

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

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

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of June, 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 June, 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**

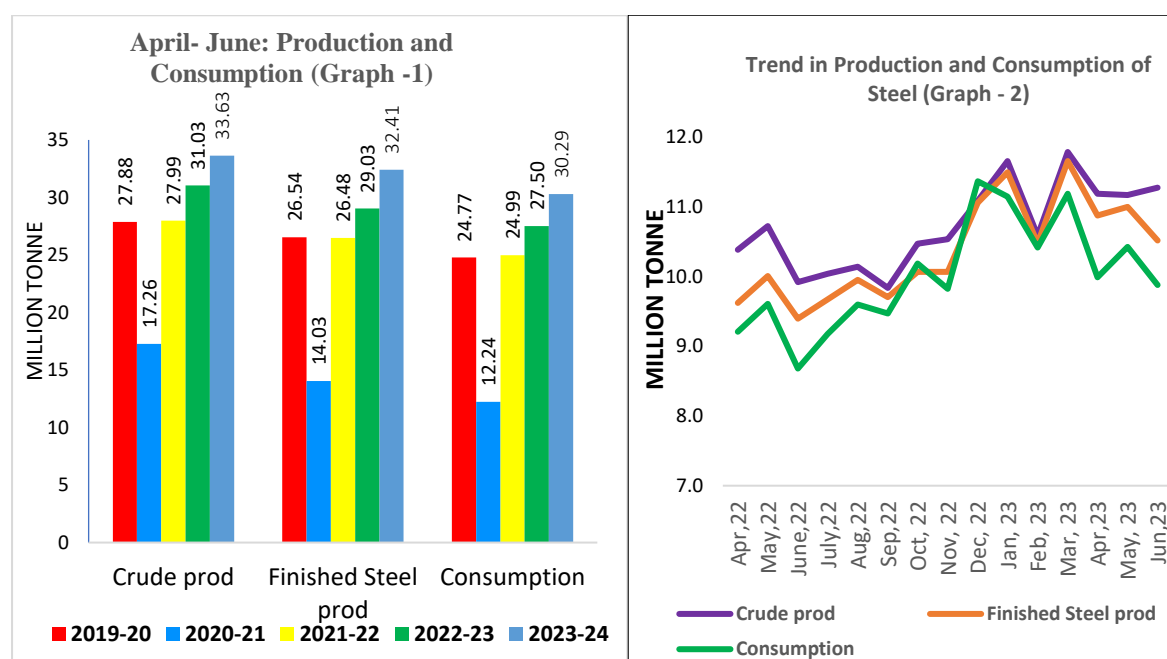
जून - 2023

June - 2023

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

Ministry of Steel – Report for June 2023

1. Performance of Steel sector during Q1:FY24 has been encouraging. The production of crude steel at 33.63 million tonnes (MT), finished steel at 32.41 MT and consumption of finished steel at 30.29 MT during Q1:FY24 was the highest in corresponding period of last five years (Graph-1). The month-wise production and consumption (Graph-2) indicates a mixed trend with month-on-month fluctuations and that the production of Crude Steel increased in June '23 over their respective levels in May '23 and production of finished steel and consumption of steel decreased in June '23 over their respective levels in May '23.



- i. Production of crude steel in June '23 at 11.28 MT increased by 13.7% over CPLY and 1.0% by M-o-M.
- ii. Production of finished steel in May '23 at 10.52 MT increased by 11.9% over CPLY but decreased by 4.4% over the previous M-o-M.
- iii. Consumption of finished steel in May '23 at 9.88 MT increased by 13.8% over CPLY but decreased by 5.3% over the previous M-o-M.
- iv. Inventories of the finished steel with the steel producing companies at 12.07 MT at the end of June '23 increased by 5.5% M-o-M and 42.0% over CPLY.

2. Among the steel CPSEs, SAIL achieved its best ever April-June (Q1) production of Hot Metal, Crude Steel and Saleable Steel in any year. NMDC also achieved its best ever Q1 production and sales performance since inception. Similarly, MOIL also recorded its best ever Quarterly production performance in Q1: 2023-24. During the month of June '23, among the steel producing CPSEs, Steel Authority of India (SAIL) registered a decrease in production of Hot Metal over the previous month (M-o-M) but increased over CPLY. The production of Crude Steel and Saleable steel registered an increase in production over the previous month (M-o-M) and over the corresponding period last year (CPLY). Rashtriya Ispat Nigam Limited (RINL) registered an increase in production of liquid steel, hot metal and crude steel over the previous month (M-o-M) but

registered a decrease in production of liquid steel and hot metal but the production of crude steel remained constant over CPLY. The production of saleable steel by RINL during June '23 increased 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 June '22. The ore production by SAIL during June '23 was lower than previous month and over CPLY. Similarly, 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 June '23, SAIL produced 16.77 lakh metric tonne (LMT) of Hot Metal recording a decrease of 1.1% over previous month (MoM) but increase by 12.1% over CPLY. During June '23, SAIL produced 15.66 LMT of Crude Steel and 14.82 LMT of Saleable Steel recording an increase of 0.1% and 0.7% respectively over previous month (MoM) and 12.3% and 11.4% respectively over CPLY. The cumulative production of SAIL during Q1:FY24 for Hot Metal at 50.37 LMT, Crude Steel at 46.67 LMT and Saleable Steel at 44.05 LMT registered an improvement of 7.3%, 7.8% and 8.0% respectively, over CPLY. During the month, SAIL produced around 27.35 LMT of iron ore recording a decrease of 8.3% M-o-M and 3.3% over CPLY. The cumulative production of iron ore by SAIL during Q1:FY24 at 84.64 LMT was 0.4% lower than CPLY.
- ii. Production of iron ore by NMDC at 34.83 LMT in June '23 registered a decrease of 6.1% M-o-M but increased by 35.7% over CPLY. The cumulative production of iron ore by NMDC during Q1:FY24 at 107.03 LMT increased by 20.0% over CPLY. Sale of iron ore by NMDC at 41.04 LMT in June '23 was higher by 13.4% M-o-M and by 116.2% over CPLY. During Q1:FY24, sale of iron ore by NMDC at 111.55 LMT was high by 45.6% over CPLY.
- iii. During the month Kudremukh Iron Ore Company Limited (KIOCL) produced 1.45 LMT of Pellets which was higher by 28.3% M-o-M and 383.3% over CPLY. KIOCL sold 2.85 LMT of Pellets which was higher by 285.1% M-o-M and 481.6% over CPLY. During Q1:FY24, production of Pellets by KIOCL at 4.88 LMT recorded an increase of 13.8% and its sales at 5.26 LMT recorded an increase of 96.3% over CPLY.
- iv. During June '23, production of Manganese ore by Manganese Ore (India) Limited (MOIL) at 1.52 LMT was lower by 0.7% M-o-M but higher by 36.9% over CPLY. Sale of Manganese ore by MOIL during June '23 at 1.45 LMT was lower by 5.2% M-o-M but higher by 5.1% over CPLY. During Q1:FY24, production of Manganese ore at 4.36 LMT was higher by 35.4% and its Sale at 3.96 LMT was higher by 39.4% over CPLY.
- v. During June '23, RINL's production of Liquid Steel was 3.76 LMT, Hot Metal at 3.82 LMT and Crude Steel at 3.60 LMT, which was 52.9%, 43.1% and 52.5% higher than its production in May '23 respectively but lower by 0.3% and 0.3% over CPLY for Liquid Steel and Hot Metal respectively and remain constant for Crude Steel. During the month of June '23, the production of Saleable Steel by RINL at 3.39 LMT, which was 43.0% higher than its production in May '23 and by 6.3% over CPLY. During Q1:FY24, the production of Liquid Steel was 10.36 LMT, Hot Metal 10.68 LMT and Crude Steel 9.95 LMT was 1.7%, 4.0% and 1.3% lower than their respective productions during CPLY. However, during Q1:FY24, the production of Saleable Steel by RINL was 9.39 LMT, which was 24.0% higher than their respective productions during CPLY.

3. The CAPEX by Steel CPSEs in June '23 at Rs. 747.21 crore was 8.1% higher over the previous month (M-o-M) but was 5.8% lower than CAPEX in CPLY. The CAPEX by steel CPSEs for Q1:FY24 at Rs. 1,842.31 crore was 8.2% higher than CAPEX during CPLY and it was 7.3% 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) inaugurated the Silica Reduction Plant at Steel Authority of India Limited's (SAIL) Bhilai Steel Plant's Dalli Mines, from New Delhi, on 23rd June, 2023. HSM mentioned that the steel sector has played a prominent role in the growth story of India through employment generation and providing foundational infrastructure. He said that the government is working fast on the infrastructure, due to which the consumption has increased from 77 MT to 120 MT and per capita steel consumption, which was 60 kg in 2014 has now reached 87 kg, recording an increase of 50 percent. In line with the vision of Aatmanirbharta, India has now emerged as a net exporter of Steel from being a net importer, 9 years back.

5. Ministry of Steel has introduced Steel Quality Control Order (QCO) thereby banning sub-standard/ defective steel products both from domestic & 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.

6. 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 6th June 2023, wherein 811 applications for clarification on the applicability of QCO on the imported steel grades were examined.

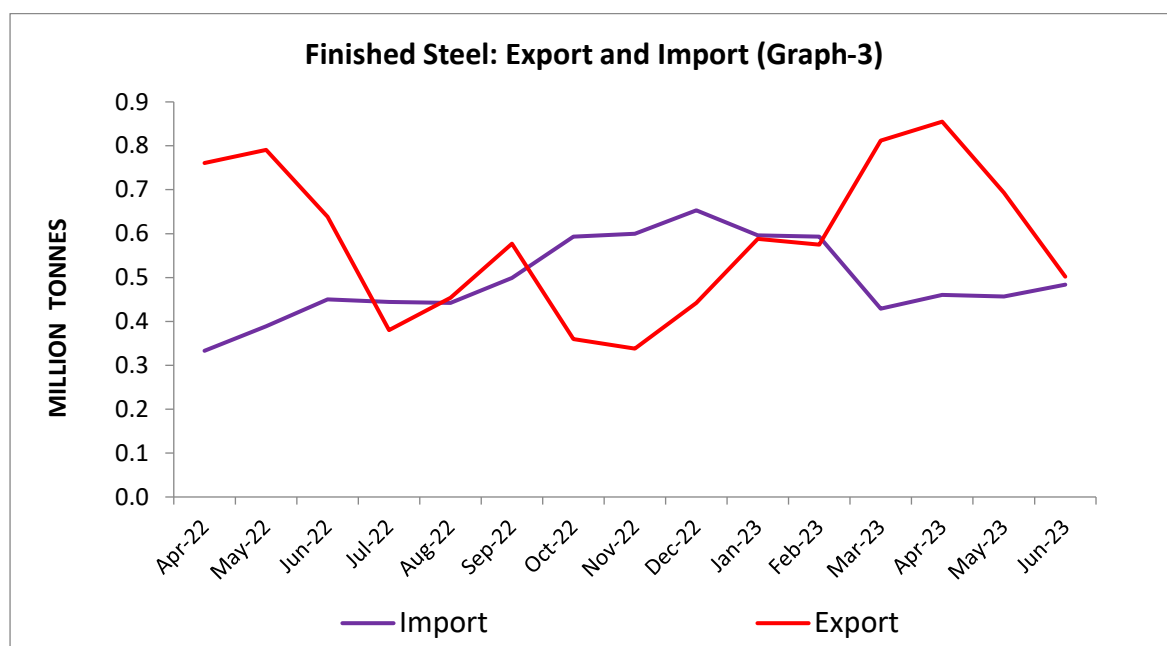
7. Presently, there are eight ongoing projects of steel CPSEs (SAIL-5, NMDC-3) uploaded on the OCMS portal of MoSPI. The total cost of these projects is Rs. 30,201 crores and an expenditure of Rs. 26,602.08 crores (88.1%) has been incurred till June '23.

8. 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. 3,519 crore has been

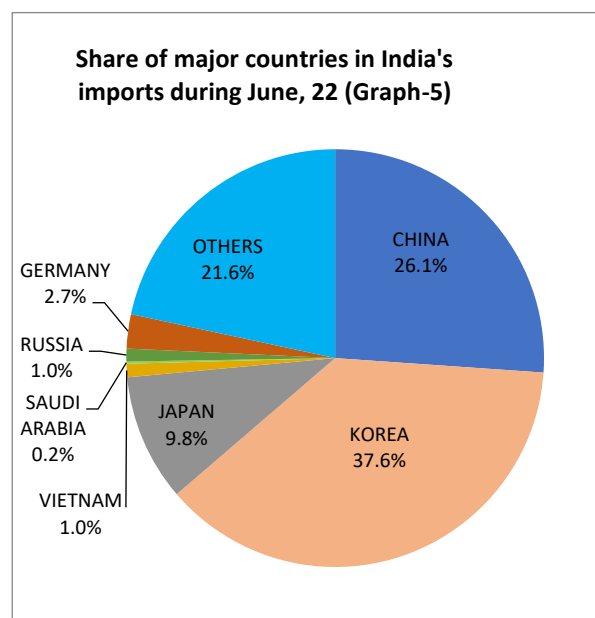
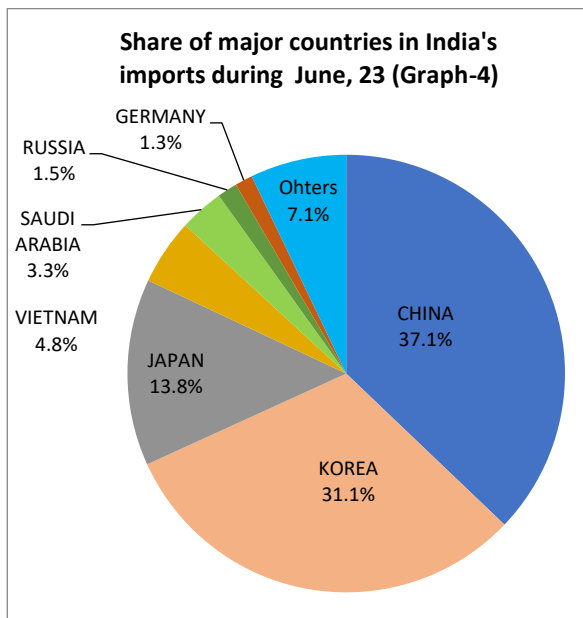
incurred on these projects till June '23. Secretary Steel reviewed the major CAPEX Projects, Project Management and Procurement Procedures of all the CPSEs on 19.06.2023 & 20.06.2023 and directed them to expedite the progress of projects.

9. 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. 647.74 crores was made by Steel CPSEs to MSMEs during June '23 which is 7.8% higher than payments made during CPLY and 6.4% lower than M-o-M. During Q1:FY24, Steel CPSEs have made payment of Rs. 1,969.06 crore to MSMEs, which is 18.0% higher than Rs. 1,668.45 crore made during CPLY.

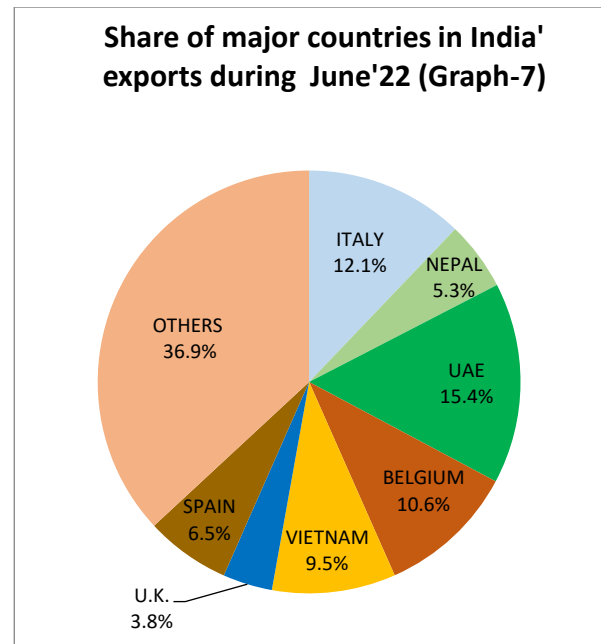
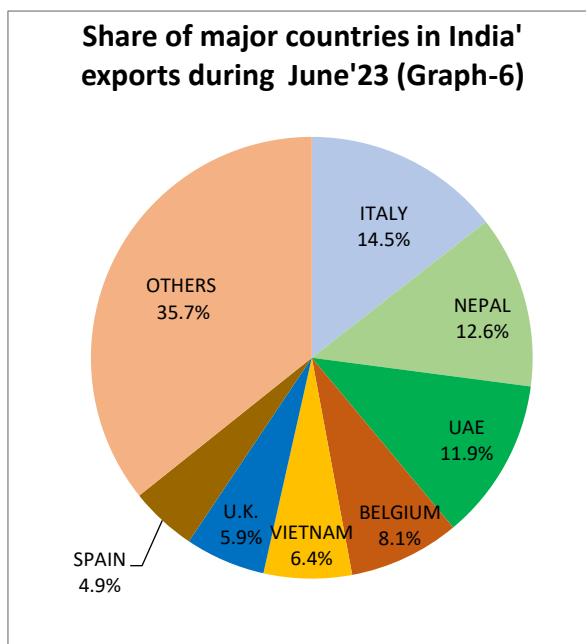
10. **Export-Import Scenario:** During the month of June '23, imports of finished steel increased but the exports decreased as compared to previous month as shown in graph-3.



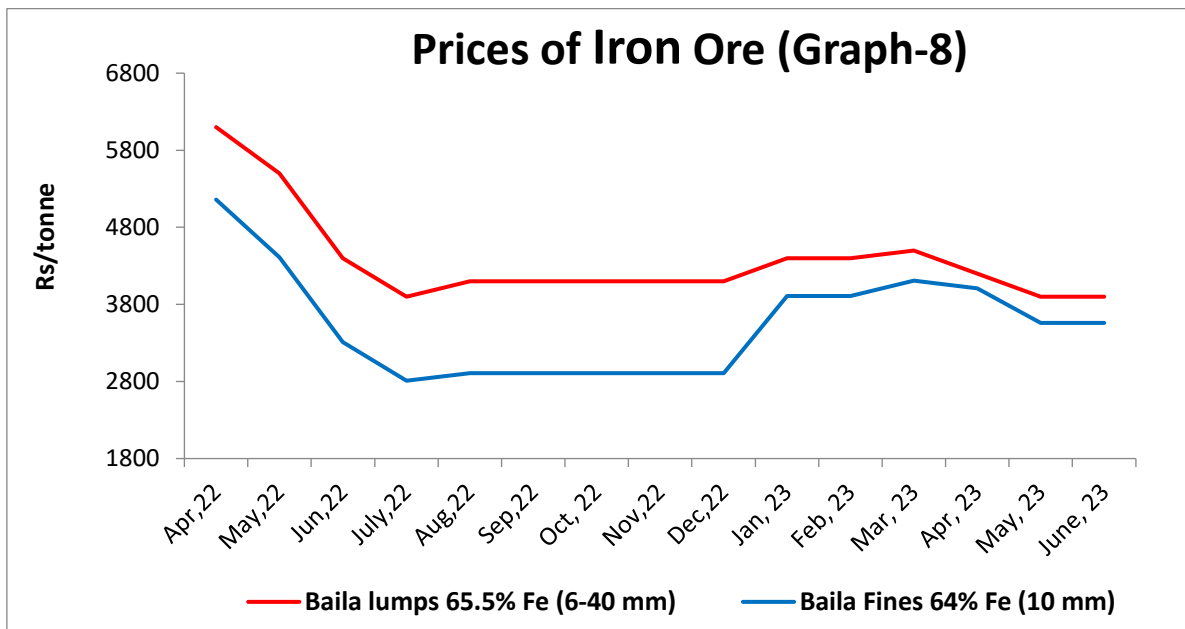
- i. In June '23, India was a net exporter of finished steel. Export of finished steel was 5.02 Lakh Metric Tonne (LMT) in June '23, which decreased by 27.6% M-o-M and by 21.3% over June '22. Imports of finished steel was 4.84 LMT in June '23, showing an increase of 5.9% M-o-M and 7.6% over June '22. During Q1:FY24, exports at 20.50 LMT declined by 6.4% while imports at 14.01 LMT increased by 19.5% over CPLY.
- ii. Share of China, Japan, Vietnam, Saudi Arabia, Russia, Nepal and USA increased in total steel import of India in June '23 as compared to June '22 while share of Korea, Germany and Sweden declined over this period as may be seen from the following graphs 4 & 5:



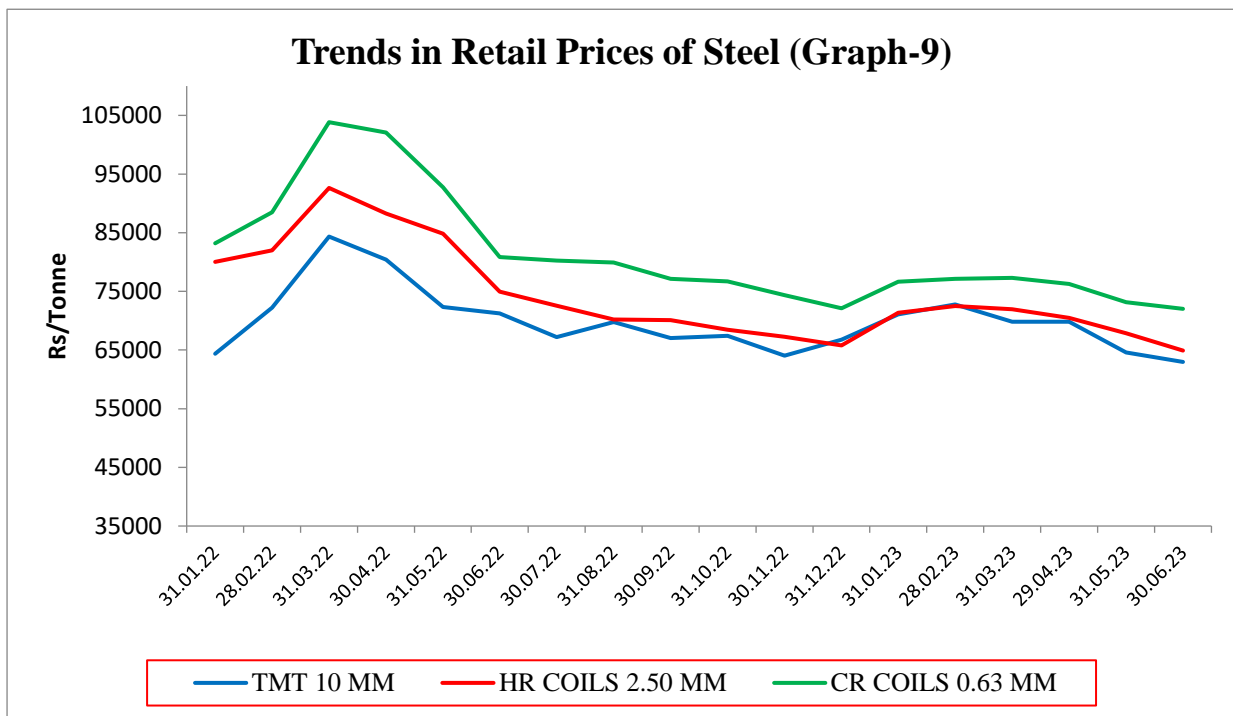
iii. Share of Italy, Nepal, UK, Mexico, Russia and Portugal increased in total steel export from India in June '23 as compared to June '22 while share of UAE, Belgium, Vietnam and Spain declined over this period as may be seen from the following graphs 6 & 7:



11. 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 as may be seen from the graph-8.



- i. During the month of June '23, prices of iron ore lump and fines was Rs. 3,900/tonne and Rs. 3,560/tonne, which remained constant over their respective prices in May '23.
- ii. The prices of HCC Coking coal f.o.b. Australia have increased from USD 224/tonne on 31.05.2023 to USD 233/tonne on 30.06.2023.
- iii. The prices of steel (TMT, HRC and CRC) peaked in March '22 on account of Russia-Ukraine war. After that steel prices have moderated till December '22 due to both global and domestic factors. The prices of TMT, HRC and CRC have declined in June '23 over June '22 as may be seen from the graph-9.



- iv. The retail prices of TMT (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai market stood at Rs.62,970/tonne, Rs. 64,910/tonne and Rs.

72,020/tonne on 30th June '23, recording a decline of 2.5%, 4.3% and 1.6% respectively over prices on 31st May '23.

12. The global production of crude steel decreased by 5.1% in May '23 over CPLY mainly due to decrease in production in China, Japan, USA, South Korea, Turkey and Brazil. Among the major steel producing countries (with production of over 1 million tonnes for the month), India, Russia, Iran and Germany recorded an increase in production in May '23 over May '22. During January-May '23, India performed the best among major steel producing countries and produced 563.93 LMT of crude steel, which was higher by 5.7% over CPLY. As for the share of major steel producing countries in the global production of crude steel, it is seen that share of India, USA, Russia, South Korea, Iran and Germany increased during May '23 while that of China and Turkey declined and share of Japan and Brazil remained constant during this period as may be seen from the following graphs 10 & 11.

