

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

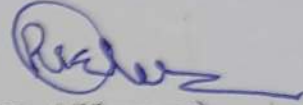
Udyog Bhawan, New Delhi
Dated: 22nd April, 2022

OFFICE MEMORANDUM

Sub: Monthly Summary for the Cabinet for the month of March, 2022.

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 March, 2022 for information.

Encl: As above.



(Raj Kumar)
Deputy Director
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Email: rajkumar.66@nic.in,

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. All Secretaries to the Government of India
6. Chief Economic Adviser, Ministry of Finance, North Block, New Delhi
7. Addl. Chief Economic Adviser, Ministry of Railways, Railway Board, R.No. 301, 3rd Floor, Pragati Maidan Metro Station Building Complex, New Delhi.
8. Information Officer, PIB, Shastri Bhawan, New Delhi steel_pib@nic.gov.in
9. PS to SM
10. PS to MoS
11. Sr. PPS to Secretary (Steel),
12. Sr. PPS to AS&FA
13. PPS to AS
14. PS to JS(R), PS to JS(K), PPS to JS(S), PS to DDG.
15. NIC (Steel)-(with a request to upload on the website of the Ministry of Steel)

No. S-24013/1/2020-EA-RFD

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL

मार्च - 2022
March - 2022

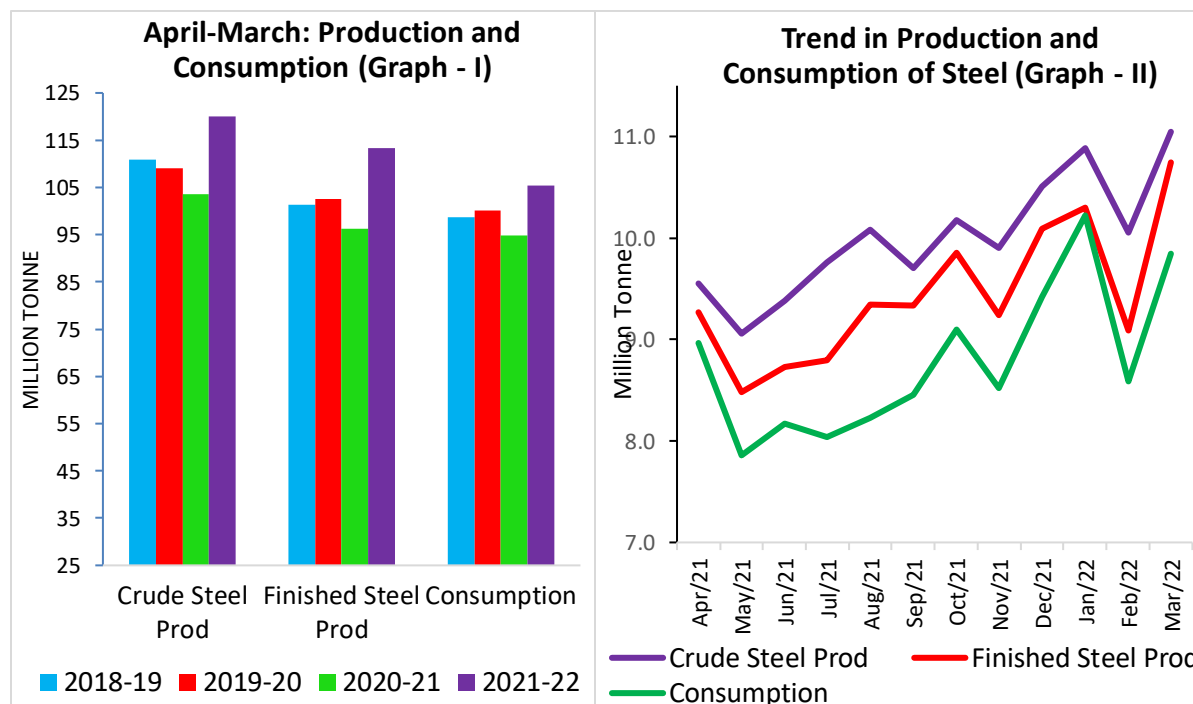
भारत सरकार / GOVERNMENT OF INDIA
इस्पात मंत्रालय / MINISTRY OF STEEL

The important developments in the steel sector during the month of March, 2022 are as following:

1. Ministry has initiated the work on steel sector vision over 'Amritkaal' i.e., up to the year 2047 and towards this have been holding consultations with stakeholders. Secondary Steel sector, which includes steel producers other than major Integrated Steel Producers (ISPs), is an important stakeholder contributing to about 40 per cent of the production of steel and more than 55 per cent employment in the sector. Consultation with the Secondary Steel sector was held to discuss the challenges faced by them and ways in which the Ministry can create an ecosystem in which they may continue to be significant partner through a full day National Conference on "Making India Atmanirbhar in Steel –Role of Secondary Steel Sector" on 27th March 2022 at Vigyan Bhawan, New Delhi. Various issues/concerns facing the sector as well as suggestions for ensuring their optimal role and participation towards achieving the goals of the proposed 'Vision 2047' were deliberated and feedback of the secondary steel representatives obtained.
2. In the World Expo 2020 at Dubai, 'Steel Week' was hosted by Indian Pavilion between 11th – 17th March, 2022 and was inaugurated by Hon'ble Steel Minister (HSM) in the presence of leading steel producers of UAE and India. During the 'Steel Week', capabilities, maturity and strength of Indian steel industry was showcased and opportunities of investment in steel sector in India and PLI for Speciality Steel was highlighted. HSM and Indian delegation also met UAE-based Chambers of Commerce and Industry, Abu Dhabi Investment Authority, Steel producers and consumers of UAE to encourage larger trade and investment engagement between the two countries.
3. Invitation of Global Expression of Interest (EOI) from Interested Bidders (IB) for strategic disinvestment in Ferro Scrap Nigam Limited (FSNL), a 100% subsidiary of MSTC was floated on 31st March, 2022 with the last date for submission of EOI being 5thMay, 2022.
4. During virtual road shows and interactions with the industry on Production Linked Incentive (PLI) Scheme, new request/suggestions for revision in PLI provisions were received, specially from the Secondary steel sector viz., Alloy steel producers, Steel wire manufacturers, etc. for providing them a fair chance and enabling wider industry participation for making India Atmanirbhar in specialty steel. To address concerns of the secondary steel sector and make it simpler and more participatory and to include several other sub categories of specialty steel meant for strategic sector, fresh modifications in the existing scheme have been proposed. Accordingly, the last date for applying under PLI Scheme for specialty

steel through online process has been extended up to 30.04.2022 vide notification dated 23.03.2022 as against the earlier end date of 29.03.2022.

5. During the fiscal year 2021-22, the cumulative production of crude steel at 120.11 million tonne (MT), finished steel at 113.25 MT and consumption of finished steel at 105.41 MT has exceeded their respective levels achieved during any of the earlier fiscal. The graph below (Graph -I) shows that the production of both crude and finished steel as well as consumption of finished steel is highest in the FY22 when compared to previous three years. This improved performance was achieved despite the adverse effect of second wave of COVID-19 and concomitant localised lockdowns during the initial months of FY22. The month-wise production and consumption of during the FY22 (Graph – II) indicates to an overall increasing trend during the year. Further, after a month-on-month (M-o-M) decline in February'22, production of steel, both crude and finished, as well as its consumption made smart recovery in March'22 and registered a significant increase M-o-M(Graph – II).



6. In sync with the overall performance of the sector, the CPSEs of Steel Sector have come up with improved/encouraging performance during the fiscal as may be seen below:

- i. SAIL registered its best ever production performance during FY22 with all its five Integrated Steel Plants (ISP) registering their highest ever production of Hot Metal, Crude Steel and Saleable Steel during the year.

- ii. NMDC surpassed the landmark milestone of 400 LMT of production and sale of iron ore and came up with best ever yearly performance on both these counts. Production and sale of iron ore by NMDC in March'22 is highest ever in any month since inception.
- iii. RINL achieved the best ever production of Hot Metal, Liquid Steel, Crude Steel and Saleable Steel since inception.
- iv. KIOCL achieved its highest ever Revenue from Operations since inception during the Financial Year 2021-22 at Rs. 3006.67 Crores.

7. During the fiscal year 2021-22, production of Manganese ore by MOIL at 12.31 LMT was 7.7% higher than last fiscal while its total sales turnover at Rs. 1436.55 crore was 22% higher than FY21. During March'22, production of Manganese ore at 1.36 LMT was higher by 15.3% M-o-M but 4.4% lower than that in CPLY.

8. In the FY 2021-22, Ministry of Steel has released a subsidy of Rs 1,31,96,845/- (Rupees One Crore Thirty-One Lakh Ninety-Six Thousand Eight Hundred and Forty-Five only) to Steel Authority of India Limited under the "Scheme for Promotion of Flagging of Merchant Ships in India" for providing support to Indian Shipping Companies in global tenders floated by the CPSE for import of government cargo."

9. The issues/concerns in implementation of projects of steel companies uploaded on PRAGATI and PMG portals are taken up through the PMG for resolution. The issue related to Environmental Clearance for TOR for Bailadila Iron Ore Deposit-4 Mine (Mining area: 646.596 Ha) and Screening cum Beneficiation Plant (Forest land: 100.077 Ha and 95.46 Ha Revenue land) of NMDC was resolved during March'22.

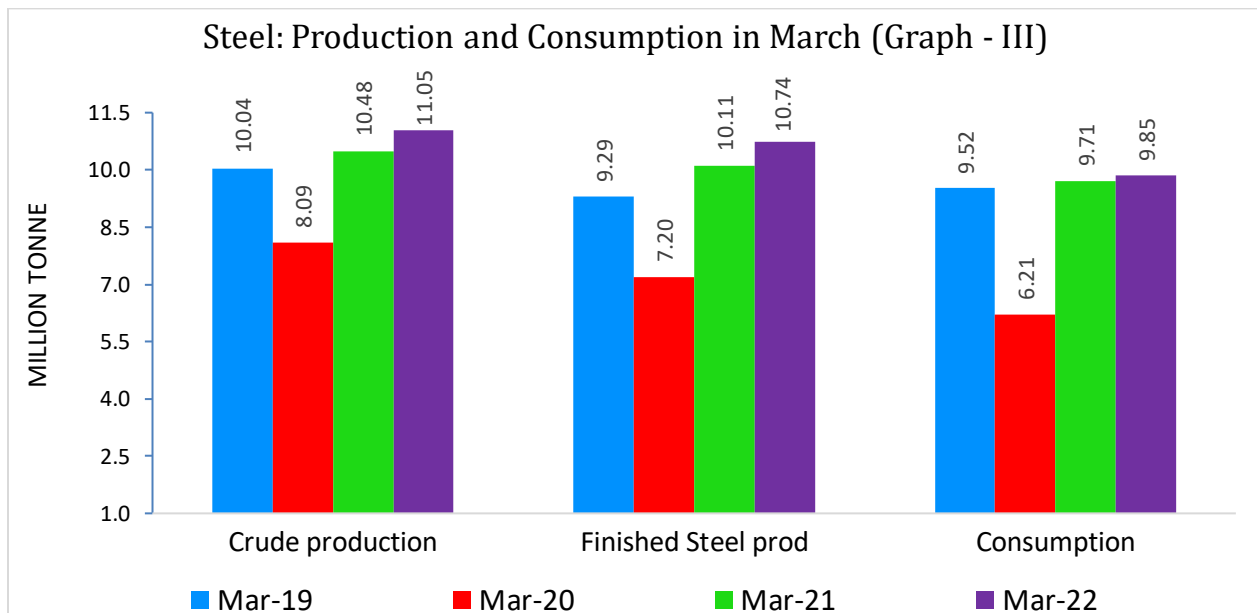
10. SAIL has approved and added a new project on the OCMS portal of MoSPI viz., "Installation of 4th Slab Caster along with its Auxiliaries and a New Ladle Furnace in SMS-II" at RSP. This takes the total ongoing projects of Steel CPSEs on OCMS portal, costing Rs. 150 or above, to seven (SAIL-5, NMDC-2) with the total project cost of Rs. 28406 Crore.

11. The CAPEX by Steel CPSEs in March'22 was Rs. 1787.4 crore which is 168.6% higher M-o-M and 6.2% lower than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for FY22 at Rs. 10038.8 crore is 38.2% higher than CAPEX during CPLY but 75.5% of the BE for the fiscal. Secretary Steel reviewed the CAPEX performance of steel CPSEs on 21st March, 2022 and urged them to make all efforts to optimize/maximize their CAPEX for the fiscal.

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. Payment of Rs. 634.43 crore was made by Steel CPSEs to MSMEs during March'22 as against Rs. 517.44 crore in February'22. During FY22, Steel CPSEs have made payment of Rs. 5511.07 crore to MSME which is 65.9% higher than the payment of Rs. 3321.16 crore made during FY21.

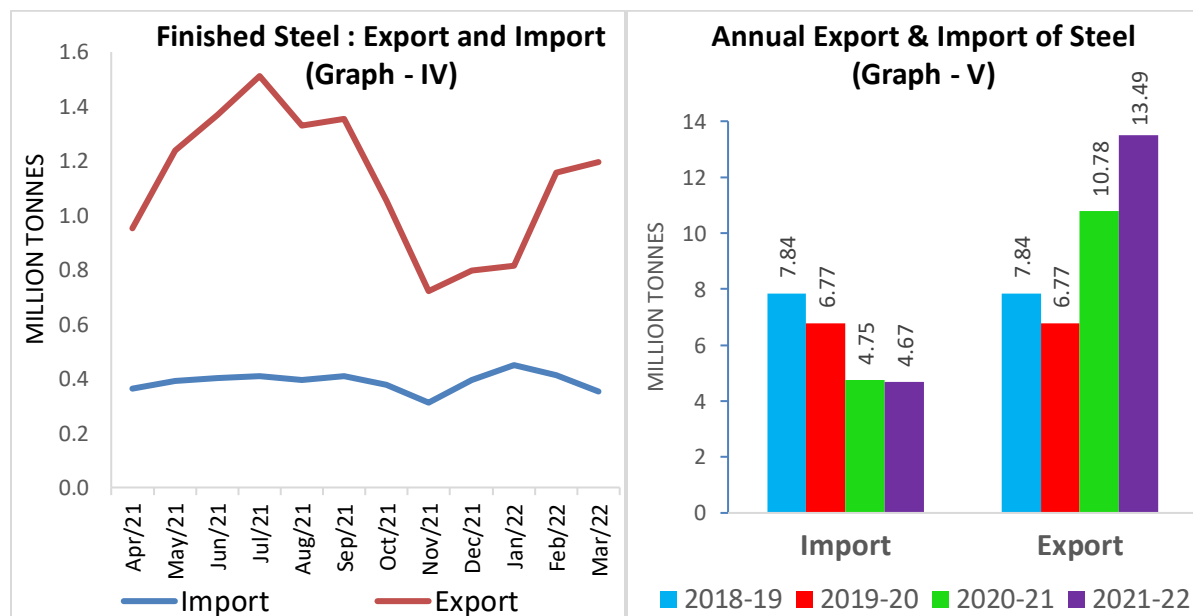
13. Production and Consumption Scenario:

- i. A comparison of production and consumption of steel during the month of March over the last four years indicate that production of crude and finished steel as well as consumption of finished steel during March'22 is higher than that in the corresponding month of the last three years. (Graph-III)

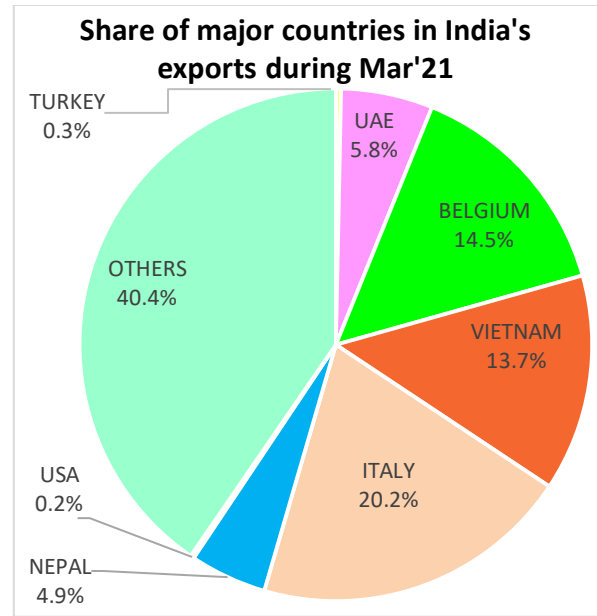
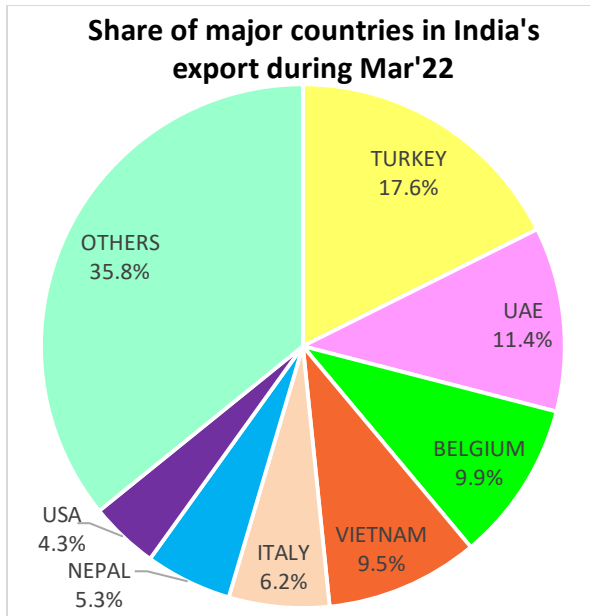


- ii. Production of crude steel in March'21 at 11.05 MT increased by 9.8% M-o-M and 5.4% over CPLY.
- iii. Production of finished steel in March'22 at 10.74 MT was 18.2% higher M-o-M and 6.3% over its production during CPLY.
- iv. Consumption of finished steel in January'22 at 9.85 MT increased by 14.7% M-o-M and 1.4% over its production during CPLY.
- v. Inventories of the finished steel with the steel producing companies at 7.99 MT the end of March'22 was higher by 0.7% M-o-M but 10.1% lower than CPLY.

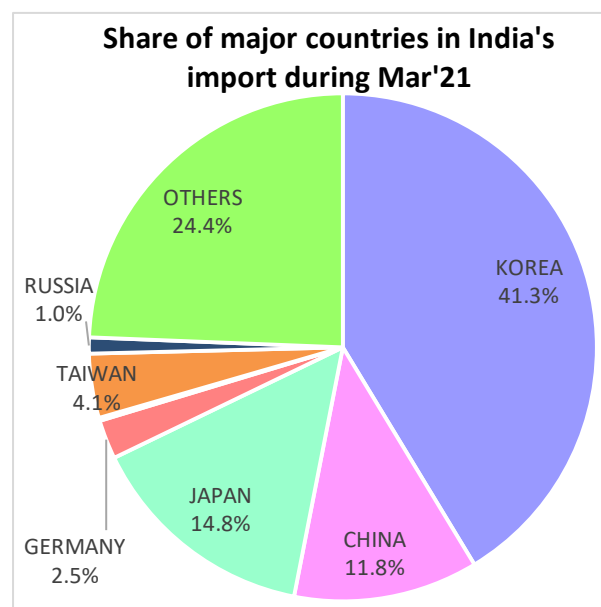
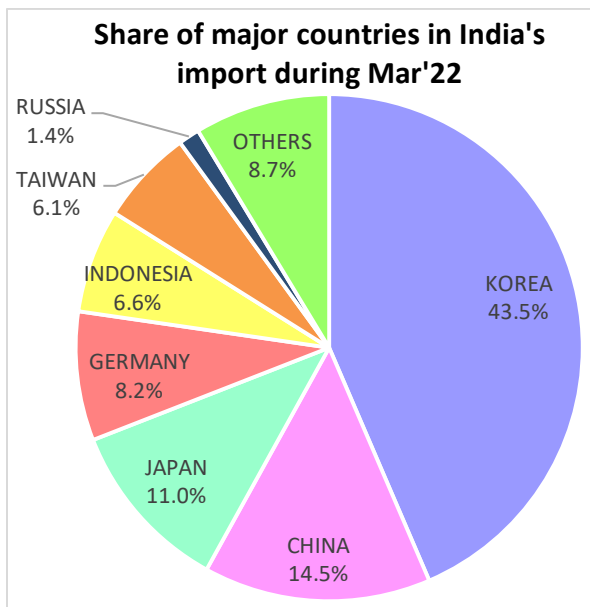
14. Export-Import Scenario: India's annual import of steel have consistently declined during the last four years while its export has been increasing from FY 2020-21 (Graph – V) onwards making India a net exporter in the FY21 and FY22, both. The month-wise trend in export and import of finished steel during FY22 (Graph-IV below) indicates that there were noticeable fluctuations in monthly exports during FY22 but have maintained an uptrend since Dec'21. However, imports have remained relatively stable and range bound during FY22.



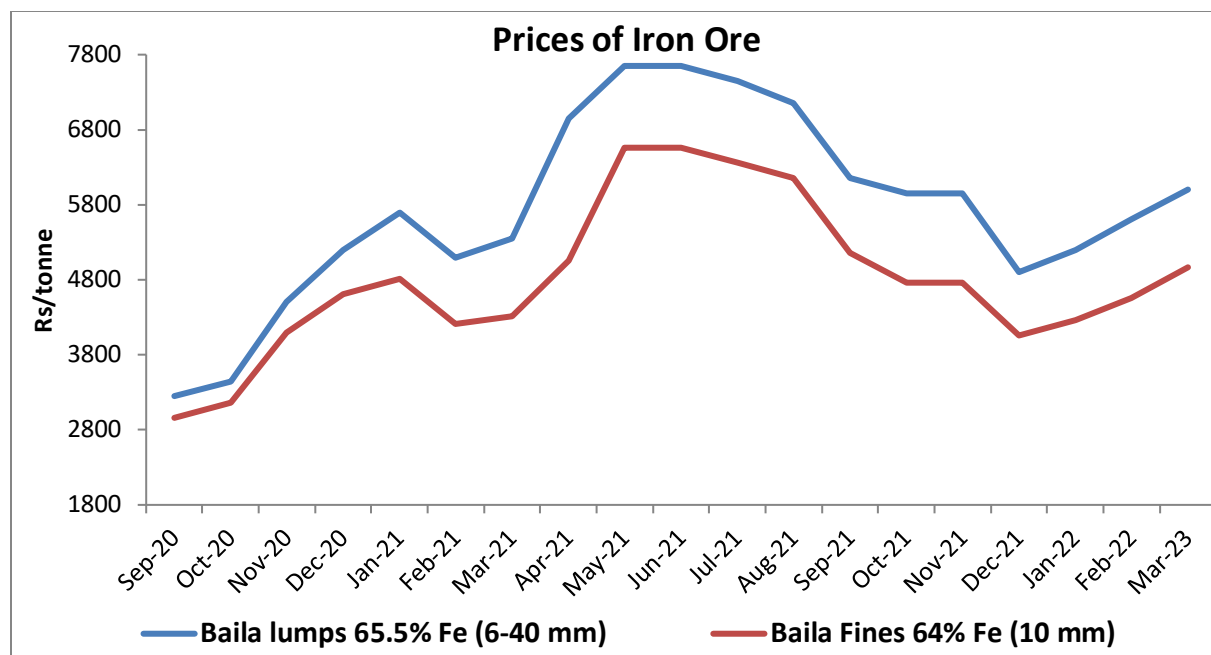
- i. Export of finished steel during March'22 at 11.95 LMT declined by 7.6% while import at 3.51 LMT declined by 29.9% over CPLY. M-o-M, export of finished steel increased by 3.3% while its import declined by 14.6% in March'22. During FY22 exports at 134.94 LMT registered an increase of 25.1% over the exports during FY21 while imports at 46.69 LMT declined by 1.7% over same period.
- ii. India was net exporter of finished steel recording a net trade surplus of 8.44 LMT in March'22 and 88.24 LMT during April-March, FY22, respectively.
- iii. Share of Turkey, UAE, Nepal and USA in total steel export from India was higher in March'22 as compared to March'21. However, share of Belgium, Vietnam and Italy in India's total steel export declined over the same period as may be seen from the following graph.



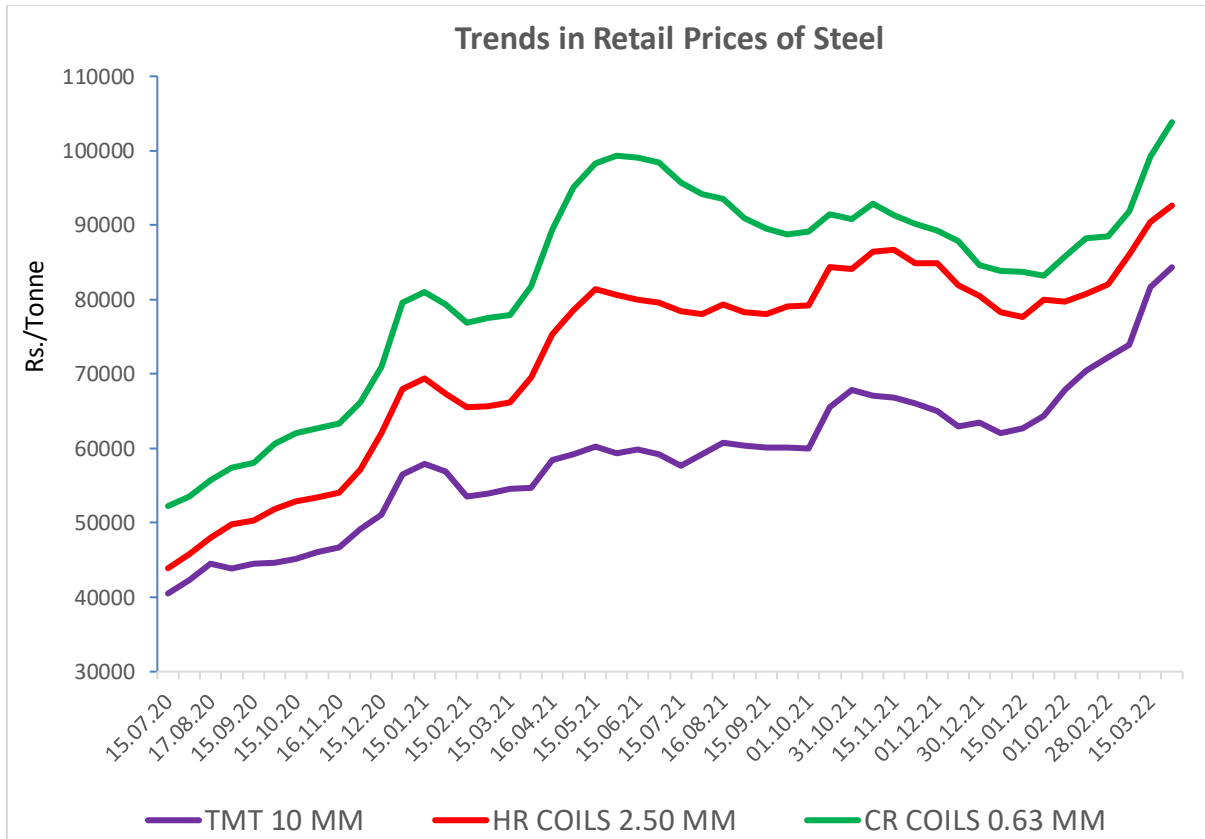
iv. Share of Korea, China, Germany, Indonesia, Taiwan and Russia increased in total steel import of India in March'22 as compared to March'21 while it declined for Japan over this period as may be seen from the following graph:



15. Price scenario: Prices of iron ore, after hitting peak in May-June'21 followed a declining trend since July'21 till December'21. However, prices of iron ore have again been witnessing an increasing trend since January'22 as may be seen from the graph below:



- i. During the month of March'22, prices of iron ore lump increased by 7.1% to Rs.6000/tonne and that of fines by 8.8% to Rs.4960/tonne over their respective prices in February'22.
- ii. In March'22, NMDC achieved production of 49.8 LMT and sales of 42.1 LMT of iron ore which are higher by 9.0% and 3.2% respectively than that in the CPLY. During FY22, production of iron ore by NMDC at 421.5 LMT and its sales at 407.0 LMT was 23% and 22% higher than CPLY, respectively. During the month SAIL produced around 28.31 LMT of iron ore which is an increase of 7.7% M-o-M and decline by 4.8 over CPLY. During FY22 the production of iron ore by SAIL was 341.33 LMT which is a growth of about 14% over CPLY.
- iii. Trend in retail prices of steel product categories viz., Rebar, HRC and CRC may be seen from the following graph. It is seen that prices of CRC which moderated from July'21 onwards started to rise again since February'22, hitting the new peak by end-March'22. In case of HRC and Rebar also, retail prices which showed some signs of moderation during November'21 to January'22, started increasing subsequently reaching their respective peaks by end-March'22 as may be seen from following graph



iv. The retail prices for Rebar (10mm),HRC (2.50mm) and CRC (0.63mm) in Mumbai on 31stMarch, 2022 at Rs. 84341/tonne, Rs. 92630/tonne and Rs. 103840/tonne were 7.6% and 13.1% higher than their respective prices at the start of the month.

16. The global production of crude steel decreased by 5.7% in February'22 over February'21 due mainly to a 10.0% decline in production in China. In addition, few other major steel producing countries viz., Japan, Russia, South Korea, Turkey, Brazil, Italy and Ukraine also reported decline in production during the month over CPLY. The major producing countries (with production of 1 million tonne for the month) which contributed to the enhanced global production in Febreuary'22 over February'21 include India, USA, Germany, Iran, Taiwan, Vietnam and Mexico. As regard the share of major producing countries in the global production of crude steel (Graph below), it is seen that due to decline in production in China and uptick in production in some of other major producing countries, share of China declined while that of India, Japan, USA Germany and Turkey increased during this period, while the share South Korea remained more or less stable.

