

# Iranian steel: From soaring sheet exports to slump in semi-finished steel



● SHARGH

## PERSPECTIVE

The latest report from the Iranian Steel Producers Association, known as Steel Iran, shows that in the last Persian calendar year (March 20, 2024–March 20, 2025), the country's steel export chain has been on a rollercoaster ride, with exports of hot and cold-rolled steel sheets and construction steel picking up steam, while semi-finished steel exports have taken a hit. The report indicates that, alongside the uptick in exports of cold and hot-rolled sheets and construction steel products, especially iron beams, exports of semi-finished steel have dropped. Steel industry experts believe the war between Ukraine and Russia, coupled with falling Russian steel prices on global markets, has played a major part in Iran's export woes, as Russian producers have muscled in on Iran's target markets, driving down the global price of Iranian steel. With the US gearing up to slap more tariffs on China's steel industry, forecasts suggest that Iranian steelmakers, most of whom are based out of Isfahan Province, will have their work cut out for them on the export front this year.

Power and gas shortages have also thrown a wrench into the steel sector, holding back production and timely deliveries, with knock-on effects for exports. Experts argue that locking in a stable energy supply and moving toward innovation and technology are crucial for boosting efficiency. Given Isfahan's competitive edge in steel, ramping up steel and steel product exports in line with industry outlooks will depend on removing export barriers and beefing up energy infrastructure.

### Sheet steel exports on rise

According to Steel Iran, last year, except for coated sheet exports, which dipped by 2%, exports of hot and cold-rolled sheets were on the rise, resulting in a 19% jump in volume and a 12% increase in the value of flat steel exports. Hot-rolled sheet exports grew by 17% over the twelve months of the last year, with export value for this strategic product climbing by 12% to \$280 million. The biggest leap was in cold-rolled sheet exports, which shot up by 194% in volume, sending 20,000 tons to export markets and bringing in \$12 million. Last year's decline in coated sheet

exports was kept to just 2%, trimming foreign currency earnings from these exports to \$42 million.

### Construction steel exports climb amid fears of rising domestic costs

The Iranian Steel Association's report reveals that, despite a 13% drop in overall steel exports last year, rebar exports rose by 13% to 2.872 million tons, while exports of angle, u channel, and other long products (excluding beams) jumped by 25% to 286,000 tons, and beam exports ticked up by 10% to 213,000 tons. The surge in long-product exports pushed up Iran's construction steel exports by 14% in volume and 9% in value for last year. Last year's uptick in exports of rebar, angle, channel, beam, and other long products — all key construction steel items — came at a time when rebar production slipped by 0.5% to 3.967 million tons. Rebar, the most critical construction steel product domestically, saw output fall by 0.5% over twelve months, and this, coupled with currency fluctuations, sent rebar prices soaring past IRR400,000 in ironmongers' shops.

Rising exports of construction steel products, alongside falling domestic production, could spell trouble for Iran's construction sector — which is already stuck in a rut — and set the stage for higher building costs.

Beam exports, another key construction steel product, were up last year, mainly due to changes in Iraq's import rules that paved the way for easier entry of these products.

### Semi-finished steel exports take nosedive

The latest report from the Iranian Steel Association shows a 22% drop in semi-finished steel exports (billet and slab) in the twelve months of last year, with the value of these exports plunging by 26% due to falling global prices. The steepest decline was seen in slab exports, with only 1.729 million tons shipped out, worth \$762 million — a 37% plunge in value compared to a year earlier. Severe power restrictions last year, compared to the previous year, cut semi-finished steel exports by around 22%, with billet and bloom output sliding by 18% to 4.364 million tons. Slab and billet, Iran's main steel export products, posted the big-

gest drops, with exports tumbling by 32% and 18%, respectively. It's worth noting that billet and bloom go into making many steel sections like pipes, rebar, and beams — mainly for construction — while slab is mostly used to turn out flat products such as coils or steel sheets for the machinery and heavy equipment industries.

### Exports of sponge iron, pellet, iron ore concentrate gain ground

According to the Iranian Steel Association, a 12% jump in sponge iron exports in 2024 translated into an 11% rise in export value, bringing in roughly \$401 million.

Last year, despite export tariffs, exports of upstream steel chain materials — iron ore concentrate and pellet — continued to climb, with these two products making up 60% of the steel chain's export volume.

Despite higher export volumes, foreign currency earnings from pellet and iron ore concentrate fell by 16% and 10%, respectively, with \$918 million worth of pellet and \$548 million of concentrate exported last year.

### Steel exports' impact on Isfahan's trade

Rasoul Kouhestani Pozveh, the director general of Isfahan Customs, said that last year, the province shipped out a total of 1.807 million tons of goods worth \$1.234 billion.

Pozveh added that last year's exports from the province were down by 20% in weight and 14% in value compared to the previous year, with a 60% drop in exports of cast iron, iron, and steel standing out as the main reason for the province's export slump.

Pozveh, pointing to 749 export items from the province, said the main export products included petrochemicals (\$348 million, up 28%), cast iron, iron, and steel (\$237 million, down 60%), dairy products (\$155 million, up 64%), machine-made carpets (\$108 million, up 8%), and copper and copper products (\$90 million, up 27%).

He also noted that the top export destinations for Isfahan were Pakistan (\$342 million, up 4%), Iraq (\$248 million, down 47%), Afghanistan (\$152 million, up 16%), the UAE (\$118 million, up 6%), and Turkey (\$99 million, down 14%).

Iran now ranks tenth among the 71 member countries of the World Steel Association and is expected to move up the ladder to seventh place this year by hitting a capacity of 55 million tons.

The association is one of the largest and most dynamic industry groups worldwide, representing steel producers, national and regional associations, and research institutes, with its members churning out about 85% of the world's steel.

According to the latest report from the Iranian Steel Producers Association, the value of Iran's steel export chain fell by 13% or \$1 billion over the twelve months of the last year. Isfahan Customs likewise reported a 20% drop in export weight and a 14% drop in value compared to the year before.

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