

No. S-24011/1/2020-EA



मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
दिसंबर - 2019
December - 2019

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

Monthly Summary for the Cabinet for the month of December 2019:-

1. The Consultative Committee meeting on 'Increase in Steel Usages' was held under the chairmanship of Steel Minister on 3rd December 2019 at New Delhi. The main thrust of the meeting was to increase usage of steel especially in rural areas and to produce value added electrical & auto grade steel to reduce imports.
2. Ministry continued its efforts to bring Korean and Japanese investment in steel sector during the month of December 2019.
3. The first meeting of the Inter-Ministerial Coordination Committee on 'Steel Scrap Recycling Policy' (SSRP) to discuss various operationalization issues of the same, was held on 16th December 2019 at New Delhi. The Ministry of Steel had notified SSRP on 7th Nov. 2019. Secretary (steel) also held another meeting on 19th December 2019 with the representatives of State Governments to discuss and to address the key issues involved in implementation of SSRP.
4. Steel Minister released a JPC Report titled "Assessment of Steel Demand in Rural India" at 33rd National Conference of All India Induction Furnace Association of India on Secondary steel sector on 23rd December 2019 at New Delhi. This benchmark Report examines trends in rural India's steel consumption (State/UT-wise, end-use wise, steel item and category-wise) with projections on rural steel demand and recommendations on enhancing consumption.
5. Steel Minister attended a conference on "Steeling India 2019" organized by CII on 16th December 2019.
6. The Joint Plant Committee, under Ministry of Steel launched a Mobile Application in first week of December 2019. This App will help stakeholders to get information about steel sector performance based on several indicators such as production, export, import, consumption, domestic and international prices etc.
7. Quality Control Order (QCO) on Tin Plate & Tin Free steel has been uploaded on the Ministry of Steel website for seeking stakeholder's comments and also sent to Department of Commerce for uploading on WTO website for comments from WTO members.
8. Production & Consumption Scenario:
 - (i) On M-o-M basis, both crude and finished steel production increased by 0.9% & 5.6% respectively in December 2019. The aggregate production during April- December 2019 for both registered marginal growth of 0.1% & 1.3% respectively over CPLY.
 - (ii) Demand of steel increased by 13.45% in December 2019 after recording a significant decline during previous month. The commulative consumption during April- December 2019 registered a growth of 3.46% over CPLY.

- (iii) On M-o-M basis, the inventories with steel companies decreased by 3.0% and stood at 12.893 MT in December 2019. The stock of inventories witnessed a gradual decline since Aug., 2019. During May-December 2019, it declined by 7.8%. Increase in consumption demand especially during December 2019, has led to absorption of inventories.

9. Export-Import Scenario:

- (i) Steel exports declined by 11.5% and stood at 767 thousand tonnes during December 2019. Imports increased marginally by 1.9% in December 2019 over previous month. However, it remained higher than imports by 330 thousand tonnes, making India a net exporter in steel.
- (ii) India recorded trade surplus in steel for five consecutive months, August to December 2019. Exports registered a significant growth of 39.4% whereas, imports declined by 6.7% during April- December 2019 over CPLY. Consequently, India recorded trade surplus in steel stood at 1.006 MT.
- (iii) Imports from Indonesia witnessed a significant increase during December 2019 over CPLY. Share of imports from countries like China, Japan recorded an increase however, a decline was observed in case of imports from Vietnam and Germany.
- (iv) India's exports to Vietnam witnessed a significant increase during December 2019 over CPLY whereas it declined in case of Nepal and Belgium. During April- December 2019, around 1.901 MT Steel (30% of the total export) was exported to Vietnam thereby making it top most export destination of Indian steel.
- (v) Indian iron ore exports at 19.14 MT, increased by 82% on Y-o-Y basis, for CY 2019. In April-December 2019-20, exports of iron ore is 26 million tones, up by 132% over April-December 2018-19. Iron ore exports picked up amid reduced material availability by major iron ore miners from Australia & Brazil and high global prices. Iron ore import were negligible due to sufficient domestic Iron Ore production and low domestic iron ore prices.

10. Price scenario:

- (i) Domestic prices of iron ore lumps as well as fines recorded continuous decline since September 2019. The prices of both lumps & fines remained firm during December 2019 and stood at 2600/tonne & 2360/tonnes respectively, observing no change in prices over previous month. However, international iron ore fine (62% Fe) prices during December 2019 increased by 10.6% over previous month. Restocking iron ore by Chinese steel mills was the major reasons behind the increase.

- (ii) Prices of Hot Rolled and Cold Rolled Coils (HRC and CRC) have witnessed an increase in December 2019 after continuous decline since April, 2019. On M-o-M basis, during the month of December 2019 the prices of HRC and CRC increased by 4.43% & 4.82% respectively. Absence of import bookings and supply constraints from production mills due to maintenance shutdown were the few reasons for price increase. The prices of Rebars declined marginally in December 2019.

11. Bhilai Steel Plant has produced (highest ever) 127014 tonnes of Prime Rails for Railways in December 2019. The cumulative production of Rails during April-December 2019 is 923324 tonnes against the target of 13.50 Lakh tonnes of Rails for the FY 2019-20.

12. The BSE Sensex and Metal indices both remained bullish and registered a growth of 1.11% and 6.31%, respectively in December 2019.

I. Growth Parameters: Statistical updates:

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

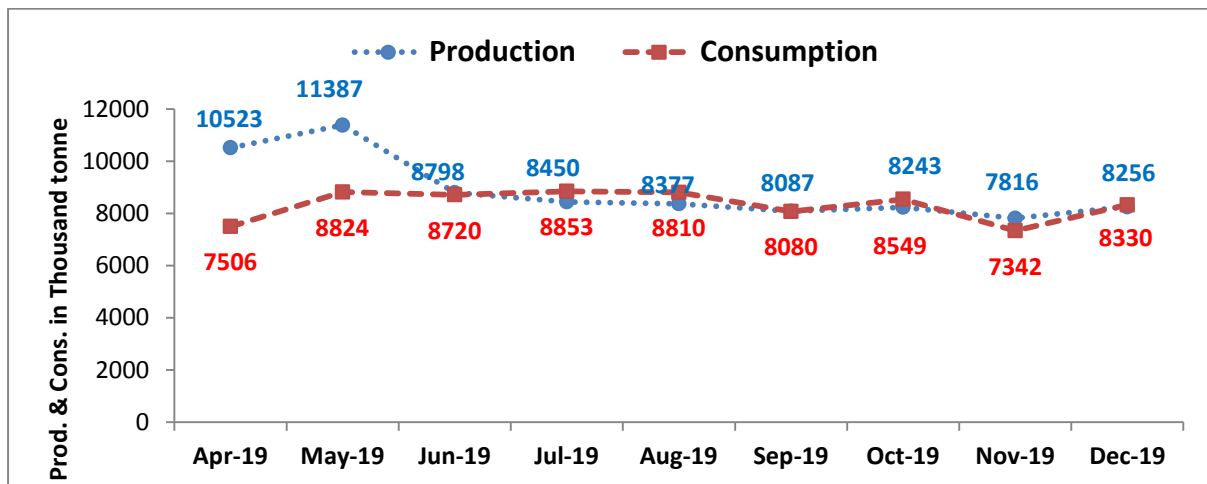


Table 1: Production & Consumption of Steel during 2019-20

(Million Tonnes)

Description	Nov'19	Dec'19	% Variation	April-December		% Variation
				2018-19	2019-20	
Production (Crude Steel)	8.934	9.014	0.9	81.866	81.914	0.1
Production (Finished Steel)	7.816	8.256	5.6	74.966	75.907	1.3
Consumption	7.342	8.330	13.5	72.329	74.831	3.5

- During December 2019, production and consumption of finished steel increased by 5.6 % and 13.5%, respectively over the previous month.

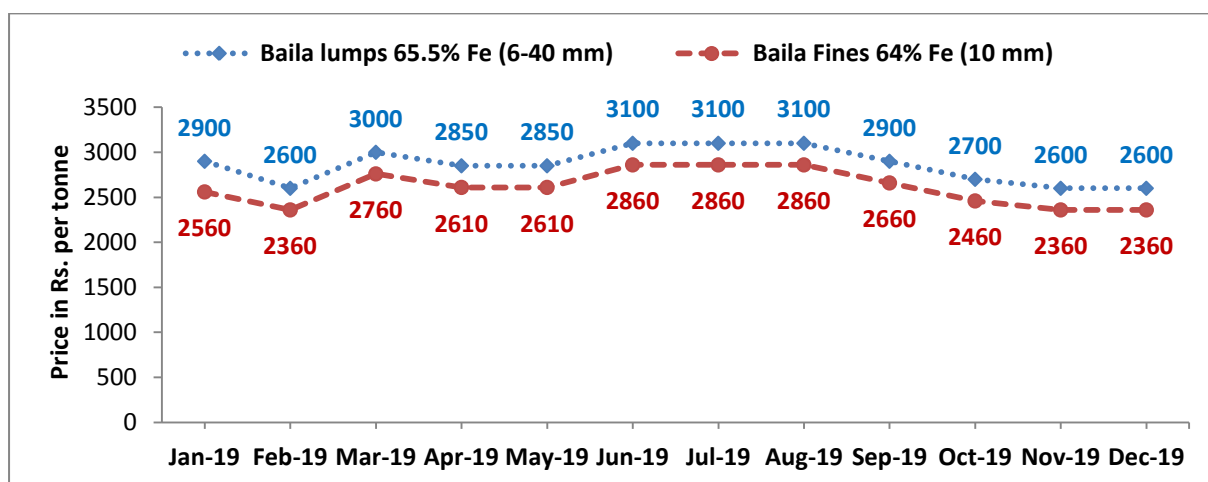
Table 2: Country-wise Crude Steel* Production

Country	(Million tonne)					
	November		% Variation	Jan-Nov.		% Variation
	2018	2019		2018	2019	
India	9.192	8.934	(-)2.8	99.916	101.954	2.0
Japan	8.659	7.743	(-)10.6	95.856	91.527	(-)4.5
USA	7.399	7.233	(-)2.2	79.13	80.615	1.9
China	77.213	80.287	4.0	844.887	904.177	7.0

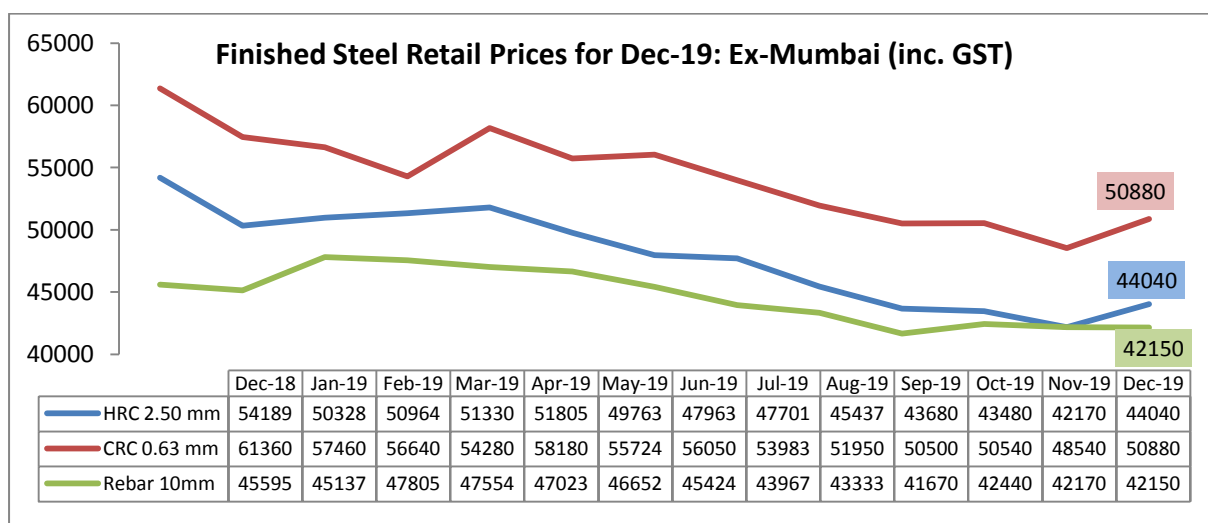
Table 3: Price of Iron Ore (Rs. per tonne)

Mineral	2019											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Baila lumps 65.5% Fe (6-40 mm)	2900	2600	3000	2850	2850	3100	3100	3100	2900	2700	2600	2600
Baila Fines 64% Fe (10 mm)	2560	2360	2760	2610	2610	2860	2860	2860	2660	2460	2360	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)					
	December		% Variation	April-December		% Variation
	2018	2019		2018-19	2019-20	
Imports	548	437	(-)20.3	5909	5514	(-)6.7
Exports	368	767	108.4	4676	6520	39.4

- Import of total finished steel was at 0.437 MT in December 2019 and declined by 20.3% over CPLY.
- At 0.767 MT, export of total finished steel increased by 108.4% in December, 2019 over CPLY.
- India was a net exporter of steel during both December 2019 and April-Dec 2019.

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

Month	Import	Export	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
Aug 2019	0.856	0.983	10.9	113.7
Sep 2019	0.565	1.019	(-)34.0	3.6
Oct 2019	0.629	0.950	11.3	(-)6.8
Nov 2019	0.429	0.867	(-)31.8	(-)8.7
Dec 2019	0.437	0.767	1.9	(-)11.5

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

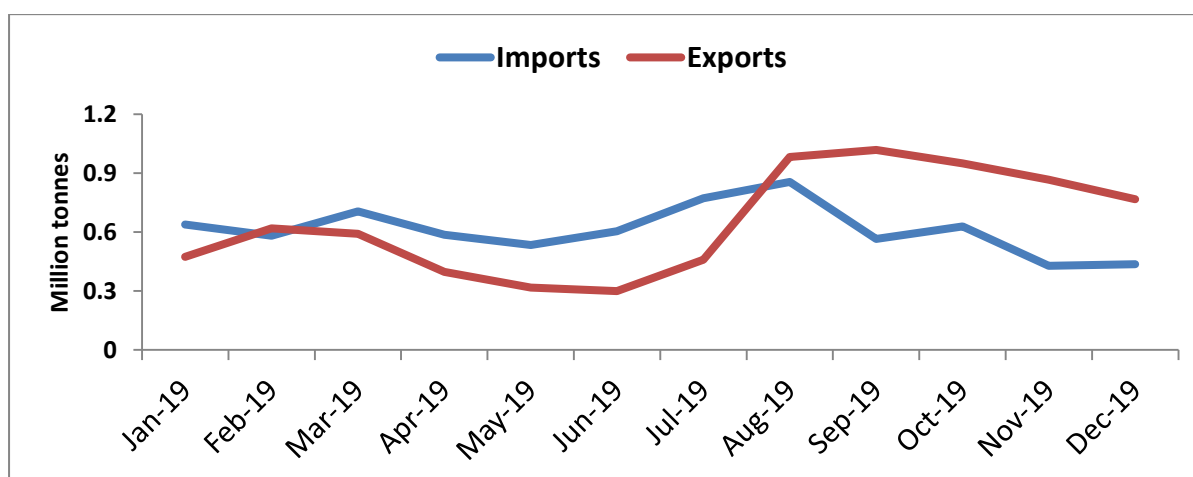


Table 6: Country-wise share of imports to India

(000' tonnes)

Country	Dec-19 (P)	(%) Share	Dec-18	(%) Share	(%) Change
KOREA	169.4	38.7	218.7	39.9	(-)22.5
CHINA	91.8	21.0	72.0	13.1	27.5
JAPAN	65.9	15.1	59.4	10.8	10.9
INDONESIA	52.6	12.0	25.0	4.6	110.8
ITALY	7.4	1.7	4.0	0.7	82.0
OTHERS	50.3	11.5	169.0	30.8	(-)70.2
TOTAL	437.3	100.0	548.0	100.0	(-)20.2

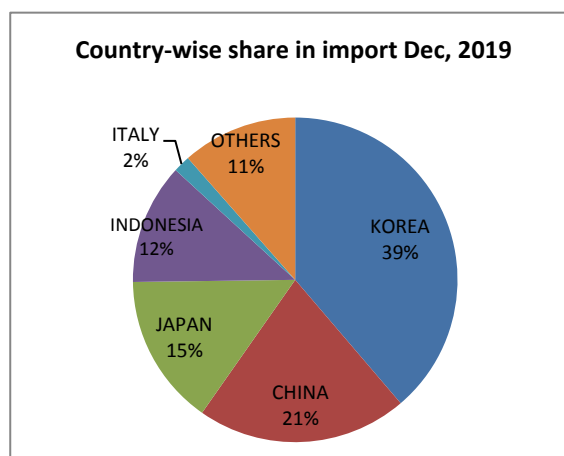
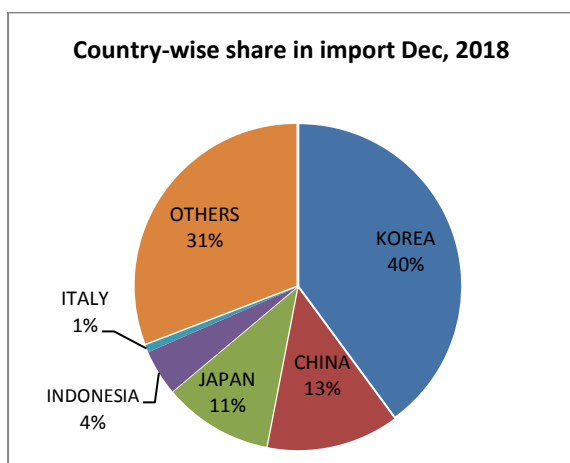
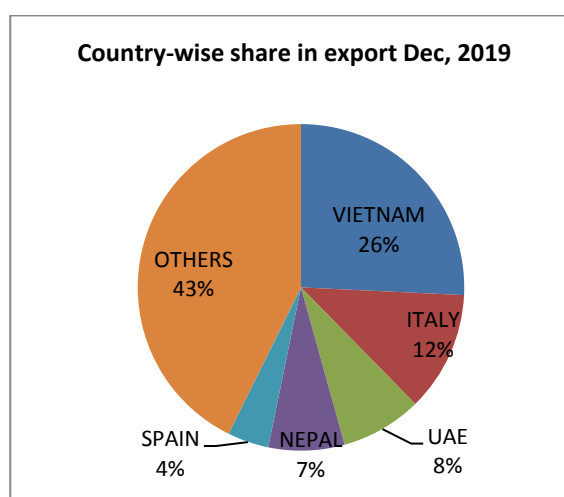
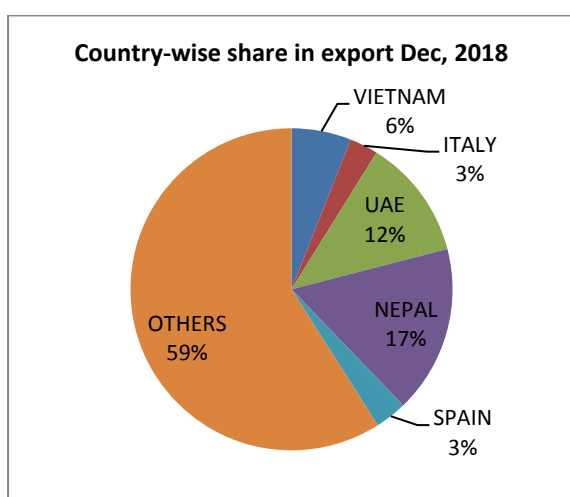


Table 7: Country-wise share of Exports from India

(000' tonnes)

Country	Dec-19 (P)	(%) Share	Dec-18	(%) Share	(%) Change
VIETNAM	197.4	25.8	22.1	6.0	795.0
ITALY	91.2	11.9	10.5	2.9	767.3
UAE	61.6	8.0	44.5	12.1	38.3
NEPAL	57.7	7.5	61.9	16.8	(-)6.8
SPAIN	31.4	4.1	11.8	3.2	166.1
OTHERS	327.2	42.7	217.0	59.0	50.8
TOTAL	766.5	100.0	367.8	100.0	108.4



III. Performance of Steel PSUs:

Table 8: Production/Sales/Sales Turnover:

(Million Tonnes)

Steel PSUs	December		% variation	April-December		% variation
	2018	2019		2018-19	2019-20	
SAIL:						
Saleable Steel (MT)	1.394	1.459	4.7	11.296	11.571	2.4
Sales (MT)	1.076	1.586	47.4	9.399	9.926	5.6
Total Sales Turnover (Rs. Crore)	5189	6134	18.2	47944	43910	(-)8.4
RINL:						
Saleable Steel (MT)	0.430	0.335	(-)22.1	3.663	3.360	(-)8.3
Sales Steel (MT)	0.367	0.552	50.4	3.37	3.290	(-)2.4
Sales Turnover (Rs. Crore)	1549	1901	22.7	14610	12153	(-)16.8
NMDC:						
Production-Iron ore (MT)	3.104	3.126	0.7	21.850	22.014	0.8
Sales-Iron ore (MT)	2.839	3.041	22.2	22.175	23.028	3.8
Sales (Rs. Crore)	1150	1250	8.7	8300	8450	1.8
MOIL:						
Production-Mn. Ore (MT)	0.121	0.142	16.8	0.9258	0.9447	2.0
Sales-Mn. Ore (MT)	0.113	0.183	62.1	0.837	0.883	5.5
Total Sales Turnover (Rs. Crore)	131.67	135.5	2.9	1009.55	790.11	(-)21.7

Table 9: Physical & Financial Performance:

Steel PSUs	December		% variation	April-December		% variation
	2018	2019		2018-19	2019-20	
KIOCL:						
Pellets Production (MT)	0.167	0.260	55.7	1.561	1.705	9.2
Financial Performance (Sales-Pellets) in Rs. crore	137.7	169.3	23.0	1204.8	1398.3	16.1
Profit Before Tax (Rs. crore)	1.81	10.41	475.1	66.76	23.85	(-)64.3
MECON: Performance (Rs. Crore)						
Physical Performance (Total Business Procurement)	31.20	76.13	144.0	239.62	4679.62	1852.9
Financial Performance (Total Revenue from Operations)	34.10	43.08	26.3	261.12	300.92	15.2
Net Profit (Before Tax)	1.05	(-)30.70	(-)3023.8	(-)34.01	(-)86.69	154.9
FSNL: Performance						
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.391	0.433	10.9	2.599	3.439	32.3
Financial Performance (Sales-Service Charges) in Rs. Crore	32.75	31.85	(-)2.7	267.38	273.85	2.4
Net Profit After Tax (Rs. Crore)	2.87	2.28	(-)20.6	19.44	16.93	(-)12.9

MSTC: Performance (Rs. Crore)						
Physical Performance (Total Trading & E-Commerce)	3117	6737	116.2	83001	68015	(-)18.1
Financial Performance (Sales Turnover)	266.0	66.5	(-)75.0	1963.9	773.7	(-)60.6
Profit Before Tax	15.59	8.55	(-)45.2	89.99	93.36	3.7

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:

Organization	December, 2019		April-December, 2019-20	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	56	13.72	273	95.86
Steel PSUs	168	361.39	1528	3488.79
