

No. S-24013/1/2020-EA-RFD
Government of India
Ministry of Steel
(Economic Division)

Udyog Bhawan, New Delhi
Dated: 24th February, 2022

OFFICE MEMORANDUM

Sub: Monthly Summary for the Cabinet for the month of January, 2022.

The Undersigned is directed to circulate herewith a copy of the unclassified portion of the Monthly Summary pertaining to the Ministry of Steel for the month of January, 2022 for information.

Encl: As above.



(Raj Kumar)

Deputy Director

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To,

1. Members of the Council of Ministers
2. Vice Chairman, NITI Aayog, NITI Bhawan, New Delhi
3. All Members of NITI Aayog, NITI Bhawan, New Delhi
4. Cabinet Secretary, Rashtrapati Bhawan, New Delhi
5. All Secretaries to the Government of India
6. Chief Economic Adviser, Ministry of Finance, North Block, New Delhi
7. Addl. Chief Economic Adviser, Ministry of Railways, Railway Board, R.No. 301, 3rd Floor, Pragati Maidan Metro Station Building Complex, New Delhi.
8. Information Officer, PIB, Shastri Bhawan, New Delhi steel_pib@nic.gov.in
9. PS to SM
10. PS to MoS
11. Sr. PPS to Secretary (Steel),
12. Sr. PPS to AS&FA
13. PPS to AS
14. PS to JS(R), PS to JS(K), PPS to JS(S), PS to DDG.
15. NIC (Steel)-(with a request to upload on the website of the Ministry of Steel)

No. S-24013/1/2020-EA-RFD

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
जनवरी - 2022
January - 2022

भारत सरकार/GOVERNMENT OF INDIA

इस्पात मंत्रालय/ MINISTRY OF STEEL

The important developments in the steel sector during the month of January, 2022 are as following:

1. Productive Linked Incentive Scheme: The following activities were taken up:

i. Online Road Show on Production-Linked Incentive (PLI) Scheme was organised by MECON, the Project Management Agency appointed by the Ministry for implementing the Scheme, with interested/prospective participants to explain the salient features of the Scheme, provide demo on the PLI portal and understanding industry's concerns regarding the application process.

ii. Indian Institute of Technology, Kanpur (IIT, K) has been engaged by MECON Ltd. for development of a holistic tool to monitor and facilitate all the actions/ activities pertaining to the Scheme. This engagement would assist MECON in integrating necessary technological inputs pertaining to information provision architecture, as well as would be a step towards automating the entire process, so that it minimises human intervention in implementation of PLI Scheme.

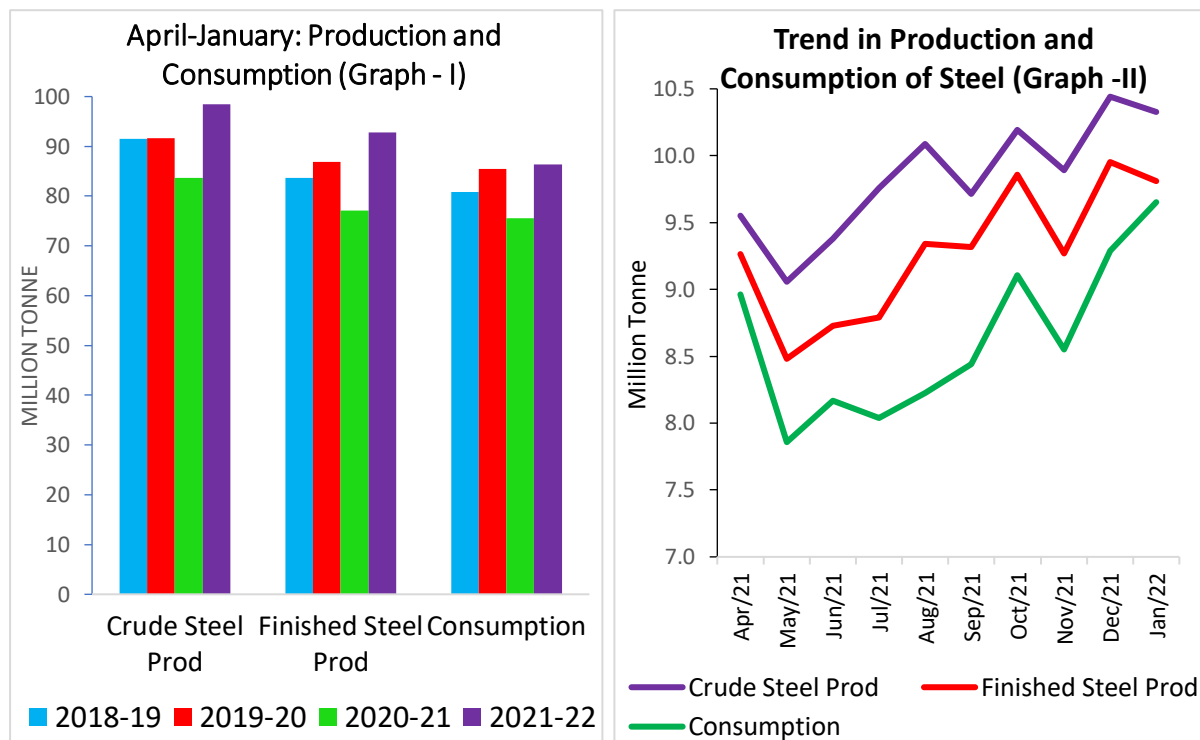
iii. The ICT application developed for the registration of applicants and registration of application has received registrations.

2. First motion application for demerger of NMDC Steel Limited from NMDC Ltd. has been filed with Ministry of Corporate Affairs on 25.01.2022 as an important step towards demerger/disinvestment of NMDC Iron & Steel Plant (Nagarnar). With regard to strategic disinvestment of Ferro Scrap Nigam Limited, IMG meeting was held of 05.01.2022 regarding finalization of Preliminary Information Memorandum & Expression of Interest. Discussions were held with regard to eligibility criteria and other issues.

3. As a step towards Aatmanirbhar Bharat and in sync with the Make in India initiative, private sector domestic manufacturers have successfully developed certain grades of Drill Pipes and Premium Threaded Casing required by Petroleum and Natural Gas sector CPSEs. The requirement of these items can be met from indigenous sources in future.

4. The performance of Steel sector during April-January, FY22 been encouraging. The cumulative production of crude at 98.39 million tonne (MT), finished steel at 92.82 MT and consumption of finished steel at 86.30 MT during April-January, FY22 has exceeded their respective levels achieved over the

corresponding period in the previous three years (Graph-I). This improved performance was achieved despite the adverse effect of second wave of COVID-19 and concomitant localised lockdowns. The month-wise production and consumption of steel during the FY22 shows an increasing trend during the year (Graph – II). However, in January’22 though consumption continued to increase, production of crude as well as finished steel declined month-on-month (M-o-M).



5. During January’22, SAIL produced 16.40 lakh metric tonne (LMT) of Hot Metal, 15.36 LMT of Crude Steel and 14.66 LMT of Saleable Steel. M-o-M, Hot Metal registered a decrease of 1.3% while Crude Steel and Saleable Steel registered an improvement of 1.1% and 0.6%, respectively. The cumulative production during April-January’22 for Hot Metal at 154.55 LMT, Crude Steel at 143.05 LMT and Saleable Steel at 139.21 LMT registered an improvement of 16%, 17% and 19% respectively, over corresponding period of last year (CPLY).

6. In January’22, RINL achieved production of 5.05 LMT of Liquid Steel which is 0.2% higher than its production in December’21 but 8% lower than CPLY. During April-January’22, production of Liquid Steel by RINL at 47.01 LMT was 47% higher than CPLY. Till January’22, RINL despatched 687 Forged Wheels to Indian Railways from Forged Wheel Plant, Raebareli.

7. During January'22, KIOCL produced 1.30 LMT of Pellets which was 40.9% lower than CPLY and sold 2.69 LMT of Pellets which is an increase of 43.4% over CPLY. M-o-M, production and sales of Pellets by KIOCL in January'22 was higher by 271.4% and 151.4%, respectively. During April-January'22, the production and sales of Pellets by KIOCL stood at 15.15 LMT and 15.30 LMT recording a decrease of 11.7% and 16.4% respectively over CPLY.

8. Production of Manganese ore by MOIL in January'22, at 1.17 LMT was lower by 10.0% M-o-M and 3.5% over CPLY, respectively. During April-January'22, production of Manganese ore at 9.76 LMT was 13.1% higher than that in CPLY.

9. Projects of Steel companies uploaded on PRAGATI and PMG portals were reviewed with the concerned Central Ministries/Departments and State Governments. In this context, following meetings were held during the month:

- i. Review meeting by Secretary (Steel) on 10.01.2022 with Chief Secretary, Government of Jharkhand for resolution of issue related to hand over of 361.97 diverted forest land of Durgaburu mine and other issues, where clearances are required from the State.
- ii. In the meeting with Chief Secretary, Jharkhand, an issue pertaining to provision of land in Jharkhand for Amritsar-Kolkata Industrial Corridor was also discussed. On expressing constraint by Government of Jharkhand on land availability, it was decided that land for this important project be identified in SAIL plant at Bokaro. SAIL has identified around 800 Acre land of Bokaro for this project.
- iii. Meeting with Chairman/CMDs of Steel CPSEs on 21.01.2022 for expeditious resolution of pending issues.

10. During January 2022, the issue related to additional funding of Rs. 426 cr. from NMDC to Railways for Doubling of KK Line, a project monitored on PRGATI portal, has been resolved.

11. Two projects of RINL on OCMS portal namely, Construction of CoB-5 at Vizag and Forged Wheel Plant at Rai Bareli have been completed and accordingly now there are six ongoing projects of Steel CPSEs costing Rs. 150 or above (SAIL-4, NMDC-2) on the OCMS portal of MoSPI. Secretary (Steel) reviewed the progress of these projects on 27.1.2022 and directed to expedite the progress.

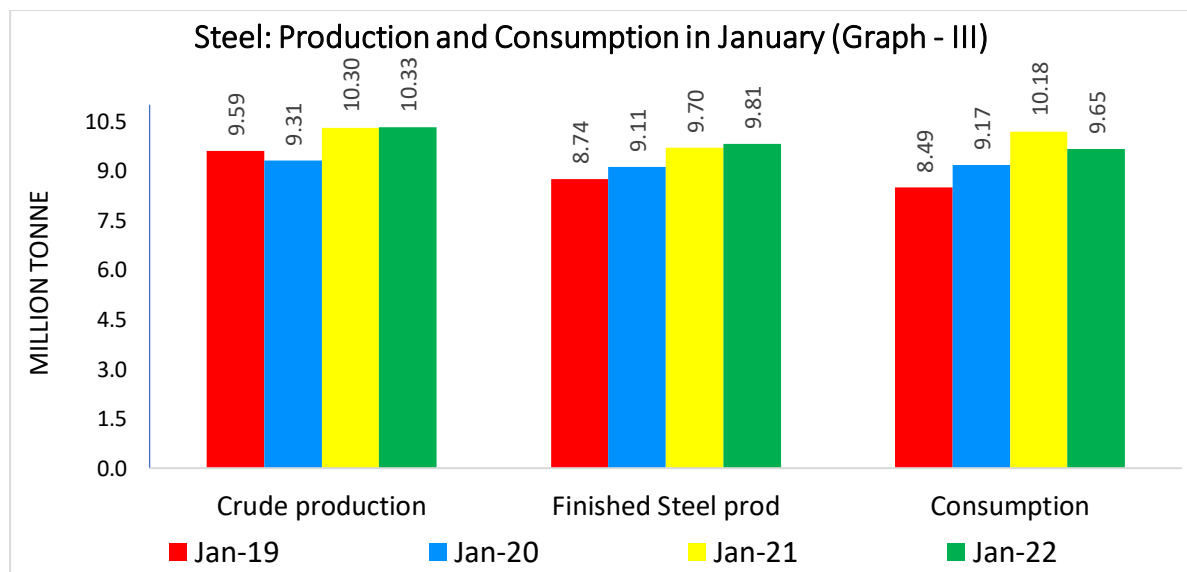
12. The CAPEX by Steel CPSEs in January'22 was Rs. 524.6 crore which is 59.0% lower M-o-M and 25.17% lower than CAPEX in CPLY. The cumulative CAPEX by steel

CPSEs for April-January, FY22 at Rs. 7586.0 crore is 70.1% higher than CAPEX during CPLY but 57.0% of the BE for the fiscal. Secretary (Steel) in the review meeting on 31.01.2022, directed the Steel CPSEs to speed up CAPEX and make all efforts to achieve their respective targets for the fiscal.

13. The status of pending payments to MSMEs by CPSEs of the Ministry is being monitored on weekly basis to ensure payments to them within the 45 days' time limit. Payment of Rs. 537.77 crore was made by Steel CPSEs to MSMEs during January'22 as against Rs. 462.82 crore in December'21. During April-January, FY22, Steel CPSEs have made payment of Rs. 4359.20 crore to MSME.

14. Production and Consumption Scenario:

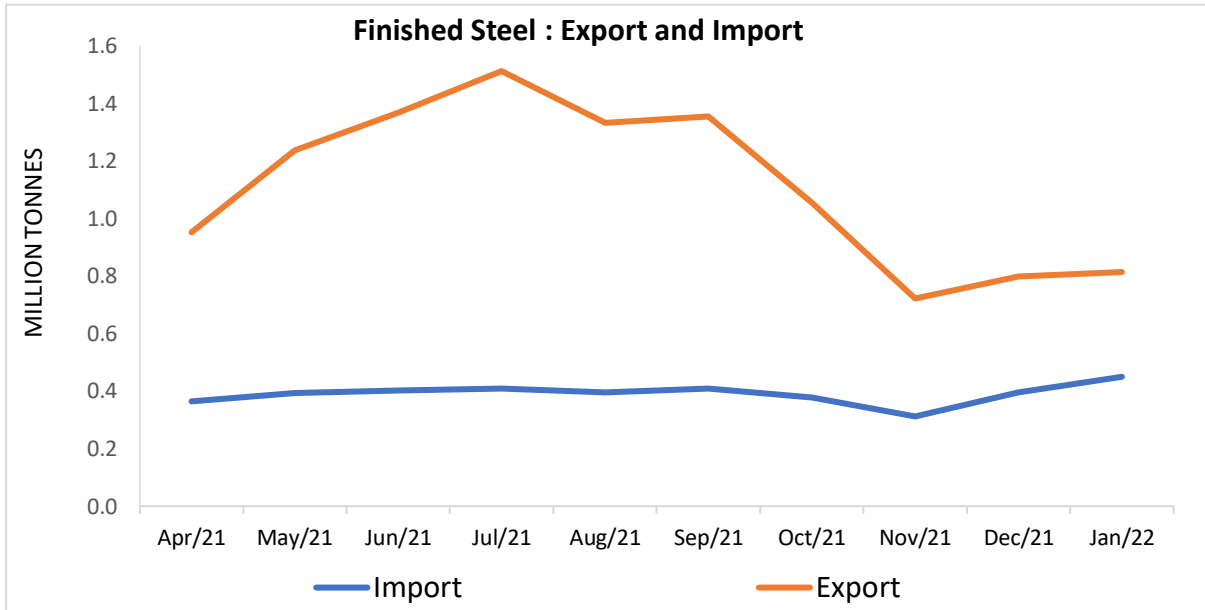
- i. A comparison of production and consumption of Steel during the month of January over the last four years indicates that production of crude as well as finished Steel during January'22 was higher than that in the corresponding month of the last three years. However, consumption of finished Steel during January'22 was lower than that in the corresponding month of the last year but higher than the earlier two years (Graph-III).



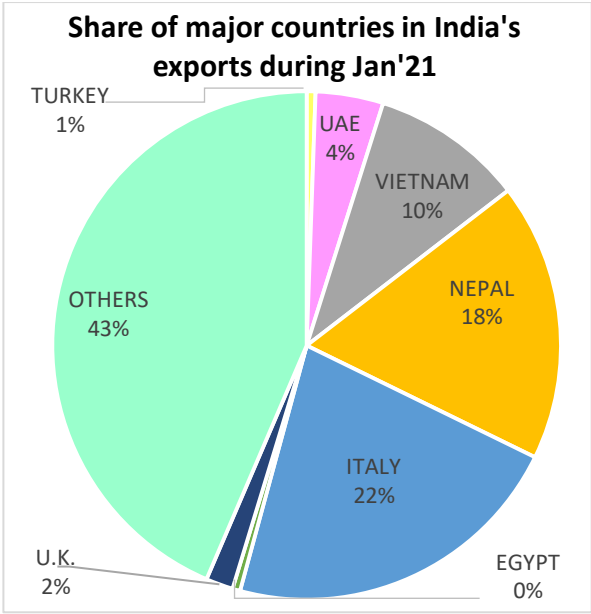
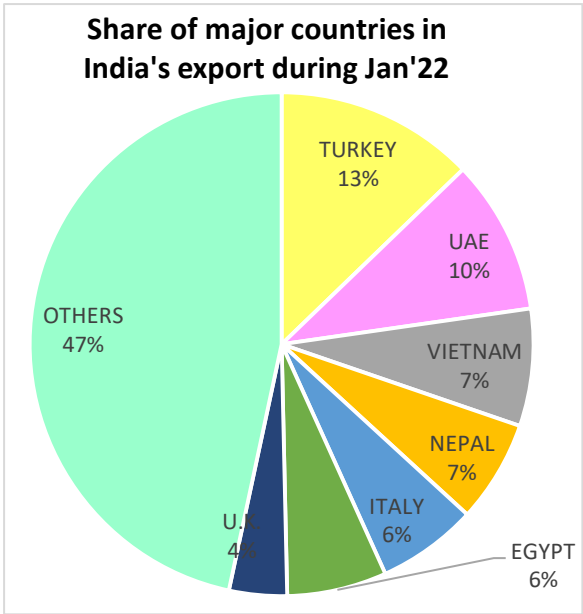
- ii. Production of Crude Steel in January'21 at 10.33 MT increased by 0.3% over CPLY but declined by 1.1% M-o-M.
- iii. Production of finished steel in January'22 at 9.81 MT was 1.2% higher than its production during CPLY but 1.4% lower M-o-M.
- iv. Consumption of finished steel in January'22 at 9.65 MT increased by 3.9% M-o-M but was 5.1% lower than that in CPLY.

- v. Inventories of the finished steel with the Steel producing companies decreased during January'22 with the closing stock at the end of January'21 at 8.25 MT being 2.4% lower M-o-M and 18.4% lower than CPLY.

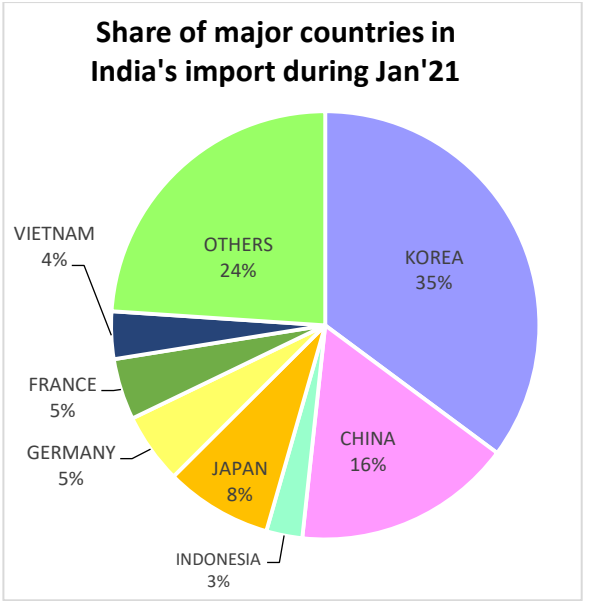
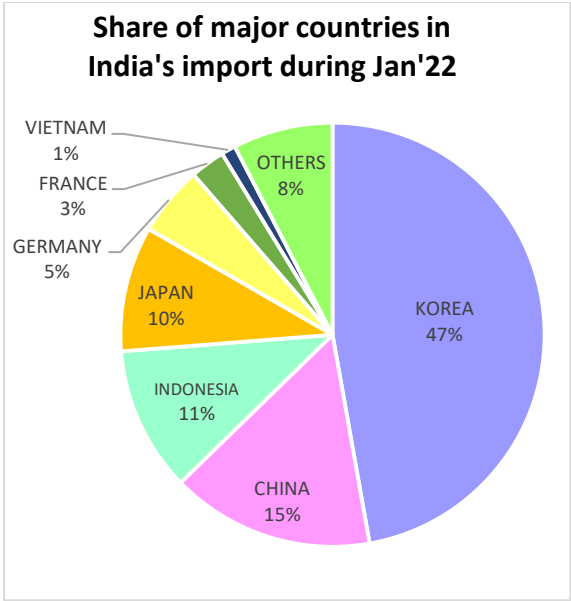
15. Export-Import Scenario: The month-wise trend in export and import of finished steel during FY22 (Graph-IV below) indicates that both have continued to improve M-o-M during January'22.



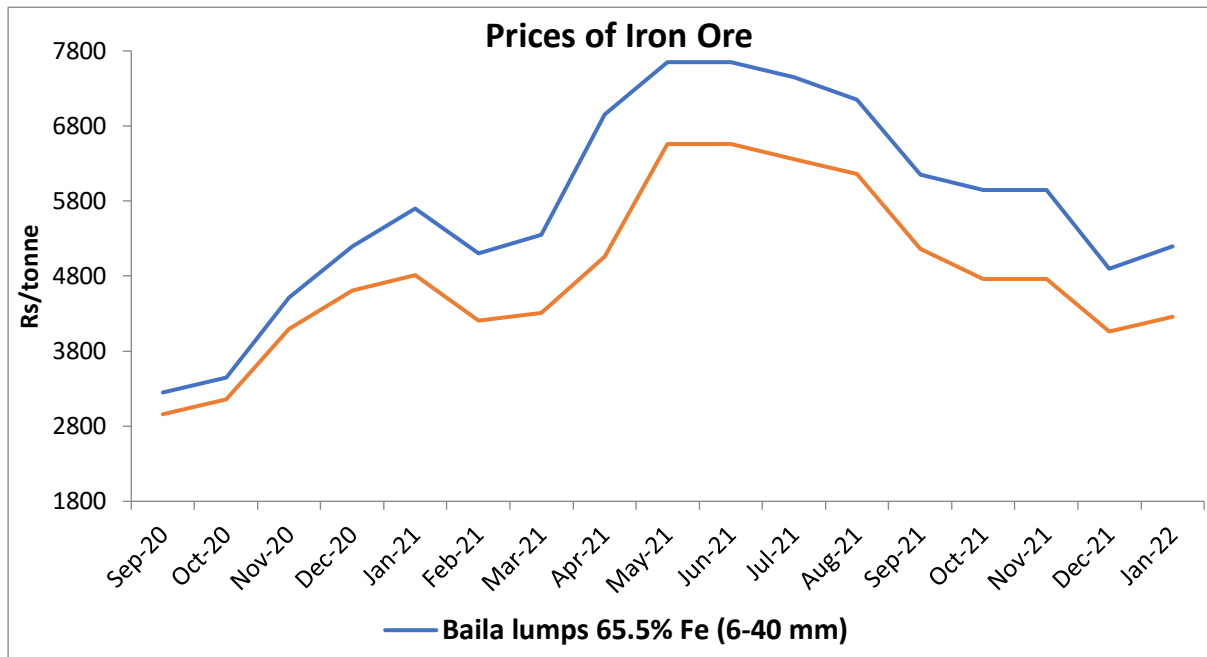
- i. Export of finished steel during January'22 at 8.14 LMT increased by 55.6% while import at 4.50 LMT declined by 22.7% over CPLY. M-o-M, export and import of steel in January'21 increased by 2.0% and 13.9% respectively. During April-January, FY22 exports at 111.42 LMT and imports at 39.07 LMT have increased by 26.2% and 3.1% respectively over CPLY.
- ii. India was net exporter of finished steel recording a net trade surplus of 3.64 LMT in January'22 and 72.35 LMT during April-January, FY22, respectively.
- iii. Share of Turkey, UAE, Egypt and U.K. in total steel export from India was higher in January'22 as compared to January'21. However, share of Vietnam, Nepal and Italy in India's total steel export declined over the same period as may be seen from the following graph.



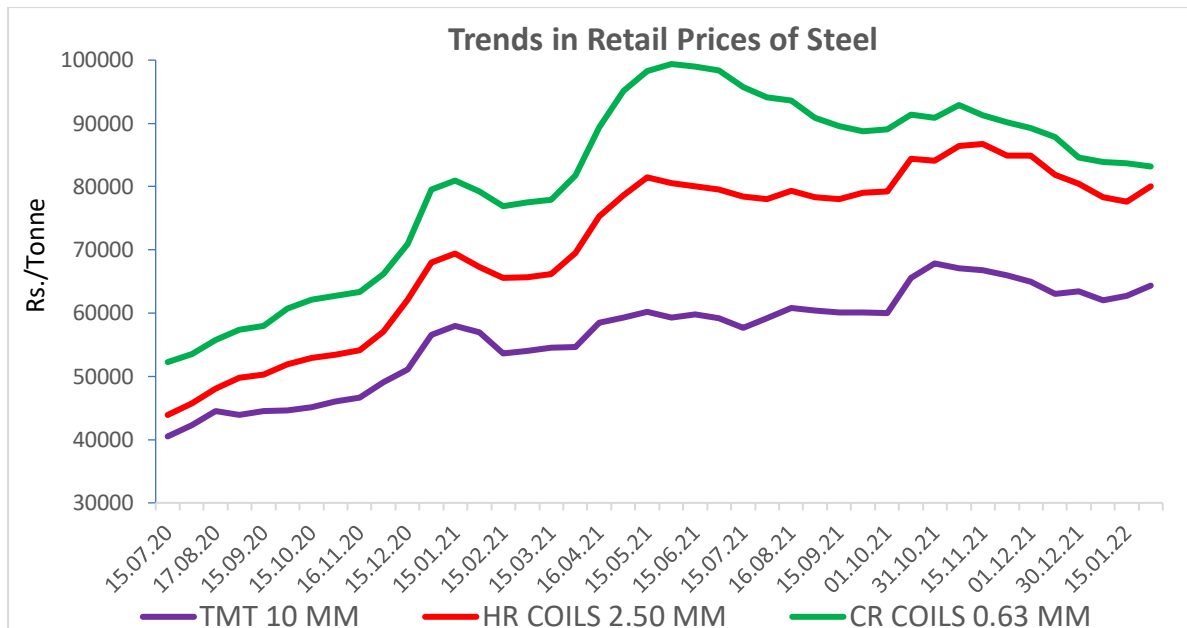
iv. Share of Korea, Indonesia and Japan increased in total steel import of India in January'22 as compared to January'21 while it declined for China, France and Vietnam over this period as may be seen from the following graph:



16. Price scenario: Prices of Iron Ore hit its peak in May-June'21 and was on a declining trend since July'21. However, an uptick in prices of Iron Ore were recorded in January'22 as may be seen from the graph below:



- i. By end-January 2022, i.e., w.e.f. 30th January, 2022, prices of Iron Ore lump were increased by 6.1% to Rs 5200/tonne and that of fines by 4.9% to Rs. 4260/tonne, over their prices in end-December'21.
- ii. In January'22, production of Iron Ore by NMDC at 45.6 LMT was 15.4% higher M-o-M and 18.0% higher than CPLY. During April-January, FY22 production of Iron Ore by NMDC at 328.8 LMT was 28.1% higher than CPLY. During the month SAIL produced around 30.29 LMT of Iron Ore which is an increase of 0.1% M-o-M but a decline of 7.0% over CPLY. During April-January, 2022 the production of iron ore by SAIL was 286.00 LMT which is a growth of 18% over CPLY.
- iii. Retail prices of steel product categories viz., Rebar, HRC and CRC during the current fiscal shows that prices of CRC after hitting its peak in May-June'21 has been on a declining trend. Declining trend in prices of HRC and Rebar is seen from November'21. During January'21, prices of CRC moderated while that of HRC and Rebar registered an increase (Graph below).



- iv. The retail prices for Rebar (10mm) and HRC (2.50mm) in Mumbai on 31st January, 2022 at Rs. 64350/tonne, Rs. 80010/tonne and were 3.8% and 2.1% higher than their respective prices at the start of the month while that of CRC (0.63mm) at Rs. 83190/tonne, declined 0.9% during same period.

17. The global production of Crude Steel decreased by 2.9% in December'21 over December'20 due mainly to a 6.8% decline in production in China. In addition, few other major steel producing countries viz., Turkey, Brazil, Ukraine, Italy, Mexico and France also reported decline in production during the month over CPLY. The major producing countries (with production of 1 million tonne for the month) which contributed to the enhanced global production in December'21 over December'20 include India, Japan, USA, South Korea, Iran, Taiwan and Vietnam. As regard the share of major producing countries in the global production of crude steel (Graph below), it is seen that due to decline in production in China and uptick in production in some of other major producing countries, share of China declined while that of India, Japan and USA increased during this period, while the share of other major producers remained more or less stable.

