

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

Udyog Bhawan, New Delhi
Dated: 23rd March, 2022

OFFICE MEMORANDUM

Sub: Monthly Summary for the Cabinet for the month of February, 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 February, 2022 for information.

Encl: As above.



(Raj Kumar)

Deputy Director

Tel: 23061777

Email: rajkumar.66@nic.in,

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)

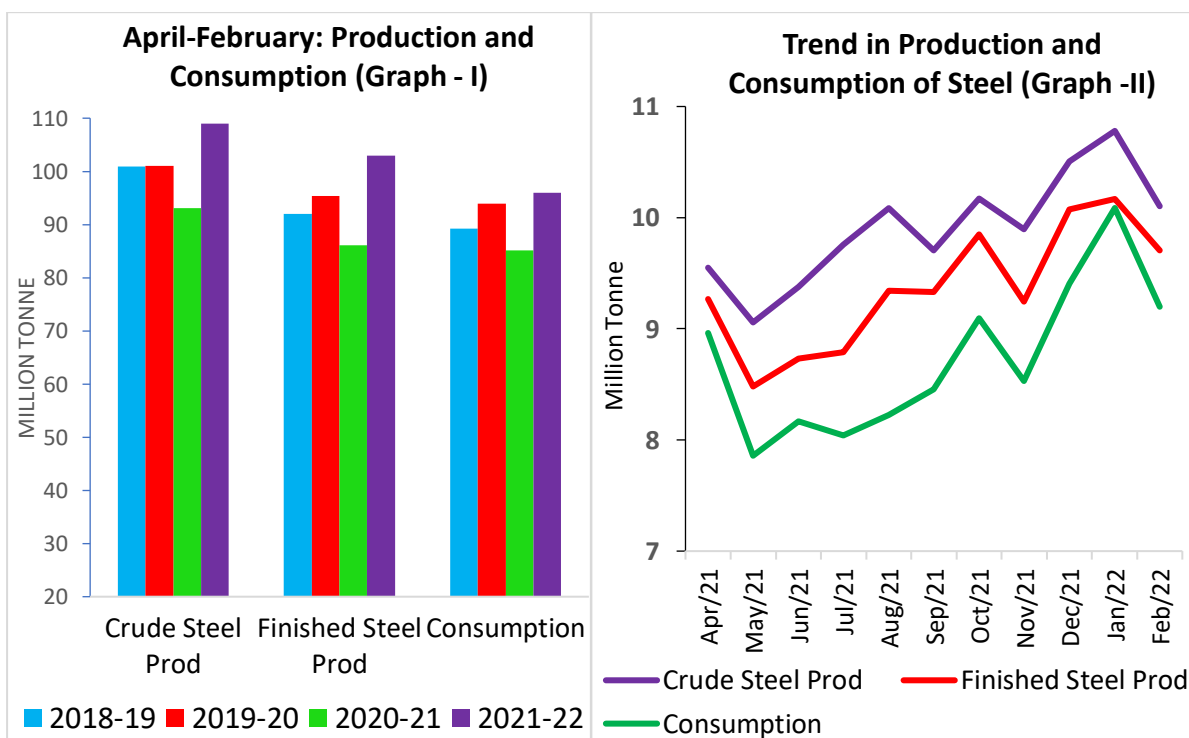
No. S-24013/1/2020-EA-RFD

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
फ़रवरी - 2022
February - 2022

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

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

1. In pursuance to the Government of India’s focus on developing a blueprint to steer the economy over ‘Amritkaal’, this Ministry has initiated the work on steel sector vision over ‘Amritkaal’ i.e., up to the year 2047. Towards this, Ministry has held consultations with domain experts, stakeholders and captains of steel industry to develop the contours of ‘Vision 2047’ for the sector.
2. Consultative Committee meeting was held under the chairmanship of Hon’ble Minister of Steel and Chairman of Consultative Committee on 10th February, 2022 on Policy Intervention for Secondary Steel Sector. A meeting was also held on 28th February, 2022 under the chairmanship of Secretary (Steel) on this issue in which the framework for Policy for Secondary Steel industry was discussed and the process for policy formulation initiated
3. The performance of Steel sector during April-February, FY22 has been encouraging. The cumulative production of crude at 108.99 million tonne (MT), finished steel at 102.98 MT and consumption of finished steel at 96.03 MT during April-February, FY22 has exceeded their respective levels achieved over the corresponding period in the previous three years (Graph-I). This improved performance was achieved despite the adverse effect of second wave of COVID-19 and concomitant localised lockdowns. The month-wise production and consumption of during the FY22 (Graph - II) indicates to an overall increasing trend during the year. However, in February’22 production of steel, both crude and finished, as well as its consumption declined month-on-month (M-o-M).



4. During February'22, SAIL produced 15.08 lakh metric tonne (LMT) of Hot Metal which is 1% lower than production during CPLY. However, production of Crude Steel at 14.08 LMT of and Saleable Steel at 13.78 LMT by SAIL in February'22 recorded an increase of 1.4% and 2.2% respectively over CPLY. The cumulative production during April-February'22 for Hot Metal at 169.63 LMT, Crude Steel at 157.13 LMT and Saleable Steel at 152.99 LMT registered an improvement of 14%, 16% and 18% respectively, over corresponding period of last year (CPLY).

5. In February'22, RINL achieved production of 4.05 LMT of Liquid Steel which is 19.8% lower than its production in January'22 and 23.9% lower than CPLY. During April-February'22, production of Liquid Steel by RINL at 51.06 LMT was 30.0% higher than CPLY.

6. During February'22, KIOCL produced 2.50 LMT of Pellets which was 16.3% higher than CPLY and sold 1.62 LMT of Pellets which is a decrease of 22.5% over CPLY. M-o-M, production of Pellets by KIOCL in February'22 was higher by 92.3% while its sales was lower by 39.4%. During April-February'22, the production and sales of Pellets by KIOCL stood at 17.65 LMT and 16.93 LMT recording a decrease of 8.6% and 17.1% respectively over CPLY.

7. Production of Manganese ore by MOIL in February'22, at 1.18 LMT was higher by 0.9% M-o-M but 14.0% lower than that in CPLY. During April-February'22, production of Manganese ore at 10.94 LMT was 9.4% higher than that in CPLY.

8. Projects of steel companies uploaded on PRAGATI and PMG portal are reviewed regularly with concerned Central Ministries/Departments and State Governments. Following the review meeting held on 21.02.2022 under the Chairmanship of Secretary Steel, the issue related to handing over of 361 ha diverted forest land by Govt. of Jharkhand to SAIL for Expansion of Gua (Duargaiburu) Iron Ore Mines has been resolved.

9. Presently, there are six ongoing projects costing Rs. 150 Crore or above of CPSEs (SAIL-04, NMDC-02), uploaded on OCMS portal of MoSPI. Secretary Steel reviewed the progress of these projects on 21.02.2022 and directed to expedite the progress.

10. Quality Control Order on IS-12146, IS-11946, IS-11947 and IS-13387 has been enforced to ensure only quality material as per the relevant standards are made available to the users. With the enforcement of these four Standards, out of 145 notified Indian Standards a total of 140 steel standards have already been enforced up to February, 2022.

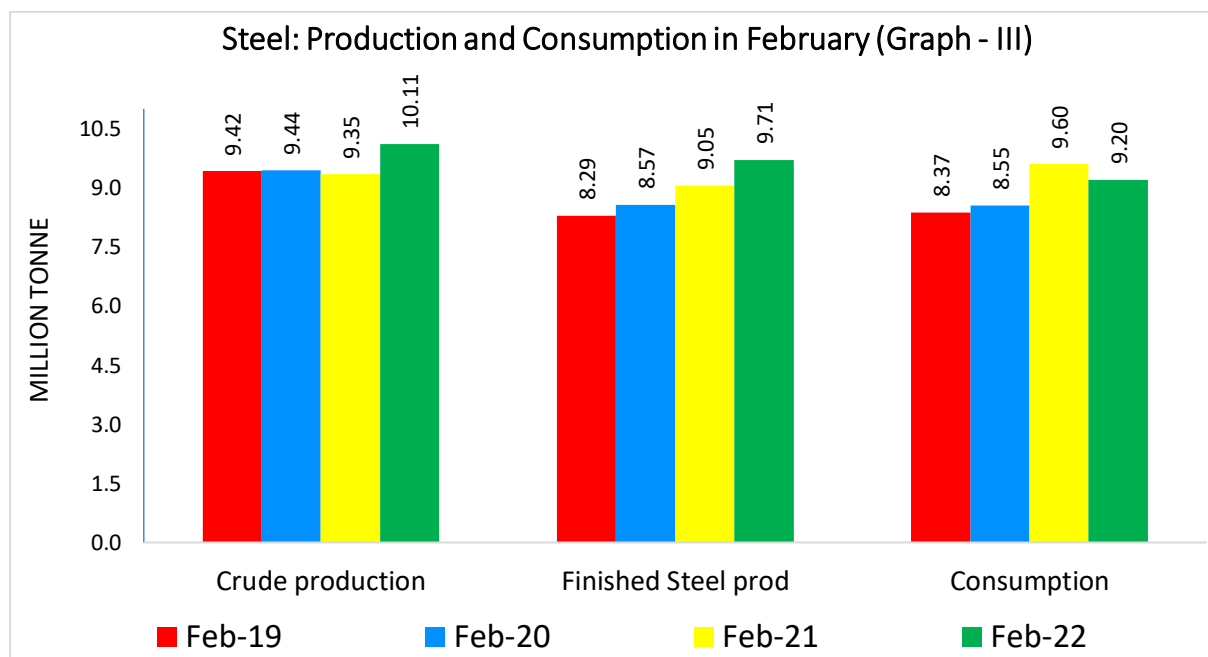
11. The CAPEX by Steel CPSEs in February'22 was Rs. 665.4 crore which is 26.9% higher M-o-M and 21.7% lower than CAPEX in CPLY. The cumulative

CAPEX by steel CPSEs for April-February, FY22 at Rs. 8251.4 crore is 55.4% higher than CAPEX during CPLY but 62.0% of the BE for the fiscal. Secretary Steel reviewed the CAPEX performance of Steel CPSEs on 16th February 2022 and urged them to make all efforts and achieve the CAPEX target for FY22.

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. Payment of Rs. 517.44 crore was made by Steel CPSEs to MSMEs during February'22 as against Rs. 537.77 crore in January'22. During April-February, FY22, Steel CPSEs have made payment of Rs. 4876.64 crore to MSME.

13. Production and Consumption Scenario:

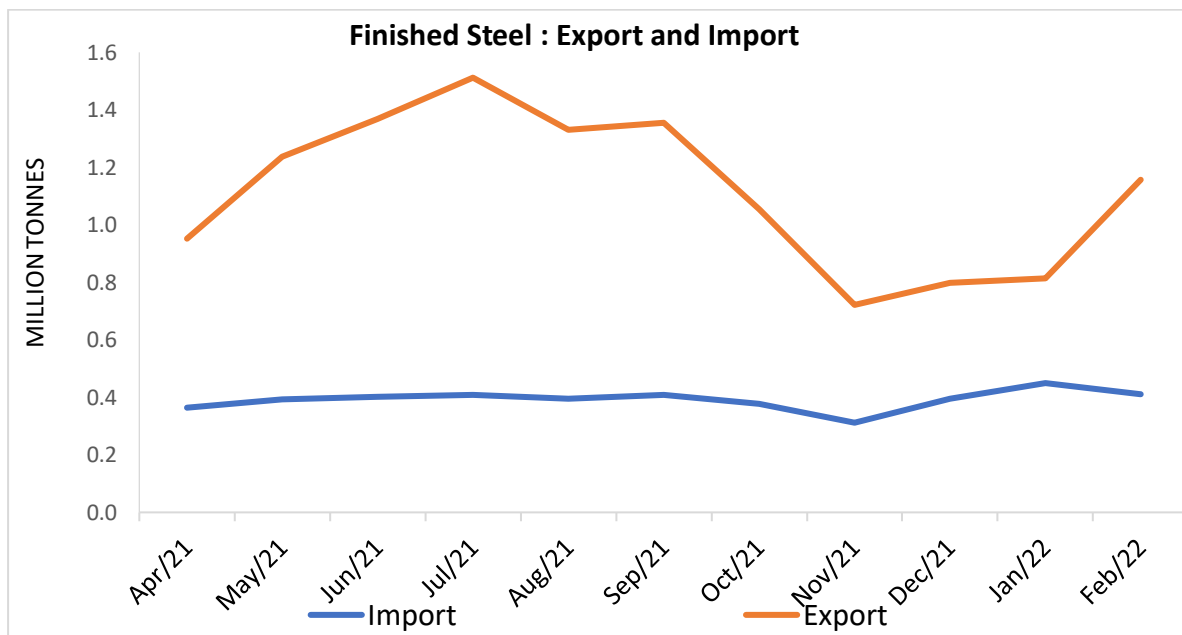
- i. The comparative picture of production and consumption of steel during the month of February over the last four years is depicted in the following graph. It is seen that production of crude as well as finished steel during February'22 was higher than that in the corresponding month of the last three years. However, consumption of finished steel during February'22 was lower than that in the corresponding month of the last year but higher than the earlier two years (Graph-III).



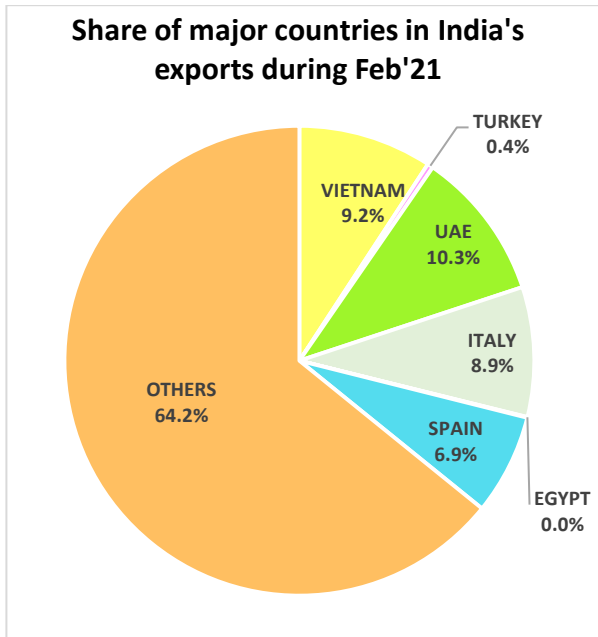
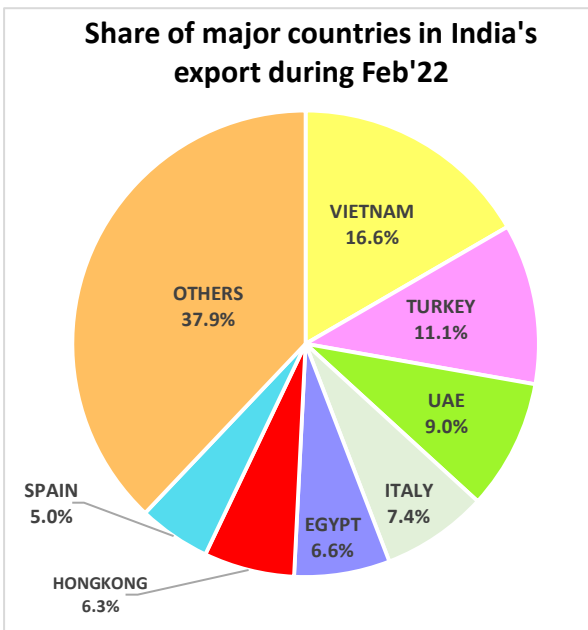
- ii. Production of crude steel in February'22 at 10.11 MT increased by 8.1% over its production in the corresponding period last year (CPLY) but declined by 6.3% over production in the previous month i.e., January'22.
- iii. Production of finished steel in February'22 at 9.71 MT was 7.2% higher than its production during CPLY but 4.5% lower M-o-M.

- iv. Consumption of finished steel in February'22 at 9.20 MT declined by 4.2% over CPLY and by 8.8% M-o-M.
- v. Inventories of the finished steel with the steel producing companies decreased during February'22 with the closing stock at the end of February'22 at 7.93 MT being 2.9% lower M-o-M and 15.2% lower than CPLY.

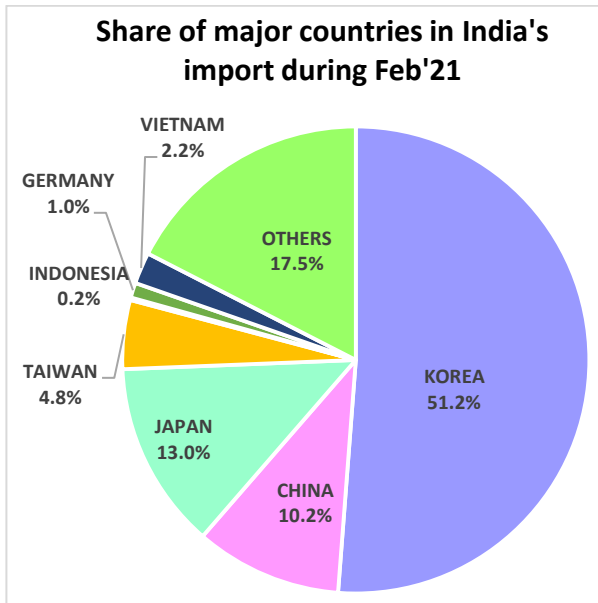
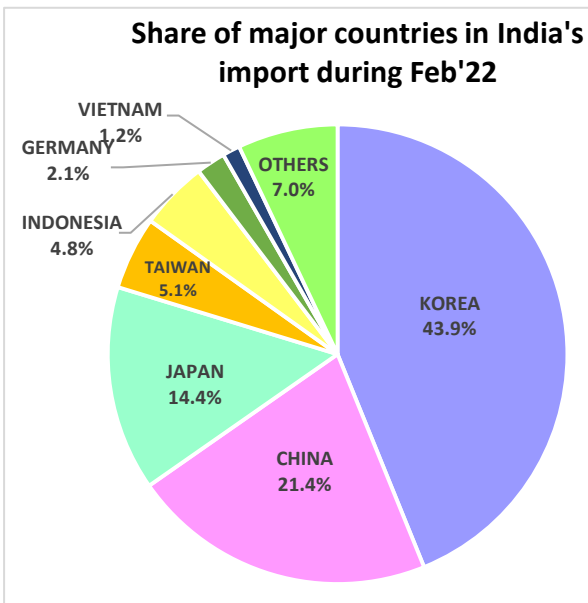
14. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during FY22 (Graph-IV below) indicates that while exports of steel continued to improve M-o-M during February'22, its import moderated slightly during the month.



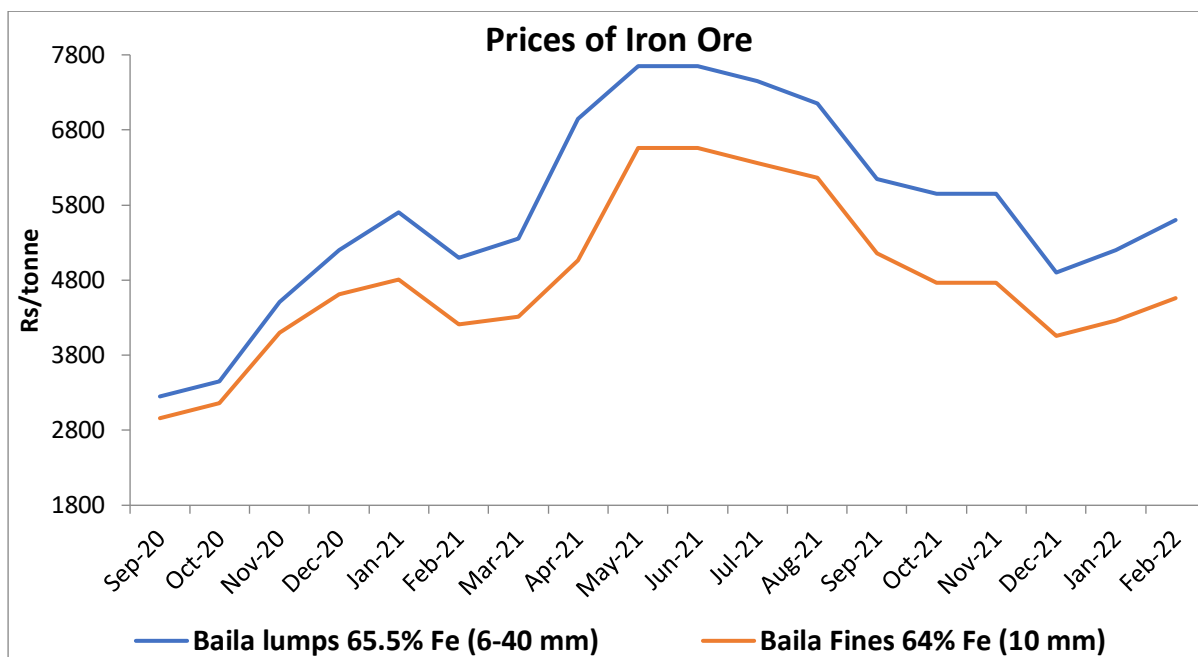
- i. Export of finished steel during February'22 at 11.57 LMT increased by 76.6% while import at 4.11 LMT declined by 10.6% over CPLY. M-o-M, export of finished steel increased by 42.1% but its import declined by 8.6% in February'22 over January'22. During April-February, FY22 exports at 122.99 LMT and imports at 43.18 LMT have increased by 29.6% and 1.6% respectively over the CPLY.
- ii. India was net exporter of finished steel recording a net trade surplus of 7.45 LMT in February'22 and 79.81 LMT during April-February, FY22, respectively.
- iii. Share of Vietnam, Turkey, Egypt and Hong Kong in total steel export from India was higher in February'22 as compared to February'21. However, share of UAE, Italy and Spain in India's total steel export declined over the same period as may be seen from the following graph.



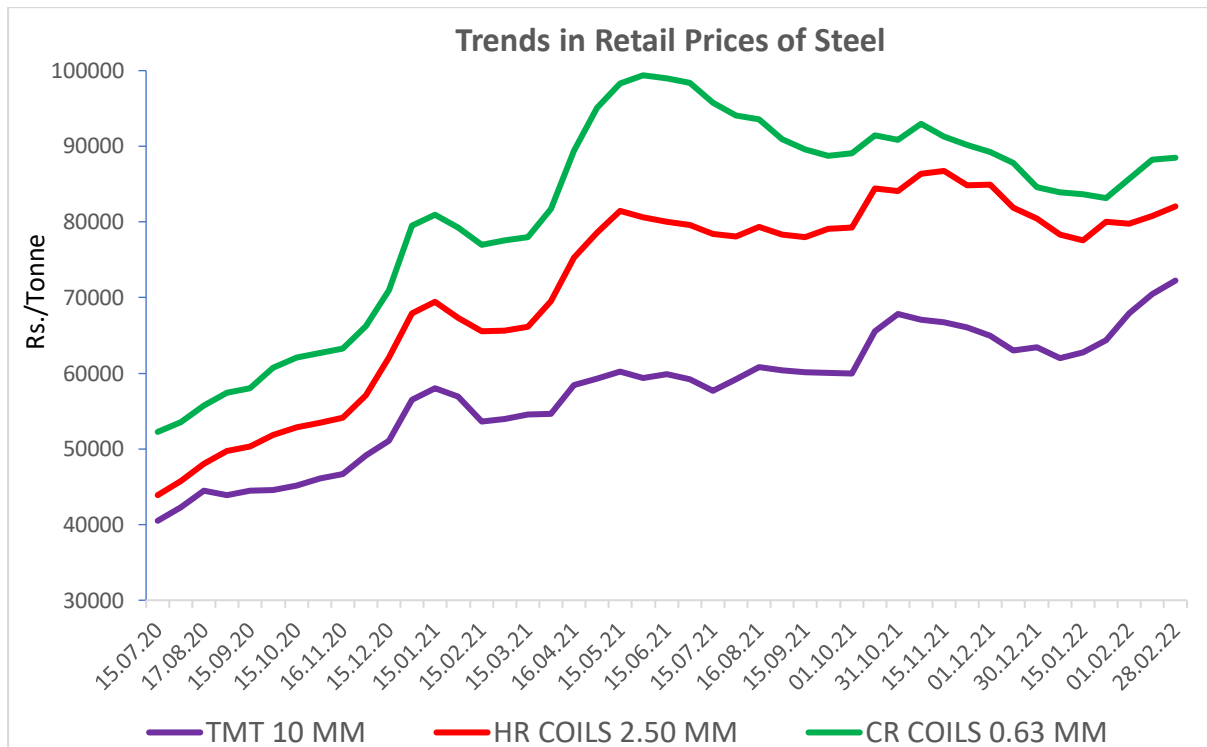
iv. Share of China, Japan, Taiwan, Indonesia and Germany increased in total steel import of India in February'22 as compared to February'21 while it declined for Korea and Vietnam over this period as may be seen from the following graph:



15. Price scenario: Prices of iron ore hit its peak in May-June'21 and was on a declining trend since July'21. However, an uptick in prices of iron ore were recorded in January'22 which continued in February as may be seen from the graph below:



- i. By end-February 2022, i.e., i.e. 25th February, 2022, prices of iron ore lump were increased by 7.7% to Rs. 5600/tonne and that of fines by 7.0% to Rs. 4560/tonne, over their prices in end-January'22.
- ii. NMDC achieved production of 43.1 LMT and sales of 39.7 LMT of iron ore in February'22. The production and sale of iron during the month was higher by 11.7% and 22.3% respectively than that in the CPLY. Month-over-month (M-o-M) production and sale of iron ore by NMDC declined by 5.4% and 6.3% respectively during February'22. During April-February of the current fiscal, production of iron ore by NMDC at 371.8 LMT and its sales at 365.7 LMT was 26% and 25% higher than CPLY, respectively. During the month SAIL produced around 26.29 LMT of iron ore which is a decline of 13.2% M-o-M and 5.3% over CPLY respectively. During April-February, FY22 the production of iron ore by SAIL was 312.29 LMT which is a growth of about 15% over CPLY. SAIL booked 3.68 LMT and dispatched 0.82 LMT iron ore in February'22 while cumulative booking and dispatch stood at 23.80 LMT and 23.39 LMT respectively over April-February, FY22.
- iii. Trend in retail prices of steel product categories viz., Rebar, HRC and CRC may be seen from the following graph. It is seen that prices of CRC hit its peak in May-June'21 while HRC and Rebar did so in October-November before the declining trend in their respective prices set in. However, since January'22 prices of iron have seen an upward trend with prices of all these three categories of iron registering an increase during February'22 as may be seen from following graph.



iv. The retail prices for Rebar (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai on 28th February, 2022 at Rs. 72,250/tonne, Rs. 80010/tonne and Rs. 88500/tonne were 6.4%, 2.8% and 3.2% higher than their respective prices at the start of the month.

16. The global production of crude steel decreased by 6.1% in January'22 over January'21 due mainly to a 11.2% decline in production in China. In addition, few other major steel producing countries viz., Japan, South Korea, Germany, Turkey, Brazil, Vietnam, Italy, Mexico and France also reported decline in production during the month over CPLY. The major producing countries (with production of 1 million tonne for the month or more) which contributed to the enhanced global production in January'22 over January'21 include India, USA, Russia, Iran, Taiwan and Ukraine. As regard the share of major producing countries in the global production of crude steel (Graph below), it is seen that due to decline in production in China and uptick in production in some of other major producing countries, share of China declined while that of India, Japan, USA, Russia south Korea increased during this period.

