

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

Udyog Bhawan, New Delhi
Dated: 20th March, 2023

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of February, 2023.

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 February, 2023 for information.

Encl: As above.



(Raj Kumar)
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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, 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)

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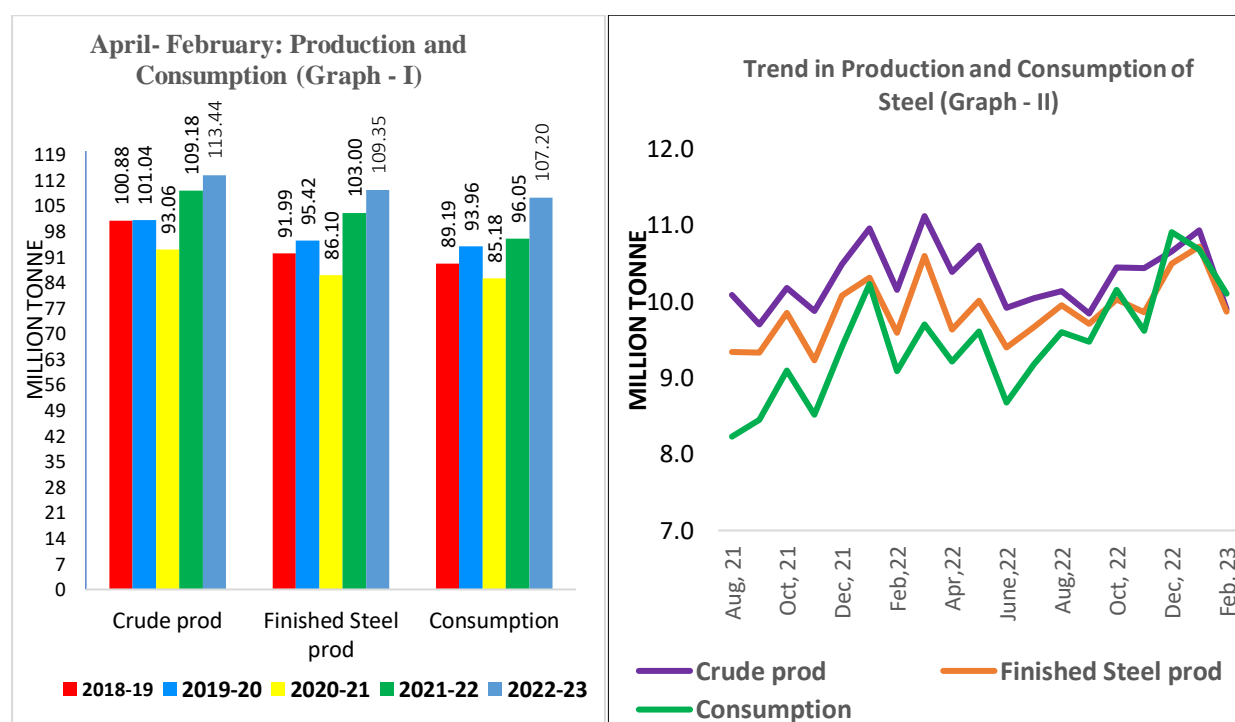
**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

**फ़रवरी - 2023
February - 2023**

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

Ministry of Steel – Report for February 2023

1. Performance of Steel sector during April-February, FY23 has been encouraging. The cumulative production of crude steel at 113.44 million tonnes (MT), finished steel at 109.35 MT and consumption of finished steel at 107.20 MT, during April-February, 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 decreased in February’23 over their respective levels in January’23.



- i. Production of crude steel in February’23 at 9.90 MT decreased by 2.5% over CPLY and 9.4% by M-o-M.
- ii. Production of finished steel in February’23 at 9.87 MT increased by 2.9% over CPLY but decreased by 7.9% by M-o-M.
- iii. Consumption of finished steel in February’23 at 10.10 MT increased by 11.1% over CPLY but decreased by 5.4% by M-o-M.
- iv. Inventories of the finished steel with the steel producing companies at 9.83 MT at the end of February ’23 decreased by 2.1% M-o-M but increased by 23.9% over CPLY.

2. During the month of February’23, among the steel producing CPSEs, Steel Authority of India (SAIL) registered a decrease in production of Hot Metal, Crude

Steel and Saleable steel over the previous month (M-o-M) but increased over the corresponding period last year (CPLY). Rashtriya Ispat Nigam Limited (RINL) registered a decrease in production of liquid steel, hot metal and crude steel month over the previous month (M-o-M) but increase over CPLY. However, the production of saleable steel by RINL increased during the month and over CPLY. Similar production trend is exhibited by ore producing CPSE, National Mineral Development Corporation (NMDC). Its production during February '23 was higher than previous month and over CPLY. The ore production by SAIL during February '23 was lower than previous month but higher over CPLY. However, the production of ore by MOIL was higher than previous month and over CPLY. The detailed performance of the Steel CPSEs is as below:

- i. During February '23, SAIL produced 15.84 lakh metric tonne (LMT) of Hot Metal, 14.78 LMT of Crude Steel and 14.26 LMT of Saleable Steel recording a decrease of 12.0%, 14.3% and 11.5% respectively over previous month (MoM) but increased by 5.0%, 5.0% and 3.4% respectively over CPLY. The cumulative production of SAIL during April-February'23 for Hot Metal at 175.44 LMT, Crude Steel at 165.39 LMT and Saleable Steel at 155.86 LMT registered an improvement of 3.4%, 5.3% and 1.9% respectively, over CPLY. During the month, SAIL produced around 28.90 LMT of iron ore recording a decrease of 5.8% M-o-M but increased by 6.9% over CPLY. The cumulative production of iron ore by SAIL during April-February '23 at 307.34 LMT was 1.8% lower than CPLY.
- ii. Production of iron ore by NMDC at 44.82 LMT in February'23 registered an increase of 6.6% M-o-M and 3.9% over CPLY. The cumulative production of iron ore by NMDC during April-February'23 at 356.18 LMT declined by 4.2% over CPLY. Sale of iron ore by NMDC at 37.84 LMT in February '23 was lower by 1.5% M-o-M and by 4.7% over CPLY. During April-February '23, sale of iron ore by NMDC at 334.16 LMT was lower by 8.6% over CPLY.
- iii. During the month Kudremukh Iron Ore Company Limited (KIOCL) produced 2.34 LMT of Pellets which was higher by 46.3% M-o-M but lower by 6.4% over CPLY. KIOCL sold 1.60 LMT of Pellets which was lower by 1.8% M-o-M and also lower by 1.8% over CPLY. During April-February '23, production and sales of Pellets by KIOCL at 12.28 LMT and 10.88 LMT respectively recorded a decline of 30.4% and 35.7% respectively over CPLY.
- iv. During February'23, production of Manganese ore by Manganese Ore (India) Limited (MOIL) at 1.30 LMT was higher by 3.2% M-o-M and by 10.2% over CPLY. Sale of Manganese ore by MOIL during February '23 at 1.32 LMT was higher by 0.8% M-o-M and by 20.0% over CPLY. During April-February '23, production of Manganese ore at 11.56 LMT was higher by 5.7% and its Sale at 10.50 LMT was higher by 0.6% over CPLY.
- v. During February '23, RINL achieved production of 4.15 LMT of Liquid Steel, 4.20 LMT of Hot Metal and 3.98 LMT of Crude Steel, which was 8.2%, 8.1% and 7.9% lower than its production in January '23 respectively and lower by 2.5%, 1.9% and 2.8% over CPLY respectively. During the month of February '23, RINL achieved production of 4.22 LMT of Saleable Steel which was 2.2% higher than its production in January '23 and higher by 14.4% over CPLY. During April-February, FY23, production of Liquid Steel at 39.03 LMT, Hot Metal at 39.83 LMT, Crude Steel at 37.39 LMT and Saleable Steel at 35.56 LMT by RINL was 23.6%, 25.6%, 23.4% and 24.4% lower than their respective productions during CPLY.

3. The CAPEX by Steel CPSEs in February '23 at Rs. 1,115.89 crore was 7.4% lower over the previous month (M-o-M) but 67.7% higher than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for April-February, FY23 at Rs. 8,363.46 crore was 1.4% higher than CAPEX during CPLY but was 72.2% 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.

4. Hon'ble Steel Minister, while speaking at the plenary session of the 10th edition of the International Indian Material Recycling Conference organized by the Material Recycling Association of India (MRAI) in Kochi on 4th February, 2023 said that Central Government stood firm on its commitment to the material recycling industry, a sector that needed to be encouraged and pushed forward in today's world. The recycling industry contributes almost 10,000 crores to India's GST and in the years to come it is expected to go up by 35,000 crore. India's journey to the Amritkal will be visionary. He assured full commitment to the circular economy and recycling sector of India and increase per capita consumption of Steel. He pointed out that 22% of our steel was produced through recycling, but we need to include the informal sector for the development of the sector as well and said, "For our commitment to Net Zero by 2070, we can look at short term goals by using energy efficiency tools by 20% by 2030."

5. Hon'ble Steel Minister, while addressing the Chintan Shivir organised by the Ministry of Steel on 17th February, 2023, urged the stakeholders in the steel sector to adapt new ideas, innovations, and technologies to fast track the steel sector. He stressed the importance of team spirit, motivation, consistency, and constant learning to enhance the capacity and capability to improve the quality of output. He lauded experts' perspectives on raw material issues of steel industry as well as the industry's contribution to the circular economy. He stressed the need for reverse logistics in steel sector. There was a need to identify pathways of generation and recovery of scrap, both in the organised and unorganized sectors and formulate policies and structures to enhance the intensity of circularity in the country.

6. Ministry of Steel has introduced Steel Quality Control Orders thereby curbing sub-standard/ defective steel products both from domestic producers & imports to ensure the availability of quality steel to the industry, users and public at large. Through these orders, it is ensured that only quality steel conforming to the relevant BIS standards are made available to the end users. As on date 145 Indian Standards have been notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel. Out of these, QCO on 144 Indian Standards have been enforced.

7. Ministry of Steel was getting requests from the importers/ applicants seeking clarification on the applicability of the certain imported steel grades from the perspective of the Quality Control Orders, on the ground that these are complying with foreign standards and no equivalent Indian Standards exist. To address this issue, a Technical Committee, comprising members from the BIS, steel producers & end users, was constituted to examine the applications and clarify whether the imported steel grades are falling under the purview of the Quality Control Orders or Otherwise. A Meeting of the Technical Committee was

held on 16th February 2023 wherein 811 applications for clarification on the applicability of QCO on the imported steel grades were examined.

8. Ministry of Steel was also getting requests from the importers/ applicants seeking exemption of certain steel grades from the purview of the Quality Control Order, on the ground that these are required in critical applications. To address this issue, an Empowered Committee was constituted to examine the applications for exemption from the purview of the Quality Control Orders for the steel grades being imported. Exemptions are granted to critical application grades based on the prescribed guidelines formulated for according such exemptions. A meeting of the Empowered Committee was held on 7th February 2023 wherein 32 applications for exemption from the purview of the Quality Control Order, were examined.

9. Ministry of Steel is providing financial assistance for pursuing Research & Development to address the technological challenges faced by the Iron & Steel sector. In this regard, in May 2022, Ministry of Steel sought R&D Project proposals in joint collaborative mode from reputed Academic Institutions, Research Laboratories and Steel Companies for pursuing R&D projects for development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (green steel production, H₂ based steel production, Carbon Capture, Utilization and Storage etc.), waste utilization, resource efficiency, etc. for providing financial assistance under the R&D Scheme for the Financial Year 2022-23. 37 R&D project proposals have been received from the stakeholders from the CSIR Labs, Academic Institutions (IITs) etc. The meeting of the Project Approval & Monitoring Committee (PAMC) for approval of the projects was held on 31st Jan 2023 in which four R&D project proposals were approved in-principle, subject to revision of duration of the projects and costs thereof. Subsequently, based on the revised proposals submitted by the R&D implementing agencies as per the direction of the PAMC, the competent authority has approved the aforementioned four R&D projects on 24th February 2023.

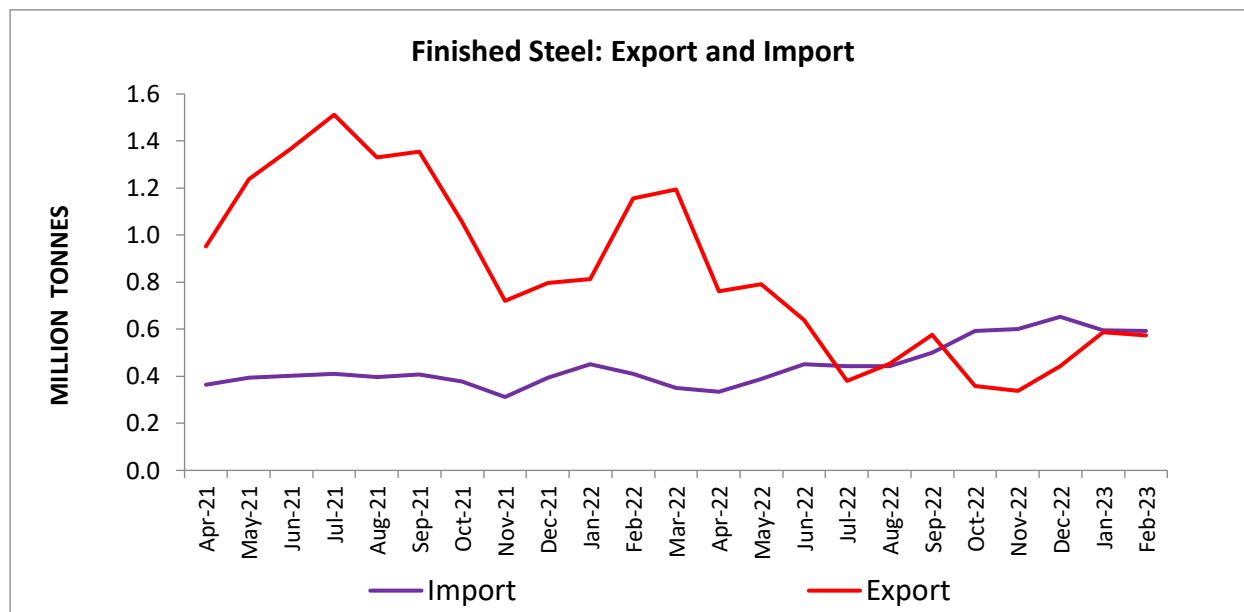
10. Presently, eight ongoing projects of steel CPSEs (SAIL-5, NMDC-3) with total project cost of Rs. 30,070 crore are uploaded on the OCMS portal of MoSPI. An expenditure of Rs. 24,876 crore (82.7%) has been incurred till February'23.

11. 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. 3,207 cr. has been incurred on these projects till February'23.

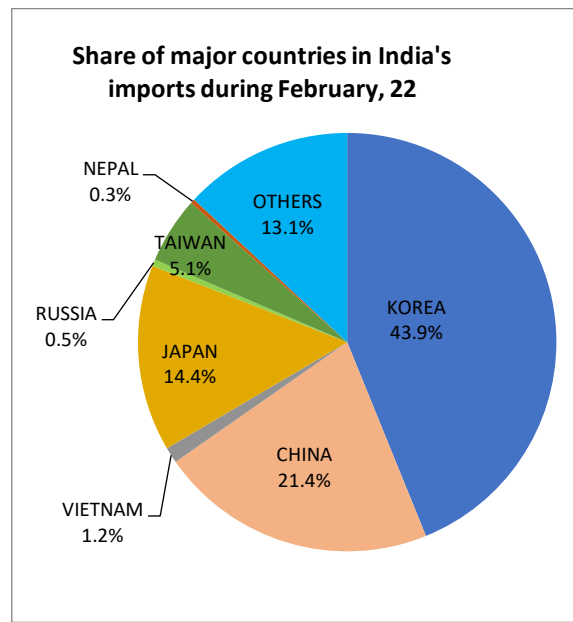
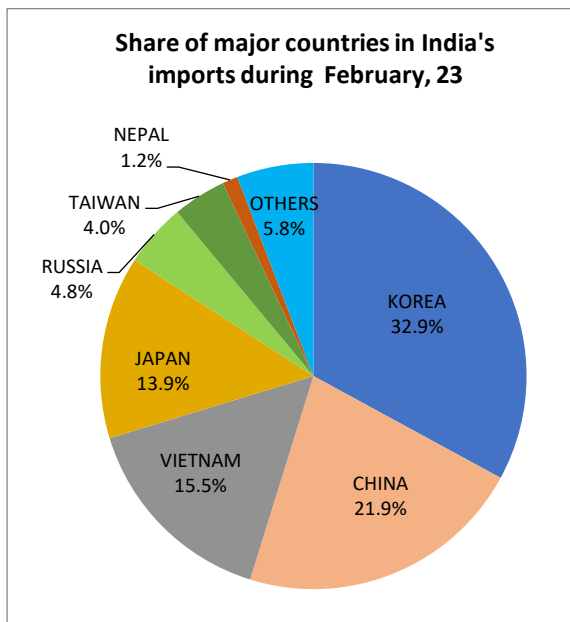
12. For 'Doubling of Talgaria to Bokaro N/Cabin Section (32km)' project, the proposal for transfer of approx 2.86 Ha of SAIL land at Bokaro Steel Plant, to the South Eastern Railway (SER), has been approved by the Ministry.

13. 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. 711.70 crore was made by Steel CPSEs to MSMEs during February '23 which is 37.5% higher than payments made during CPLY and 9.2% higher than M-o-M. During April-February'23, Steel CPSEs have made payment of Rs. 6,797.85 crore to MSMEs, which is 39.4% higher than Rs. 4,876.64 crore made during CPLY.

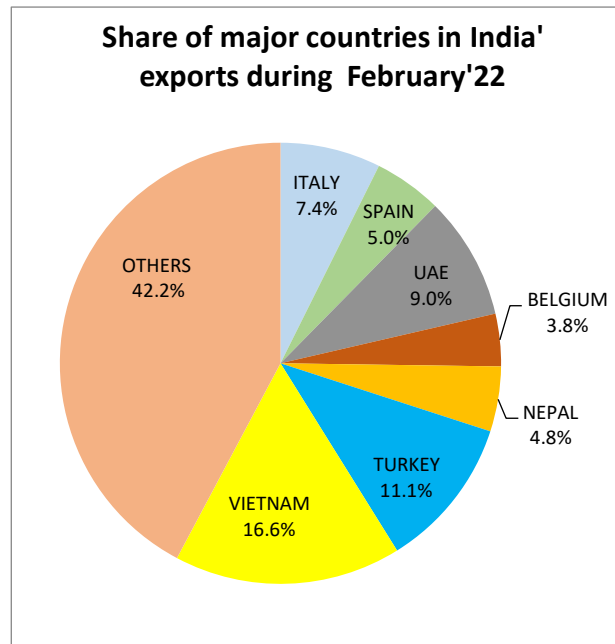
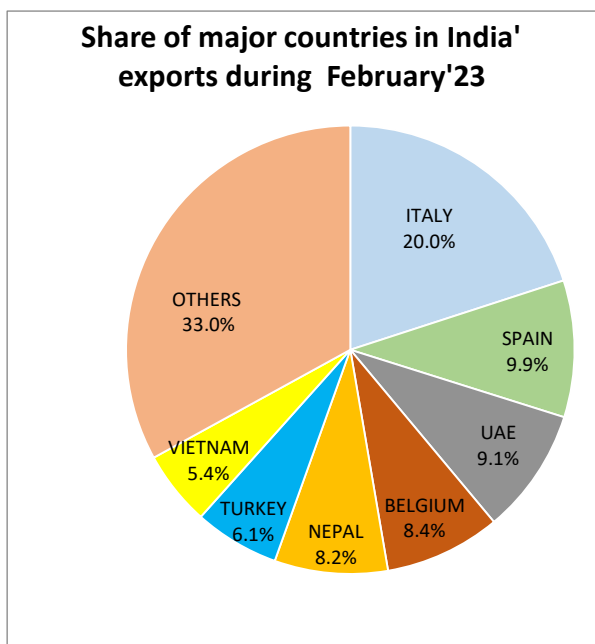
14. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during recent months shows that except for July'22, India's export during a month has consistently exceeded import during that month. During the month of February'23 both the exports and imports of finished steel decreased as may be seen from the graph below:



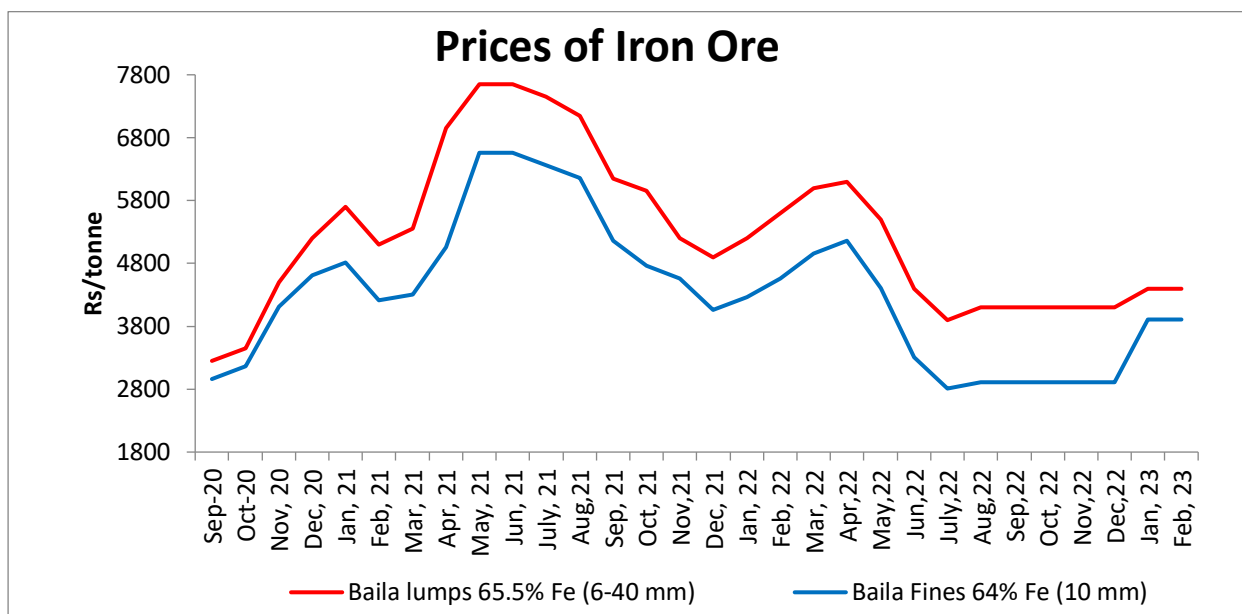
- i. Export of finished steel in February'23 at 5.75 LMT decreased by 2.2% M-o-M and by 50.3% over CPLY while import at 5.93 LMT decreased by 0.5% M-o-M but increased by 44.3% over CPLY. During April-February'23, exports at 59.04 LMT declined by 52.0% while imports at 55.92 LMT increased by 29.5% over CPLY.
- ii. In February'23, India's export was lower than its imports and it was a net importer of finished steel during the month.
- iii. Share of China, Vietnam, Russia, Nepal and Belgium increased in total steel import of India in February'23 as compared to February'22 while share of Korea, Japan, Taiwan and Germany declined over this period as may be seen from the following graph:



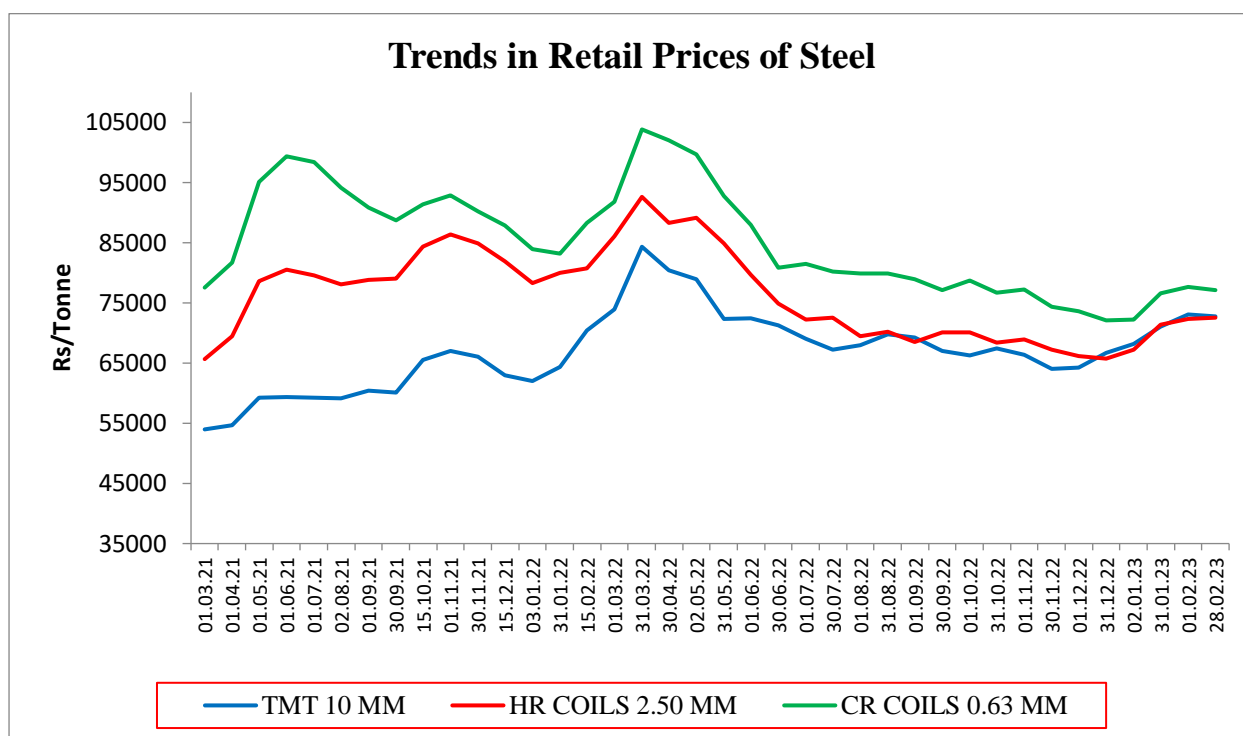
iv. Share of Italy, Spain, UAE, Belgium, Nepal, Portugal, Indonesia and Oman was higher in total steel export from India in February'23 as compared to February'22 while share of Turkey and Vietnam declined over this period as may be seen from the following graph:



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 April have stabilized during recent months upto December '22. The Prices of iron ore increased in January '23 and remained constant in February '23 as may be seen from the graph below:



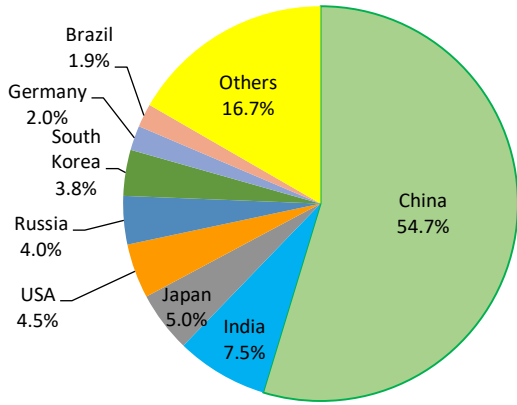
- i. During the month of February '23, prices of iron ore lump and fines at Rs. 4,400/tonne and Rs. 3,910/tonne respectively remained constant as their respective prices in January '23.
- ii. Prices of HCC Coking Coal f.o.b. Australia have increased significantly during the last 3 months - from USD 247/tonne in November, 2022 to USD 347/tonne on 28.02.2023.
- iii. Prices of steel (TMT, HRC and CRC) peaked in March '22 on account of Russia-Ukraine war. After that steel prices have moderated due to both global and domestic factors. Imposition of duty @15% on steel exports in May, 2022 resulted in increase in supply in domestic market, which, in turn, led to decline in steel prices. The prices of steel have shown increase in recent months. One of the reasons for this is increase in input prices such as iron ore and coking coal. Removal of export duty on steel in November, 2022 has also contributed in increasing the steel prices in India. As is evident from the graph below, the prices of TMT, HRC and CRC have shown a rising trend in recent months.



iv. Retail prices of TMT (10mm) in Mumbai market stood at Rs. 72,750/tonne on 28th February '23, which was 2.3% higher than the price on 31.01.2023. Similarly, the prices of HRC (2.50 mm) and CRC (0.63 mm) stood at Rs. 72,500/ tonne and Rs. 77,140/tonne respectively on 28.02.2023, recording an increase of 1.6% and 0.7% respectively over their prices on 31.01.2023.

16. The global production of crude steel decreased by 3.3% in January '23 over CPLY which is majorly due to decrease in production in India, Japan, USA, Russia, South Korea, Germany, Brazil and Turkey. China and Iran among the major producing countries (with production of 1 million tonne for the month) recorded an increase in production in January '23 over January '22. As regard the share of major steel producing countries in the global production of crude steel, it is seen that due to differences in contribution to global production, share of China, India and Iran increased during January '23 while that of Japan, USA, Russia, South Korea, Germany and Turkey declined and share of Brazil remained constant during this period as may be seen from the following graph:

Major crude steel producing countries during January'23



Major crude steel producing countries during January'22

