

No. S-24011/6/2020-EA

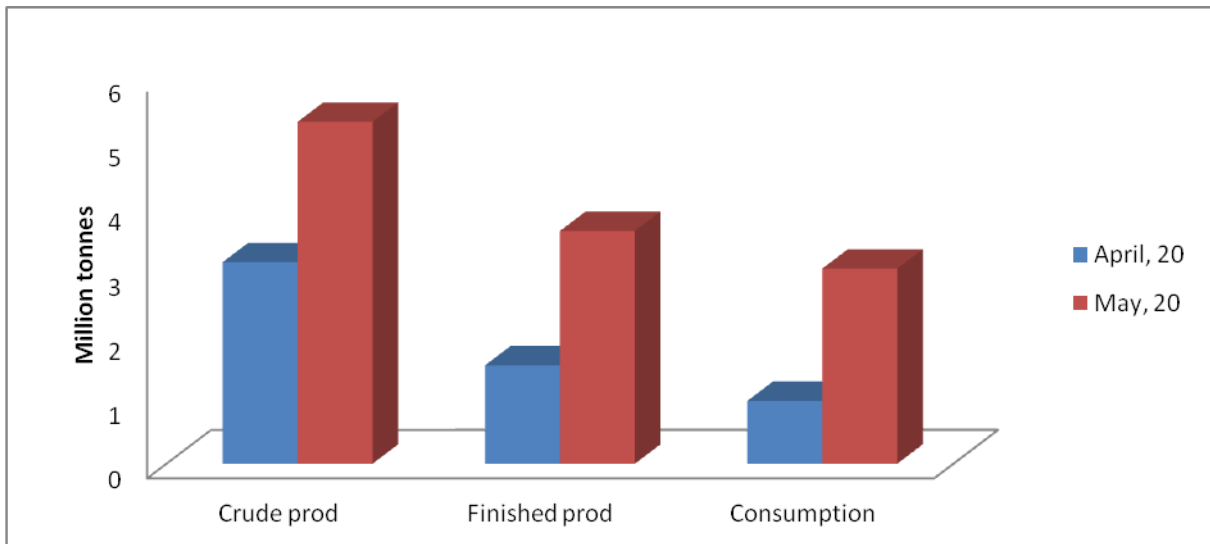


मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
मई-2020
May - 2020

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

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

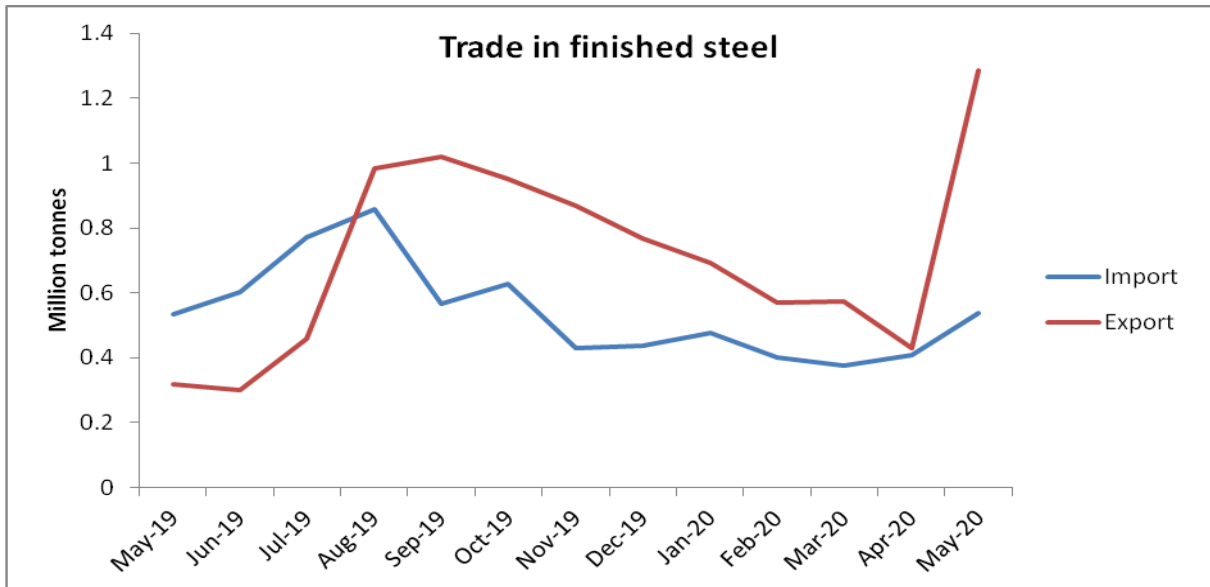
1. Ministry of Steel under the Chairmanship of Minister of Steel held several Video Conferences (VCs) with senior officers of the Ministry to address concerns facing the sector. In this context, the operation of Steel Import Monitoring System (SIMS) was reviewed and the roadmap for streamlining the input parameters on the SIMS portal, increasing product coverage in SIMS, linking SIMS with QCO exemption portal and integrating SIMS with customs database was led down. Also, the Minister took up the matter regarding early finalization of HS code for steel with Finance Minister so that more disaggregated data on various grades of steel being imported may be available. This would not only help in analysing the demand gap in various steel grades as well as the need for intervention in case of any sudden surge in imports and unfair trade practices. Another VC was held on 28.05.2020 to discuss the revival of Bisra Stone Lime Company Limited (BSLC), a sick steel CPSE.
2. The techno-financial performance of MSTC Ltd. for 2019-20 was reviewed by Minister of State for Steel through VC held on 13.05.2020. It was emphasized that MSTC should undertake more e-Commerce activities with State Governments, particularly in agricultural sector. MSTC was also asked to explore the possibility of setting up collection, dismantling and shredding plant at other centres in the southern States like Hyderabad, where there may be good scope for securing adequate raw material.
3. Indian Railways (IR) require Asymmetrical rails for fabrication of Points & Crossings which are presently being imported. SAIL Bhilai has now undertaken initiative to produce these rails. One day trial was undertaken in May 2020 and after the study of process and output, regular production as per requirement of IR will be undertaken at Bhilai Steel Plant in due course, as a step towards Atmanirbhar Bharat.
4. Quality Control Orders (QCOs) under mandatory BIS certification had been issued for additional 20 steel product standards and was notified on 27.05.2020. As of now, total 111 steel and steel product standards are covered under QCOs. Further, draft QCOs for 30 more steel product standards had been uploaded on the websites of WTO and this Ministry for comments from WTO members and various other stakeholders.
5. During the continued lockdown due to COVID-19 in May 2020 about with relaxed norms, steel companies increased their production levels even though operating with limited capacity. Consumption as well as exports witnessed an increase during the month of May over those recorded in April 2020. Steel companies reduced the prices of finished steel which may also have helped promote exports during the month. Higher consumption and exports led to absorption of inventories lying with the steel companies.
6. Production & Consumption Scenario:
 - (i) Production and consumption of steel during this month observed an increase as compare to previous month as can be seen from the graph below. The production & consumption figures during the first two months of the current fiscal and CPLY may be seen at ***Annexure-I***.



- (ii) Production of crude steel saw a revival during May 2020 and registered an increase of 69.6% over April 2020. However, at 5.32 million tonnes (MT), it was 43.8% lower as compared to production during same month of the last year. The production of crude steel during the first two months of the current fiscal was lower by 54.3% over the corresponding period of the last year (CPLY).
- (iii) The production of finished steel during May 2020, at 3.62 MT increased by 136.5% as compared to previous month. However, as compared to production of finished steel during May 2019, production of finished steel declined by 59.9%. During the first two months of the current fiscal i.e. April-May 2020, the production of finished steel declined by 71% over CPLY.
- (iv) Consumption of finished steel also picked up in May 2020 recording an increase of 210.6% over that in April 2020. However, consumption of finished steel at 3.04 MT in May 2020, was lower by 65.2% over the same month of previous year. During the first two months of the current fiscal, consumption at 4.01 was 75.5% lowered over CPLY.
- (v) During this month both consumption and export witnessed a sharp increase as compared to previous month which led to some absorption of inventories with the steel producing companies. As a result, closing stock of finished steel at the end of May 2020 was 13.6 MT which is lower by 1.1% than previous month.

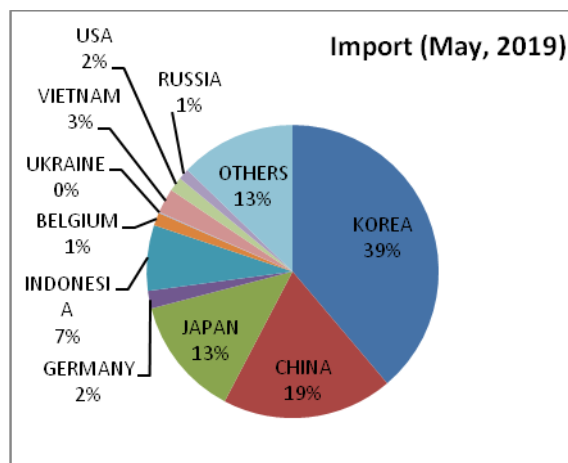
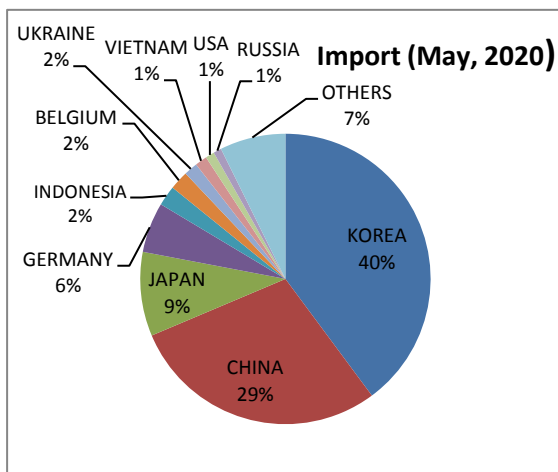
7. Export-Import Scenario:

- (i) On M-o-M basis, imports of finished steel during May 2020 increased by 32.5% over April 2020, and stood at 0.54 MT. Exports of finished steel during same period increased threefold and stood at 1.28 MT as compared to that in April 2020. The trend in export and import over the year may be seen from the graph below. Trend in Month-wise Import & Export of Finished Steel may be seen from the graph below. The details are at **Annexure-II**.

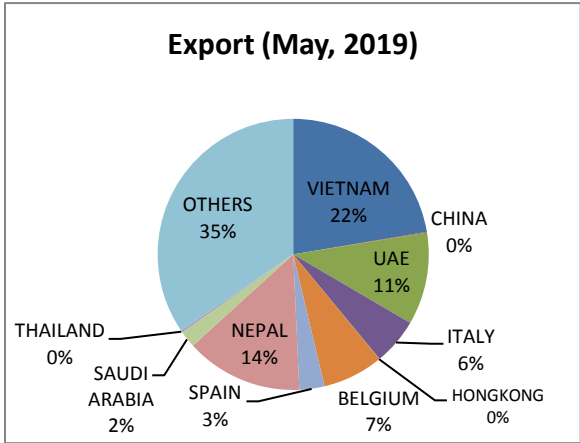
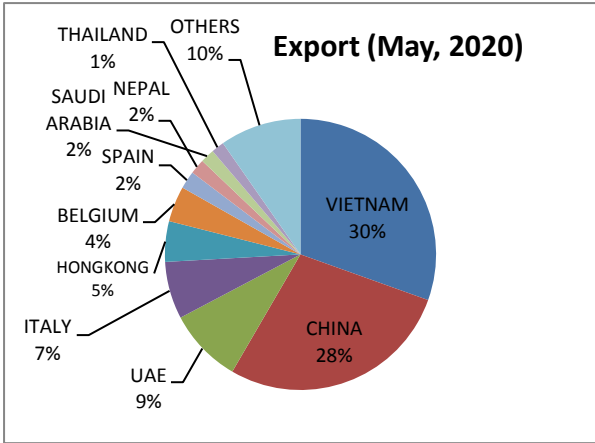


Source: JPC

- (ii) India remained a net exporter of finished steel during May 2020 with a net trade surplus of 0.74 MT.
- (iii) Export of finished steel at 1.28 MT during May 2020 was significantly higher (by 179.9%) as compared to export in May 2019 whereas import at 0.54 MT was slightly lower (-2.7%).
- (iv) During May 2020 steel imports declined from Japan, Indonesia, Vietnam, USA, Russia, etc., over May 2019. Maximum decline was observed in imports from Indonesia and Vietnam. Increase in import was observed from China, Germany and Belgium during the same period. The share of countries in india's import of steel may be seen from the graph below while the figures are at **Annexure - III**

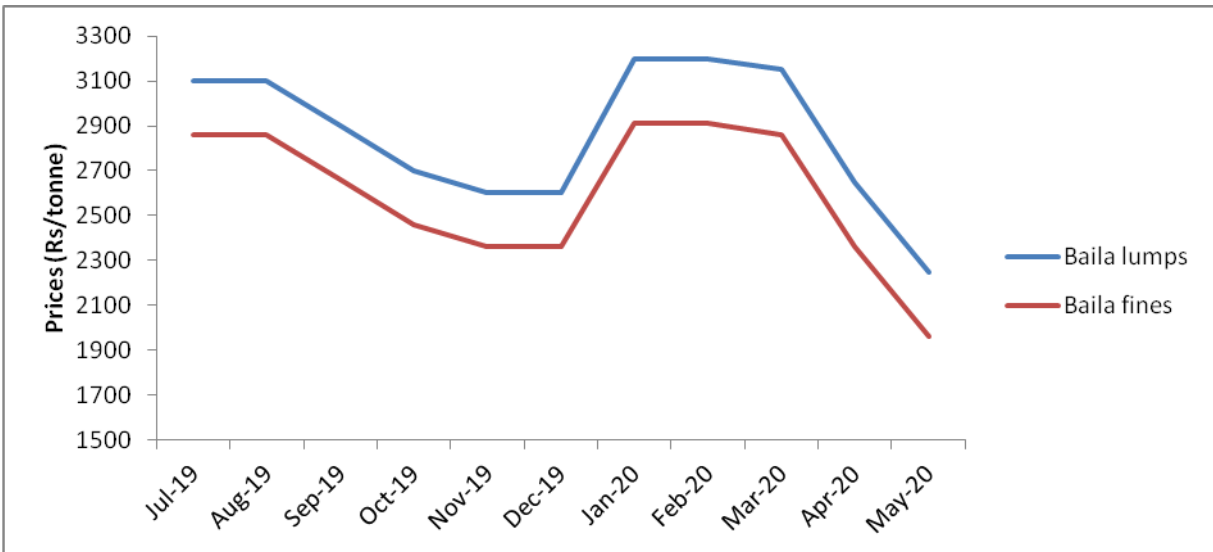


- (v) Steel exports to Vietnam, China, UAE, Italy etc. witnessed a surge during May 2020 whereas it declined in case of Nepal; Vietnam, China and UAE were top destinations of Indian steel exports during the month accounting for nearly 67% of total steel exports. The share of countries in india's exports of steel may be seen from the graph below while the figures are at **Annexure - IV**

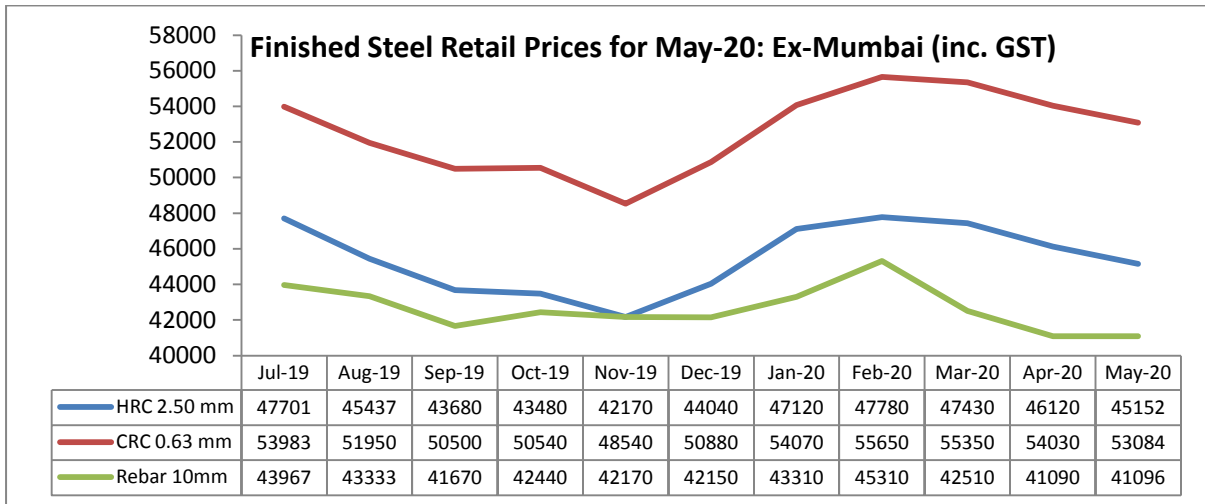


8. Price scenario:

- (i) Domestic prices of both iron ore lumps as well as fines decreased during May 2020 and stood at 2250 INR/tonne and 1960 INR/tonne. A continuous decline in prices since March 2020 has been observed in the prices of iron ore due to relatively sluggish demand in the domestic steel industry as can be seen from the graph below. The details may be seen at **Annexure –V**.

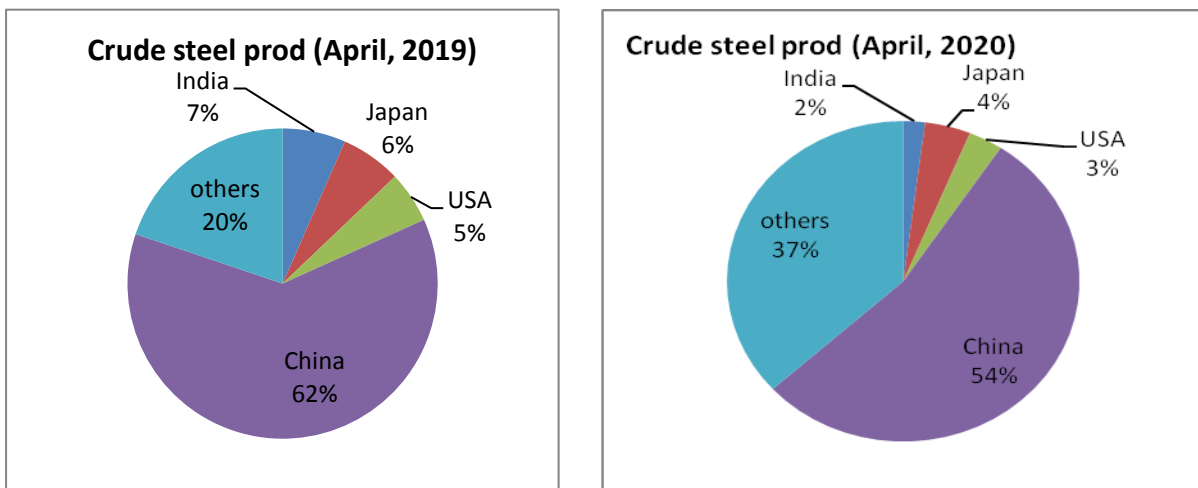


- (ii) The international prices of iron ore observed a continuous decline from February 2020 to April 2020 due to the outbreak of Corona virus pandemic however, it increased by 17.4% in May 2020, over prices in April 2020.
- (iii) On M-o-M basis, retail prices (Mumbai prices) of HRC and CRC decreased by 2.1% and 1.8% respectively in May 2020 whereas Rebar prices remained almost unchanged.



9. BSE Sensex declined marginally during the month of May 2020 while BSE Metal Index registered an increase of 4.79%.

10. The global crude steel production declined during the month of April 2020 due to the impact of COVID-19. The share of major producers of crude steel in the overall global production, including that of India declined as can be seen from the graph below. The details of the production of steel by major producers may be seen at **Annexure-VI**.



11. Performance of steel PSUs may be seen at **Annexure-VII**.

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

| Organization | May 2020 | | April-May, 2020 | |
|-------------------|---------------|--------------------------------|-----------------|--------------------------------|
| | No. of Orders | Value of orders (Rs. in Lakhs) | No. of Orders | Value of orders (Rs. in Lakhs) |
| Ministry of Steel | 18 | 21.11 | 19 | 22.91 |
| Steel CPSEs | 138 | 497.93 | 270 | 858.94 |

Annexure-I

Table 1: Production & Consumption of Steel during 2020-21

(Million Tonnes)

| Description | Apr' 20 | May' 20 | % Variation | April-May | | % Variation |
|-----------------------------|---------|---------|-------------|-----------|---------|-------------|
| | | | | 2019-20 | 2020-21 | |
| Production (Crude Steel) | 3.137 | 5.320 | 69.6 | 18.489 | 8.457 | (-)54.3 |
| Production (Finished Steel) | 1.531 | 3.622 | 136.5 | 17.794 | 5.153 | (-)71.0 |
| Consumption | 0.977 | 3.036 | 210.6 | 16.410 | 4.013 | (-)75.5 |

Source: JPC

Annexure-II

Table 2: Month-wise Import & Export of Finished Steel

(Million Tonne)

| Month | Import | Export | M-o-M Growth (%) | |
|----------------|--------|--------|------------------|---------|
| | | | Import | Export |
| May 2019 | 0.535 | 0.318 | - | - |
| June 2019 | 0.604 | 0.299 | 12.9 | (-)6.0 |
| July 2019 | 0.772 | 0.460 | 27.8 | 53.8 |
| August 2019 | 0.856 | 0.983 | 10.9 | 113.7 |
| September 2019 | 0.565 | 1.019 | (-)34.0 | 3.6 |
| October 2019 | 0.629 | 0.950 | 11.3 | (-)6.8 |
| November 2019 | 0.429 | 0.867 | (-)31.8 | (-)8.7 |
| December 2019 | 0.437 | 0.767 | 1.9 | (-)11.5 |
| January 2020 | 0.477 | 0.694 | 9.2 | (-)9.6 |
| February 2020 | 0.401 | 0.570 | (-)15.9 | (-)17.9 |
| March 2020 | 0.376 | 0.573 | (-)26.9 | (-)20.5 |
| April 2020 | 0.407 | 0.429 | 8.3 | (-)25.1 |
| May 2020 | 0.539 | 1.284 | 32.5 | 199.0 |

Source: JPC

Annexure-III

Table 3: Country-wise share of Imports to India

(000' tonnes)

| Country | May-20 (P) | (%) Share | May-19 | (%) Share | (%) Change |
|-----------|------------|-----------|--------|-----------|------------|
| KOREA | 214.9 | 39.8 | 215.0 | 38.8 | 0.0 |
| CHINA | 155.3 | 28.8 | 104.8 | 18.9 | 48.2 |
| JAPAN | 50.5 | 9.4 | 73.4 | 13.2 | -31.2 |
| GERMANY | 30.2 | 5.6 | 10.8 | 1.9 | 179.4 |
| INDONESIA | 12.1 | 2.2 | 40.1 | 7.2 | -69.9 |
| BELGIUM | 11.3 | 2.1 | 8.0 | 1.4 | 42.6 |
| UKRAINE | 8.2 | 1.5 | 0.6 | 0.1 | - |
| VIETNAM | 7.2 | 1.3 | 15.1 | 2.7 | -52.1 |
| USA | 5.4 | 1.0 | 8.8 | 1.6 | -39.0 |
| RUSSIA | 4.8 | 0.9 | 6.8 | 1.2 | -29.0 |
| OTHERS | 39.5 | 7.3 | 71.0 | 12.8 | -44.4 |
| TOTAL | 539.4 | 100.0 | 554.3 | 100.0 | -2.7 |

Annexure-IV

Table 4: Country-wise share of Exports from India

(000' tonnes)

| Country | May-20 (P) | (%) Share | May-19 | (%) Share | (%) Change |
|--------------|------------|-----------|--------|-----------|------------|
| VIETNAM | 391.3 | 30.5 | 102.48 | 22.3 | 281.9 |
| CHINA | 358.5 | 27.9 | 0.4 | 0.1 | - |
| UAE | 114.3 | 8.9 | 50.51 | 11.0 | 126.3 |
| ITALY | 87.8 | 6.8 | 25.56 | 5.6 | 243.3 |
| HONGKONG | 62.1 | 4.8 | 0.13 | 0.0 | - |
| BELGIUM | 54.6 | 4.2 | 33.29 | 7.3 | 63.9 |
| SPAIN | 27.2 | 2.1 | 13.72 | 3.0 | 98.3 |
| NEPAL | 23.0 | 1.8 | 64.14 | 14.0 | -64.1 |
| SAUDI ARABIA | 21.5 | 1.7 | 9.21 | 2.0 | 133.3 |
| THAILAND | 19.6 | 1.5 | 1.07 | 0.2 | 1731.8 |
| OTHERS | 124.5 | 9.7 | 158.29 | 34.5 | -21.3 |
| TOTAL | 1284.4 | 100.0 | 458.8 | 100.0 | 179.9 |

Source: JPC

Annexure-V

Table 5: Price of Iron Ore

Rs. per tonne

| Mineral | 2019 | | | | | | 2020 | | | | |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
| Baila lumps 65.5% Fe (6-40 mm) | 3100 | 3100 | 2900 | 2700 | 2600 | 2600 | 3200 | 3200 | 3150 | 2650 | 2250 |
| Baila Fines 64% Fe (10 mm) | 2860 | 2860 | 2660 | 2460 | 2360 | 2360 | 2910 | 2910 | 2860 | 2360 | 1960 |

Source: NMDC

Annexure-VI

Table 6: Major producers of Crude Steel during April, 2020

Million tonne

| Country | April | | % Variation | Jan-April | | % Variation |
|-------------|--------|--------|-------------|-----------|---------|-------------|
| | 2019 | 2020 | | 2019 | 2020 | |
| India | 9.021 | 3.137 | (-)65.2 | 38.075 | 30.055 | (-)21.1 |
| Japan | 8.648 | 6.617 | (-)23.5 | 33.618 | 30.730 | (-)8.6 |
| USA | 7.357 | 4.968 | (-)32.5 | 29.516 | 26.686 | (-)9.6 |
| China | 84.879 | 85.033 | 0.2 | 315.313 | 319.461 | 1.3 |
| Others | 27.185 | 57.915 | 113 | - | - | - |
| World total | 137.09 | 157.67 | 13 | - | - | - |

Source: WSA (data available upto April, 2020 only)

Annexure-VII

Table 7: Production/Sales/Sales Turnover:

(Million Tonnes)

| Steel PSUs | May | | % variation | April-May | | % variation |
|----------------------------------|-------|-------|-------------|-----------|---------|-------------|
| | 2019 | 2020 | | 2019-20 | 2020-21 | |
| SAIL: | | | | | | |
| Saleable Steel (MT) | 1.302 | 0.781 | (-)40.0 | 2.414 | 1.336 | (-)44.7 |
| Sales (MT) | 1.134 | 0.771 | (-)32.0 | 2.066 | 0.933 | (-)54.8 |
| Total Sales Turnover (Rs. Crore) | 5237 | 3187 | (-)39.1 | 9774 | 4042 | (-)58.6 |
| RINL: | | | | | | |
| Saleable Steel (MT) | 0.428 | 0.175 | (-)59.1 | 0.801 | 0.365 | (-)54.4 |
| Sales Steel (MT) | 0.322 | 0.302 | (-)6.2 | 0.546 | 0.387 | (-)29.1 |
| Sales Turnover(Rs. Crore) | 1355 | 1046 | (-)22.8 | 2349 | 1327 | (-)43.5 |
| NMDC: | | | | | | |
| Production-Iron ore (MT) | 3.038 | 2.295 | (-)24.5 | 5.941 | 4.091 | (-)31.1 |
| Sales-Iron ore (MT) | 3.369 | 2.55 | (-)24.3 | 6.072 | 3.93 | (-)35.3 |
| Sales (Rs. Crore) | 1450 | 780 | (-)46.2 | 2200 | 1180 | (-)46.4 |
| MOIL: | | | | | | |
| Production-Mn. Ore (MT) | 0.106 | 0.045 | (-)57.3 | 0.2027 | 0.0611 | (-)69.8 |
| Sales-Mn. Ore (MT) | 0.096 | 0.028 | (-)71.3 | 0.145 | 0.066 | (-)54.7 |
| Total Sales Turnover (Rs. Crore) | 93.31 | 38.93 | (-)58.3 | 148.62 | 73.40 | (-)50.6 |

Table 8: Physical & Financial Performance:

| Steel PSUs | May | | % variation | April-May | | % variation |
|--|----------|---------|-------------|-----------|----------|-------------|
| | 2019 | 2020 | | 2019-20 | 2020-21 | |
| KIOCL: | | | | | | |
| Pellets Production (MT) | 0.255 | 0.190 | (-)25.5 | 0.392 | 0.271 | (-)30.9 |
| Financial Performance (Sales-Pellets) in Rs. crore | 194.23 | 110.15 | (-)43.3 | 323.95 | 187.00 | (-)42.3 |
| Profit Before Tax (Rs. crore) | 5.41 | 4.84 | (-)10.5 | 9.84 | (-)8.78 | (-)189.2 |
| MECON: Performance (Rs. Crore) | | | | | | |
| Physical Performance (Total Business Procurement) | 3.8 | 587.9 | 15290.8 | 71.74 | 595.56 | 730.2 |
| Financial Performance (Total Revenue from Operations) | 25.31 | 31.33 | 23.8 | 32.33 | 45.89 | 41.9 |
| Net Profit (Before Tax) | (-)11.32 | (-)7.78 | (-)31.3 | (-)30.24 | (-)31.98 | 5.8 |
| FSNL: Performance | | | | | | |
| Physical Performance (Iron & Steel Scrap recovery) in million tonnes | 0.328 | 0.279 | (-)14.8 | 0.634 | 0.576 | (-)9.2 |
| Financial Performance (Sales-Service Charges) in Rs. Crore | 30.80 | 24.01 | (-)22.0 | 59.23 | 47.44 | (-)19.9 |
| Net Profit After Tax (Rs. Crore) | 2.05 | 0.16 | (-)92.2 | 3.75 | 0.32 | (-)91.5 |

Figures in parentheses indicate a negative amount/balance