

INDIA'S FOREIGN TRADE: WITH SPECIAL REFERENCE TO IRON & STEEL INDUSTRY

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ABSTRACT

The research project starts with the brief explanation of world economic review. A study was conducted on the Impact of Rupee Dollar Volatility on FDI in India for a limited time period but was done with full dedication, by finding data from all possible and best sources. Thereon Research writing started with brief explanation of iron and steel industry. The operational efficiency and profitability had been analyzed using the composite index approach. Then this project contains the findings and conclusion of the project. Detailed analysis of iron and steel industry. Indian steel industry has to depend on import to satisfy the domestic demand. In recent time steel industry is one of the fastest growing industry in India and as well as in the world. The purpose of the study is to evaluate the actual condition and trend of steel industry in India. Result of the study found that India has all potential to become top producer of steel in near future. The steady growth of production and consumption indicates that India has set a higher growth path by the end of the decade. It also states that this study of the project is totally based on the secondary data. It is recommended that the data collected is not up to the mark as it is secondary data which already collected by the other people

Keywords: Demand Analysis, Global competitiveness, HS Code, Trade Balance

INTRODUCTION

The iron and steel industries is a very important and vulnerable sector of Indian economy. India was the world's second-largest steel producer in 2023. The Growth in the Indian steel industry has been fuelled by the country's access to affordable labor and raw materials like iron ore. Thus, a significant portion of India's manufacturing output has come from the steel industry. With its cutting-edge steel mills, Indian steel industries incredibly contemporary. It has consistently aimed for increased energy efficiency levels and the on-going modernization and upgrading of older plants. The steel industries in India are divided into three groups: primary producers, secondary producers, and major producers. Iron and Steel Industry The iron and steel industry are one of the most important industries in India. During 2014 through 2021, India was the third largest producer of raw steel and the largest producer of sponge iron in the world. The industry produced 9.7 million tons of pig iron and million tons of total finished steel. Iron ore is the primary source of steel and iron in India. The Indian Ministry of Steel is concerned with the coordination and planning of the growth and development of the iron and steel industry in the country both in the public and private sectors; formulation of policies with respect to production, pricing, distribution of iron ore, manganese ore, chrome ore, and refractory, among other input industries needed primarily by the steel industry, as well as the import and export of iron and steel, Ferro alloys, and refractory. Market Size India's crude steel output grew 5.87 per cent year-on-year to 101.227

million tonnes (MT) in CY 2021. Crude steel production during April-December 2021 grew by 4.6 per cent year-on-year to 75.498 MT. India's finished steel exports rose 102.1 per cent to 8.24 MT, while imports fell by 36.6 per cent to 7.42 MT in 2017-21. Finished steel exports rose 52.9 per cent in April-December 2021 to 7.606 MT, while imports increased 10.9 per cent to 6.096 MT during the same period. Total consumption of steel increased by 5.2 per cent year-on-year at 64.867 MT during April-December 2021. Financial Advances Recent years have seen a number of significant raise in development and investment in the steel industry, as well as in the mining and metallurgy sectors that are related to it. The Department of Industrial Policy and Promotion (DIPP) released data showing that foreign direct investments (FDI) totaling US\$ 10.419 billion were drawn to the Indian metallurgical industries. in the period April 2000–September 2021. In FY17, India's crude steel production was 72.35 MT, with the total crude steel production growing at a CAGR of 4.90 per cent over the last 5 years & reached 89.79 MT in FY16. During April-January 2021, India's crude steel production increased by 7 per cent YoY & stood at 39.98 MT. As of March 2021, the capacity utilisation of steel producers is set to increase with strong export demand and signs of revival in domestic sales. Companies like JSW & Essar Steel have experienced a sharp increase in steel manufacturing in the last 2 months. Steel manufacturing output of India is expected to increase from 88.4 million tonnes (MT) in 2021 to 128.6 MT by 2021, accelerating the country's share of global steel production from 5.4% in 2021 to 7.7% by 2021. World Economic Review the world economy, considered

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as the international exchange of goods and services that is expressed in monetary units of account (money). Factors. The global economic slowdown, rising energy costs and inflation, supply chain disruptions brought on by Russia's aggression against Ukraine, the effects of the Russian Federation's (henceforth referred to as "Russia") war on Ukraine, and a severe decline in the People's Republic of China (henceforth referred to as "China") owing to tight COVID lockdown regulations and a failing real estate industry are all factors contributing to the less favorable prospects. World crude steel production has decreased sharply in 2022 as global demand for steel contracts. Steel output has collapsed as a result of the

destruction of facilities for producing steel in Ukraine, and widespread plant idle time and production stoppages, particularly in Europe, have been brought on by skyrocketing energy prices. Steel prices have recently dropped more than the price of steel raw materials, which is placing pressure on steel firms' margins even though In 2021, steel companies' financial performance had improved. This will exacerbate market imbalances and reduce capacity utilization rates in many countries, in addition to unresolved structural issues. According to OECD data, global steel production volume has grown in fourth consecutive year in 2022.

Table1 Top 10 Global Competitive Economies

Countries	Ranks
Singapore	1
United States	2
Hong Kong SAR	3
Netherland	4
Switzerland	5
Japan	6
Germany	7
Sweden	8
United Kingdom	9
Denmark	10

Source: Global competitiveness report 2021-22

The above table depicts the top 10 global competitive economies. Switzerland ranked 1st in global competitive economies, United States ranked 2nd, Singapore ranked 3rd, Netherland ranked 4th, Germany ranked 5th, Hong Kong ranked 6th and so on. When it comes to the top national economies globally, although the order may shift around slightly from one year to the next, the key players are usually the same. At the top of the list is USA Indian Economy Development

The economy of India is a developing mixed economy. 141st in per capita As of 2021, 15th in terms of nominal GDP (\$1,723) and 123rd in terms of per capita GDP (PPP) (\$6,616). Following economic liberalization in 1991, India's GDP grew by an average of 6-7 percent per year. India's economy surpassed China to become the fastest-growing major economy in the world in FY 2021 and 2022.

India topped the World Bank's growth outlook for the first time in fiscal year 2020–21, during which the economy grew 7.6%. Growth is expected to have declined slightly to 7.1% for the 2021–22 fiscal years. According to the IMF, India's growth is expected to rebound to 7.2% in the 2021–22 fiscal and 7.7% in 2022–23. The gross domestic product (GDP) of India is anticipated to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favourable demographics, and reforms. Through

the primary market, Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) in 2021. After 14 years, Moody's raised India's sovereign rating to Baa2, citing a stable economic outlook. From April to October 2021, FIIs made net investments of US\$ 17.412 billion in India. Global consulting giant KPMG found that the top 100 companies in India are the best in the world at disclosing their corporate social responsibility (CSR) spending, based on a study of 49 countries. According to an Ambit Capital report, the government of India's bank recapitalization plan is anticipated to propel credit growth in the nation to 15%. India is now ranked 100 out of 190 countries in the 2022 edition of the World Bank's Doing Business Report, up 30 places from its 2021 ranking. According to data IMF, India's per capita GDP increased to US\$ 7,170 in 2021, improving its ranking to 126 in the world Purchasing Power of Parity (PPP). The Government of India has saved US\$ 10 billion in subsidies through direct benefit transfers with the use of technology, Aadhaar and bank accounts, as per a statement by Mr Narendra Modi, Prime Minister of India. India is expected to have 10,000,00 by 2025, which will generate US\$ 500 billion in value and 3.25 million jobs, according to Mr. T V Mohan Das Pai, Chairman of Manipal Global Education. The table depicts about the GDP which is \$3.5 trillion (2023), rank of Indian economy is 5th, Total export of Indian economy is \$66.14 billion, import of Indian economy is \$72.18 billion & foreign reserves is \$421.914 billion (2023).

Table 2 Indian Economy

Currency	Indian Rupee
GDP	\$3.5 trillion (2023)
GDP rank	5th (nominal); 3rd (PPP)
GDP Growth	9.10% (IMF)
Exports	\$66.14 billion
Inflation(CPI)	6.4%
Imports	\$72.18 billion
FDI stock	Inward: \$871.01 billion Outward: \$571.13 billion
Foreign Reserves	\$421.914 billion (02 February 2022)

Sources : IMF

OBJECTIVES

- i. To study India's foreign trade performance with reference to Iron and Steel industry.
- ii. To study the prospect of the Indian steel industry in terms of production and consumption.

SCOPE

India's foreign trade with iron and steel industry is rapidly increasing in recent years. India was the third largest producer in 2021. The growth in the Indian steel industry was driven by domestic availability of raw material such as iron ore and cost-effective labour. Indian steel industries are classified into three categories such as major producer, main producers and secondary producers.

This research paper helps in examining the trade relations between the countries and India is the fastest growing in iron and steel producer in 2021.

RESEARCH METHODOLOGY

Research design: it is the framework of the research study. The study portrays a detailed view of India relation with other countries of the world. India's Foreign Trade regarding iron and steel industry had been studied. Methodology used for data collection: the study is basically conducted through the analysis of the available secondary data related to the India's foreign trade regarding iron & steel industry. Secondary data were collected from the publications of exam papers, annual reports, brochures and the report of experts group, Indian economic journal and websites are used for collecting the secondary data. Trends, growth, significance have been studied in the paper. The study portrays a detailed view of India relations with other countries of the world. India's foreign trade with reference to iron & steel industry had been studied.

LITERATURE REVIEW

Sharma and Kumar (1990), has observed in his doctoral research work, -The performance of state trading in mineral and metals in India with reference to an appraisal of working of the Minerals and Metals Trading Corporation of India Ltd.

and its subsidiaries, here the author is describe the overall performance of State Trading Corporation. The mineral and Metals sector has crucial importance for any economy as the availability of mineral resources in the world finite. The economic development of a nation depends on the availability and utilization of mineral resources. India has a rich variety of minerals and the Government has sole ownership of these resources. There are a number of Government 16 trading companies engaged in the business of minerals, metals, agro based products and other allied goods at international as well as national level. Prasanna and R.K. (2001) -Steel Potential E-Commerce, The Hindu Survey of Indian Industry, has stated that E-commerce is not merely a mass action but it is information dissemination too. Every commerce company will have to provide information base to tract and facilitate business. Rao and Das (2001) wrote an article on -An Organizational Restructuring in Steel Authority of India Ltd., Indian Journal of Public Enterprise, IPER, where they have suggested that globalization calls for better management of multicultural environment, fast response to change and, subscription to globally accepted standards of quality, delivery and price, SAIL has to change the mind-set of their employees. It should withdraw from those business activities that do not add value to their core activity of making steel.

Chakraborty(2001) wrote an article on -A Comparative Study of the Profitability Analysis of Public Sector and Private Sector Steel Industries in India. A Case Study of SAIL and TISCO, IPER, has analysed that SAIL and TISCO were earning profits whether below or above their expectations and also confirms lack of consistency and uniformity in the managerial efficiency to some extent in TISCO and is full in SAIL. Chattopadhyay has observed that government at the centre is in favour of unloading the government stakes especially in the sick companies.

Bhunia and Amalendu (2009) suggestions for removal of the weaknesses of the public sector Iron and Steel enterprises in India. In this study the researcher focused on only public sector companies who are engaged in steel production and study also focused only on its liquidity management where other factors which affect the efficiency of the company is not considered

by the author and find the gap for the further study in the steel industry and the financial efficiency study.

Banerjee (2010) working paper series on -Steel Sector in India: A Profile of the small producers, in Global Change Programme Jadavpur University Kolkata – 700032, West Bengal, which indicates the present scenario and future growth of the Indian steel industry, also indicated domestic production, consumption and export-import till 2008 and gives the factor affecting on the production and consumption in India.

Keshwara and R.V (2009) he has submitted his doctoral research work, -, in Saurashtra University, Rajkot. The study indicates the analysis of financial performance of aluminum industry in India, which are mainly engaged in production of Aluminum Products, This study is aimed at exploring the financial performance of aluminum industry in India.

Sengupta and Sanjay (2012), writes an article on -Higher Construction activity boost Steel Consumption, published in steel world on January, which indicates how Construction Sector builds the basic framework of the economy and how construction industry has one of the strongest linkages with 27 other sectors of the economy and has a strong multiplier effect on steel industry of India. By sector, global steel recovery rates for recycling are estimated at 85% for construction, 85% for automotive, 90% for machinery and 50% for electrical and domestic appliances.

Ray and Mihir(2014) Published article -Trend in Total Factor Productivity Growth in Indian Iron and Steel Industries Under a Liberalized Trade Regime: An Empirical Analysis with Adjustment for Capacity Utilization in Journal of Applied Business and Economics, where the authors describes study

attempts to measure productivity performance in terms of partial factor productivity and total factor productivity growth and tries to relate and adjust economic capacity utilization with total factor productivity growth for the entire period, 1979-80 to 2003-04. The results on partial factor productivity of factors show improvement in productivity of material, labour and capital.

Hincks (2015) writes an article on -India rising: Can India’s steel industry deliver on years of promise? A report by global business reports for steel times international. Indicates, India has seen crude steel production increase by 47Mt or 174% .Since the start of the 21st century an average annual increase in output of 14.5%. It now ranks as the fourth largest producer in the world. Much of this growth has come from the private sector which now accounts for three-quarters of total production

Takeh&Navaprabha (2018) to analyze the impact of capital structure on financial performance of selected Indian steel companies for a period were employed in the analysis of data. The indicators of capital structure (independent variables) were TDER, TADR, ICR, and FDR; the indicators of financial performance (dependent variables) were OPM, ROA, ROE, and ROCE. The outcome showed that capital structure had a major effect on the Indian steel industry’s 35 financial performance. The negative correlation between capital structure and financial performance measures was confirmed by the correlation results. Data Analysis Total trade of the throughout the year is that total export will be \$260,326,912,335, total imports will be \$356,704,792,107, trade balance will be (\$96,377,879,772), export of goods and services is 19.22% & imports of goods and services is 20.63%.. The iron and steel industry depicts a changing nature in its growth and production pattern..

Table 3 Top Iron Companies in India

Tata Steel Limited
Jindal Steel and Power Limited
Essar Steel Limited
Bhushan Steel Ltd
Ispat Industries Ltd
JSL Ltd
Lloyds Steel Inds. Ltd
ISMT Ltd
Monnet Ispat and Energy Ltd

Tata Iron and Steel Company (TISCO): This is India’s oldest iron and steel hub. It is a business in the private sector. Jamshedji Tata founded it in Sakchi, in the Singhbhum district of Jharkhand, in 1907. It was later renamed Jamshedpur in honor of Jamshedji. In 1911, it began manufacturing pig iron, and in 1912, steel.

At first, the plant could produce 1.1 million tonnes of steel and 1.21 million tonnes of pig iron annually. Three million

tonnes of steel saleable, two million tonnes of ingot steel, and 3.9 million tonnes of pig iron can now be produced at this capacity. At the moment, it produces roughly 3 million tonnes of steel .Indian Iron and Steel Company (IISCO): In West Bengal, three plants were established at Kulti, Hirapur, and Bumpur in 2264, 1908, and 1937, respectively. After merging, these facilities are now referred to as Indian Iron and Steel Company (IISCO).

In July 1972, it was placed under the administration and control of the government. The railway line between Kolkata and Asansol connects the three plants. Pig iron from the Hirapur plant is sent to Kulti so that steel can be made. Bumpur is where the rolling mills are situated.

Visweswaraya Iron and Steel Ltd.: The former state of Mysore founded it as the Mysore Iron and Steel Company (MISCO) in 1923. It is situated in the Karnataka district of Shimoga at Bhadravati, on the banks of the Bhadravati River. After being placed under state supervision in 1962, this plant was renamed Visweswaraya Iron and Steel Ltd. in honor of the renowned engineer Dr. Visweswaraya. The capacity of this plant is 1.38 lakh tonnes of steel.

Bhilai: In 1957, the then-Soviet Union provided technical and financial assistance for the establishment of the Bhilai Iron and Steel Center in the Durg district of Chhattisgarh. In 1959, production got underway. It now has a 52 lakh tonnes capacity instead of the original 10 lakh tonnes.

Rourkela: Located in Orissa's Sundargarh district, the Hindustan Steel Limited plant at Rourkela During the Second Five Year Plan, it was established with assistance from the West German company Krupps and Demang (West and East Germany have now united to form one country).

Durgapur: The Hindustan Steel Ltd. plant is situated in West Bengal's Bardhaman district in Durgapur. With assistance from the UK, it was established in 1959. In 1962, the production got underway. It can hold 35 lakh tonnes in total. In 1996–1997, it produced 1.14 lakh tonnes of saleable pig iron, 10.93 lakh tonnes of saleable steel, and 12.45 lakh tonnes of crude steel.

The Durgapur Alloy Steel Plant can now produce 2 lakh tonnes of crude steel in addition to its original capacity of 1.6 lakh tonnes of ingot steel. function in 1959. **Bokaro:** In the Hazaribagh district of Jharkhand, a new public sector company called Bokaro Steel Ltd. was established in 1964 with the goal of building a steel plant in Bokaro, close to the confluence of the Bokaro and Damodar rivers, with assistance from the former Soviet Union. This is the second plant established with Soviet assistance. Production got underway in 1972. It was upgraded from 10 lakh tonnes to 40 lakh tonnes of capacity.

The Salem Steel Plant: Located in the Tamil Nadu district of Salem, the plant was established. Rich iron ore and easily accessible lime stones in the surrounding areas are advantages for the plant. It also benefits from a large market, charcoal, and inexpensive power.

Vijayanagar Steel Plant: Located in the Bellary district of Karnataka, this plant was established in Tomagal, close to Hospet. Its installed capacity is thirty lakh tonnes good for making special grade iron and steel because it contains little sulphur and phosphorus.

Vishakhapatnam Steel Plant (VSP): Situated on a seaport, this integrated steel plant boasts an exceptional location. It is

actually the nation's first steel plant located on land. While the plant's foundation stone was laid in 1972, actual construction could not begin until Rashtriya Ispat Nigam Limited was incorporated as a public sector company in February 1982 to carry out the plant's construction.

Domestic Scenario

The Indian steel industry has entered a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. India has surpassed China to become the world's third largest producer of crude steel in 2021. The country was the largest producer of sponge iron or DRI in the world during the period 2003–2021 and emerged as the 2nd largest global producer of DRI in 2021 (after Iran). India is also the 3rd largest finished steel consumer in the world and maintained this status in 2021. Such rankings are based on provisional data released by the World Steel Association for the above year. The government plays the role of a facilitator in a deregulated, liberalized economic and market environment like India, setting the institutional framework and policy guidelines that create the favorable conditions for raising the productivity and performance of the steel industry. In this role, the Government has released the National Steel Policy 2021, 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. The aforementioned Policy is an updated version of the National Steel Policy 2005, which was first published and offered a forecast for long-term growth in the domestic iron and steel sector by 2019–20. Additionally, the government has declared that domestically produced iron and steel goods will be given precedence when it comes to government procurement. This policy, which is applicable to all government tenders where applicable, aims to realize the PM's "Make in India" vision with the goal of nation-building and encouraging domestic manufacturing. Price bid is yet to be opened. Additionally, the 20 Policy stipulates that notified steel products that fall under preferential procurement must add a minimum of 15% value. Ministry of Steel may examine particular steel products and the minimum value addition requirement to offer flexibility.

Production

In 1991 and 1992, respectively, the license and control over the steel industry were revoked. Right now, India ranks third globally in terms of crude steel production. The total amount of finished steel (alloy + non-alloy) produced for sale in 2021–2022 (prov.) was 100.74 MT, an increase of 10.7% over 2021–2022. Pig iron production for sale in 2021–2022 was 9.39 MT, an increase of 1.8% from 2021–2022. Between 2003 and 2021, India was the world's top producer of sponge iron; in 2021, it ranked second, behind Iran. In 2021–2022, 79% of the nation's sponge iron production was derived from the coal-based route. Information regarding the production and sales of pig iron, sponge iron, and total finished steel (stainless + alloy) is provided.

Table 4 Indian steel industry (in million tonnes)

Category	2012-13	2013-14	2014-15	2015-17	2018-21	April- May 2021
Pig iron production for sale	6.870	7.950	9.694	9.228	9.391	1.53
Sponge iron production	23.01	22.87	24.24	22.43	24.39	4.23
Total finished steel production for sale	81.68	87.67	92.16	90.98	100.74	17.48

Demand Analysis

Availability Industry dynamics including demand – The country’s supply of iron and steel is primarily determined by market forces, with imports filling in supply shortages. The Steel Consumers’ Council meets on a regular basis as a means of communicating with consumers. Interface assists in addressing issues with availability and quality complaints. On January 16, 1999, iron and steel prices were no longer regulated. Since then, the interaction of market forces has governed steel prices. Demand and supply dynamics in the market, global price trends, and changes in the price of raw materials are some of the factors that affect domestic steel prices. Under the direction of the Secretary of Steel, an Inter-Ministerial Group (IMG) is working within the Ministry of Steel to oversee and plan the nation’s major steel investments. The government acts as a facilitator by keeping an eye on the state of the steel market and making decisions about fiscal and other policy measures based on its evaluation. At the moment, steel is subject to a 22% GST and is free of export duties. All types of iron ore have a 30% export duty imposed by the government, with the exception of low grade (below Fe 58%) iron ore lump and fines and iron ore pellets, which have no export duty.

In view of rising imports, the Government had earlier raised import duty on most steel items twice, each time by 2.5% and put in place a variety of policies, such as safeguard duties and anti-dumping laws, on a variety of relevant iron and steel products. In an additional effort to reduce the import of steel, the Indian government outlawed the manufacture and distribution of steel products that do not have Bureau of Indian Standard (BIS) approval. Additionally, in order to monitor the sale of subpar and defective stainless steel products, which are used to make utensils and other kitchen appliances, the government issued the Stainless Steel (Quality Control) Order, 2021, which will help to filter imports of the metal. The Indian government once more placed the Minimum Import Price (MIP) requirement on 173 steel products in February 2021. After three extensions, the MIP came to an end in February 2021. There are currently a number of safeguard, anti-dumping, and other regulations in place for different types of steel products in an effort to restrict the supply of cheap steel. Furthermore, the government has formed a Steel Price Monitoring Committee, whose responsibilities include monitoring price rationalization, assessing price fluctuations, and informing pertinent parties of any unjustifiable price behavior of the steel commodity.

Table 5 Imports

Category	2012-13	2013-14	2014-15	2021-16	2021-17	April-May 2021
Total finished steel	5.37	5.99	5.59	4.08	8.24	1.38

Imports

Iron & Steel can be freely imported in accordance with current policy. In 2021–17, India became a net exporter of all finished steel (prov.) Below are statistics on the import of all finished steel (alloy, non-alloy, and stainless) for the previous five years as well as April–May 2021. Opportunities for growth of Iron and Steel in Private Sector The New Industrial Policy Regime, which removed the iron and steel sector from the list of industries designated for the public sector and exempted it from mandatory licensing, allowed private investment into India’s iron and steel industries. Foreign direct investment and imports of foreign technology are currently allowed under an automatic

route, subject to certain limitations. In the liberalized scenario, the Ministry of Steel assumes the role of a facilitator, offering general guidance and support to both new and existing steel plants. “The liberalization of industrial policy” is the Growth Profile Steel topic and other government initiatives have provided a clear boost to the private sector’s entry, involvement, and expansion in the steel industry. While the current facilities are being updated and expanded, numerous new steel plants have also been built across the nation using cutting-edge, reasonably priced technology. The demand side has grown steadily and quickly in recent years, which has encouraged domestic business owners to launch new Greenfield projects

across the nation's states. Crude steel capacity was 126.33 MT in 2021-17 (prov.), up by 3.6% over 2021-16 and India, which emerged as the 3rd largest producer of crude steel in the world in 2021 as per provisional ranking released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon.

Pig Iron: Another significant producer of pig iron is India. Following liberalization and the establishment of multiple private sector entities, India has become a net exporter of pig iron in addition to significantly reducing imports. In 2021-22,

the private sector accounted for 92% of total pig iron production for sale in the country (prov.). Pig iron output for sale has increased from 1.6 million tonnes in 1991-1992 to 9.39 million tonnes in 2021-22 (prov.). India is the world's 39th and 28th largest producer of sponge iron. of sponge iron (2021, prov) has several coal-based units spread across the nation's mineral-rich states. Over time, the coal-based method has become increasingly important, contributing to the nation's total production of sponge iron, which stands at 79%. Capacity in sponge iron making too has increased over the years and stood at around 43 mt (2021-22).

Table 6 India Trade Balance - Historical Data

Year	Billions of US \$	% of GDP
2021	\$-79.19B	-2.49%
2020	\$-10.34B	-0.39%
2019	\$-73.07B	-2.58%
2018	\$-101.67B	-3.76%
2017	\$-83.76B	-3.16%
2016	\$-40.53B	-1.77%
2015	\$-48.31B	-2.30%
2014	\$-60.89B	-2.99%

Source: www.ibef.org

India exports around 7500 commodities to approximately 190 countries and buys approximately 6000 commodities from approximately 140 nations. In 2014, India exported \$322.2 billion and received \$462.9 billion in goods. The Government of India's Economic Survey 2021-22 noted that five states — Maharashtra, Gujarat, Karnataka, Tamil Nadu and Telangana — accounted for 70% of India's total exports. It was the first time that the survey included international export data for states. The survey found a high correlation between a state's Gross State Domestic Product (GSDP) per capita and its share of total exports. With a high GSDP per capita but low export share, Kerala was the only major outlier because the state's GSDP per capita was heavily influenced by remittances. The survey also revealed that, in comparison to nations like Brazil, Germany, Mexico, and the United States, the biggest companies in India contributed to a lower proportion of exports.. The top 1% of India's companies accounted for 38% of total exports.

The Indian Steel Industry: Strategies the steel consumption growth in India will be based on the trends in population growth, urbanization, and mobility and energy costs, including fuels for the transport sector. Further, steel has a strong relationship with manufacturing, and so long as the country's long term growth pattern is not supported by adequate local manufacturing base, steel demand growth will remain

limited. With continuous drop in the share of manufacturing in the economy over the years, the reversal of the trend will be an increasingly stronger challenge and the resources required to bring in the change will also be significant. Trade Agreements Impact on the Domestic Steel Market: The comprehensive economic partnership agreement (CEPA) with South Korea has resulted in increase in imports of iron and steel. India's imports from South Korea of iron and steel. Near-Shoring Yield Greater Revenues from Exports: Given the fact that steel market across the globe is vulnerable to global economic conditions, India needs to be more proactive in diversifying its export markets. USA and Europe, the traditional export markets of India, have been offering minimal opportunities for exports due to shrinking domestic demand. The relatively small share of production exported from India has faced competition, particularly from China due to low prices and freight advantages the latter has in some markets. Also, the share of India is very low in most of its major market. Streaming Land Acquisition and Environment Regulations: A number of existing legal and statutory regulations and government policy guidelines are of crucial relevance to the steel industry. Some of the important ones amongst these include those linked to allocation of mining leases, environmental and forest clearances, quality control and the policy on resettlement and rehabilitation etc. Creating Infrastructure and logistics for Steel Industry: The steel industry

is a major user of infrastructure resources like railways, roads and ports. Every 1 tonne of steel produced involves approximately 4 tonnes of material movement across India. Growth in steel production will increase the burden on the country's already stretched logistics infrastructure. To meet the needs of a growing steel industry, major improvements in various infrastructure facilities are required. Limiting Exports of Iron-Ore: Iron ore prices are likely to remain under pressure in the world market due to abundant supplies and reduced demand. The boom in the industry in the last decade led to massive investments in iron ore mining and by the estimates available. Cost Reduction to Improve Margins: Steel companies globally have been operating in a challenging environment of rising input costs and limited pricing power, leading to steady erosion in margins. In response, steel makers have been

integrating upstream facilities to secure supplies of iron ore and coking coal. To ensure a competitive advantage, steel makers have to concentrate on reducing costs, especially operation. Top exporters of India are crude oil ranked first in export, second cars will be exported, third process petroleum oils will be exported and so on. Top Importers of India are Oil, electronic equipment's, machine engine and pumps, vehicles, plastics, medical & technical equipment's, gems and precious metals, organic chemicals, iron & steel. Current status of the India foreign trade is that the export status of the country is importers rank is 11 & trade balance will be 132. Total trade of the throughout the year is that total export will be \$260,326,912,335, total imports will be \$356,704,792,107, trade balance will be (\$96,377,879,772), export of goods and services is 19.22% & imports of goods and services is 20.63%.

Table 7 Trends In GDP of India

Year	GDP%
2016	8.2%
2017	7.2%
2018	7.1%
2019	4.5%
2020	3.7%
2021	-6.6%
2022	8.7%

The above table depicts the top 10 export countries with their export USD\$. China ranked 1st with the highest exports with \$3206.23 the given export amount. USA have export \$1753.71, Germany \$1626.38 and so on.

Top 10 imports countries are USA with their amount is \$2.937 Trillion, China is \$2.676 Trillion and Germany is \$1.421 Trillion.

Table 8 Export of India

S.NO.	INDIA'S TOP EXPORTS
1.	Crude Oil
2.	Cars
3.	Processed Petroleum Oils
4.	Phone System Devices
5.	Integrated Circuits
6.	Gold
7.	Petroleum Gas
8.	Blood Fractions

Source: www.ibef.org

Table 9 Top 10 Export Goods

HS CODE	Commodity	Export USD (trillion)
71	Precious stones & metals	422.90
27	Oil & Mineral Fuels	277.15
87	Motor Vehicles & Parts	149.88
84	Industrial Machinery	135.57
30	Pharmaceuticals	130.42
29	Organic Chemicals	112.52
62	Apparel Knit	79.10
72	Iron & Steel	64.36

The above determines the HS code of the Export Goods and their value. (71) Precious stones & metals the export item with their HS code and their value in the country is 422.90, (27) Oil & Mineral Fuels the export item with their HS code and their value is 277.15. The table given below depicts the top 9 goods that are being imported.

Table 10 Imports of India

S. No.	India's Top Imports
1.	Oil
2.	Electronic equipment's
3.	Machine, engine and pumps
4.	Vehicles
5.	Plastics
6.	Medical technical equipment's
7.	Gems and precious metals
8.	Organic chemicals
9.	Iron & steel

Sources : Trade statistic

RANK	PRODUCT	2021 IMPORTS	2020-1
1.	Integrated circuits/microassemblies	\$1,190,133,044,000	+26.8%
2.	Crude oil	\$1,051,241,792,000	+47.8%
3.	Cars	\$720,623,348,000	+10.1%
4.	Processed petroleum oils	\$710,646,830,000	+55.3%
5.	Phone system devices	\$663,963,644,000	+13.0%
6.	Computers, optical readers	\$475,029,690,000	+16.1%
7.	Petroleum gases	\$454,585,814,000	+85.7%
8.	Medication mixes in dosage	\$448,706,254,000	+4.4%
9.	Automobile parts/accessories	\$406,354,026,000	+18.6%
10.	Gold (unwrought)	\$401,684,178,000	-0.5%

Figure 1 Top 10 Import Goods

Source: www.ibef.org

Source- World's top exportThe above table determines the total import the goods, their value in US \$ and their growth. The highest good imported is Integrated circuits and the lowest good imported is gold.

World Steel Association has projected Indian steel demand to grow by 6.1% in 2021 and by 7.1% in 2022 while globally; steel demand has been projected to grow by 1.3% in 2021 and by 0.9% in 2022.

32 1 The expansion and advancement of the iron and steel sector is a mirror of the world economy.The growth and production patterns of the iron and steel industry show a changing trend.

SUMMARY AND CONCLUSIONS

Findings

1. In this research explain the world economy and how world economy affects the other countries economy.
2. Trade relations with respect to iron and steel industry with other economies of the country.
3. Total production held in 2021 and how this will affect the economy.
4. Detailed analysis of iron and steel industry.
5. Steel industry is one of the sectors in India and the world that is expanding the fastest at the moment.The study's objective is to assess the state and direction of India's steel industry. The study's conclusion indicated that India has every chance of overtaking other producers of steel in the near future.India has set a higher growth path by the end of the decade, as evidenced by the steady growth of both production and consumption.
6. The world's largest steel producers, including Arcelor, Mittal, and POSCO, travel to India to build steel plants that support the development of the country's steel sector.
7. India is predicted by the Ministry of Steel to overtake China as the world's second-largest producer of iron and steel.
8. The domestic steel consumption has a great deal of room to grow given the size of the untapped market in the economy, particularly in rural areas.
9. One of the most significant and vital industries for a country's expansion and development is the steel industry. It is regarded as the foundation of all civilizations in the cosmos.One key factor influencing a country's socioeconomic development is the amount of steel consumed per person.

LIMITATIONS

1. The data collected in this research is secondary data.
2. It is hard to collect all information regarding the topic.

3. The data is literature based.

SUGGESTION & SCOPE FOR THE FURTHER STUDY

India's foreign trade has undergone a complete change in terms of composition and direction. Indian Foreign Trade has remarkably changed, in the sense that the significance of developing countries as Foreign Trade has considerable increased. All EXIM policies or FTPs in India regard to liberalization and globalization of the Foreign Trade has witnessed very significant change.

This research paper helps in examine the trade relations between the countries. It also helps to analyse the trade balance between the countries and growing level of iron and steel industry, how it will affect the economy of the country.

RECOMMENDATIONS

Steel prices are now increasingly aligning to global export prices as markets strike a balance between imports and domestic demand. China's waning demand and resultant rise in exports poses a risk to leveraging improving domestic demand in South Asia and Europe. Further, movement of currencies against the US dollar would also have a significant impact on the movement of global steel and raw material prices.

India was the only major steel consuming market globally, which saw a demand escalation. However, the country suffered from an unprecedented inflow of steel imports from China, Japan, South Korea, and Russia. South Korea and Japan benefitted due to the free trade agreement with India. The result was that the domestic industry was forced to take a series of price cuts, leading to a severe margin squeeze for domestic steel companies.

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