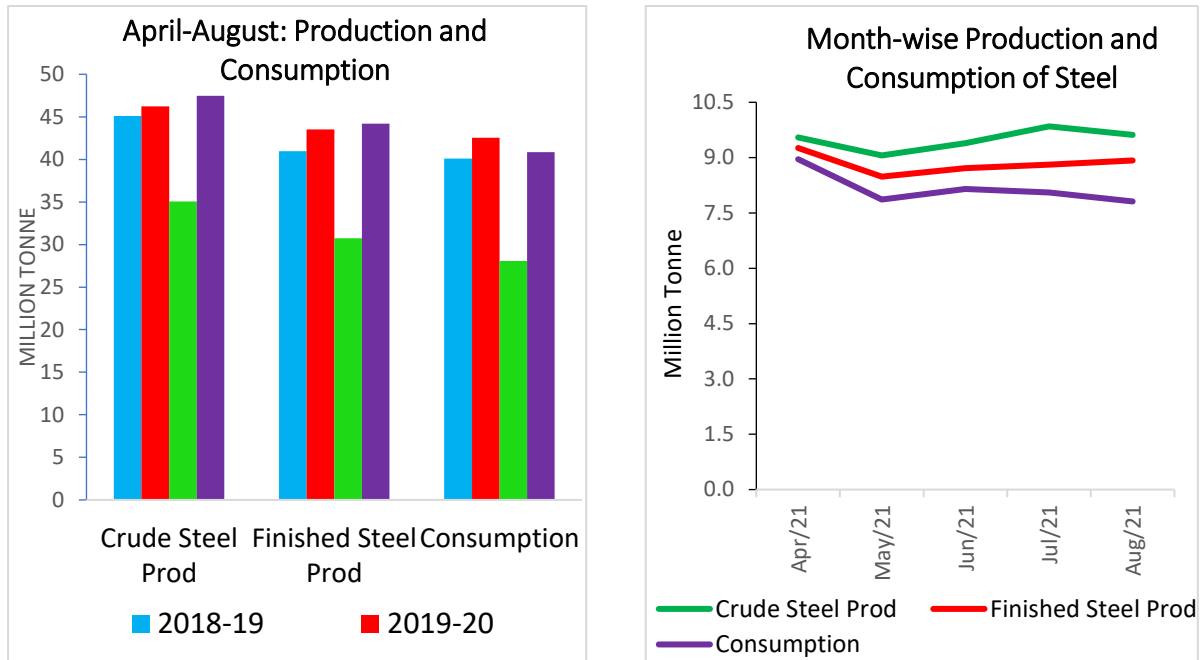


The important developments in the steel sector during the month of August, 2021 are as following:

1. Hon'ble Steel Minister (HSM) reviewed the status of supply of Rails to Indian Railways by SAIL on 6th August 2021 and issues relating to Environment & Forest Clearances of Steel CPSEs pending with MoEF&CC on 10th August 2021. He also reviewed the progress of MoU with Russia for import of Coking Coal used in steel making and issues related to land and environment & forest clearance of private sector on 13th August 2021.
2. A meeting of the Consultative Committee attached to the Ministry of Steel was held under the Chairmanship of Hon'ble Minister of Steel on 6th August 2021 on the subject "Production-Linked Incentive (PLI) scheme for Specialty Steel".
3. HSM inaugurated MSTC's new state of the art Corporate headquarters building and the Data Center situated at Newtown, Kolkata on 26th August, 2021. The Corporate building is a Steel intensive structure with green and energy efficient technology and has got green building certificate from IGBC (Indian Green Building Council). A new mobile app for scrap auctions was also launched by the Hon'ble Minister of State for Steel on this occasion.
4. HSM visited Alloy Steel Plant and Durgapur Steel Plant on 26-27th August, 2021 and had detailed review of DSP, ASP and IISCO Steel Plant. HSM also had interaction with representatives of Trade Unions and Officers Association and also held a Press Conference.
5. The cumulative production of crude and finished steel in the first five months of the current fiscal is higher in the FY'22 than that in the previous three years. This improved performance was achieved despite the adverse effect of second wave of COVID-19 and concomitant localised lockdowns. Cumulative consumption of steel during April-August of the current fiscal has been higher than that in the corresponding period of FY19 but lower than that in FY20 as may be seen from the following graph depicting cumulative production and consumption over four years. The month-wise trend in production during the current fiscal indicates that after the initial dip in May'21 due to second wave of COVID-19, the

production and consumption of steel have improved steadily till July'21. Production of crude steel and consumption of finished steel in August'21 were lower than their respective levels in previous month but production of finished steel was marginally higher as may be seen from the following graph on month-wise production and consumption:



6. During the month of August'21, SAIL produced 16.53 lakh metric tonne (LMT) of Hot Metal, 15.28 LMT of Crude Steel and 14.52 LMT of Saleable Steel which is an improvement of 16%, 15% and 11% respectively over the performance during CPLY i.e., August'20. M-o-M, the production of Hot Metal, Crude Steel and Saleable Steel by SAIL in August'21 were 4%, 2% and 4% higher than their respective production in July'21. Saleable Steel sales at 13.18 LMT during August'21 registered an increase of 7% over CPLY and 17% M-o-M.

7. Iron ore production by NMDC Ltd. for the month of August, 2021 was 30.6 Lakh metric tonne (LMT) while sales of iron ore stood at 29.1 LMT registering an increase of 88.3% and 62.4%, respectively over CPLY. Month-over-month (M-o-M) production of iron ore remained at the same level but sales decreased by 11.5% during August, 2021. The cumulative iron ore production at 150.2 LMT and sales at 156.7 LMT during April-August'21 were 44.2% and 45.1% higher over CPLY respectively.

8. During the month of August'21, KIOCL produced and sold 1.90 LMT and 1.11 LMT of Pellets which were 11.6% and 58.5% lower over CPLY, respectively. As compared to July'21, production and sales of Pellets increased by 6.7% and 5.7% respectively in August. During April-August'21, the production of Pellets by KIOCL stood at 9.71 LMT recording an increase of 6.5% while sales at 8.47LMT declined by 19.2% over CPLY.

9. Production of Manganese ore by MOIL for the month of August'21, at 86 thousand tonnes was 2.7% and 7.23% higher than production in July'21 and CPLY respectively. Sale of Manganese Ores by MOIL at 84.7 thousand tonnes was 10.9% higher M-o-M but 43.7% lower than CPLY. During April-August'21, the production of Manganese ore stood at 4.22 LMT recording an increase of 49.3% while sales at 4.23 LMT increased by 15.1% over CPLY.

10. Mahindra MSTC Recycling Pvt. Ltd. a Joint Venture company of MSTC, signed an MoU with Ports and Transport Department of Government of Gujarat in the Investors Summit held at Gandhinagar, Gujarat on 13th August 2021, for setting up of one unit for Collection and Dismantling Centre for End of Life Vehicles (ELVs) in Gandhinagar District.

11. The CAPEX by CPSEs under the Ministry of Steel in the month of August'21 was Rs.649.93 crore which is 51.96% higher than the CAPEX of Rs.427.69 crore in July'21. The cumulative CAPEX by steel CPSEs for April-August'21 at Rs.2370.35 crore was 17.8% of the BE with major steel CPSEs viz., SAIL, NMDC, RINL, MOIL and KIOCL achieving 18.3%, 13.0%, 54.1%, 20.5% and 5.4% of their BE, respectively. The progress is being regularly reviewed and CPSEs asked to scale up CAPEX spending and frontloading the CAPEX to Q3 from Q4 of the current fiscal.

12. Quality Control Orders (QCOs) were enforced on IS-6529 (Stainless steel blooms, billets and slabs for forging) and IS-12045 (Alloys used in electrical resistance metallic heating elements) with effect from 26th August 2021. With these two QCOs, a total of 127 standards have been enforced out of 145 notified till now.

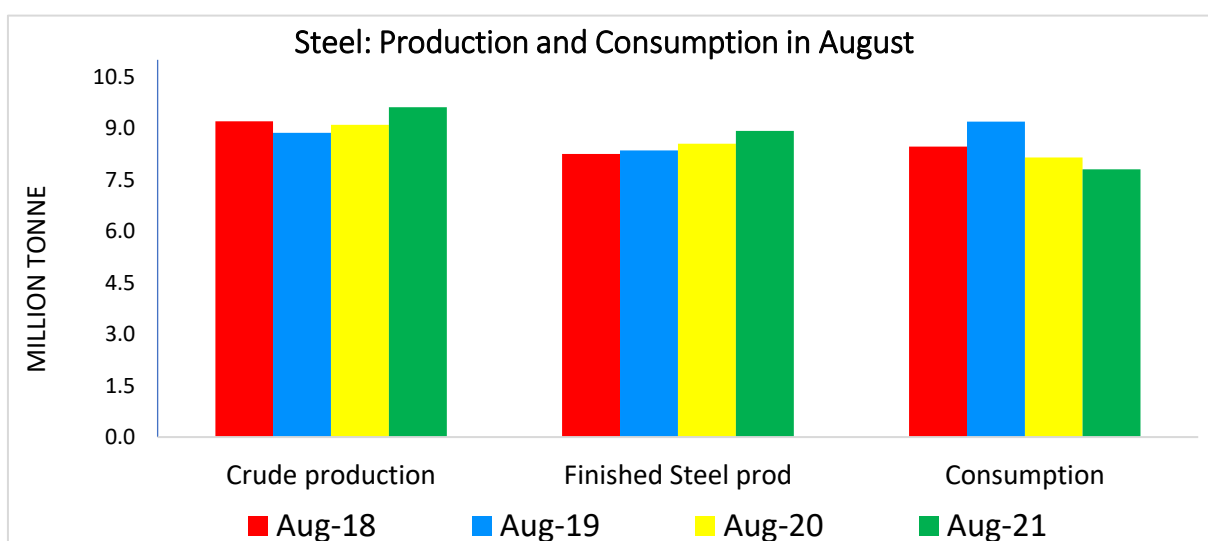
13. During the month, 15,681 MT of Liquid Medical Oxygen (LMO) was supplied by Steel companies for medical use across the country.

14. Ms. P.V. Sindhu, Brand Ambassador of RINL, visited Visakhapatnam Steel Plant(VSP) of RINL on 30thAugust 2021 and was felicitated by RINL for winning a Bronze Medal in Badminton for the country in Tokyo Olympics 2020. During the visit, she also participated in various programmes organised by the company to motivate the young generation.

15. The status of pending payments to MSMEs by CPSEs of the Steel Ministry is being monitored 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.436.36 crore was made by steel CPSEs to MSMEs during August'21 as against Rs.416.47 crore during July'21.

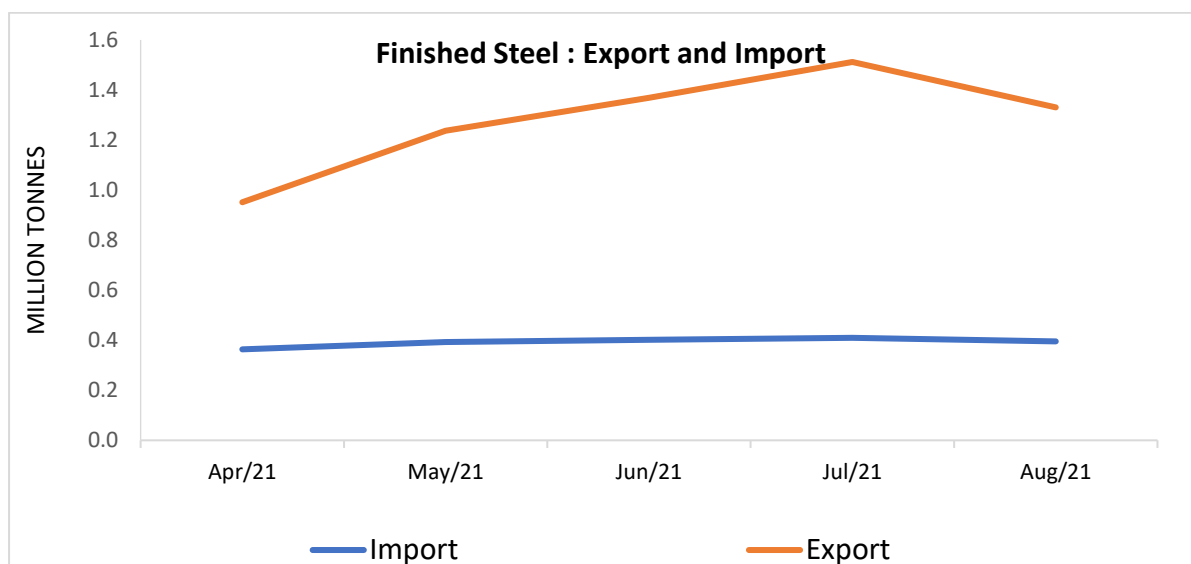
16. Production and Consumption Scenario:

- i. The comparative picture of production and consumption of steel during the month of August over the last four years is depicted in the following graph. It is seen that production of crude and finished steel during the month of August'21 is higher but the consumption of finished steel is lower than that registered by them in the corresponding month of the preceding three years.

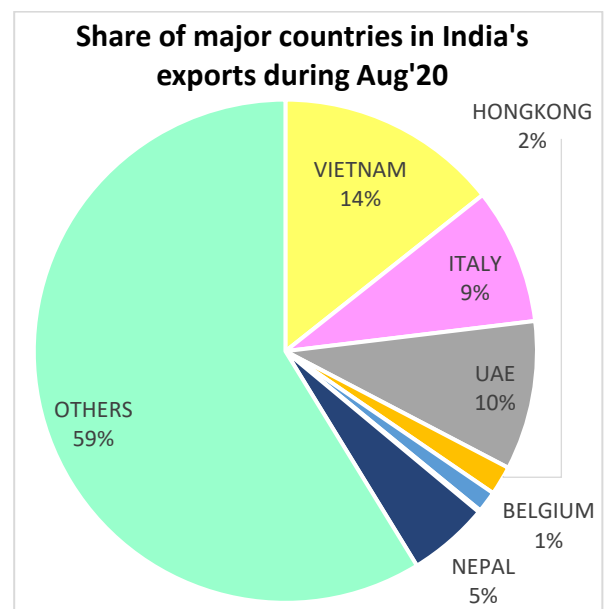
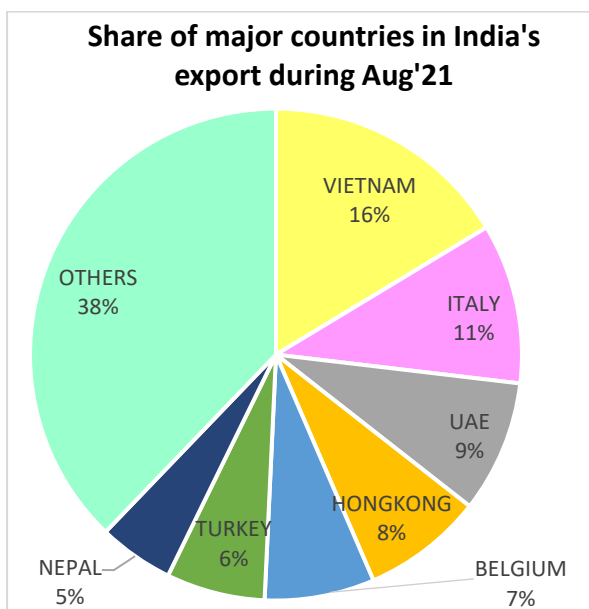


- ii. Production of crude steel in August'21 increased by 5.6% over the same month of the last year but declined by 2.3% over production in the previous month i.e., July'21.
- iii. Production of finished steel in August'21 was higher by 4.3% over CPLY and 1.3% higher over production in the previous month i.e., July'21.
- iv. Consumption of finished steel in August'21 registered a decline of 4.2% over August'20 and 3.0% over consumption in the previous month i.e., July'21.
- v. The consumption and net export taken together were lower than production during August'21 which resulted in increase in inventories with the steel producing companies. Accordingly, the closing stock of finished steel at the end of August'21 was 7.88 MT which is 2.3% higher than that at the end of previous month and 36.0% lower than the same month of previous year.

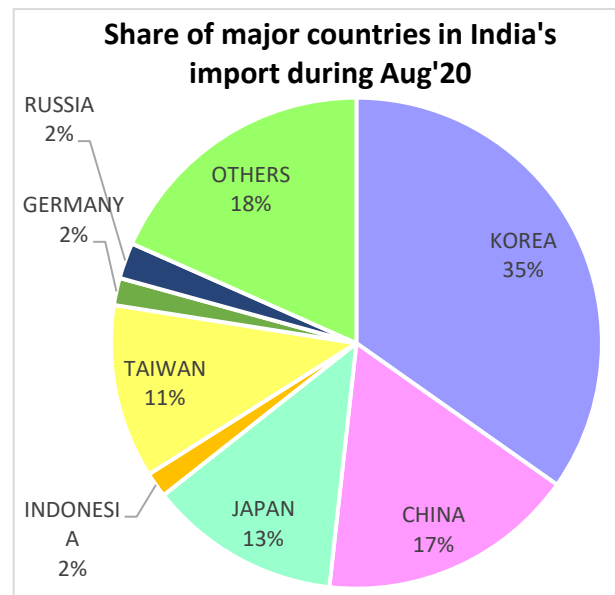
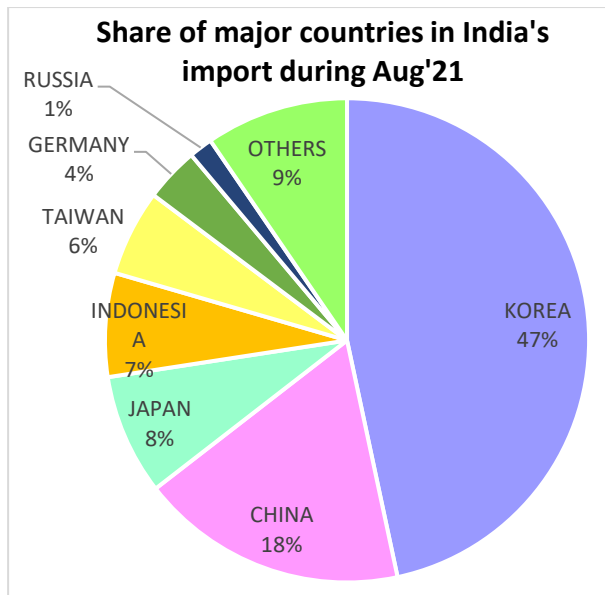
17. **Export-Import Scenario:** The month-wise trend in export and import of finished steel in the current fiscal indicates that exports increased consistently till July'21 but declined in August'21 M-o-M. Imports during the first five month of this fiscal have remained range bound as may be seen from the following graph.



- i. Export and import of finished steel during August'21 increased by 28.1% and 145.2% over CPLY, respectively. M-o-M, export and import of finished steel in August'21 declined by 12.0% and 3.4% respectively over July'21.
- ii. India was net exporter of finished steel during August'21 recording a net trade surplus of 0.94 MT.
- iii. Share of Vietnam, Italy, Hongkong, Belgium and Turkey in total steel export from India was higher in August'21 as compared to August'20. However, share of UAE and Nepal in India's total steel export declined over the same period as may be seen from the following graph.

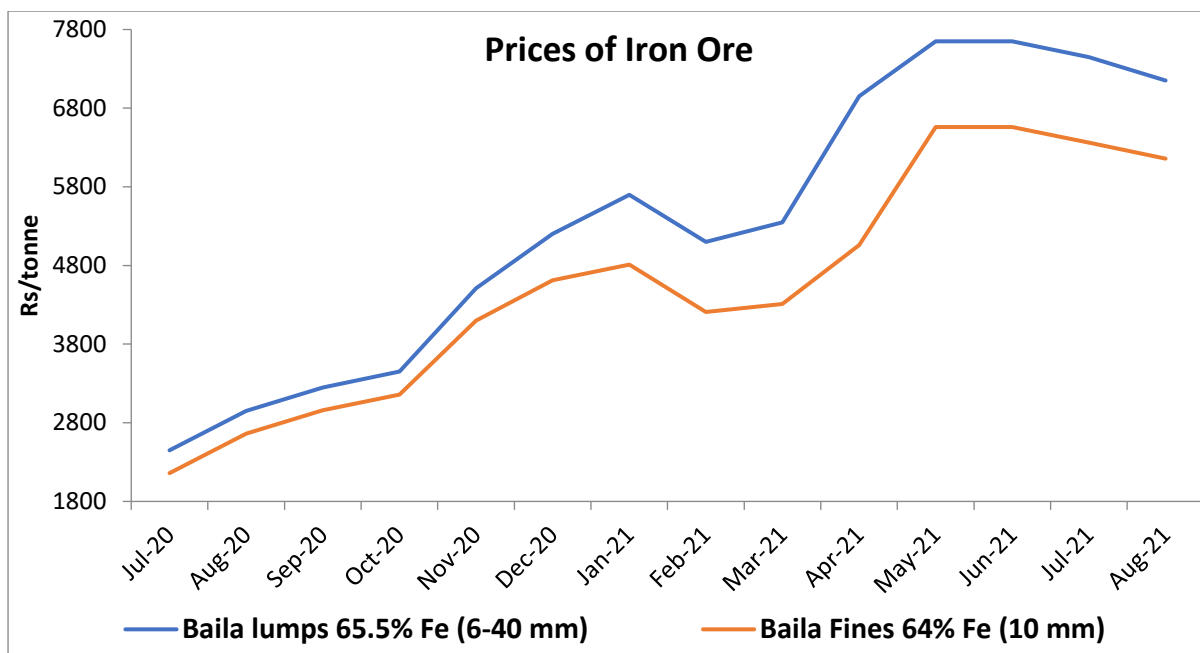


- iv. Share of Korea, China, Indonesia and Germany increased in total steel import of India in August'21 as compared to August'20 while it declined for Japan, Taiwan, and Russia over this period as may be seen from the following graph:



18. Price scenario:

- i. During the month of August'21, prices of iron ore lump declined by 4.0% to Rs. 7150/tonne and that of fines by 3.1% to Rs. 6160/tonne over their respective prices in July'21 due to domestic as well as international demand-supply situation.
- ii. NMDC achieved production of 30.6 lakh tonnes and sales of 29.1 lakh tonnes of iron ore in August'21. The production and sale of iron ore were 88.3% and 62.4% higher than that in the CPLY, respectively. Month-over-month(M-o-M) production of iron ore remained at the same level but sales decreased by 11.5% during August, 2021. During the month SAIL produced around 25.9 LMT of iron ore which is an increase of 21% over CPLY but a decline of 12% M-o-M. During the month, SAIL booked 1.96 lakh tonnes and dispatched 2.36 lakh tonnes of iron ore while for April-August'21, it stood at 13.48 LMT and 16.69LMT respectively.
- iii. The retail prices for Rebar, HRC increased by 3.65% and 2.04% respectively while prices of CRC fell 1.9% during August'21.
- iv. The trend in iron ore prices may be seen from the graph below:



19. BSE Sensex during August'21 registered an increase of 8.8% while BSE Metal Index declined by 2.9% during the month indicating an overall positive market sentiment but with some moderation in the metal sector during the month.

20. The global production of crude steel increased by 3.3% in July'21 over July'20 with all major steel producing countries except China reporting improved production over CPLY. The major contribution to the enhanced global production in July'21 over July'20 came from USA, Japan, India, Russia, Vietnam, Spain, Germany, South Korea and Italy. The major producing countries (with production of 1 million tonne for the month) registering higher than global average of 3.3% growth in production in July'21 over CPLY include USA, Japan, Germany, India, South Korea, Vietnam, Spain, Mexico and France with only China recording a decline during July'21 over CPLY. As regard the share of major producing countries in the global production of crude steel, it is seen that due to decline in production in China and uptick in production in other countries, share of China declined while that of Japan, South Korea and USA increased during this period, the share of other major producers remained stable as may be seen from the following graph:

