

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

1. An international Exhibition and Conference called India Steel 2019 – “Balancing Steel Demand & Supply Dynamics: Building a New India” was organized by the Ministry of Steel from 22-24th January, 2019 at Mumbai. The objective of the conference was to dwell upon the demand dynamics of Indian Steel Industry upto 2030 and secondly to highlight the importance of supportive role of logistics infrastructure for the movement of raw materials and finished steel. Another vital area of the conference was to bring out the importance of improving trade, dialogue and international outreach of Indian Steel Industry.

The Conference was inaugurated by the Minister of Steel and attended by CEO's of Integrated Steel Plants/Producers, Secondary Steel Sector and Associations and Counsel General from different countries etc. The Nigerian Minister for Mines & Steel Development attended the opening ceremony. Minister of State for Steel participated in the valedictory function. A total of 228 exhibitors from different countries exhibited their latest products/services being offered to the steel industry. As many as 210 international delegates from 63 different countries participated in the conference. India Steel 2019 generated keen interest among attending delegates from India and abroad.

2. Ministry of Steel participated along with the CPSEs and Organisations under the Ministry of Steel in the 9th Vibrant Gujarat Global Trade Show organised during 17-22nd January, 2019 at Gandhinagar. An MOU between MOIL and GMDC was signed for exploration and mining of Manganese ore in Gujarat.

3. The Parliamentary Standing Committee on Coal and Steel held a meeting on 2nd January, 2019 at New Delhi on the subject “Development of Leased Out Iron Ore Mines and Optimum Capacity Utilisation”.

4. The Consultative Committee meeting under the chairmanship of Steel Minister was held on 28th January, 2019 in Goa. Two major issues; “Mining activities of CPSEs under Steel Ministry” and “Safety in Steel Plants” were discussed. In the meeting it was decided to set up a Safety Directorate to oversee the safety standards in the steel industry.

5. Steel Minister reviewed the functioning of KIOCL at Mangalore on 30th January, 2019. He inaugurated 1.3 MW capacity Solar power plant at the premises of Blast Furnace Unit of KIOCL Ltd. at Mangalore.

An MoU was also signed between SAIL and KIOCL for jointly setting up a Pelletisation Plant.

6. The Hindi Salahakar Samiti meeting was held under the chairmanship of Minister of State for Steel on 21st January, 2019 at Aurangabad, Maharashtra.

7. The Committee on Subordinate Legislation, Rajya Sabha held a meeting on 16th January, 2019 at Visakhapatnam to discuss on “The Compensatory Afforestation Fund Rules, 2018, latest Waste Management Rules (Solid Waste, E-Waste, Plastic Waste and Hazardous Waste, Construction and Demolition Waste Rules) and fulfilment of statutory obligations and achievement of targets on CSR as mandated under the Companies Act, 2013 and Companies (CSR) Rules, 2014”. All Steel CPSEs attended.

I. Trade Scenario:

Imports:

- Import of total finished steel was at 6.548 million tonnes (MT) in April-January, 2018-19 and was up by 1.5% over same period of last year.
- India was a net importer of total finished steel in April-January, 2018-19.
- Imports stood at 0.638 MT in January, 2019, up by 79.2% over January, 2018 and was down by 5.2% over December, 2018.
- Imports have mainly increased from Indonesia, Korea and Japan.

Exports:

- At 5.149 MT, export of total finished steel was down by 37.3% in April-January, 2018-19 over same period of last year.
- Exports stood at 0.475 MT in January, 2019, down by 22.8% over January, 2018.
- Due to various trade measures imposed by regions/countries such as EU, Canada and others, the access to traditional markets for Indian Exports have been restricted. Additionally, US-232 measures have distorted export flows to other markets.

Table 1: Imports and Exports of Finished Steel (Provisional):

Description	('000 Tonnes)					
	January		% Variation	April-January		% Variation
	2018	2019		2017-18	2018-19	
Imports	356	638	79.2	6452	6548	1.5
Exports	615	475	(-) 22.8	8218	5149	(-) 37.3

Global Trade Related Issues:

(i) *Global Forum on Steel Excess Capacity (GFSEC)*

The latest meeting was held at Tokyo, Japan from 12-13th December, 2018. As a step towards commitments under review process, India has posed certain questions to China, USA and EU, basically pointing on their excess capacity and

subsidies given by respective Governments leading to distortions in the demand & supply conditions. Further, all the member countries are required to update information in the GFSEC questionnaire till 15th February. The next meeting is scheduled to be held during 27-28th March, 2019 to discuss the shared information.

(ii) *Canada – Safeguards*

The Ministry of Steel participated in the hearings scheduled in Ottawa on the safeguard inquiry conducted by Canadian International Trade Tribunal. The hearings were scheduled from 21-24th January, 2018 for Stainless-Steel Wire and Energy Tubular Products. Additional Secretary from the Ministry of Steel appeared for the Government of India before the Tribunal and submitted the oral arguments that the provisional safeguard measure imposed is inconsistent with the GATT provisions and Agreement on Safeguards.

II. Growth Parameters: Statistical updates

In 2018, India reached 106.5 million tonnes in production of Crude Steel which is 4.9% increase over 2017 and has become the 2nd largest steel producer globally.

Table 2: Crude Steel* Production:

Country	(Million tonne)					
	Dec, 2017	Dec, 2018	% Variation	Jan-Dec, 17	Jan-Dec, 18	% Variation
India	9.066	9.011	(-) 0.6	101.457	106.463	4.9
Japan	8.721	8.467	(-) 2.9	104.661	104.328	(-)0.3
China	70.350	76.121	8.2	870.855	928.264	6.6

Source: World Steel Association for China and Japan; JPC for India.

* Crude steel is the first solid state after melting, suitable for further processing or for sale, it is obtained by solidification of Hot metal.

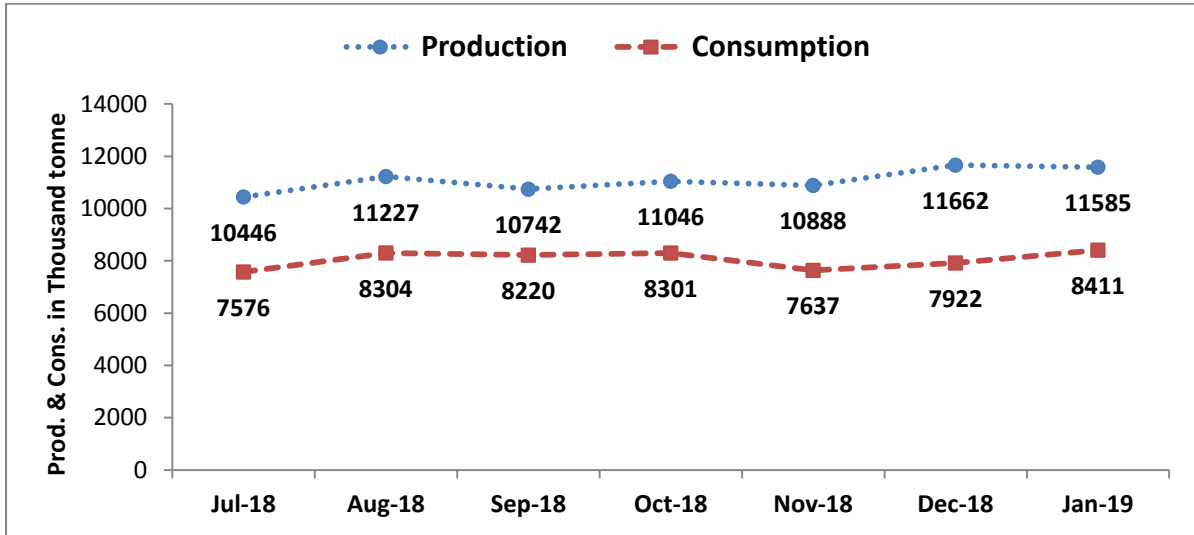
Table 3: Production & Consumption of Finished Steel#:

Description	(million tonne)					
	Jan, 2018	Jan, 2019	% Variation	April-Jan 2017-18	April-Jan 2018-19	% Variation
Gross Production	11.385	11.585	1.8	104.562	109.183	4.4
Consumption	7.896	8.411	6.5	74.197	79.962	7.8
Capacity Utilization of Crude steel (%)	86.30%	78.23%	(-) 9.35*	78.49%	76.58%	(-) 2.43*

Finished Steel Products obtained upon hot rolling/forging of Semi-finished steel (blooms/billets/slabs). These cover 2 broad categories of products, namely Long Products and Flat Products.

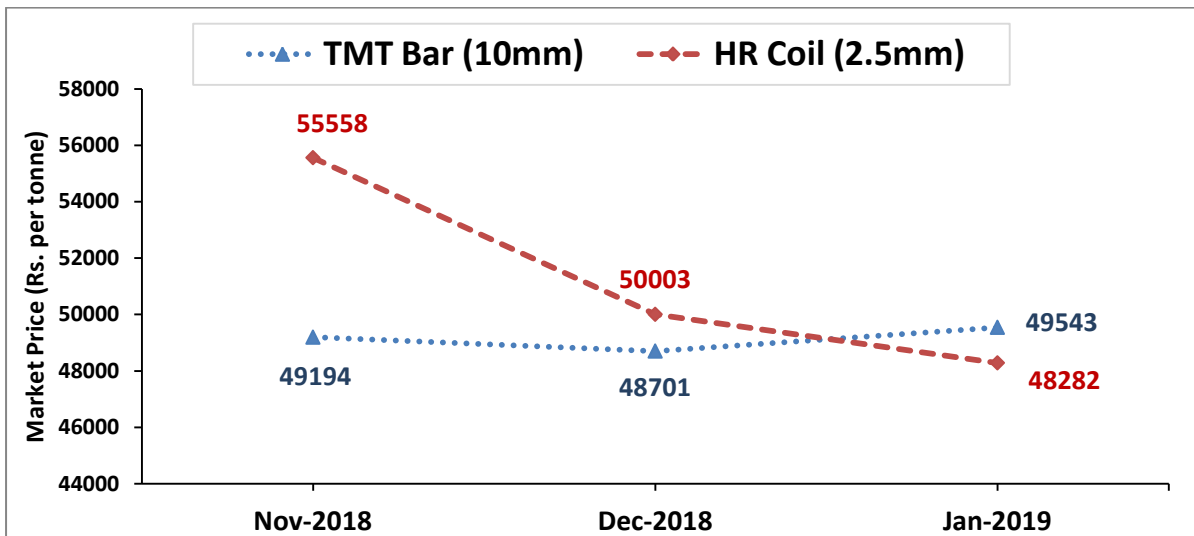
* Percentage points

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



Production has marginally declined in January, 2019. However, consumption has shown an upward trend.

Graph No. 2: Market Price of TMT Bar & HR Coil.



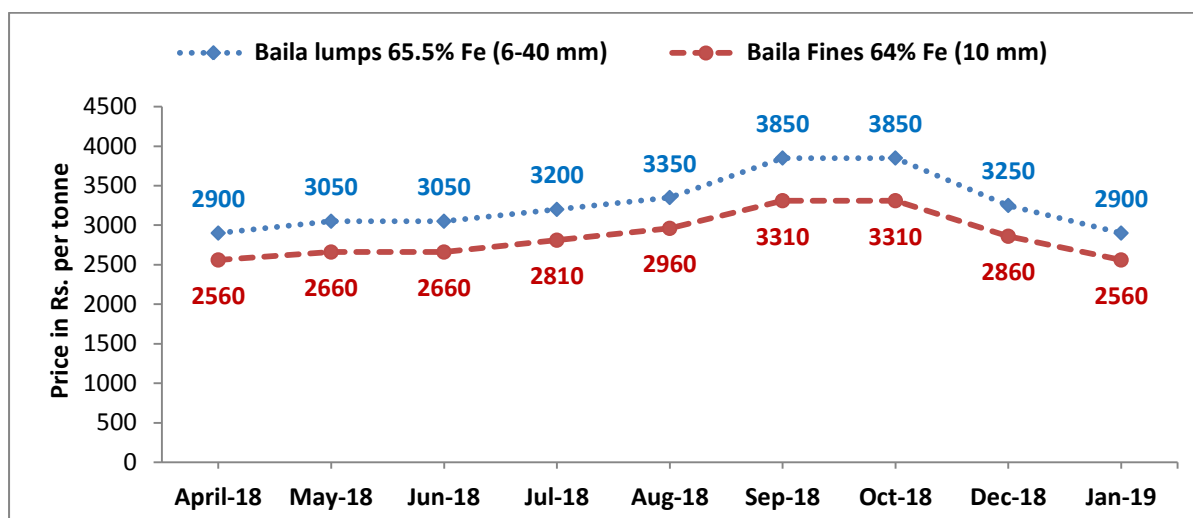
Domestic prices have shown a downward trend in line with global prices.

Table 4: Price of Iron Ore (Rs. per tonne)

Mineral	April-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Dec-18	Jan-19
Baila lumps 65.5% Fe (6-40 mm)	2900	3050	3050	3200	3350	3850	3850	3250	2900
Baila Fines 64% Fe (10 mm)	2560	2660	2660	2810	2960	3310	3310	2860	2560

Source: NMDC

Graph No. 3: Price of Iron Ore.



Domestic Iron Ore prices have shown a downward trend till January, 2019.

Performance of Steel PSUs:

Table 5: Production/Sales/Sales Turnover:

Steel PSUs	January		% variation	April-January		% variation
	2018	2019		2017-18	2018-19	
SAIL:						
Saleable Steel (MT)	1.236	1.344	8.7	11.902	12.64	6.2
Sales (MT)	1.165	1.173	0.7	10.983	10.581	(-) 3.7
Total Sales Turnover (Rs. Crore)	5236	5273	0.7	46723	53216	13.9
RINL:						
Saleable Steel (MT)	0.437	0.397	(-) 9.2	3.624	4.061	12.1
Sales Steel (MT)	0.416	0.405	(-) 2.6	3.602	3.775	4.8
Sales Turnover (Rs. Crore)	1625	1665	2.5	13009	16273	25.1
NMDC:						
Iron ore (MT)	3.634	3.313	(-) 8.8	27.881	25.163	(-) 9.7
Sales-Iron ore (MT)	3.347	3.067	(-) 8.4	29.145	25.242	(-) 13.4
Sales (Rs. Crore)	1200	1270	5.8	8850	9570	8.1
MOIL:						
Manganese Ore (MT)	0.102	0.119	16.5	0.9316	1.0447	12.1
Sales-Mn. Ore (MT)	0.0523	0.0956	82.8	0.916	0.9323	1.8
Total Turnover (Rs. Crore)	70.12	101.49	44.7	1001.5	1111.1	10.9

Table 6: Physical & Financial Performance:

KIOCL: Pellets Production (in million tonnes)		
	January, 2019	April-Jan, 2018-19
Production(MT)	0.190	1.751
Increase/Decrease over CPLY	(-)5.0%	(-)7.8%
Financial Performance (Sales-Pellets) in Rs. crore	170.35	1375.17
Profit Before Tax (Rs. crore)	2.02	68.78
MECON: Performance (Rs. Crore)		
Physical Performance (Total Business Procurement)	9.29	248.91
Increase/Decrease over CPLY	(-)41.9%	(-)48.7%
Financial Performance (Total Turnover)	41.51	302.63
Net Profit (Before Tax)	4.30	29.71
MSTC: Performance (Rs. Crore)		
Physical Performance (Total Trading & E-Commerce)	10837.6	93838.9
Increase/Decrease over CPLY	(-)19.7%	63.6%
Financial Performance (Sales Turnover)	610.86	2574.71
Increase/Decrease over CPLY	61.2%	115.5%
Profit (Before Tax)	93.75	183.74
FSNL: Performance		
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.30	2.90
Increase/Decrease over CPLY	2.9%	9.9%
Financial Performance (Sales-Service Charges) in Rs. Crore	29.9119	297.2878
Increase/Decrease over CPLY	2.9%	18.2%
Net Profit After Tax (Rs. Crore)	2.6211	22.0599

IV. The Ministry of Steel and Steel PSUs are making procurement of goods and services through GeM Portal as under:

Organization	January, 2019		April – January, 2018-19	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	76	6.83870	489	99.60530
Steel PSUs	122	63.91951	515	988.516
