

No. S-24011/12/2019-EA



सत्यमेव जयते

मासिक सारांश  
MONTHLY SUMMARY  
ON  
लौह एवं इस्पात  
IRON & STEEL  
नवंबर - 2019  
November - 2019

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

## Monthly Summary for the Cabinet for the month of November 2019:-

1. Steel Minister along with officials and business delegation visited UAE during 10-12<sup>th</sup> November 2019 to participate in the Inaugural Ministerial Session of Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC) and a Ministerial Panel Discussion on 11<sup>th</sup> November 2019. He met with his counterpart H.E. Suhail Mohamed Faraj Al Mazrouei, Minister of Energy and Industry and also discussed issues on steel sector engagement within the overall framework of India-UAE Strategic Partnership.
2. As a part of efforts to reduce dependency for sourcing coking coal from select countries like Australia, USA and Canada, Steel Minister along with MoS Steel and senior officials of the Ministry met with a visiting Russian delegation led by CEO, Far East Russian Investment & Export Agency on 26<sup>th</sup> November 2019 at New Delhi. Discussions centered around further developing economic linkages with Far East Russia, through sourcing of coking coal and development of infrastructure of Far East Russian ports & mining locations. The need for procuring coking coal of good quality at competitive rates and at reduced logistic cost was emphasized upon. It was reiterated that Russia could emerge as a strategic partner for this purpose.
3. Steel Minister inaugurated 57<sup>th</sup> National Metallurgists' Day (NMD) Award Function organized jointly by Ministry of Steel and the Indian Institute of Metals at Thiruvananthapuram on 14<sup>th</sup> November, 2019. NMD is held every year on 14<sup>th</sup> November where leading professionals are honored for their outstanding contributions in metallurgical fields including operation, research, design, education, waste management, energy conservation and corporate leadership. Among different 13 categories, this year's Lifetime Achievement Award was given to Mr. Muthuraman Balasubramanian, former Vice Chairman, Tata Steel.
4. Minister of Steel along with MoS for Steel attended "ISA-Steel Conclave 2019" on 21-22<sup>nd</sup> November, 2019 at New Delhi which was organized by Indian Steel Association (ISA). The two-day conclave focused on the latest developments, opportunities and challenges of the Indian Steel Industry and was attended by senior industry leaders, technocrats, specialists and consultants. A report on the 'Status of Indian Steel Industry' was released and ISA Steel Awards were distributed under different categories.
5. Steel Minister held a meeting with Chief Minister of Andhra Pradesh on 8<sup>th</sup> November, 2019 at Vijayawada and discussed a host of issues, including long term iron ore linkage for the proposed Kadapa Steel Plant with NMDC.
6. Meeting of the Parliamentary Standing Committee on Coal and Steel on Demands for Grant of the Ministry of Steel for FY 2019-20 under the chairmanship of Shri Rakesh Singh, MP (LS) was held on 11<sup>th</sup> November, 2019. Secretary (Steel) along with senior officers of the Ministry attended the meeting. A detailed presentation on overview of the Indian steel industry, major initiatives taken by the Ministry of steel, Steel CPSEs, demands for grants for FY 2019-20 and budget performance was made before the committee. The questions & queries of the committee members were replied during the meeting followed by written replies.
7. The Steel Scrap Recycling Policy was notified in the Gazette of India vide No. 354 on 7<sup>th</sup> November, 2019. The policy provides a framework to facilitate and

promote establishment of metal scrapping centers in India for scientific processing and recycling of ferrous scrap generated from various sources and a variety of products. It provides standard guidelines for collection, dismantling and shredding activities in an organized, safe and environmentally sound manner.

8. The Steel Import Monitoring System (SIMS) has become operational from 24<sup>th</sup> November 2019. The available import data on the portal has been analyzed by the Ministry of Steel and has identified several areas of import which can be curtailed by invoking the DMI&SP policy. The domestic steel producers have given an extremely positive response to the data which has been analysed and put up on public domain through this system. The Ministry is hopeful that substantial amount of import substitution alongwith recommendations for creation of new HS codes will happen in the near future.

9. Ministry of Steel has directed SAIL to carry out a safety audit of all its mines including Hitkasa Dam in Chhattisgarh wherein slimes are being dumped from nearby mines. Similar exercise is also being carried out by the mines of NMDC.

10. Production & Consumption Scenario:

- (i) Both crude steel and finished steel production registered a decline of 1.8% & 5.4% respectively in November 2019 over previous month. The production for both was also lower as compared to November 2018. However, the aggregate production during April-November 2019 for both crude & finished steel registered a marginal growth of 0.9% & 1.9% over CPLY respectively.
- (ii) Though the consumption of finished steel during November 2019 declined by 13.32% as compared to previous month, the aggregate consumption during April-November 2019 still registered a growth of 3.56% over CPLY.
- (iii) The declining trend in stock of finished steel has continued since August 2019 till November 2019. The inventories with steel companies declined marginally and stood at 13.21 MT by the end of November 2019.
- (iv) Domestic price of coking coal (steel grade 1 of BCCL) stood at Rs 5860/tonne in the last week of October 2019 and remained unchanged throughout the month of November 2019. International price of coking coal (HCC 64 Mid Vol) during last week of November 2019 was Rs 9957/tonne registering a decline of 4.7% over last week of October 2019.

11. Export-Import Scenario:

- (i) While the domestic demand remained subdued, steel exports during November 2019 stood at 867 thousand tonnes. Exports declined slightly by 8.8% on M-o-M basis but were higher than imports by 438 thousand tonnes, making India a net exporter. Lower export offers by suppliers was the prime reason for trade surplus in November 2019.

- (ii) India recorded trade surplus since August 2019. Consequently, it registered a significant growth of 33.5% during April-November 2019 over CPLY with trade surplus at 0.676 MT.
- (iii) Steel imports from Indonesia witnessed a significant increase with the share increasing to 6.9% in April-November 2019 from 2.7% in April-November 2018. During the same period, import share from Korea, Ukraine & Germany saw an increase whereas it declined for China, Japan, Taiwan, Vietnam etc.
- (iv) During April-November 2019, export of Indian steel witnessed an increase for Vietnam, Nepal, Italy, UAE, Taiwan, Srilanka etc. The steel exports to Vietnam have increased significantly in November 2019 over November 2018. During April-November 2019, around 1.682 MT HRC was exported to Vietnam thereby making it top most importer of Indian steel.
- (v) Indian iron ore imports in November 2019 was 119 thousand tonnes. Import is less due to sufficient domestic Iron Ore production, reduced domestic iron ore prices as well as increased preference for domestic pellets over South African lumps.
- (vi) Export of iron ore stood at 2.68 MT, up by 66% during November 2019 over November 2018. Export of Iron increased due to global supply tightness in international market particularly from Vale mines of Brazil, less use of Iron Ore in domestic steel industry due to weak demand of steel in domestic market, increased demand of iron ore in China etc.

12. Price scenario:

- (i) Domestic prices of iron ore lumps as well as fines continuously declined since September 2019 and stood at INR 2600/tonne & INR 2360/tonne respectively during November 2019 thereby registered a decline of 3.7% & 4.06% respectively over the previous month. Similarly, international iron ore fine (62% Fe) prices during November 2019 also decreased by 4.4%. Low global demand, especially from China and recovery of supply disruption from Brazil & Australia are the major reasons for decline in iron ore prices.
- (ii) Prices of hot rolled and cold rolled coils (HRC and CRC) have witnessed continuous decline since April, 2019. On M-o-M basis, during the month of November 2019 the prices of HRC and CRC declined by 3.01% & 3.95% respectively. The prices of Rebars which were also declining since April 2019 and registered a positive growth in October 2019, declined marginally in November 2019.

13. The BSE Sensex and Metal indices both remained bullish and registered a growth of 1.65% and 5.08% respectively in November 2019.

14. The production of saleable steel of SAIL & RINL stood at 1.348 MT & 0.410 MT respectively during the month of November 2019. The production of finished steel at SAIL increased by 3.6% over CPLY whereas it declined by 10% for RINL.

## I. Growth Parameters: Statistical updates:

Graph No. 1: Production and consumption of Finished Steel:

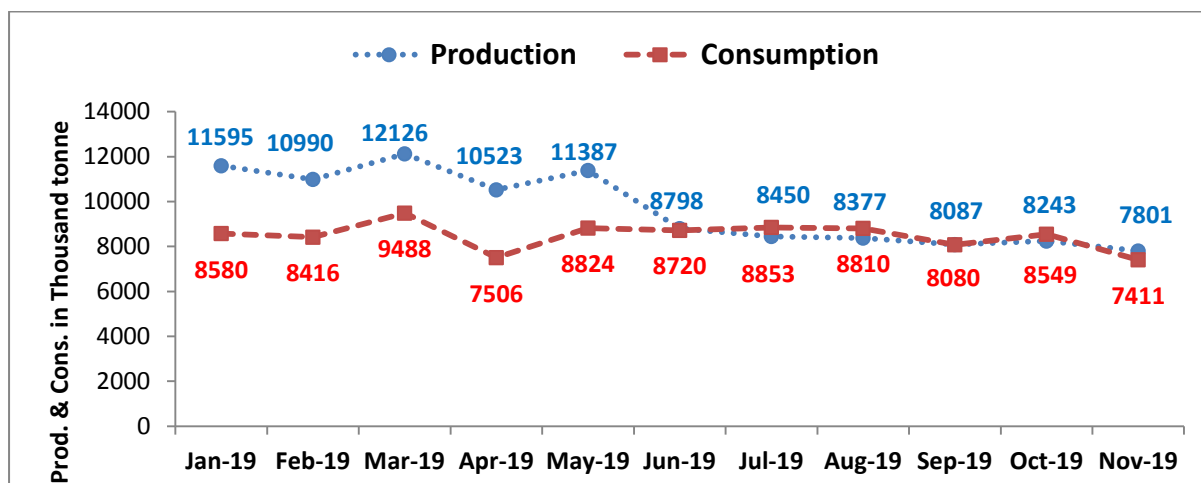


Table 1: Production & Consumption of Steel during 2019-20

(Million Tonnes)

Description	Oct'19	Nov'19	% Variation	April-Nov.		% Variation
				2018-19	2019-20	
Production (Crude Steel)	9.089	8.923	(-)1.8	72.510	73.174	0.9
Production (Finished Steel)	8.243	7.801	(-)5.4	66.252	67.527	1.9
Consumption	8.549	7.411	(-)13.3	64.176	66.461	3.6

- During November 2019, production and consumption of finished steel declined by 5.4 % and 13.3%, respectively over the previous month.

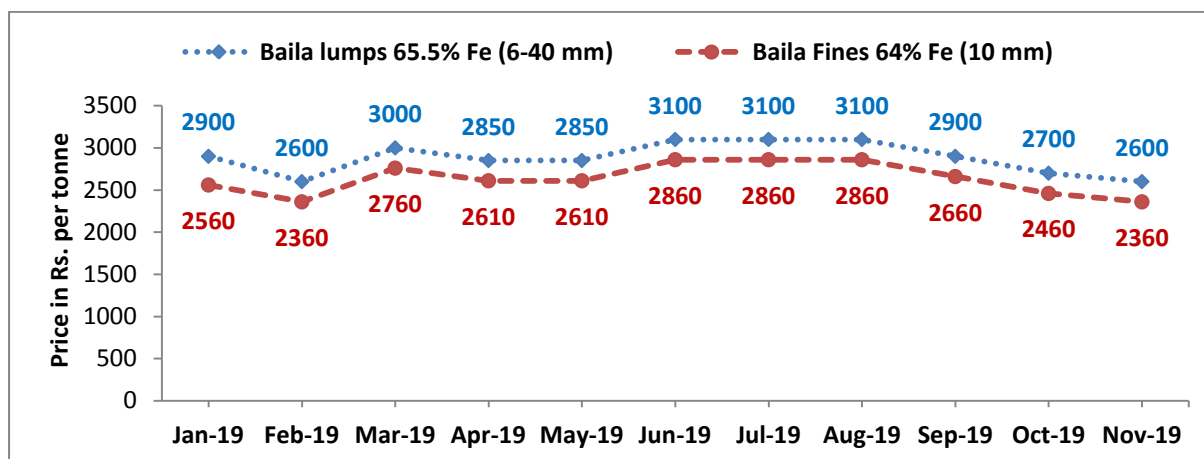
Table 2: Country-wise Crude Steel\* Production

Country	(Million tonne)					
	October		% Variation	Jan-Oct		% Variation
	2018	2019		2018	2019	
India	9.408	9.089	(-)3.4	90.724	93.306	2.8
Japan	8.578	8.157	(-)4.9	87.197	83.791	(-)3.9
USA	7.557	7.407	(-)2.0	71.731	73.539	2.5
China	82.014	81.521	(-)0.6	771.781	829.215	7.4

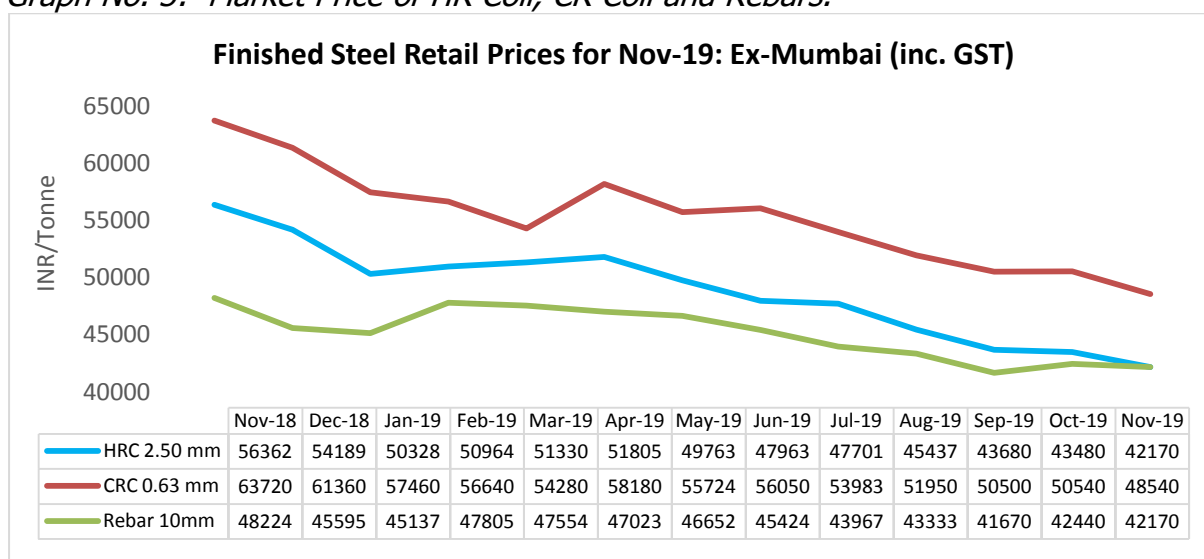
Table 3: Price of Iron Ore (Rs. per tonne)

Mineral	2019										
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Baila lumps 65.5% Fe (6-40 mm)	2900	2600	3000	2850	2850	3100	3100	3100	2900	2700	2600
Baila Fines 64% Fe (10 mm)	2560	2360	2760	2610	2610	2860	2860	2860	2660	2460	2360

Graph No. 2: Price Trend of Iron Ore.



Graph No. 3: Market Price of HR Coil, CR Coil and Rebars.



## II. Trade Scenario:

Table 4: Imports and Exports of Finished Steel (Provisional):

Description	(000' Tonnes)					
	November		% Variation	April-November		% Variation
	2018	2019		2018-19	2019-20	
Imports	681	429	(-)37.0	5361	5077	(-)5.3
Exports	482	867	79.9	4308	5753	33.5

- Import of total finished steel was at 0.429 MT in November 2019 and declined by 37% over CPLY.
- At 0.867 MT, export of total finished steel increased by 79.9% in November, 2019 over CPLY.
- India was a net exporter of steel during both November 2019 and April-Nov 2019.

Table 5 - Month-wise Import & Export of Finished Steel

Month	Import	Export	M-o-M Growth (%)	
			Import	Export
April 2019	0.586	0.397	(-)16.88	(-)32.93
May 2019	0.535	0.318	(-)8.70	(-)19.90
June 2019	0.604	0.299	12.9	(-)6.0
July 2019	0.772	0.460	27.8	53.8
Aug 2019	0.856	0.983	10.9	113.7
Sep 2019	0.565	1.019	(-)34.0	3.6
Oct 2019	0.629	0.950	11.3	(-)6.8
Nov 2019	0.429	0.867	(-)31.8	(-)8.7

Graph No. 4 - Monthly Trend of Import & Export of Finished Steel

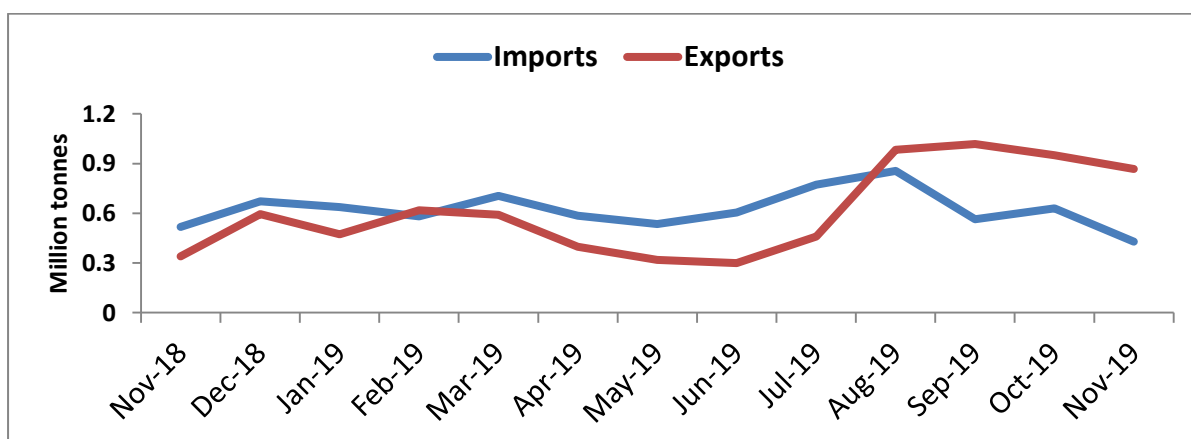


Table 6: Country-wise share of imports to India

Country	Nov-19 (P)	(%) Share	(000' tonnes)		
			Nov-18	(%) Share	(%) Change
KOREA	187.8	43.8	212.6	31.2	(-)11.7
JAPAN	56.2	13.1	70.1	10.3	(-)19.8
CHINA	55.2	12.9	226.1	33.2	(-)75.6
INDONESIA	22.0	5.1	8.9	1.3	146.2
SINGAPORE	17.5	4.1	1.5	0.2	-
OTHERS	90.4	21.1	162.1	23.8	(-)44.2
TOTAL	429.1	100.0	681.4	100.0	(-)37.0

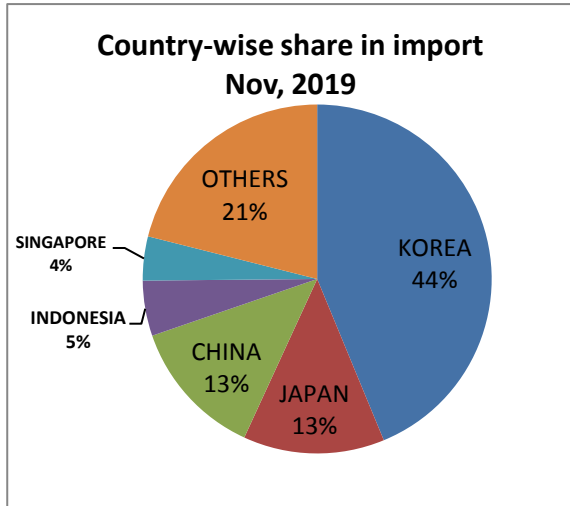
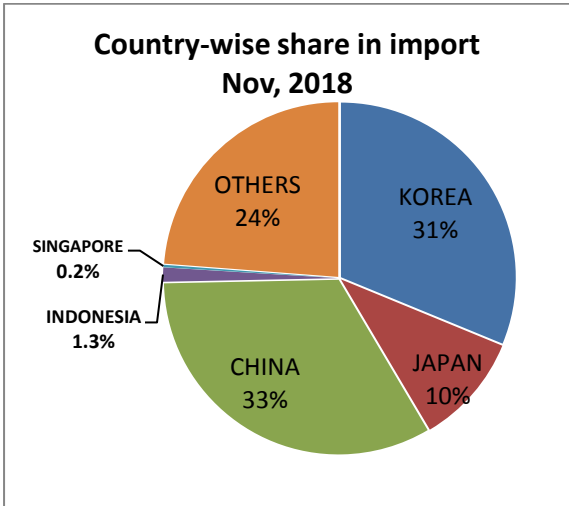
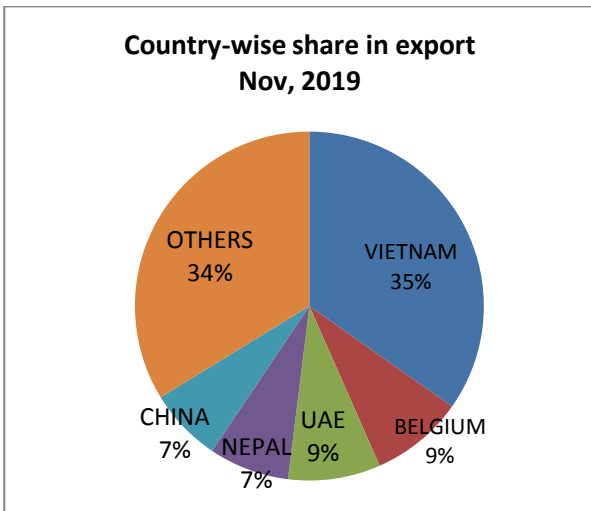
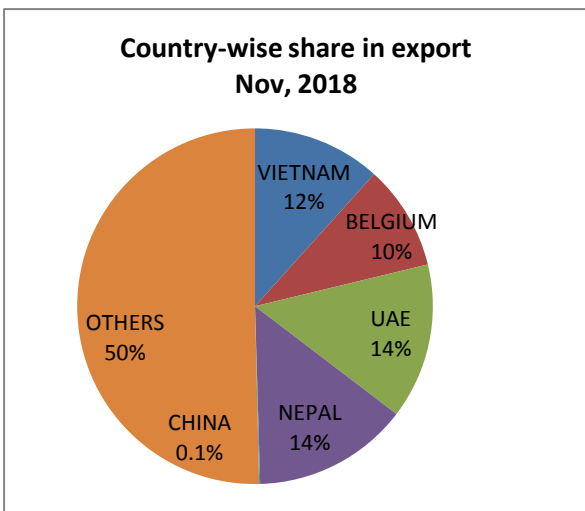


Table 7: Country-wise share of Exports from India

(000' tonnes)

Country	Nov-19 (P)	(%) Share	Nov-18	(%) Share	(%) Change
VIETNAM	301.3	34.8	56.3	11.7	435.3
BELGIUM	74.9	8.6	46.0	9.5	62.8
UAE	74.2	8.6	68.2	14.1	8.9
NEPAL	64.7	7.5	68.3	14.2	(-)5.3
CHINA	59.1	6.8	0.4	0.1	-
OTHERS	292.6	33.8	242.7	50.4	20.5
TOTAL	866.7	100.0	481.9	100.0	79.8





### III. Performance of Steel PSUs:

Table 8: Production/Sales/Sales Turnover:

(Million Tonnes)

Steel PSUs	November		% variation	April-November		% variation
	2018	2019		2018-19	2019-20	
<b>SAIL:</b>						
Saleable Steel (MT)	1.252	1.348	7.7	9.902	10.111	2.1
Sales (MT)	0.970	1.316	35.7	8.322	8.340	0.2
Total Sales Turnover (Rs. Crore)	4940	5116	3.6	42409	37776	(-)10.9
<b>RINL:</b>						
Saleable Steel (MT)	0.440	0.410	(-)6.8	3.233	3.025	(-)6.4
Sales Steel (MT)	0.324	0.473	46.0	3.003	2.737	(-)8.9
Sales Turnover (Rs. Crore)	1441	1610	11.7	13062	10253	(-)21.5
<b>NMDC:</b>						
Production-Iron ore (MT)	3.294	2.944	(-)10.6	18.746	18.887	0.8
Sales-Iron ore (MT)	2.792	2.79	(-)0.1	19.336	19.987	3.4
Sales (Rs. Crore)	1120	850	(-)24.1	7150	7200	0.7
<b>MOIL:</b>						
Production-Mn. Ore (MT)	0.107	0.131	22.6	0.8045	0.803	(-)0.2
Sales-Mn. Ore (MT)	0.071	0.124	75.4	0.724	0.700	(-)3.3
Total Sales Turnover (Rs. Crore)	85.59	88.51	3.4	877.89	654.64	(-)25.4

Table 9: Physical & Financial Performance:

Steel PSUs	November		% variation	April-November		% variation
	2018	2019		2018-19	2019-20	
<b>KIOCL:</b>						
Pellets Production (MT)	0.240	0.190	(-)20.8	1.394	1.445	3.7
Financial Performance (Sales-Pellets) in Rs. crore	132.1	184.6	39.8	1067.1	1229.0	15.2
Profit Before Tax (Rs. crore)	(5.88)	(10.09)	71.6	64.96	13.43	(-)79.3
<b>MECON: Performance (Rs. Crore)</b>						
Physical Performance (Total Business Procurement)	33.67	289.10	758.6	208.42	4603.49	2108.8
Financial Performance (Total Revenue from Operations)	26.06	43.79	68.0	227.02	257.84	13.6
Net Profit (Before Tax)	(7.66)	11.26	(-)247.0	(35.06)	(55.99)	59.7
<b>FSNL: Performance</b>						
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.321	0.452	40.9	2.209	3.004	36.0
Financial Performance (Sales-Service Charges) in Rs. Crore	30.73	31.33	2.0	234.62	242	3.1
Net Profit After Tax (Rs. Crore)	2.79	2.90	3.9	16.57	14.65	(-)11.6

<b>MSTC: Performance (Rs. Crore)</b>						
Physical Performance (Total Trading & E-Commerce)	3088	2247	(-)27.2	79885	61278	(-)23.3
Financial Performance (Sales Turnover)	276.0	37.9	(-)86.3	1697.8	667.2	(-)60.7
Profit Before Tax	5.25	7.25	38.1	74.40	84.81	14.0

*Figures in parentheses indicate a negative amount/balance*

**IV.** The Ministry of Steel and Steel PSUs are making procurement of goods and services through GeM Portal as under:

Organization	November, 2019		April-November, 2019-20	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	48	29.96	273	82.15
Steel PSUs	172	502.29	1361	3928.48

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