

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

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Udyog Bhawan, New Delhi  
Dated: 28<sup>th</sup> September, 2022

**OFFICE MEMORANDUM**

**Subject: Monthly Summary for the Cabinet for the month of August, 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 August, 2022 for information.

**Encl:** As above.



**(Raj Kumar)**

Deputy Director

Tel: 23061777

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, 3<sup>rd</sup> 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)

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

**अगस्त - 2022**

**August - 2022**

**भारत सरकार /GOVERNMENT OF INDIA**

**इस्पात मंत्रालय/ MINISTRY OF STEEL**

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

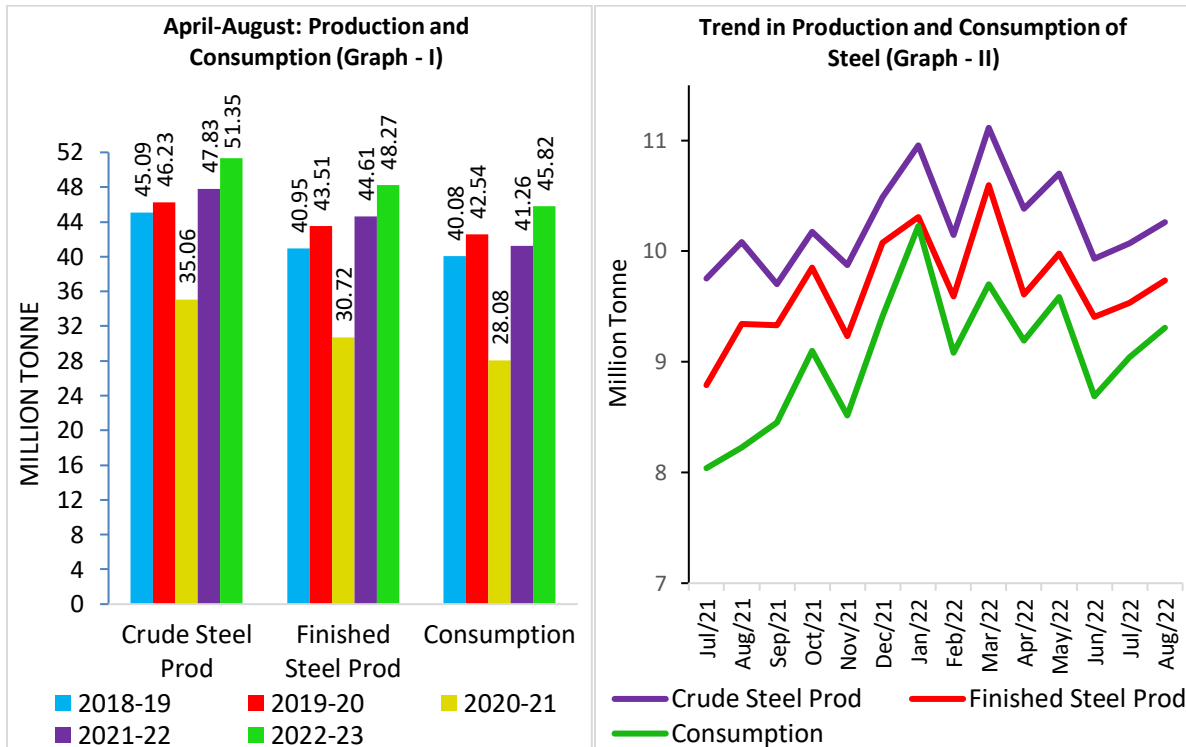
1. Ministry of Steel has constituted two Advisory Committees under the Chairmanship of Hon'ble Steel Minister (HSM), one each for the Integrated Steel Plants (ISP) and the Secondary Steel Sector. Eminent members of the steel industry, associations, academia, and senior retired officials from the Government are members of the Committees. These Committees take cognizance of the issues being faced by the sector and deliberate on the ways and means to mitigate them so as to achieve targeted crude steel production capacity of 300 Million Tonne (MT) by 2030-31, as envisaged in the National Steel Policy 2017. Three meetings of the Advisory Committee on ISPs and two meetings of Advisory Committee on Secondary Steel Sectors were held during the month in which various issues being faced by the steel were discussed.

2. In pursuance to the Government of India's focus on developing a blueprint to steer the economy over 'Amritkaal', this Ministry has initiated the work on steel sector vision over 'Amritkaal' i.e., up to the year 2047. Towards this, Ministry is extensively engaged with all the concerned stakeholders and has been holding consultations with them to develop and finalize the contours of 'Vision 2047' for the sector. In this regard, a stakeholder meeting was held on 25<sup>th</sup> August, 2022 under the chairmanship of Secretary (Steel) and was attended by Industry players and associations viz. SAIL, Tata Steel, JSW, JSPL, AMNS, Indian Steel Association, Alloy Steel Producers Association, Sponge Iron Manufacturer Association, other secondary steel players etc. Inputs and suggestions of all stakeholders have been sought on Vision 2047.

3. Ministry of Steel has on boarded itself on PM GatiShakti Portal (National Master Plan portal) and has initiated the work of developing Geo-spatial map of steel plants across the country with the help of Bhaskaracharya Institute for Space Applications and Geo-informatics (BiSAG-N). Ministry in collaboration with BiSAG-N has developed a Mobile App for capturing the boundaries of steel factories/mines more accurately and electronically. As of now, the geo-location of 24 mines of CPSEs and more than one thousand iron and steel plants have been captured through the App and uploaded on the National portal.

4. The performance of Steel sector during April-August, FY23 has been encouraging. The cumulative production of crude at 51.35 MT, finished steel at 48.27 MT and consumption of finished steel at 45.82 MT during April-August, FY23 has exceeded their respective levels achieved over the corresponding period of not only COVID affected last two years but also pre COVID years as well, as may be seen from the following graph on cumulative production and consumption for five years (Graph-I). The month-wise production and consumption (Graph - II) indicates to an overall

increasing trend with month on month fluctuations and that the production and consumption of steel improved in August'22 over their respective levels in July'22.



5. During the month, the steel producing CPSEs viz., SAIL and RINL registered an increase in production over month (M-o-M) but decrease over the corresponding period last year (CPLY). Similar production trend is exhibited by ore producing CPSEs viz., NMDC, SAIL, KIOCL and MOIL wherein production during Aug'22 was higher than previous month but lower than CPLY. The detailed performance of the Steel CPSEs are as below:

- i. During August'22, SAIL produced 15.16 lakh metric tonne (LMT) of Hot Metal and 14.37 LMT of Crude Steel recording an increase of 2.9% and 3.2% M-o-M but a decline of 8.3% and 6.0% over CPLY, respectively. Production of Saleable Steel by SAIL during the month at 13.83 LMT recorded an increase of 2.6% M-o-M but a decline of 4.8% over CPLY. The cumulative production of SAIL during April-August'22, for Hot Metal at 76.83 LMT, Crude Steel at 71.61 LMT and Saleable Steel at 68.11 LMT registered an improvement of 4.1%, 5.3% and 2.9% respectively, over April-August'21. During the month SAIL produced around 24.24 LMT of iron ore recording a decline of 10.9% M-o-M and 14.0% over CPLY. The cumulative production of iron ore by SAIL during April-August'22 at 136.42 LMT was 0.8% lower than CPLY.

- ii. Production of iron ore by NMDC at 24.8 LMT in August'22 registered an increase of 21.1% M-o-M but a decline of 18.9% over CPLY. The cumulative production of iron ore by NMDC during April-August'22 at 134.5 LMT declined by 10.4% over CPLY. Sale of iron ore by NMDC at 28.3 LMT in August'22 was lower by 4.3% M-o-M and 2.9% over CPLY. During April-August'22, sale of iron ore by NMDC at 134.4 LMT was lower by 14.2% over CPLY.
- iii. During August'22, KIOCL produced 1.0 LMT of Pellets. During the month KIOCL sold 0.79 LMT of Pellets which was lower by 24.8% over CPLY but 27.4% higher M-o-M. During April-August'22, sales of Pellets by KIOCL at 4.09 LMT recorded a decline of 51.7% over CPLY.
- iv. During August'22, production of Manganese ore by MOIL at 0.80 LMT was 14.3% higher M-o-M but 7.0% lower than CPLY. While its sale during August'22 at 0.53 LMT was 5.4% lower M-o-M and 37.7% lower than CPLY. During April-August'22, production of Manganese ore at 4.72 LMT was higher by 11.9% and its Sale at 3.92 LMT was lower by 7.3% over CPLY.
- v. During August' 22, RINL achieved production of 2.94 LMT of Liquid Steel, 2.95 LMT of Hot Metal, 2.83 LMT of Crude Steel and 3.36 LMT of Saleable Steel which is 11.1%, 9.2%, 12.0% and 9.2% higher than its production in July'22 respectively and 37.1%, 41.1%, 36.5% and 24.2% lower than CPLY respectively. During April-August'22, production of Liquid Steel at 16.14 LMT, Hot Metal at 16.78 LMT, Crude Steel at 15.44 LMT and Saleable Steel at 14.00 LMT by RINL was 32.7%, 34.6%, 32.6% and 35.4% lower than their respective production during CPLY.

6. The CAPEX by Steel CPSEs in August'22 at Rs. 491.65 crore was 37.1% lower M-o-M and 24.4% lower than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for April-August'22 at Rs. 2976.45 crore is 25.6% higher than CAPEX during CPLY but is 22.6% of the BE for the FY'23. 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.

7. 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. 645.23 crore was made by Steel CPSEs to MSMEs during August'22 which is 47.9% higher than payments made during CPLY and 10.0% higher, M-o-M. During April-August'22, Steel CPSEs have made payment of Rs. 2920.45 crore to MSME.

8. NMDC in association with FICCI organized a two-day conference on 'Indian Minerals & Metals Industry: Transition Towards 2030 & Vision 2047' in New Delhi on 23<sup>rd</sup>-24<sup>th</sup> August, 2022 to commemorate 75 years of India's independence as part of

Azadi Ka Amrit Mahotsav. The roadmap for the minerals and metal industry to achieve Vision 2047 was deliberate upon during the conference. The program was attended by stakeholders including global and domestic producers in the mineral industry, mine equipment manufacturers, global corporates and government organizations.

9. Ministry of Steel and CPSEs under their administrative control participated in the Har Ghar Tiranga campaign during 13- 15 August, 2022. During the campaign awareness program was conducted about Flag Code of India, 2002 and use/display of the Indian National Flag for employees of the Ministry and its CPSEs.

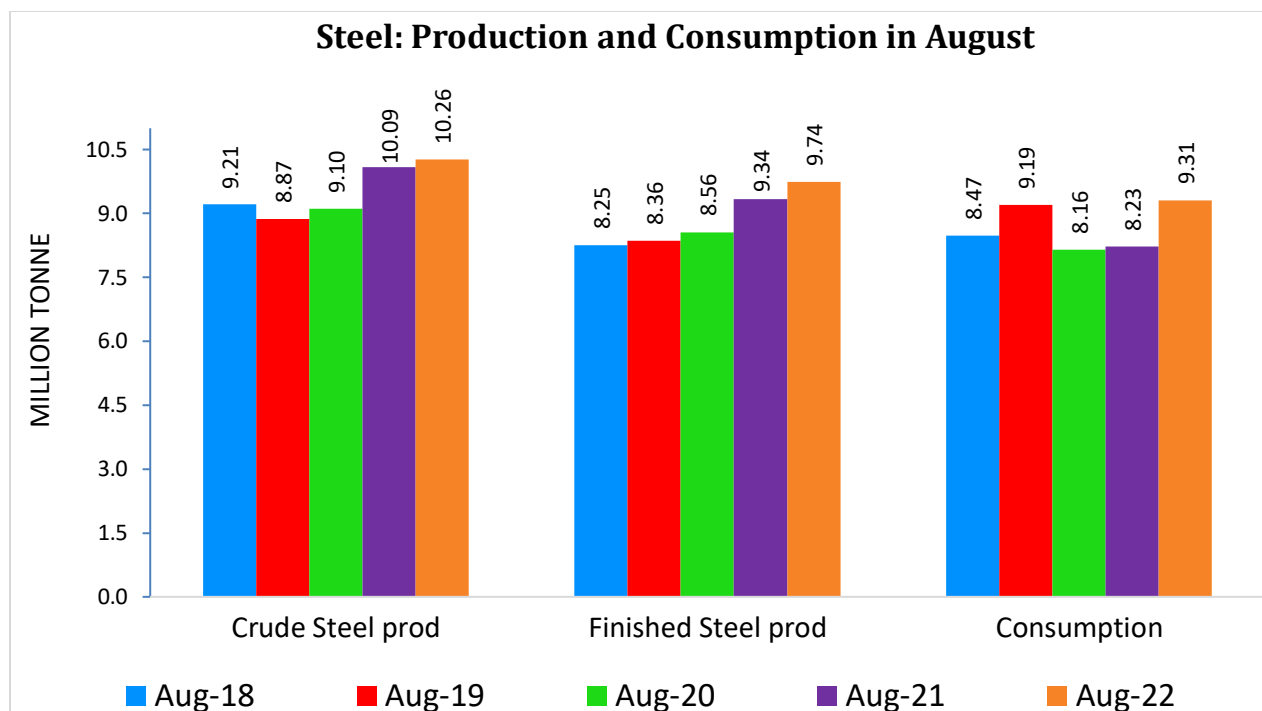
10. Meeting of Hindi Advisory Committee was held on 31<sup>st</sup> August, 2022 in Varanasi under the chairmanship of Hon'ble Minister of State for Steel where uses of Hindi in the Ministry and its CPSEs for official works was reviewed. The Advisory Committee complimented the steel CPSEs and the Ministry for their performance in uses of Hindi and made suggestions for further enhancing the uses of Hindi in the Ministry of Steel and Steel CPSEs. Short videos on 'Hindi Yatra' was also displayed during the meeting.

11. Presently, nine ongoing projects of steel CPSEs (SAIL-6, NMDC-3) with total project cost of Rs 30,334 crore are uploaded on the OCMS portal of MoSPI. An expenditure of Rs 23,717 (78.2%) has been incurred till August'22.

12. There are eight National Infrastructure Pipeline (NIP) Projects related to slurry pipelines of various steel companies having a total cost of Rs. 25,680 crore are uploaded on IIG/NIP Portal. An expenditure of Rs. 2918 cr. has been incurred on these projects till August'22 during the current fiscal.

**13. Production and Consumption Scenario:**

- i. A comparison of production and consumption of steel during the month of August over five years indicate that production of crude and finished steel as well as consumption of finished steel during August'22 is highest in five years as may be seen from following graph:



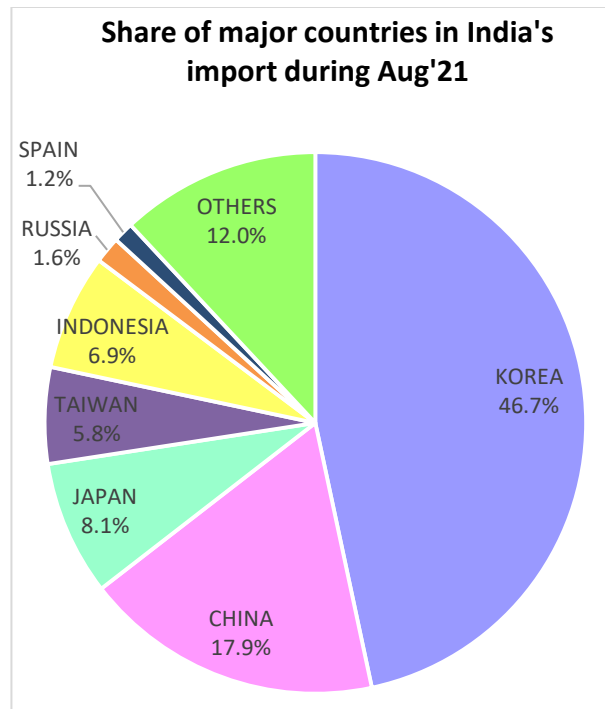
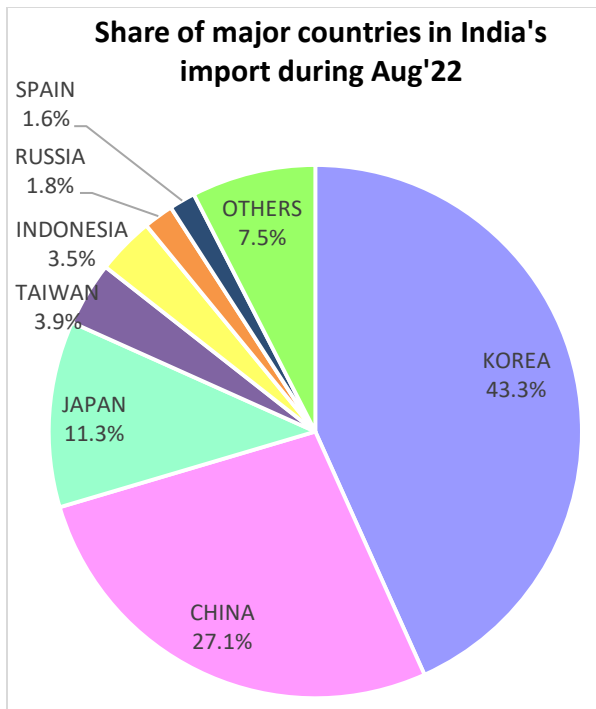
- ii. Production of crude steel in August'22 at 10.26 MT increased by 1.7% over CPLY and by 1.9% M-o-M.
- iii. Production of finished steel in August'22 at 9.74 MT increased by 4.2% over CPLY and by 2.1% M-o-M.
- iv. Consumption of finished steel in August'22 at 9.31 MT increased by 13.1% over CPLY and by 3.0% M-o-M.
- v. Inventories of the finished steel with the steel producing companies at 9.06 MT at the end of August'22 remained unchanged from previous month but increased by 14.9% over CPLY.

14. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during recent months shows that except for July'22, India's export during a month has consistently exceeded import during that month. Also, export of finished steel from India has shown more pronounced M-o-M variation while imports have been relatively stable as may be seen from the graph below:

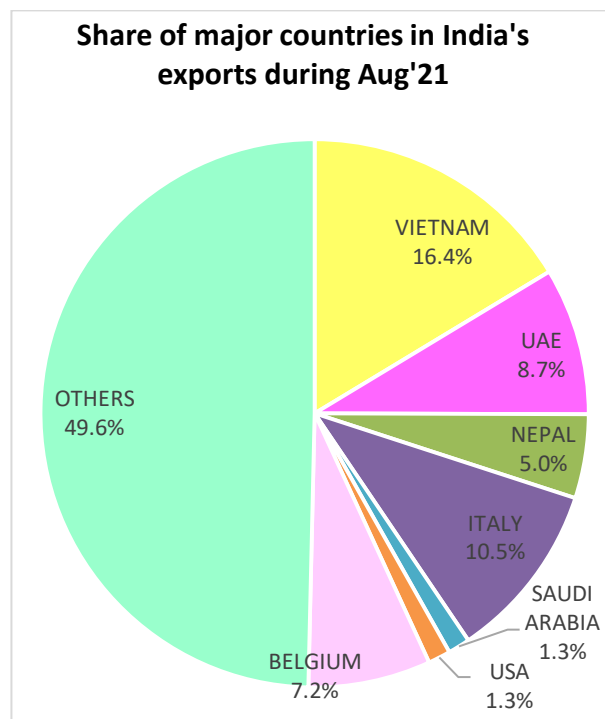
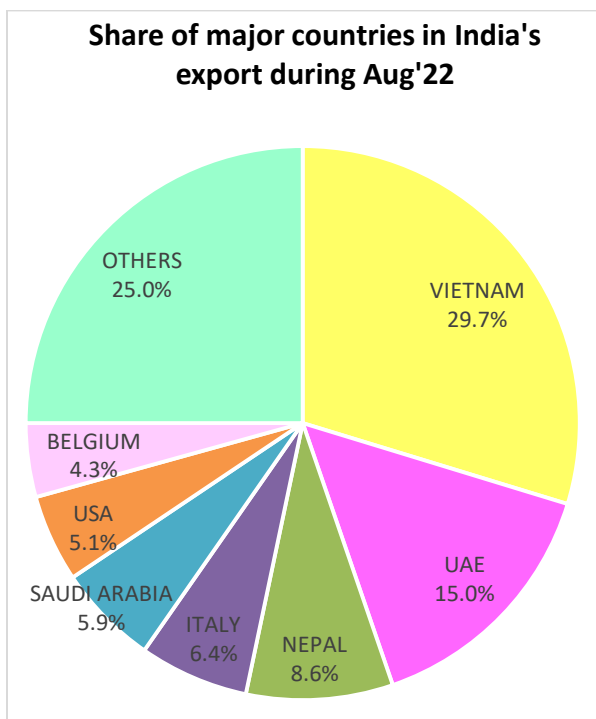


- i. Export of finished steel in August'22 at 4.54 LMT increased by 19.5% M-o-M but registered a decline of 65.9% over CPLY while import at 4.42 LMT declined by 0.5% M-o-M but increased by 11.8% over CPLY. During April-August'22 exports at 30.24 LMT declined by 52.7% and imports at 20.58 LMT increased by 4.8% over CPLY.
- ii. In August'22, India's export was marginally higher than its imports and it became a net exporter of finished steel again, after turning net importer in previous month, with a net trade surplus of 0.12 LMT.
- iii. Share of China, Japan, Nepal, Spain and Russia increased in total steel import of India in August'22 as compared to August'21 while share of Korea, Indonesia and Taiwan declined over this period as may be seen from the following graph:

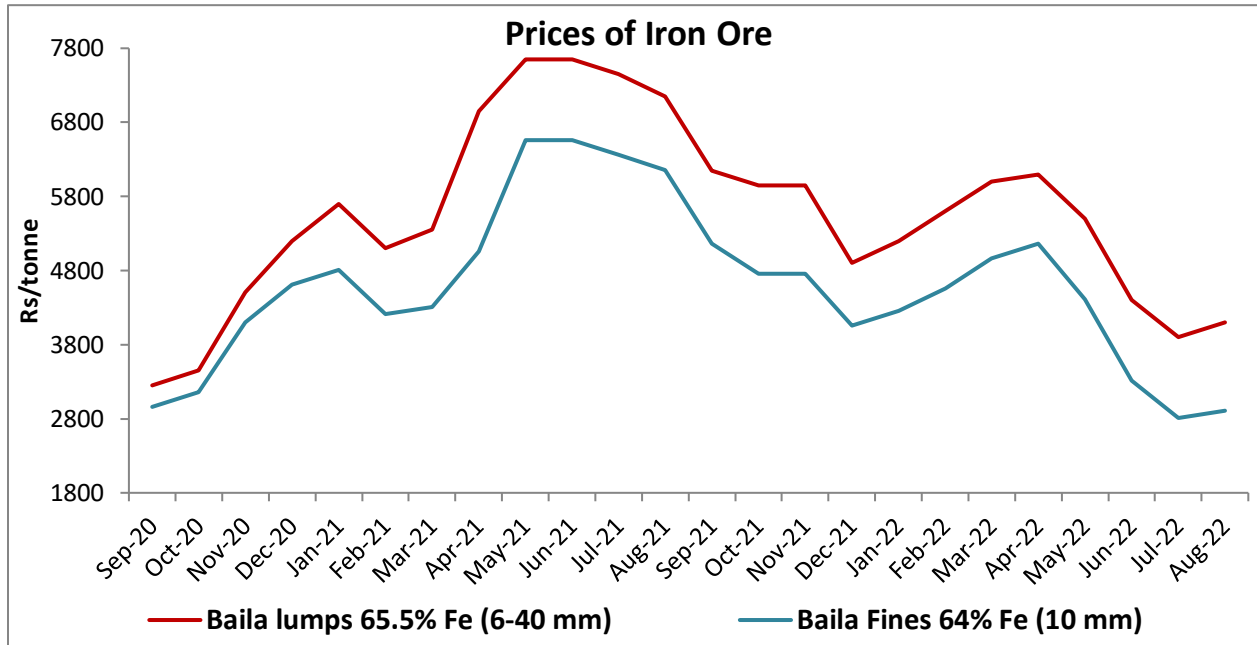




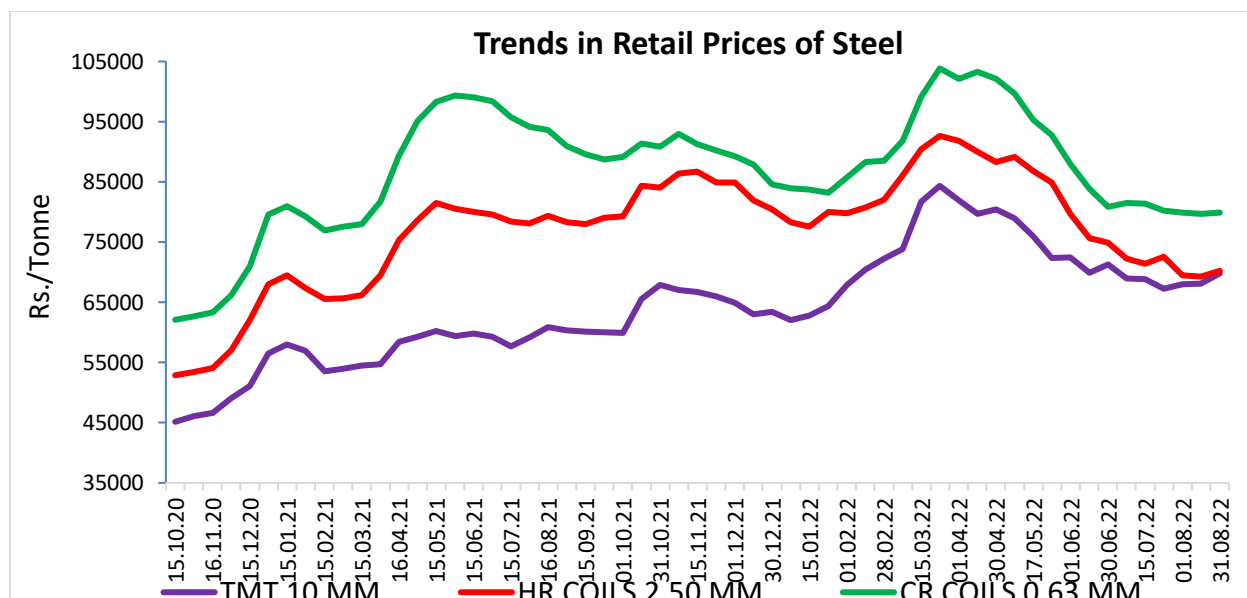
iv. Share of Vietnam, UAE, Nepal, Saudi Arabia, and USA in total steel export from India was higher in August'22 as compared to August'21. However, share of Italy and Belgium in total steel export declined over the same period as may be seen from the following graph.



15. **Price scenario:** Prices of iron ore, hit its peak in May-June'21. Its prices followed a declining trend since July'21 till December'21 but started increasing again from January'22 and the uptrend continued till April'22. The prices of iron ore which was declining since then have seen some uptrend in the month of August'22 as may be seen from the graph below:



- i. During the month of August'22, prices of iron ore lump increased by 5.1% to Rs. 4100/tonne and that of fines by 3.6% to Rs. 2910/tonne over their respective prices in July'22.
- ii. The prices of CRC, HRC and Rebar, peaked in March'22 and started moderating thereafter. The reduction in the prices may partly be attributed to decline in the cost of inputs. Prices of Australian coking coal declined to the level of below USD 200/tonne by the end of July, 2022 as against its peak of about USD 650/tonne recorded in March, 2022. Prices of iron ore also declined. In addition, declining international prices of steel and policy intervention in terms of imposition suitable modifications in tariff lines have also contributed to this trend of moderation in the domestic prices of steel. However, prices of raw material used for Steel making viz., Coking Coal and Scrap have increased by end of August'22 over July'22 with the prices of HCC Coking coal FOB Australia increasing from USD 191/tonne to USD 274/tonne. This has put some upward pressure on the prices of steel which registered marginal increase during August'22 as may be seen from the following graph depicting trend in prices of steel product categories viz., Rebar, HRC and CRC.



iii. The retail prices for Rebar (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai on 31st August'22 at Rs. 69750/tonne, Rs. 70210/tonne and Rs. 79920/tonne were 2.7%, 1.0% and 0.1% respectively higher than their respective prices at the start of the month.

16. The global production of crude steel decreased by 6.5% in July'22 over CPLY which is majorly due to a decline in production in China, Ukraine, Turkey, Japan and Russia. In addition, during the month, few other major steel producing countries viz., Brazil, USA, Italy and Vietnam also reported decline in production over CPLY. Only India, Iran and Mexico among the major producing countries (with production of 1 million tonne for the month) recorded an increase in production in July'22 over July'21. As regard the share of major producing countries in the global production of crude steel, it is seen that due to differences in contribution to global production, share of India, South Korea, Germany and Iran increased during July'22 while that of Japan and Russia declined. Share of China, USA and Brazil remained unaltered during this period as may be seen from the following graph:

