

No. S-24013/1/2020-EA-RFD
Government of India
Ministry of Steel
(Economic Division)

Udyog Bhawan, New Delhi
Dated: 14th August, 2023

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of July, 2023.

The Undersigned is directed to circulate herewith a copy of the unclassified portion of the Monthly Summary pertaining to the Ministry of Steel for the month of July, 2023 for information.

Encl: As above.



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To,

1. Members of the Council of Ministers
2. Vice Chairman, NITI Aayog, NITI Bhawan, New Delhi
3. All Members of NITI Aayog, NITI Bhawan, New Delhi
4. Cabinet Secretary, Rashtrapati Bhawan, New Delhi
5. Secretary to the Vice President of India, New Delhi
6. PS to Prime Minister of India, South Block, New Delhi
7. All Secretaries to the Government of India
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**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

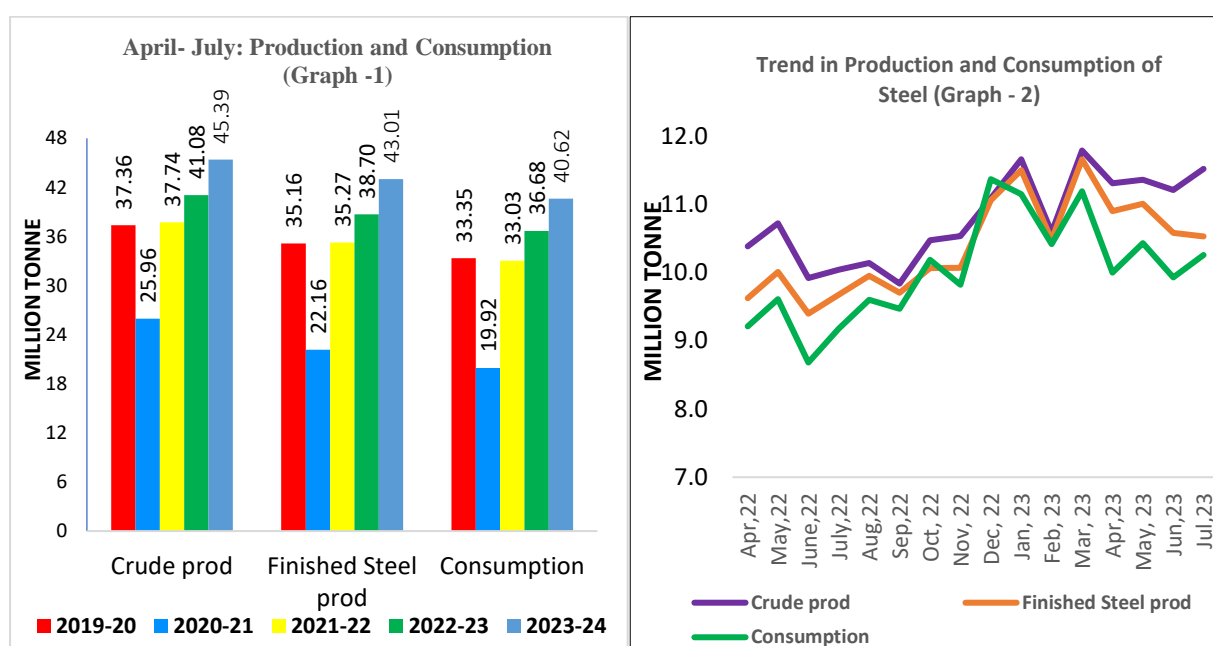
जुलाई- 2023

July - 2023

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

Ministry of Steel – Report for July 2023

1. Performance of Steel sector has been impressive during the first four months of the current fiscal year, i.e., April-July, FY '24. It is evident in the all-time high levels of production of crude steel at 45.39 million tonnes (MT) and finished steel at 43.01 MT, and consumption of finished steel at 40.62 MT during April-July, FY '24 (Graph-1). The month-wise production and consumption (Graph-2) indicates month-on-month fluctuations –the production of Crude Steel increased in July '23, whereas production of finished steel decreased marginally in July '23 over their respective levels in June '23. The consumption of steel increased in July '23 over previous month, i.e., June '23.



- i. Production of crude steel in July '23 at 11.52 MT increased by 14.7% over CPLY and 2.8% over the previous month.
- ii. Production of finished steel in July '23 at 10.53 MT increased by 8.9% over CPLY but decreased marginally by 0.5% over the previous month.
- iii. Consumption of finished steel in July '23 at 10.26 MT increased by 11.8% over CPLY and 3.3% over the previous month.
- iv. Inventories of the finished steel with the steel producing companies at 12.41 MT at the end of July '23 increased by 2.9% M-o-M and 37.0% over CPLY.

2. *Among the steel CPSEs, the performance of SAIL, NMDC and MOIL has been encouraging during April-July, FY '24. During July '23, SAIL achieved its best ever July production of Hot Metal, Crude Steel and Saleable Steel in any year. SAIL also achieved its best ever production in the first four months of a fiscal year during April-July, FY '24. NMDC also achieved its best ever production and sales performance in the first four months of a fiscal year during April-July, FY '24. Similarly, MOIL also recorded its best ever production and sales performance in the first four months of a fiscal year during April-July, FY '24. During the month of July '23, Steel Authority of India (SAIL) registered an increase in production of Hot Metal, Crude Steel and Saleable steel over the*

previous month (M-o-M) and over CPLY. Rashtriya Ispat Nigam Limited (RINL) registered an increase in production of liquid steel, hot metal, crude Steel and saleable steel over the previous month (M-o-M) and over CPLY. Production of iron ore by National Mineral Development Corporation (NMDC) witnessed a decrease over previous month but increased over July '22. The production of ore by MOIL was lower over previous month but higher over CPLY. The detailed performance of the Steel CPSEs is as below:

- i. During July '23, SAIL produced 17.70 lakh metric tonne (LMT) of Hot Metal, 16.76 LMT of Crude Steel and 15.47 LMT of Saleable Steel recording an increase of 5.6%, 7.0% and 4.4% respectively over previous month (M-o-M) and an increase of 20.2%, 20.3% and 14.7% respectively over CPLY. The cumulative production of SAIL during April-July, FY '24 for Hot Metal stood at 68.07 LMT, Crude Steel at 63.43 LMT and Saleable Steel at 59.52 LMT registering an increase of 10.4%, 10.8% and 9.6% respectively over CPLY. However, SAIL produced around 25.18 LMT of iron ore during July '23, recording a decrease of 7.8% M-o-M and 7.5% over CPLY. The cumulative production of iron ore by SAIL during April-July, FY '24 at 109.79 LMT was 2.1% lower than CPLY.
 - ii. Production of iron ore by NMDC at 24.44 LMT in July '23 registered a decrease of 29.8% M-o-M but increased by 19.3% over CPLY. The cumulative production of iron ore by NMDC during April-July, FY '24 at 131.46 LMT witnessed an increase of 19.9% over CPLY. Sale of iron ore by NMDC at 30.31 LMT in July '23 was lower by 26.2% M-o-M but higher by 2.6% over CPLY. During April-July, FY '24, sale of iron ore by NMDC at 141.77 LMT was higher by 33.5% over CPLY.
 - iii. Kudremukh Iron Ore Company Limited (KIOCL) produced 1.80 LMT of Pellets during July '23, which was higher by 24.1% over previous month. KIOCL sold 1.41 LMT of Pellets which was lower by 50.5% M-o-M but higher by 127.4% over CPLY. During April-July, FY '24, production of Pellets by KIOCL at 6.68 LMT recorded an increase of 55.7% and its sales at 6.67 LMT recorded an increase of 102.1% over CPLY.
 - iv. During July '23, production of Manganese ore by Manganese Ore (India) Limited (MOIL) at 1.20 LMT was lower by 20.5% M-o-M, but higher by 71.4% over CPLY. Sale of Manganese ore by MOIL during July '23 at 0.94 LMT was lower by 35.2% M-o-M but higher by 67.9% over CPLY. During April-July, FY '24, production of Manganese ore at 5.57 LMT was higher by 42.1% and its Sale at 4.90 LMT was higher by 44.5% over CPLY.
 - v. During July '23, RINL's production of Liquid Steel stood at 4.04 LMT, Hot Metal at 4.06 LMT, Crude Steel at 3.88 LMT and Saleable Steel at 3.54 LMT, which was 7.5%, 6.3%, 7.8% and 4.4% higher than its production in June '23 respectively and higher by 52.5%, 50.4%, 53.4% and 15.3% respectively over CPLY. During April-July, FY '24, the production of Liquid Steel stood at 14.40 LMT, Hot Metal at 14.74 LMT, Crude Steel at 13.82 LMT and Saleable Steel at 12.92 LMT, which was 9.2%, 6.6%, 9.6% and 21.4% higher than their respective productions during CPLY.
3. The CAPEX by Steel CPSEs in July '23 at Rs. 667.44 crore was 10.7% lower over the previous month (M-o-M) and was 14.7% lower than CAPEX in CPLY. The CAPEX by steel CPSEs during April-July, FY '24 at Rs. 2,509.75 crore was 1.0% higher than CAPEX during CPLY and it was 6.5% of the BE for the FY '24. The CAPEX by steel CPSEs is regularly monitored by the Ministry and steel CPSEs are

being encouraged and directed to ensure achievement of CAPEX and expedite spending.

4. Hon'ble Steel Minister (HSM) and Minister of Economy, Trade and Industry of Japan held a bi-lateral meeting in New Delhi on 20th July, 2023 to discuss the cooperation in the steel sector and decarbonisation issues. Both the sides stressed on the importance of pursuing a policy approach that takes into account the circumstances of each country's industry, with the underlying fundamental principle of pursuing both the economic growth and low carbon transition in the steel sector. Both the sides recognized the importance of developing appropriate measurement methodologies for carbon intensity of steel production for their respective carbon neutrality goal. They also affirmed the importance of cooperation for achieving their respective net zero goals, recognizing the heterogeneity of steel decarbonization pathways.

5. Hon'ble Minister of State for Steel while participating in the industry meet held on 18th July, 2023 organized under the 'One Week One Lab' program of Council of Scientific & Industrial Research (CSIR)-Central Road Research Institute (CRRI), said that the Steel Slag Road technology of CSIR-CRRI is playing an important role in realising the Hon'ble Prime Minister's mission of 'Waste to Wealth'. MoS informed that about 19 million tonnes of steel slag is generated in the country as a solid waste, which will increase to 60 million tonnes by the year 2030. The first road made with steel slag road interpretation technology in Surat, Gujarat, has become famous for its technological excellence at national level. About one lakh tonnes of steel slag aggregate has been used in its construction. Border Roads Organization has also constructed a steel slag road in Arunachal Pradesh on India-China border, having a much longer life than conventional road.

6. Addressing STEELEX 2023 & 35th National conference of All India Induction Furnace Association (AIIFA) on "Decarbonizing the steel sector in India: An era of moving towards greener path through circular economy" held on 28th & 29th July 2023 at New Delhi, Hon'ble Minister of State for Steel stressed on the need to work on enhancing per capita steel consumption in India to the global level of 222 kg per capita from the present level 86.7 kg per capita. He elaborated that increased consumption and demand will have a multiplier effect on steel capacity creation, investment in the sector, increasing employment besides inflow of new technology which will assist in decarbonisation and reduction in carbon emission. He appreciated the efforts of the secondary steel sector and AIIFA in India in the construction sector, especially in rural areas.

7. Ministry of Steel has introduced Steel Quality Control Order (QCO) thereby banning sub-standard/ defective steel products both from domestic producers & imports to ensure the availability of quality steel to the industry, users and public at large. As per the Order, it is ensured that only quality steel conforming to the relevant BIS standards are made available to the end users. As on date 145 Indian Standards have been notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel. Out of these, QCO on 144 Indian Standards have been enforced. The draft QCO for inclusion of six additional Indian Standards pertaining to the iron & steel sector has been uploaded in Ministry of Steel's Website on 02.06.2023 and on WTO website vide regular TBT notification no. G/TBT/N/IND/278 dated 14.06.2023 for comments of the stakeholders. As per

WTO-TBT mandate, the final date for comments on the said notification is 60 days from the date of notification in WTO website i.e. 13.08.2023. Meeting of the Empowered Committee were held on 7th July & 26th July 2023 wherein 29 applications for exemption from the purview of the Quality Control Order, were examined.

8. Ministry of Steel got several requests from the importers/ applicants seeking clarification on the applicability of the certain imported steel grades from the purview of the Quality Control Order, on the ground that these are complying with foreign standards and no equivalent Indian Standards exist. To address this issue, a Technical Committee, comprising members from the BIS, steel producers & end users, was constituted to examine the applications and clarify whether the imported steel grades are falling under the purview of the QCO or otherwise. Meetings of the Technical Committee were held on 4th & 18th July 2023, wherein 2,361 applications for clarification on the applicability of QCO on the imported steel grades were examined.

9. Ministry of Steel is providing financial assistance for pursuing Research & Development to address the technological challenges faced by the Iron & Steel sector. In this regard, in May 2023, Ministry of Steel has sought R&D Project proposals in joint collaborative mode from reputed Academic Institutions, Research Laboratories and Steel Companies for pursuing R&D projects on the identified thrust areas, for providing financial assistance under the R&D Scheme for the Financial Year 2023-24. The thrust areas for providing financial assistance under the R&D Scheme include development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (green steel production, H₂ based steel production, CCUS etc.), waste utilization, resource efficiency, etc. The details of the R&D Scheme including guidelines for financial support and an indicative list of R&D projects that can be taken up to address common issues of the Iron & Steel Sector, have been uploaded on Ministry of Steel's website in May 2023. The last date of receipt of the R&D project proposals was 31st July 2023. A total of 35 R&D proposals have been received, which are being preliminarily examined.

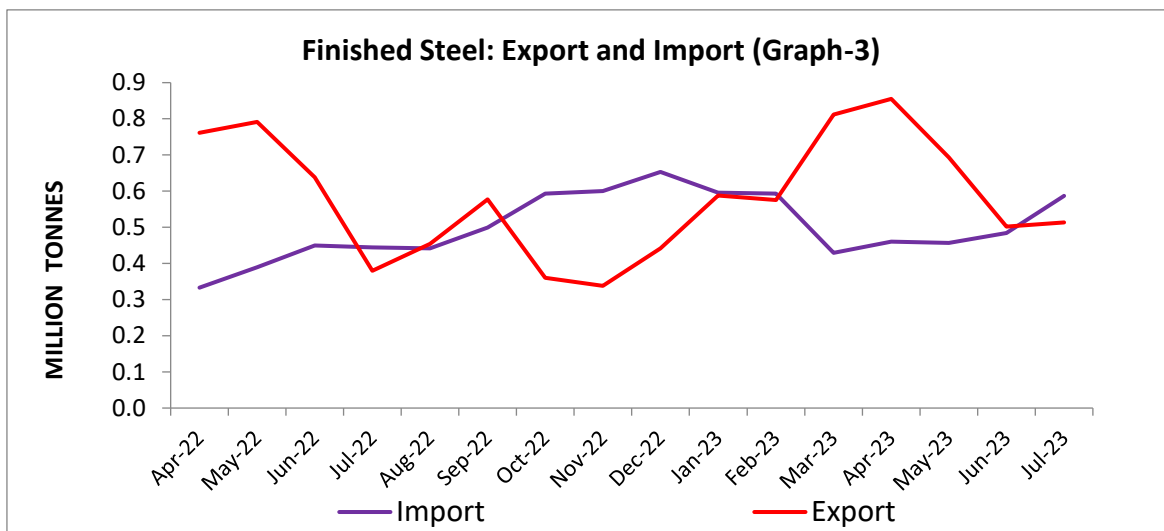
10. Presently, there are eight ongoing projects of steel CPSEs (SAIL-5, NMDC-3), which are uploaded on the OCMS portal of MoSPI. The total cost of these projects is Rs. 30,201 crores and an expenditure of Rs. 26,775.07 crore (88.7%) has been incurred till July '23.

11. There are Nine National Infrastructure Pipeline (NIP) Projects related to slurry pipelines of various steel companies having a total cost of Rs. 26,628 crore uploaded on IIG/NIP Portal and an expenditure of Rs. 4,131 crore has been incurred on these projects till July '23.

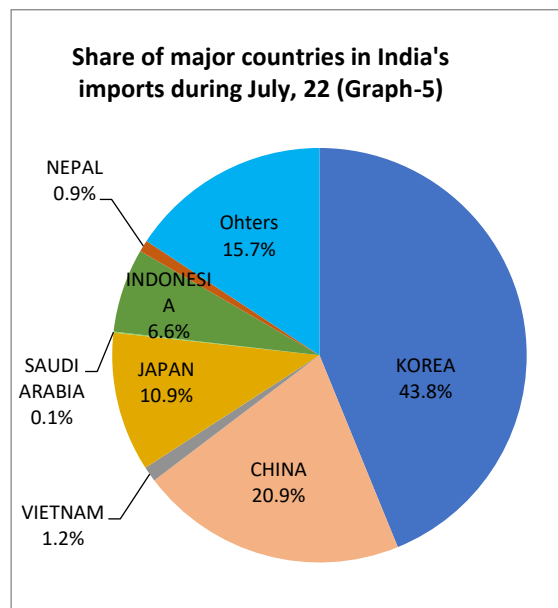
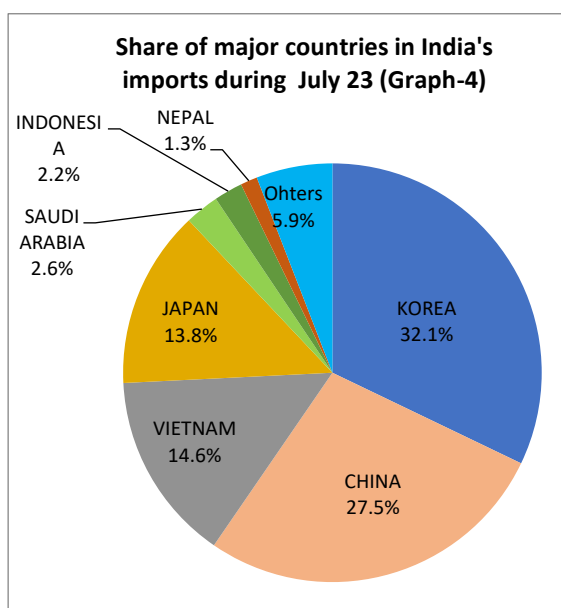
12. The status of pending payments to MSMEs by CPSEs of the Ministry is being monitored on weekly basis to ensure payments to them within the 45 days' time limit for such payments. Payment of Rs. 652.73 crores was made by Steel CPSEs to MSMEs during July '23 which is 11.2% higher than payments made during CPLY

and 0.8% higher than M-o-M. During April-July, FY '24, Steel CPSEs have made payment of Rs. 2,621.79 crore to MSMEs, which is 15.2% higher than Rs. 2,275.22 crore made during CPLY.

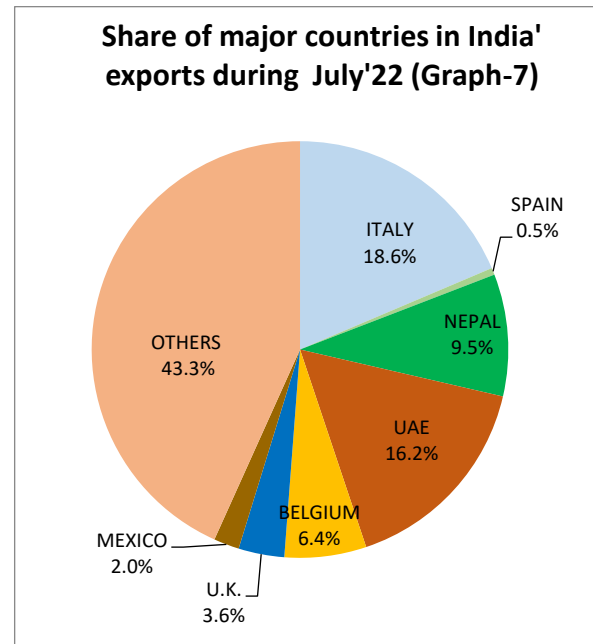
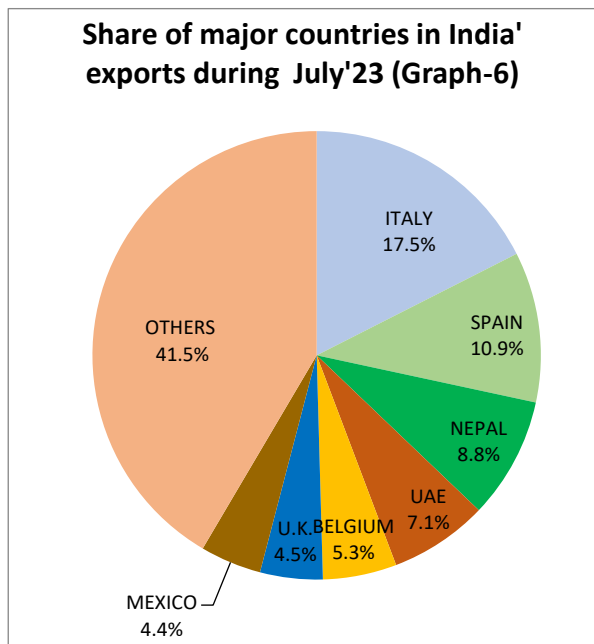
13. **Export-Import Scenario:** During the month of July '23, imports and exports of finished steel increased as compared to previous month as shown in graph-3.



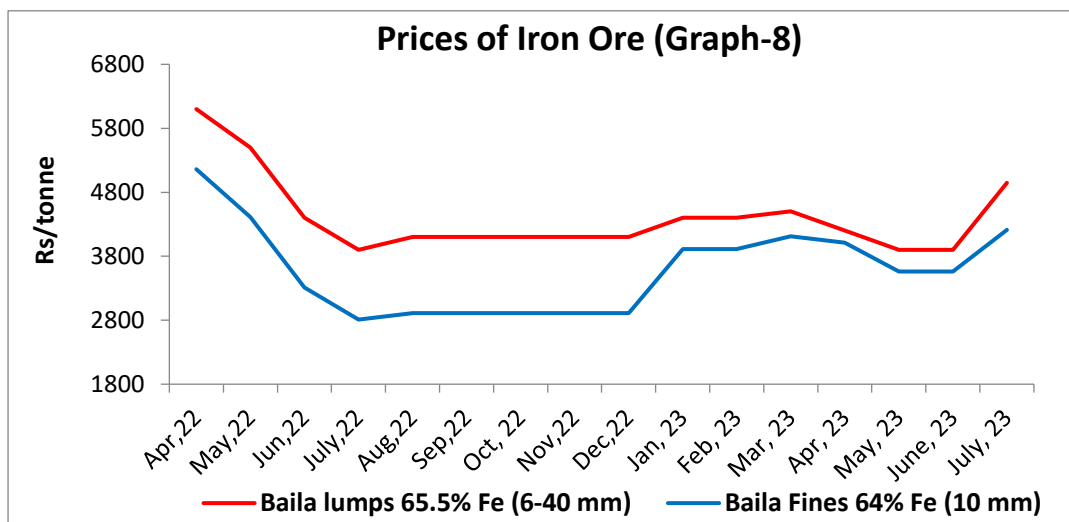
- i. In July '23, India was a net importer of finished steel. Export of finished steel was 5.13 Lakh Metric Tonne (LMT) in July '23, which increased by 2.2% M-o-M and by 35.0% over July '22. Imports of finished steel was 5.87 LMT in July '23, showing an increase of 21.3% M-o-M and 32.2% over July '22. During April-July, FY '24, exports at 25.63 LMT declined by 0.3% while imports at 19.89 LMT increased by 23.0% over CPLY.
- ii. Share of China, Vietnam, Japan, Saudi Arabia, Nepal and Taiwan increased in total steel import of India in July '23 as compared to July '22 while share of Korea, Indonesia and Russia declined over this period. However, the share of Germany remains constant in July '23 as may be seen from the following graphs 4 & 5:



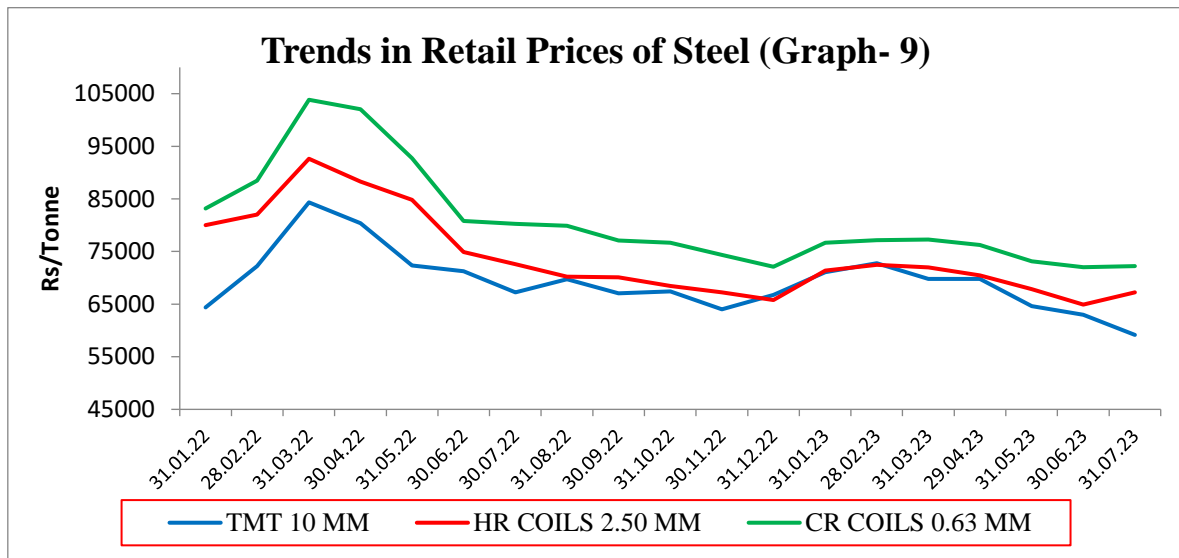
- iii. Share of Spain, UK, Mexico and Korea increased in total steel export from India in July '23 as compared to July '22 while share of Italy, Nepal, UAE, Belgium, South Africa and Bangladesh declined over this period as may be seen from the following graphs 6 & 7:



14. The prices of iron ore declined during April '22 to July '22. However, after December '22 it has shown some recovery and declining since April '23. The prices of iron ore increased in July '23 as may be seen from the graph-8.



- During the month of July '23, prices of iron ore lump and fines was Rs. 4,950/tonne and Rs. 4,210/tonne, which increased by 26.9% and 18.3% respectively over their respective prices in June '23.
- The prices of HCC Coking coal f.o.b. Australia have increased from USD 233/tonne on 30.06.2023 to USD 237/tonne on 31.07.2023.
- The prices of steel (TMT, HRC and CRC) peaked in March '22 on account of Russia-Ukraine war. After that steel prices moderated till December '22 due to both global and domestic factors. The prices of TMT, HRC and CRC have declined in July '23 over July '22 as may be seen from the graph-9.



iv. The retail prices of TMT (10mm) in Mumbai market stood at Rs.59,150/tonne on 31st July '23, recording a decline of 6.1% and retail prices of HRC (2.50mm) and CRC (0.63mm) in Mumbai market stood at Rs. 67,250/tonne and Rs. 72,200/tonne on 31st July '23, recording an increase of 3.6% and 0.2% respectively over prices on 30th June '23.

15. The global production of crude steel decreased by 0.1% in June '23 over CPLY mainly due to decrease in production in Japan, South Korea, Turkey, Germany and Brazil. Among the major steel producing countries (with production of over 1 million tonnes for the month), China, India, USA, Russia and Iran recorded an increase in production in June '23 over June '22. As for the share of major steel producing countries in the global production of crude steel, it is seen that share of China, India, Russia and Iran increased during June '23 while that of Japan, Germany and Brazil declined and share of USA, South Korea and Turkey remained constant during this period as may be seen from the following graphs 10 & 11.

