

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

Udyog Bhawan, New Delhi
Dated: 27th February, 2024

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of January, 2024.

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 January, 2024 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
7. All Secretaries to the Government of India
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No. S-24013/1/2020-EA-RFD

**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

**जनवरी- 2024
January – 2024**

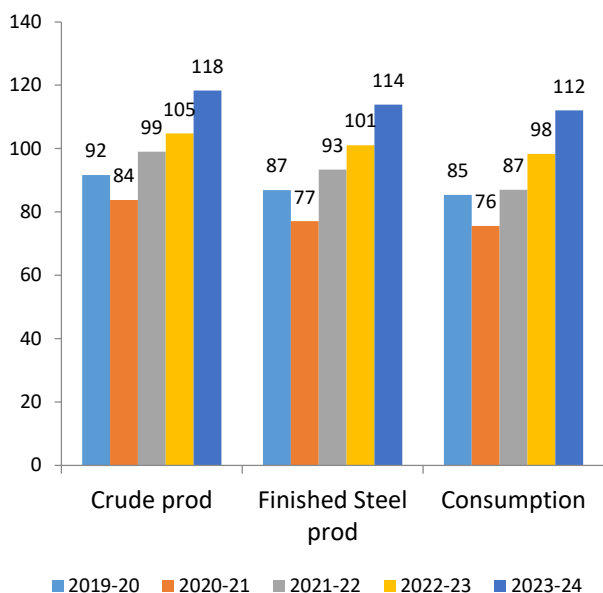
**भारत सरकार /GOVERNMENT OF INDIA
इस्पात मंत्रालय/ MINISTRY OF STEEL**

Ministry of Steel – Report for January 2024

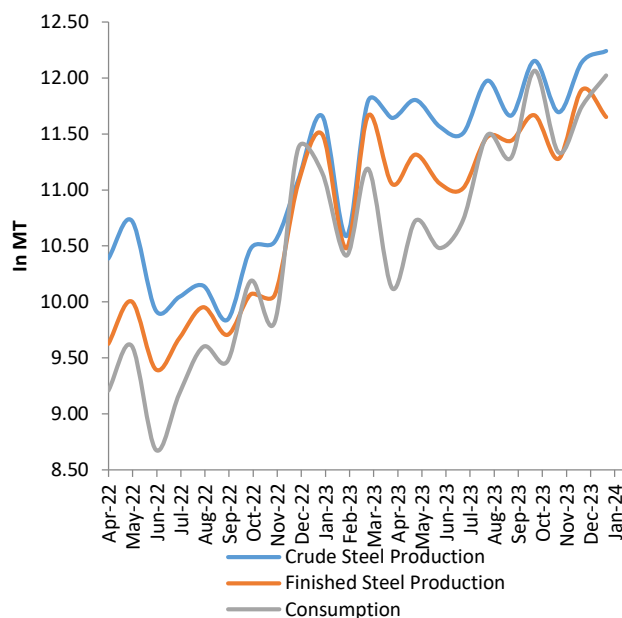
1. During April – January, Financial Year 2023-24 (FY '24), the steel sector has demonstrated unprecedented performance, achieving its highest levels of production and consumption when compared to analogous periods in previous financial years. Cumulatively, the production of crude steel escalated to 118 million tonnes (MT), while finished steel production reached 114 MT, and consumption of finished steel stood at 112 MT during April-January FY '24. These figures indicate substantial year-on-year growth of 12.9%, 12.7%, and 14.0% respectively, compared to the corresponding period in the preceding financial year, April-January FY '23.

2. This upsurge can be attributed to the robust resurgence in both production and consumption, which ensued after the disruptive impact of the Covid-19 pandemic during the fiscal year 2020-21. There has been an overall upward trend in steel production and consumption since April '22, despite some month-to-month fluctuations.

Production and Consumption (April-January) in Million Tonne



Trend in Production and Consumption of Steel



3. In January '24, there was an increase in the production of crude steel and the consumption of finished steel compared to the previous month. However, the production of finished steel experienced a marginal decline during this period.

- Crude steel production increased from 12.1 million units in December '23 to 12.2 million units in January '24.
- Finished steel production, however, decreased from 11.9 million units in December '23 to 11.7 million units in January '24.
- Consumption of steel rose from 11.7 million units in December '23 to 12.0 million units in January '24.

4. Among the steel CPSEs, the performance of SAIL, NMDC and MOIL has been encouraging during April-January, FY '24. During April-January, FY '24, SAIL achieved its best ever production of Hot Metal, Crude Steel and Saleable Steel in April-January of any year. NMDC also achieved its best ever production and sales performance in April-January, FY '24. Similarly, MOIL also recorded its best ever production and sales performance in April-January, FY '24. The detailed performance of the Steel CPSEs is as below:

- **SAIL:** In January 2024, SAIL saw a 0.8% increase in Hot Metal production to 18.2 LMT, a 0.5% decline in Crude Steel production to 17.2 LMT, 2.0% decrease in Saleable Steel production to 15.8 LMT, Iron Ore production decreased by 1.1% to 30.3 LMT and Sales of Saleable Steel dropped by 9.8% to 15.1 LMT compared to January '23. Additionally, as compared to the previous month, i.e. December '23, production of Hot Metal, Crude Steel and Saleable Steel increased by 5.0%, 4.8%, and 1.7% respectively. However, production of Iron Ore declined by 15.4%. Sales of Saleable Steel increased by 16.5% in January '24 over December '23. The cumulative performance for April to January 2023-24 indicated a 6.3% rise in Hot Metal, 5.8% rise in Crude Steel and 8.0% rise in saleable steel 2.1% rise in Iron Ore production and a 5.6% increase in Sales of Saleable Steel over CPLY.
- **NMDC:** In January '24, production of iron ore increased by 7.9% and sales increased by 18.6% compared to January '23. On M-o-M basis, against December '23, iron ore production increased by 1.3% and sales increased by 8.6% in January '24. The cumulative performance from April – January, FY '24 shows a 16.6% rise in production and a 23.1% rise in sales over CPLY.
- **KIOCL:** In January '24, pellet production increased by 15.6% compared to January '23, reaching 185 LMT, but experienced a 21.3% decrease from December '23. Pellet sales increased by 64.1% compared to January '23 and a 22.5% rise from December '23. The cumulative performance from April - January FY '24 indicated a 69.6% rise in pellet production and an 87.1% increase in pellet sales over CPLY.
- **MOIL:** Production of manganese ore increased by 26.7% in January '24 compared to January '23, reaching 1.6 LMT, but showed a 13.8% decline from December '23. Manganese ore sales were 1.3 LMT in January '24, with a 1.6% increase from January '23, but a 13.9% decrease from December '23. The cumulative performance from April - January FY '24 revealed a 39.7% rise in production and a 34.5% increase in sales over CPLY.
- **RINL:** In January 2024, liquid steel production decreased by -1.8%, hot metal increased by 3.4%, Crude steel decreased by -2.3%, and saleable steel declined by 7.7% compared to January 2023. Additionally, comparing December 2023, liquid steel production increased by 14.2%, hot metal production increased by 20.3%, Crude steel production increased by 13.2%, and saleable steel production increased by 2.1% in January '24. The cumulative performance for April - January FY '24 shows a 8.9% rise each in liquid steel, hot metal & crude steel and 10.6% rise in saleable steel compared to the same period in the previous year (CPLY).

Table 1: Performance of Steel CPSE's

CPSE	Item	Jan-24	Jan-23	Dec-23	Change over Jan '23 (%)	Change over Dec '23 (%)	April-January 2022-23	April-January 2023-24	Change over CPLY (%)
SAIL		In LMT			%		In LMT		%
SAIL	Hot Metal	18.2	18.0	17.3	0.8	5.0	159.6	169.7	6.3
	Crude Steel	17.2	17.2	16.4	-0.5	4.8	150.6	159.4	5.8
	Saleable Steel	15.8	16.1	15.5	-2.0	1.7	141.6	153.0	8.0
	Iron Ore	30.3	30.7	35.9	-1.1	-15.4	278.4	284.3	2.1
	Sales of Saleable Steel	15.1	16.7	12.9	-9.8	16.5	131.8	139.3	5.6
NMDC	Iron Ore Production	45.4	42.0	44.8	7.9	1.3	311.4	363.2	16.6
	Iron Ore Sales	45.5	38.4	41.9	18.6	8.6	296.4	364.9	23.1
KIOCL	Pellets Production	185.0	160.0	235.0	15.6	-21.3	994.0	1685.5	69.6
	Pellets Sales	267.1	162.8	218.0	64.1	22.5	927.6	1735.7	87.1

MOIL	Manganese Ore Production	1.6	1.3	1.9	26.7	-13.8	10.26	14.33	39.7
	Manganese Ore Sales	1.3	1.3	1.6	1.6	-13.9	9.18	12.35	34.5
RINL	Liquid Steel	4.4	4.5	3.9	-1.8	14.2	34.9	38.0	8.9
	Hot Metal	4.7	4.6	3.9	3.4	20.3	35.6	38.8	8.9
	Crude Steel	4.2	4.3	3.7	-2.3	13.2	33.4	36.4	8.9
	Saleable Steel	3.8	4.1	3.7	-7.7	2.1	31.3	34.7	10.6

5. Among the CPSEs of Ministry of Steel, the financial health of RINL is a matter of concern. RINL incurred an operating loss of Rs. 3,920 crore during April-January, 2023-24 as against a loss of Rs. 3,125 crore during CPLY. It incurred an operating loss of Rs. 3,358 crore during FY '23. Total borrowings (Capex plus Working Capital loan etc.) of RINL stood at Rs. 20,503 crore as on 31.01.2024 as against Rs. 20,681 crore as on 31.01.2023. There has been a considerable increase in interest rates on borrowing as well – average interest rate on working capital loan has increased to 9.73% on 31.01.2024 from 8.98 % a year before, and average interest rate on Capex loan increased to 10.01 % on 31.01.2024 from 9.36% a year ago. The combined effect of increased borrowings and increase in rate of interest has pushed up the Finance cost by 26% over the previous year. Net worth of RINL stood at Rs. (-)3156 crore as on 31.01.2024. RINL also has a considerable cost disadvantage due to lack of captive mines. Ministry of Steel has taken steps to infuse liquidity in the company which include the monetization of non-core assets such as land and building, slump sale of Forged Wheel Plant at Lalganj, Raebareli to Ministry of Railways. These efforts are expected to infuse about Rs. 1,600 crore on completion of the transactions and are expected to provide short-term relief to the company.

6. Hon'ble Steel Minister (HSM) chaired a meeting of the Consultative Committee, attached to the Ministry of Steel on 16.01.2024. The subject for discussion by the Committee was "NMDC Steel Limited (NSL), Nagarnar." HSM informed the Members of the Committee that in the last phase in the year 2023, with regular & close monitoring, unprecedented actions were taken for commissioning of the plant including settlement of commercial & technical issue with package contractors. The 3.0 MTPA Steel Plant, located in Bastar District of Chhattisgarh is the second biggest steel plant of Chhattisgarh Bhilai (SAIL). The plant was commissioned on 24.08.2023 when the first coil was rolled out, within 9 days of production of hot metal from the blast furnace, which was a record in itself. NMDC Steel Limited's Nagarnar Steel Plant (NSP) was dedicated to the nation by Hon'ble Prime Minister on 3rd October, 2023. HSM briefed the Members about the current status of the plant, its products, future plans, R&R/CSR Works, the impact of plant in local economy & development of downstream industries. Till 31.12.2023, NSL has produced about 5.33 lakh tonnes (LT) of hot metals, 2.10 LT of liquid steel, 1.95 LT of HR coils. NSL has earned a revenue of around Rs. 2,050 crore till 31.12.2023. Annual turnover of the plant would be around Rs. 20,000 crore at rated capacity post stabilization. The plant will help in industrial development of region by setting up ancillary units to support the plant. It will also pave the way for the setting up of steel downstream product industry. This will bring about investment opportunities in the tribal region.

7. The CAPEX by Steel CPSEs in January '24 at Rs. 1,010.04 crore was 15.3% higher over the previous month (M-o-M). The CAPEX by steel CPSEs during April-January FY '24 at Rs. 7,184.13 crore and it was 70.02% of the RE 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.

8. Ministry of Steel has implemented the Steel Quality Control Order (QCO) to prevent the use of sub-standard or defective steel products in both domestic and imported goods. This ensures that only quality steel, meeting the relevant BIS standards, is available to end-users. Currently, 144 Indian Standards have been enforced under this order, covering carbon steel, alloy steel, and stainless steel.

9. The ministry is in the process of including six additional Indian Standards, with a draft uploaded for stakeholder comments. Requests for clarification and exemptions from the order have led to the formation of a Technical Committee and an Empowered Committee, respectively. The Technical Committee has held meetings to examine applications related to the applicability of the QCO on imported steel grades, while the Empowered Committee is focused on exemptions for critical applications. The Technical Committee has examined 2,279 applications for clarification on imported steel grades, holding meetings on January 2nd and 16th, 2024, along with two intermediate meetings on January 11th and 30th, 2024, to fast track 356 repeat cases.

10. Ministry of Steel is supporting Research & Development (R&D) in the Iron & Steel sector by offering financial aid to address technological challenges. In May '23, collaborative R&D project proposals were invited from academic institutions, research labs, and steel companies, focusing on areas like climate change, waste utilization, and resource efficiency. The R&D Scheme details, including financial support guidelines and a project list, were posted on the Ministry of Steel's website. By the deadline of July 31st, 2023, 36 proposals were received and evaluated by the Evaluation Group in August. The Project Approval & Monitoring Committee approved four projects, deferring one for further discussion. Grants for approved projects are being released according to the revised fund flow procedure from the Ministry of Finance. Subsequent evaluations in November led to recommendations for five more R&D proposals, contingent on revised submissions addressing meeting discussions. These recommendations were communicated to project investigators, and the revised proposals are currently under consideration for funding in the FY '24.

11. Coking coal is one of the major inputs in steel production, and India is mainly dependent on imports from Australia. As seen from the graph, the international price of coking coal is volatile. Due to the volatility of coking coal prices, the production cost of steel is affected. To address price volatilities and issues related to assured availability of coking coal, Ministry of Steel has constituted the following three committees comprising officers of Ministry and steel companies:

- i. High-Powered Committee for Source Diversification: The High-Powered Committee will, inter alia, examine and recommend on-
 - (a) the properties of Commercially viable varieties of coal available globally and test them in Pilot Coke Ovens of RINL, NMDC and SAIL separately and compile them. (A compilation list of potential varieties of coal and their properties).
 - (b) straight coal v/s blended dichotomy and suggest an alternative mix of them in procurement.
 - (c) Revisiting the Coking Coal and Coke specifications of PSU's and attempt to diversify the blend to avoid over-reliance on singular variety/ supplier/ country/ geography.
- ii. Investigation Committee to analyze "One Nation One Buying of Coking Coal in LTA": The Investigation Committee will, inter alia, examine and recommend on-
 - (a) Benefits drawn from Collective buying of Coking Coal in LTA
 - (b) the modalities associated if the above-mentioned exercise turns out to be beneficial for the nation as a whole.
 - (c) Facilitation required from MoS to realise the true outcomes of collective buying.
- iii. Committee to "Find new Geographies for importing Coking Coal": The Committee will explore possibilities of adding new geographies to import basket of the country so as to diversify Geo-political, Logistical and Market risks. The new source countries being explored are Russia, Mongolia, Kazakhstan, Germany and Poland etc.

12. **Green Steel:** India’s steel sector accounts for 12% of India’s greenhouse gas emissions with an emission intensity of 2.55 tonnes CO₂ per tonne of crude steel compared to global average of 1.9 tonnes CO₂ per tonne of crude steel. In Nov ’21, Hon’ble Prime Minister announced Panchamrit Targets including 2070 Net-Zero Target for India during COP 26 in Glasgow. Ministry of Steel constituted 13 Task Forces in March ’23, comprising experts and industry stakeholders, to drive the transformation of the Indian steel industry towards sustainability and decarbonisation. The Task Forces covered the key levers for decarbonisation of steel sector, including those affecting the demand pull, the supply push for green steel and the facilitators. Extensive deliberations of these Task Forces with large number of consultative meetings were undertaken and the Task Forces concluded their work by December 2023. After the presentations of these 13 Task Forces before HSM, he opined that these Task Forces may be brought under three Working Groups for synergy. The three Working Groups covering the 13 levers are as below:

- A. Key Enablers
 - i. Developing Taxonomy for Green Steel
 - ii. Monitoring of carbon emission of steel plants
 - iii. Demand generation
- B. Supply Side Push
 - iv. Energy Efficiency
 - v. Renewable Energy Transition
 - vi. Material Efficiency
 - vii. Green Hydrogen
 - viii. Carbon Capture, Utilisation and Storage (CCUS)
 - ix. Process Transition
- C. Facilitators
 - x. Research, Development & Demonstration(RD&D)
 - xi. Finance
 - xii. International Focus
 - xiii. Skill Development

Since Biochar has also been identified as an important lever for the reduction of carbon emissions in the Steel Industry, the 14th Task Force on “Use of Biochar and Other Relevant Products in Steel Making” was constituted on December 5th 2023.

13. **Export-Import Scenario:** India's steel exports touched a nine-month high in January ’24. During the month of January ’24, exports of finished steel increased, whereas imports declined as compared to previous month. In January ’24, India's steel exports surged to 8.5 lakh tonnes, compared to 6.4 lakh tonnes in December ’23. Simultaneously, India's imports of finished steel declined from 9.0 lakh tonnes to 7.7 lakh tonnes during the same period. As a result of this shift, India has become a net exporter of steel after a span of six months.

Table 2: Export and Import of Steel- January 2024							
	Jan’ 24*	Dec'23	Change over Dec '23 (%)	Change over Jan’ 23 (%)	April-Jan* FY '24	April-Jan FY'23	Change over CPLY (%)
Exports (LMT)	8.5	6.4	31.4	43.8	55.2	53.3	3.6
Imports (LMT)	7.7	9.0	-14.6	29.3	67.4	50.0	34.8
Net Export	0.8	-2.6			-12.2	3.3	

Source: JPC, *Provisional

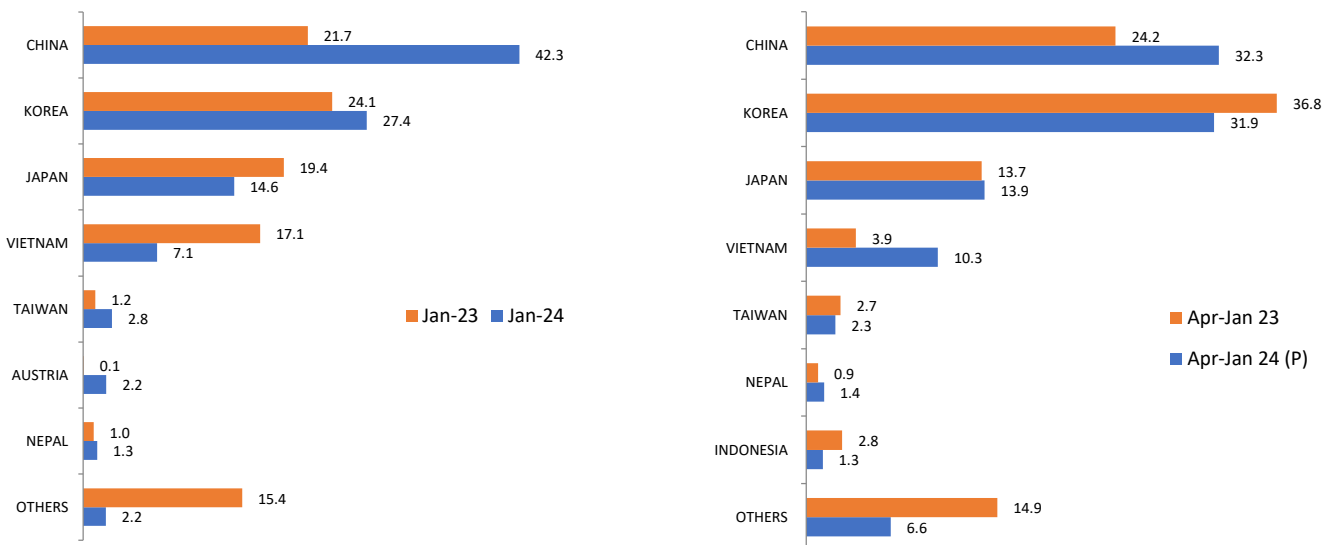
14. The monthly trend of India's export and import are shown in following Graph.

Finished Steel: Export and Import (in Million Tonne)



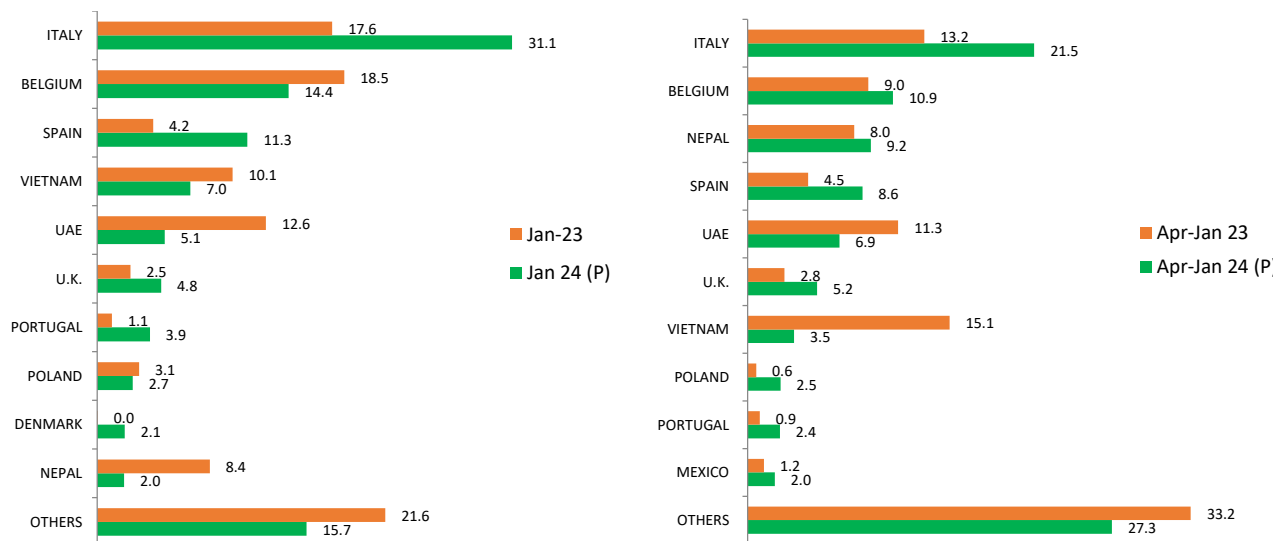
- i. Global Steel prices have started showing an uptrend since October '23. India's steel exports are likely to remain supported as Indian mills have resumed offers to the Middle East and Vietnam markets after a pause. However, there is a concern of hike in freight rates post-the Red Sea crisis.
- ii. Share of China, Korea, Taiwan, Austria and Nepal increased in total steel import of India in January '24 as compared to January '23 while share of Japan and Vietnam declined over this period as may be seen from the following Graphs:

Share of Major Countries in India's Import of Finished Steel (in %)



- iii. Share of Italy, Spain, UK, Portugal and Denmark, increased in total steel export from India in January '24 as compared to January '23 while share of Belgium, Vietnam, UAE, Poland and Nepal declined over this period as may be seen from the following Graphs:

Share of Major Countries in India's Export of Finished Steel (in %)



15. India's imports and export of finished steel during April – January, FY '24 is given below:

Table 3: Month-wise Imports and Exports of Finished Steel

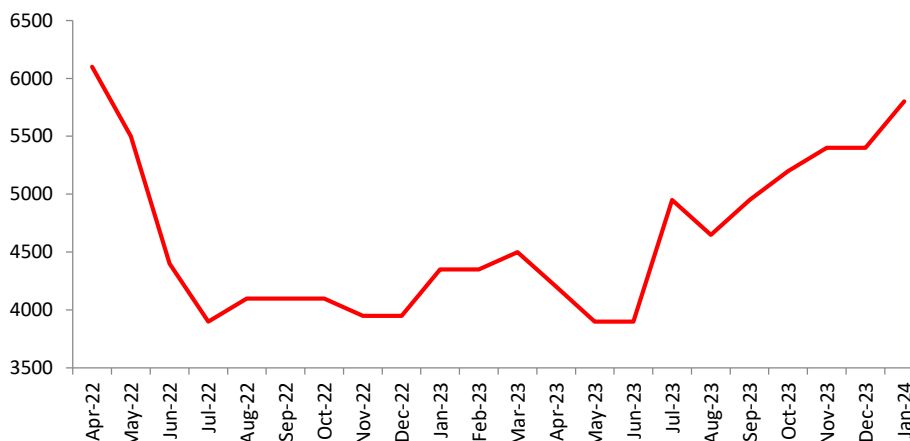
(LMT)

Item	April 23	May 23	June 23	July 23	Aug 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Apr-Jan 24
Export	8.6	6.9	5.0	5.1	5.1	4.3	2.9	2.3	6.4	8.5	55.2
Import	4.6	4.9	4.8	6.1	7.3	5.5	7.3	10.1	9.0	7.7	67.4
Net Exports	4.0	2.0	0.2	-1.0	-2.2	-1.2	-4.4	-7.7	-2.6	0.8	-12.2

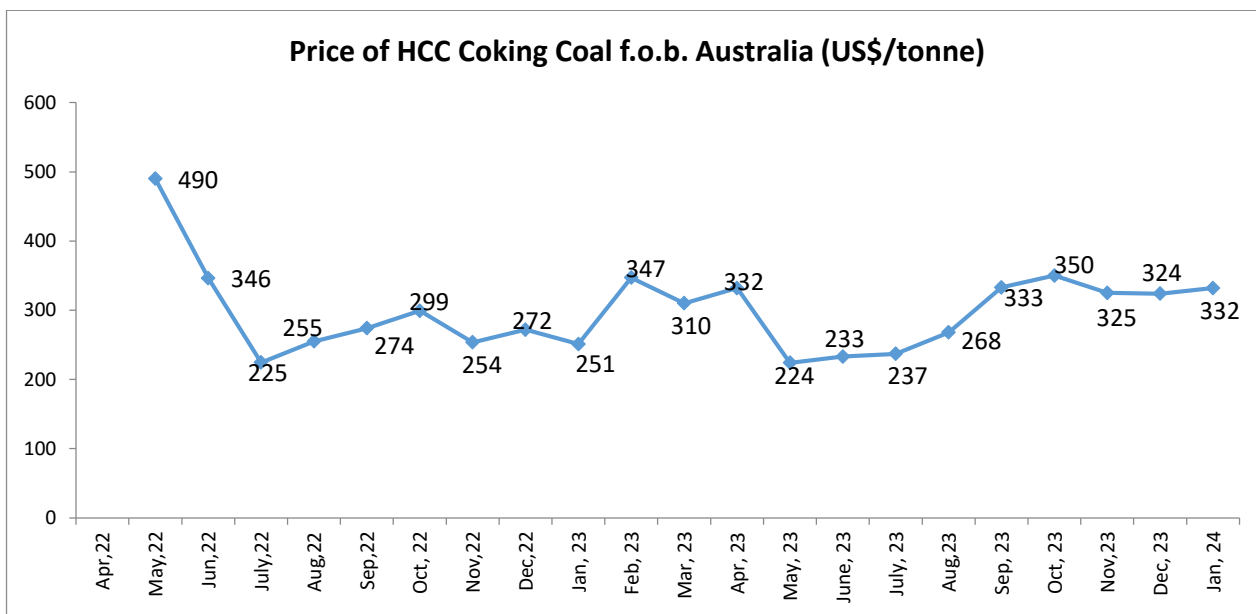
Source: JPC

16. Input costs of steel industries increased during January '24 due to rise in prices of iron ore and coking coal. Movement of prices of Iron Ore since April '22 may be seen in the following Graph.

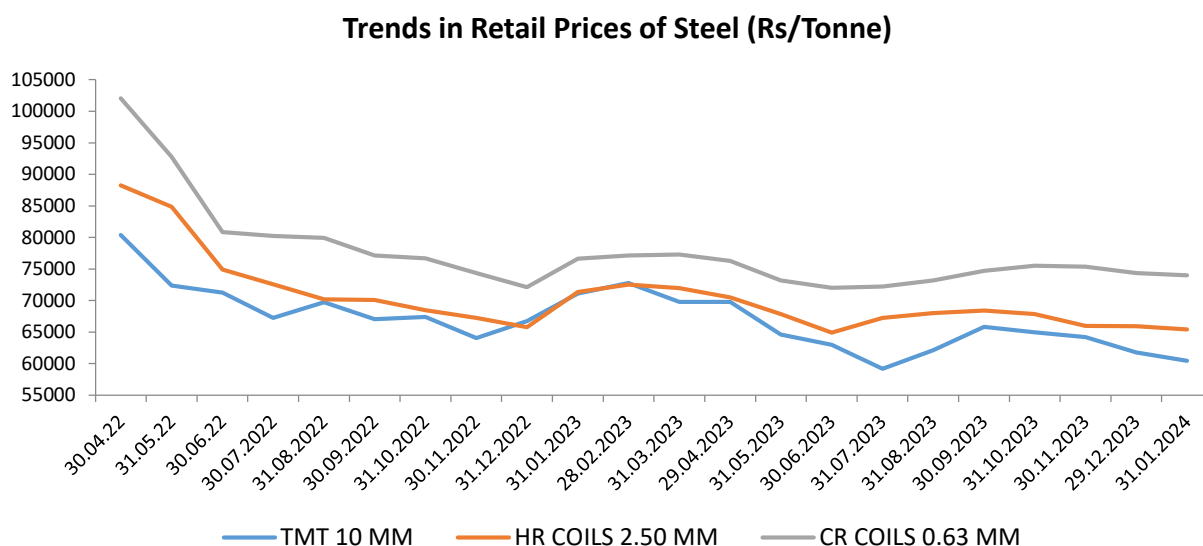
Price : Iron Ore Lumps, NMDC, Chattisgarh, India : 6-40 mm, Fe 65.5% (Rs/t)



- i. During the month of January '24, prices of iron ore lump increased to Rs. 5,800/ tonne over their respective prices in December '23.
- ii. International prices of coking coal have strengthened from USD 225/tonne in May '23, to USD 332/tonne by January '24. The prices of coking coal have been in the range of USD 325/tonne – USD 332/ tonne in last 3 months. The trend in price of HCC Coking Coal f.o.b Australia is shown in following graph.



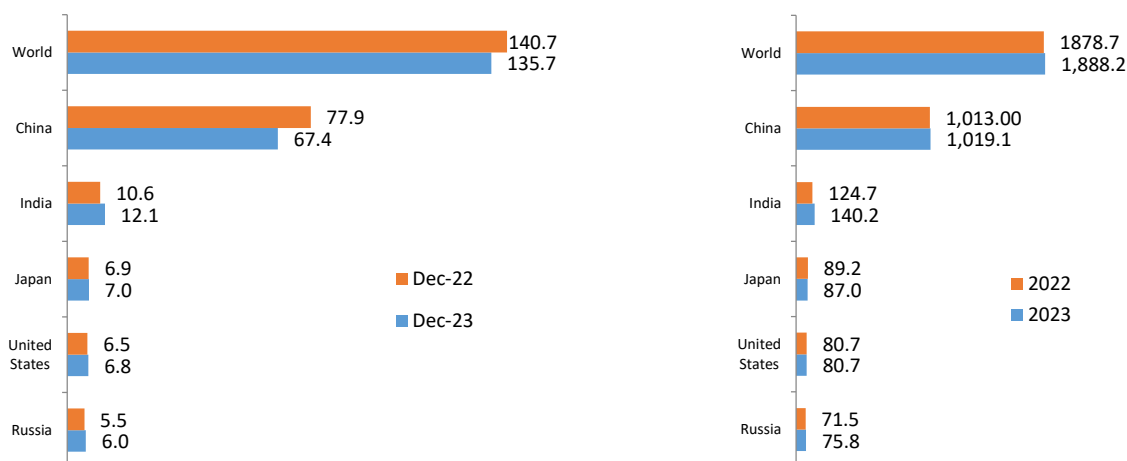
17. The prices of steel (TMT, HRC and CRC) peaked in March '22 on account of Russia-Ukraine war. After that steel prices moderated till December '22 due to both global and domestic factors. The prices of HRC and CRC have increased in January '24 over January '23 but prices of TMT decreased during the same period as may be seen from the following graph.



18. The retail prices of TMT (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai market stood at Rs. 60,440/tonne, Rs. 65,440/tonne and Rs. 74,010/tonne respectively on 31st January '24, recording a decrease of 2.1%, 0.7% and 0.4% respectively over prices on 29th December '23.

19. According to WSA (World Steel Association) estimates on overall global production, the global steel industry witnessed diverse trends across key producing countries in December '23. While China, the largest producer, experienced a decline in production in December '23 compared to December '22, India demonstrated positive growth. Similarly, the United States and Russia also saw production gains in December '23, contributing to the industry's overall stability.

Major crude steel producing countries- (in MT)



20. Despite fluctuations in monthly figures, the yearly aggregates for 2023 indicated a modest increase in global steel production compared to 2022, underscoring the sector's resilience amidst evolving market dynamics. Following table shows the data on production of crude steel by top 6 countries in world.

	Dec-23	Dec-22	Nov-23	2023	2022	Change in Dec 23 over Dec 22	Change in Dec 23 over Nov 23	Change in 2023 over 2022	Share in 2023
	Production (in MT)					in %			
China	67.4	77.9	76.1	1019.1	1013.0	-13.5	-11.4	0.6	54.0
India	12.1	10.6	11.7	140.2	124.7	14.2	3.1	12.4	7.4
Japan	7.0	6.9	7.1	87.0	89.2	1.4	-1.6	-2.5	4.6
United States	6.8	6.5	6.6	80.7	80.7	4.6	3.4	0.0	4.3
Russia	6.0	5.5	6.4	75.8	71.5	9.1	-6.3	6.0	4.0
South Korea	5.4	5.2	5.4	66.7	65.9	3.8	0.4	1.2	3.5
World	135.7	140.7	145.5	1888.2	1878.7	-3.6	-6.7	0.5	100.0

21. Presently, there are nine ongoing projects of CPSEs (SAIL-6, NMDC-3) uploaded on the OCMS portal of MoSPI. The total cost of these projects is Rs. 9,780.55 crore and an expenditure of Rs. 4,468.76 crore (45.69 %) has been incurred till January'2024.

22. 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. 4,390.63 crore has been incurred on these projects till January '24.

23. 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. 628.88 crores was made by Steel CPSEs to MSMEs during January '24 which is 3.5% lower than payments made during January '23 and 1.5% lower than previous month. During April-January, FY '24, Steel CPSEs have made payment of Rs. 6,243.1 crore to MSMEs, which is 2.6% higher than Rs. 6,086.2 crore made during CPLY.