

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

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
अक्टूबर - 2020
October - 2020

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

Monthly Summary for the Cabinet for the month of October, 2020:-

During the month of October 2020, the important developments in the steel sector are as following:

The National Steel Policy 2017 envisions 300 MT crude steel capacity in the country by 2030-31 requiring installing additional facilities/ plants of about 160 MT crude steel capacity in the next one decade backed by enhanced demand/consumption. In pursuance to this objective, Ministry of Steel held a web-meeting on 01.10.2020 with the stakeholders of **Automobile and Steel Industries** with the objective of reducing the use of imported steel by auto sector and promoting greater localisation in sourcing steel for the auto industry while ensuring quality as a step towards PM's vision of **Aatmanirbhar Bharat**.

2. The per capita consumption of finished steel has to increase from the current about 74.7 kg to 158 kg by 2030-31 which would still be lower than the current global per capita average consumption of 224.5 kg. A major thrust for the demand may emanate from the rural economy where average per capita consumption of finished steel is significantly lower at about 20.3 kg. Taking cognizance of these factors, the Ministry organised a web-based stakeholder consultation on '**Aatmanirbhar Bharat: Fostering Steel Usage in Rural Economy - Agriculture, Rural Development, Dairying and Food Processing Sectors**' on **20th October 2020** with the objective of enhancing awareness of steel usage in rural development sectors and bridging the gap between users and suppliers for promoting steel-intensive solutions in Rural India. Ministry of Rural Development, Ministry of Agriculture & Farmers Welfare, Ministry of Food Processing and Department of Dairying & Animal Husbandry participated in the Webinar

3. The second meeting of the **India-Russian Working Group (WG)** was held on October 22, 2020 to work out the modalities of procurement of Russian Coal for Indian Steel sector so as to enhance import of coking coal by the Indian steel producers from Russia. This is an effort at diversifying the sourcing of critical raw material like coking coal for dispersing/reducing the risk of supply disruption. Russian side was represented by Dy Minister of Energy.

4. Integrated Steel Plants (ISPs) in the Public and Private sector have been supplying **Liquid Medical Oxygen (LMO)** to meet the requirement of Oxygen in hospitals across the Country. 56,446.245 MT LMO was supplied by steel plants to various States during the period from 11th Sept. 2020 to 31st October, 2020; of which 37,364 MT was by private sector units and 19,081.47 MT by Steel CPSEs. Major supply was to 3 States viz., Karnataka (14251.9 MT), Andhra Pradesh (7467MT) and Maharashtra (7332.6 MT).

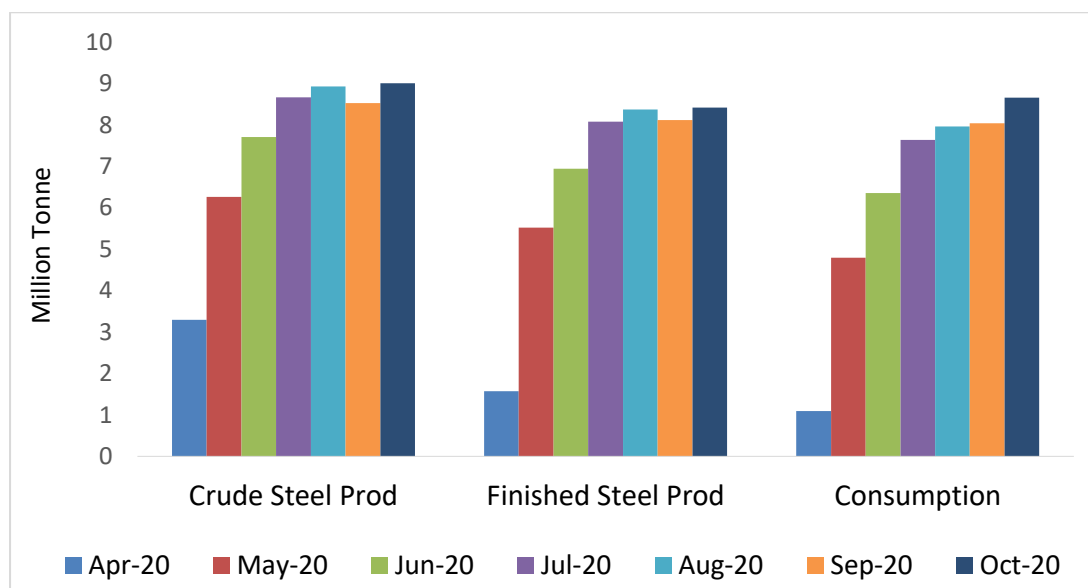
5. **ArcelorMittal and Nippon Steel Corporation (AMNS)** made a presentation before Hon'ble Steel Minister through video conferencing on 8.10.2020 on their likely future investment interests in the Country that may boost Government's Aatmanirbhar Bharat initiatives and likely support they may be require from Central and State Governments in this regard.
6. The **status and progress of CAPEX** of SAIL, NMDC, RINL and other CPSEs was reviewed in VC meetings held on 08.10.2020 and 15.10.2020. In these meetings, the need to accelerate Capital Expenditure to drive the economic growth in the country was reiterated.
7. The **Inter-Ministerial Committee meetings** held during the month with Secretary DPE set the **MoU targets for 2020-21** for Steel CPSEs after detailed deliberations.
8. A **Working Group with Ministry of Rural Development, Ministry of Skill Development, BIS, IITs and steel producers** has been constituted to enhance steel usage in Housing and construction sector.
9. During October'20, SAIL produced 1.347 MT Saleable Steel which is best ever showing for the month of October. The production has grown by 14% over CPLY. SAIL also produced 1.1 lakh tonnes of UTS 90 Rails in October and 7.06 lakh tonne during April-October which is its best ever showing for the month of October as well as during April-October period. During October'20, the sales volume for SAIL stood at 1.338 MT which is an improvement of 20% over CPLY. On 31st October 2020, Rourkela Steel Plant of SAIL despatched the first consignment of API X70 Plates produced by them, as per quality requirement of Oil & Gas Industry.
10. The meeting on the Training Plan for Ministry of Steel and on-boarding of training programmes imparted by CPSEs onto the **iGOTKarmayogi Platform of DoPT** was held through Video-Conferencing on 6.10.2020. The meeting was attended by all CPSEs under Ministry of Steel, National Institute of Secondary Steel Technology (NISST) and Institute for Steel Development and Growth (INSDAG), and senior officers of DoPT. The meeting covered various aspects related to training including the features of recently launched Mission Karmayogi, training programmes currently imparted by CPSEs and the possibility of on boarding of Ministry and CPSE onto the iGOTKarmayogi platform administered by DoPT.
11. The Board of **KIOCL** at its Meeting held on 19th October 2020 approved the **buy-back of not exceeding 1,41,74,469 fully paid-up equity shares** of face value of Rs. 10 each (representing 2.28% of the total number of fully paid-up equity shares in the paid-up share capital of the Company) at a price of Rs. 110/- per equity share payable in cash for an aggregate consideration not exceeding Rs. 155.92 Crores (exclusive of taxes). The Ministry of Steel was authorised by the Department of Investment and Public Asset Management (DIPAM) on 20th October 2020 to support

the proposed buyback of shares by KIOCL which is expected to be completed by 16th December 2020.

12. The status of clearing pending **payments to MSMEs by CPSEs** of the Steel Ministry was reviewed 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. 390.31 crore was made by steel PSEs to MSMEs during October 2020 as against Rs. 307.28 crore during September, 2020.

13. **Production and Consumption Scenario:**

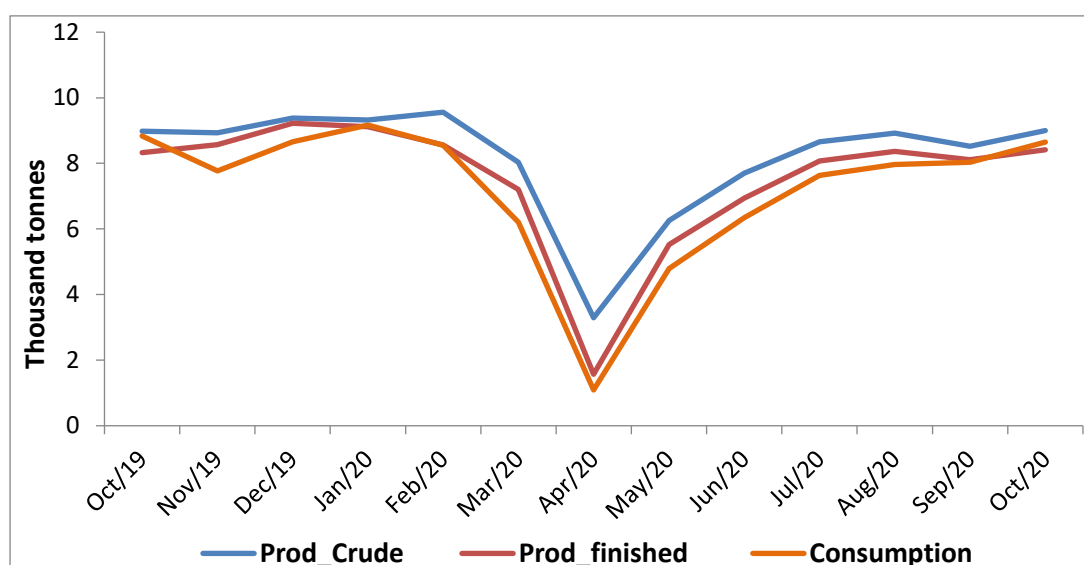
- i. The trend in production of crude and finished steel and consumption of finished steel during the current fiscal is depicted in the graph below. Production of crude steel, after a marginal decline in September, recovered during October 2020 recording an increase of 5.7% over September 2020 and 0.2% over same month of the last year.



- ii. Production of finished steel registered an increase of 3.7% in October 2020 over September 2020 and 1.0% over same month of the last year i.e., October 2019.
- iii. Consumption of finished steel in October 2020 registered an increase of 7.7% on M-o-M basis but was lower by 2.0% over October, 2019.
- iv. The continuous increase in consumption during this fiscal has also led to absorption of inventories with the steel producing companies resulting in a closing stock of 11.42 MT of finished steel at the end of October 2020 which is

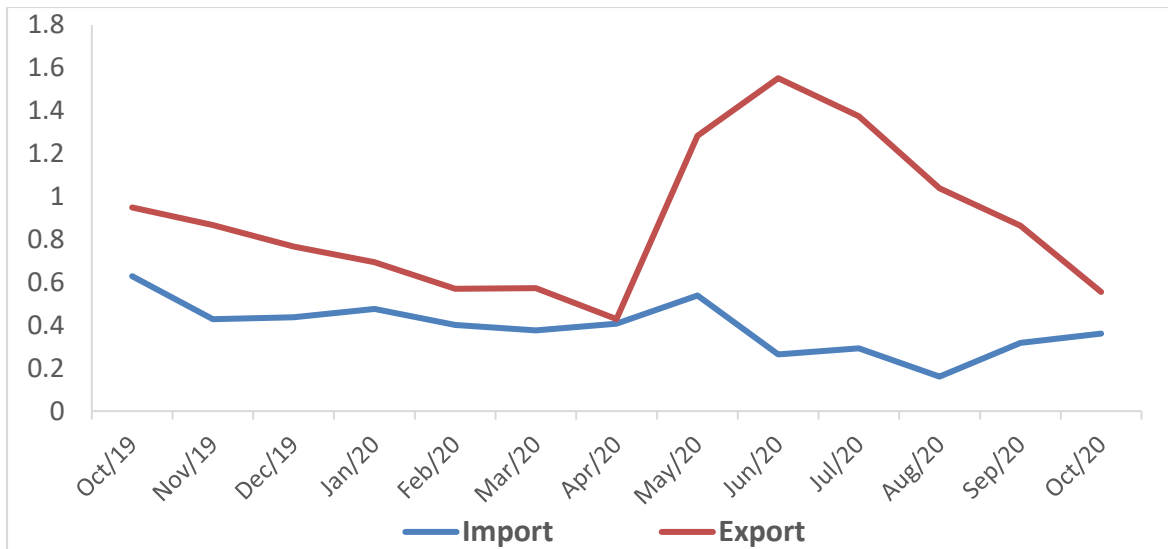
3.64% lower than that in the previous month and 10.16% lower than the same month of previous year.

- v. During the current fiscal (April-Oct. 2020-21), the cumulative production of crude steel at 52.37 MT and finished steel at 47.0 MT declined by (-)18.2% and (-)21.6% respectively over CPLY. The consumption during the same period at 44.52 MT was lower by (-)25.6% over CPLY. The decline was mainly due to the impact of Covid-19 pandemic which affected production and consumption adversely. However, the sector has seen improvement in production of crude and finished steel as well as consumption of finished steel, following unlocking and progressive opening up of the economy, staging a 'V' shaped recovery as can be seen from the graph below.

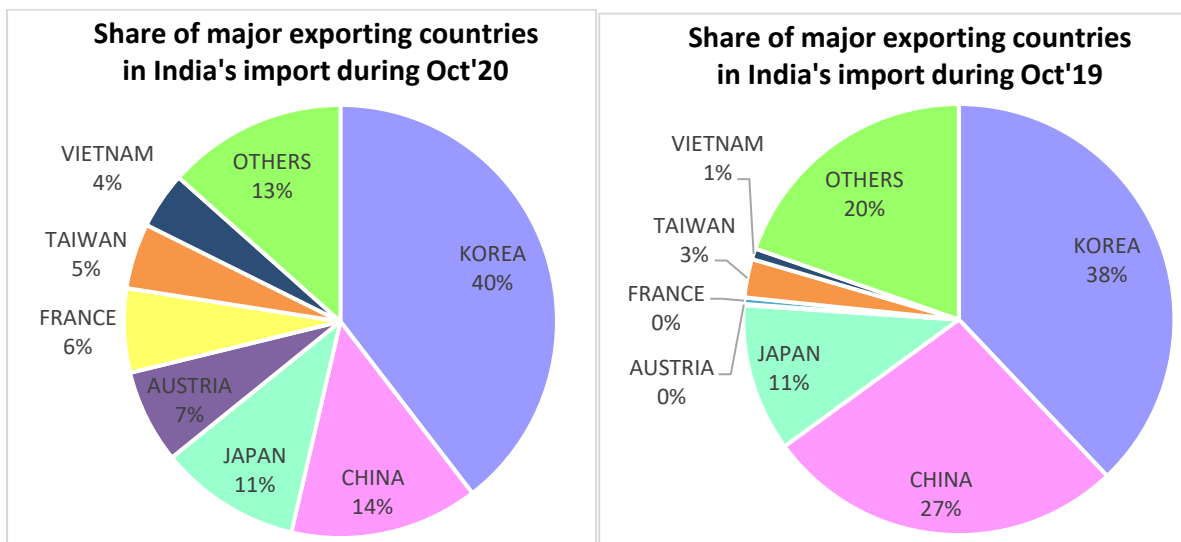


14. Export-Import Scenario:

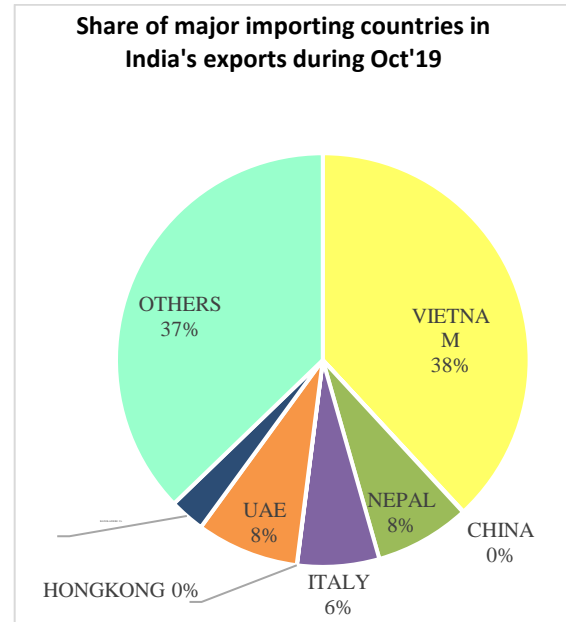
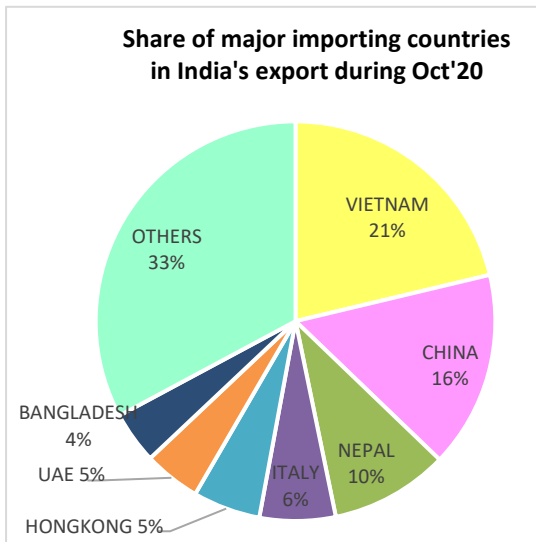
- i. During the current fiscal (April – Oct. 2020-21) export of finished steel from India at 7.10 MT increased by 45.3% while import at 2.35 MT have declined by (-)49.5% over CPLY. India was net exporter of finished steel during this period with net trade surplus of 4.75 MT. However, with progressive opening of the economy and improving economic activities leading to better domestic demand have resulted in declining export and relatively increasing import in recent months as may be seen from the graph below.



- ii. During October 2020, export and import were lower by (-)41.6% and (-) 42.5% over export and import in October 2019, respectively. However, M-o-M export decline by (-)35.8% and import increased by 13.9% as compared to September 2020.
- iii. India remained a net exporter of finished steel during October 2020 with a net trade surplus of 0.19 MT.
- iv. Share of Korea, Austria, France Vietnam and Taiwan in total steel import increased in October 2020 as compared to October 2019 while it declined for China over this period as may be seen from the graph below:

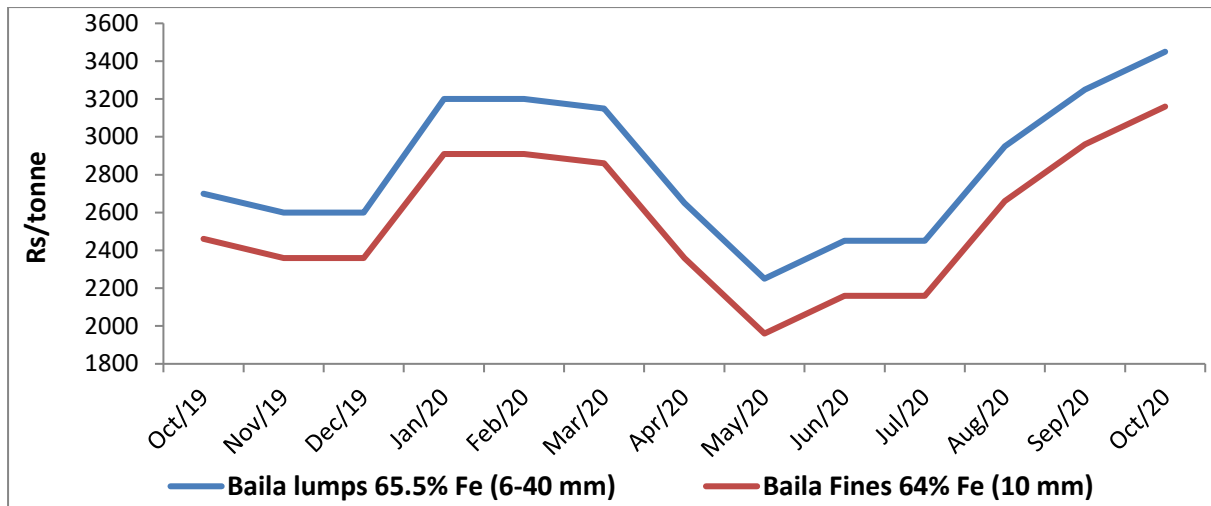


- v. Share of China, UAE, Hongkong, Nepal and Bangladesh in steel exports from India was higher in October 2020 as compared to October 2019. However, it declined for Vietnam and UAE during the same period [graph below].

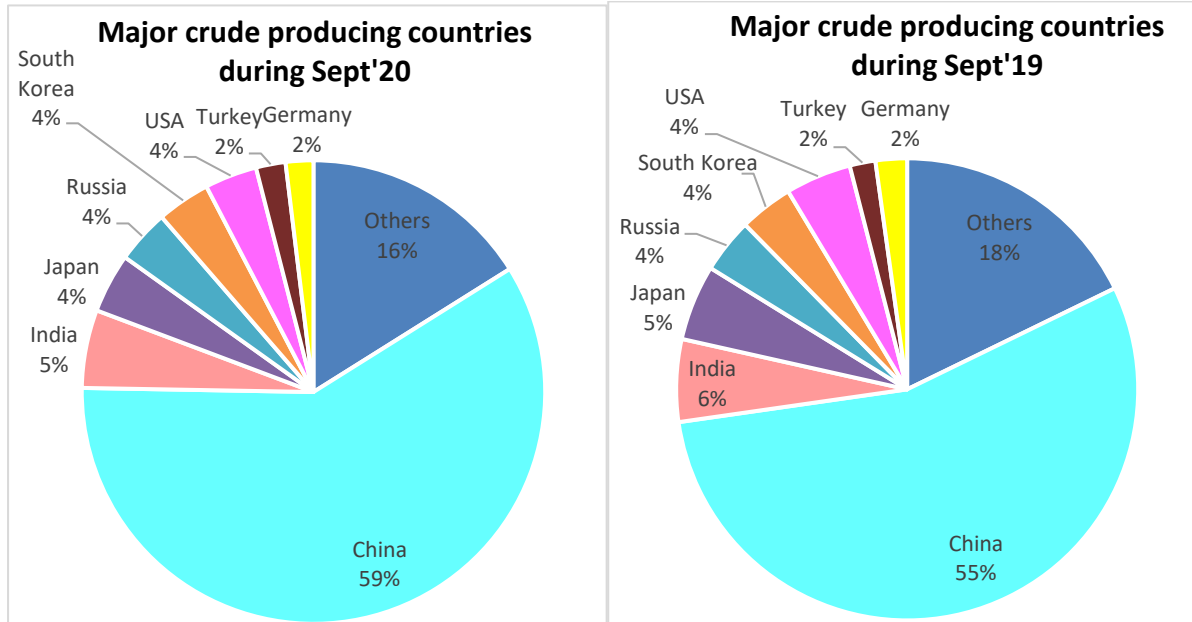


15. Price scenario:

- i. Prices of iron ore lumps and fines increased to Rs. 3450/tonne and Rs. 3160/tonne respectively, during the month of October 2020. Increased price of iron ore was due to increased demand of iron ore in both domestic and international markets.
- ii. NMDC produced 24.26 lakh tonnes of iron ore during October 2020 which was (-) 3% lower over CPLY. SAIL produced 29 lakh tonnes of iron ore and dispatched 29.2 lakh tonnes in October 2020 which was 25% (1.78 MT) over CPLY.
- iii. Continuous increase in steel consumption and demand after gradual unlocking of the economy and high import demand led to the increase in retail prices (Mumbai prices) of Rebar, HRC and CRC by 1.5%, 5.1% and 7.0% respectively on M-o-M basis.
- iv. The trend in iron ore prices may be seen from the graph below:



16. The **global production of crude steel** increased in September, 2020 over September, 2019 driven mainly by China with some other major producing countries viz., Turkey, Russia, Brazil, South Korea and Vietnam also registering growth over their production in September 2019. The share of China accordingly registered a significant increase in the global production for this period. Share of other major producers of crude steel in global production witnessed either a decline or remained stable as can be seen from the graph below.



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

Organization	October 2020		April-October, 2020	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	11	60.51	165	126.78
Steel CPSEs	336	1172.14	1750	6107.45

18. The **status report** in reference to Cabinet Secretary's D.O. No. 28(43) EO/2013(ACC) Pt. dated 27/06/2016 is as follows:

- I. The status of all the Board level (Functional Director) posts pertaining to the Ministry of Steel, has been updated on SUPREMO in the month of October 2020 and a certificate in this regard has been sent to ACC.
- II. All directions of ACC have been complied with.
- III. The status of cases where PESB recommendations have been received in the Ministry is as follows:
 - (i) The proposal for appointment of Ms. Soma Mondal, Director (Commercial), SAIL as Chairman SAIL: Proposal was sent to ACC on 21.10.2020. Some clarification has been sought by ACC vide letter dated 29.10.2020 regarding APARs of Ms. Soma Mondal for the years 2015-16 and 2016-17. Ministry of Mines has been requested to furnish the requisite clarification in the matter on 29.10.2020.
 - (ii) The proposal for appointment of Shri. Somnath Nandi, ED, SAIL as Director (Technical) in NMDC: Documents from SAIL and CVC clearance sought on 27.08.2020 which have since been received from SAIL. CVC clearance has been sought by SAIL on 14.09.2020. Ministry of Steel has reminded on 22.10.2020, and is awaited.

19. A progress report on important areas of steel sector in reference to PMO's D.O. No. 210/31/C/24/2014-ES.I dated 03.07.2015 is annexed.