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Top News - Oil

China tariffs could drive US crude exports lower in 2025

An emerging trade war between the United States and China could drive U.S. crude exports lower in 2025 for the first time since the pandemic by reducing access to the Chinese market, according to analysts.

That outlook reflects a potential unintended consequence of President Donald Trump's protectionist policies, running counter to his administration's vow to maximize already record-high U.S. oil and gas production. The U.S. has grown into the world's third-largest exporter behind Saudi Arabia and Russia since it lifted a 40-year federal ban on exports of domestic oil in 2015. While U.S. crude exports grew only slightly in 2024, the last time they fell was in 2021, after the COVID-19 outbreak slashed global energy demand. "International demand for U.S. crude may be peaking out, and this could only further accelerate that," said Matt Smith, an analyst at Kpler. Rohit Rathod, a senior analyst with ship tracking firm Vortexa, said he expected total U.S. oil exports to slip to 3.6 million barrels per day in 2025 from 3.8 million bpd in 2024, as Chinese tariffs keep some U.S. oil grades at home. China consumes around 166,000 barrels of U.S. crude daily, roughly 5% of all U.S. export cargoes. Some of that could stay on U.S. shores or be diverted to other markets after Beijing announced retaliatory tariffs this week. The fall in exports would most likely be made up of medium density types of oil with a higher sulfur content, such as Mars and Southern Green Canyon that are considered medium-sour grades. Those types made up about 48% of the U.S. crude imported by China last year.

Such grades are ideal for U.S. refineries and could easily find buyers domestically - particularly if the United States follows through on its threats to impose new tariffs on Canadian and Mexican oil, analysts said. "Medium sours are welcome barrels in the U.S. Gulf Coast. Refiners need it," Rathod said. Most of the rest of China's crude imports from the U.S. were lighter density, lower-sulfur types, such as West Texas Intermediate, which are known as light, sweet grades. That type of oil could be diverted to European and Indian refiners at competitive prices, analysts said. The Louisiana Offshore Oil Port handled nearly half of all exports to China last year, according to Kpler. The company was not immediately available for comment. Another 25% of U.S. exports to China came from Enbridge's Ingleside, Texas, facility near Corpus Christi, Kpler data showed. Enbridge's facility will see very little impact since less than 15% of it's historical volumes have gone to China, said Phil Anderson, a senior Vice President at the company. "The market is very liquid globally for light crude," he said. Among the top sellers of U.S. crude to China is Occidental Petroleum, which sold at least 13 cargoes of light, sweet WTI Midland there in 2024, according to Kpler. Occidental did not immediately reply to a request for comment. For China, the impact is likely muted as U.S. imports accounted for just 1.7% of the country's total crude imports in 2024, worth about $6 billion, according to Chinese customs data, and down from 2.5% in 2023.

China had increased imports from Canada by about 30% last year to over 500,000 bpd, thanks to the expansion of the Trans Mountain pipeline. China's appetite for U.S. oil has also diminished in recent years due to discounted Russian and Iranian oil.

US Permian oil output growth to slow in 2025 despite Trump's plan, executives say

Growth in oil output from the U.S. Permian basin, the country's top oilfield, is expected to slow by at least 25% this year despite President Donald Trump's vow to maximize production, energy executives forecast on Thursday.

At a conference in Houston, they said production is expected to rise in 2025 by about 250,000 barrels per day (bpd) to 300,000 bpd from the shale formation spread across Texas and New Mexico, down from last year's 380,000-bpd increase. That forecast aligns with the U.S. Energy Information Administration's projection of a 300,000-bpd rise.

Total Permian output hit 6.3 million bpd last year, accounting for about half of total U.S. output. "We still expect to see growth in the Permian but we expect to see that moderated versus the rate of growth we have seen before," Barbara Harrison, vice president of crude supply and trading at Chevron told Reuters on the sidelines of the conference.

Chevron's Permian production grew 14% year-over-year, the company reported in its Q4 earnings, to a record 992,000 barrels of oil equivalent per day (boepd), bringing the company close to its 1 million-boepd target. "We are predicting closer to 9-10% over the next couple of years, continuing to grow our production there but not necessarily at the same rate that we have done in the past," Harrison said. Chevron CEO Mike Wirth said he believes Permian operators will keep capital spending modest and grow within their means, unlike the 2010s shale boom when their focus was to pump more. "Drill, baby, drill is not going to happen," Shannon Flowers, director of crude and water marketing at Coterra Energy said on the sidelines of the Argus Global Crude Summit in Houston. "The tension that we have right now is that the Trump administration said it wants lower energy prices. That's not necessarily good for producers," Flowers added. U.S. refiner Delek's CEO Avigal Soreq concurred. Producers are focusing on keeping capital spending under control and achieving higher prices for their oil and gas. They have prioritized returning cash to shareholders after a pricing rout in the last decade hurt profits and share prices. While the U.S. is already the world's top oil producer with output of about 13.2 million bpd in 2024, total U.S. production growth has slowed in recent years, climbing only about 280,000 bpd last year.

Top News - Agriculture

Mexico drops restrictions on genetically modified corn imports

Mexico has repealed import restrictions on genetically modified corn for human, livestock and industrial uses following a U.S. victory in a North America trade panel dispute.

Former President Andres Manuel Lopez Obrador first banned such imports then reversed course to ban only those destined for human consumption.

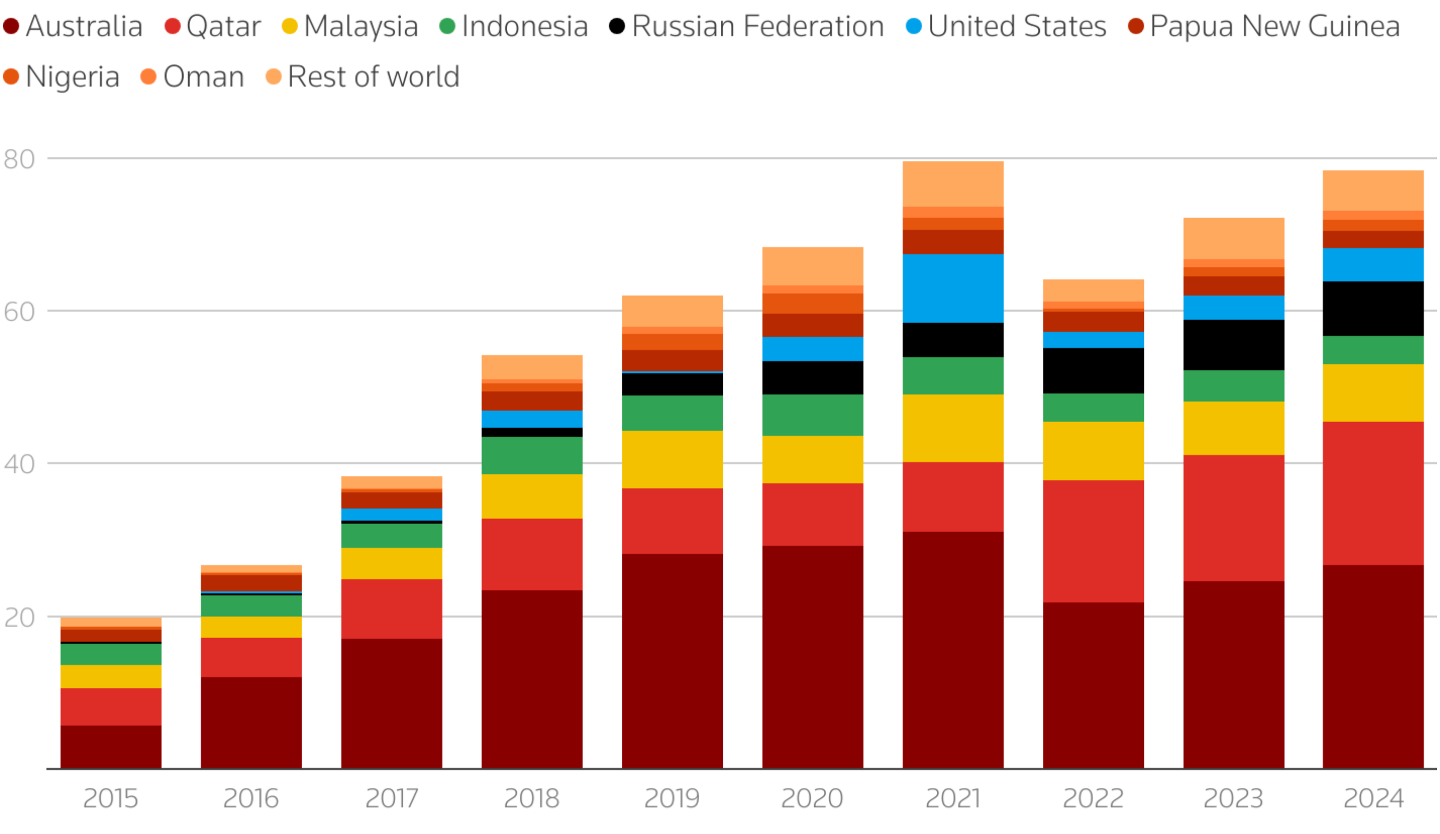
The U.S. has been a major exporter of genetically modified yellow corn to Mexico, mostly for livestock feed and industrial uses, and lodged a dispute under the USMCA North American trade accord over Mexico's move.

In December, a USMCA panel ruled that the Mexican government's limits violated the trade agreement. Mexico's government published the repeal of its restrictions in its official gazette on Wednesday to comply with the decision. Mexico, the birthplace of modern corn, prohibits commercial planting of genetically modified corn

Chart of the Day

China's LNG imports

The United States accounted for 5.5% of China's total imports in 2024



Note: In millions of metric tons of LNG

Source: Kpler

strains, arguing they will contaminate native strains of the grain. President Claudia Sheinbaum told reporters Thursday that her government was considering adding such a prohibition to the constitution. The U.S. welcomed the repeal. The Office of the United States Trade Representative (USTR) said in a statement the move invalidated a Mexican ban on the use of genetically modified corn in dough and tortillas, and an instruction to Mexican government agencies to gradually eliminate the use of genetically modified corn for other food uses and in animal feed. "The United States will continue to monitor closely Mexico's compliance with its USMCA commitments to ensure that Mexico's agricultural biotechnology measures are based on science and provide U.S. corn growers the market access that Mexico agreed to provide in the USMCA," the USTR said in a statement. Mexico is the largest export market for U.S. corn, with the country exporting $5.6 billion of corn to Mexico last year, according to the statement.

Russia takes control of grain trader's assets

Russia's state property agency has taken control of all the assets of what was until recently Russia's largest grain trader following a court decision last week, a state property registry entry showed on Thursday.

A Russian court ruled in favour of a lawsuit filed by the General Prosecutor's Office to transfer all the assets of Rodnie Polya, which exported 14% of Russian grain in the 2023/24 season, to the state, sources close to the company previously told Reuters. The company told Reuters on Thursday that its owner, businessman Petr Khodykin, along with the firm's lawyers, were considering various ways of defence, including an appeal to the country's Constitutional Court.

"Petr Khodykin is seeking the possibility of a fair trial for a Russian citizen and is trying to draw the authorities' attention to the fact that his case is completely unlike those where the prosecutor's office truly defends the interests of the state and its security," the company said in a written statement sent to Reuters. Published materials cited the foreign citizenship of Khodykin as a key reason for the move, aimed at preventing foreign control over strategic assets. The decision creates an important precedent as some other grain sector assets in Russia are still controlled by foreign-registered firms. Rodnie Polya, formerly known as TD RIF, controls a major grain-loading terminal in the Black Sea region, classified as a strategic asset that, by law, cannot be controlled by foreigners. It also owns 17 grain-transporting vessels. The hearing was held behind closed doors on January 31, and the decision has not yet been published. One source said the company has not yet received the court's decision and will decide whether to proceed with an appeal at a later stage.

Khodykin surrendered his Saint Kitts and Nevis passport and a residency permit for the United Arab Emirates ahead of the hearings concerning the fate of his firm, a source told Reuters on February 5.

Top News - Metals

European steel demand set for muted recovery in 2025, Eurofer says

European steel demand will make a subdued recovery this year, the European Steel Association (Eurofer) said on Thursday, downgrading its outlook because of sliding demand and trade tensions.

In October Eurofer said it expected steel demand growth of 3.8% in the EU this year, but it cut the forecast on Thursday to growth of 2.2%.

"The economic and geopolitical conditions that have affected the European steel market over the past two years show no signs of improvement and have further deepened their negative impact on the sector," Eurofer's statement said.

It also downgraded its forecast of apparent steel consumption for last year to a decline of 2.3% from a previous forecast of a 1.8% drop.

Apparent steel consumption measures output of steel producers plus net imports minus net exports.

The steel producer group said it downgraded its forecasts after data showed that apparent steel consumption in the third quarter of 2024 fell 0.9% to 30.4 million metric tons after a decline of 1.4% in the second quarter.

"We can no longer cope with a situation where external factors beyond steelmakers' control ... are structurally undermining our industry," said Axel Eggert, general director of Eurofer.

In the third quarter, steel imports to the EU rose by 1%, and their overall share remained at a record high of 28%, it added. On Tuesday German Chancellor Olaf Scholz said he was committed to protecting steel production in the EU and has proposed a European steel summit to help to tackle the common challenges.

COLUMN-Another cobalt bust but this time it's different: Andy Home

The cobalt market is no stranger to boom and bust cycles but the current downturn is unprecedented and no-one is sure how long it's going to last.

London Metal Exchange (LME) cobalt has imploded from a high of $82,000 per metric ton in April 2022 to $21,550, the lowest level since the contract was launched in 2010.

Once again the market has been swamped by over-production in the Democratic Republic of Congo, the world's dominant source of the battery metal.

But while it was an artisanal mining surge that caused the bust of 2018-2019, this time around it's China's giant CMOC Group.

The company more than doubled its output of cobalt last year, pumping nearly 60,000 tons of extra metal into a

global market of just over 200,000 tons.
It doesn't help that cobalt's bright new energy narrative is starting to unravel as the electric vehicle (EV) sector evolves.

COBALT CHAMPION

CMOC was formerly known as China Molybdenum Corp and it remains a significant producer of the steel alloying ingredient.
But thanks to the company's two massive copper mines in the Congo it has rapidly grown to become the world's largest producer of cobalt, which comes as a copper by-product.
Both TFM and KFM mines have been aggressively ramping up output and the company had said it planned to lift cobalt output from 55,526 tons in 2023 to 60,000-70,000 tons in 2024.
Actual production last year came in at 114,165 tons, stunning the market. Guidance for this year is 100,000-120,000 tons.
CMOC is not going to lose its title of world's largest cobalt producer any time soon. The concession at the TFM mine encompasses a massive 1,600 square km (618 sq. miles) of potentially resource-rich ground.

BY-PRODUCT BLUES

CMOC also churned out a massive 650,000 tons of copper from its Congo mines last year.
While the price of cobalt has drifted ever lower, copper hit a record high last year, incentivising producers such as CMOC to rush units to market.
In the Congo more copper means more by-product cobalt.
Indeed, 98% of all the world's cobalt production comes as a by-product to either copper or nickel, according to the Cobalt Institute.
That's a double problem for the cobalt market.
Indonesia's nickel production has boomed in recent years and so too has its output of by-product cobalt. The country is now the world's second largest cobalt producer and still expanding.
Cobalt's fortunes are forever tied to those of copper and nickel, meaning it has no independent price floor.
The price can carry on falling but that's not going to stop CMOC from producing more cobalt as long as the copper price encourages it to maximise output.
Such is the scale of CMOC's cobalt foot-print it has negated the potential of even Congo's large artisanal sector to act as a swing producer and tame supply.

ELECTRIC DREAMS FADE

Cobalt's demand profile has been transformed by its use in EV batteries but the metal's prospects look a little less stellar than a couple of years ago.
The EV revolution is rapidly evolving.
The Chinese market is shifting towards greater sales of

MARKET MONITOR as of 07:35 GMT

Contract	Last	Change	YTD
NYMEX Light Crude	$71.06 / bbl	0.64%	-0.92%
NYMEX RBOB Gasoline	$2.31 / gallon	0.85%	15.22%
ICE Gas Oil	$707.00 / tonne	1.29%	1.69%
NYMEX Natural Gas	$3.39 / mmBtu	-0.59%	-6.74%
Spot Gold	$2,863.38 / ounce	0.24%	9.13%
TRPC coal API 2 / Dec, 25	$114.25 / tonne	1.11%	2.60%
Carbon ECX EUA	€81.37 / tonne	-0.68%	11.47%
Dutch gas day-ahead (Pre. close)	€54.30 / Mwh	1.00%	11.84%
CBOT Corn	$5.07 / bushel	-0.15%	8.80%
CBOT Wheat	$5.99 / bushel	0.08%	6.53%
Malaysia Palm Oil (3M)	RM4,523 / tonne	2.73%	1.69%
Index	**Close 06 Feb**	**Change**	**YTD**
Thomson Reuters/Jefferies CRB	371.33	-0.16%	4.07%
Rogers International	30.44	0.59%	4.21%
U.S. Stocks - Dow	44,747.63	-0.28%	5.18%
U.S. Dollar Index	107.75	0.06%	-0.68%
U.S. Bond Index (DJ)	443.19	-0.18%	1.64%

hybrids, which need a smaller battery than a pure electric vehicle, and towards lithium-iron-phosphate battery chemistry which needs no cobalt at all.
Western EV manufacturers are still largely sticking with nickel-cobalt-manganese cathode chemistry but while Chinese EV sales rose by 36% last year, North American sales growth was a modest 9% and the European market actually contracted.
The amount of lithium deployed in new energy vehicles was up by 26% year-on-year in November but that of cobalt was unchanged, according to consultancy Adamas Intelligence.
Even in Western markets, battery makers are increasingly shifting to low-cobalt chemistries both on grounds of cost and risk to reputation from the well-documented ethical problems with Congo's artisanal production.

TOO MUCH COBALT...AND TOO LITTLE
The cobalt price has been crushed by the combination of massive supply surge and slowing demand dynamic.
There is a clear glut of cobalt and the prognosis is for more of the same. Analysts at Macquarie Bank are forecasting an annual supply surplus through 2028 at least.
The irony is that while the world has more cobalt than it knows what to do with, the West is becoming ever more dependent on China.
Cobalt has many military applications from munitions to high-temperature aerospace alloys used in fighter jets.
Both the United States and the European Union classify it as a critical mineral and are committed to building out their own cobalt supply chains away from Chinese influence.
But the bombed-out price is making that almost impossible.
Jervois Mining, which received funds from the U.S. Department of Defense to develop a cobalt mine in Idaho, has suspended operations and announced a pre-packaged bankruptcy arrangement at the start of January.
If the West wants its own cobalt supply chain, it's going to need a different pricing mechanism, because market dynamics suggest the price is not going to stage any significant recovery any time soon.

Top News - Carbon & Power

COLUMN-US risks losing long game in China LNG spat: Bousso
The burgeoning trade war between the United States and China has caught American gas exporters in the crossfire as they face the prospect of losing their edge in the world's fastest-growing LNG market.
Buyers of U.S. fuel will likely respond by redirecting more supply to Europe, where gas prices are today stronger than in Asia, a short-term solution that could even benefit Chinese traders.
Beijing slapped a 15% tariff on imports of U.S. liquefied natural gas, after U.S. President Donald Trump announced last Saturday that he was placing a 10% charge on all Chinese imports.
This move will have minimal impact on China's energy markets, given that U.S. LNG represents only 5.5%, or 4.3 million metric tons, of its total LNG imports, according to Kpler data.
But the effect on U.S. gas exporters could be far greater if these tariffs prove durable.
Until recently, Asia, and China in particular, were considered key growth markets for the rapidly expanding U.S. LNG sector, which is expected to see supply double to around 200 million tons per year (mtpa) by 2028 from 100 mtpa currently, according to LSEG data.
China's share of U.S. LNG offtake is set to grow sharply.
Chinese importers have committed to buying nearly 20 million metric tons per year from existing and new U.S. export terminals in contracts that often exceed 20 years, according to Reuters calculations.
Such long-term contracts are vital for U.S. companies seeking to secure financing for expensive LNG production facilities. A China-U.S. trade war would likely dampen Chinese companies' appetite to sign further supply contracts, casting doubt on the viability of the next wave of U.S. projects that would start towards the end of the decade.

REDIRECTING SUPPLY
In the short term, Chinese traders of could respond to Beijing's actions by directing contracting U.S. LNG supply to Europe, where LNG is set to command a higher price than in China in the coming months as European buyers replenish depleted inventories following a relatively cold winter.
They will benefit from the fact that unlike many other producers, U.S. LNG exporters place little or no restrictions on cargo destinations, meaning buyers can ship them where they like. This allows nimble traders to respond to changes in global supply and demand and divert cargoes to buyers offering higher prices for the fuel.
Benchmark European TTF gas prices in recent weeks moved into a significant premium to Asian LNG prices, with the spread between two contracts currently near its highest since October 2023, reflecting the tightening of European supplies while Asian demand relatively sagged.
Deliveries of the super-chilled fuel have been key to helping Europe offset the abrupt drop in Russian pipeline gas supplies following Moscow's invasion of Ukraine in 2022.
Consequently, the United States has become Europe's largest LNG supplier, accounting for 45% of imports into the region last year, according to Kpler data. Europe is already the largest buyer of U.S. gas exports.

But pushing ever more LNG into Europe is a short-term fix. Europe's gas demand is expected to decline over the long term, given its intent to reduce carbon emissions by shifting to renewables.
In fact, consumption is forecast to decrease from 507 billion cubic metres (bcm) in 2023 to between 281 and 407 bcm by 2035, according to the International Energy Agency's scenarios.
And that's after it fell some 20% following the 2022 energy crisis spurred by Russia's invasion of Ukraine.
Chinese domestic gas demand, on the other hand, is forecast to rise from 398 billion cubic metres (bcm) in 2023 to between 397 and 522 bcm by 2035, according to the IEA.
So the European market may be a band-aid to help U.S. gas producers staunch any tariff-induced bleeding, but the trade disruption will still likely be a net negative for U.S. exporters over the long run.
And even though Europe may appear to be the primary beneficiary of this burgeoning trade war, its growing dependency on U.S. gas could mean the bloc is simply replacing decades of overreliance on Russian gas with an outsized dependence on a superpower that has grown increasingly protectionist under both Republican and Democratic administrations.
President Trump once famously quipped that "trade wars are good and easy to win", but identifying any long-term winners here is likely to prove challenging.

ANALYSIS-Europe’s renewables market powers battery storage boom

Europe’s battery storage capacity is expected to grow around five-fold by 2030, bringing with it increasing returns for energy majors, project developers and traders, as the cost of new projects falls.
Wind and solar use has grown to make up around a third of Europe's energy mix, but because these renewable sources are intermittent, they have also driven demand for batteries to provide backup.
At the same time, battery technology has made strides, allowing smaller battery packs to store greater amounts of power, dragging down costs.
Even the expected leap in capacity is unlikely to be enough to meet demand to balance national energy grids, according to industry estimates.
Aurora Energy Research forecast capacity will increase to over 50 gigawatts (GW) by 2030, representing investments worth around 80 billion euros ($82.80 billion). This would still leave a shortfall, compared with expectations from industry group the European Association for Storage of Energy, which estimates 200 GW will be needed by 2030.
Already a record 3.7 GW of projects were added in 2024, taking Europe’s total battery capacity to 10.8 GW, according to data from Aurora Energy Research.
Renewable energy more broadly has left some investors feeling burnt.
Technical issues, supply chain problems, rising costs and planning battles have in Europe eaten into the profits of wind turbine makers.
Energy majors have also come under shareholder pressure to return their focus to fossil fuels after the recovery of oil prices following a demand slump caused by pandemic lockdowns.
But battery storage offers multiple ways to make money.
One way is for project operators to secure what are known as ancillary contracts from grid operators that pay them to help balance the system.
Capacity market contracts, for instance, pay generators or battery owners to be available when power demand is high.
Now renewable generation is a bigger share of the power mix, price volatility also offers the prospect of rich returns for traders on wholesale energy markets.
At times when more wind or solar is produced than the grid demands, electricity prices have turned negative and battery operators can be paid to store the power for times of need.
"If you can be paid to charge your battery because prices are negative and then sell the electricity at a premium price when the sun goes down at 6 o’clock, then that can be lucrative for traders," said Roberto Jimenez, executive director at BW ESS, part of global infrastructure firm BW Group.
Data from LSEG shows the number of hours priced at negative or around zero in Britain’s day-ahead electricity market hit a record 176 hours in 2024. It forecasts an almost four-fold increase to 792 hours in 2026.
The picture across Europe is similar. The number of German negative hours is forecast to grow from less than 500 hours in 2024 to above 900 hours in 2026, LSEG forecast.

MAJOR PROFITS

BW ESS has an agreement with oil major Shell for the capacity of a 331 MW battery project in Britain. Under the seven-year agreement, Shell will pay a fixed fee to BW ESS to make the battery available when Shell sees a trading opportunity.
Another major TotalEnergies bought German battery storage company Kyon Energy last year, with the first project from its pipeline, a 200 megawatt-hour project with a 75 million euro investment, due to begin operation in 2026.
A spokesperson for TotalEnergies said the German market has interconnections with 11 countries, providing ample scope for cross-border electricity trading.
New markets are also expected to offer contracted revenues initially to encourage investment. Italy will hold a first auction on battery storage capacity by the end of July 2025, its grid operator Terna said, with the projects expected to be operational in 2028.
Statkraft, Europe’s largest renewable generator, has a large battery portfolio including projects in Britain, Ireland and Germany. It said it may bid into the Italian auction.

RISING RETURNS, SHRINKING COSTS

The growing revenues from trade and contracts have pushed UK battery revenues to their highest level in around two years, RBC analyst Joseph Pepper said, at around 90,000 pounds ($112,617) per MW per year.
At the same time, over-supply from China and as technology improvements shrink the size of battery packs, the price of battery storage has decreased.
Pepper said the cost of building a project in Britain has fallen around 30% in two years to just above 500,000 pounds per MW for a 2-hour duration project. The result for a British project would be returns of around 12%, he said. “The key driver we have seen (to improve returns)… is the big decrease and reduction in CAPEX for batteries,” said Tom Vernon, CEO of Statera Energy, which has a pipeline of over 1 GW of projects in operation or construction in Britain. This trend looks set to continue.
Average battery prices fell from $153 per kilowatt-hour (kWh) in 2022 to $149 in 2023 and could fall to as low as $80/kWh by 2026, analysts at Goldman Sachs said.

Top News - Dry Freight

EXCLUSIVE-Philippine rice buyers delay 350,000 tons of Vietnamese cargoes, sources say

Rice importers in the Philippines have delayed purchases of around 350,000 metric tons of Vietnamese rice and have been renegotiating deals, after a steep decline in prices, two trade sources with direct knowledge said.
Rice prices in key exporting countries have dropped to about two-year lows after India, by far the biggest supplier of the grain, eased restrictions on overseas sales last year following a bumper harvest.
"There has been a big drop in Vietnamese rice prices in the last few weeks," said one Singapore-based senior executive at an international grain trading company.
"Now buyers are not willing to take the expensive rice."
Rice importers had signed deals at around $620 per metric ton, free on board, for Vietnamese fragrant rice late last year but now the price has dropped to around $500 per ton, the two trade sources said.
"This is happening just before the new harvest starts in Vietnam," said the second trading source at an international rice trading firm in Bangkok.
"It is big jolt to Vietnamese exporters as some of these deals could turn into defaults."
Bumper rice harvests in Vietnam, the world's No. 3 exporter after India and Thailand, will provide additional stock for international markets.
"The crop is looking good, it bigger than last year. Rice prices are likely to face more pressure," the Singapore-trader said.
Earlier this week, the Philippines, among the world's largest rice importers, declared a food security emergency to bring down the cost of rice, which it said has stayed elevated despite lower global prices and a reduction in rice tariffs last year.
Indian prices this week hit their lowest since June 2023 while Vietnamese prices have slid to the weakest since September 2022.
The rice market had rallied in 2023 after India, by far the world's biggest exporter, curbed overseas sales following poor monsoon rains. But rice inventories in India surged to a record high at the start of December, reaching more than five times the government's target and potentially boosting exports.

Japan seeks steel import tariff exemption from India, documents show

Japan has called on India to exempt it from any temporary tax aimed at curbing rising steel imports, according to a source and documents, arguing the move would crimp supplies of high-grade, speciality alloys that New Delhi needs.
India, the world's second biggest crude steel producer, initiated an investigation in December to consider if it should impose a temporary tax, locally known as a safeguard duty, to curtail steel imports.
Last month, India's Minister of Steel H. D. Kumaraswamy confirmed that the probe was underway.
"Japanese steel products are exported to meet the demand for high-performance steel in India," according to a presentation made by a visiting Japanese delegation to India's steel ministry this week.
"These products cannot be manufactured domestically in India, or even if they are manufactured, the supply quantity and quality do not meet the requirements of domestic consumers," the presentation documents showed.
The presentation called for "consideration to exempt" Japan from India's tariffs.
The Japanese embassy in India, the Japan Iron and Steel Federation and India's trade and steel ministries did not respond to emails from Reuters seeking comment.
The presentation was made during the third India-Japan Steel Dialogue held in New Delhi.
The Japanese delegation comprised government and industry officials.
An Indian industry official who attended the meeting confirmed the details of the presentation.
The source did not want to be identified because they were not authorised to speak to media.
Overcapacity in China and the regional bloc ASEAN led to the investigation being carried out by India, and that is why New Delhi should consider imposing country-specific curbs, exempting Tokyo, the presentation from Japan showed.
A flood of cheap Chinese steel has pushed India's smaller mills to scale down operations and consider job cuts, Reuters reported in December.

Before the presentation on February 4, the Japanese embassy in New Delhi sent letters to India's trade and steel ministries, urging them not to impose a temporary tax on steel imports, according to the source and the documents. In a separate letter and presentation in December and January, the Japan Iron and Steel Federation urged the Indian government to exempt Japanese steel mills from any temporary tax, according to the source and documents. The Japan Iron and Steel Federation counts Nippon Steel and JFE Steel Corp among its members, according to its website. India's overall finished steel imports reached a six-year high during the first nine months of the fiscal year that began in April 2024, with shipments from Japan hitting at least a seven-year high, nearly doubling from a year earlier, according to provisional government data reviewed by Reuters. Shipments from China, South Korea and Japan accounted for 79% of India's overall finished steel imports during the April-December period. Japan alone accounted for nearly a quarter of all finished steel imports.

Picture of the Day

A man rides a horse near a wind power plant in the Almaty region, Kazakhstan February 6. REUTERS/Pavel Mikheyev

(Inside Commodities is compiled by Nachiket Tekawade in Bengaluru)

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