



EVs and solar panels, etc.," said an executive on the condition of anonymity. "The solar sector has been suffering for quite a while."

The delay in bringing equipment not only increases costs for the manufacturers here, but also hurts the whole expansion exercise, said another executive.

Experts believe that while China is trying to protect its interests amid the geo-political situation and the return of the Donald Trump regime in the US, India is being severely hurt as its booming manufacturing ecosystem depends on Chinese machinery

and technical know-how.

Over the last few months, the Chinese government has turned its attention on the electronics sector; specifically, stopping large companies such as Foxconn, BYD and Lenovo from exporting capital equipment for setting up or augmenting manufacturing facilities outside China, a third executive said.

Foxconn, BYD and Lenovo did not respond to emails seeking comment.

China is in a difficult position because as the world gets ready to watch Trump's tariff regime against Chinese exports, Chinese

and Taiwanese companies such as Foxconn, Pegatron and Compal want to partially de-risk from China and set up manufacturing facilities overseas.

"This move will stop their expansion plans also within China, in addition to outside China. So, the Chinese government may get considerable opposition from within as well," said the first executive.

India has recently started opening up to Chinese companies and giving approvals to joint ventures, having imposed restrictions on Chinese investments after the Galwan border skirmish in 2020.

But this latest move by the Chinese government is going to hit Indian interests more as other countries like Vietnam and Mexico have developed a substantial local ecosystem by partnering Chinese players in the last 4-7 years. In India, the ecosystem remains under-developed, say industry players.

The government is trying to gear up to support the shift of the ecosystem through a component incentive scheme worth nearly \$3 billion. It is likely that the government could also consider special provisions and subsidies under the incentive scheme for capital equipment, say industry executives.