

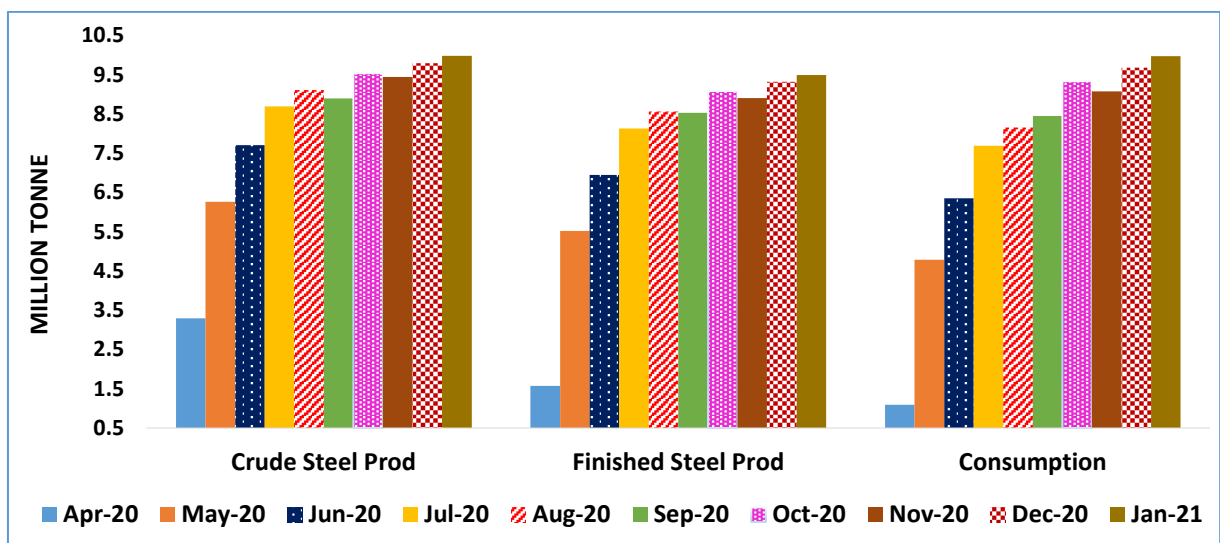
No. S-24013/1/2020-EA-RFD

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
दिसंबर - 2020
जनवरी - 2021

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

During the month of January 2020, the important developments in the steel sector are as following:

1. The sector registered improvement in production of crude and finished steel as well as consumption of finished steel during the month over previous month as well as over CPLY.
 - i. Production of crude steel recorded an increase of 1.9% in January 2021 over production in December 2020 and 7.2% increase over same month of the last year.
 - ii. Production of finished steel in January 2021 was higher by 1.8% over that in December 2020 and 4.1% over the production in the same month of last year i.e., January 2020.
 - iii. Consumption of finished steel in January 2021 registered an increase of 3.0% on M-o-M basis and 8.7% over January 2020.
 - iv. During the current fiscal (April-January, 2020-21), production and consumption of steel was adversely affected by the Covid-19 pandemic and the lockdown necessitated to contain its spread. The cumulative production of crude steel at 82.71 MT and finished steel at 76.04 MT were lower by (-)9.7% and (-)12.4% respectively over CPLY. The consumption during same period at 74.58 MT was lower by (-)12.7% over CPLY. The month-wise production of crude and finished steel and consumption of finished steel during the current fiscal may be seen in the graph below:



- v. The continuous increase in consumption during this fiscal has also led to absorption of inventories with the steel producing companies resulting in a lower closing stock of 10.11 MT of finished steel at the end of January 2021 which is 4.0% lower than that in the previous month and 22.5% lower than the same month of previous year.
2. During January, 2021 SAIL posted its highest ever monthly production of Hot Metal at 1.696 MT and Crude Steel at 1.543 MT recording a growth of 8% and 5% over CPLY respectively. Saleable Steel production for the month at 1.493 MT was 7% higher than production during CPLY. 521 rakes of iron & steel were despatched from SAIL Plants during

January 2021 which is best ever performance of SAIL for any month. Production of iron ore by SAIL for the month of January'21 stood at 32.56 lakh tonnes while despatch was 33.31 lakh tonnes.

3. Iron ore production and sales by NMDC for the month of January, 2021 was highest ever and stood at 3.86 MT (Million Tons) and 3.74 MT respectively. While the production in January 2021 increased by 16.7% over CPLY, sales registered a growth of 26.4% over the same period. The cumulative iron ore production upto January in FY21 is 25.66 MT i.e., at par with CPLY. Similarly, iron ore sales upto January in FY21 is 26.01 MT which is more than that in the CPLY.

4. NMDC has implemented SAP Enterprise Resource Planning (ERP) solution. It will help integrate and consolidate all end-to-end business process and lead to improvement in operational efficiency, besides ensuring higher transparency. The new ERP system will also form the backbone for the future digital initiatives.

5. Ministry of Steel Offer for Sale of 10% of Government stake in SAIL was opened on 14th and 15th January, 2021 in pursuance to the decision of the High-Level Committee meeting held under the Chairmanship of Secretary DIPAM on 13th January, 2021. The issue was oversubscribed and the Government holding in the Company has now reduced to 65% and an amount of Rs.2740.72 crore has been mobilised by the Government.

6. Earlier, the buy-back of KIOCL fully paid-up equity share of 1,41,73,577 of face value of Rs. 10 each (representing about 2.28% of the total number of fully paid-up equity shares in the paid-up share capital of the Company) at a price of Rs. 110/- per equity share was completed and an amount of Rs. 155.72 crore has been credited into Government of India account.

7. During the month of January, 2021, KIOCL produced 2.20 lakh tonne of Pellets and sold 1.88 lakh tonne of Pellets. During April-January, 2020-21, the KIOCL Pellet production stood at 17.16 lakh tonnes while sales were 18.31 lakh tonnes.

8. During January 2021, two slurry pipeline projects, one each of ESSAR MINMET Ltd. and AMNS India Ltd. costing Rs. 7001 crore Rs. 344 crore respectively have been included in the National Infrastructure Pipeline (NIP) and the same have been uploaded on India Investment Grid (IIG) portal taking the total number of steel sector NIP projects to Eight (08). While one project is being implemented by public sector company (NMDC Limited) the remaining seven projects are under development by Private Sector companies, viz., JSW Steel (01), TATA Steel (02) and AMNS India (03) and ESSAR MINMET (01) with planned total outlay of Rs. 17809 crore during FY20-FY25.

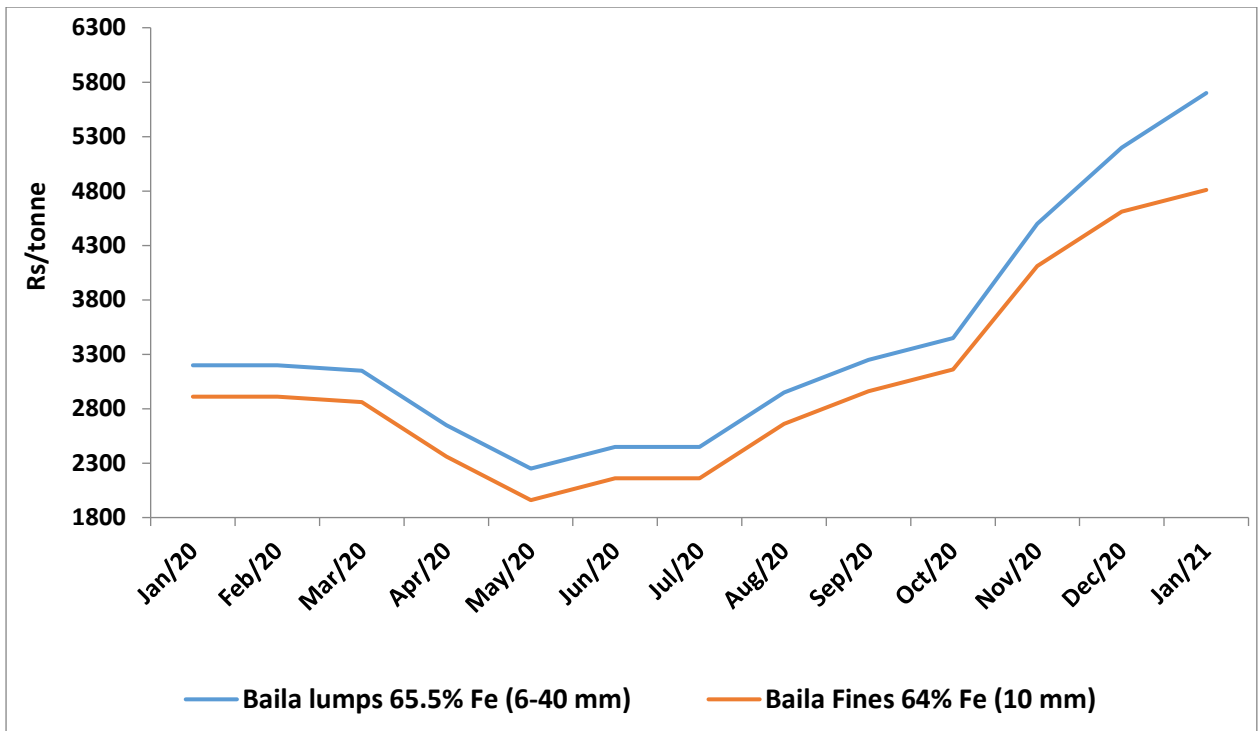
9. In pursuance to the strategy of diversification of sourcing of coking coal, a meeting of the senior officials of Ministry of Steel was held with the Ambassador of Mongolia on 15th January, 2021 to discuss the proposal for supply of coking coal from Mongolia to India. Both sides reviewed the ongoing progress in the discussions between the Indian Steel companies and Mongolian companies, the issues to be addressed and the way forward.

10. Pursuant to the signing of the Memorandum of Cooperation (MOC) in the field of steel industry between India and Japan in December 2020, Association for Overseas Technical Scholarship (AOTS) and Ministry of Economy, Trade and Industry (METI) of Japan in coordination with the Ministry of Steel would organise two webinars in the fields of steel usage and energy efficiency at steel making process (also called Public and Private Collaborative meeting) on 24-25 February 2021.

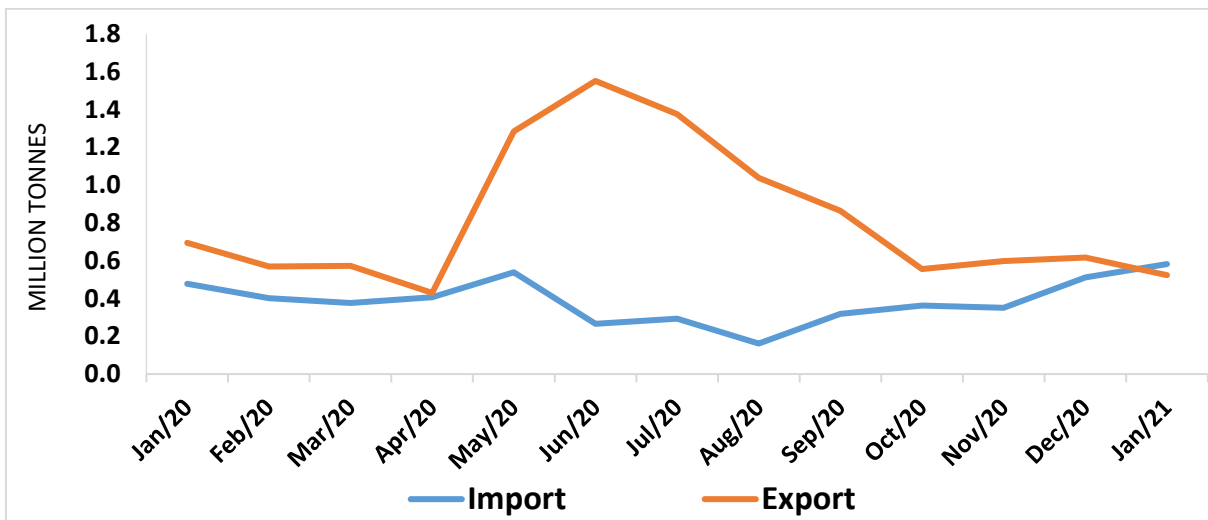
11. The physical and financial progress of eight steel sector projects costing Rs. 150 crore and above were reviewed on 06.01.21 with the heads of CPSEs for expediting progress in these projects. Information pertaining to these projects was also uploaded on the OCMS portal of MoSPI.

12. The status of clearing pending payments to MSMEs by CPSEs of the Steel Ministry was reviewed on weekly basis to ensure that the same is credited timely and well within the 45 days' time limit for such payments. Payment of Rs. 269.53 crore was made by steel PSEs to MSMEs during January 2021 as against Rs. 269.68 crore during December, 2020.

13. After initial sharp drop in consumption and production during April-June 2020, there has been a smart recovery in steel sector. Continuous increase in steel consumption / demand after gradual unlocking of the economy, increasing cost of iron ore, higher export and higher international prices of steel have, however led to increase in retail prices (Mumbai prices) of Rebar, HRC and CRC by 2.60%, 2.22% and 1.76% respectively on M-o-M basis. Prices of iron ore lumps increased by 9.6% to Rs. 5700/tonne and that of fines by 4.3% to Rs. 4810/tonne respectively, during the month of January 2021 over the prices in December 2020. The higher price of iron ore may be attributed to overall lower production of iron ore, operationalisation of only 5 out of 18 auctioned mines in Odisha, increased demand of iron ore from domestic market after gradual unlocking of economy besides higher prices in the international market. The trend in iron ore prices may be seen from the graph below:

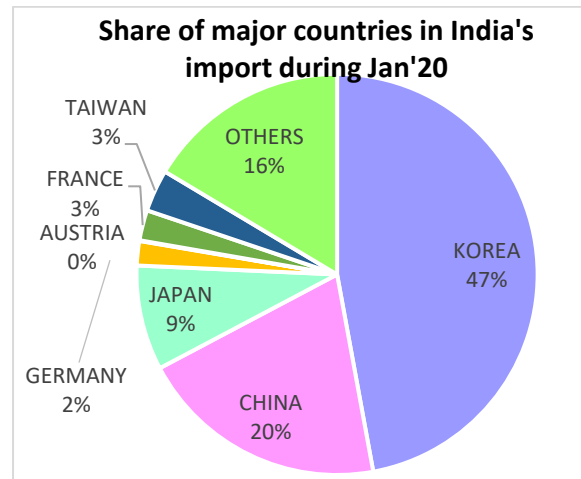
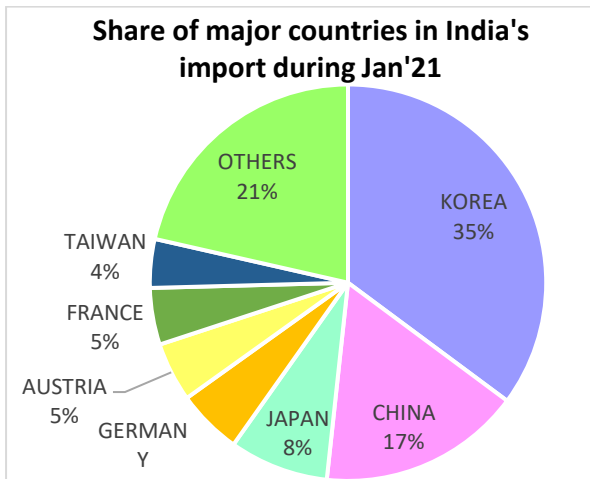


14. **Export-Import Scenario:** India was net exporter of finished steel during April-January 2020-21 with net trade surplus of 5.0 MT. However, the progressive unlocking of the economy and improving economic activities leading to better domestic demand have resulted in decline/moderation in export and increase in imports in recent months with import exceeding export for the first time during this fiscal in January 2021 as may be seen from the graph below:

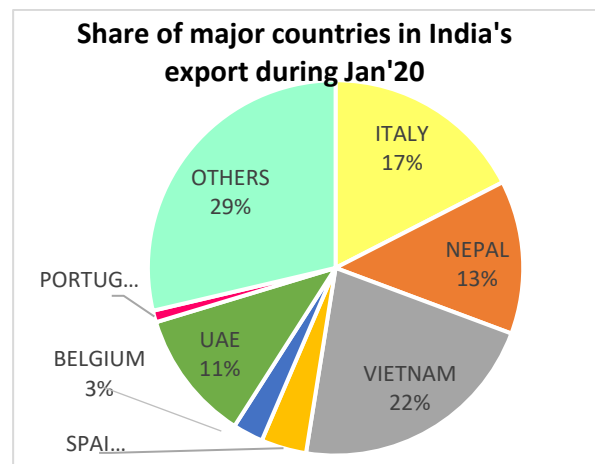
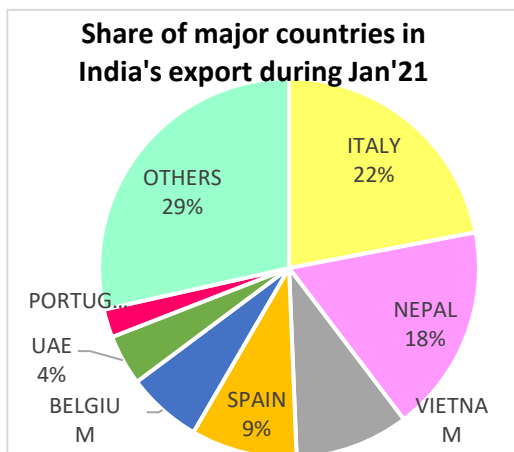


- i. During the current fiscal (April-January, 2020-21) export of finished steel from India at 8.84 MT increased by 22.5% while import at 3.79 MT have declined by 36.7% over CPL
- ii. During January 2021, export was lower by 24.6% while import increased by 22.0% over that in January 2020. M-o-M, export decreased by 15.23% and import increased by 13.66% as compared to December 2020.

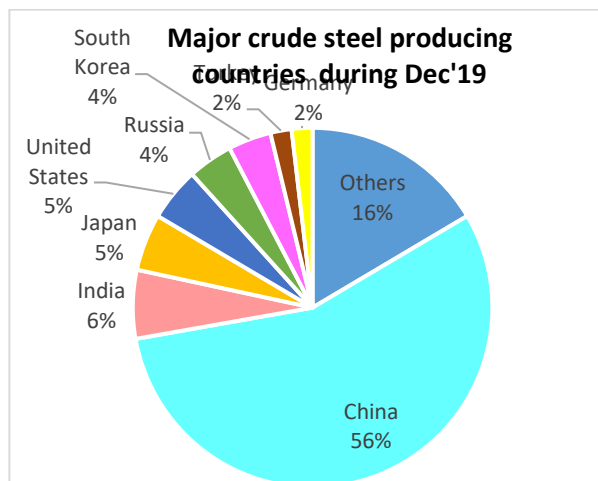
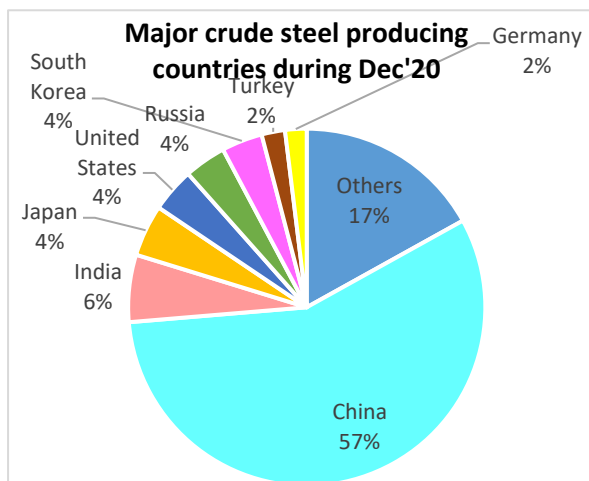
- iii. India became a net importer of finished steel during January 2021 with a marginal net trade deficit of 0.06 MT.
- iv. Share of Germany, Austria, France, and Taiwan in total import of steel to India increased in January 2021 as compared to January 2020 while it declined for Korea, China and Japan over this period as may be seen from the graph below:



- v. Share of Italy, Nepal, Spain, Belgium and Portugal in steel exports from India was higher in January 2021 as compared to January 2020. However, it declined for Vietnam and UAE during the same period [graph below].



15. The **global production of crude steel** increased in December, 2020 by 5.85% over December, 2019 with most of the major producing countries viz., China, India, Turkey, Russia, Brazil, Germany, Iran, Ukraine, Mexico Italy and France registering growth over their production in December 2019. The major contribution to this increase in global production during December 2020 came from China which registered an increase in its share of the global production for this period. Share of other major producers of crude steel in global production remained stable or witnessed a decline during this period as can be seen from the graph below.



16. The details of procurement of goods and services through GeM Portal by Ministry of Steel and Steel PSUs are as following:

Organization	January 2021		April-January, 2020-21	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	24	2.99	262	148.11
Steel CPSEs	418	33409.37	2897	44192.27

Enhancing procurement through GeM, including by on-boarding of additional items on GeM, was reiterated to steel CPSEs specially SAIL and RINL

17. The status report in reference to Cabinet Secretary's D.O. No. 28(43) EO/2013(ACC) Pt. dated 27/06/2016 is as follows:

- i. The status of all the Board level (Functional Director) posts pertaining to the Ministry of Steel, has been updated on SUPREMO in the month of January 2021 and a certificate in this regard has been sent to ACC.
- ii. All directions of ACC have been complied with.
- iii. The status of cases where PESB recommendations have been received in the Ministry but the proposals are yet to be submitted to the ACC Secretariat:

Nil

18. A progress report on important areas of steel sector in reference to PMO's D.O. No. 210/31/C/24/2014-ES.I dated 03.07.2015 is annexed.