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

Udyog Bhawan, New Delhi
Dated: 3rd November, 2022

OFFICE MEMORANDUM

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

Encl: As above.

(Raj Kumar)
Deputy Director
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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)

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

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL

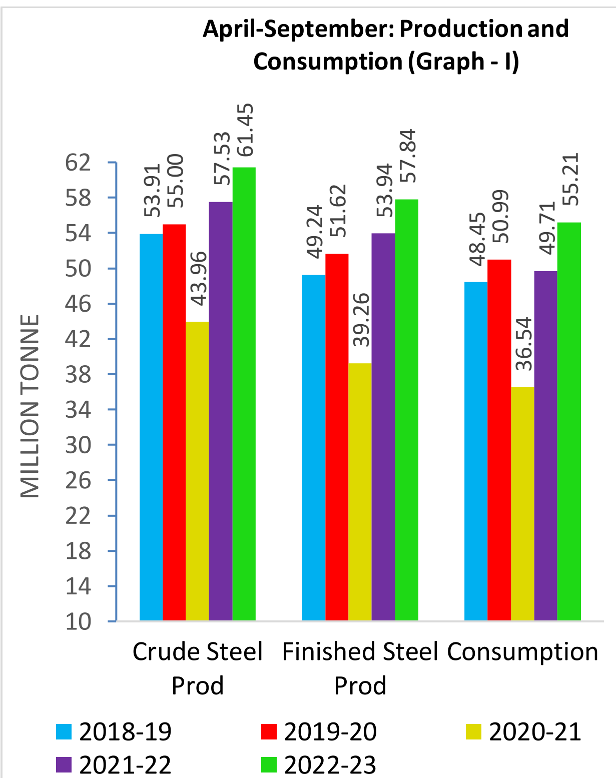
सितंबर - 2022
September - 2022

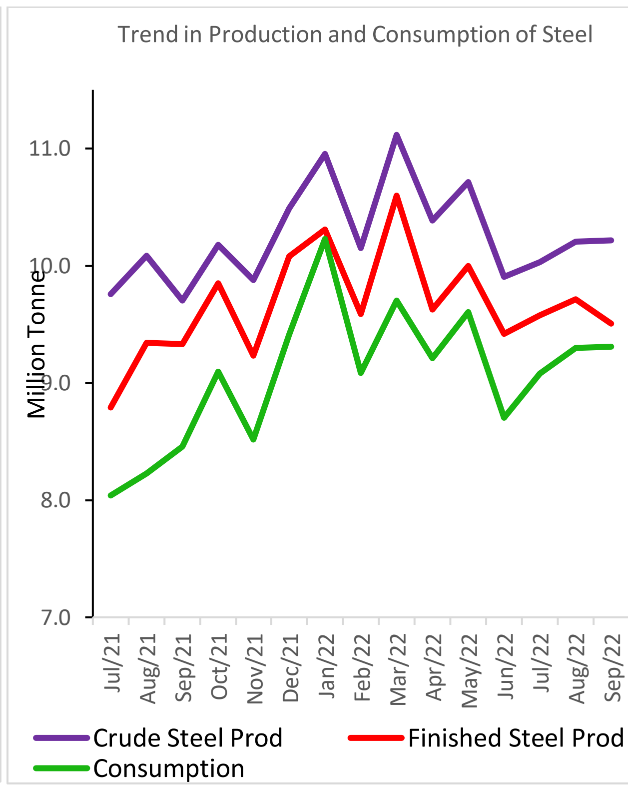
भारत सरकार /GOVERNMENT OF INDIA

इस्पात मंत्रालय/ MINISTRY OF STEEL

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

1. The performance of Steel sector during the first half of the fiscal year 2022-23 (H1: FY23) i.e. April-September 2022 has been encouraging. During H1: FY23, the cumulative production of crude at 61.45 MT, finished steel at 57.84 MT and consumption of finished steel at 55.21 MT was 6.8%, 7.2% and 11.1% higher than their respective levels in H1: FY22. Production and consumption of steel during H1: FY'23 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 of Crude Steel and consumption of steel improved in September'22 over their respective levels in August'22. However, production of Finished Steel decreased in September'22 over their respective levels in August'22.





2. During H1: FY23, steel making CPSEs showed a mixed trend with SAIL registering an increase in production over CPLY while RINL recording a decline over same period. In case of ore producing CPSEs of ministry viz., SAIL, NMDC, KIOCL and MOIL, production of all except MOIL registered a decline in H1: FY23 as compared to CPLY. The detailed performance of the Steel CPSEs are as below:

i. During Septmber'22, SAIL produced 15.39 lakh metric tonne (LMT) of Hot Metal and 14.67 LMT of Crude Steel recording an increase of 1.5% and 2.1% respectively over previous month. However, as compared to corresponding period last year (CPLY), production of Hot Metal by SAIL declined by 0.8% while that of Crude Steel increased by 1.8%. Production of Saleable Steel by SAIL during the month at 13.56 LMT recorded a decrease of 2.0% M-o-M and 7.6% over CPLY. The cumulative production of SAIL during H1: FY23, for Hot Metal at 92.21 LMT, Crude Steel at 86.29 LMT and Saleable Steel at 81.66 LMT registered an improvement of 3.3%, 4.7% and 1.0% respectively, over H1: FY22. During the month production of iron ore by SAIL at around 24.75 LMT was 2.4% higher M-o-M but 6.5% lower than CPLY. The cumulative production of iron ore by SAIL during H1: FY23 at 161.10 LMT was 1.7% lower than CPLY.

ii. Production of iron ore by NMDC at 27.3 LMT in September'22 registered an increase of 10.0% M-o-M and 1.4% over CPLY. The cumulative production of iron ore by NMDC during H1: FY23 at 161.8 LMT declined by 8.6% over CPLY. Sale of iron ore by NMDC at 29.1 LMT in September'22 was higher by 3.0% M-o-M and 6.8% over CPLY. During H1: FY 23, sale of iron ore by NMDC at 163.6 LMT was lower by 11.6% over CPLY.

iii. During the month KIOCL sold 0.24 LMT of Pellets which was lower by 69.6% M-o-M and 73.9% over CPLY. During H1: FY23, production and sales of Pellets by KIOCL at 5.29 LMT and 4.34 LMT respectively recorded a decline of 53.2% and 53.8% respectively over CPLY.

iv. During September'22, production of Manganese ore by MOIL at 0.91 LMT was 13.8% higher M-o-M but was at the same level in CPLY. Sale of Manganese ore by MOIL during September'22 at 0.97 LMT was 83.0% higher M-o-M but 5.8% lower than CPLY. During H1: FY23, production of Manganese ore at 5.63 LMT was higher by 10.0% and its Sale at 4.90 LMT was lower by 6.7% over CPLY.

v. During September' 22, RINL achieved production of 2.81 LMT of Liquid Steel, 2.81 LMT of Hot Metal, 2.69 LMT of Crude Steel and 2.97 LMT of Saleable Steel which is 4.4%, 4.8%, 4.9% and 11.6% lower than its production in August'22 respectively and 43.0%, 44.5%, 42.8% and 34.4% lower than CPLY respectively. During H1: FY23, production of Liquid Steel at 18.95 LMT, Hot Metal at 19.58 LMT, Crude Steel at 18.13 LMT and Saleable Steel at 16.96 LMT by RINL was 34.4%, 36.2%, 34.4% and 35.2% lower than their respective production during CPLY

3. In a move towards building an 'Atmanirbhar Bharat', SAIL supplied about 30,000 tonnes of the specialty steel for building the nation's first indigenously built Aircraft Carrier INS Vikrant for Indian Navy. These DMR grade plates have been developed by SAIL in collaboration with Indian Navy and DMRL.

4. Rashtriya Ispat Nigam Limited (RINL) received National Energy Leader Award from Ministry of Power on 21st September'22. RINL has received this the fourth time consecutively. RINL also received Excellent Energy Efficient Unit Award for sixth time in row from 2017 onwards from Confederation of Indian Industry Godrej Green Business Centre.

5. Ministry of Steel represented India in the OECD Steel Committee's 92nd meeting held in Paris, France, between Sep 19-20, 2022. Reports on various subjects covering, inter alia, global scenario of steel production and consumption, global steel capacity addition, decarbonisation efforts to be made by steel sector, trade measures across countries, subsidies to domestic companies were deliberated upon. India's interests in steel sector were defended during the discussions. India's position on being responsible towards decarbonisation efforts while going ahead with capacity addition for meeting its growing domestic demand was explained.

6. Technical Committee has been constituted by Ministry of Steel to examine the applications for clarification on the steel grades held at port of landing regarding applicability of Quality Control Order (QCO) on the steel grades being imported. The Committee held its meeting on 6th September, 2022 and 23rd September, 2022 in which a total of 1762 applications for clarification were examined and the required clarification were issues in each of these cases by the Committee.

7. Empowered Committee of Ministry of Steel, constituted to examine the applications for exemption of imported steel grades from the purview of the QCO, held its meeting on 14th September, 2022. The Committee considered the 29 applications for exemption from the purview of QCO based on the prescribed guidelines formulated for according such exemptions and accorded approval to 23 applications subject to applicable conditions.

8. The project uploaded on Pragati/PMG Portal, namely, 'Doubling of 150 kilometers of KK Line' is being funded by NMDC. The 21 km Kaklun-Kawargaon-Dabwal section under the project has been commissioned on 15.09.2022. With this out of the total 150 kilometers, 106 km line from Jagdalpur to Dantewada has become operational.

9. 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 24036 (79.2%) has been incurred till September'22.

10. 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

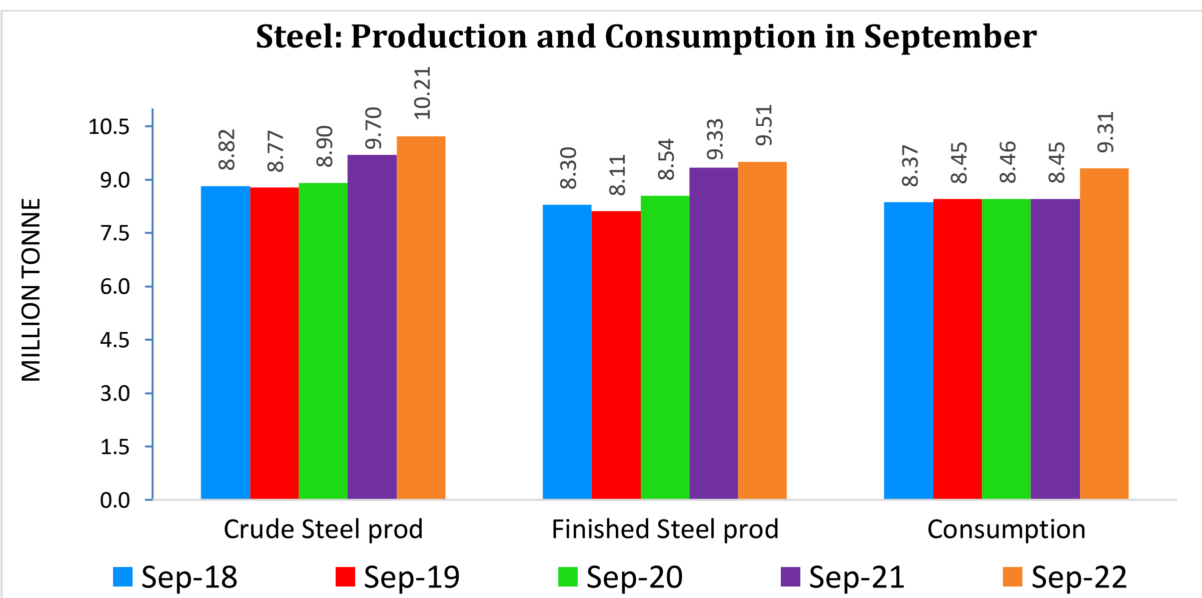
IIG/NIP Portal. An expenditure of Rs. 2970 cr. has been incurred on these projects till September'22 during the current fiscal.

11. The CAPEX by Steel CPSEs in September at Rs. 777.98 crore was 58.2% higher M-o-M but 15.3% lower than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for H1: FY23 at Rs. 3754.43 crore is 58.2% higher than CAPEX during CPLY but is 28.5% 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.

12. 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. 700.43 crore was made by Steel CPSEs to MSMEs during September'22 which is 49.3% higher than payments made during CPLY and 8.6% higher, M-o-M. During H1: FY23, Steel CPSEs have made payment of Rs. 3620.43 crore to MSME, which is 46.9% higher than Rs 2465.40 crore made during CPLY.

13. **Production and Consumption Scenario**:

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



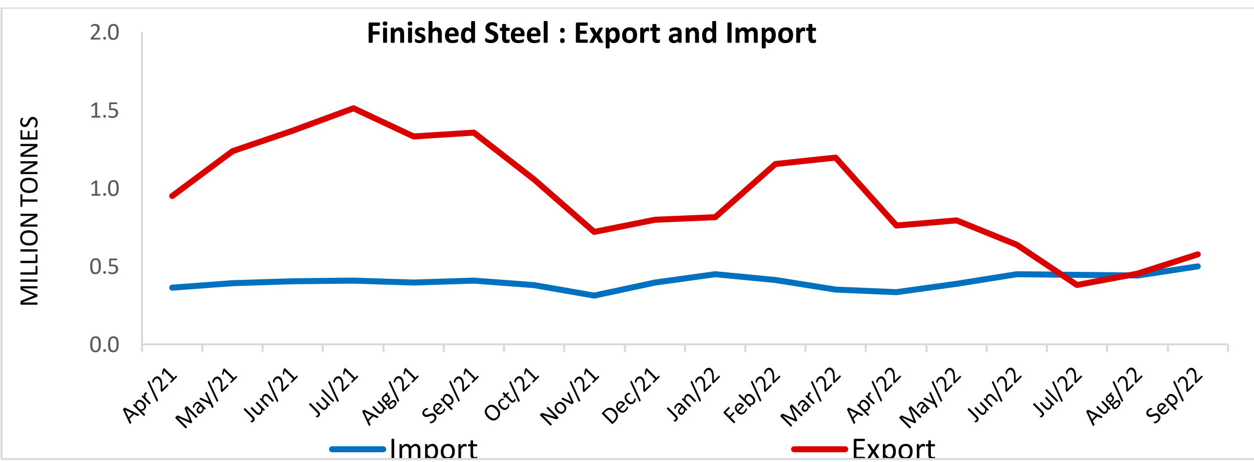
ii. Production of crude steel in September'22 at 10.22 MT increased by 5.3% over CPLY and by 0.1% M-o-M.

iii. Production of finished steel in September'22 at 9.51 MT increased by 1.9% over CPLY but declined by 2.1% M-o-M.

iv. Consumption of finished steel in September'22 at 9.31 MT increased by 10.1% over CPLY and by 0.1% M-o-M.

v. Inventories of the finished steel with the steel producing companies at 9.58 MT at the end of September'22 increased by 1.2% M-o-M and 22.5% over CPLY.

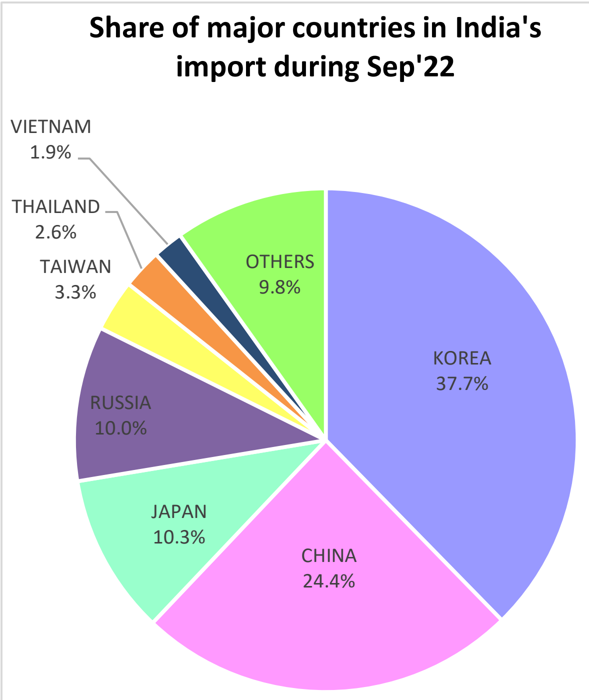
14. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during recent months shows that except for July'22, India's export during a month has consistently exceeded import during that month. Also, export of finished steel from India has shown more pronounced M-o-M variation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

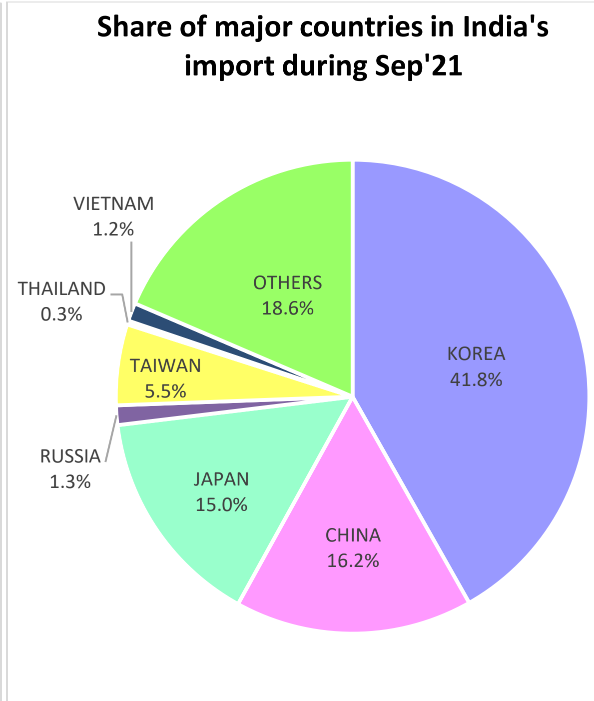


i. Export of finished steel in September'22 at 5.77 LMT increased by 27.1% M-o-M but registered a decline of 57.4% over CPLY while import at 4.99 LMT increased by 12.9% M-o-M and by 21.9% over CPLY. During H1: FY23 exports at 36.01 LMT declined by 53.6% while imports at 25.58 LMT increased by 7.8% over CPLY.

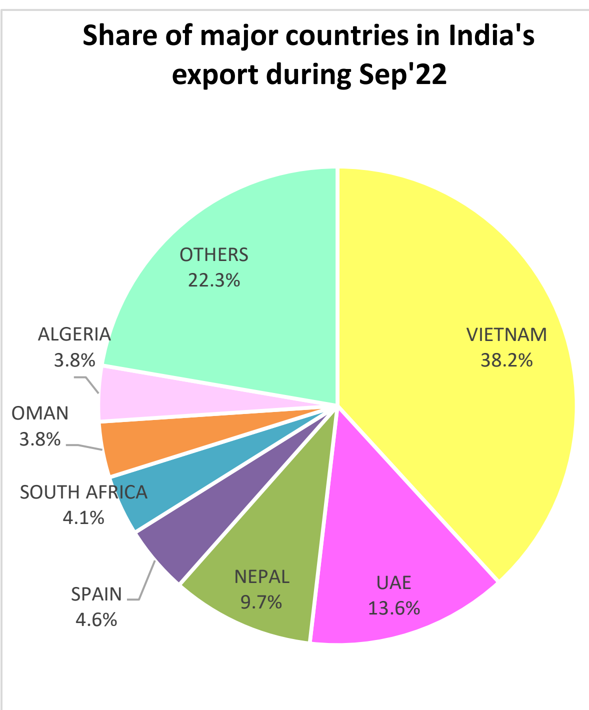
ii. In September, India's export was marginally higher than its imports and it was a net exporter of finished steel during the month with a net trade surplus of 0.78 LMT.

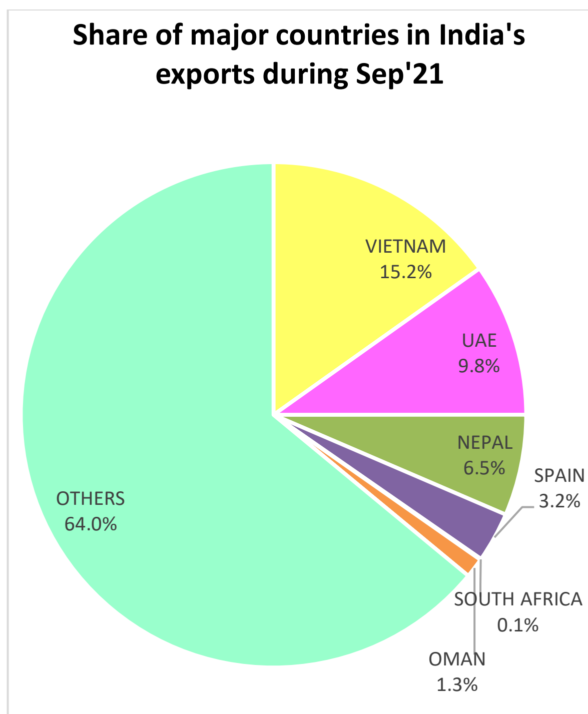
iii. Share of Russia, China, Thailand, Vietnam and Germany increased in total steel import of India in September'22 as compared to September'21 while share of Korea, Japan, and Taiwan declined over this period as may be seen from the following graph:



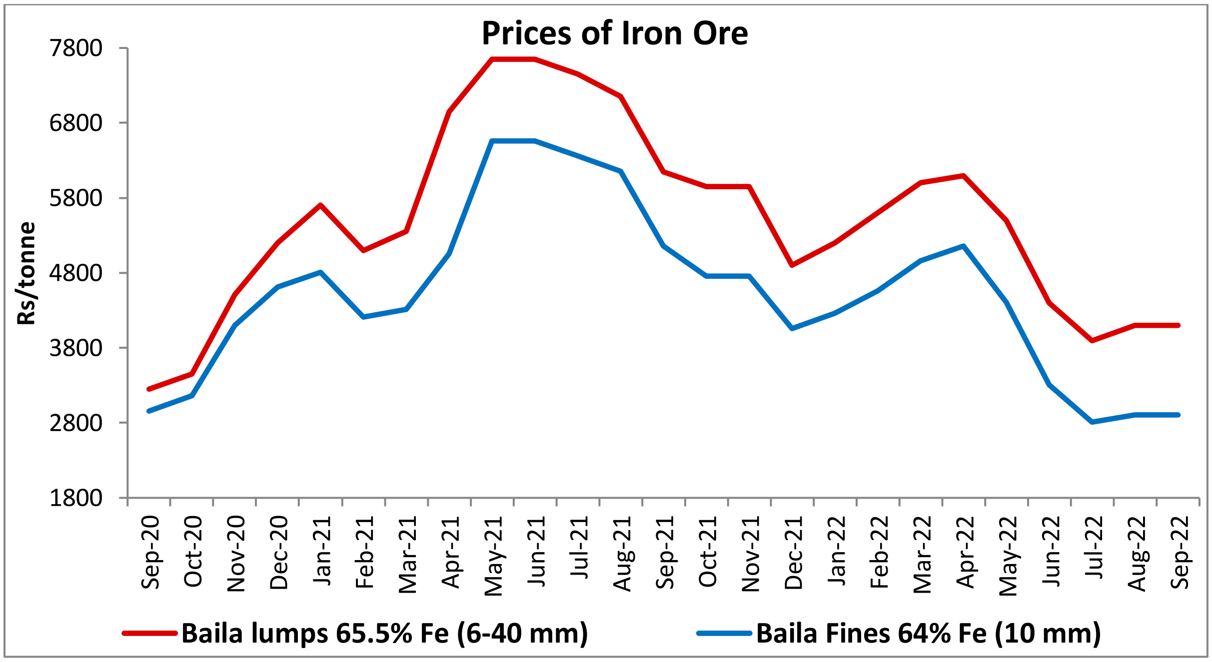


iv. Share of Vietnam, UAE, Nepal, Spain, South Africa, Oman and Algeria was higher in total steel export from India in September'22 as compared to September'21 as may be seen from the following graph.



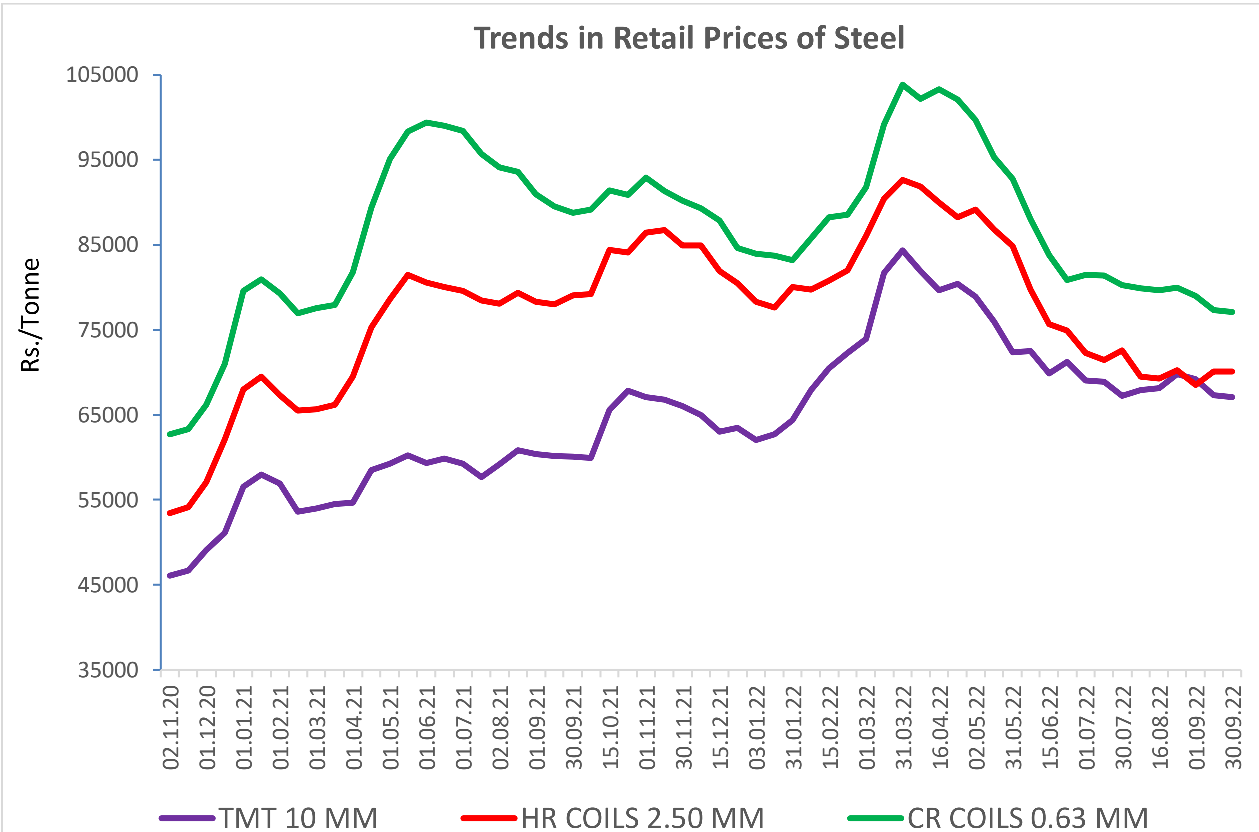


15. **Price scenario**: Prices of iron ore, hit its peak in May-June'21. Its prices followed a declining trend since July'21 till December'21 but started increasing again from January'22 and the uptrend continued till April'22. The prices of iron ore which was declining since April have stabilized during recent months with the prices in the month of September'22 staying at the same level as that in the previous month as may be seen from the graph below:



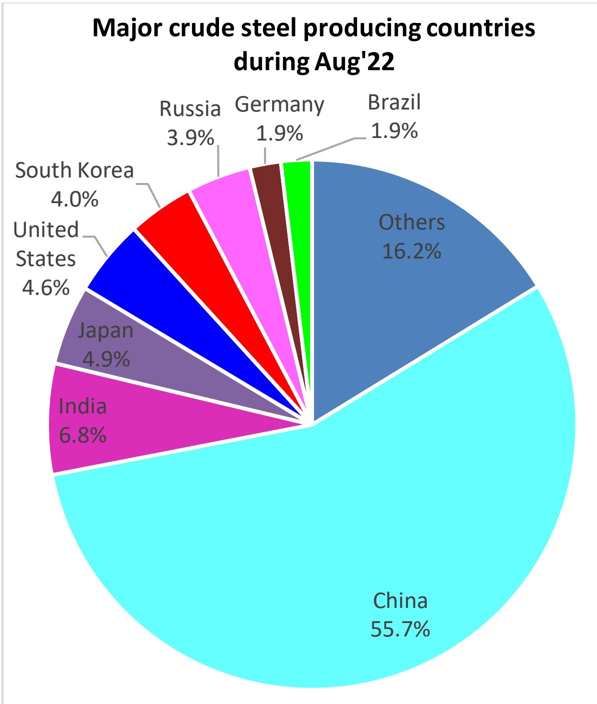
i. During the month of September'22, prices of iron ore lump and fines at Rs. 4100/tonne and Rs. 2910/tonne respectively remained unchanged from their respective level in August'22.

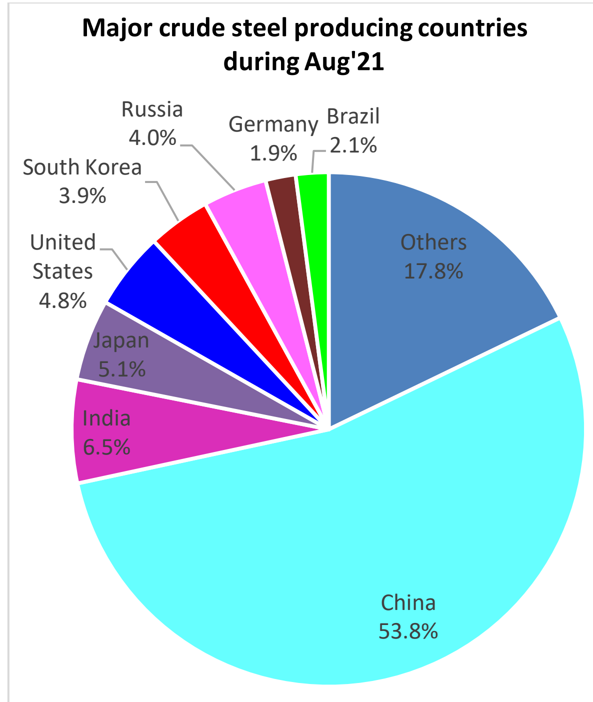
ii. The prices of CRC, HRC and Rebar, peaked in March'22 and started moderating thereafter. The reduction in the prices may partly be attributed to decline in the cost of inputs. Prices of Australian coking coal declined to the level of below USD 200/tonne by the end of July, 2022 as against its peak 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, raw material used for Steel making specially Coking Coal have seen some uptick in prices during Mid-August and September'22 when compared with July'22-early August'22 prices. 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 mixed trend during the month with prices of HR Coil showing some increase while that of TMT and CR Coil declining 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) and CRC (0.63mm) in Mumbai on 30th September'22 at Rs. 67050/tonne and Rs. 77120/tonne respectively were 3.1% and 2.3% lower than their respective prices at the start of the month. However, the retail prices for HRC (2.50mm) in Mumbai on 30th September'22 at Rs. 70090/tonne was 2.3% higher than its prices at the start of the month.

16. The global production of crude steel decreased by 3.0% in August'22 over CPLY which is majorly due to a decline in production in Ukraine, Turkey, Japan, USA and Italy. In addition, during the month, few other major steel producing countries viz., Russia, Brazil, Taiwan and Vietnam also reported decline in production over CPLY. India, China, Iran and Mexico among the major producing countries (with production of 1 million tonne for the month) recorded an increase in production in August'22 over August'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 China, India and South Korea increased during August'22 while that of Japan, USA, Brazil and Russia declined. Share of Germany remained unaltered during this period as may be seen from the following graph:


Major crude steel producing countries during Aug'22
Russia 3.9%
Germany 1.9%
Brazil 1.9%
South Korea 4.0%
United States 4.6%
Others 16.2%
Japan 4.9%
India 6.8%
China 55.7%


Major crude steel producing countries during Aug'21
Russia 4.0%
Germany 1.9%
Brazil 2.1%
South Korea 3.9%
United States 4.8%
Others 17.8%
Japan 5.1%
India 6.5%
China 53.8%