

No. S-24011/6/2019-EA



मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
मई-2019
May-2019

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

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

2. Shri Dharmendra Pradhan and Shri Faggan Singh Kulaste took charge as Union Minister of Steel and Minister of State for Steel, respectively on 31st May, 2019.

3. The Ministry of Steel is making all out effort to bringing investment opportunities for manufacturing high grade steel in India, including foreign companies, especially Korean and Japanese firms. In a step forward, Secretary (Steel) led an Indian delegation comprising Joint Secretary, Ministry of Steel and CMD/Directors of SAIL, RINL and NMDC to Japan from 13th -14th May, 2019. It was a very useful visit and the response from the Japanese side was positive, though guarded.

The delegation met Mr. Tatsuya Terazawa, Vice-Minister, Ministry of Economy, Trade and Industry (METI), Japan & other senior officials of major Japanese steel companies and requested for investment in Indian steel sector. In the meeting it was also discussed to have an institutional mechanism for Indo-Japanese cooperation in steel sector. The Vice Minister (METI) promised to discuss this internally so that a formal announcement may be made during the ensuing India-Japan Summit scheduled for June, 2019. The delegation visited to JFE Steel Plant at Chiba and also attended investment seminar organized by the METI, Japan apart from meeting many companies individually.

4. The delegation led by Secretary (Steel) also attended Global Forum on Steel Excess Capacity (GFSEC) meeting at Tokyo from 14th – 16th May, 2019. The Forum discussed and finalized the draft report of the GFSEC, to be placed in the G-20 Summit to be held in June, 2019. In the meeting it was ensured that the interest of Indian domestic industries would be protected and the issue of the global challenge would be addressed in a meaningful manner. Pursuant to discussions, the amended draft was circulated after taking into consideration the views and suggestions of all the member countries.

5. Special Secretary & Financial Adviser, Ministry of steel, along with CMD, MECON and Executive Secretary, JPC visited 'The Iron Steel Technology Conference and Exposition' organized by American Institute of Technology (AIST), 2019, at Pittsburgh from 5th – 9th May, 2019. The event focused on efficient steel making technologies from all over the world. During the AIST-India Chapter Meeting, various action points emerged which, *inter-alia*, include inclusion of each other's advertisement in JPC bulletin and AIST bulletin, review of industrial statistics of Iron & Steel and developing a section on Indian Statistics to be shared with AIST and contribution of articles by AIST on steel making technology or products for JPC's monthly bulletin.

MECON also participated in the event by putting up a stall in the exhibition. It also presented technical papers in the exhibition.

6. The meeting of the Parliamentary Committee on Sub-ordinate Legislation was held on the subject matter of "Draft Steel and Steel Products (Quality Control) order, 2019", "Implementation of Companies (CSR) Rules, 2014 and CSR activities

undertaken" and "the Hazardous and Other Wastes (Management and Trans-boundary Movement) Rule, 2016" on 27th May, 2019 at the Parliament Annexe, New Delhi. The Committee was apprised of the various measures and initiatives taken by steel CPSEs.

7. The Ministry of Steel took pro-active steps to supply of steel poles for restoration of electric supply in Odisha pursuant to the damages caused by 'Cyclone Fani'. Steel poles were mobilized from the Durgapur Steel Plant of SAIL and through SAIL's Conversion Agent in Rourkela. It was done on a top priority basis and no shortage was experienced by Odisha electricity utilities.

8. Secretary (Steel) visited Visvesvaraya Iron & Steel Plant, SAIL, at Bhadravati, Karnataka on 6th May, 2019 and reviewed the performance and the issues faced by the plant. This is in the backdrop of the Plant being considered for disinvestment.

9. Secretary (Steel) held a meeting on the issue of import of Rails by Indian Railways on 21st May, 2019 with officials of SAIL. During this meeting, it was assured that though the target of 13.50 lakh tonnes of Prime Rails is fairly challenging yet, SAIL is all geared up to ensure the same in order to fulfill the demand of Indian Railways.

Bhilai Steel Plant produced 91,439 tonnes of Prime Rails for Railways during May, 2019 as to achieve the target of 13.50 lakh tonnes during 2019-20.

10. In an effort, to ensure regular supply of raw materials and coking coal, Additional Secretary, Ministry of steel, met Mr. Richard Samuel, Counsellor, Australian High Commission on 6th May, 2019. The discussion included the issue of acquiring mining assets in Australia, especially coking coal for NMDC.

11. Secretary (Steel) took a meeting with the members of Engineering Export Promotion Council to find a way forward for making steel available at competitive rates on 9th May, 2019 for our engineering goods exporters. The meeting was also attended by Secretary (Commerce) and DG Foreign Trade. It was agreed by the major steel makers to provide steel at competitive rate with adjustment of Advance Authorization to them. A Committee was formed under DGFT to give effect to such an arrangement.

12. Additional Secretary, Ministry of Steel, attended the pre-budget discussion with Secretary (Revenue) on 23rd May, 2019 wherein it was requested for reducing custom duty on various raw materials for steel industry like scrape, ferrous alloy, graphite electrodes etc.

13. The crude steel production stood at 9.235 million tonnes (MT) in May 2019, which is a growth of 5.2% over corresponding month last year.

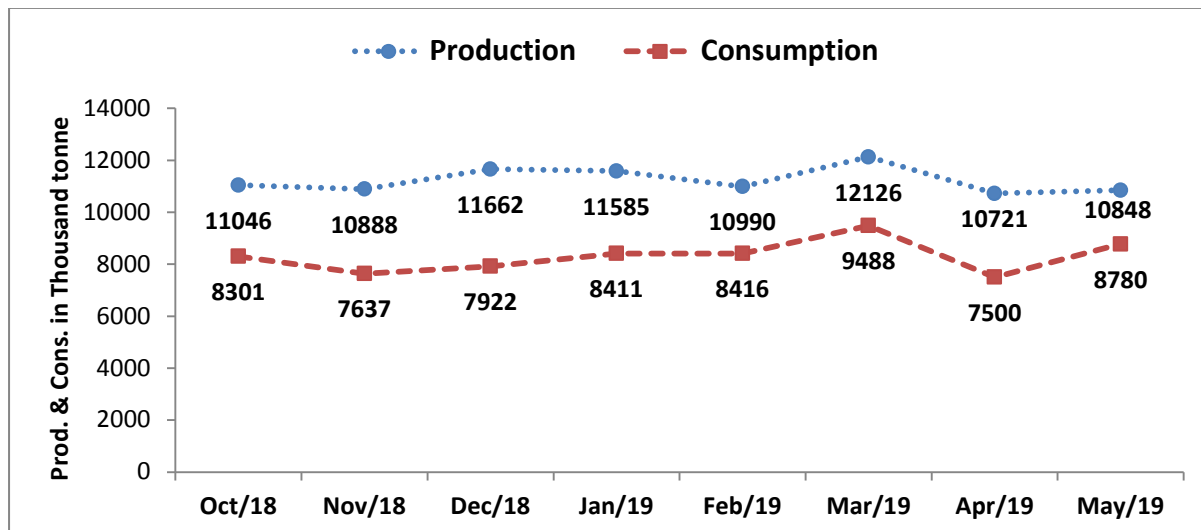
14. India remained a net importer of finished steel in May 2019, though imports declined by 13.6% over corresponding month last year.

15. The Prices of iron ore remained static during May 2019 over the previous month.

16. The Prices of finished steel products such as HR coils, CR coils and Rebars decreased marginally in May, 2019.

I. Growth Parameters: Statistical updates:

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



- Production has shown a mixed trend and remained nearly flattish till February, 2019. It recorded an increase in March, 2019 while in April 2019, it declined to picked up again in May, 2019.
- Both production & consumption picked up in May, 2019. The rate of growth in consumption was relatively higher than that of production of finished steel.
- On M-o-M basis production increased by around 1.2% whereas consumption increased by 17% during May, 2019.

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

(Million Tonnes)

Description	May		% Variation	April-May		% Variation
	2018	2019		2018-19	2019-20	
Production (Crude Steel)	8.779	9.235	5.2	17.432	18.020	3.4
Production (Finished Steel)	10.674	10.848	1.6	21.156	21.371	1.0
Consumption	8.240	8.780	6.6	15.286	16.286	6.5
Capacity Utilization of Crude steel (%)	76.35	80.32	5.2	75.80	78.36	3.4

- During the month of May 2019, crude steel production registered a growth of 5.2% over May 2018.
- India produced 10.85 MT finished steel in May, 2019 thereby witnessing an increase of 1.6% over CPLY.

- During May, 2019, India's finished steel consumption increased by 6.6% over CPLY.
- Consumption and production of finished steel grew at different rates. The consumption was higher by 5.0 percentage points during May, 2019.

Table 2: Country-wise Crude Steel* Production during 2018-19

Country	(Million tonne)					
	April		% Variation	Jan-Apr		% Variation
	2018	2019		2018	2019	
India	8.653	8.785	1.5	36.058	36.118	0.2
Japan	8.718	8.647	-0.8	35.124	33.617	-4.3
China	75.453	85.032	12.7	285.952	314.961	10.1

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.)

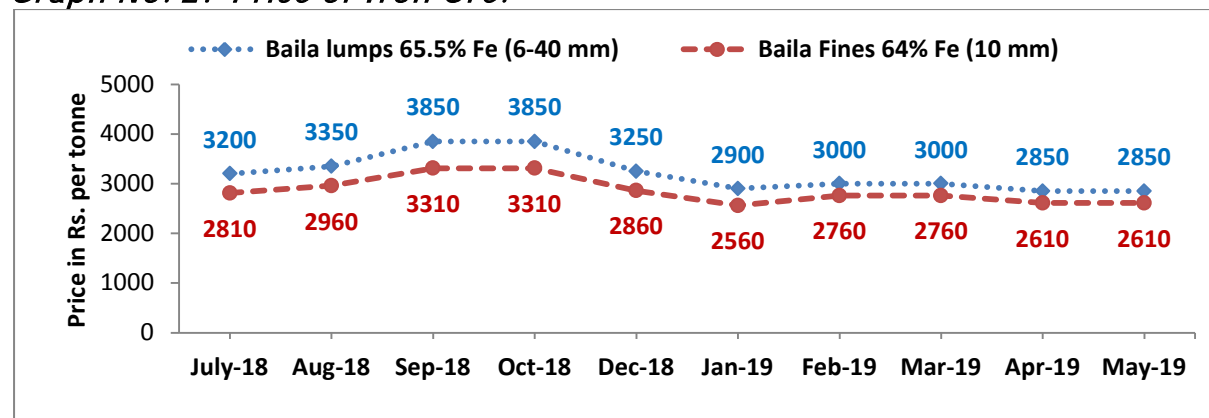
- For CY 2019, crude steel production of India stood at 8.79 MT during April, 2019.
- China produced around 85.03 MT of crude steel, whereas crude steel production stood at 8.65 MT in Japan during April, 2019.

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

Mineral	2018					2019				
	July	Aug	Sep	Oct	Dec	Jan	Feb	Mar	Apr	May
Baila lumps 65.5% Fe (6-40 mm)	3200	3350	3850	3850	3250	2900	3000	3000	2850	2850
Baila Fines 64% Fe (10 mm)	2810	2960	3310	3310	2860	2560	2760	2760	2610	2610

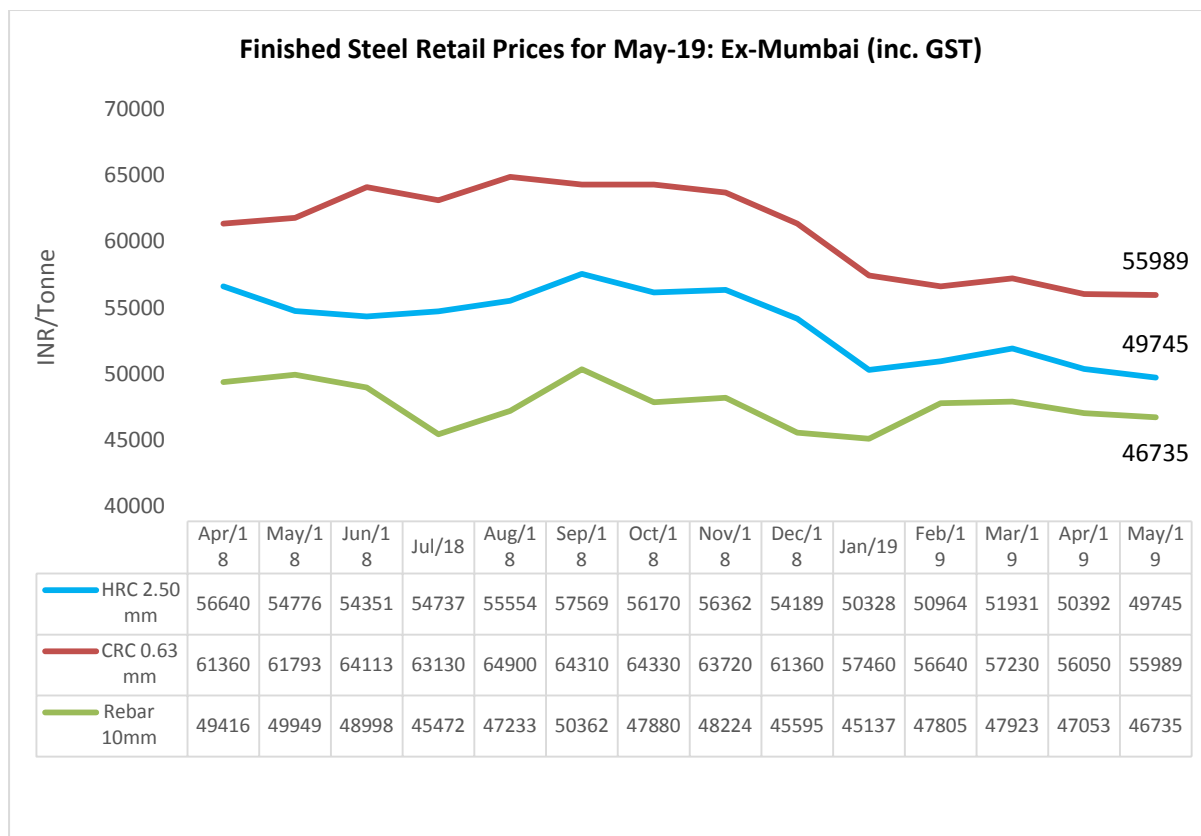
Source: NMDC

Graph No. 2: Price of Iron Ore.



- The prices of iron ore lumps as well as fines remained unchanged in May, 2019 as compared to April, 2019. The peak level prices were observed during September, 2018. Thereafter, prices declined to INR 2850/ tonne (by 26.9% from Sept., 18) and INR 2610/ tonne (by 21.1% from Sept., 18) respectively in May, 2019.
- Dull demand, low construction activities on account of General Elections etc., are few factors determining the prices of iron ore domestically.

Graph No. 3: Market Price of HR Coil, CR Coil and Rebars.



- Prices of HRC, CRC and Rebars reflected a declining trend till Feb., 2019 and remained nearly stagnant till April, 2019.
- However, on M-o-M basis, prices for HRC, CRC and Rebars decreased by 1.28%, 0.10% and 0.67 respectively during May, 2019.
- Low demand mainly from construction and Automobile sector, bearish sentiments globally leading to low input prices, increased inventories among traders over few months, domestic prices competing with internationally low prices etc. acted as bottleneck for price increase with particularly respect to HRC, CRC and Rebars domestically from the peak level observed in Sept., 2018 of the last financial year.

II. Trade Scenario:

Table 4: Imports and Exports of Finished Steel (Provisional):

Description	('000 Tonnes)					
	May		% Variation	April-May		% Variation
	2018	2019		2018-19	2019-20	
Imports	619	535	(-13.6	1218	1121	(-)8.0
Exports	445	318	(-)28.5	1018	715	(-)29.8

- Import of total finished steel was at 0.535 MT in May, 2019 down by 13.6% over May, 2018.
- At 0.318 MT, export of total finished steel was down by 28.5% in May, 2019 over May, 2018.
- India remained a net importer of the steel during May, 2019. Trade Balance stood at (-) 0.217 MT.

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

(Million Tonne)							
Jan-18	0.356	0.615	Jan-19	0.638	0.474	(-)5.20	(-)20.34
Feb-18	0.547	0.693	Feb-19	0.582	0.619	(-)8.78	30.59
Mar-18	0.483	0.708	Mar-19	0.705	0.592	21.13	(-)4.36
			Apr-19	0.586	0.397	(-)16.88	(-)32.93
			May-19	0.535	0.318	(-)8.70	(-)19.90

- Imports of finished steel have shown a mixed trend during January to May, 2019.
- Barring March, 2019 imports of finished steel products declined on M-o-M basis till May, 2019.
- Except for the month of Feb, 2019, exports of finished steel registered a decline on M-o-M basis till May, 2019.

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

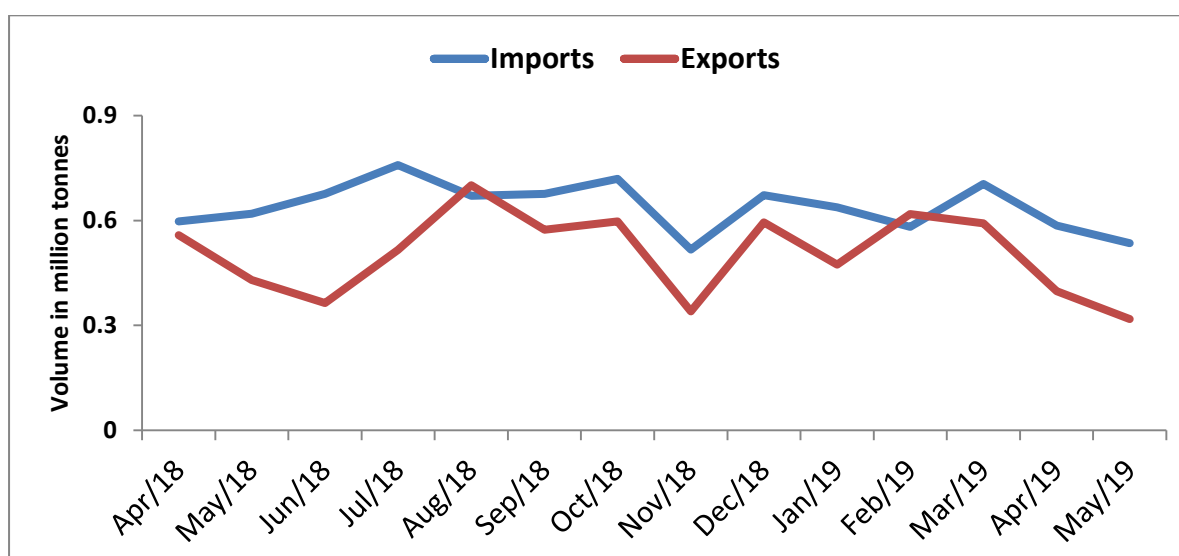
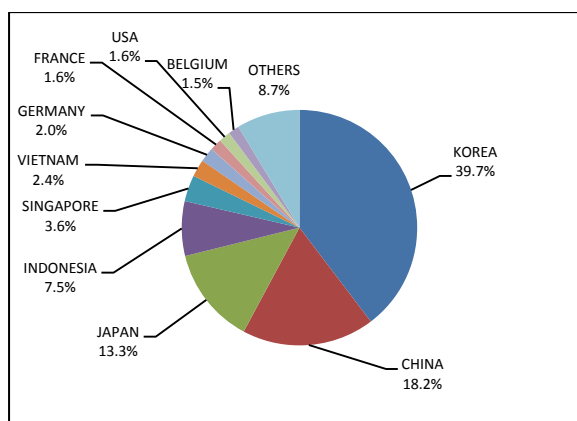


Table 6: Country-wise share in imports to India

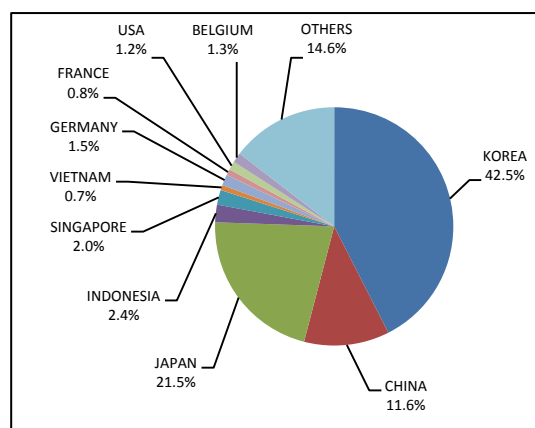
('000 tonnes)

Country Name	May 19(P)	Share	May-18	Share	Change
KOREA	212.4	39.7	263.6	42.5	-19.4
CHINA	97.4	18.2	71.7	11.6	35.8
JAPAN	71.2	13.3	133.2	21.5	-46.5
INDONESIA	40.1	7.5	14.7	2.4	172.8
SINGAPORE	19.3	3.6	12.5	2.0	54.6
VIETNAM	12.7	2.4	4.3	0.7	195.6
GERMANY	10.8	2.0	9.2	1.5	17.3
FRANCE	8.8	1.6	5.1	0.8	74.5
USA	8.4	1.6	7.2	1.2	16.9
BELGIUM	8.0	1.5	8.3	1.3	-4.1
OTHERS	46.5	8.7	90.3	14.6	-48.5
TOTAL	535.5	100.0	619.9	100.0	-13.6

Country-wise share in import in May, 2019



Country-wise share in import in May, 2018



- Marked growth, in import inflows from Indonesia, Vietnam and France was observed during May, 2019 over CPLY.
- The share of imports of finished steel has decreased from Korea, Japan and Belgium during May, 2019 over CPLY.

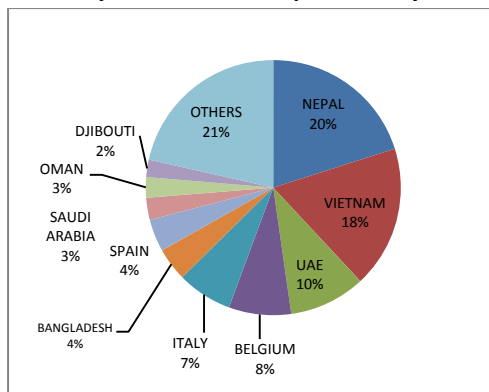
Table 7: Country-wise share in Exports from India

('000 tonnes)

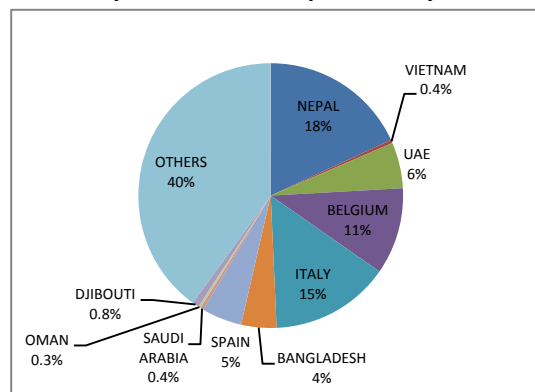
Country Name	May 19(P)	Share	May-18	Share	Change
NEPAL	63.7	20.1	80.7	18.1	-21.0
VIETNAM	57.1	18.0	1.6	0.4	3380.5
UAE	30.9	9.7	24.9	5.6	24.2
BELGIUM	25.0	7.9	47.2	10.6	-47.1

ITALY	22.3	7.0	65.2	14.6	-65.8
BANGLADESH	13.4	4.2	19.2	4.3	-30.2
SPAIN	13.0	4.1	21.9	4.9	-40.5
SAUDI ARABIA	8.8	2.8	1.7	0.4	412.9
OMAN	8.4	2.6	1.2	0.3	574.2
DJIBOUTI	6.9	2.2	3.4	0.8	105.1
OTHERS	68.2	21.5	178.0	40.0	-61.7
TOTAL	317.5	100.0	444.9	100.0	-28.6

Country-wise share in export in May, 2019



Country-wise share in export in May, 2018



- Exports to Vietnam have increased significantly in May, 2019 over CPLY.
- Exports to UAE have also witnessed an increase during May, 2019 over CPLY while the exports to Nepal, Italy and Belgium have decreased.

IV. Performance of Steel PSUs:

Table 8: Production/Sales/Sales Turnover:

(MillionTonnes)

Steel PSUs	May		% variation	April-May		% variation
	2018	2019		2018-19	2019-20	
SAIL:						
Saleable Steel (MT)	1.309	1.301	-0.6	2.463	2.536	3.0
Sales (MT)	1.097	1.135	3.5	2.017	2.067	2.5
Total Sales Turnover (Rs. Crore)	5498	5237	-4.7	10043	9774	-2.7
RINL:						
Saleable Steel (MT)	0.414	0.428	3.4	0.791	0.801	1.3
Sales Steel (MT)	0.408	0.322	-21.1	0.738	0.546	-26.0
Sales Turnover(Rs. Crore)	1730	1355	-21.7	3117	2349	-24.6
NMDC:						
Production-Iron ore (MT)	2.120	3.038	43.3	4.532	5.941	31.1
Sales-Iron ore (MT)	2.31	3.369	45.8	4.528	6.072	34.1
Sales (Rs. Crore)	820	1450	76.8	1570	2200	40.1
MOIL:						
Production-Mn. Ore (MT)	0.110	0.106	-3.6	0.216	0.203	-6.0

Sales-Mn. Ore (MT)	0.054	0.096	77.8	0.070	0.145	107.1
Total Turnover (Rs. Crore)	69.17	93.31	34.9	99.90	148.62	48.8

Table 9: Physical & Financial Performance:

Steel PSUs	May		% variation	April-May		% variation
	2018	2019		2018-19	2019-20	
KIOCL:						
Pellets Production (MT)	0.016	0.255	1493.8	0.181	0.392	116.6
Financial Performance (Sales-Pellets) in Rs. crore	37.50	194.23	417.9	188.29	323.95	72.0
Profit Before Tax (Rs. crore)	(8.63)	5.41	(162.7)	(7.54)	9.84	(230.5)
MECON: Performance (Rs. Crore)						
Physical Performance (Total Business Procurement)	74.07	3.82	(-)94.8	95.14	71.74	(-)24.6
Financial Performance (Total Revenue from Operations)	22.40	25.31	13.0	42.96	32.33	(-)24.7
Net Profit (Before Tax)	(9.77)	(11.32)	15.9	(18.96)	(30.24)	59.5
FSNL: Performance						
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.257	0.324	26.1	0.542	0.628	15.9
Financial Performance (Sales-Service Charges) in Rs. Crore	27.66	30.80	11.4	56.06	59.23	5.7
Net Profit After Tax (Rs. Crore)	1.42	2.05	44.4	2.76	3.75	35.9
MSTC: Performance (Rs. Crore)						
Physical Performance (Total Trading & E-Commerce)	7841	3709	(-)52.7	15377	13022	(-)15.3
Financial Performance (Sales Turnover)	149.0	121.6	(-)18.4	190.1	281.5	48.1
Profit Before Tax	7.55	7.89	4.5	14.64	13.93	(-)4.8

Figures in parentheses indicate a negative amount/balance

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

Organization	May 2019		April-May, 2019-20	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	67	3.78	104	16.97
Steel PSUs	115	175.27	326	483.16
