

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

Udyog Bhawan, New Delhi  
Dated: 28<sup>th</sup> June, 2021

**OFFICE MEMORANDUM**

**Sub: Monthly Summary for the Cabinet for the month of May, 2021.**

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 May, 2021 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. 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](mailto: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

मई - 2021

May - 2021

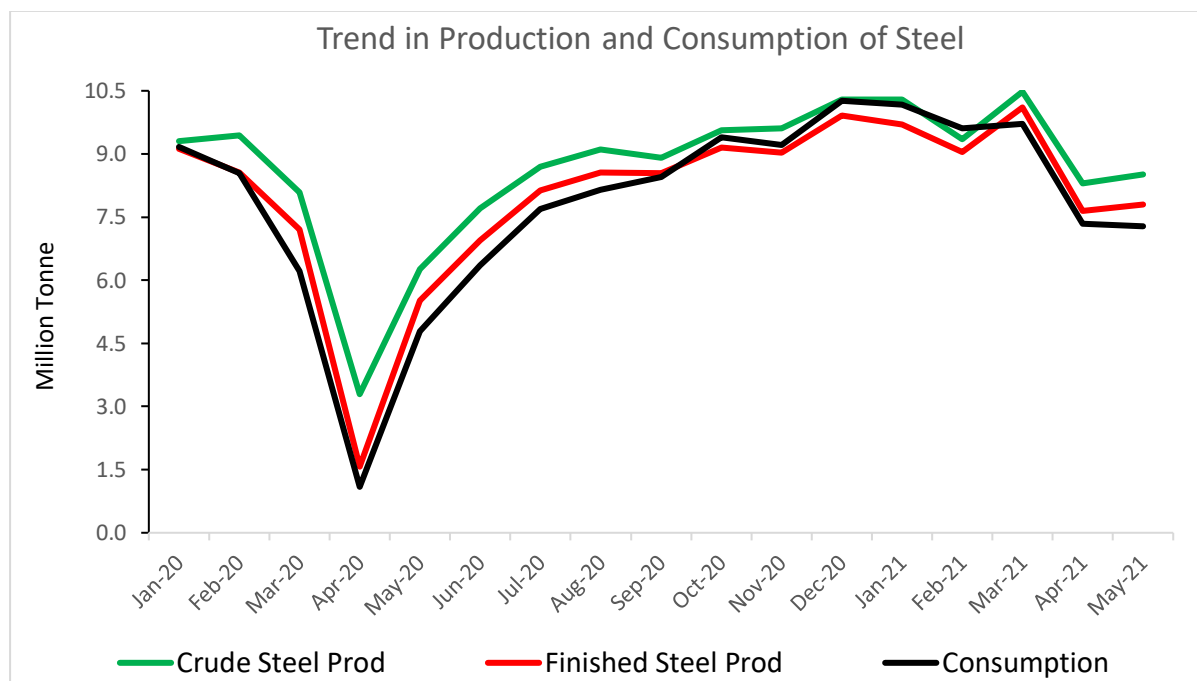
भारत सरकार/ GOVERNMENT OF INDIA

इस्पात मंत्रालय/ MINISTRY OF STEEL

The important developments in the steel sector during the month of May 2021 are as following:

- During the month, 1,18,320 MT of Liquid Medical Oxygen (LMO) has been supplied by Steel companies for medical use across the country to meet the huge demand of medical oxygen emanating from the sudden upsurge in covid-19 cases across the country. Major Steel companies have also planned to extend 8000 beds in the hospitals run by them at the earliest to ease out the crisis situation caused due to surge in covid cases and meet the requirements. Out of this, 3000 beds have been commissioned during the month.
- Minister of Steel dedicated Phase-1 JUMBO COVID CARE facility at Visakhapatnam Steel Plant Township (RINL) with 300 oxygen equipped beds to the service of the nation on 30.05.2021. RINL has also supplied more than 15,500 MT Liquid Medical Oxygen (LMO) to the nation till 31<sup>st</sup> May, 2021.
- Minister of Steel earlier dedicated Jumbo Covid Care facility with Oxygen beds at SAIL's steel plant at Burnpur (ISP) and Durgapur Steel Plant (DSP) to the Nation on 19<sup>th</sup> May and 31<sup>st</sup> May, 2021 respectively. These are 200- bedded COVID care facility equipped with the facility of gaseous oxygen. In addition, the upgraded COVID ICU facility at Rourkela was also dedicated to the Nation by the Hon'ble Minister on 20<sup>th</sup> May, 2021. During the month, SAIL supplied more than 36,000 MT of Liquid Medical Oxygen (LMO) to 15 States in the Country. The cumulative figure since such supplies commenced last year stood at more than 83,000 MT
- The eight steel CPSEs namely SAIL, NMDC, MECON, RINL, KIOCL, MOIL, MSTC, FSNL have placed a demand for 7,58,386 vials on vaccine through CII with most of the vaccination likely to be completed in June 2021.

- The Steel sector recovered from the initial wave of COVID-19 pandemic and returned with much better performance in the second half of the last fiscal as compared to CPLY. A comparison over last six years (2015-16 to 2021-22) excluding last fiscal, indicates that the production of crude steel in May, 2021 was higher than that recorded in corresponding month of three years viz. 2015-16, 2016-17 and 2017-18 but lower than the remaining two viz., 2018-19 and 2019-20. The trend in production and consumption of steel from the onset of pandemic last year may be seen from the following graph:



- During the month of May 2021, SAIL produced 1.381 Million Tons (MT) of Hot Metal, 1.237 MT of Crude Steel and 1.243 MT of Saleable Steel which is an improvement of 62%, 58% and 64% respectively over the performance during May 2020. However, M-o-M, during May'21, production of Hot Metal and Crude Steel registered an increase of 0.73% and 0.57% respectively while Saleable Steel declined by 1.04% as compared to their performance during April'21. Saleable Steel Sales during May'21 stood 1.111 MT, a growth of 33% over May'20 but was lower by 7.57% vis-à-vis sales during April'21.

- The matter regarding transit permit for the movement of auctioned iron ore of SAIL was resolved by the Ministry of Steel along with Ministry of Mines by engaging with Govt of Odisha and clarifying the issue involved. Accordingly, the dispatch of auctioned iron ore fines has recommenced in Odisha. SAIL auctioned 5,30,000 tonnes of iron ore fines in the month of May 2021 and despatched 1.56 lakh tonnes during the month.
- Iron ore production by NMDC Ltd. for the month of May, 2021 was 2.79 MT while sales of iron ore stood at 3.30 MT. The production in May, 2021 increased by 21.6% over CPLY, while sales registered a growth of 29.6% over the same period. However, month-over-month(M-o-M) production of iron ore declined by 10.9% while sales of iron ore increased by 7.0% during May, 2021. The cumulative iron ore production at 5.92 MT and sales at 6.39 MT during April-May in FY 22 were 44.9% and 62.7% higher over lower base during the CPLY respectively.
- During the month of May, 2021, KIOCL produced 2.27 lakh tonne and sold 2.64 lakh tonne of Pellets. As compared to April'21, production and sales of pellets increased 26.1% and 65.3% respectively in May'21. During April-May, 2021-22, the KIOCL Pellet production stood at 4.07 lakh tonnes while sales were 4.23 lakh tonnes.
- M/s Air Liquide India Holding Pvt. Ltd. (ALIH) which is required to commission 2x850 TPD Air Separation Plant (ASP) on BOO basis at RINL's Visakhapatnam Steel Plant in terms of last year's decision in arbitration, has deputed its team at VSP since 03.05.2021 and experts from its sub-vendors are carrying out preliminary checks etc. of their machinery for commissioning purpose.
- Based on the Representations received from the stakeholders, the date of enforcement of nine Indian Standards has been extended from 3 to 6 months after

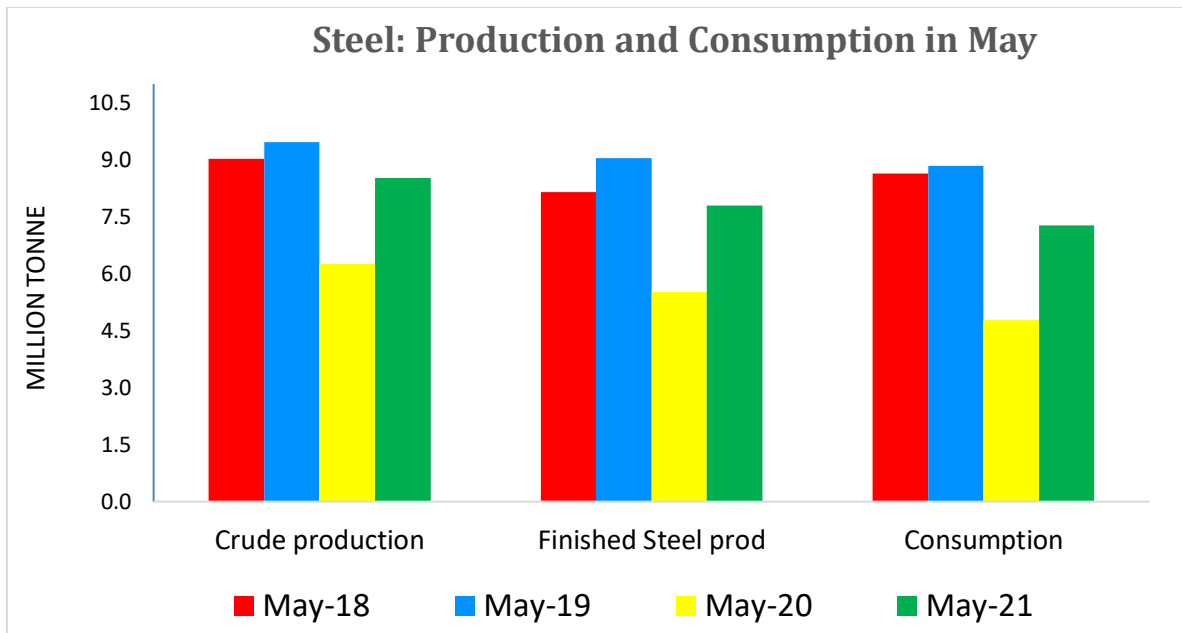
looking into the position of licenses already granted, applications under process by BIS for grant of licenses, production capacity of licensed manufacturers against specific standard to meet the demand of user industry and to avoid any disruption in supply of respective grade/material.

- The progress of PRAGATI projects related to Rail Lines, which are funded by steel CPSEs and implemented by Railways is being regularly monitored with the State Government of Chhattisgarh and Railways for their expeditious completion. Accordingly, the PCCF, Raipur has now issued another tree cutting permission under Narayanpur Forest Division dated 18.05.2021 for 1158 trees (in 2.763 Ha) and 2060 trees (in 6.694 Ha) in connection with the construction of Dalli Rajhara Rowghat Line.

- The status of pending payments to MSMEs by CPSEs of the Steel Ministry is being monitored on weekly basis to ensure that the same is credited timely and well within the 45 days' time limit for such payments. Payment of Rs. 372.42 crore was made by steel PSEs to MSMEs during May 2021 as against Rs. 355.43 crore during April 2021.

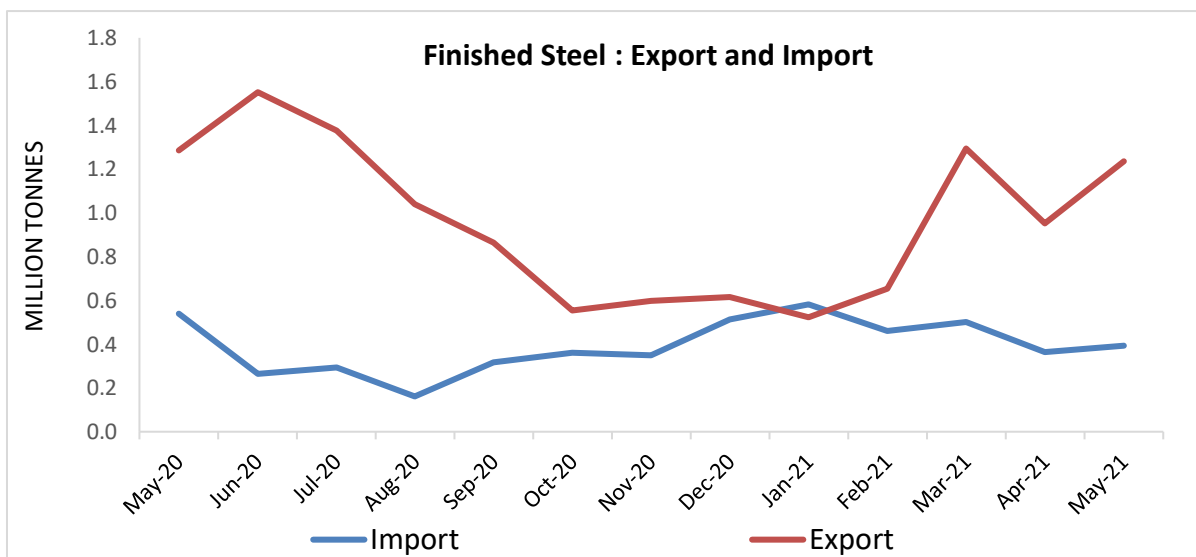
- **Production and Consumption Scenario:**

- i. The comparative picture of production and consumption of steel during the month of May over the last four years is depicted in the following graph. It is seen that the production of crude and finished steel and consumption of finished steel during the month of May, 2021 is higher than last year - which was affected by the lockdown, but is lower than those during the same month of previous two years which may inter alia be attributed to second wave of COVID-19.



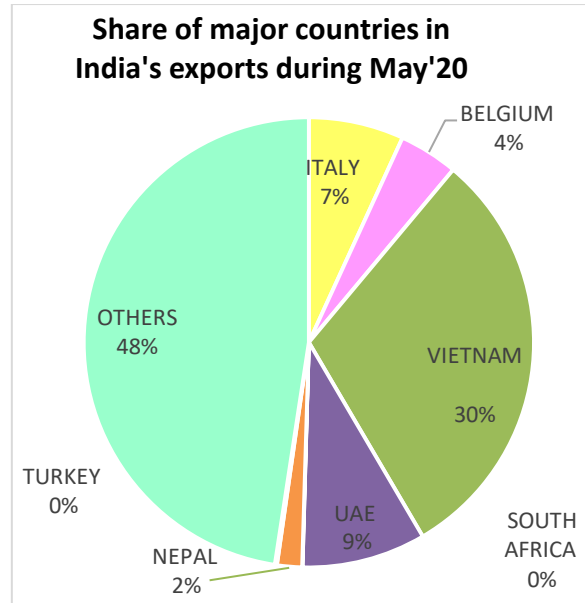
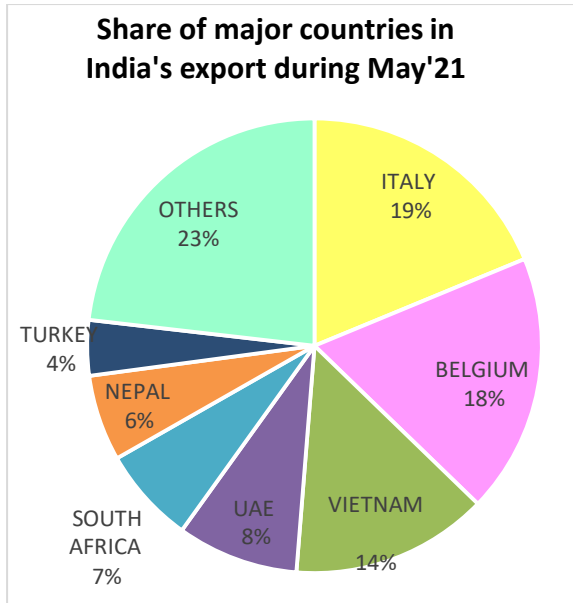
- ii. Production Production of crude steel in May, 2021 increased by 36.0% over the same month of the last year and by 2.6% over production in the previous month i.e., April, 2021.
  - iii. Production of finished steel in May, 2021 was higher by 41.3% over CPLY and 2.0% over that during April, 2021.
  - iv. Consumption of finished steel in May, 2021 registered an increase of 52.0% over May, 2020 but it declined by 0.8% on M-o-M basis i.e., over April, 2021.
  - v. The prevailing consumption and net export in conjunction with relatively lower production during May, 2021, has resulted in absorption of inventories with the steel producing companies. The closing stock of 8.36 MT of finished steel at the end of May, 2021 was 3.7% lower than that at the end of previous month and 40.8% lower than the same month of previous year.
- **Export-Import Scenario:** The month-wise export and import details indicate that progressive unlocking of the economy and improving economic activities have led

to better domestic demand resulting in decline/moderation in export in subsequent months. However, during the last two months of the fiscal 2020-21, there was an uptrend in export while import remained range bound. In the current fiscal, export and import both declined in April'21, but in the month of May'21, the rising international prices led to increased export while import remained range bound as may be seen from the following graph:

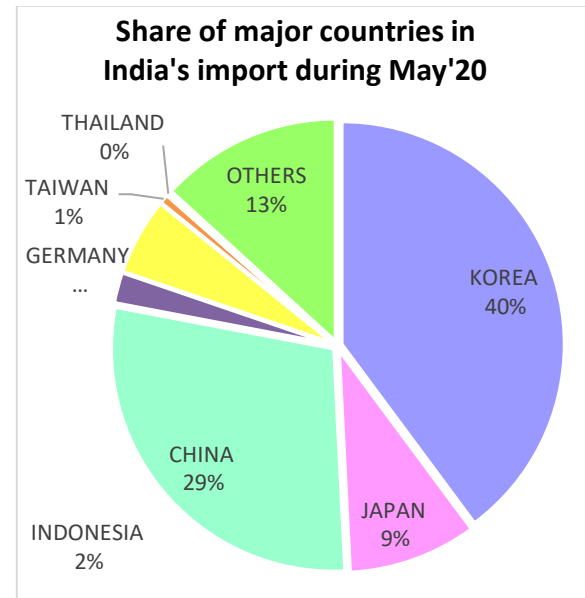
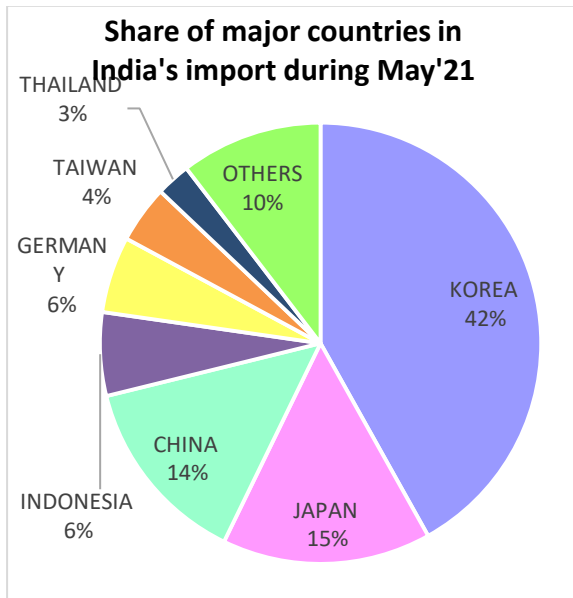


- i. May, 2021 export and import declined by 3.7% and 27.2% over CPLY, respectively. M-o-M, export and import increased by 30.0% and 8.0%, respectively in May, 2021.
- ii. India was net exporter of finished steel during the May, 2021, recording a net trade surplus of 0.84 MT.
- iii. Share of Italy, Belgium, South Africa, Turkey and Nepal in total steel export from India was higher in May, 2021 as compared to May, 2020. However, share of Vietnam and UAE in India's total steel export declined over the same period as may be seen from the following graph.



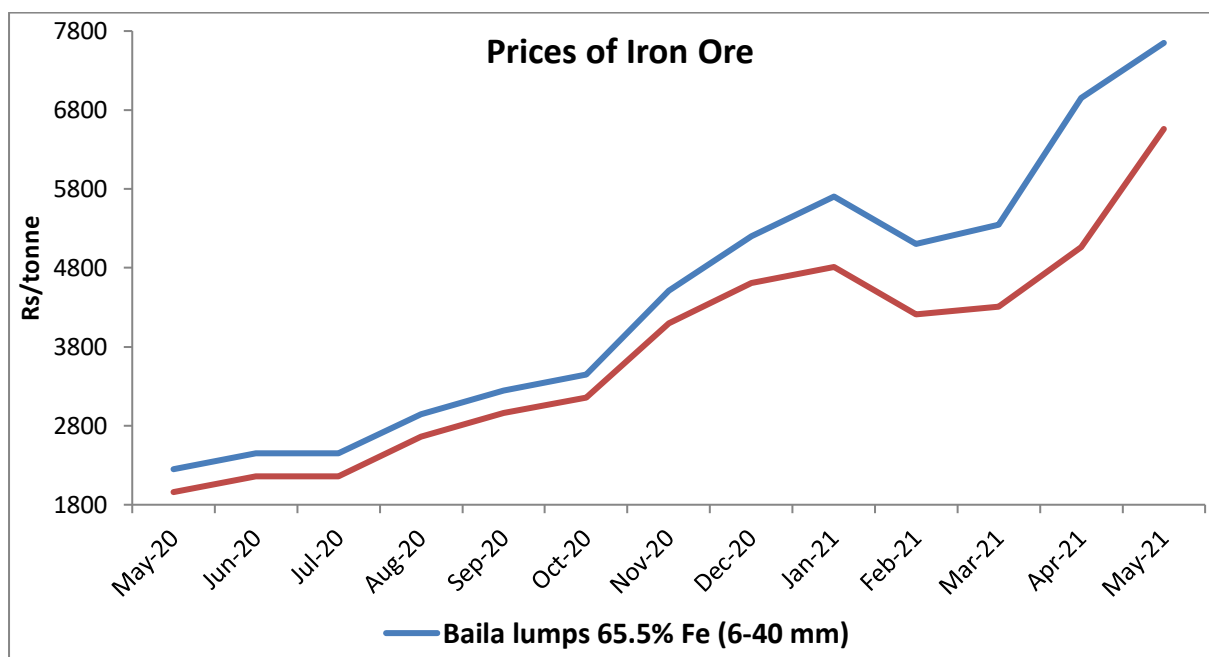


iv. Share of Korea, Japan, Indonesia and Thailand increased in total steel import of India in May, 2021 as compared to May, 2020 while it declined for China over this period as may be seen from the following graph:



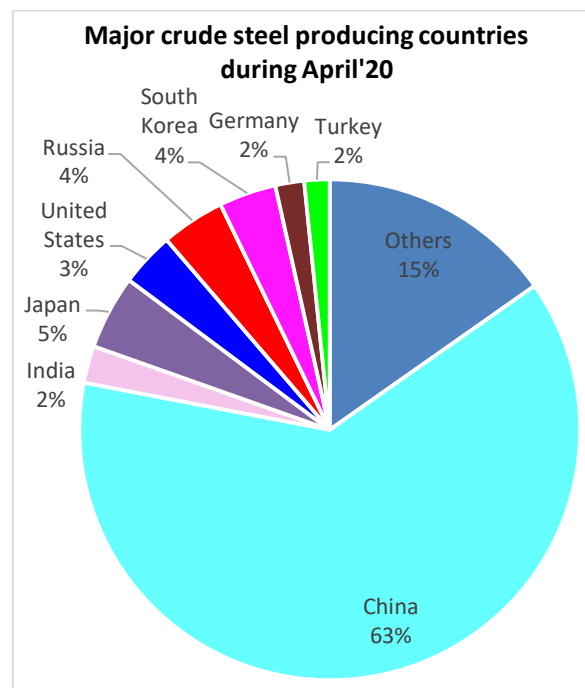
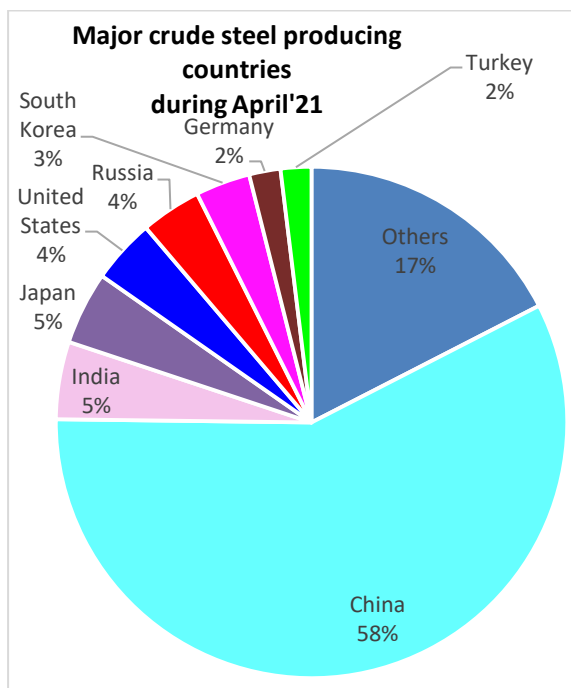
- **Price scenario:**

- i. Prices of iron ore lumps increased by 10.1% to Rs. 7650/tonne and that of fines by 29.6% to Rs. 6560/tonne respectively, during the month of May, 2021 over their respective prices in April, 2021 due to domestic demand-supply situation as well as increasing prices in international market during the month.
- ii. NMDC achieved production of 27.9 lakh tonnes and sales of 33.05 lakh tonnes of iron ore in May, 2021. The production and sales of iron ore were 21.6% and 29.6% higher than production during CPLY, respectively. SAIL booked 5.3 lakh tonnes of iron ore for sales during May'21 as against 0.4 lakh tonnes in April'21 while it despatched 1.56 lakh tonnes against 2.76 lakh tonnes over the same period.
- iii. The retail prices (Mumbai prices) of Rebar, HRC and CRC increased by 1.59%, 3.63% and 3.35% respectively during May, 2021.
- iv. The trend in iron ore prices may be seen from the graph below:



- BSE Sensex as well as BSE Metal Index showed an upward trend during May, 2021 registering increase of 7.4% and 6.4% respectively during the month indicating to a positive market sentiment.

- The global production of crude steel increased by 23.3% in April, 2021 over April, 2020 with almost all major producing countries reporting improved production over CPLY. The major contribution to the enhanced global production in April'21 over April'20 came from China, India, USA, Japan, Brazil and Turkey with most other producing countries also chipping in. The major producing countries (with production of 1 million tonne for the month) registering higher than global average of 23.3% growth in production in April, 2021 over CPLY include India, Italy, USA, Germany, Turkey, Brazil, Italy, Vietnam, Ukraine, Spain and France with none recording a decline during April, 2021 over CPLY. As for the share of major producing countries in the global production of crude steel it is seen that due to the uptick in production in other countries share of China and South Korea declined while that of India and USA improved during this period and the share of other major producers remained stable as may be seen from the following graph:



- The details of procurement of goods and services through GeM Portal by Ministry of Steel and Steel PSUs are as following:

	May 2021		April-May, 2021-22	
Organization	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	30	1.09	44	6.27
Steel CPSEs	480	23855.86	818	35222.64