

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

Udyog Bhawan, New Delhi
Dated: 19th July, 2022

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of June, 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 June, 2022 for information.

Encl: As above.



(Raj Kumar)

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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**

जून - 2022

June - 2022

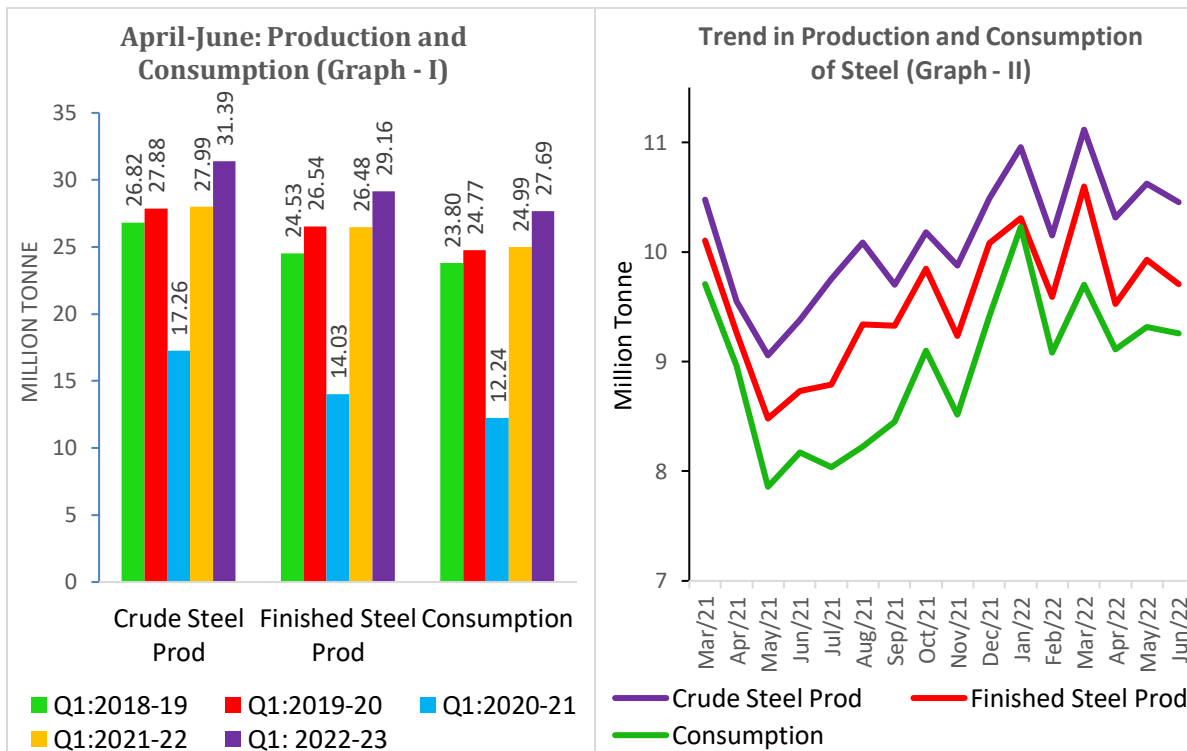
भारत सरकार / GOVERNMENT OF INDIA

इस्पात मंत्रालय / MINISTRY OF STEEL

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

1. The Ministry has uploaded Geo locations of all the steel plants of CPSEs under its administrative control creating the first layer of data on PM GatiShakti Portal (National Master Plan portal) with the help of Bhaskaracharya National Institute for Space Applications and Geo-informatics (BiSAG-N). The Geo location of all the mines of steel CPSEs are also in the process of being uploaded. Ministry proposes to upload the Geo location of more than two thousand steel units in the country (including big players) using the application created by BiSAG-N.
2. Ministry has identified 38 high impact projects for developing multimodal connectivity and bridging the missing infrastructure gaps in line with the goal of PM GatiShakti. Planned expansion of railway lines, creation of new Inland Waterways, roads, ports, gas pipeline connectivity and airports/airstrips will result in creating logistics solution and facilitate achievement of targets and goals by 2030-31 as delineated in National Steel Policy (NSP) 2017.
3. In pursuance to the Government's avowed objective of promoting circular economy and converting waste into wealth, the first six lane highway road made by using Steel Slag was inaugurated at Surat, Gujrat connecting the port with the city on 15th June, 2022 by Hon'ble Steel Minister (HSM). The road constructed entirely by use of steel processed slag is an example of converting waste into wealth and improving sustainability of steel plants. The use of processed slag would not only increase durability of roads but also help in reducing the cost of its construction. The road constructed by using steel slag is also part of the R&D project sponsored by the Ministry along with other major steel players. The experience gained from this road shall be utilized for developing detailed guidelines for widespread usages of steel slag in construction.
4. An interaction meeting was held at Surat, (Gujarat) with members of Secondary Steel and Steel Consumers Association and officials from Govt. of Gujarat on 16th June, 2022 under the chairmanship of HSM. In the meet, the need for providing the right ecosystem for secondary steel sector and consumers for achieving the target of 300 million tonnes of steel capacity by the year 2030 was emphasized. The challenges faced by the secondary steel sector and steel consumers of Gujarat steel, role of secondary steel players in Nation building, provision of various scheme for secondary steel sector etc., were also discussed at meet. The need for synergy between state and central Government policies for achieving the intended target of ease of doing business was emphasized during the meet.

5. performance of Steel sector during Q1: FY23 i.e., April-June, 2022-23 has been encouraging. The production and consumption in Q1 of FY21 and to a lesser extent in Q1: FY22 were adversely affected by first and second wave of COVID-19, respectively. However, the cumulative production of crude at 31.39 million tonne (MT), finished steel at 29.16 MT and consumption of finished steel at 27.69 MT during Q1: FY23 has exceeded their respective levels achieved over the corresponding period of not only COVID affected last two years but also pre-COVID years as well, as may be seen from the following graph on cumulative production and consumption for five years (Graph-I). The month-wise production and consumption indicates to a relatively stable trend during current fiscal (Graph - II) with production and consumption of steel staying range bound and showing much lower month-on-month (M-o-M) fluctuation during first quarter of the current fiscal.



6. During the month, the steel producing CPSEs viz., SAIL and RINL showed conflicting trend with production of SAIL declining month over month but that of RINL registering marginal increase. However, SAIL registered an improvement over CPLY while RINL recorded a decline over CPLY. For the iron ore/pellet producing Steel CPSEs, viz., NMDC and KIOCL, production and sale in June'22 turned out to be lower than previous month as well as over CPLY. However, MOIL which produces Manganese ores came up with an improved performance during the month. The detailed performance of the Steel CPSEs are as below:

- i. During June'22, SAIL produced 14.96 lakh metric tonne (LMT) of Hot Metal, 13.95 LMT of Crude Steel and 13.30 LMT Saleable Steel recording a decrease of 7.4%, 6.3% and 5.3% M-o-M but increase of 8.3%, 7.1% and 4.6% respectively over CPLY. The cumulative production during Q1:FY23 for Hot Metal at 46.94 LMT, Crude Steel at 43.32 LMT and Saleable Steel at 40.80 LMT registered an improvement of 13.5%, 14.9% and 8.3% respectively, over Q1: FY22.
 - ii. Production of iron ore by NMDC at 25.7 LMT in June'22 registered a decrease of 13.8% over CPLY and also a decline of 19.7% M-o-M. The cumulative production of iron ore by NMDC in Q1: FY23 at 89.2 LMT registered an increase of 0.3% over CPLY. Sale of iron ore by NMDC at 19.0 LMT in June'22 was lower by 28.3% M-o-M and 40.3% lower than CPLY. During Q1: FY23, sale of iron ore by NMDC at 76.6 LMT was 20.0% lower than CPLY.
 - iii. During June'22, KIOCL produced 0.30 LMT and sold 0.49 LMT of Pellets which was lower by 84.7% and 76.4% than CPLY, respectively. M-o-M, production and sales of Pellets by KIOCL in June'22 decreased by 85.4% and 9.3% respectively. During Q1: FY23, the production and sales of Pellets by KIOCL stood at 4.29 LMT and 2.69 LMT recording a decrease of 28.9% and 57.4% respectively over CPLY.
 - iv. During June'22, production of Manganese ore by MOIL at 1.11 LMT was 16.5% higher than CPLY and by 3.7% M-o-M. While its sales during June'22 at 1.38 LMT was higher by 16.2% over CPLY and 55.1% M-o-M. During Q1: FY23, production of Manganese ore at 3.22 LMT was 27.9 % higher than that in Q1: FY22.
 - v. In June'22, RINL achieved production of 3.83 LMT of Hot Metal and 3.60 LMT of Crude Steel which is 0.9% and 0.3% higher than its production in May'22 respectively and 18.5% and 18.4% lower than CPLY respectively. During Q1: FY23, production of Hot Metal by RINL at 11.13 LMT and Crude Steel at 10.08 LMT was 27.8% and 25.9% lower than their respective production in Q1: FY22.
7. Ministry of Steel has proactively taken up partially resolved and unresolved issues in projects of steel companies uploaded on PRAGATI and PMG portals with concerned Central Ministries/Departments and State Governments. Ministry requested the concerned Central Ministries/Departments/State Governments during the meetings held on 22.6.22 and 30.6.22 by Project Monitoring Group

(PMG) for early resolution of issues in steel sector projects uploaded on PRAGATI, PMG and NIP Portals.

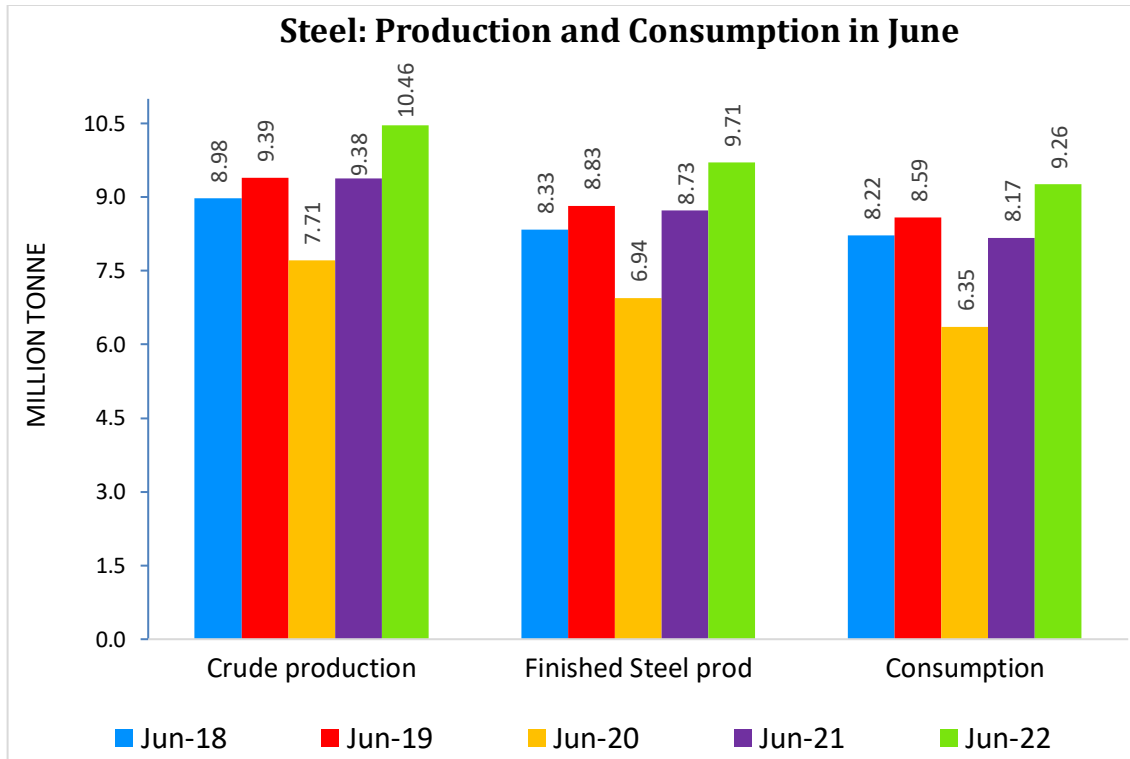
8. Ministry of Steel celebrated International Yoga Day (IDY) 2022 at Mahabodhi Temple, Bodh Gaya, Bihar under the leadership of HSM as part of Government of India's celebration of IDY 2022 at 75 iconic sites across the country in the Azadi Ka Amrit Mahotsav year. More than a thousand yoga enthusiasts participated in the event by practicing Common Yoga Protocol (CYP). Art of Living, Bihar Chapter, facilitated the event and CYP was performed under the supervision of their trainer.

9. The CAPEX by Steel CPSEs in June'22 at Rs. 792.86 crore was 42.5% higher M-o-M and 51.0% higher than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for April-June, FY23 at Rs. 1702.79 crore is 36.6% higher than CAPEX during CPLY but is 12.9% of the BE for the FY'23. Secretary Steel reviewed the CAPEX performance of steel CPSEs on 23rd June, 2022 and urged them to make all efforts to front load the CAPEX and optimize/maximize their CAPEX for the fiscal.

10. 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 for such payments. Payment of Rs. 600.92 crore was made by Steel CPSEs to MSMEs during June'22 which is 47.5% higher than payments made during CPLY and 13.3% higher M-o-M. During April-June'22, Steel CPSEs have made payment of Rs. 1688.44 crore to MSME.

11. Production and Consumption Scenario:

- i. A comparison of production and consumption of steel during the month of June over five years indicate that production of crude and finished steel as well as consumption of finished steel during June'22 is highest in five years as may be seen from following graph:

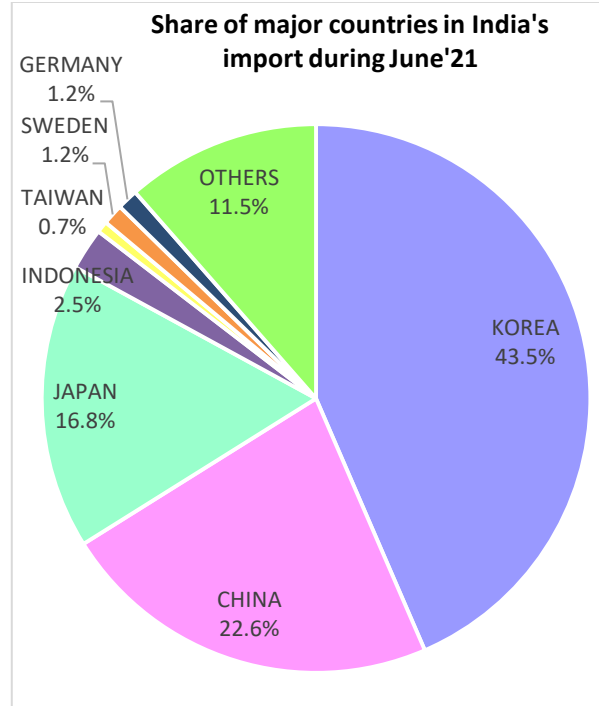
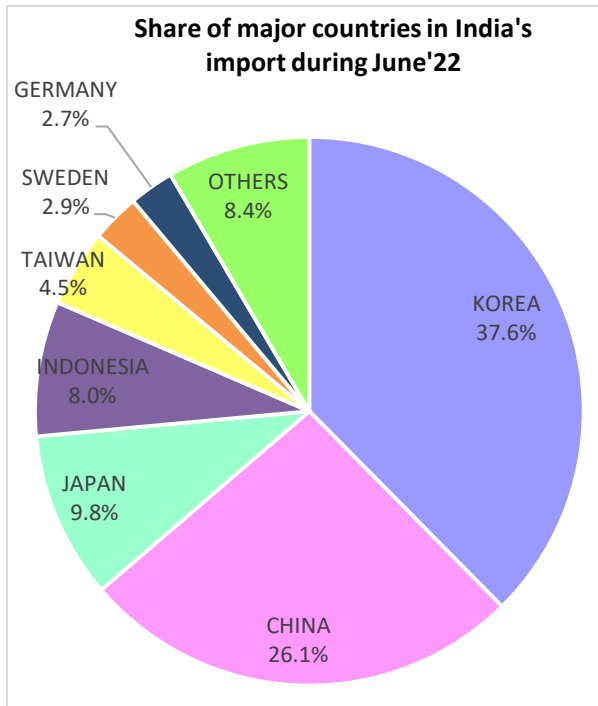


- ii. of crude steel in June'22 at 10.46 MT increased by 11.5% over CPLY bud declined by 1.6% M-o-M.
- iii. Production of finished steel in June'22 at 9.71 MT increased by 11.2% over CPLY but declined by 2.2% M-o-M.
- iv. Consumption of finished steel in June'22 at 9.26 MT increased by 13.3% over CPLY but declined by 0.6% M-o-M.
- v. Inventories of the finished steel with the steel producing companies at 8.45 MT the end of June'22 was higher by 3.2% M-o-M and by 4.8% over CPLY.

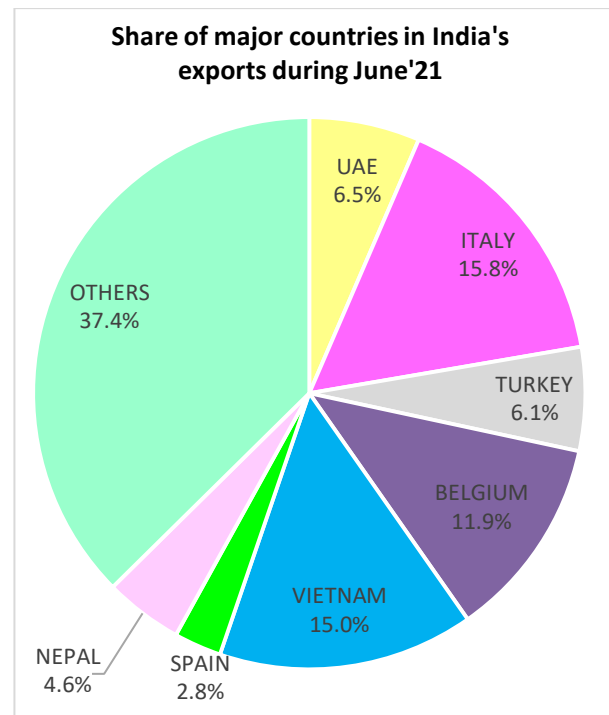
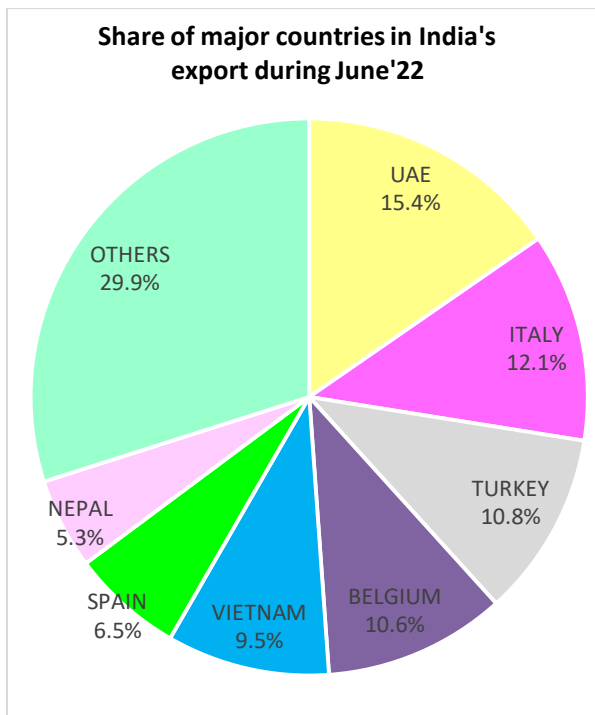
12. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during recent months shows that India's export during a month has consistently exceeded import during that month. Also, export of finished steel from India has shown more pronounced M-o-M variation while imports have been relatively stable as may be seen from the graph below.



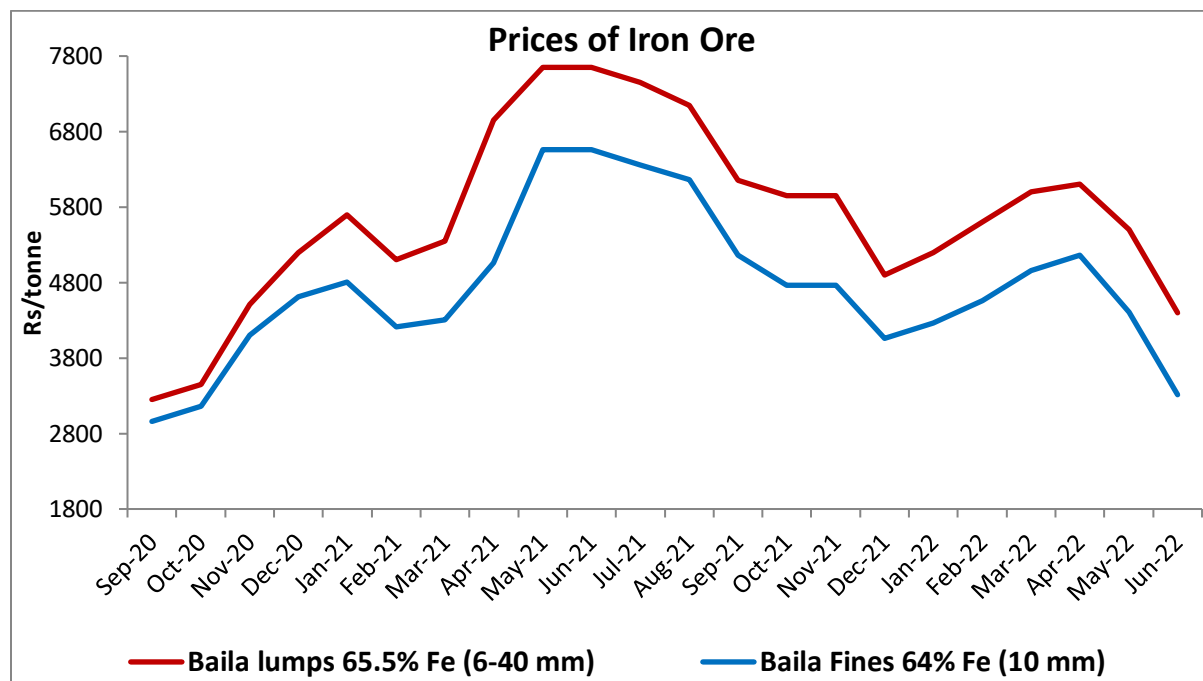
- i. Export of finished steel during June'22 at 6.38 LMT declined by 53.4% while import at 4.50 LMT increased by 11.9% over CPLY. M-o-M, export of finished steel decreased by 19.4% and import of finished steel increased by 15.7% in June'22 over May '22. During Q1: FY23 exports at 21.91 LMT decreased by 38.4% and imports at 11.72 LMT increased by 1.2% over Q1: FY22, respectively.
- ii. India was net exporter of finished steel recording a net trade surplus of 1.88 LMT in June'22.
- iii. Share of China, Indonesia, Taiwan, Sweden and Germany increased in total steel import of India in June'22 as compared to June'21 while share of Korea and Japan declined over this period as may be seen from the following graph:



iv. Share of UAE, Turkey, Spain, UK, Canada, Oman and Nepal in total steel export from India was higher in June'22 as compared to June'21. However, share of Vietnam, Italy and Belgium in total steel export declined over the same period as may be seen from the following graph.

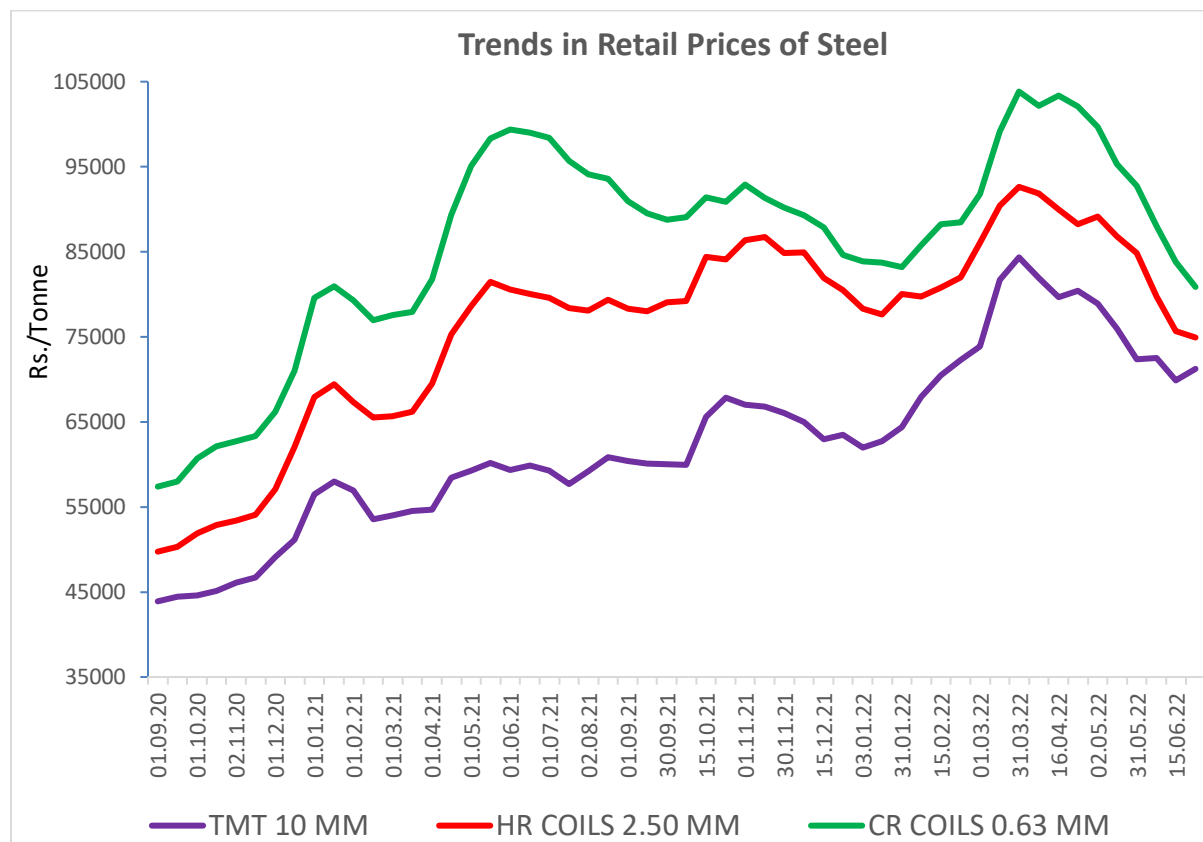


13. **Price scenario:** Prices of iron ore, after hitting peak in May-June'21 followed a declining trend since July'21 till December'21 but started increasing again from January'22 and the uptrend continued till April'22. However, prices of iron ore have been declining since then as may be seen from the graph below:



- i. During the month of June'22, prices of iron ore lump decreased by 20.0% to Rs. 4400/tonne and that of fines by 24.9% to Rs. 3310/tonne over their respective prices in May'22.
- ii. NMDC achieved production of 25.7 LMT and sales of 19.0 LMT of iron ore in June'22. The production and sales of iron ore during the month was lower by 13.8% and 40.3% than that in the CPLY, respectively. M-o-M, production and sales of iron ore by NMDC decreased by 19.7% and 28.3% respectively during June'22. During Q1: FY23, production of iron ore by NMDC at 89.2 LMT was higher by 0.3% and its sales at 76.6 LMT was lower by 20.0% than CPLY. During the month SAIL produced around 28.50 LMT of iron ore recording a decline of 2.9% M-o-M but an increase of 16.8% over CPLY. The cumulative production of iron ore by SAIL during Q1: FY23 at 85.14 LMT is about 7% higher than that in Q1: FY22.
- iii. The prices of CRC, HRC and Rebar, which peaked in April'22 showed some signs of moderation during May'22 while still remaining at elevated levels. The reduction in the prices of inputs viz., coking coal and iron ore, declining

international prices of steel and policy intervention in terms of imposition suitable modifications in tariff lines have helped in further moderation in the domestic prices of steel during June'22 as may be seen from the following graph depicting trend in prices of steel product categories viz., Rebar, HRC and CRC.



iv. The retail prices for Rebar (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai on 30th June'22 at Rs. 71246/tonne, Rs. 74930/tonne and Rs. 80830/tonne were 1.7%, 6.0% and 8.2% lower than their respective prices at the start of the month.

14. The global production of crude steel decreased by 3.5% in May'22 over May'21 which is majorly due to a decline in production in China and Ukraine. In addition, few other major steel producing countries viz., Germany, Japan, Iran, Brazil, USA, Taiwan, Spain, and Mexico also reported decline in production during the month over CPLY. Only India among the major producing countries (with production of 1 million tonne for the month) recorded an increase in production in May'22 over May'21. As regard the share of major producing countries in the global production of crude steel, it is seen that due to differences in contribution to global production, share of India, Russia and South Korea increased during May'22 while

that of Germany declined. Share of China, Japan, USA and Turkey remained unaltered during this period as may be seen from the following graph:

