

Government of India
Ministry of Steel

Monthly Summary for the Cabinet for the month of August 2018:-

2. A Sports Policy for Central Public Sector Enterprises (CPSEs) under the Ministry of Steel was unveiled by Steel Minister on 27th August, 2018 at New Delhi. This policy provides a framework for promotion of sports by Steel CPSEs and would groom medal aspirants for the Olympic Games, 2024.

3. A seminar on "Sustainable Stainless Solutions for Water Management" was inaugurated by Steel Minister on 24th August, 2018 at New Delhi. The objective of the seminar was to highlight the benefits of stainless steel for all water related applications and create awareness regarding its benefits towards health, hygiene and environmental protection by bringing all stakeholders together.

4. **Growth Parameters:**

Production Scenario:

- India's crude steel production stood at 8.755 MT in *July 2018* an increase by 6.4% compared to *July 2017*. Japan's crude steel production at 8.42 MT, observed a reduction in its growth during the same period, while China's crude steel production in July 2018, at 81.2 MT increased by 7.2% over July 2017.
- During *January to July 2018*, India's crude steel production at 61.697 MT was 0.48 percentage point higher than Japan (at 61.39 MT).
- During *August 2018*, net production of finished steel in the country at 10.76 MT increased by 2.4% as compared to 10.52 MT during August 2017.
- During April-August 2018 net production of finished steel in the country at 52.80 MT increased by 3.4% as compared to 51.05 MT during April-August, 2017.

Consumption Scenario:

- The consumption of Finished Steel in India at 6.99 MT during *April 2018*, increased to 8.34 MT during May 2018 thereby recording a growth of 19.3%. The same, however, declined during June and July 2018.
- During August 2018, it increased to 8.34 MT (at May 2018 level). Month-on-month basis consumption increased by 10.0% from July 2018, while it increased by 7.2% in August 2018 over the CPLY.
- The compound annual growth rate of the consumption of finished steel for the period *April to August 2018* stood at 4.5%.

Capacity Utilisation:

- The working capacity of Indian steel Sector stood at 134.66 MT during 2018-19 which increased by 3.52% over 2017-18.
- The crude steel capacity utilization ratio during *April-August 2018* was 77.84%. This was 2.96 percentage points higher than April-August 2017.

Trade Scenario:

- Exports decreased to 0.70 MT during *August 2018* as compared to 0.92 MT in August 2017 thereby recording a decline of 24.2%.
- Imports at 0.67 MT *in August 2018* decreased by 33.2% as compared to 1.00 MT in August 2017.
- The global trade scenario continues with new challenges while deepening the existing ones. The regional issues impacted domestic demand and supply thereby affecting steel prices. The focus remained squarely on the Trump-Trade-War and emerging issue like trade friction as well as trade barriers.
- China continued with its policy of capacity- production cut and drawing up a long term plan of river/sea-side cluster development.
- World wide demand remained modest but all poised to impact steel market dynamics in general and steel price movement in particular in the coming days.
- August 2018 saw USA rebar prices hold steady with imports under control in view of the Section 232 tariffs. The month also witnessed HR Coil prices move south in the USA in view of tepid demand and market over supply.
- Rebar prices in the EU too remained stable during August 2018.

Market price:

- Market prices of all important steel and steel based products have shown increasing trend during August 2018 over July 2018 except GP Sheets. The price of TMT Bar increased by 7.27%, Rounds by 6.15%, Plates by 3.16%, HR Coil by 3.0%, CR Coil by 2.51%, Wire Rods by 2.41%, Pig Iron by 2.17% and Billets by 0.92%, while the price of GP Sheets decreased by 0.12%.

5. The production of saleable steel of SAIL during the month of August 2018, was 1.27 MT, less by 2% over the corresponding period of last year (CPLY). Sales at 1.21 MT during the period was less by 2% over CPLY. Sales turnover of SAIL at Rs. 4788 crore during August 2018 registered a growth of 19% over the turnover of Rs. 4040 crore in CPLY.

6. RINL's saleable steel production at 0.40 MT in August 2018 was 13% higher than its 0.35 MT production in August 2017. Sales turnover of Rs. 2174 crore in

August 2018 was higher by 56% as against the sales turnover of Rs. 1395 crore in August 2017. RINL was given "Excellent Energy Efficient Unit award" at the 19th CII National Award for Excellence in Energy Management Meet 2018 on 31st August 2018 in Hyderabad. The award was for recognition of RINL's efforts towards Waste Heat Recovery, Energy Efficiency, Process Management and Energy Management System.

7. In the case of NMDC, iron ore production at 1.46 MT in August 2018 was less by 35% than its production at 2.26 MT in August 2017. Sales of iron ore at 2.32 MT during August 2018, was less by 22% as compared to CPLY. Total sales turnover of NMDC during August 2018 at Rs. 770 crore, was 11% lower than Rs. 870 crore in August 2017.

8. During the month of August 2018, Pellet Plant of KIOCL produced 0.17 MT of Pellets against the target of 0.18 MT observing 94% achievement of monthly target. Cumulative Pellet production stood at 0.82 MT against the target of 0.81 MT.

9. In order to have an overview and first hand experience of Indian steel industry, the undersigned as OSD visited steel plants and mines which, *inter-alia*, included various SAIL Steel Plants, Tata Steel Plant, JSW, mines of SAIL, Tata Steel and NMDC. Also visited office of various CPSEs of the Ministry including MECON, KIOCL, MSTC etc.

10. Ministry of Steel is making procurement of goods and services through GeM Portal. A total of 269 orders of Rs. 56.66 lakhs (approx.) has been placed on GeM from April 2018 to August 2018. A total of 18 orders of Rs. 12.38 lakhs (approx.) have been placed on GeM in the month of August 2018.

11. **Minimum Government Maximum Governance:-**

The following steps have been taken during the month to achieve the goal of Minimum Government and Maximum Governance:-

- A rationalization/reduction of 307 numbers in manpower has been achieved by SAIL during the month of August, 2018.
- Thrust on building competencies and skill development of employees was continued by SAIL by training 4262 employees, including executives and non-executives during August, 2018.
