

No. S-24011/5/2020-EA



मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
अप्रैल-2020
April - 2020

भारत सरकार/ GOVERNMENT OF INDIA
इस्पात मंत्रालय/ MINISTRY OF STEEL

Monthly Summary for the Cabinet for the month of April 2020:-

1. Ministry of Steel under the Chairmanship of Steel Minister held several Video Conferences (VCs) with various steel manufacturers' associations, secondary steel and downstream industries associations and other trade bodies representing different group of entrepreneurs working in steel sector and mining associations to know about status of the industry due to lockdown and their concerns. Several issues were flagged during these VCs, like, taking up various protective trade measures, removal of lesser duty rule, starting RoDTEP, etc., extension of validity of various licences/approvals/NoCs for another six months by Ministry of Environment, Forests & Climate Change expediting vehicle scrapping policy; reducing duty on raw materials; rationalization of royalties, freight rates and port charges; allowing credit/deferred payment instead of upfront payment for mining as well as transportation; lowering of notified price of coal for non-regulated sector; temporary waiver off/input credit for cess on coal; EPF Act, liquidity and availability of working capital, etc.
2. Internally, through video conferences, follow up action on key Government programmes like PMGKY (Annadaan); Aarogya Setu initiative; production of masks under CSR; social distancing and wearing masks were emphasized and undertaken. Under PMCARES, the Steel CPSEs contributed more than Rs.267 crore. A significant work was assessed for supply of medical grade oxygen by Steel companies, in particular, by SAIL and RINL. Steel CPSEs like SAIL, RINL and NMDC took many steps for fighting COVID-19 in their townships including preparing the hospitals and quarantine facilities.
3. Ministry and its CPSEs took pro-active preventive measures for managing COVID-19 including thermal scanning at workplace, ensuring social distancing, formulating duty rosters to keep minimal strength of employees including clinical staff of CPSE Hospitals, running plants with essential manpower etc. They are giving wide publicity to the 'Aarogya Setu' initiative at their plants/offices/townships etc. Also, Steel CPSEs are regularly participating in 'Annadaan' initiative and feeding migrant workers and weaker sections of the society in and around their areas of operations.
4. Ministry of Steel has extended the deadline for enforcing Indian standards for 12 steel products under Quality Control Orders, 2020 by three months beyond 23rd April, 2020.
5. Production in various steel plants suffered badly during the lockdown as demand crashed and movement stopped. The retail closure meant no market. Inventory management became an issue. The smaller secondary steel which comprises mostly MSME units and about 50% of steel have totally closed.
6. Production & Consumption Scenario:
 - (i) The unavoidable lockdown due to COVID-19 pandemic led to significant decline in production and consumption of steel during the month.

- (ii) Production of crude steel declined during April, 2020 due to reduced production in almost all the steel plants. It stood at 2.75 MT which is a decline of 69.5% over CPLY. The reduction in production of crude steel was more pronounced in private sector and their share in crude steel production declined to 62% from 82% in April 2019.
- (iii) A similar decline was witnessed in the production of finished steel during April 2020. Production of finished steel at 1.34 MT registered a decline of 84.6% over CPLY.
- (iii) The consumption of finished steel in April 2020 at 0.70 MT, was lower by 90.91% over CPLY. The decline in consumption was more than the decline in production of finished steel during April 2020.
- (iv) The demand for the steel from various user-sectors such as construction, automobile, consumer durables etc., did not pick up during the month leading to accumulation of inventories with the steel producing companies during the month. As a result, closing stock of finished steel at the end of April 2020 was 13.85 MT which is 4.72% higher over previous month.

7. Export-Import Scenario:

- (i) On M-o-M basis, imports of finished steel during April 2020 increase by 8.3% and stood at 0.41 MT. Exports of finished steel during same period was 0.43 MT which was lower by 25.1% as compared to export in March 2020.
- (ii) Export of finished steel was 0.022 MT higher than imports during April 2020.
- (iii) Exports of finished steel at 0.43 MT and imports at 0.41 MT was lower by 16.8% and 34.3% respectively during April, 2020 compared to CPLY.
- (iv) India remained a net exporter of steel in April 2020.
- (v) During April, 2020 steel imports declined from Korea, China, Japan, Taiwan, USA, Italy, etc., over CPLY. Maximum decline was observed in imports from Japan and USA. Increase in imports over CPLY was observed from Germany, Thailand and France.
- (vi) Steel exports to China, Netherland, UAE & Belgium witnessed a surge during April, 2020 whereas it declined in case of Nepal, Spain and Malaysia. UAE & Vietnam were top destinations of Indian steel exports during the month accounting for nearly 45% of total steel exports.

8. Price scenario:

- (i) Domestic prices of both, iron ore lumps as well as fines decreased during April 2020 and stood at 2650 INR/tonne and 2360 INR/tonne.

This is on top of the decline in their prices during previous month. Production and trades in the domestic steel industry is affected by the lockdown and the reduced demand has in turn led to reduction iron ore prices.

- (ii) International iron ore prices also decreased by about 1.1% in April 2020 as compared to previous month. The decline in international prices of iron ore has continued since February, 2020 and is mainly attributed to the constrained consumption of steel due to the outbreak of Corona virus pandemic.
- (iii) On M-o-M basis, retail prices of HRC, CRC and Rebar decreased by 2.7%, 2.3% & 3.3% respectively, in April 2020. This decline in prices was even higher on Y-o-Y basis.

9. In April 2020 both BSE Sensex and BSE Metal Indices registering an increase of 14.28% & 17.92% respectively as against a decline recorded during the preceding month.

I. Growth Parameters: Statistical updates:

Graph No. 1: Production and consumption of Finished Steel:

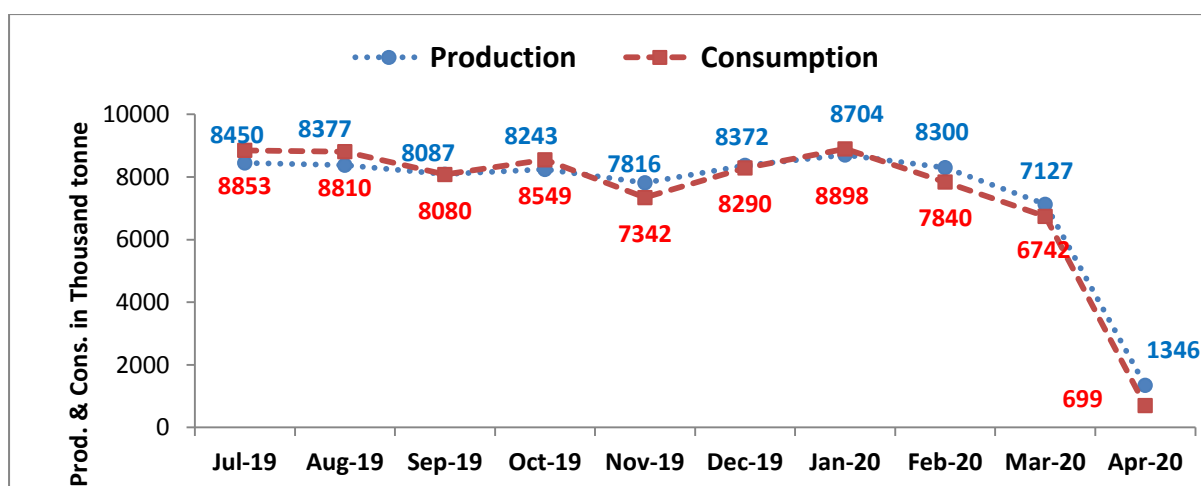


Table 1: Production & Consumption of Steel during 2020-21

(Million Tonnes)

Description	Mar' 20	Apr' 20	% Variation	April		% Variation
				2019	2020	
Production (Crude Steel)	8.038	2.752	(-)65.8	9.021	2.752	(-)69.5
Production (Finished Steel)	7.127	1.346	(-)81.1	8.753	1.346	(-)84.6
Consumption	6.742	0.699	(-)89.6	7.691	0.699	(-)90.9

- During April 2020, production and consumption of finished steel declined by 81.1% and 89.6%, respectively over the previous month.

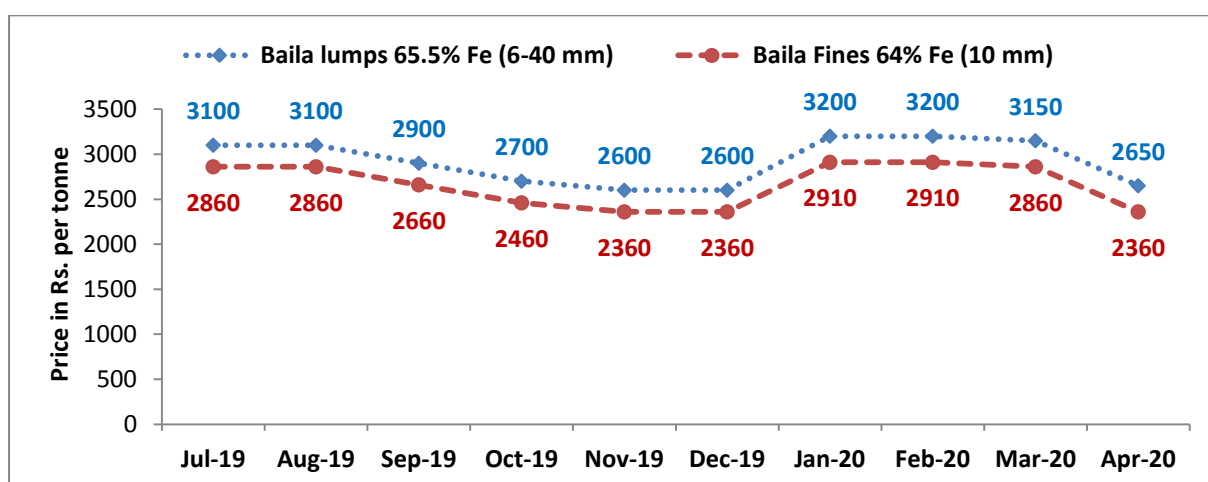
Table 2: Country-wise Crude Steel Production

Country	(Million tonne)					
	March		% Variation	Apr-Mar		% Variation
	2019	2020		2018-19	2019-20	
India	10.042	8.650	(-)13.9	110.921	109.696	(-)1.1
Japan	9.084	8.200	(-)9.7	102.886	98.675	(-)4.1
USA	7.686	7.222	(-)6.0	87.95	87.547	(-)0.5
China	80.341	78.975	(-)1.7	943.179	996.651	5.7

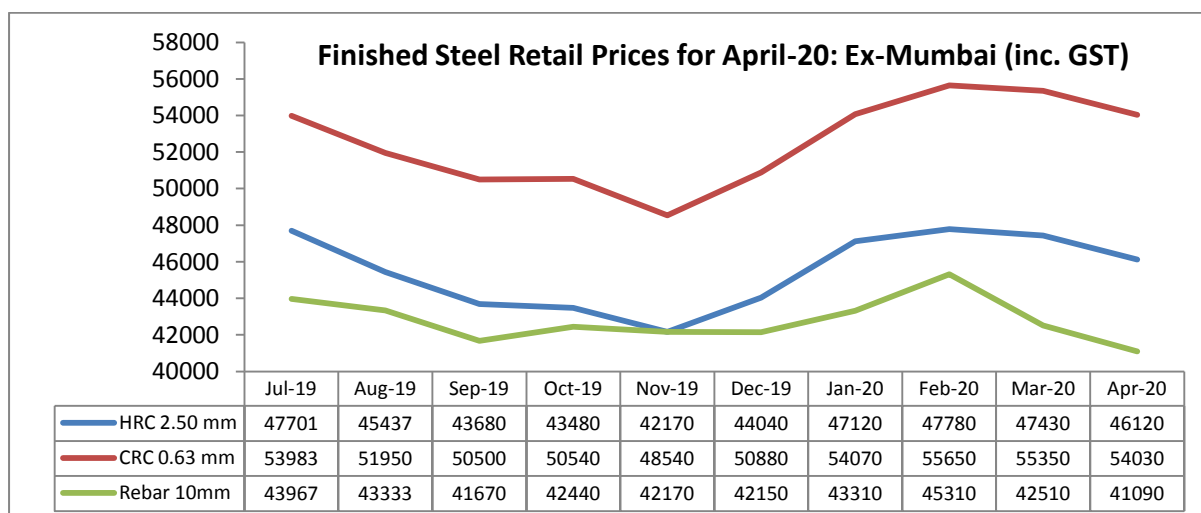
Table 3: Price of Iron Ore (Rs. per tonne)

Mineral	2019						2020			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Baila lumps 65.5% Fe (6-40 mm)	3100	3100	2900	2700	2600	2600	3200	3200	3150	2650
Baila Fines 64% Fe (10 mm)	2860	2860	2660	2460	2360	2360	2910	2910	2860	2360

Graph No. 2: Price Trend of Iron Ore.



Graph No. 3: Market Price of HR Coil, CR Coil and Rebars.



II. Trade Scenario:

Table 4: Imports and Exports of Finished Steel (Provisional):

Description	('000 Tonnes)		
	April		% Variation
	2019	2020	
Imports	619	407	-34.3
Exports	516	429	-16.8

- Import of total finished steel was at 0.407 MT in April 2020, a decline of 34.3% over CPLY.
- At 0.429 MT, export of total finished steel declined by 16.8% in April 2020 over CPLY.
- India was a net exporter of steel during April 2020.

Table 5: Month-wise Import & Export of Finished Steel

Month	Import	Export	(Million Tonne)	
			M-o-M Growth (%)	
			Import	Export
April 2019	0.586	0.397	-	-
May 2019	0.535	0.318	(-)8.70	(-)19.90
June 2019	0.604	0.299	12.9	(-)6.0
July 2019	0.772	0.460	27.8	53.8
August 2019	0.856	0.983	10.9	113.7
September 2019	0.565	1.019	(-)34.0	3.6
October 2019	0.629	0.950	11.3	(-)6.8
November 2019	0.429	0.867	(-)31.8	(-)8.7
December 2019	0.437	0.767	1.9	(-)11.5
January 2020	0.477	0.694	9.2	(-)9.6
February 2020	0.401	0.570	(-)15.9	(-)17.9
March 2020	0.376	0.573	(-)26.9	(-)20.5
April 2020	0.407	0.429	8.3	(-)25.1

Graph No. 4 - Monthly Trend of Import & Export of Finished Steel

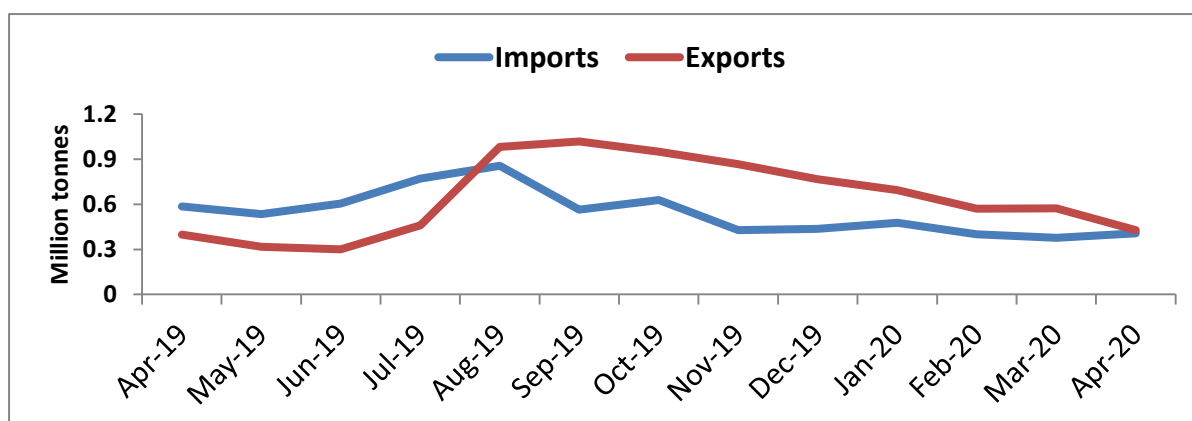


Table 6: Country-wise share of imports to India

(000' tonnes)

Country	Apr-20 (P)	(%) Share	Apr-19	(%) Share	(%) Change
KOREA	205.3	50.5	250.5	40.4	(-)18.0
CHINA	70.7	17.4	107.5	17.4	(-)34.3
INDONESIA	33.4	8.2	32.4	5.2	3.1
JAPAN	25.0	6.1	117.0	18.9	(-)78.6
TAIWAN	16.8	4.1	21.9	3.5	(-)23.2
OTHERS	55.7	13.7	90.2	14.6	(-)38.2
TOTAL	406.9	100.0	619.4	100.0	(-)34.3

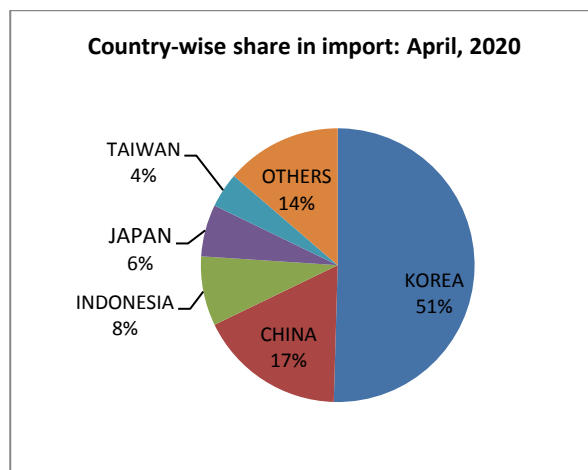
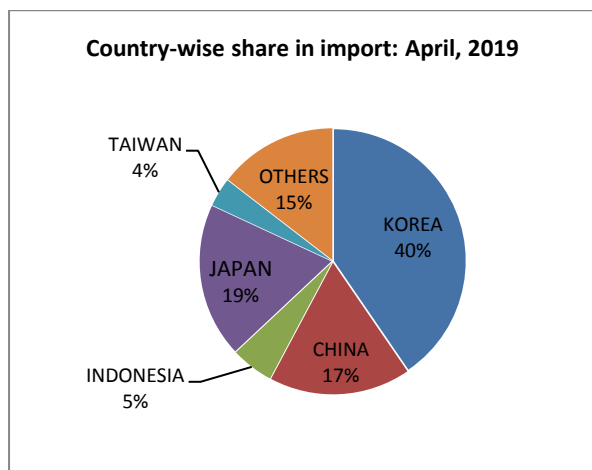
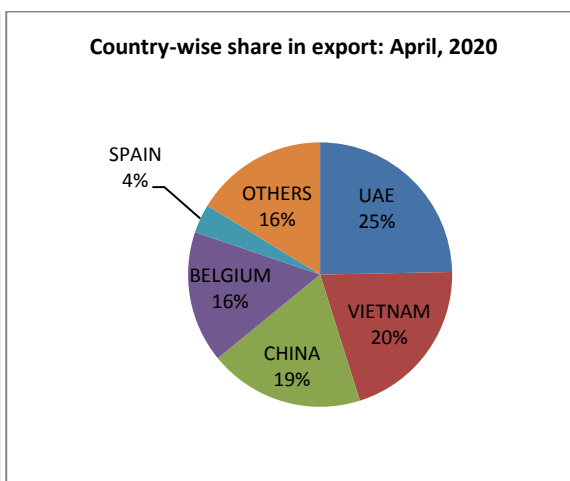
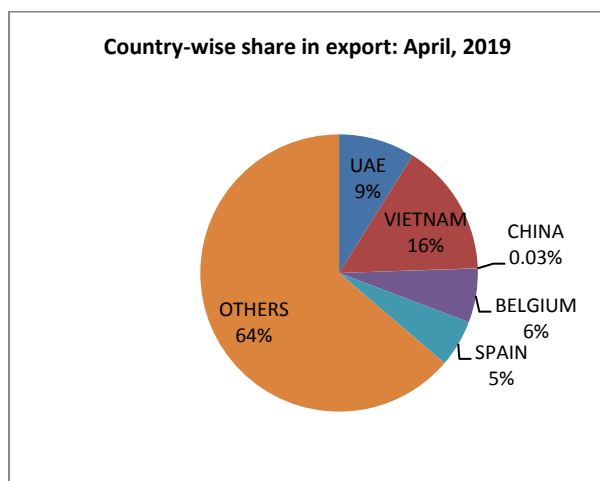


Table 7: Country-wise share of Exports from India

(000' tonnes)

Country	Apr-20 (P)	(%) Share	Apr-19	(%) Share	(%) Change
UAE	106.0	24.7	45.9	8.9	130.8
VIETNAM	87.8	20.5	80.1	15.5	9.6
CHINA	81.4	19.0	0.2	0.03	-
BELGIUM	69.2	16.1	32.4	6.3	113.6
SPAIN	15.2	3.5	28.3	5.5	(-)46.4
OTHERS	69.8	16.3	328.6	63.7	(-)78.8
TOTAL	429.4	100.0	515.6	100.0	(-)16.7



III. Performance of Steel PSUs:

Table 8: Production/Sales/Sales Turnover:

Steel PSUs	April		% variation
	2019	2020	
(Million Tonnes)			
SAIL:			
Saleable Steel (MT)	1.237	0.604	(-)51.2
Sales (MT)	0.932	0.162	(-)82.6
Total Sales Turnover (Rs. Crore)	4537	855	(-)81.2
RINL:			
Saleable Steel (MT)	0.373	0.187	(-)49.9
Sales Steel (MT)	0.224	0.085	(-)62.1
Sales Turnover(Rs. Crore)	993	281	(-)71.7
NMDC:			
Production-Iron ore (MT)	2.903	1.796	(-)38.1
Sales-Iron ore (MT)	2.703	1.38	(-)48.9
Sales (Rs. Crore)	750	400	(-)46.7
MOIL:			
Production-Mn. Ore (MT)	0.097	0.016	(-)83.6
Sales-Mn. Ore (MT)	0.049	0.038	(-)22.4
Total Sales Turnover (Rs. Crore)	55.31	34.47	(-)37.7

Table 9: Physical & Financial Performance:

Steel PSUs	April		% variation
	2019	2020	
KIOCL:			
Pellets Production (MT)	0.137	0.081	(-)40.9
Financial Performance (Sales-Pellets) in Rs. crore	129.7	76.8	(-)40.8
Profit Before Tax (Rs. crore)	4.42	(13.63)	(-)408.4
MECON: Performance (Rs. Crore)			
Physical Performance (Total Business Procurement)	67.9	7.6	(-)88.8
Financial Performance (Total Revenue from Operations)	7.02	14.56	107.4
Net Profit (Before Tax)	(18.92)	(24.20)	27.9
FSNL: Performance			
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.306	0.295	(-)3.7
Financial Performance (Sales-Service Charges) in Rs. Crore	28.43	23.43	(-)17.6
Net Profit After Tax (Rs. Crore)	1.70	0.16	(-)90.6
MSTC: Performance (Rs. Crore)			
Physical Performance (Total Trading & E-Commerce)	9045	912	(-)89.9
Financial Performance (Sales Turnover)	160.0	5.8	(-)96.4
Profit Before Tax	6.04	(8.23)	(-)236.3

Figures in parentheses indicate a negative amount/balance

IV. The Ministry of Steel and Steel PSUs are making procurement of goods and services through GeM Portal as under:

	April, 2020	
Organization	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	1	1.81
Steel CPSEs	132	361.02
