

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

Udyog Bhawan, New Delhi
Dated: 26th December, 2022

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of November, 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 November, 2022 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
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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**

**नवंबर - 2022
November - 2022**

भारत सरकार /GOVERNMENT OF INDIA

इस्पात मंत्रालय/ MINISTRY OF STEEL

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

1. The Union Minister of State for Steel inaugurated the Steel Pavilion at IITF 2022 on 14th November'2022 at Pragati Maidan, New Delhi. The steel Pavilion comprises the display by Ministry of Steel, CPSEs under the aegis of Ministry of Steel and the major private steel players in the country. The Minister took keen interest in the display made by the Ministry of Steel and other steel companies. He appreciated the growth of the Steel Sector in last eight years towards becoming Atmanirbhar in steel sector. During the occasion he emphasized the need to further promote the local steel industry in line with this year's theme of Vocal for Local and Local to Global. Senior officials from Ministry of Steel, CPSEs and Private sector companies were present on the occasion.

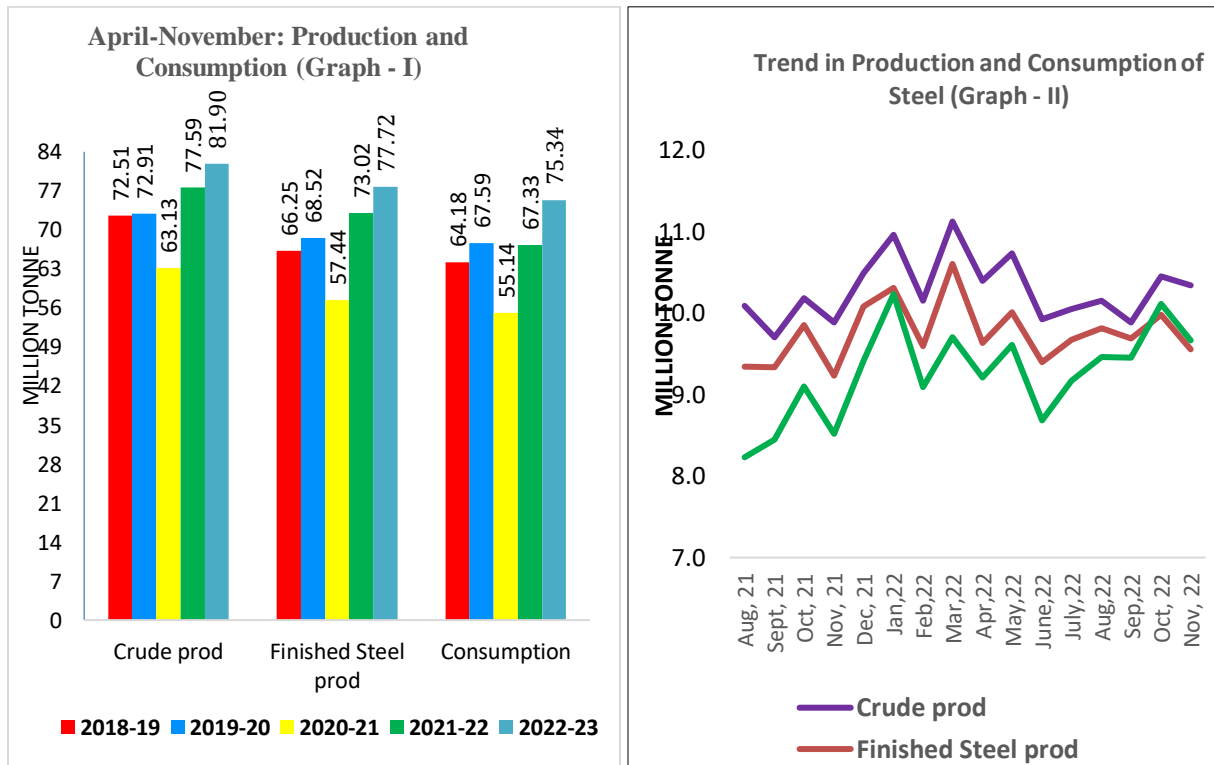
2. Ministry of Steel hosted a session on the 6th Day of COP 27 event in Sharm-El-Sheikh, Egypt on 11th November 2022. The 3-hour long event consisting of various sub-sessions focused on Decarbonisation of Indian Steel industry. Secretary, Steel set the tenor of the discussion by narrating India's growth story and talking about Honorable PM's vision on reducing and utilizing carbon and promoting circular economy in steel. In the event, all the five major steel players, viz, TATA, AMNS, JSW, JSPL and SAIL showcased their roadmap towards reducing carbon emissions hinging on technologies such as green hydrogen in steel making, Carbon Capture, Storage and Utilization (CCUS), Best Available Technologies on Energy Efficiency as well as transition to Renewable Energy. A vibrant panel of eminent panelists from Ministry of Steel discussed a host of relevant issues related to the decarbonisation challenges faced by Indian Steel Sector and the way forward

3. Taking forward the “whole of Government” approach, Ministry of Steel, Government of India, hosted a “Conference of Ministers of Industry/Mines/Steel of State Governments” in New Delhi, on 15th November, 2022 to provide the State and Central Governments an opportunity to deliberate on matters related to issues in mining of raw material, growth, and future challenges of steel sector. In his inaugural remarks, Hon'ble Steel Minister highlighted the achievements made by India's steel sector and observed that the sector has grown from strength to strength in last 8 years. Minister urged the States to make all-out efforts towards increasing rural consumption of steel, utilising all grades of iron ore in steel-making, timely auctions of mines, formalization of recycling industry and bringing to scrappage the End-of-Life Vehicles. These measures will future-proof the sector and make steel sector a sustainable one. Prime Minister's emphasis on producing green steel is especially crucial and appropriate steps are necessary to move towards that from now on. The Government believes in Zero waste-Zero harm policy and gradual decarbonisation is essential for steel sector, the Minister added.

4. The Government had withdrawn the export duty on iron ores lumps & fines below 58% Fe content, iron ore pellets and the specified steel products including pig iron vide Notification dated 18th November, 2022. The import duty concessions on Anthracite / PCI coal, coking coal, coke & semi coke and ferronickel were also withdrawn. Delivering the

keynote address at the third conclave of the Indian Steel Association (ISA) on 21st November, 2022, HSM said that the steel sector will not only restore its international footprint but will also reach newer heights in a relatively short period of time in the domestic market. He stated that the Prime Minister has put forth the mandate to enhance capital infrastructure by nearly Rs. 17 lakh crore per year, thus increasing demand for steel by close to double digits (approx 10% per year). He added that this transformational growth path was envisioned by Prime Minister Shri Narendra Modi in the form of an Atma Nirbhar Bharat by Shatabdi Kal in 2047. This mission of achieving self-reliance would involve boosting infrastructure and manufacturing, of which steel is a crucial foundational part.

5. The performance of Steel sector during April-November, FY23 has been encouraging. The cumulative production of crude at 81.90 MT, finished steel at 77.72 MT and consumption of finished steel at 75.34 MT during April-November, 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 November’22 over their respective levels in October’22.



6. During the month, the steel producing CPSEs viz., SAIL registered an increase in production of Hot Metal and Crude Steel over month (M-o-M) and over the corresponding period last year (CPLY) and production of Saleable steel by SAIL registered a decrease over month (MoM) and over CPLY. During the month, 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 wherein production during Nov'22 was higher than previous month and over CPLY. The ore production by SAIL during Nov'22 was higher than previous month, but lower than CPLY. However, the production of ore by MOIL was higher than previous month and over CPLY. The detailed performance of the Steel CPSEs are as below:

- i. During November'22, SAIL produced 16.51 lakh metric tonne (LMT) of Hot Metal, and 15.66 LMT of Crude Steel recording an increase of 2.0% and 2.2% respectively over previous month (MoM) and 4.8% and 6.4% respectively over CPLY. During the month SAIL produced 14.12 LMT of Saleable Steel recording a decrease of 2.8% over previous month (MoM) and 0.4% over CPLY. The cumulative production of SAIL during April-November'22, for Hot Metal at 124.90 LMT, Crude Steel at 117.28 LMT and Saleable Steel at 110.32 LMT registered an improvement of 2.8%, 4.3% and 0.3% respectively, over CPLY. During the month SAIL produced around 29.09 LMT of iron ore recording an increase of 7.5% M-o-M, but decline by 5.8% over CPLY. The cumulative production of iron ore by SAIL during April-November'22 at 217.27 LMT was 3.6% lower than CPLY.
- ii. Production of iron ore by NMDC at 36.11 LMT in November'22 registered an increase of 2.4% M-o-M and 8.2% over CPLY. The cumulative production of iron ore by NMDC during April-November'22 at 233.17 LMT declined by 4.3% over CPLY. Sale of iron ore by NMDC at 30.42 LMT in November'22 was lower by 1.5% M-o-M, but higher by 5.6% over CPLY. During April-November'22, sale of iron ore by NMDC at 224.85 LMT was lower by 9.9% over CPLY.
- iii. During the month KIOCL produced 0.65 LMT of Pellets. KIOCL sold 0.14 LMT of Pellets which was lower by 82.7% M-o-M and by 87.3% over CPLY. During April-November'22, production and sales of Pellets by KIOCL at 5.94 LMT and 5.29 LMT respectively recorded a decline of 56.0% and 54.2% respectively over CPLY.
- iv. During November'22, production of Manganese ore by MOIL at 1.20 LMT was higher by 60.0% M-o-M and 8.1% over CPLY. Sale of Manganese ore by MOIL during November'22 at 0.86 LMT was higher by 83.0% M-o-M but lower by 12.2% over CPLY. During April-November'22, production of Manganese ore at 7.58 LMT was higher by 4.0% and its Sale at 6.22 LMT was lower by 12.0% over CPLY.
- v. During November'22, RINL achieved production of 3.74 LMT of Liquid Steel, 3.79 LMT of Hot Metal, 3.59 LMT of Crude Steel and 3.44 LMT of Saleable Steel which is 19.1%, 21.1%, 19.3% and 18.6% higher than its production in October'22 respectively, but lower by 15.4%, 17.4%, 14.9% and 14.2% over CPLY respectively.

During April-November'22, production of Liquid Steel at 25.83 LMT, Hot Metal at 26.50 LMT, Crude Steel at 24.74 LMT and Saleable Steel at 23.30 LMT by RINL was 30.0%, 32.5%, 29.9% and 33.0% lower than their respective production during CPLY.

7. Ministry of Steel has introduced Steel Quality Control Order thereby banning sub-standard/ defective steel products both from domestic and imports to ensure the availability of quality steel to the industry, users and public at large. As per the Order, 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 143 Indian Standards have been enforced.

8. Ministry of Steel was getting requests from the importers/ applicants seeking clarification on the applicability of the certain imported steel grades from the purview of the Quality Control Order, 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 Order or Otherwise.

9. 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 Order for the steel grades being imported. Exemptions are granted to critical application grades based on the prescribed guidelines formulated for according such exemptions.

10. Meeting of the Technical Committee was held on 16th November 2022 and 30th November 2022 wherein 1983 applications for clarification on the applicability of QCO on the imported steel grades were examined.

11. 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 has 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, CCUS etc.), waste utilization, resource efficiency, etc. for providing financial assistance under the R&D Scheme for the Financial Year 2022-23. The last date of receipt of proposal was 15 July 2022. 37 R&D project proposals have been received from the stakeholders from the CSIR Labs, Academic Institutions (IITs) etc. These proposals were preliminary examined with respect to the

guidelines of the R&D scheme. Meeting of the Evaluation Group constituted by Ministry of Steel for evaluation of the proposal was held on 12th& 15th September 2022. The Evaluation Group supported six R&D project proposals in-principle subject to submission of revised project proposals based on the suggestions/ observations made in the meeting. Subsequently, meeting of the Evaluation Group was held on 23rd November 2022 wherein the aforementioned six R&D project proposals were further deliberated for industrial participation & funding.

12. 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 24360 crore (80.3%) has been incurred till November'22.

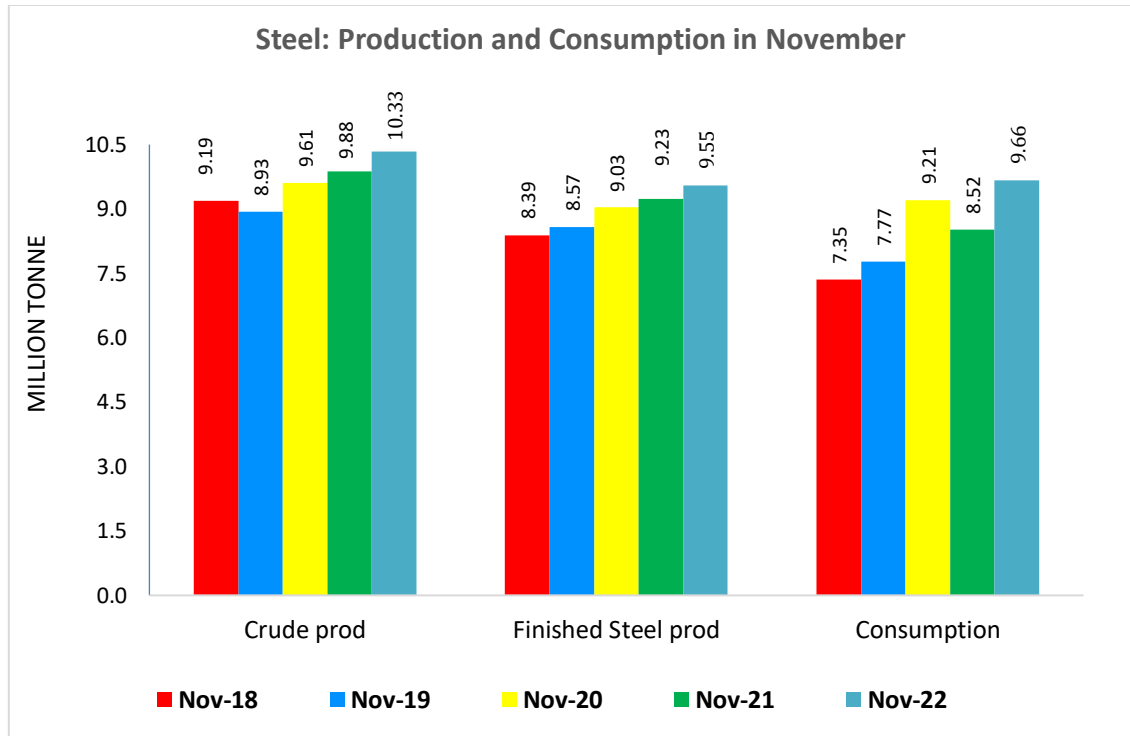
13. Eight National Infrastructure Pipeline (NIP) Projects related to slurry pipelines of various steel companies having a total cost of Rs. 25,680 crore are uploaded on IIG/NIP Portal. An expenditure of Rs. 3120 cr. has been incurred on these projects till November'22 during the current fiscal.

14. The CAPEX by Steel CPSEs in November'22 at Rs. 701.49 crore was 1.8% lower M-o-M and 40.5% lower than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for April-November'22 at Rs. 5170.45 crore was 10.6% lower than CAPEX during CPLY but is 39.3% 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.

15. 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. 609.32 crore was made by Steel CPSEs to MSMEs during November'22 which is 39.4% higher than payments made during CPLY and 13.4% higher than M-o-M. During April-November'22, Steel CPSEs have made payment of Rs. 4767.07 crore to MSME, which is 41.9% higher than Rs 3358.62 crore made during CPLY.

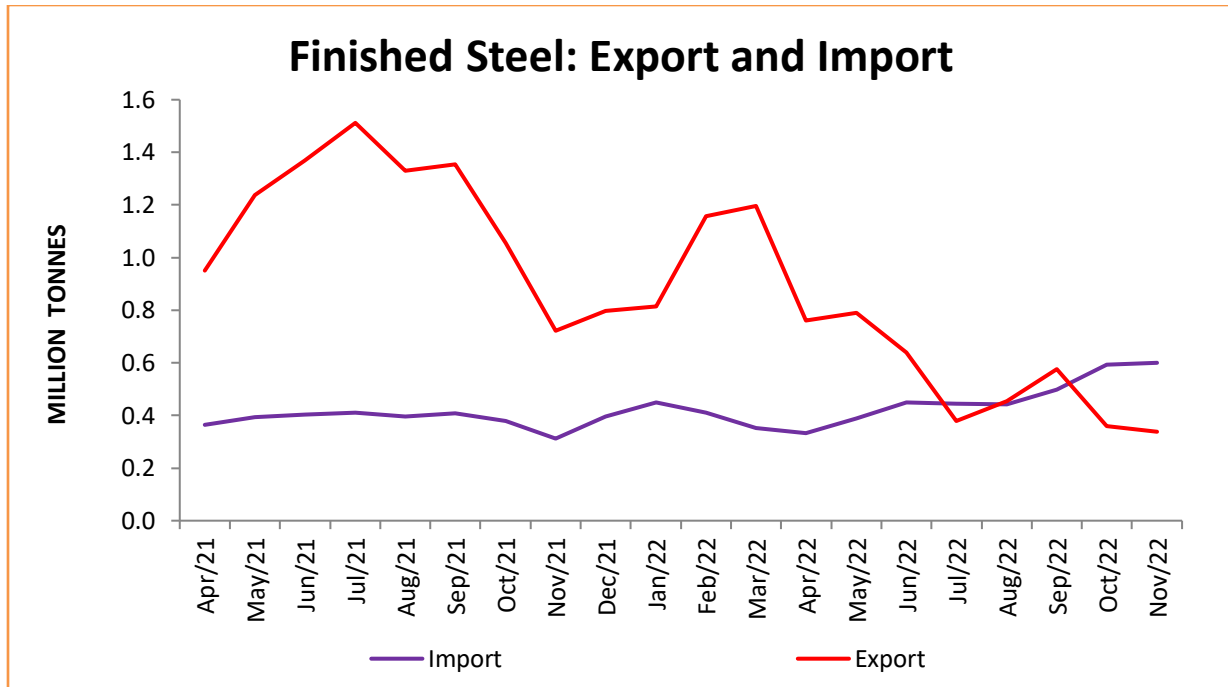
16. Production and Consumption Scenario:

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

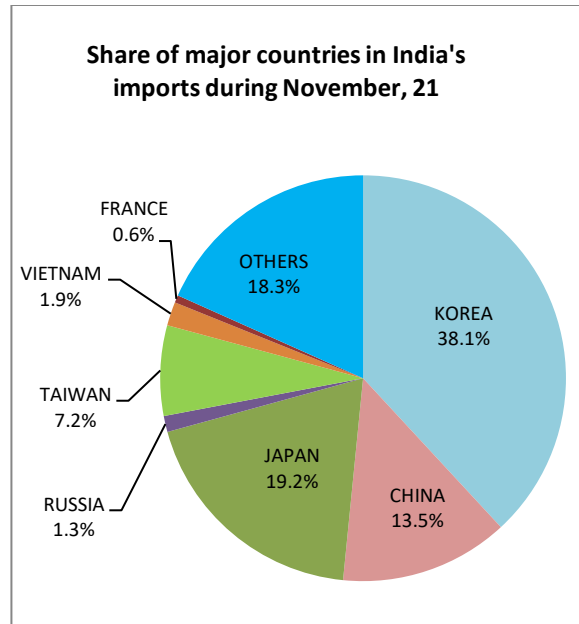
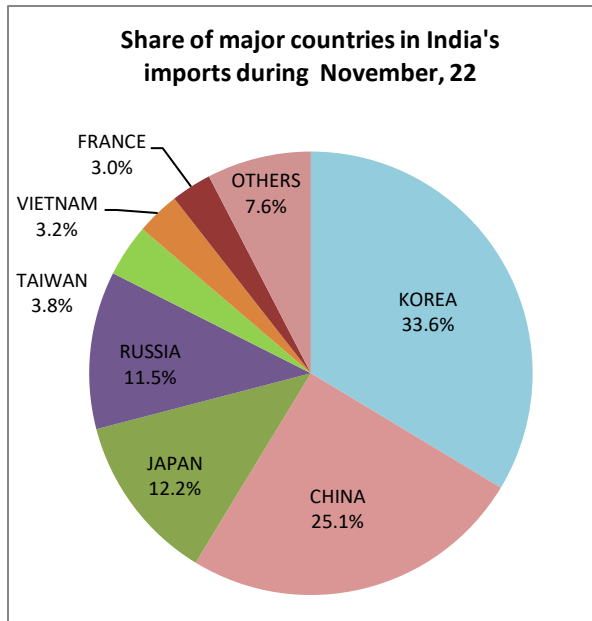


- ii. Production of crude steel in November'22 at 10.34 MT increased by 4.7% over CPLY but decreased by 1.1% M-o-M.
- iii. Production of finished steel in November'22 at 9.55 MT increased by 3.5% over CPLY but decreased by 4.3% M-o-M.
- iv. Consumption of finished steel in November'22 at 9.66 MT increased by 13.4% over CPLY but decreased by 4.5% M-o-M.
- v. Inventories of the finished steel with the steel producing companies at 9.82 MT at the end of November'22 increased by 1.5% M-o-M and 19.8% over CPLY.

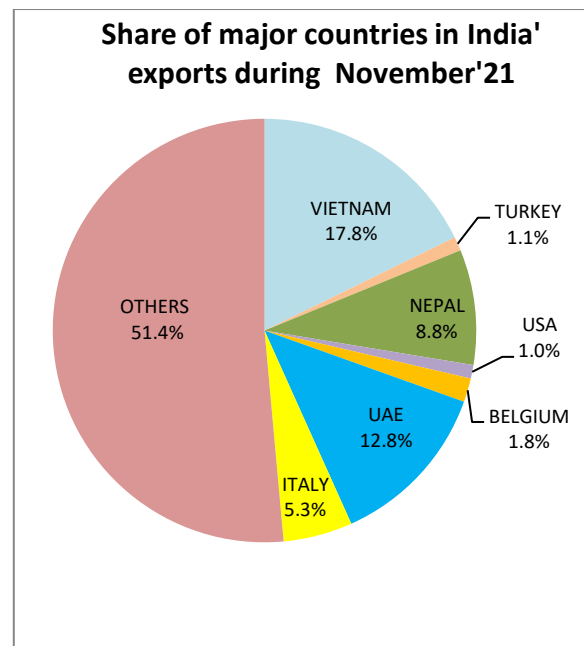
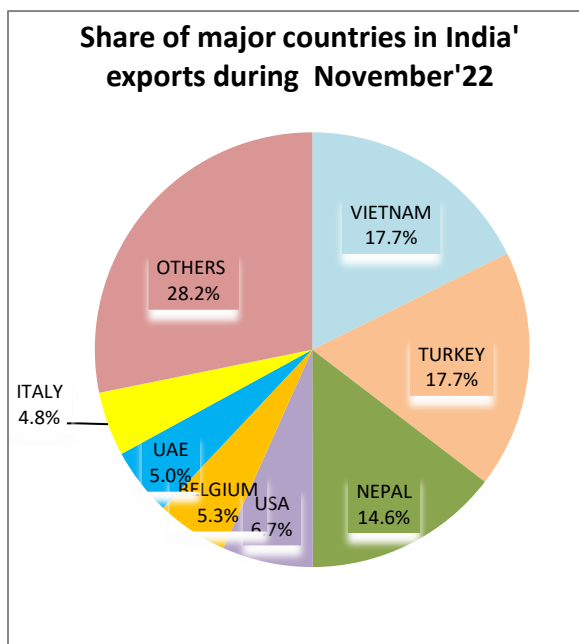
17. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during recent months shows that except for July'22, India's export during a month has consistently exceeded import during that month. During the month of November'22 the export from India decreased and imports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



- i. Export of finished steel in November'22 at 3.38 LMT decreased by 6.1% M-o-M and by 53.2% over CPLY while import at 6.00 LMT increased by 1.2% M-o-M and by 92.3% over CPLY. During April-November'22, exports at 42.99 LMT declined by 54.9% while imports at 37.51 LMT increased by 22.5% over CPLY.
- ii. In November, India's export was lower than its imports and it was a net importer of finished steel during the month.
- iii. Share of China, Russia, France, Vietnam, Nepal and Malaysia increased in total steel import of India in November'22 as compared to November'21 while share of Japan, Korea, Taiwan and Germany declined over this period as may be seen from the following graph:

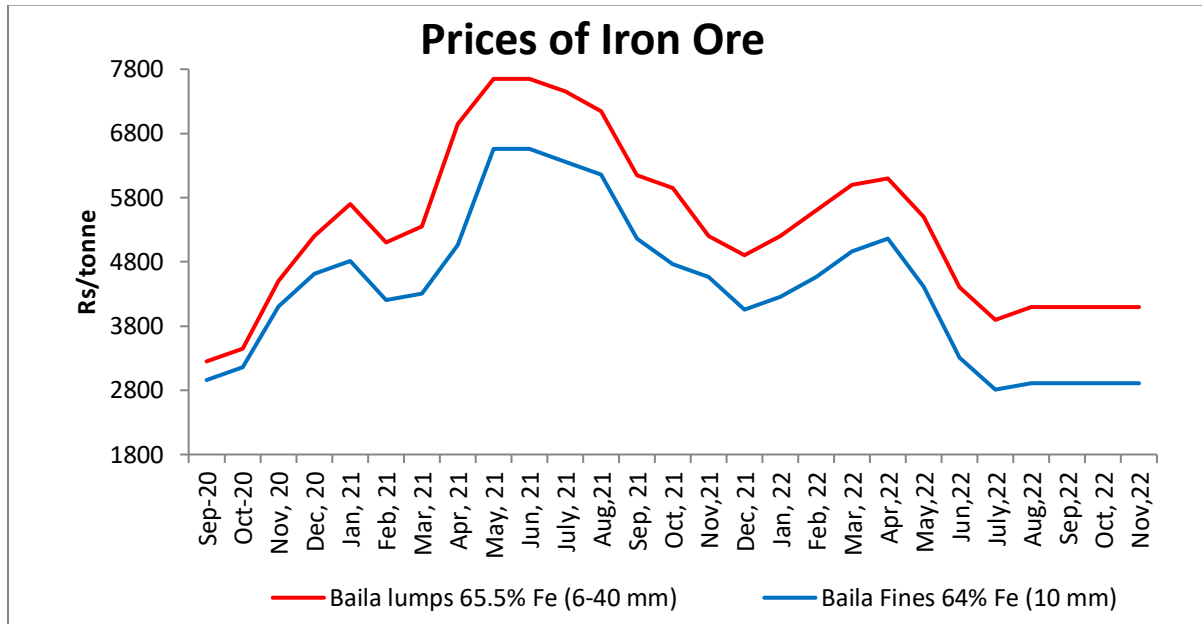


iv. Share of Turkey, Nepal, USA, Belgium, Denmark, Maldives and Spain was higher in total steel export from India in November'22 as compared to November'21 while share of UAE and Italy declined over this period as may be seen from the following graph:

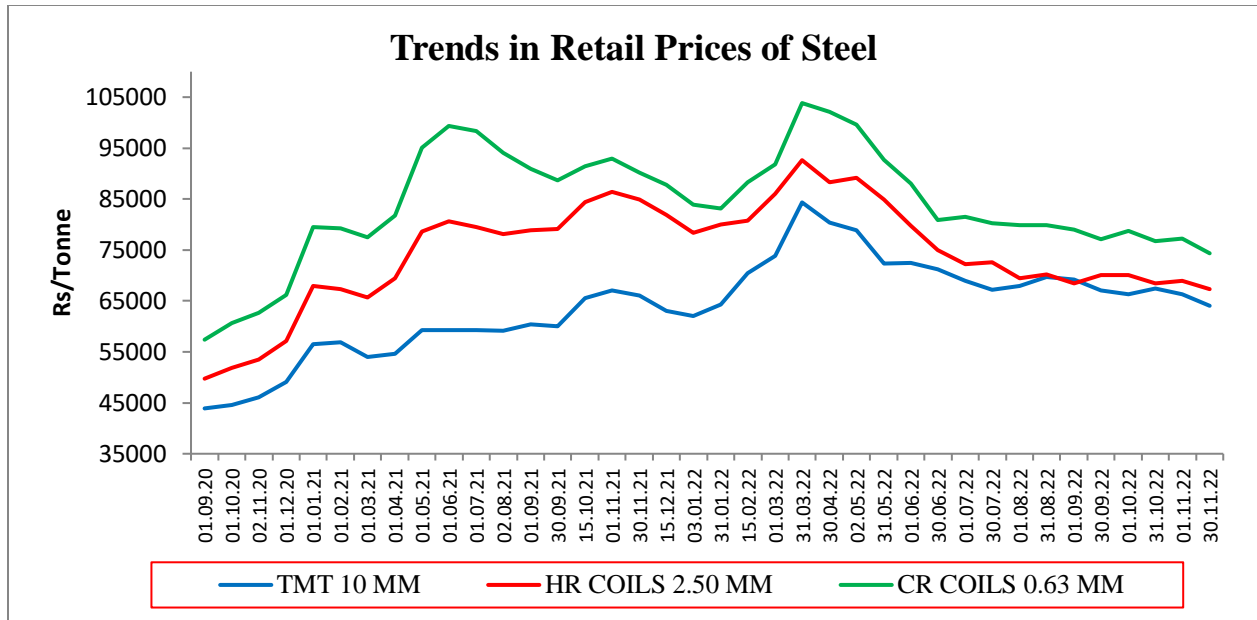


18. **Price scenario:** Prices of iron ore, hit its peak in May-June'21. Its prices followed a declining trend since July'21 till December'21 but started increasing again from January'22 and the uptrend continued till April'22. The prices of iron ore which was declining since

April have stabilized during recent months with the prices in the month of November'22 in previous month as may be seen from the graph below:



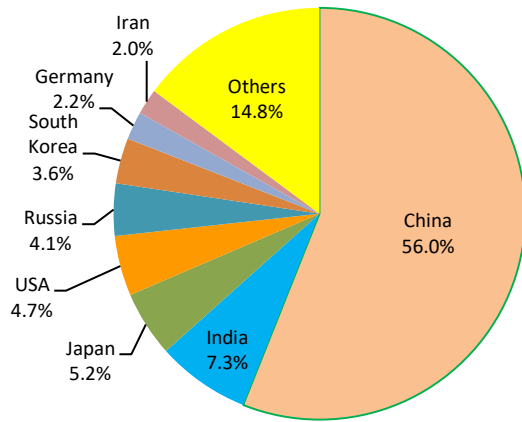
- i. During the month of November'22, prices of iron ore lump and fines at Rs. 4100/tonne and Rs. 2910/tonne respectively remained at the same levels as their respective prices in October'22.
- ii. The prices of CRC, HRC and Rebar, peaked in March'22 and started moderating thereafter. The reduction in 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 specially Coking Coal have seen some uptick in prices during Mid-August and September'22 when compared to July'22-early August'22. The prices of HCC Coking coal FOB Australia increased from USD 188/tonne on 3rd August, 2022 to USD 274/tonne in September'22 and then moderated somewhat to USD 251/tonne during the month. Such trend in prices of input resulted in steel prices showing a declining trend during the month with prices of TMT, HRC and CRC during the month 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) in Mumbai on 30th November'22 at Rs. 64040/tonne, HRC (2.50mm) at Rs. 67260/tonne and CRC (0.63mm) at Rs. 74340/tonne respectively were 3.5%, 2.4% and 3.8% lower than their respective prices at the start of the month.

19. The global production of crude steel decreased by 3.4% in October'22 over CPLY which is majorly due to decrease in production in Japan, USA, Russia, South Korea, Germany and Turkey. China, India, Iran and Brazil among the major producing countries (with production of 1 million tonne for the month) recorded an increase in production in October'22 over October'21. 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 October'22 while that of Japan, USA, Russia, South Korea, Germany and Turkey declined during this period as may be seen from the following graph:

Major crude steel producing countries during October'22



Major crude steel producing countries during October'21

