DEVELOPMENT OF INDIAN STEEL SECTOR SINCE 2010-11

The economic reforms initiated by the Government since 1991 added new dimensions to industrial growth in general and the steel industry in particular. Licensing requirement for capacity creation was abolished, except for certain locational restrictions and the steel industry was removed from the list of industries reserved for the public sector. Automatic approval of foreign equity investment up to 100% was granted. Price and distribution controls were removed with a view to make the steel industry efficient and competitive. Restrictions on external trade, both in import and export, were removed with drastic reductions in import duty. General policy measures like reduction in import duty on capital goods, convertibility of rupee on trade account, permission to mobilise resources from overseas financial markets among others, also benefited the Indian steel industry. Today, as the 2nd largest crude steel producer globally and with a crude steel capacity of over 179 million tonne, the Indian steel industry has come a long way. The following are some key statistics of such growth in recent times.

Production for Sale/Production

The following sections containing production data incorporates and highlights the above (changing) reporting system of JPC.

a) Total Finished Steel Production/Production for Sale

As per the JPC reporting system *(For Details: please refer to appendix)* prevailing till 2013-14, total finished steel production for sale was led by the *Majors and Other Producers* which had a dominant share compared to that of *Main Producers.*

Total Finished Steel (alloy/stainless +non-alloy): Production for sale (million tonnes)				
Year	**(a) Main Producers**	**(b) Majors and Other Producers**	**Production for sale (a+b)**	**%share of Majors and Other Producers**
2010-11	18.407	50.214	68.621	73.2
2011-12	17.978	57.718	75.696	76.2
2012-13	19.244	62.437	81.681	76.4
2013-14	22.196	65.479	87.675	74.7
Source: JPC				

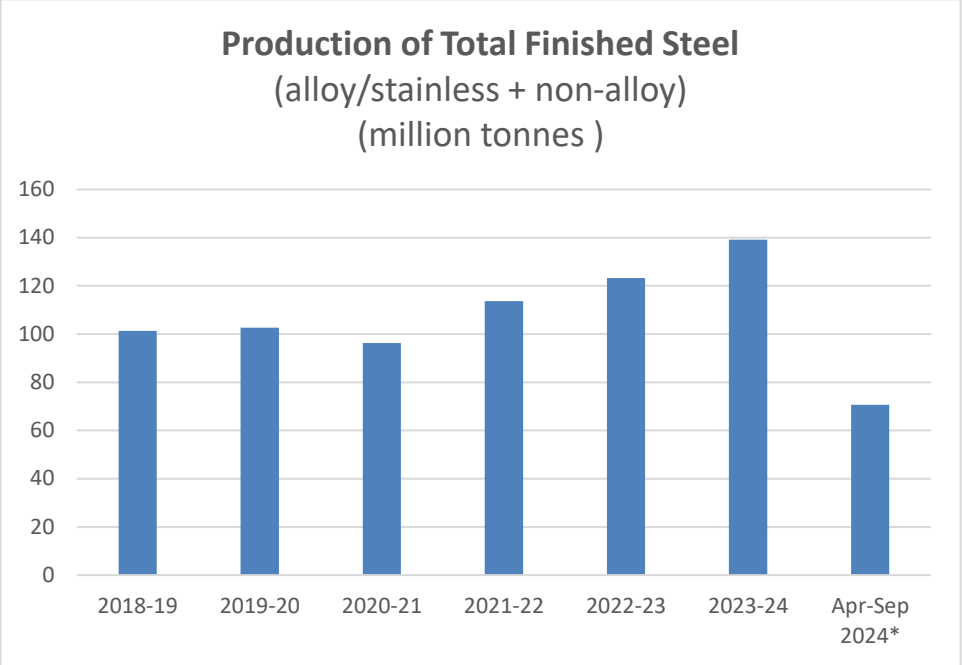
Under the reporting system prevalent for 2014-15 to 2017-18 ***(****For Details: please refer to appendix****)*****,*** it is seen that the share of *Other Producers* in total finished steel production has gradually diminished.

Production of Total Finished Steel (alloy/stainless + non-alloy) (million tonnes)				
Period	**(a) SAIL, RINL, TSL, ESL, JSW, JSPL**	**(b)Other Producers**	**Production (a+b)**	**% share of Other Producers**
2014-15	50.717	53.861	104.578	51.5
2015-16	52.375	54.227	106.602	50.9
2016-17	61.916	58.224	120.140	48.5
2017-18	69.143	57.712	126.855	45.5
Source: JPC				

With effect from 2018-19, JPC reporting system has changed with the introduction of crude steel equivalent format of reporting. Under the new reporting system**,** it is seen that the share of *Other Producers* in total finished steel production has marginally increased in 2021-22 over 2018-19.

Production of Total Finished Steel (alloy/stainless + non-alloy) (million tonnes)				
Period	**(a) SAIL, RINL, TSL Group, AM/NS, JSW, JSPL**	**(b) Other Producers**	**Production (a+b)**	**% share of Other Producers**
2018-19	61.283	40.004	101.287	39.5
2019-20	61.286	41.336	102.622	40.3
2020-21	55.322	40.882	96.204	42.5
2021-22	65.055	48.542	113.597	42.7
2022-23	72.265	50.931	123.196	41.3
2023-24	77.698	61.455	139.153	44.2
Apr-Sep 2024*	38.712	31.909	70.621	45.2
Source: JPC; *Provisional				

Graphical representation of the current data series is as below: -



(b) Pig Iron Production / Production for Sale

As per the JPC reporting system prevailing till 2013-14, total pig iron production for sale was led by the *Majors and Other Producers* which had a dominant share compared to that of *Main Producers*.

Production for Sale of Pig Iron (million tonnes)				
Year	**(a) Main Producers**	**(b) Majors and Other Producers**	**Production for sale (a+b)**	**%share of Majors & Other Producers**
2010-11	0.579	5.104	5.683	89.8
2011-12	0.502	4.869	5.371	90.7
2012-13	0.674	6.196	6.870	90.2
2013-14	0.552	7.398	7.950	93.1
Source: JPC				

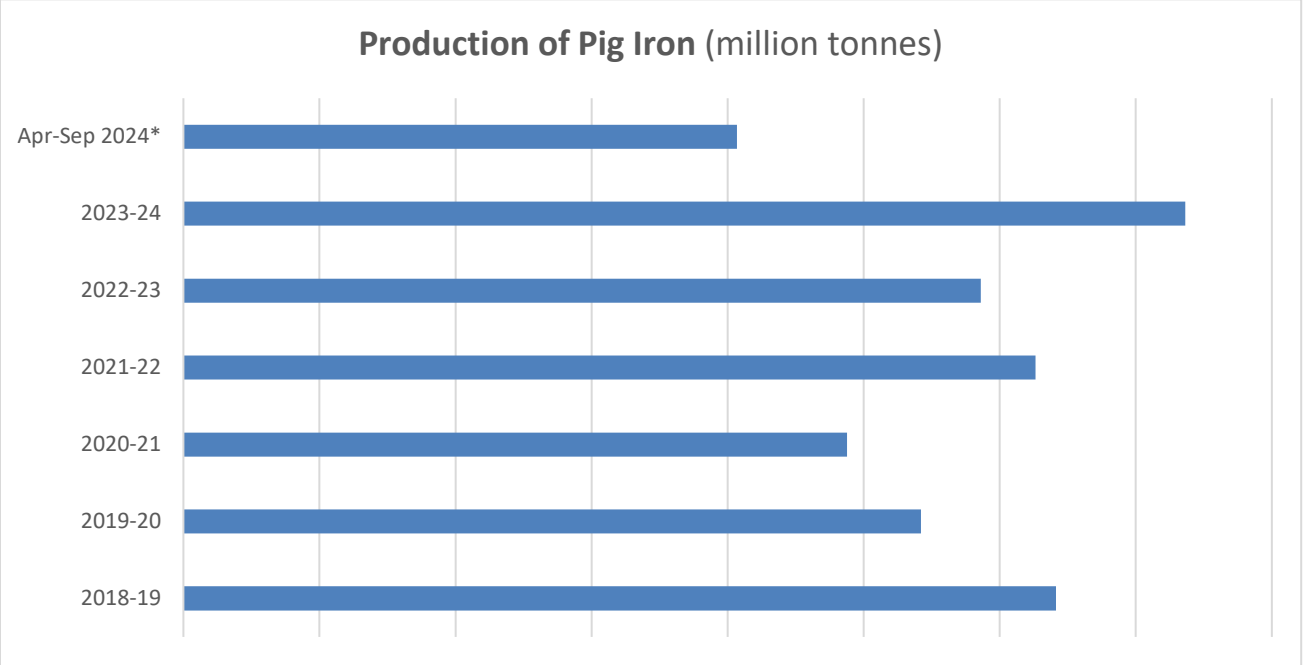
Under the reporting system prevalent for 2014-15 to 2017-18, it is seen that the share of *Other Producers* in total pig iron production has been dominant.

Production of Pig Iron (million tonnes)				
Period	**(a) SAIL, RINL, TSL, ESL, JSW, JSPL**	**(b)Other Producers**	**Production (a+b)**	**% of share of Other Producers**
2014-15	1.213	9.015	10.228	88.1
2015-16	1.287	8.953	10.240	87.4
2016-17	0.905	9.437	10.342	91.2
2017-18	0.726	5.002	5.728	87.3
Source: JPC				

With effect from 2018-19, JPC reporting system has changed with the introduction of crude steel equivalent format of reporting. Under the new reporting system**,** it is seen that the share of *Other Producers* in pig iron production has been dominant.

Production of Pig Iron (million tonnes)				
Period	**(a) SAIL, RINL, TSL Group, AM/NS, JSW, JSPL**	**(b)Other Producers**	**Production (a+b)**	**% of share of Other Producers**
2018-19	1.663	4.751	6.414	74.1
2019-20	1.193	4.227	5.42	78.0
2020-21	1.413	3.464	4.877	71.0
2021-22	1.462	4.801	6.263	76.7
2022-23	1.184	4.677	5.861	79.8
2023-24	1.909	5.455	7.364	74.1
Apr-Sep 2024*	1.049	3.019	4.068	74.2
Source: JPC; *Provisional				

Graphical representation of the current data series is as below:-



(c) DRI –Production/Production for sale

The production of DRI or Sponge Iron has been consistently strong and India has been the largest producer of DRI in the world since 2003, based on rankings released by the World Steel Association.

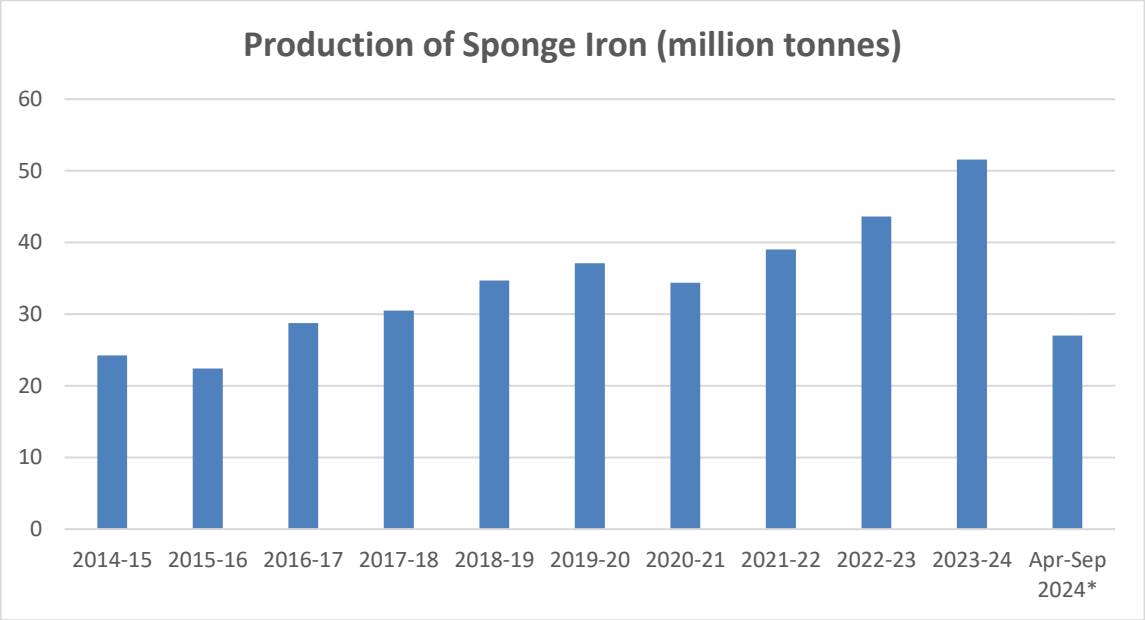
Production for Sale of Sponge Iron		
Year	**Qty(million tonnes)**	**% change over last year**
2010-11	25.081	4.2
2011-12	19.633	-21.7
2012-13	14.329	-27.0
2013-14	18.204	27.0
Source: JPC		

Under the current reporting system, production for sale has been replaced by gross production or simply production – a concept applicable across the spectrum, from iron-making to finished steel.

Production of Sponge Iron		
Year	**Qty(million tonnes)**	**% change over last year**
2014-15	24.24	5.9
2015-16	22.43	-7.5
2016-17	28.76	28.2

2017-18	30.51	6.1
2018-19	34.71	13.8
2019-20	37.1	6.9
2020-21	34.38	-7.3
2021-22	39.20	14.0
2022-23	43.62	11.3
2023-24	51.56	18.2
Apr-Sep 2024*	27.01	
Source: JPC; *Provisional		

Graphical representation of the current data series is as below:-



Import and Export of Iron & Steel

Import of Iron and Steel			
Year	**Pig Iron**	**Total Finished Steel (Non-Alloy + Alloy/Stainless)**	**Total Finished Steel (Non-Alloy + Alloy/Stainless)**
	('000 tonnes)	('000 tonnes)	(Rs. In Crores)
2010-11	9	6664	26995
2011-12	8	6863	32778
2012-13	21	7925	39290
2013-14	34	5450	30416
2014-15	23	9320	44893

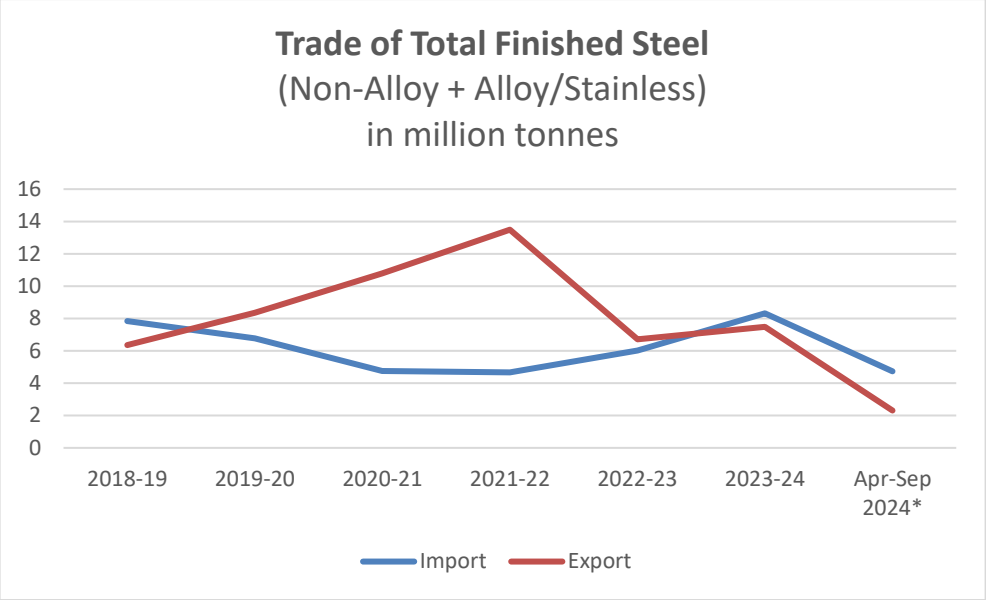
2015-16	22	11711	45044
2016-17	34	7224	34104
2017-18	16	7483	39484
2018-19	67	7835	49317
2019-20	11	6768	44683
2020-21	9	4752	32154
2021-22	26	4669	46298
2022-23	118	6022	64454
2023-24	366	8320	68193
Apr-Sep 2024*	128	4735	39060
Source : JPC; *Provisional			

Although India started exporting steel way back in 1964, exports were not regulated and depended largely on domestic surpluses. However, in the years following economic liberalization, export of steel recorded a quantum jump. Subsequently, the rapid growth of domestic steel demand has led to a decline in the rate of growth of steel exports from India to ensure that domestic requirements are adequately met. However, trend has reversed during 2019-20 till 2022-23. India is currently a net importer of total finished steel.

Export of Iron and Steel					
Year	**Pig Iron**	**Semis**	**Total Finished Steel**	**Total Steel****	**Total Steel Value**
	('000 tonnes)				(Rs. Crores)
2010-11	358	350	3637	3987	18433
2011-12	491	201	4588	4789	21946
2012-13	414	144	5368	5512	26912
2013-14	943	486	5985	6471	31315
2014-15	540	640	5595	6235	31283
2015-16	297	639	4079	4718	24083
2016-17	387	1192	8242	9434	38182
2017-18	518	1994	9620	11614	52812
2018-19	319	2183	6361	8544	40900
2019-20	422	2819	8355	11183	45102
2020-21	1099	6553	10784	17385	67132

2021-22	1213	4878	13494	18372	122222
2022-23	629	1621	6716	8338	65117
2023-24	385	1055	7487	8542	64634
Apr-Sep 2024*	86	447	2311	2758	21824
Source : JPC; *Provisional, **Total Steel = Semis+ Total Finished Steel					

Graphical representation of trade of total finished steel for last five years is as below:-



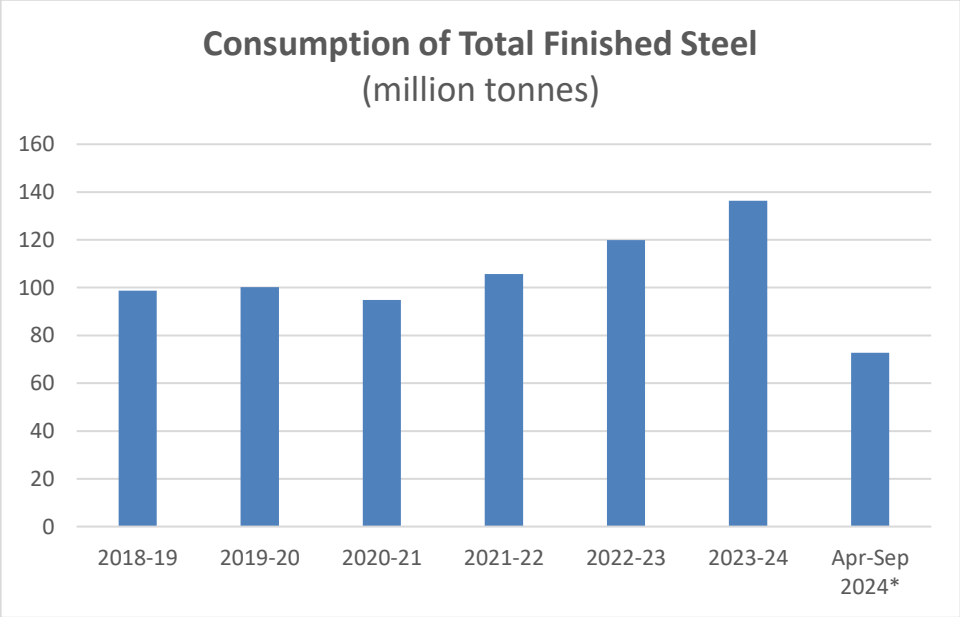
Consumption of Total Finished Steel

Consumption is obtained from the combined supply i.e. (production + imports) after adjusting for exports and variation in stocks of total finished steel. The trend in consumption of total finished steel is shown below, year-wise.

Year	**Consumption: Total Finished Steel** (million tonnes)	**% change over last year**
2010-11	66.42	11.9
2011-12	71.02	6.9
2012-13	73.48	3.5
2013-14	74.09	0.8
2014-15	76.99	3.9
2015-16	81.52	5.9

2016-17	84.04	3.1
2017-18	90.71	7.9
2018-19	98.71	8.8
2019-20	100.17	1.5
2020-21	94.89	-5.3
2021-22	105.75	11.4
2022-23	119.89	13.4
2023-24	136.291	13.7
Apr-Sep 2024*	72.696	
Source : JPC; *Provisional		

Graphical representation of consumption for last five years is as below:-



Additional Capacity Creation in Private Sector Since 1991

Over time, with further opening up of the Indian economy, a focused reform process in place and a rapid but stable growth of the Indian economy, investments have flown significantly into the steel industry of the country with major investment plans announced in the states of Odisha, Jharkhand, Karnataka, Chhattisgarh and West Bengal. Rapid strides have also been made towards further progress and commissioning of new capacities like those in case of SAIL-RSP, SAIL-ISP, RINL, NMDC, Tata Steel, JSPL, JSW Steel, AM/NS among others. Crude steel capacity in the country stood at 179.51 million tonnes in 2023-24 as per data released by the JPC while the National Steel Policy 2017 envisions domestic crude steel capacity reaching 300 million tonnes per annum by 2030-31.

Appendix

i) As per the reporting system followed by Joint Plant Committee (JPC), which is authorized by the Ministry of Steel to collect and disseminate data on the domestic iron and steel industry, the said system prevailing till 2013-14 had (a) reported on the concept of production for sale and (b) featured the "Main Producers" and "Majors and Other Producers" as the two leading industry classifications at that time. However, effective from 2017-18, with the approval of the Ministry of Steel and following rounds of interaction with industry experts, the JPC reporting system had changed, in sync with the changing dynamics and mode of operation of steel industry and partly also in response to changes in the policy environment. Under the new system, production for sale has been replaced by Gross Production (or simply Production) with revision in past five years data as well. Secondly, with industry classification system getting dissolved vide guidelines issued by the Ministry of Steel in May 2016, the present JPC reporting system features (a) the composite group of "SAIL, RINL, TSL, ESL, JSW, JSPL" and that of "Other Producers".

ii) The issue of data collection and reporting by JPC was reviewed in details at various forum of interaction sessions with industry representatives as well as Ministry of Steel and it was felt that given the structural changes in the domestic steel industry as well as the present input-output dynamics, the data reporting system followed by JPC should undergo some modifications. The following modifications were made in JPC reporting system from 2018-19:-

a) It introduces the method of Crude Steel to HR equivalent, covering only those items which contribute directly to Finished Steel Production starting from Crude Steel/Semis Production.

b) It thus separates out Downstream and Value-Added Product Basket (CR/GP etc) which is reported separately. There is, however, no aggregate numbers of these parameters for the items in this Basket.

c) Also, data on imports, exports, stock variation and consumption of items featured in this Basket are available with JPC and are reported accordingly.

d) Steel Consumption is arrived at by standard procedure of adjusting Finished Steel Production with Net Imports and Stock Variation, computed by using all items across the value chain, so as to ensure no loss of data.

e) Per capita steel consumption is computed by using steel consumption numbers as arrived at above and population for the country as reported by Central Statistical Organisation (CSO), Ministry of Statistics and Programme Implementation.

iii) From April 2020 onwards, all units owned by Tata Steel will be grouped under a single name - "TSL Group" in the JPC reporting system. Such a change follows the advice arising out of different meetings with MoS and industry in various forum for a group concept of reporting and is for statistical use only. Also, following its change in ownership, Essar Steel's name has been changed to AM/NS.

It may be noted, that all throughout such changes, the system of reporting by JPC continues to be for statistical use only.
