

Monthly Summary for the Cabinet for the month of November 2018:-

1. To facilitate domestic manufacturing of high grade steel with the help of foreign companies, especially Korean and Japanese firms, the Ministry of Steel has had several rounds of meetings, discussions, etc.

- Ambassador of South Korea met the Secretary (Steel) on 20.11.2018 and stated that POSCO and Hyundai may form Joint Ventures with RINL, in due course of time. Meanwhile, he requested to assure iron-ore linkage and incentives to the Korean companies for making them invest in India. A delegation to Korea would be sent to take this issue forward.
- Ambassador of Japan also met the Secretary (Steel) regarding setting up of JVs/Steel Plant of high grade in India and inform that four of the Japanese Steel Companies are already having Joint Venture (JVs) with the Indian companies. He further informed that Japanese companies are not in favour of investing in Green-Field projects but can invest in Brown-Field projects. He promised to take up the proposal of investment in India with interested Japanese Companies.

2. Gabon has large reserves of high grade manganese ore in the world. To meet domestic requirement and to explore the possibilities of acquisition of mines, officials from the Ministry and Manganese Ore India Ltd (MOIL) visited Gabon during 26th to 29th November, 2018. They also interacted with Ministers of External Affairs, Mines, Environment Forest and visited the mines.

A delegation from the Gabonese Republic led by Foreign Minister and Minister of Equipment, Infrastructure and Mining had a meeting with the Minister of Steel on 28.11.2018 to discuss the areas of bilateral cooperation and mutual interest between India and Gabon. The meeting was also attended by the officials from the Ministry, NMDC & MOIL.

3. The 4th Session of India-Mozambique Joint Commission Meeting (JCM) at the level of Foreign Minister was held on 29th November, 2018 in New Delhi. The Indian side apprised about ICVL's coal mining operations in Mozambique and sought support of the Government of Mozambique in clearances of green field mine at Zambezi and improvement of Rail Logistics from Benga to Beira port. A Line of Credit through Africa Development Fund of Government of India for development of Rail Logistics in Mozambique and for development of social infrastructure in and

around rehabilitation sites of affected people, would further help ICVL to increase its coal production in Mozambique.

4. Steel Minister visited to Salem Steel, Durgapur Steel Plant, Alloy Steel Plant(Durgapur) and IISCO Steel Plant during 29th -30th November, 2018 for reviewing the performance of these plants and interacting with their employees.

5. NMDC is holding the mining lease of the Donimalai mines for the last 50 years since 1968. Though extension was granted on 3rd November, 2018 upto 2038, the Government of Karnataka has imposed extraneous conditionality of payment of a premium of 80% of overall sale price of iron ore which is basically not in accordance with the Rules.

The Ministry of Steel has taken up the matter with the Karnataka government regarding extension of lease of Donimalai iron ore mine in Karnataka. Karnataka government has been requested to reconsider the decision of levying 80% premium; at the same time NMDC is exploring the possibility of resorting to legal options. NMDC has temporarily suspended iron ore mining from the Donimalai mine as it finds it economically unvialble to mine with 80% premium.

However, in order to meet the iron ore requirement in Karnataka, NMDC is increasing its production in Kumaraswamy Mines in Karnataka from 6 MT to 7 MT, so also its production in Chhattisgarh Mines.

6. Secretary (Steel) attended the inaugural session of the 56th National Metallurgists' Day and 72nd Annual Technical meeting of the Indian Institute of Metals on 14th November, 2018 at Kolkata. The function was jointly organized by Ministry of Steel and Indian Institute of Metals (IIM). The 56th National Metallurgists' Day awards were given to the successful Metallurgists of the country.

RINL was given National Sustainability Award (Second Prize) for the year 2018 for the Integrated Steel Plants Category during this function.

I. Trade Scenario:

(A) Statistical Updates:

Table No. 1: Imports and Exports of Finished Steel (Provisional):

Description	(000 Tonnes)					
	Nov, 2018	Nov, 2017	% Variation	April-Nov 2018	April-Nov 2017	% Variation
Imports	686	614	11.7	5406	5534	(-) 2.3
Exports	586	1013	(-) 42.2	4325	6640	(-) 34.9

Table No. 2: Product-wise Imports of Finished Steel (Provisional):

('000 T)

Product category	April-Nov 2018	April-Nov 2017	% Variation
Non-Alloy Steel (Carbon)	4119	4111	0.2
Alloy & Stainless Steel	1287	1423	(-) 9.6
Total	5406	5534	(-) 2.3

Table No. 3: Product-wise Export of Finished Steel (Provisional):

('000 T)

Product category	April-Nov 2018	April-Nov 2017	% Variation
Non-Alloy Steel (Carbon)	3943	5993	(-) 34.2
Alloy & Stainless Steel	382	647	(-) 41.0
Total	4325	6640	(-) 34.9

Table No. 4: Product-wise Imports:

('000 T)

Product category	April-Oct 2018	April-Oct 2017	% Variation	% of Total Steel	
				April-Oct 2018	April-Oct 2017
Total Steel (Non-Alloy)	4099.37	4163.68	(-)1.54	37.78	42.28
Total Steel (Alloy)	1295.62	1309.98	(-)1.10	11.94	13.30
Total Steel (Non-Alloy+Alloy)	5394.99	5473.66	(-)1.44	49.72	55.58
Scrap	3806.87	2913.43	30.67	35.09	29.58
Other Steel Items	1648.56	1461.76	12.78	15.19	14.84
Grand Total	10850.42	9848.85	10.17	100.00	100.00

Table No. 5: Product-wise Exports:

('000 T)

Product category	April-Oct 2018	April-Oct 2017	% Variation
Total Steel (Non-Alloy)	4633.97	5913.91	(-) 21.64
Total Steel (Alloy)	349.68	593.66	(-) 41.10
Total Steel (Non-Alloy+Alloy)	4983.65	6507.57	(-) 23.42

(B) Global Trade Related Issues:

(i) US 232 Measures

India has also initiated WTO dispute against US's measure at the WTO (DS-547). USA has imposed 25% horizontal tariff on the import of all steel products under Section 232 of the Trade Act., 1962.

India has requested for the establishment of the panel at the WTO. Further, as a retaliatory measure, India would be imposing higher duties on 29 products being imported from US from 17th December, 2018.

(ii) Canada safeguards

The imposition of safeguards duty of 25%, on 7 categories of steel products by Canada, on imports in excess of Tariff Rate Quota, would affect two steel

products being imported into Canada by India. These are 'Energy Tubular Products' and 'Stainless-Steel Wire'.

The Ministry of Steel, is representing the Government of India, in the tribunal's proceeding. The Ministry of Steel has to submit the case briefs by 10th December, 2018 and the personal hearing are scheduled to happen from 21st to 24th January, 2019.

(iii) RCEP

In view of present global trade scenario leading to imposition of tariff and non-tariff barriers by several countries, the Ministry of Steel has informed the Department of Commerce that steel may be excluded from RCEP agreement.

(iv) WTO Dispute DS518

Japan has filed a complaint, against the Safeguard measures imposed by India, before the WTO. The WTO panel on the same has decided the dispute and circulated a report on 6th November, 2018. The panel hold that the safeguard measures are violative of provisions of GATT 1994 and Agreement on Safeguards. The Ministry of Steel has suggested the Department of Commerce to appeal against the decision before the WTO Appellate Body.

II. Growth Parameters: Statistical updates

Table No. 6: Crude Steel* Production:

Country	(million tonne)					
	Oct, 2018	Oct, 2017	% Variation	Jan-Oct' 18	Jan-Oct' 17	% Variation
India	8.770	8.736	0.4	88.433	83.785	5.5
Japan	8.564	8.971	(-) 4.5	87.188	87.237	(-) 0.1
China	82.552	75.670	9.1	782.458	735.299	6.4

Source: World Steel Association.

* 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 No. 7: Production & Consumption of Finished Steel*:

Description	(million tonne)					
	Nov, 2018	Nov, 2017	% Variation	April-Nov 18	April-Nov 17	% Variation
Gross Production	10.877	10.501	3.6	85.925	82.231	4.5
Consumption	7.505	6.780	10.7	63.497	58.680	8.2
Capacity Utilization of Crude steel (%)	77.64%	79.82%	(-) 2.18	76.87%	77.91%	(-) 1.04

* 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.

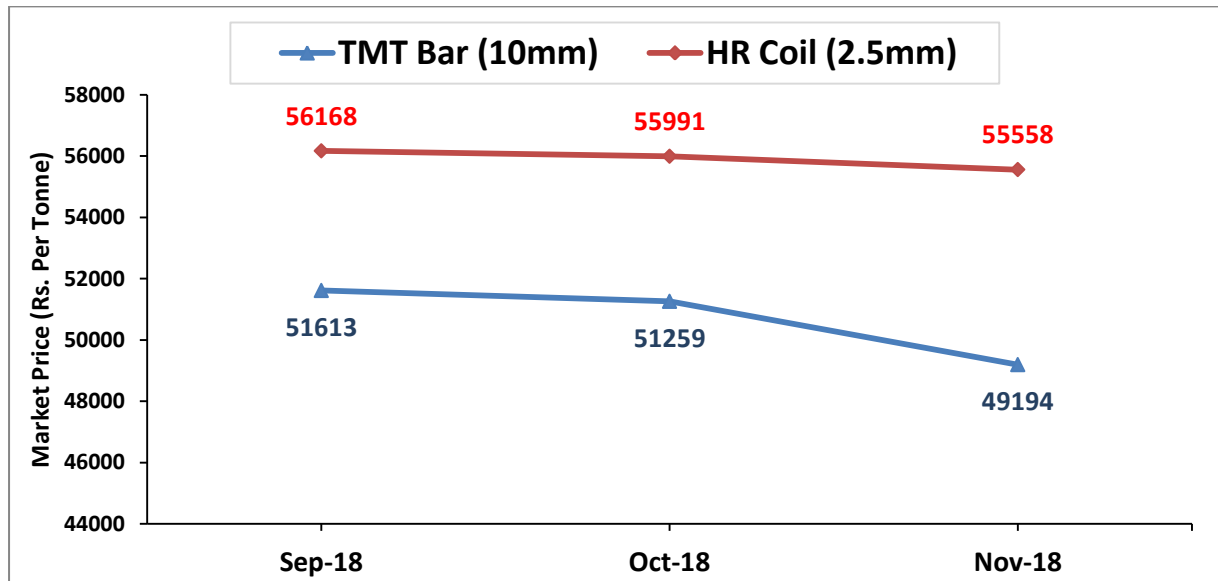
Market price:

Table No. 8: Market Prices of Selected Steel Items:

Item *	(Rs. per tonne)				
	Sep-18	Oct-18	% Variation (Oct Vs Sep, 18)	Nov-18	% Variation (Nov Vs Oct, 18)
Pig Iron (LM Gr. IV)	41890	41300	(-)1.41	40002	(-)3.14
TMT Bar (10mm)	51613	51259	(-)0.69	49194	(-)4.03
Wire Rods (8mm)	53100	51920	(-)2.22	51266	(-)1.26
Rounds (16mm)	50740	49265	(-)2.91	49118	(-)0.30
Plates (12mm)	56345	56522	0.31	54221	(-)4.07
HR Coil (2.5mm)	56168	55991	(-)0.32	55558	(-)0.77
CR Coil (0.63mm)	63720	62933	(-)1.24	61242	(-)2.69
GP Sheets (0.63mm)	67694	67104	(-)0.87	65448	(-)2.47
Billets (100mm)	48709	48521	(-)0.39	47570	(-)1.96

* Delhi

Graph No. 1: Market Price of TMT Bar & HR Coil.



Performance of Steel PSUs:

Table No. 9: Production/Sales/Sales Turnover:

Steel PSUs	(Million Tonnes)		
	November 2018	November 2017	% variation
SAIL:			
Saleable Steel (MT)	1.252	1.199	04
Sales (MT)	0.978	1.174	(-)17
Total Sales Turnover(Rs. Crore)	4940	4729	04
RINL:			
Saleable Steel (MT)	0.440	0.412	7
Sales Turnover(Rs. Crore)	1441	1640	(-) 12

NMDC:			
Iron ore (MT)	3.297	2.634	25
Sales (MT)	2.792	2.611	7
Sales Turnover(Rs. Crore)	1120	600	87
MOIL:			
Manganese ore (MT)	0.107	0.109	(-)1.83
Sales (MT)	0.070	0.082	(-)14.63
Sales Turnover(Rs. Crore)	79.71	75.94	4.96

Table No. 10: Physical & Financial Performance:

KIOCL: Pellets Production (in million tonnes)		
	November, 2018	April-Nov, 2018
Production(MT)	0.240	1.394
Increase/Decrease over CPLY	23%	(-)7.68%
Profit Before Tax(Rs. crore)	5.87	64.95
MECON: Performance (Rs. Crore)		
Physical Performance (Total Business Procurement)	33.67	208.42
Increase/Decrease over CPLY	187.5%	(-) 45.2%
Financial Performance (Total Turnover)	26.06	227.02
Net Profit (Before Tax)	7.66	35.06
MSTC: Performance (Rs. Crore)		
Physical Performance (Total Trading & E-Commerce)	3087.72	79884.99
Increase/Decrease over CPLY	(-) 9.25%	118.47%
Financial Performance (Sales Turnover)	276.01	1697.83
Increase/Decrease over CPLY	168.65%	149.41%
Net Profit (Before Tax)	5.25	74.40
FSNL: Performance		
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.33	2.20
Increase/Decrease over CPLY	14.22%	6.0%
Financial Performance (Sales-Service Charges) in Rs. Crore	30.7330	234.6229
Increase/Decrease over CPLY	19.11%	20.24%
Net Profit After Tax (Rs. Crore)	2.7889	16.5683

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

Organization	April – November, 2018		November, 2018	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	338	86.29538	13	5.71442
Steel PSUs	396	989.81146	40	35.24981