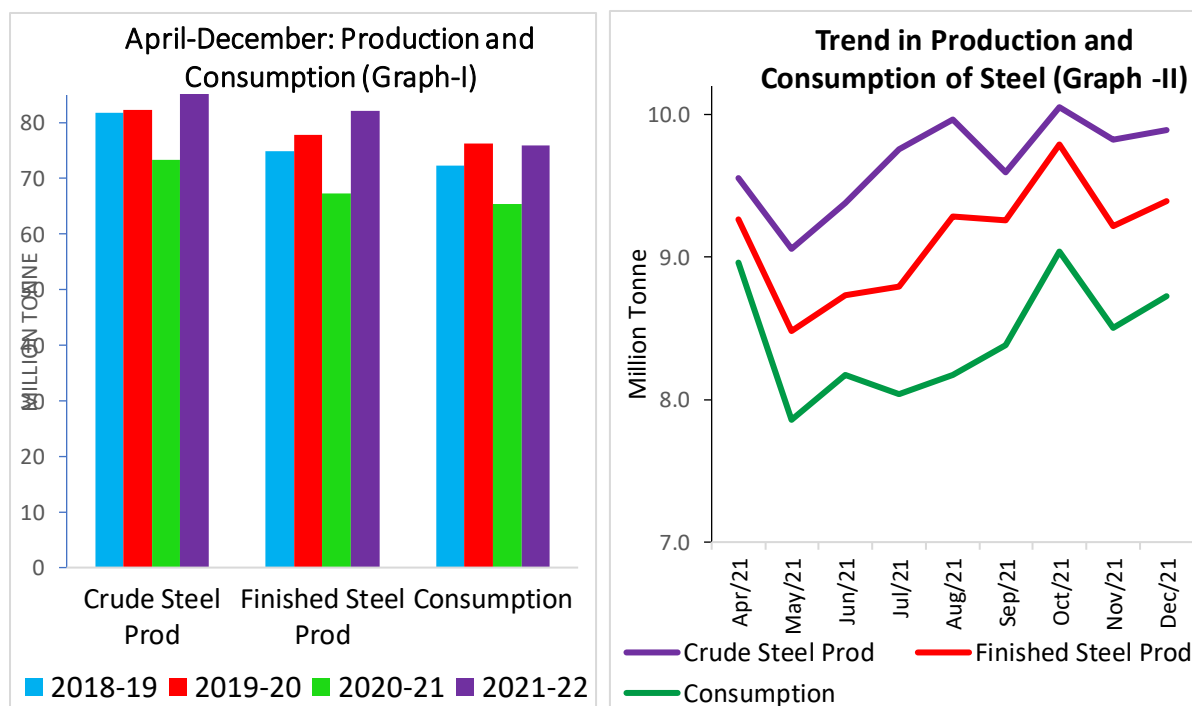


The important developments in the steel sector during the month of December, 2021 are as following:

1. Hon'ble Steel Minister (HSM) met a high-level visiting Parliamentary Delegation from Mongolian on 1st December, 2021 and discussed issues concerning cooperation in coal sector including sourcing quality coking coal from Mongolia at competitive price for Indian steel sector.
2. The HSM chaired the meeting of Consultative Committee of the Ministry of Steel on 21.12.2021 on the 'Development of Manganese Ore Industry in India'. MOIL was directed to take steps to increase production of Manganese ore.
3. The production performance of Steel sector during the current fiscal has been encouraging with cumulative production of crude at 87.07 million tonne (MT) and finished steel at 82.21 MT during April-December, FY22 being higher than that in the corresponding period of previous three years. Cumulative consumption of steel during April-December, FY22 at 75.85 MT has also been higher than that in the corresponding period of FY19 and FY21 but lower than that in FY20 (Graph-I). The trend in month-wise production and consumption of during the FY22 (Graph-II) indicates that production and consumption of steel increased in December'21 over previous month which had seen a dip in them:



4. During the month of December'21, SAIL produced 16.61 lakh metric tonne (LMT) of Hot Metal, 15.20 LMT of Crude Steel and 14.55 LMT of Saleable Steel which is an improvement of 5.4%, 3.3% and 2.6% month-over-month (M-o-M). The

cumulative production during April-December'21 for Hot Metal at 138.16 LMT, Crude Steel at 127.69 LMT and Saleable Steel at 124.54 LMT registered an improvement of 19%, 20% and 22% respectively, over corresponding period last year (CPLY).

5. In December'21, RINL achieved production of 5.04 LMT of Liquid Steel which is 11% higher than its production in November'21 but 3% lower than CPLY. During April-December'21, production of Liquid Steel by RINL at 41.96 LMT was 47% higher than CPLY. Also, RINL despatched 203 Forged Wheels to Indian Railways in the month of December'21 from Forged Wheel Plant, Raebareli

6. During the month of December'21, KIOCL produced and sold 0.35 LMT and 1.06 LMT of Pellets which were 82.1% and 49.0% lower over CPLY, respectively. M-o-M, production and sales of Pellets by KIOCL in December'21 was lower by 83.6% and 2.7%, respectively. During April-December'21, the production and sales of Pellets by KIOCL stood at 13.85 LMT and 12.61 LMT recording a decrease of 7.4% and 23.3% respectively over CPLY.

7. Production of Manganese ore by MOIL for the month of December'21, at 1.30 LMT was 16.1% higher M-o-M and 6.9% higher over CPLY. During April-December'21, the production of Manganese ore at 8.59 LMT recorded increase of 15.9% over CPLY. MoU for the year 2021-22 between MOIL Ltd and Ministry of Steel has been signed by CMD (MOIL) and Secretary (Steel) on 29.12.2021.

8. MoUs have been signed between SAIL & I.P. Bardin TsNIlchermet, between JSPL & TsNIlchermet. I.P. Bardin and between JSW Steel Ltd & TsNIlchermet I.P. Bardin as follow up of the MoU signed on 14.10.2021 between the Minister of Steel, Government of India and the Minister of Energy, Russian Federation on cooperation regarding coking coal used in steel making,

9. Projects of steel companies uploaded on PRAGATI and PMG portals were reviewed with concerned Central Ministries/Departments and State Governments on 8.12.2021 by Secretary (Steel). During December, 2021, the issue concerning land lease agreement between Railways and SAIL for construction of Railway Siding at Gua ore mines were resolved and the same was signed on 18.12.2021.

10. The progress of eight ongoing projects of steel CPSEs costing Rs. 150 crore and above, that are uploaded on the OCMS portal of MoSPI, was reviewed on 14th December, 2021. Cumulative expenditure of Rs. 24,220 crore has been incurred in these projects against the total cost of Rs. 31,843 crore.

11. The CAPEX by CPSEs under the Ministry of Steel in the month of December'21 was Rs. 1280.4 crore which is 8.6% higher than that of Rs.1179.3 crore in November'21 and 172.7% higher than CAPEX in CPLY. The cumulative CAPEX

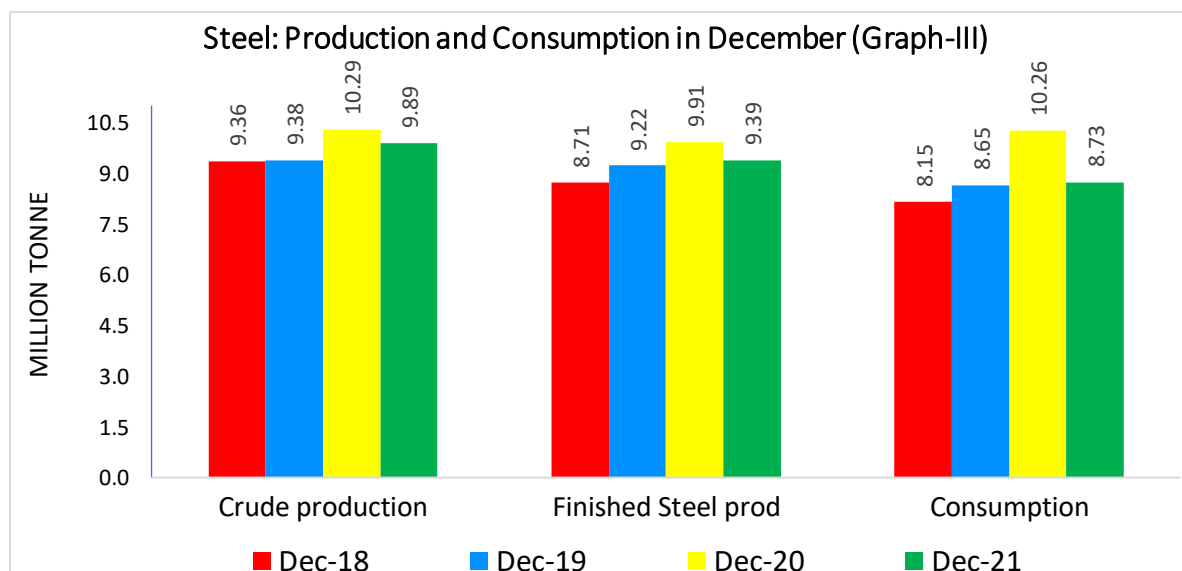
by steel CPSEs for April-December of the current fiscal at Rs. 7061.4 crore is 87.8% higher than CAPEX during CPLY but 53.1% of the BE for FY22. The progress of CAPEX of was reviewed by HSM on 9th December, 2021 and CPSEs were advised to set daily targets and closely monitor the same for time bound project implementation.

12. The status of pending payments to MSMEs by CPSEs of the Steel Ministry is being monitored on weekly basis to ensure payments to them within the 45 days' time limit. Payment of Rs.462.82 crore was made by steel CPSEs to MSMEs during December'21 as against Rs.437.21 crore in November'21. During April-December of FY22, Steel CPSEs have made a payment of Rs. 3821.42 crore to MSME which is 65.3% higher than payment of Rs. 2311.29 crore made during CPLY.

13. SAIL has been awarded with the prestigious Golden Peacock Environment Management Award for the year 2021 in the Steel Sector by the Institute of Directors for sustainable and environmentally responsible steel making.

14. Production and Consumption Scenario:

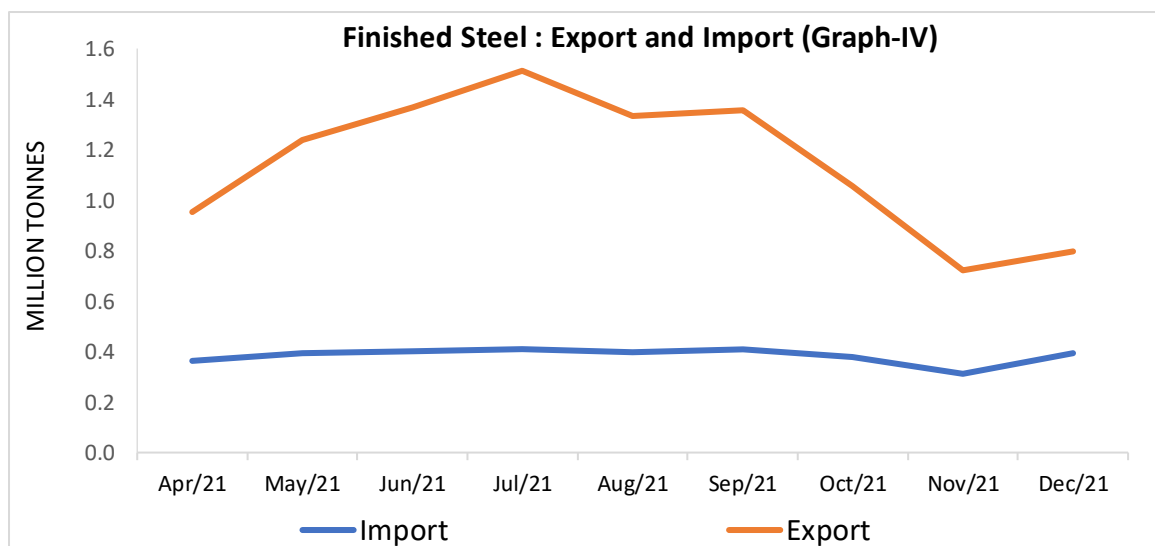
- i. Production of crude as well as finished steel and its consumption during December'21 was lower than that in the corresponding month of the last year but higher than the earlier two years (Graph-III).



- ii. Production of crude steel in December'21 at 9.89 MT increased by 0.6% M-o-M but declined by 3.9% over its production in the File No.S-24013/1/2020-EA-RFD CPLY.
- III. Production of finished steel in December'21 at 9.39 MT was 1.85% higher M-o-M but lower by 5.3% over its production during CPLY.

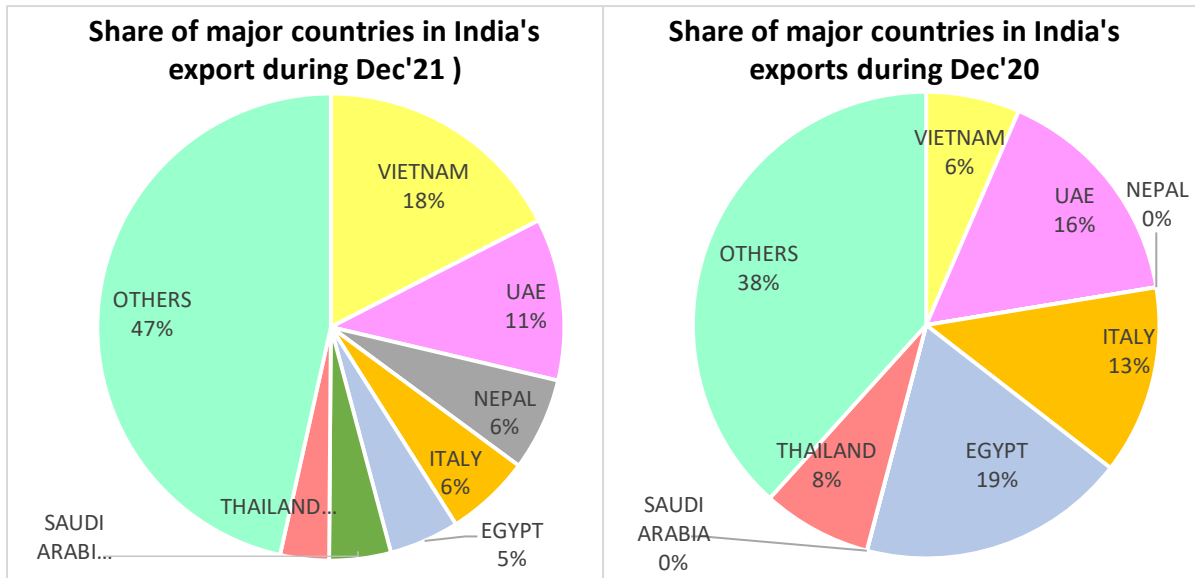
- IV. Consumption of finished steel in December'21 at 8.73 MT increased by 2.7% M-o-M but declined by 15.0% over consumption in CPLY.
- v. Inventories of finished steel with the steel producing companies increased during December'21 with the closing stock at the end of December'21 at 8.45 MT being 3.2% higher than that at the end of previous month but 19.7% lower than the same month of previous year.

15. Export-Import Scenario: The month-wise trend in export and import of finished steel during April-December'21 (Graph-IV below) indicates that after declining M-o-M trend since August'21, exports registered an increase in December'21. Imports have been range bound over this period with some uptick in December'21.

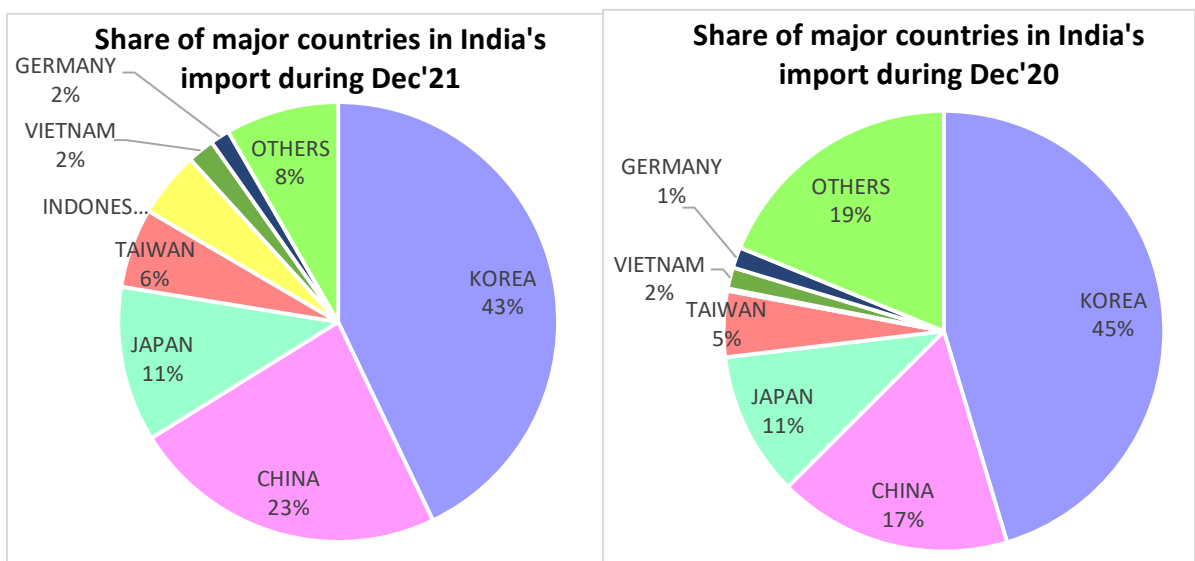


- i. Export of finished steel during December'21 at 7.98 LMT increased by 29.3% while import at 3.95 LMT declined by 22.9% over CPLY. M-o-M, export and import in December'21 increased by 10.6% and 26.6%, respectively. During April-December, 2021 exports at 103.29 LMT and imports at 34.57 LMT increased by 24.2% and 7.7% respectively over CPLY.
- ii. India was net exporter of finished steel with a net trade surplus of 4.03 LMT in December'21 and 68.71 LMT during April-December, 2021, respectively.

iii. Share of Vietnam, Nepal, and Saudi Arabia in total steel export from India was higher in December'21 as compared to December'20. However, share of UAE, Italy, Egypt and Thailand in India's total steel export declined over the same period as may be seen from the following graph.

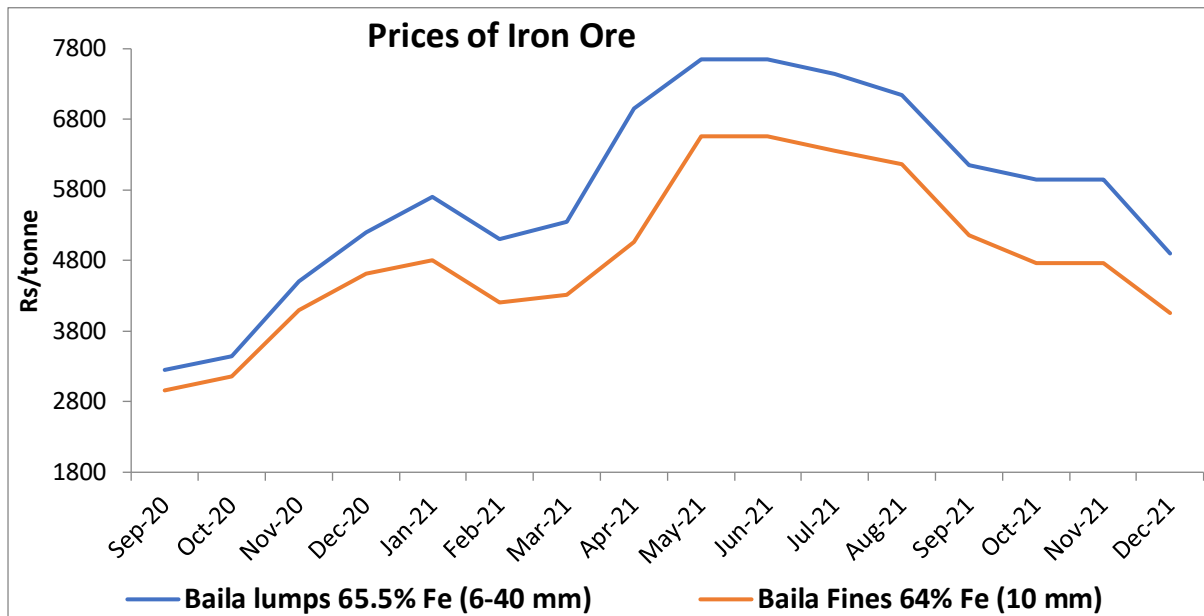


iv. Share of China, Taiwan and Indonesia increased in total steel import of India in December'21 as compared to December'20 while it declined for Korea over this period as may be seen from the following graph:

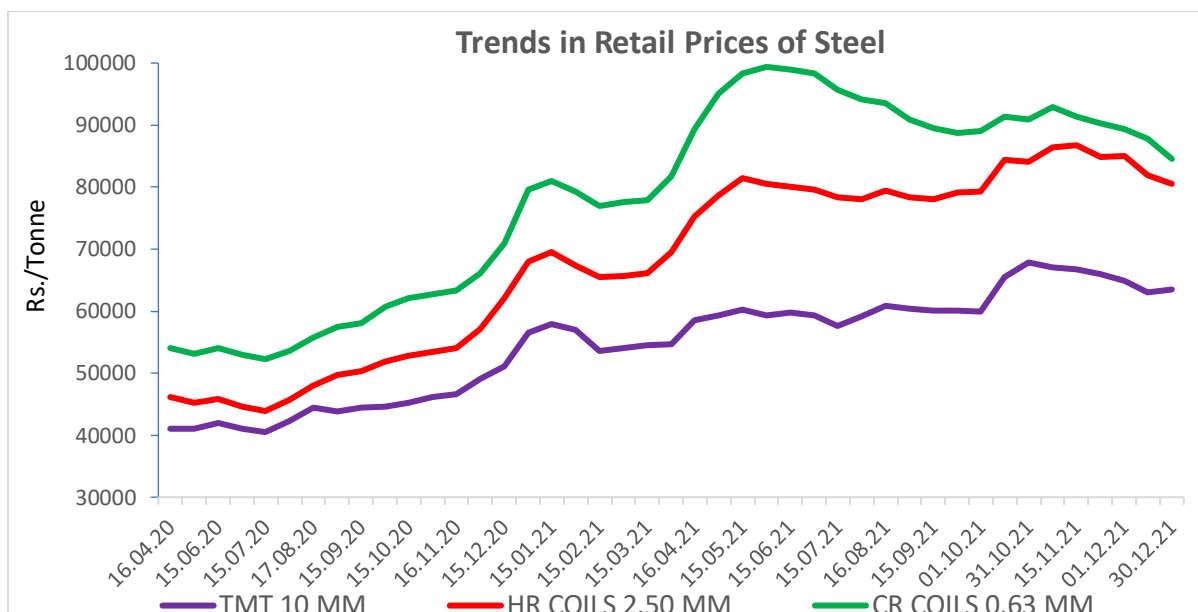


16. Price scenario: Prices of iron ore started increasing from August'20 and reached its peak in May-June'21 due primarily to demand supply situation in both

international and domestic market. Prices of iron ores have been on a declining trend from July'21 onwards as may be seen from the graph below:



- i. By end-December 2021, prices of iron ore lumps were lower by 17.6% and that of iron ore fines by 14.7% over their prices in November'21.
- ii. In December'21, production of iron ore by NMDC at 39.5 LMT was 18.3% higher M-o-M and 2.3% higher than CPLY. During April-December, FY22 production of iron ore by NMDC at 283.2 LMT was 29.7% higher than CPLY. During the month SAIL produced around 30.26 LMT of iron ore which is an increase of 3.9% M-o-M but a decline of 5.3% over CPLY. During April-December, 2021 the production of iron ore by SAIL was 255.71 LMT which is a growth of 22% over CPLY.
- iii. Retail prices of steel product categories viz., Rebar, HRC and CRC during the current fiscal shows that prices of CRC after hitting its peak in May-June'21 has been on a declining trend. Declining trend on prices of HRC and Rebar is seen from November'21 (Graph below).



iv. The retail prices for Rebar (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai on 30th December, 2021 at Rs. 63450/tonne, Rs. 80470/tonne and Rs. 84600/tonne, respectively were lower by 2.3%, 5.3% and 5.2% than their prices at the start of the month

17. BSE Sensex during December'21 registered an increase of 1.5% while BSE Metal Index increased by 4.8% during the month indicating an overall positive market sentiment.

18. The global production of crude steel decreased by 9.9% in November'21 over November'20 due mainly to a 22% decline in production in China. In addition, few other major steel producing countries viz., Germany, Iran, Ukraine and Mexico also reported decline in production during the month over CPLY. Other major producing countries viz., India, Japan, USA, Russia, South Korea, Turkey, Brazil, Italy, Taiwan, France and Canada recorded an increase in production over same period. As regard the share of major producing countries in the global production of crude steel, the share of China declined while that of India, Japan, USA and Russia increased during this period, while the share of other major producers remained more or less stable as may be seen from the following graph:

