

# Indian steel, aluminium exports to take a hit with as Trump mulls doubling tariff to 50%

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According to Pankaj Chadha, chairman of EEPIC India, annual exports of steel, aluminium and products are worth almost \$5 billion. | Photo Credit: Julia Demaree Nikhinson

**India's exports of steel and aluminium and their products are expected to take \$1 billion hit with the proposed fresh tariff hikes by the U.S..**

**The proposed tariff is double the current 25% tariff under Section 232 of the Trade Expansion Act.**

Pankaj Chadha, chairman of EEPC India, told *The Hindu* that annual exports of steel, aluminium and products are worth nearly \$5 billion. “We have barely settled down after the March announcement of sectoral tariff. How can we do business with such uncertainty in tariffs. The US sources castings, fasteners, holdings, etc. We (Indian exporters) need to diversify to other markets,” he said.

The EEPC India will pursue with the Indian government to get exemption from Section 232, similar to the exemption the U.S. has given to the U.K.

According to the GTRI, the U.S. steel prices are already high, at around \$984 per tonne compared with European prices at \$690 and Chinese prices at \$392. The doubling of tariffs is expected to push U.S. prices to about \$1,180, hitting the U.S. domestic industries in sectors such as automobiles, construction, and manufacturing. For India, the consequences are direct. In FY 2025, India exported \$4.56 billion worth of iron, steel, and aluminium products to the U.S., with key categories including \$587.5 million in iron and steel, \$3.1 billion in articles of iron or steel, and \$860 million in aluminium and related articles.

India has issued a formal notice at the World Trade Organization signalling its intention to impose retaliatory tariffs on U.S. goods in response to the earlier steel tariffs. With the US now planning to double the tariffs, it remains to be seen whether India will carry out the retaliation, by increasing tariffs on certain U.S. exports within a month. India imports nearly \$ 2 billion worth iron, steel, aluminium and their goods from the U.S., said the GTRI.

S C Ralhan, president of the Federation of Indian Export Organisations, said in a press release that the proposed tariff will have significant bearing especially on semi-finished and finished categories such as stainless steel pipes, structural steel components, and automotive steel parts. These products are part of India’s growing engineering exports, and higher duties could erode India’s price competitiveness in the U.S. market.

Such sharp increases in tariffs send discouraging signals to global trade and manufacturing supply chains. “We urge the Government to take up the issue at the bilateral level to ensure that Indian exporters are not unfairly disadvantaged as 25%

additional duty will be a huge burden, which is difficult to be absorbed by the exporter/importer.”

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