

Monthly Summary for the Cabinet for the month of January 2020:-

1. Steel Minister launched 'Purvodaya', to accelerate growth and development of Eastern States of Odisha, Jharkhand, Chhattisgarh, West Bengal and Andhra Pradesh through establishment of Integrated Steel Hub in a special event held on 11th January, 2020 at Kolkata. Purvodaya aims at enabling capacity addition, production of value added steel, cost reduction, logistics and quality improvement. These will be achieved through easing the setting up of Greenfield steel plants, development of steel clusters & demand centres near ISPs and by creating multi-modal logistics/utilities infrastructure. The event was attended by representatives of State Governments, concerned Central Ministries and public & private players from the industry.

During the event, Steel Minister launched an incentive scheme '*Ispati Ilakon Ka Vikas*' - SAIL ke Saath. This scheme aims at giving special financial and non-financial benefits to the industries in the districts where SAIL's plants are located.

Steel Minister also released a JPC Report titled 'Study of End-use Segment-wise Steel Demand'. This benchmark study includes end-use segment-wise trends in steel consumption, future projections till 2030 and segment-wise recommendations for enhancing future steel demand.

2. Minister of State for Steel reviewed the performance of NMDC on 14th January 2020 at Hyderabad and appreciated its efforts for carrying out sustainable & responsible mining.

3. The buyback of shares of MOIL Ltd. was commenced on 16th January, 2020. Total size of the buyback was Rs.308 crore at the rate of Rs.152 per share. Government of India received Rs.250 crore by accepting 1.65 crore shares. As a result, the Government of India shareholding in the MOIL Ltd. is reduced to 53.84% from 56.01%.

4. Ministry of Steel has developed an Analytics Solution and Visualization Dashboard for different Key Performance Indicators (KPIs) of steel sector in India on a real time basis without any manual data entry, to analyze, forecast, take efficient/timely preventive measures and compare with the same world performances.

5. Ministry of Steel has so far covered 66 steel products standard under the mandatory BIS Certification scheme. To include the additional 25 steel products in the Quality Control Order (QCO's), consultations with stakeholders and WTO have been completed. The QCO's, for the same, is under process for notification.

6. SAIL celebrated the 47th Foundation Day on 24th January, 2020 across its Plants/Units. Steel Minister launched SAIL Employee Rendering Volunteerism & Initiatives for Community Engagement (SERVICE) scheme through Video Message.

7. The Steel Sector during the month of January witnessed an improvement as shown by the increase in the price of most of the steel products and by reduction in inventories. The month also observed an improvement in the market sentiments, focus on the domestic market by steel manufacturers and increase in share prices of most of steel companies during 1st half of January, 2020.

There has been a spurt of iron ore and pellet export in the last six months, including January, 2020 which is an all time high on account of good export market and increase in domestic iron ore production.

8. Production & Consumption Scenario:

- (i) Crude steel production at 111.25 MT during CY 2019 increased marginally by 1.81% from 109.27 MT during CY 2018, with share remaining at 6% in global steel production. The crude steel production at 9.33 MT during January 2020, and at 91.52 MT during April- January 2020, remained fairly stable over CPLY for both periods.
- (ii) The finished steel production increased by 2.4% during January 2020 over previous month. For cumulative period, April- January 2020 the same registered marginal growth of 1.4% over CPLY.
- (iii) On M-o-M basis, the consumption of finished steel in January 2020 stood at 8.8 MT registering 6% growth. The aggregate consumption during April-January 2020 increased by 3.7% over CPLY. A gradual increase in the domestic demand since December 2019 increased the consumption.
- (iv) Inventories with steel companies continuously declined since August 2019, barring the month of November 2019. On M-o-M basis, it declined by 3.3% during January 2020 and stood at 12.67 MT. Inventories with steel companies at 12.67 MT, during January 2020, were lower by 0.158 MT recorded at 12.82 MT on 1st April 2019. A fair consumption demand and better export offers remained major reasons for the decline in inventories.

9. Export-Import Scenario:

- (i) On M-o-M basis, exports of finished steel during January 2020 declined by 9.60% and stood at 0.693 MT. Hike in domestic prices and improved demand led steel companies to focus more on domestic market. Export, however, was higher than imports by 0.216 MT during the same period.
- (ii) Steel imports witnessed a declining trend since September 2019, barring October 2019. It was contained below 0.500 MT between November 2019 to January 2020. During April-January 2020, India imported 5.99 MT as against 6.54 MT over CPLY thereby registering 8.5% decline. Domestic competitive prices as compared to high landed prices of imports were the main reasons for decline.
- (iii) India remained net exporter in steel for the six consecutive months i.e. August 2019 to January 2020. Steel exports registered a significant growth of 40% during April 2019 - January 2020 over CPLY with trade surplus at 1.222 MT.

- (iv) During April-January 2020 steel imports declined by 8.5% from most of importing countries except Indonesia, Singapore and Italy over CPLY. Maximum decline was observed in imports from Vietnam followed by Ukraine and Taiwan. During January 2020, the maximum decline was witnessed from Japan followed by Belgium over CPLY.
- (v) Steel exports to Vietnam, Taiwan, Nepal and Italy witnessed an increase during April-January 2020 whereas it declined in case of Belgium and Spain. Vietnam remained topmost destination of Indian steel exports by accounting nearly 29% of total steel exports. The steel exports to Vietnam have increased around three fold in January 2020 over January 2019.
- (vi) Indian iron ore exports at 2.85 MT in January 2020 increased by 25% as against exports at 2.28 MT in December 2019, the highest since April 2017. Indian iron ore exports picked up amid reduced material availability by traditional iron ore miners from Australia and Brazil.

Indian iron ore exports to China during January 2020 at 2.53 MT, increased by 26% as against 2.01 MT in December 2019. Rungta mines were the largest iron ore exporter in January 2020, contributing 1.00 MT, 89% of total exports for the month.

10. Price scenario:

- (i) Domestic prices of both, iron ore lumps as well as fines, increased by 23% in second half of the January 2020. The expectation of supply disruption due to expiry of mining leases by March 2020 resulted in the hike. Stocking up of iron ore and rising prices of finished steel prompted mining companies to raise offer prices of iron ore.
- (ii) International iron ore prices increased by 2.12% in January 2020 as compared to December 2019. This is mainly on account of restocking iron ore by Chinese companies before their holidays.
- (iii) On M-o-M basis, retail prices of HRC, CRC and Rebar increased by 7%, 6.3% & 2.8% respectively, in January 2020. Absence of import bookings and supply constraints from few mills due to maintenance shutdown are the major reasons behind increase in prices in the month of January 2020.

11. The BSE Metal index registered a growth in the initial period of January but declined towards the later part.

I. Growth Parameters: Statistical updates:

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

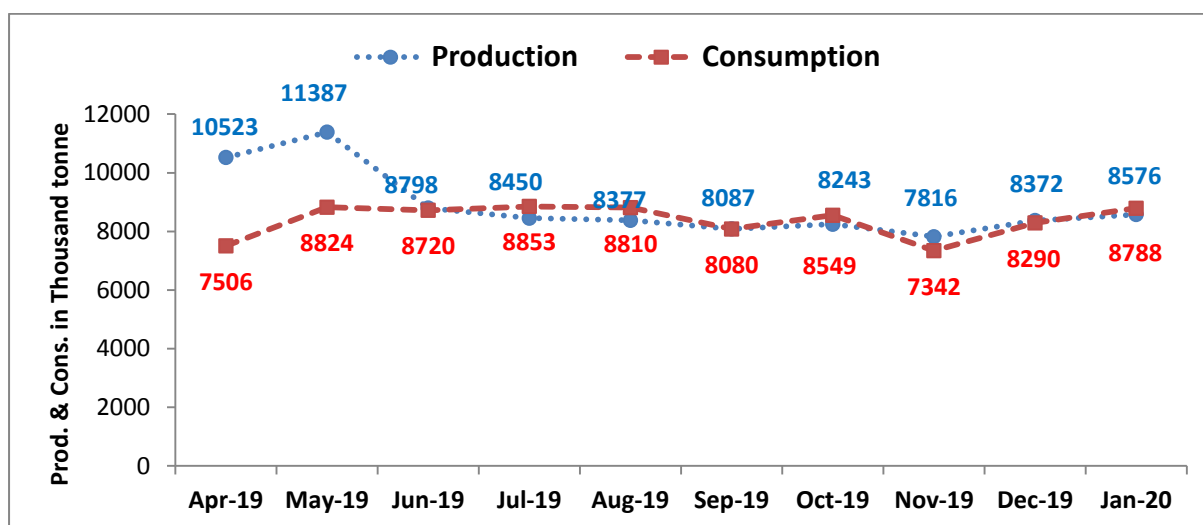


Table 1: Production & Consumption of Steel during 2019-20

(Million Tonnes)

Description	Dec'19	Jan'20	% Variation	April-Jan		% Variation
				2018-19	2019-20	
Production (Crude Steel)	9.281	9.328	0.5	91.457	91.521	0.1
Production (Finished Steel)	8.372	8.576	2.4	83.709	84.902	1.4
Consumption	8.290	8.788	6.0	80.816	83.837	3.7

- During January 2020, production and consumption of finished steel increased by 2.4 % and 6 %, respectively over the previous month.

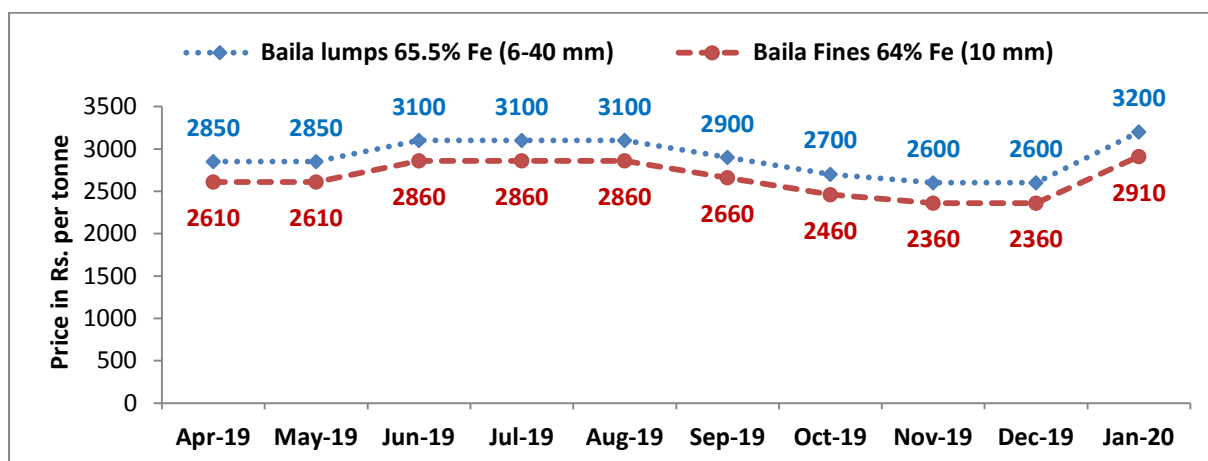
Table 2: Country-wise Crude Steel* Production

Country	(Million tonne)					
	December		% Variation	Jan-Dec		% Variation
	2018	2019		2018	2019	
India	9.356	9.281	(-)0.8	109.272	111.246	1.8
Japan	8.463	7.784	(-)8.0	104.319	99.284	(-)4.8
USA	7.478	7.457	(-)0.3	86.607	87.927	1.5
China	75.489	84.265	11.6	920.027	996.342	8.3

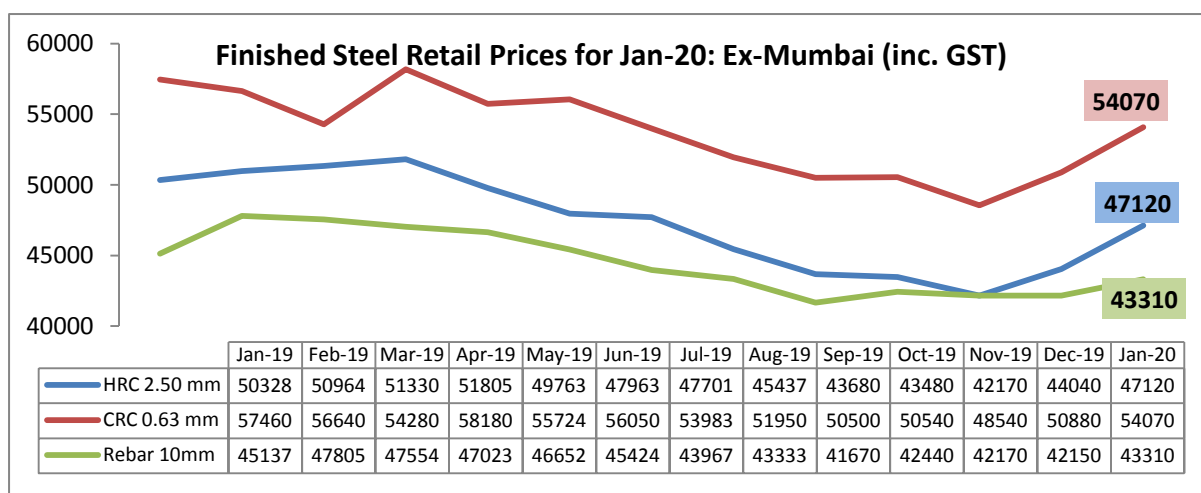
Table 3: Price of Iron Ore (Rs. per tonne)

Mineral	2019-20										
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Jan (as on 19.01.2020)
Baila lumps 65.5% Fe (6-40 mm)	2850	2850	3100	3100	3100	2900	2700	2600	2600	2600	3200
Baila fines 64% Fe (10 mm)	2610	2610	2860	2860	2860	2660	2460	2360	2360	2360	2910

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)					
	January		% Variation	April-Jan		% Variation
	2019	2020		2018-19	2019-20	
Imports	638	477	(-)25.2	6547	5991	(-)8.5
Exports	475	693	45.9	5150	7213	40.1

- Import of total finished steel was at 0.477 MT in January 2020 and declined by 25.2% over CPLY.
- At 0.693 MT, export of total finished steel increased by 45.9% in January, 2020 over CPLY.
- India was a net exporter of steel during both January 2020 and April-Jan, 2019-20.

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

Month	Import	Export	(Million Tonne)	
			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	0.693	9.2	(-)9.6

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

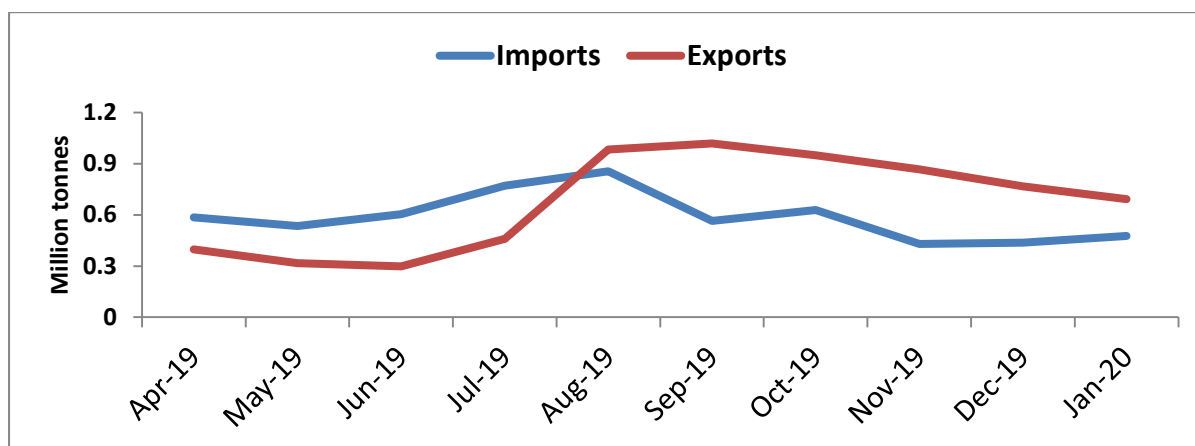


Table 6: Country-wise share of imports to India

Country	Jan-20 (P)	(%) Share	(000' tonnes)		
			Jan-19	(%) Share	(%) Change
KOREA	224.7	47.1	254.9	40.0	(-)11.9
CHINA	96.1	20.2	111.5	17.5	(-)13.8
JAPAN	40.3	8.5	77.7	12.2	(-)48.1
SINGAPORE	17.0	3.6	20.2	3.2	(-)15.9
TAIWAN	16.2	3.4	21.0	3.3	(-)23.0
OTHERS	82.6	17.3	152.5	23.9	(-)45.8
TOTAL	476.9	100.0	637.8	100.0	(-)25.2

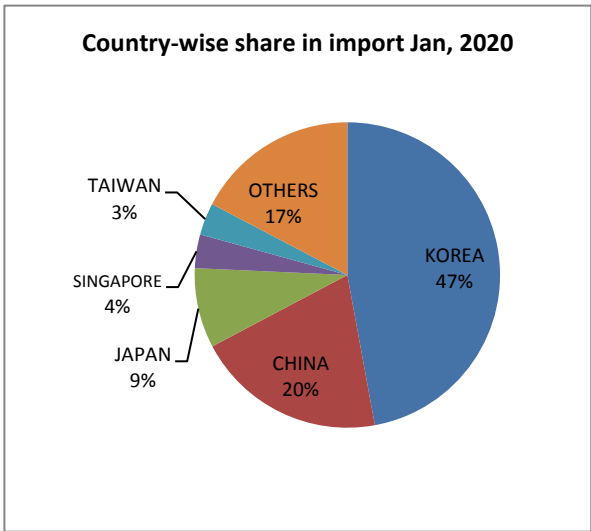
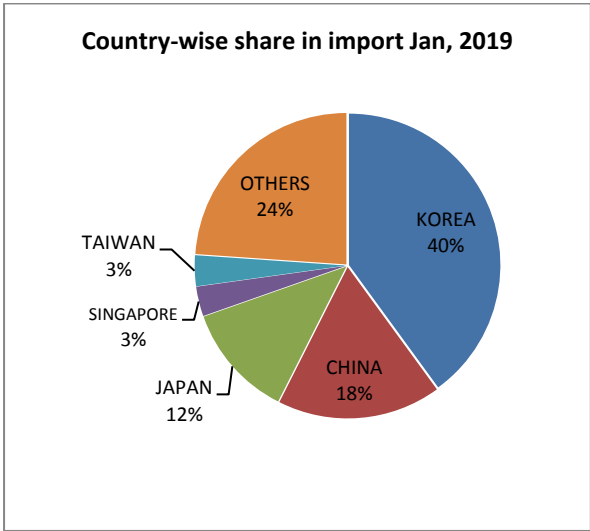
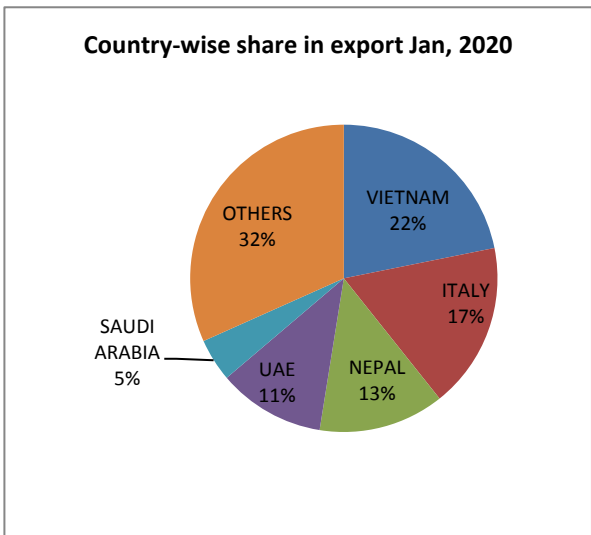
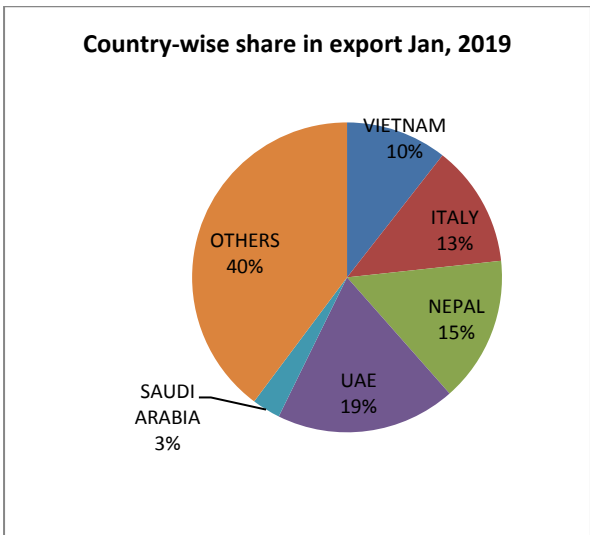


Table 7: Country-wise share of Exports from India

(000' tonnes)

Country	Jan-20 (P)	(%) Share	Jan-19	(%) Share	(%) Change
VIETNAM	151.5	21.8	50.2	10.6	202.0
ITALY	121.1	17.5	60.4	12.7	100.4
NEPAL	91.7	13.2	72.2	15.2	27.1
UAE	78.2	11.3	89.1	18.8	(-)12.3
SAUDI ARABIA	31.4	4.5	14.1	3.0	122.5
OTHERS	219.8	31.7	188.8	39.8	16.4
TOTAL	693.6	100.0	474.8	100.0	46.1



III. Performance of Steel PSUs:

Table 8: Production/Sales/Sales Turnover:

(Million Tonnes)

Steel PSUs	January		% variation	April-Jan		% variation
	2019	2020		2018-19	2019-20	
SAIL:						
Saleable Steel (MT)	1.344	1.426	6.1	12.999	12.999	0.0
Sales (MT)	1.160	1.525	31.5	10.559	11.446	8.4
Total Sales Turnover (Rs. Crore)	5273	6206	17.7	53216	50486	(-)5.1
RINL:						
Saleable Steel (MT)	0.397	0.321	(-)19.1	4.061	3.681	(-)9.4
Sales Steel (MT)	0.405	0.402	(-)0.7	3.775	3.692	(-)2.2
Sales Turnover (Rs. Crore)	1665	1459	(-)12.4	16264	13603	(-)16.4
NMDC:						
Production-Iron ore (MT)	3.314	3.31	(-)0.1	25.253	25.992	2.9
Sales-Iron ore (MT)	3.067	2.964	(-)3.4	25.253	25.992	2.9
Sales (Rs. Crore)	1270	1070	(-)15.7	9570	9520	(-)0.5
MOIL:						
Production-Mn. Ore (MT)	0.119	0.115	(-)3.1	1.0447	1.0599	1.5
Sales-Mn. Ore (MT)	0.096	0.098	2.9	0.932	0.981	5.2
Total Sales Turnover (Rs. Crore)	101.49	84.02	(-)17.2	1111.05	874.11	(-)21.3

Table 9: Physical & Financial Performance:

Steel PSUs	January		% variation	April-Jan		% variation
	2019	2020		2018-19	2019-20	
KIOCL:						
Pellets Production (MT)	0.190	0.215	13.2	1.751	1.920	9.7
Financial Performance (Sales-Pellets) in Rs. crore	170.4	219.1	28.6	1375.2	1617.4	17.6
Profit Before Tax (Rs. crore)	2.02	14.54	619.8	68.78	38.38	(-)44.2
MECON: Performance (Rs. Crore)						
Physical Performance (Total Business Procurement)	9.29	137.60	1381.2	248.91	4817.22	1835.3
Financial Performance (Total Revenue from Operations)	41.51	81.48	96.3	302.63	382.4	26.4
Net Profit (Before Tax)	4.3	7.44	73.0	(29.71)	(79.25)	166.7
FSNL: Performance						
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.300	0.501	67.2	2.899	3.944	36.0
Financial Performance (Sales-Service Charges) in Rs. Crore	29.91	34.28	14.6	297.29	308.13	3.6
Net Profit After Tax (Rs. Crore)	2.62	2.39	(-)8.8	22.06	19.33	(-)12.4

MSTC: Performance (Rs. Crore)						
Physical Performance (Total Trading & E-Commerce)	10838	11845	9.3	93839	79860	(-)14.9
Financial Performance (Sales Turnover)	610.9	42.8	(-)93.0	2574.7	776.5	(-)69.8
Profit Before Tax	93.75	36.90	(-)60.6	(309.26)	130.26	(-)142.1

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	January, 2020		April-January, 2019-20	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	49	17.59	378	1134.60
Steel PSUs	113	670.10	1686	4158.41
