

No. S-24011/3/2020-EA



सत्यमेव जयते

मासिक सारांश  
MONTHLY SUMMARY  
ON  
लौह एवं इस्पात  
IRON & STEEL  
फरवरी - 2020  
February - 2020

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

## Monthly Summary for the Cabinet for the month of February 2020:-

1. A day long workshop on 'Fostering Steel Usage in Railways and Defence Sectors' was held on 17<sup>th</sup> February 2020 at New Delhi. Steel Minister inaugurated the workshop in the presence of Minister of State (MoS) for Steel. The workshop was attended by Chairman, Railway Board, senior officers of Armed Forces, DGOF and other stakeholders. The aim of the workshop was to have an in-depth discussion with Railways and Defense sectors to identify gaps and opportunities available in the supply and usage of steel products with special reference to domestic production and procurement.

An MoU was signed between Indian Railways & SAIL. A Joint Declaration of Intent between Ordinance Factories and SAIL was also signed.

On this occasion, Steel Minister released a book on 'Safety Guidelines for the Iron & Steel Sector', comprising a set of 25 safety guidelines. This is part of the 100 days agenda of the Ministry.

2. Workshops on 'Enabling Procedures for Increase of Steel Usage for the Growth of Economy', in collaboration with Ministry of Economy, Trade and Industry, Govt. of Japan, were held at New Delhi, Mumbai and Bhubaneswar on 24.02.2020, 26.02.2020 and 28.02.2020 respectively. These were held in order to promote steel usage in the Building, Construction and Infrastructure sectors. Stakeholders from MoHUA, MoRTH, CPWD, NHAI, State PWD Departments, Technical Institutions and Construction Engineers/Architects participated. Experts from Japan presented several innovative solutions to increase steel consumption and also technology adopted by them to ensure fire safety in steel based Buildings and Infrastructure projects.

3. A meeting of Chief Minister of Odissa, Steel Minister and Ambassador of Japan took place on 27<sup>th</sup> February to discuss investment opportunities for Japan in eastern region of India with special focus on Odissa.

4. The Standing Committee meeting on Coal and Steel was held on 19<sup>th</sup> February, 2020 to examine the 'Demands for Grants' (2020-21) in respect of the Ministry of Steel.

5. The Consultative Committee meeting on 'Steel Cluster Development' was held under the chairmanship of Steel Minister on 24<sup>th</sup> February 2020. The aim of the meeting was to deliberate upon the benefits of cluster development of co-located units across the value chain with ancillary and secondary steel units around steel producers. Ministry of Steel has launched 'Purvodaya' scheme to accelerate growth & development of Eastern Indian states through establishment of Integrated Steel Hub. Setting up of Greenfield steel plants, development of steel clusters & demand centres near Integrated Steel Plants (ISPs) and creating multi-modal logistics/utilities infrastructure are part and parcel of the said scheme.

6. An additional 25 steel products standards has been notified by the Ministry of Steel under the mandatory BIS Certification scheme of Quality Control Order (QCOs), on 14<sup>th</sup> February, 2020. As of now, a total of 91 steel products standards are covered under Steel and Steel Products (QCOs).

7. Road shows for divestment of Government stake in SAIL were held in Chennai and Mumbai during 24-26<sup>th</sup> February, 2020.

8. Commulative Rail production by SAIL up to February 2020 stood at 11,65,210 tonnes, 35% higher over corresponding period last year (CPLY). The requirements of Indian Railways are being met on a regular basis.

9. During February 2020, steel sector witnessed production in crude steel at previous month's levels. While finished steel production and consumption witnessed a decline, prices of finished steel products increased owing to increase in coking coal prices, iron ore prices remaining firm and substantial decline in imports from China. Both, export and import of finished steel declined. However, India remained a net exporter consecutively for seven months in a row since August 2019 to February 2020. Indian iron ore exports witnessed decline by 28% during the month of February 2020.

10. Production & Consumption Scenario:

- (i) Crude steel production at 9.29 MT during February, 2020 and 100.78 MT during April- February, 2020 marginally declined over CPLY for both periods. India's share in world crude production remained at 6% for both periods, i.e. during CY 2019 and April-Feb., 2019-20.
- (ii) On Month-on-Month (M-o-M) basis, finished steel production at 8.57 MT declined marginally by 1.6% during February, 2020. The same at 94.01 MT registered a growth of 2.2% for April- February, 2020 over CPLY.
- (iii) The consumption of finished steel during February, 2020 declined by 8.0% & 2.25% respectively, on M-o-M basis and over CPLY. The aggregate consumption during April-February, 2020 however, increased by 3.83% over CPLY.
- (iv) The decline in consumption during February, 2020 led to marginal increase in inventories with the steel producing companies. Inventories with steel companies which were on declining trend since August, 2019 witnessed an increase of 1.67% in February, 2020.

11. Export-Import Scenario:

- (i) On M-o-M basis, exports of finished steel during February, 2020 declined by 17.8% and stood at 0.570 MT. Hike in domestic prices was one of the main factors behind export decline. Export, however, was higher than imports by 0.169 MT during the same period.
- (ii) A declining trend in imports has been observed since September 2019. Barring, the month of January 2020, imports were contained below 0.430 MT between Nov., 2019 to Feb., 2020. On M-o-M basis, imports

at 0.401 MT declined by 16% during February 2020. The same also declined by 31.2% over CPLY.

- (iii) For cumulative period, April- February, 2020, India imported 6.39 MT finished steel products as against 7.13 MT thereby registering 10.4% decline over CPLY. Domestic competitive prices as compared to high landed prices of imports were the main reasons for decline.

On M-o-M basis, exports of finished steel have observed a declining trend since October 2019. Exports at 1.019 MT were maximum during September 2019 which reduced to almost half during February 2020.

- (iv) However, India remained net exporter in steel for the seven consecutive months i.e. August, 2019 to February, 2020. Steel exports registered a significant growth of 34.9% during April, 2019 - February, 2020 over CPLY with trade surplus at 1.39 MT.
- (v) During April-February 2020 steel imports declined. Maximum decline was observed in imports from Vietnam. During February 2020, the maximum decline was witnessed from Japan. Korea continued to be the top exporter to India followed by China and Japan.
- (vi) Steel exports to Vietnam and Taiwan witnessed an increase during April- February 2020, whereas, it declined in case of Belgium, Spain and Malaysia. Vietnam remained top most destination of Indian steel exports by accounting nearly 29% of total steel exports. During February 2020 nearly 60% of total exports accounted by Vietnam, UAE and Nepal with share of 28.3%, 15.8% and 14.8% respectively.
- (vii) M-o-M basis, Indian iron ore exports at 2.05 MT declined by 28% during February 2020. Iron ore exports dropped due to weak demand following Corona Virus outbreak in China, which led falling inquiries for February 2020 shipments. Indian iron ore exports to China at 1.71 MT dropped by 35% in February 2020.

## 12. Price scenario:

- (i) Domestic prices of both iron ore lumps as well as fines remained stable during February, 2020 after a sharp increase in the previous month. In anticipation of supply disruption due to expiry of mining leases by March 2020, the production of iron ore witness an increase. Smooth and cheap availability of iron ore kept domestic iron ore prices at previous month level.
- (ii) International iron ore prices decreased by around 6% in February, 2020 as compared to previous month. This decline in prices may be on account of the demand constrained and low consumption of steel due to the outbreak of Coronavirus/Covid-19.

- (iii) On M-o-M basis, retail prices of HRC, CRC and Rebar increased by 1.4%, 2.9% & 4.6% respectively, in February, 2020. However, on Y-o-Y basis, prices of these three products were lower by 6.2%, 1.7% and 5.2% respectively over CPLY. Increase in coking coal prices along with absence of active imports from China amid Covid-19 outbreak, Indian steel makers raised steel prices in February, 2020.

13. The BSE Sensex and Metal indices both registered a decline of 6.03% & 13.26%, respectively at the end of February 2020.

## I. Growth Parameters: Statistical updates:

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

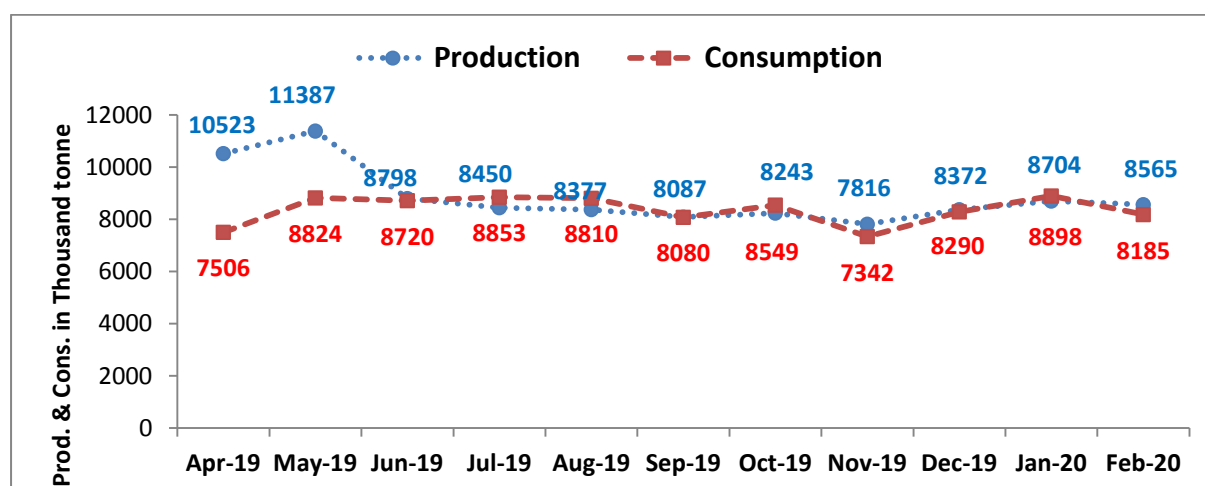


Table 1: Production & Consumption of Steel during 2019-20

Description	Jan'20	Feb'20	% Variation	(Million Tonnes)		% Variation
				April-Feb		
				2018-19	2019-20	
Production (Crude Steel)	9.290	9.294	0.0	100.878	100.786	(-)0.1
Production (Finished Steel)	8.704	8.565	(-)1.6	91.994	94.014	2.2
Consumption	8.898	8.185	(-)8.0	89.190	92.603	3.8

- During February 2020, production and consumption of finished steel declined by 1.6% and 8%, respectively over the previous month.

Table 2: Country-wise Crude Steel\* Production

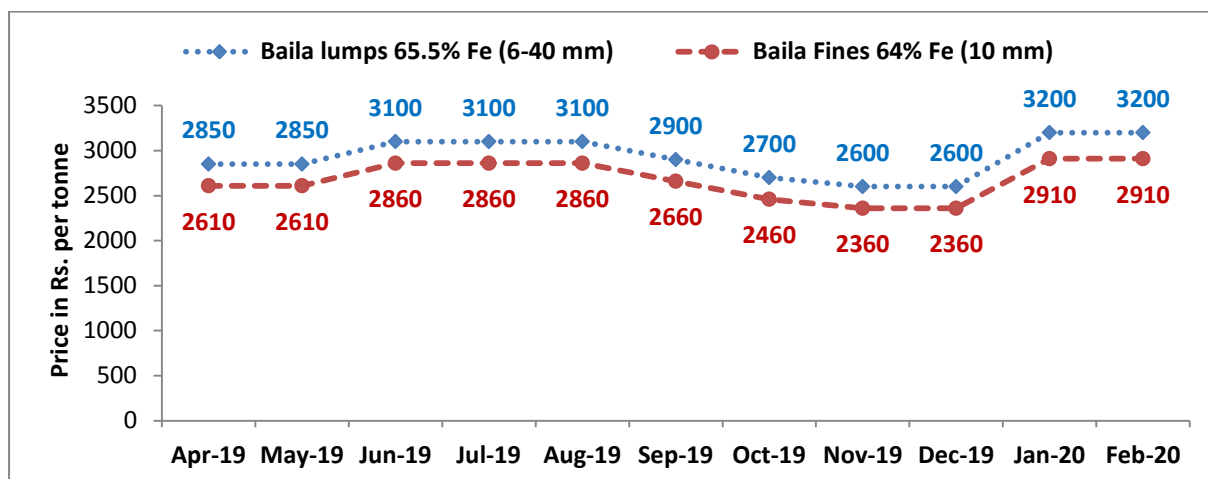
Country	(Million tonne)					
	January		% Variation	April-Jan		% Variation
	2019	2020		2018-19	2019-20	
India	9.591	9.290	(-)3.1	91.457	91.479	0.02
Japan	8.142	8.244	1.3	86.058	82.559	(-) 4.07
USA	7.518	7.707	2.5	73.308	73.309	0.0
China	78.594	84.269	7.2	791.338	847.225	7.06

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

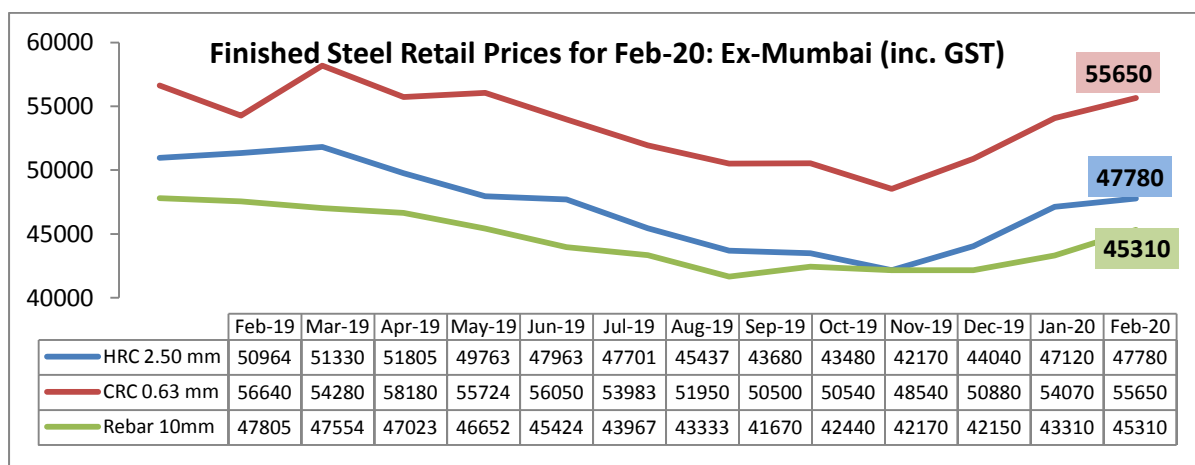
Mineral	2019-20											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Baila lumps 65.5% Fe (6-40 mm)	2850	2850	3100	3100	3100	2900	2700	2600	2600	3200	3200	
Baila Fines 64% Fe (10 mm)	2610	2610	2860	2860	2860	2660	2460	2360	2360	2910	2910	

\*NMDC decided the prices of iron ore lumps and fines as Rs. 3200 & 2910 per ton respectively w.e.f. 19.01.2020.

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)					
	February		% Variation	April-Feb		% Variation
	2019	2020		2018-19	2019-20	
Imports	583	401	(-)31.2	7130	6392	(-)10.4
Exports	619	570	(-)7.9	5769	7783	34.9

- Import of total finished steel was at 0.401 MT in February 2020, a decline of 31.2% over CPLY.
- At 0.570 MT, export of total finished steel declined by 7.9% in February 2020 over CPLY.
- India was a net exporter of steel during both February 2020 and April-Feb, 2019-20.

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
Jan 2020	0.477	0.694	9.2	(-)9.6
Feb 2020	0.401	0.570	(-)15.9	(-)17.9

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

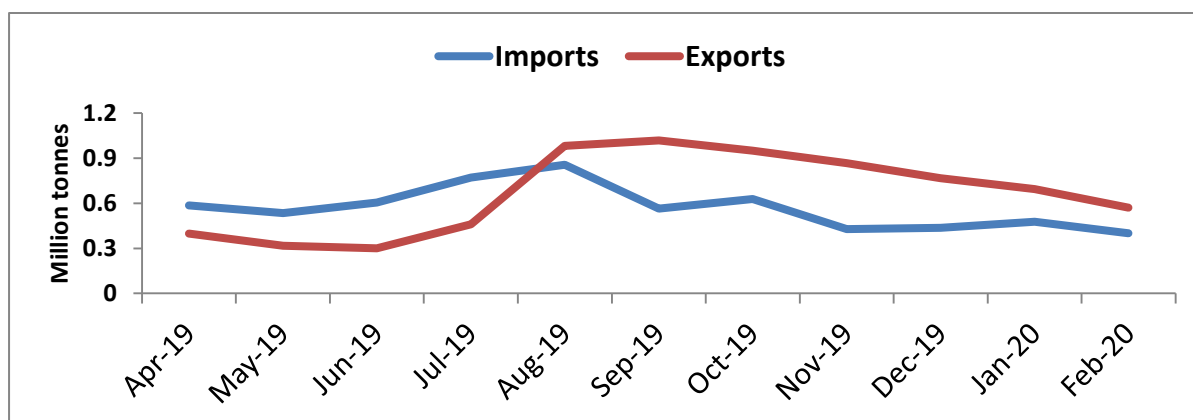


Table 6: Country-wise share of imports to India

Country	Feb-20 (P)	(%) Share	Feb-19	(%) Share	(%) Change
KOREA	186.6	46.5	255.5	43.9	(-)27.0
CHINA	50.0	12.5	68.4	11.7	(-)26.9
JAPAN	48.1	12.0	106.2	18.2	(-)54.7
INDONESIA	16.6	4.1	27.3	4.7	(-)39.4
TAIWAN	14.1	3.5	21.1	3.6	(-)33.3
OTHERS	85.7	21.4	104.1	17.9	(-)17.7
TOTAL	401.0	100.0	582.5	100.0	(-)31.2

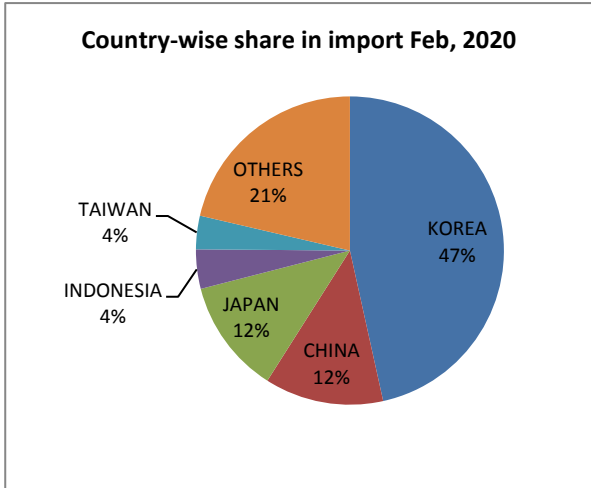
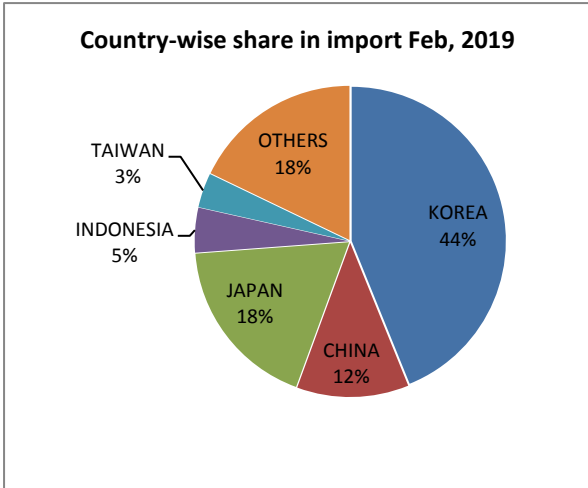
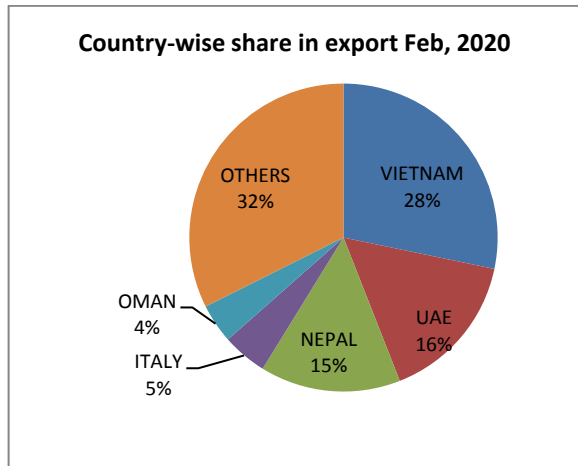
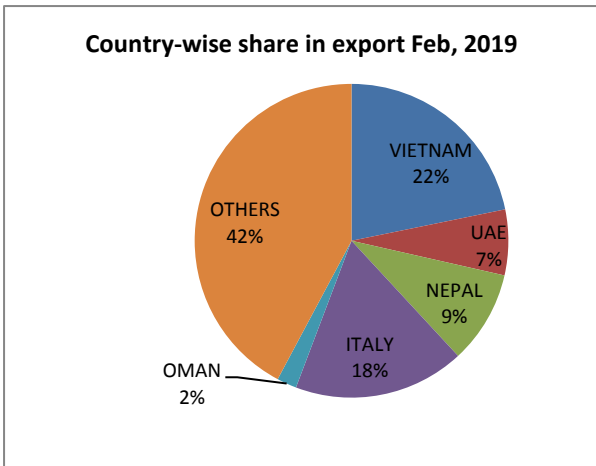


Table 7: Country-wise share of Exports from India

(000' tonnes)

Country	Feb-20 (P)	(%) Share	Feb-19	(%) Share	(%) Change
VIETNAM	161.0	28.3	134.8	21.8	19.4
UAE	89.9	15.8	41.8	6.8	114.9
NEPAL	84.0	14.8	59.2	9.6	41.9
ITALY	26.8	4.7	109.2	17.6	(-)75.4
OMAN	23.5	4.1	12.6	2.0	86.1
OTHERS	184.4	32.4	261.1	42.2	(-)29.4
TOTAL	569.6	100.0	618.7	100.0	(-)7.9





### III. Performance of Steel PSUs:

Table 8: Production/Sales/Sales Turnover:

(Million Tonnes)

Steel PSUs	February		% variation	April-Feb		% variation
	2019	2020		2018-19	2019-20	
<b>SAIL:</b>						
Saleable Steel (MT)	1.368	1.352	(-)1.2	14.007	14.35	2.4
Sales (MT)	1.364	1.211	(-)11.2	11.923	12.657	6.2
Total Sales Turnover (Rs. Crore)	6016	5145	(-)14.5	59232	55631	(-)6.1
<b>RINL:</b>						
Saleable Steel (MT)	0.418	0.353	(-)15.6	4.479	4.034	(-)9.9
Sales Steel (MT)	0.553	0.329	(-)40.5	4.328	4.021	(-)7.1
Sales Turnover (Rs. Crore)	2250	1274	(-)43.4	18526	14886	(-)19.6
<b>NMDC:</b>						
Production-Iron ore (MT)	3.339	3.235	(-)3.1	28.393	29.123	2.6
Sales-Iron ore (MT)	3.543	2.914	(-)17.8	28.796	28.902	0.4
Sales (Rs. Crore)	1210	990	(-)18.2	10780	10510	(-)2.5
<b>MOIL:</b>						
Production-Mn. Ore (MT)	0.124	0.141	14.0	1.1686	1.2012	2.8
Sales-Mn. Ore (MT)	0.160	0.118	(-)26.4	1.093	1.099	0.6
Total Sales Turnover (Rs. Crore)	169.11	102.8	(-)39.2	1280.06	976.94	(-)23.7

Table 9: Physical & Financial Performance:

Steel PSUs	February		% variation	April-Feb		% variation
	2019	2020		2018-19	2019-20	
<b>KIOCL:</b>						
Pellets Production (MT)	0.212	0.240	13.2	1.963	2.160	10.0
Financial Performance (Sales-Pellets) in Rs. crore	217.6	130.2	(-)40.2	1592.8	1747.5	9.7
Profit Before Tax (Rs. crore)	2.74	6.93	152.9	71.52	45.32	(-)36.6
<b>MECON: Performance (Rs. Crore)</b>						
Physical Performance (Total Business Procurement)	21.59	42.87	98.6	270.50	4860.09	1696.7
Financial Performance (Total Revenue from Operations)	57.38	59.31	3.4	360.01	441.71	22.7
Net Profit (Before Tax)	14.08	2.73	(-)80.6	(15.63)	(76.52)	389.6
<b>FSNL: Performance</b>						
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.318	0.468	47.2	3.215	4.415	37.3
Financial Performance (Sales-Service Charges) in Rs. Crore	29.50	34.41	16.6	326.79	344.95	5.6
Net Profit After Tax (Rs. Crore)	2.07	2.64	27.5	24.13	21.97	(-)9.0

<b>MSTC: Performance (Rs. Crore)</b>						
Physical Performance (Total Trading & E-Commerce)	3345	39970	1094.8	97184	11983 0	23.3
Financial Performance (Sales Turnover)	143.2	30.9	(-)78.4	2718.0	807.4	(-)70.3
Profit Before Tax	11.92	1.91	(-)84.0	297.34	132.17	(-)144.5

*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	February, 2020		April-Feb, 2019-20	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	37	10.64	415	124.11
Steel CPSEs	242	360.97	1990	4709.57

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