

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

1. A Conclave on **“Capital goods in Steel sector: Manufacture in India”** was organised on 23rd October in Bhubaneswar, by the Ministry of Steel, with the objective of taking forward Hon’ble Prime Minister’s Make-in-India vision by promoting domestic capacity & capability building and manufacturing of capital goods in steel sector in a big way, thereby creating a base for import substitution in the coming years.

The Conclave was attended by Minister of Steel, Minister of Heavy Industry, Minister of Petroleum & Natural Gas and Chief Minister of Odisha, senior officials of Govt. of India and State Govt. Nearly 30 top executives from 12 countries of Europe and Asia participated. Over 300 delegates comprising steel producers, Indian Capital Goods manufacturers, consultants, steel users, secondary steel sectors, associations, academia & R&D institutions attended the conclave.

To meet the objective of the conclave, a strong beginning has been made by signing of as many as 38 MoUs with Foreign Technology companies, Indian Capital Goods manufacturers, Consultants and Indian steel producers. This broadly covers the entire spectrum of steel plant operations. All world renowned steel technology companies such as Paul Wurth, Danieli Corus, SMS, Metso, Sarralle, Acre, CSM etc. were involved in MoU signing. In the beginning, about Rs.39,400 crore worth of imported capital goods will be manufactured within the country as part of Make-in-India drive in steel sector for the next 12 years and would gradually increase over the years.

A “Coffee Table Book” capturing the visual depiction of the historical development of steel in the world and a Technical Report were also released.

There are few key takeaways necessary for further and holistic development of iron and steel sector. This, inter-alia includes, policy interventions requiring support from different ministries of Govt. of India, logistic issues and requirement of raw materials, land, water, power etc. pertaining to steel industry which need urgent attention, higher spending on R&D for product development and for producing high grade value added steel products within India.

2. An International Conference on “MINERALS & METALS OUTLOOK 2030” was inaugurated by Steel Minister on 9th October, 2018 at New Delhi. The conference was organized by NMDC. The conference focused on functioning of global commodities market for minerals & metals and identifying opportunities of the same in Indian. Political stability, vast untapped resources, access to geological database, collaborative approaches and policy support, improvement in logistics and transportation through Slurry Pipeline emerged as the key success factors for the mining sector as well as steel Industry in India. Further, right kind of collaboration between the steel producers and technology suppliers can create a win-win situation for the Indian Steel Industry.

3. Meeting of the Standing Committee on Coal and Steel was held on 15th October, 2018 at New Delhi. Two areas, 'The Indian Steel Sector: Development and Potential' and 'CSR Activities in Steel PSUs' were selected by the Committee for briefing. Officers from the Ministry of Steel and Steel PSUs attended the meeting.

4. The meeting of the Consultative Committee attached to this Ministry was chaired by Steel Minister on 24th October, 2018 at New Delhi. The Committee discussed "Strategies to improve the functional efficiencies of Steel CPSEs" and "Promoting quality of domestically manufactured steel and R&D for import substitution". The undersigned along with the senior officers from the Ministry of Steel attended the meeting.

5. 'Swachhata Hi Seva 2018' was observed in the Ministry of Steel and steel CPSEs during 15th September, 2018 to 2nd October, 2018. Swachhta pledge, Swachhata Jagrukta Abhiyan, organizing Nukad Natak, waste collection drives and Swachhata Rally for awareness of swachhata campaign and symbolic cleaning activity on the occasion of Gandhi Jayanti on 2nd October, 2018 were undertaken by steel PSUs. An e-book envisaging all activities undertaken by steel PSUs were also up-loaded on the Ministry's web-site.

6. Officials from the Ministry of Steel, SAIL and CEO, International Coal Ventures Private Limited(ICVL) visited Mozambique to take a stock of ICVL Coking Coal mines and associated other assets in Tete Province & Beira Port and Rail Logistic. The operation and production from Mozambique and Benga Mines appear to be stabilized and viable at current trend of international coal prices. With the support from all concerned stakeholders including Ministry of External Affairs, ICVL may become a major coking coal supplier. This eventually would reduce dependency on the traditional supplier of coking coal in near future.

7. SAIL became the first Indian steel maker to roll Narrow Parallel Flange Beams (NPB)-750. These beams have more depth and higher load bearing capacity which make the construction more cost effective and save time.

SAIL was awarded first prize in the 'Mega Manufacturing PSU – Category' for 'Excellence in Cost Management' at an award ceremony organized by Institute of Cost Accountant of India on 16th October, 2018.

8. A delegation led by Ambassador of South Korea visited Vizag Steel Plant of RINL on 22.10.2018 to explore the possibilities of setting up Joint Ventures with South Korean Companies and Public steel sector company / with private steel sector company / stand a long green field project for setting up of high grade steel unit in India.

9. First "ISA Steel Conclave 2018" was inaugurated by Steel Minister on 25th October, 2018 at New Delhi. During the conference various key issues pertaining to the Steel Sector were discussed which, *inter-alia*, included Steel Scenario-Indian & Global Perspectives, Challenges & Opportunities in International Steel Trade, Indian Steel-Innovations, Technology, Future Trends & Challenges.

10. Vigilance Awareness week was observed by Steel PSUs from 29.10.2018 to 3.11.2018.

I. Trade Scenario:

Table No. 1: Imports and Exports of Finished Steel

Description	(Million Tonnes)					
	Oct, 2018	Oct, 2017	% Variation	April-Oct 2018	April-Oct 2017	% Variation
Imports	0.71	0.60	17.3	4.71	4.92	(-) 4.3
Exports	0.60	0.78	(-) 23.4	3.74	5.63	(-) 33.6

Table No. 2: Product-wise Imports:

Product category	('000 T)		
	April-Sept 2018	April-Sept 2017	% Variation
Total Steel (Non-Alloy)	3472	3704	(-) 6
Total Steel (Alloy)	1082	1114	(-) 3
Total Steel (Non-Alloy+Alloy)	4554	4818	(-) 5
Scrap	3280	2551	29
Total	9253	8659	7

Table No. 3: Product-wise Exports:

Product category	('000 T)		
	April-Sept 2018	April-Sept 2017	% Variation
Total Steel (Non-Alloy)	3944	4939	(-) 20
Total Steel (Alloy)	288	513	(-) 44
Total Steel (Non-Alloy+Alloy)	4232	5452	(-) 22

- India has initiated WTO dispute against US's measure at the WTO. USA has imposed 25% horizontal tariff on all steel product under section-232 of the Trade Act, 1962. The dispute filed by India is currently at the consultation stage.
- Canada has imposed a preliminary safeguard duty of 25% on 7 categories of steel products. The duties have come into force w.e.f. 25th October, 2018. The duty of 25% will be applied on imports in excess of the Tariff Rate Quota (TRQ) for the product category. The TRQs are administered by way of shipment-specific import permits issued on a first-come, first served basis.
- The Ministry of Steel on behalf of Government of India has submitted the request for attending the hearing on the safeguard inquiry to make submission before the Trade Tribunal, the Canadian Authority through the Indian High Commission of Canada.
- Domestic industry had filed a petition on the imposition of anti-dumping duty on Straight Length Bars and Rods. The Ministry of Finance has imposed Anti-

dumping duty on the imports of "Straight Length Bars and Rods of Alloy Steel" falling under heading 7228 of the First Schedule to the Customs Tariff Act, 1975 w.e.f. 18th October, 2018 and will be in effect for five years from the date of the notification. The duty imposed on several exporters from China PR range from USD 44.89/Tonnes to USD 185.51/Tonne.

II. *Forecasting Scenario: World Steel Association*

- World Steel Association in its Short Range Outlook (SRO), October, 2018, projected Global Steel Demand at 1657.9 MT in 2018, was 3.9% higher over 2017 and will reach 1681.2 MT in 2019 up by 1.4%.
- SRO indicate India as the leading driver of global steel consumption with the country' steel consumption forecast to grow by 7.5% in 2018 and by 7.3% in 2019.
- The forecasts for 2019 indicate that India is poised to emerge at the 2nd largest steel consuming nation globally during the year, edging past Japan. This, if materializes, would be a major milestone for India as it gears up to meet the emerging steel needs of a growing economy.

III. **Growth Parameters: Statistical updates**

Table No. 4: Crude Steel* Production

Country	(in million one)					
	Sept 2018	Sept 2017	% Variation	Jan-Sept 18	Jan-Sept'17	% Variation
India	8.520	8.345	2.1	79.660	75.048	6.1
Japan	8.418	8.626	(-) 2.4	78.615	78.266	0.4
China	80.845	75.199	7.5	699.424	659.425	6.1

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. 5: Production & Consumption of Finished Steel*

Description	(million tonnes)					
	Oct 2018	Oct 2017	% Variation	April-Oct 18	April-Oct 17	% Variation
Gross Production	11.029	10.398	6.1	75.031	71.730	4.6
Consumption	8.315	7.672	8.4	56.006	51.900	7.9
Capacity Utilization of Crude steel	76.73%		(-) 4.8	75.89%		(-) 0.8

* 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. 6: Market Prices of Selected Steel Items

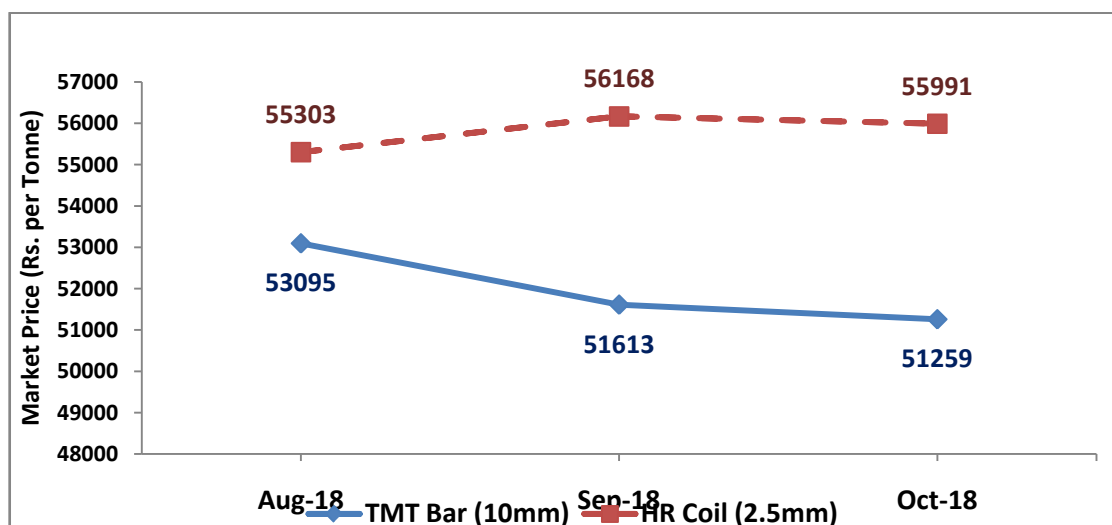
Item *	(Rs. per tonne)				
	August 2018	September 2018	% Variation (Sept Vs. Aug 18)	October 2018	% Variation (Oct Vs. Sep, 18)
Pig Iron (LM Gr. IV)	41595	41890	0.71	41300	(-) 1.40
TMT Bar (10mm)	53095	51613	(-) 2.79	51259	(-) 0.68
Wire Rods (8mm)	52292	53100	1.55	51920	(-) 2.22
Rounds (16mm)	50888	50740	(-) 0.29	49265	(-) 2.90
Plates (12mm)	54477	56345	3.43	56522	0.31
HR Coil (2.5mm)	55303	56168	1.56	55991	(-) 0.31
CR Coil (0.63mm)	60967	63720	4.52	62933	(-) 1.23
GPSheets(0.63mm)	65687	67694	3.06	67104	(-) 0.87
Billets (100mm)	48901	48709	(-) 0.39	48521	(-) 0.38

Table No. 7: Average sale price of raw materials (in Rupees per tonne)

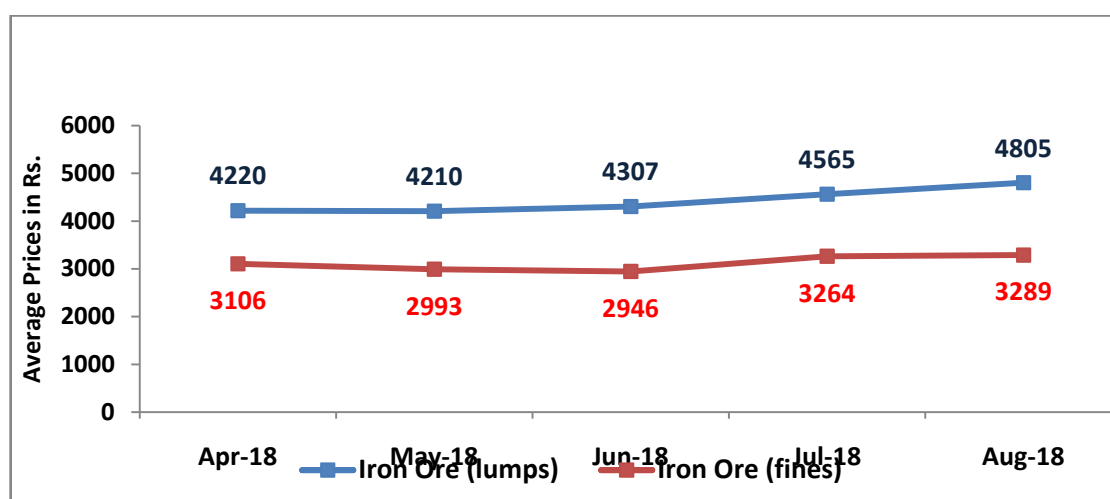
Mineral	April 2018	May 2018	June 2018	July 2018	Aug 2018
Iron ore(lumps) 65% Fe and above	4220	4210	4307	4565	4805
Iron ore(fines) 65% Fe and above	3106	2993	2946	3264	3289
Manganese ore 46% Mn and above	25383	22042	18046	20449	19468
Limestone (BF)	939	992	1047	983	1234

* Delhi

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



Graph No. 2: Average Sale Price (in Rs.) of Iron Ore (Lumps) and Iron Ore Fines (Grade: 65% Fe & above both)



Performance of Steel PSUs:

Table No. 8: Production/Sales/Sales Turnover

Steel PSUs	October 2018	October 2017	% variation
(Million Tonnes)			
SAIL:			
Saleable Steel (MT)	1.278	1.260	1
Sales (MT)	1.013	1.076	(-) 6
Sales Turnover(Rs. Crore)	5185	4273	21
RINL:			
Saleable Steel (MT)	0.438	0.380	15
Sales Turnover(Rs. Crore)	1595	1181	35
NMDC:			
Iron ore (MT)	3.227	2.563	26
Sales (MT)	3.06	2.32	32
Sales Turnover(Rs. Crore)	1255	750	67
MOIL:			
Manganese ore (MT)	0.098	0.077	27
Sales (MT)	0.097	0.043	125
Sales Turnover(Rs. Crore)	105	42	149

Table No. 9: Physical & Financial Performance

KIOCL: Pellets Production (in million tonnes)		
	October, 2018	April-Oct, 2018
Production(MT)	0.230	1.154
Target(MT)	0.17	1.170
Achievement (%)	135% of monthly target	98.6% of the target

MECON: Performance (Rs. Crore)		
Physical Performance (Total Business Procurement)	22.62	174.75
Increase / Decrease over CPLY	(-) 35.6%	(-) 52.6%
Financial Performance (Total Turnover)	19.21	200.96
Net Profit (Before Tax)	8.69	27.40
MSTC: Performance (Rs. Crore)		
Physical Performance (Total Trading & E-Commerce)	17840.63	76797.27
Increase / Decrease over CPLY	350.9%	131.6%
Financial Performance (Sales Turnover)	242.99	1421.82
Increase / Decrease over CPLY	4.95%	145.99%
Net Profit (Before Tax)	11.84	69.15

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

Organization	April - October 2018		October 2018	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	325	80.58096	16	3.21731
Steel PSUs	1034	838.24992		
