

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

Udyog Bhawan, New Delhi
Dated: 15th December, 2021

OFFICE MEMORANDUM

Sub: Monthly Summary for the Cabinet for the month of November, 2021.

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 November, 2021 for information.

Encl: As above.



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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
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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)

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**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
नवंबर - 2021
November - 2021**

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

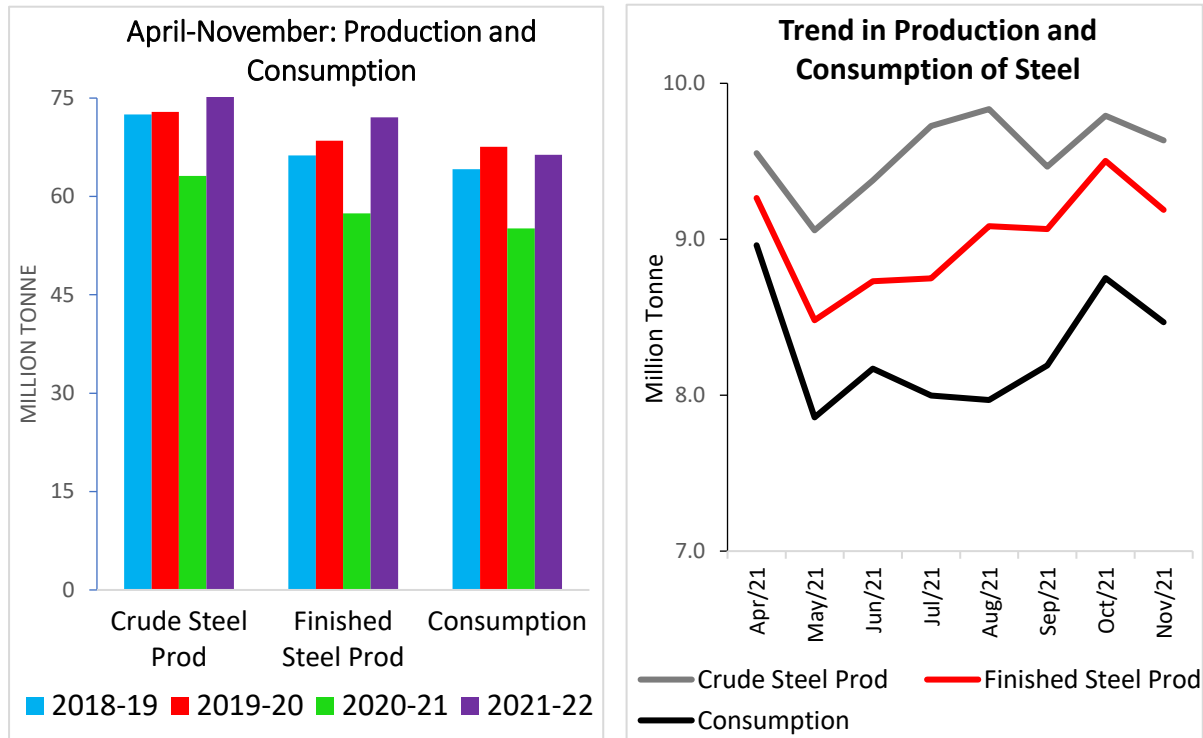
The important developments in the steel sector during the month of November, 2021 are as following:

1 Meeting of Consultative Committee of the Members of Parliament for the Ministry of Steel was held on 15th November, 2021 at Kevadiya, in Gujarat on “Steel Usage” under the chairmanship of Hon’ble Minister of Steel (HSM). It was indicated that during the financial year 2020-21, the total finished steel consumption in the country was 96.2 million tonnes (MT) which is projected to reach about 250 MT by 2030-31. Further, Government is continuously making efforts to enhance steel production capacity domestically and at the same time increase domestic demand by promoting greater usage of steel. Also, the recently announced GatiShakti Master Plan, envisaging Rs. 100 lakh crore investment plan for infrastructure development over the next five years, would give further boost to the steel usage in the country.

2. HSM held a meeting with SAIL, NMDC and MOIL to review the status of sale of iron ore by SAIL and non-working leases/mines of steel PSUs on 26th November 2021 and directed the CPSEs to expedite the regulatory compliances needed so as to ensure timely action. He further directed these CPSEs to finalise the roadmap for starting the mining operation in the existing non-working leases/mines.

3. The production performance of Steel sector during the first eight months of the current fiscal has been quite encouraging with cumulative production of crude at 76.44 MT and finished steel at 72.07 MT during April-November, FY22 being higher 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-November of the current fiscal at 66.37 MT has also 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 trend in month-wise production and consumption of during the FY22 indicates that while production of crude steel has remained above nine lakh metric tonnes (LMT) during every month of

the current fiscal, production of finished steel has achieved and maintained levels higher than that since August'21. However, production and consumption of steel declined in November'21 over previous month as may be seen from the following graph on month-wise trend in production and consumption:



4. During the current financial year, SAIL has shown significant improvement in the performance. Production of crude steel for Apr-Nov'21 has shown a growth of 23% over CPLY (Apr-Nov'20) at 11.249 MT. For higher production, SAIL has ramped up mining of iron ore in the current financial year. Production of iron ore during Apr-Nov'21 has seen a growth of 25% over CPLY (Apr-Nov'20) at 22.296 MT. In order to improve availability of iron ore in the market, SAIL has sold iron ore fines of 1.778 MT during Apr-Nov'21 which is an increase of 8.5 % over CPLY (Apr-Nov'20). SAIL has improved its financial performance and reduced its borrowing significantly. As on 30 Nov'21, borrowing stood at Rs 21105 Crore against Rs 35350 Crore at the beginning of the year, a reduction of 40 % during the current year. This is also a reduction of Rs 32645 Crore from the peak borrowing of Rs 53750 Cr during May'2020. Half-yearly PAT of H1, FY22 at Rs 8,154 Crore is higher than the highest ever annual PAT of Rs 7,537 Crore achieved in 2007-08. SAIL declared highest ever

dividend (interim) of Rs 4 per share leading to a transfer of about Rs 1073 Crore to Government exchequer.

5. During the month of November'21, KIOCL produced and sold 2.14 LMT and 1.10 LMT of Pellets which were 8.6% and 50.3% lower over CPLY, respectively. M-o-M, production of Pellets by KIOCL in November'21 increased by 4180.0% over a very low base due to shutdown of plant production in preceding month while its sales increased by 5.8% over its levels in October'21. During April-November'21, the production of Pellets by KIOCL stood at 13.50 LMT recording an increase of 3.8% while sales at 11.54 LMT declined by 19.5% over CPLY.

6. Production of Manganese ore by MOIL for the month of November'21, at 1.12 LMT was 6.0% higher than production in October'21 but 7.1% lower than CPLY. Sale of Manganese ores by MOIL at 0.98 LMT was 16.4% higher M-o-M and 1.7% higher than CPLY. During April-November'21, the production of Manganese ore at 7.29 LMT and sales at 7.07 LMT recorded increase of 17.6% and 6.2% over CPLY, respectively.

7. The CAPEX by CPSEs under the Ministry of Steel in the month of November'21 was Rs. 1179.3 crore which is 10.2% lower than that of Rs.1313.2 crore in October'21 and 146.1% higher than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for April-November of the current fiscal at Rs.5781.1 crore is 75.7% higher than CAPEX during CPLY. The CAPEX for April-November of FY22 was 43.5% of the BE with major steel CPSEs viz., SAIL, NMDC, RINL, MOIL and KIOCL achieving 48.9%, 26.9%, 77.0%, 46.2% and 38.3% of the irrespective BE target. The progress of CAPEX of was reviewed by Secretary Steel on 1st November, 2021 and CPSEs were impressed upon to scale up CAPEX spending. Hon'ble Finance Minister held a meeting with Secretary Steel to review the status of CAPEX spending of Steel CPSEs on 2nd November, 2021.

8. Projects of steel companies uploaded on PMG portal were reviewed by Secretary Steel on 09.11.2021 with the concerned Central Ministries/Departments and State Governments in which unresolved issues in projects of steel companies were taken up for early resolution. After the aforesaid review meeting, the following two issues have been resolved:

- i. Temporary working permission given by MoEF&CC to NMDC Ltd. for a period of one year in Bacheli in Dantewada district
- ii. NOC given by NHAI to JSW Steel for construction of transmission line in Utility Corridor of Mumbai-Goa National Highway.

9. Based on the representations received from the stakeholders, while the Quality Control Order (QCO) on IS 13387: 1992 (Tool Steel Forgings for Metal Forming Specification) has been extended by three months, the QCO was enforced on six additional Indian Standards (IS) during November, 2021. With this, QCO has been enforced on a total of 136 out of 145 notified Indian Standards. The IS Codes on which QCO has been enforced include IS 4072: 1975 (Specification for Steel for Spring Washers), IS 4432: 1988 (Specification for Case Hardening Steels), IS 5518: 1996 (Steels for Die Blocks For Drop Forging Specification), IS 12145: 1987 (Specification for Quenched and Tempered Alloy Steel Forgings for Pressure Vessels), IS 13352: 1992 (Stock for Forgings produced from Continuously Cast Blooms, Billets and Slabs- Specification) with effect from 13th November, 2021 and IS 4454 (Part 4): 2001 (Steel Wires for Mechanical Springs- Part 4: Stainless Steel Wire) with effect from 26th November, 2021.

10. 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 with 97.4% of the payment during April-November of the current fiscal being made within 30 days. Payment of Rs.437.21 crore was made by steel CPSEs to MSMEs during November'21 as against Rs.456.01 crore during October'21. During April-November of FY22, Steel CPSEs

have made a payment of Rs. 3358.61 crore to MSME which is 64.5% higher than payment of Rs. 2041.61 crore made during CPLY.

11. The Ministry of Mines awarded 5-Star Ratings for the years 2017-18, 2018-19, 2019-20 to mines practicing sustainable and responsible mining. NMDC received a total of nine 5-star ratings for three years for all its operating iron ore mines viz. Kumaraswami, Bacheli Deposit-5, Deposit 14 NMZ and Deposit No. 10 while two iron ore mines of SAIL viz., Kiriburu Iron Ore Mines and Meghahatuburu Iron Ore Mines were also awarded 5-Star rating at the 5th National Conclave on Mines and Minerals held on 23rd November 2021 .

12. After multiple rounds of negotiations among stakeholders, mutual settlement was arrived at for wage revision of Non-executive employees in SAIL and an MOU was signed on 22nd October 2021. Last wage revision of Non-executive employees in SAIL had taken place w.e.f 1st January 2012 for 5 years. Payment towards revised Basic pay has been made to all non-executive employees w.e.f 1st April 2020 and the payment of variable perks & allowances has started from 18th November, 2021 i.e., the date of approval. SAIL has also implemented the Salary Revision of Executives which was due from 1st January 2017 and actual payment has started from 1st April 2020.

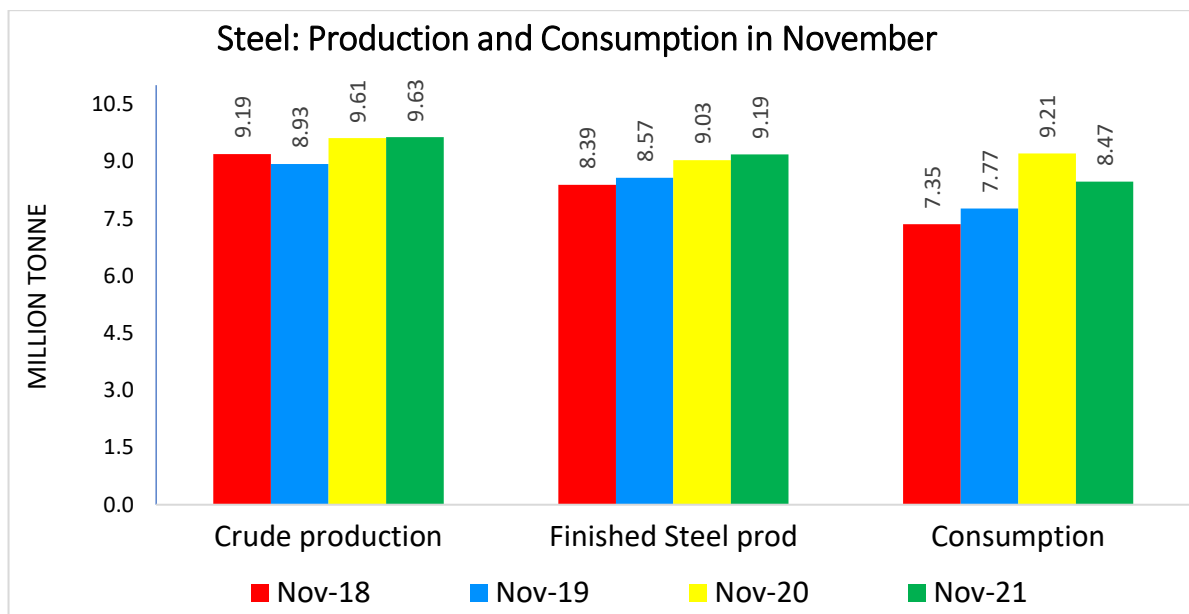
13. MOIL has implemented the wage revision for Non-executive employees for a period of ten years w.e.f. 1st August, 2017 to 31st July, 2027 by signing a tri-partite settlement on 16th November, 2021 between management of MOIL and representative of the recognised union in the presence of Chief Labour Commissioner, Government of India.

14. The Steel CPSEs undertook various activities and organised events like Swachhatha campaigns, pledge for donating eyes, Health Check-up camps, uploading series on Freedom Fighters on You Tube and RSTV news, Twitter and Facebook Account., Multi Lingual Poetry Recital Programme, Nukkad Natak, Plantation drive,

various sports events like cycle rally, Kabaddi, Badminton, Volleyball, Roller Skating and football Competition, Shram Dan, etc., during the month towards commemoration of Azadi ka Amrit Mahotsav (AKAM).

15. Production and Consumption Scenario:

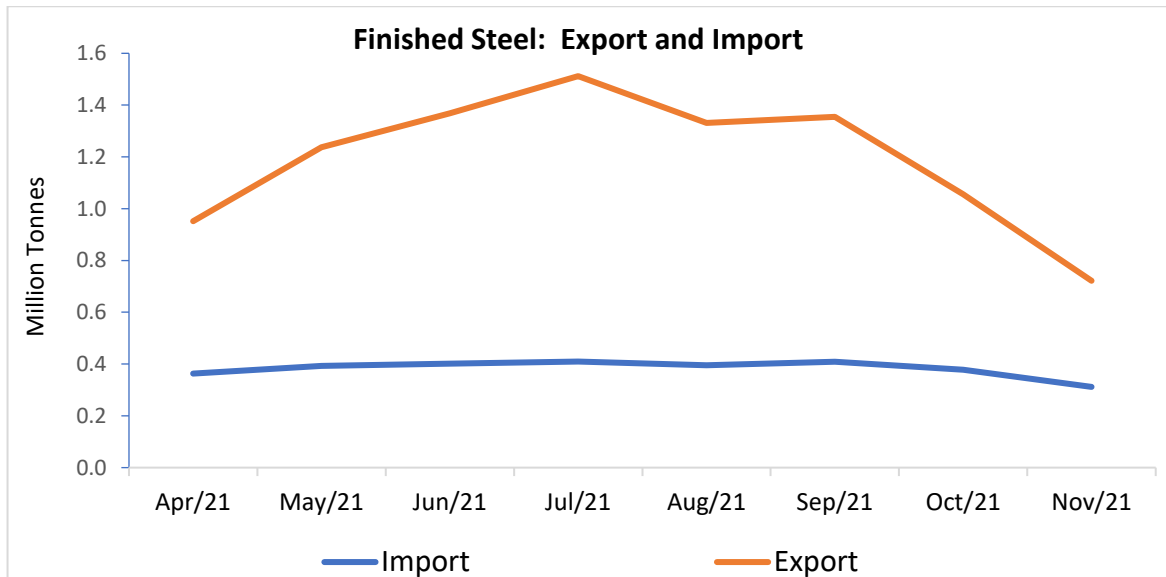
- i. The comparative picture of production and consumption of steel during the month of November over the last four years is depicted in the following graph. It is seen that production of crude as well as finished steel during the month of November'21 is higher than that in the corresponding month of the preceding three years. Consumption of finished steel during November'21 was lower than that in the corresponding month of the last year but higher than the earlier two years.



- ii. Production of crude steel in November'21 at 9.63 MT increased by 0.3% over the same month of the last year but declined by 1.6% over production in the previous month i.e., October'21.
- iii. Production of finished steel in November'21 at 9.19 MT was higher by 1.7% over CPLY but lower by 3.3% over the production in the previous month i.e., October'21.

- iv. Consumption of finished steel in November'21 at 8.47 MT registered a decline of 8.0% over CPLY and 1.5% M-o-M i.e., over October'21.
- v. The consumption and net export taken together were lower than production during November'21 which resulted in increase in inventories with the steel producing companies. Accordingly, the closing stock of finished steel at the end of November'21 was 8.20 MT which is 3.9% higher than that at the end of previous month but 25.4% lower than the same month of previous year.

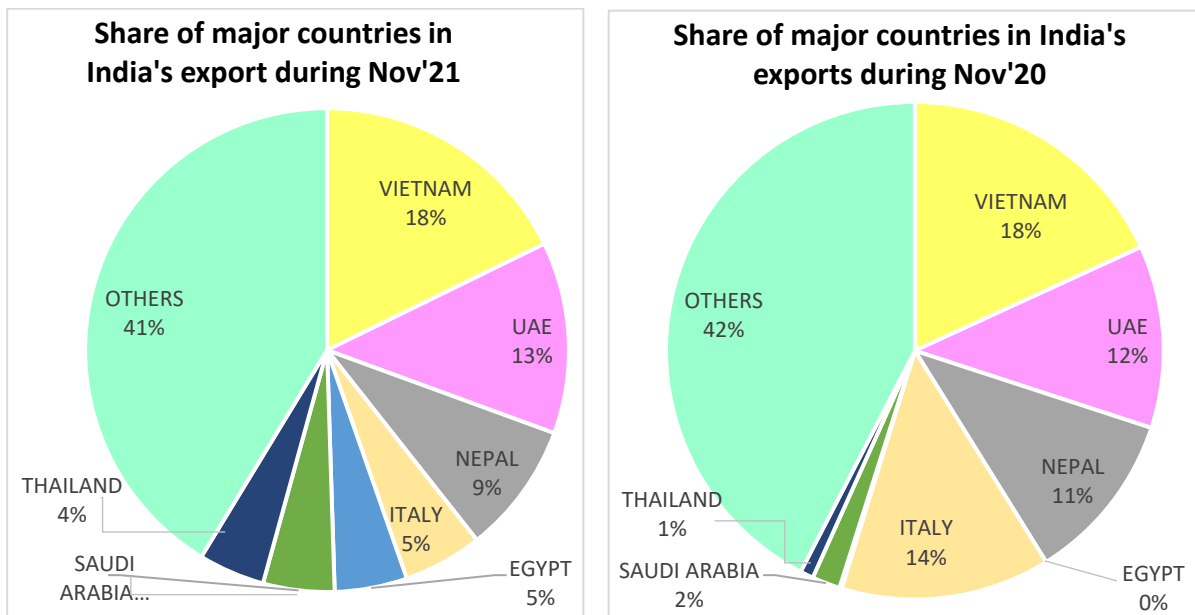
16. **Export-Import Scenario:** The month-wise trend in export and import of finished steel in the current fiscal indicates that exports increased consistently till July'21 but registered a declining trend subsequently, with the decline being more pronounced during October and November 2021. Imports during April-November of the current fiscal have remained range bound as may be seen from the following graph.



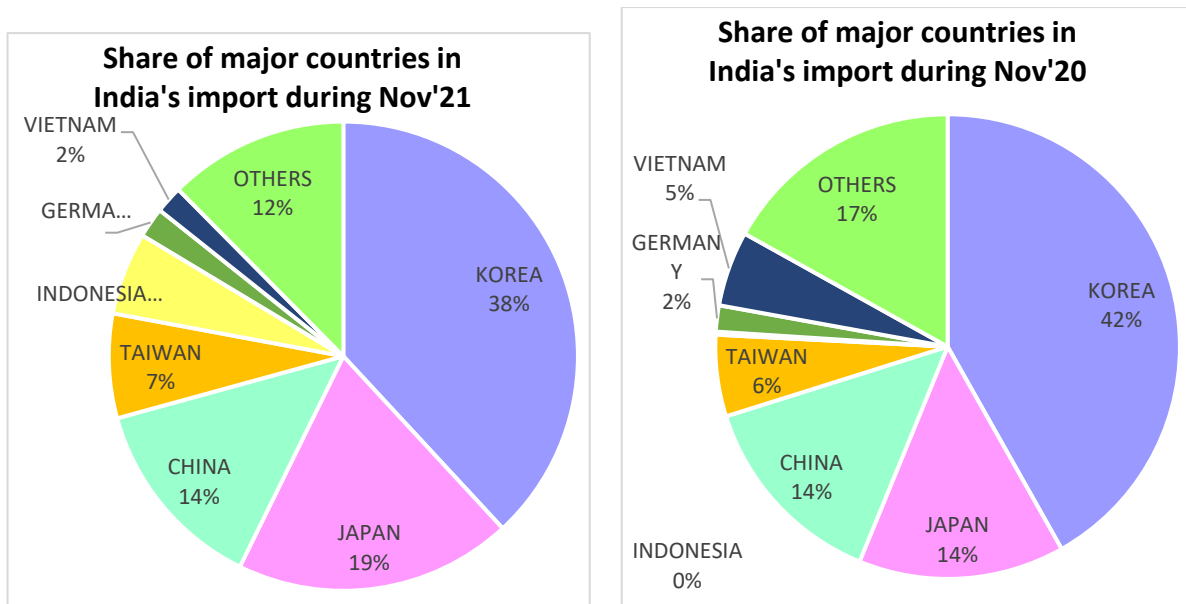
- i. Export of finished steel during November'21 at 7.22 LMT increased by 20.7% while import at 3.12 LMT declined by 11.1% over CPLY. However, M-o-M, export and import of finished steel in November'21 declined by 31.6% and 17.5% respectively over October'21. During April-November, 2021 exports at

95.31 LMT and Imports at 30.63 LMT have increased by 23.8% and 13.5% respectively over the CPLY.

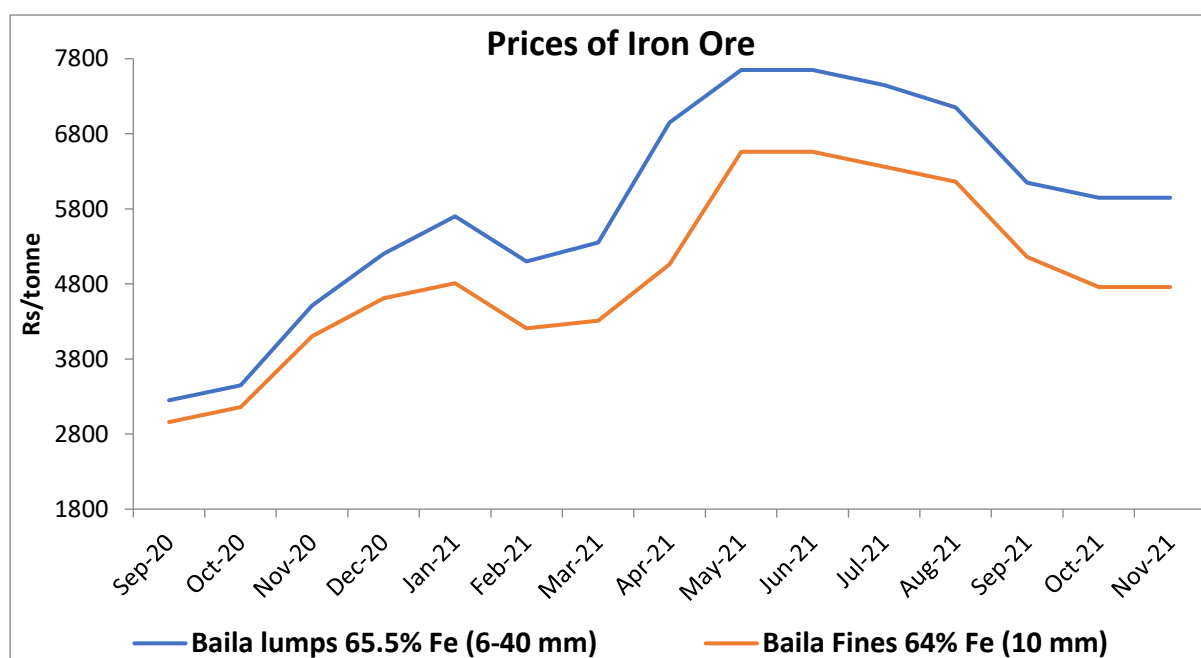
- ii. India was net exporter of finished steel during November'21 recording a net trade surplus of 4.10LMT and also during April November, 2021 with net trade surplus of 64.68LMT.
- iii. Share of UAE, Saudi Arabia, Egypt and Thailand in total steel export from India was higher in November'21 as compared to November'20. However, share of Nepal and Italy in India's total steel export declined over the same period as may be seen from the following graph.



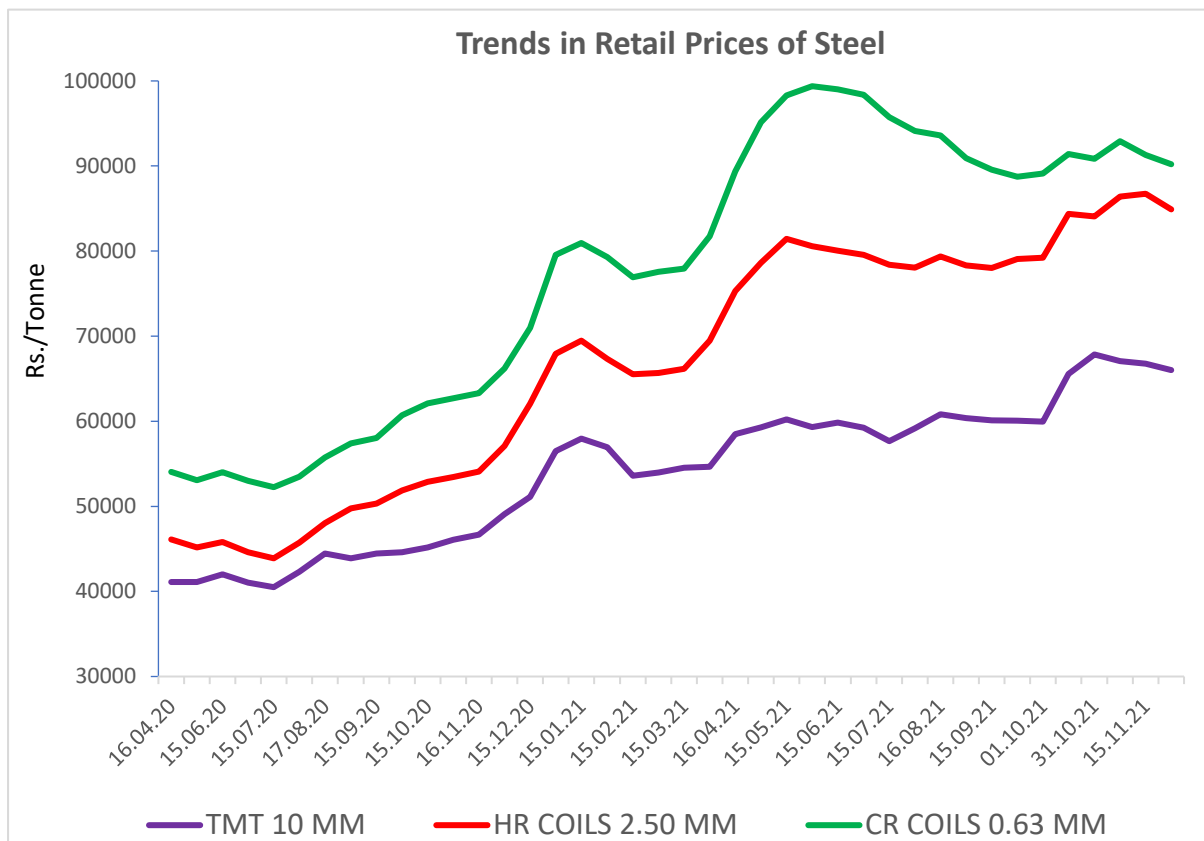
- iv. Share of Japan, Taiwan, Indonesia and Germany increased in total steel import of India in November'21 as compared to November'20 while it declined for Korea and Vietnam over this period as may be seen from the following graph:



17. **Price scenario:** Prices of iron ore started increasing from August'20 and barring a dip in prices in February'21, prices continued the upward trend month on month till hitting its peak in May-June'21 due primarily to demand supply situation in both international and domestic market. However, prices of iron ore have been on a declining trend from July'21 onwards as may be seen from the graph below:



- i. During the month of November'21, prices of iron ore lump as well as that of fines remained stable at Rs. 5950/tonne and Rs. 4760/tonne respectively i.e., at the same levels as that in October'21. However, w.e.f. 30th November 2021, prices of iron ore lump were reduced by 12.6% to Rs 5200/tonne and that of fines by 4.2% to Rs.4560/tonne.
- ii. NMDC achieved production of 33.4 LMT and sales of 28.8 LMT of iron ore in November'21. The production of iron ore was 0.6% higher but sale of iron ore was 12.7% lower than that in the CPLY, respectively. Month-over-month (M-o-M) production of iron ore by NMDC increased by 0.3% while sales declined by 19.5% during November, 2021. During April-November of the current fiscal, production of iron ore by NMDC at 243.7 LMT and its sales at 249.6 LMT was 35.5% and 33.3% higher than CPLY, respectively. During the month SAIL produced around 28.38 LMT of iron ore which is a decline of 3% over CPLY and 7% M-o-M. SAIL booked 0.6 LMT and dispatched 1.67 LMT iron ore in November'21. During April-November, 2021 the production of iron ore by SAIL was 222.96 LMT while booking and dispatch stood at 17.88 LMT and 20.88 LMT respectively.
- iii. Trend in retail prices of steel product categories viz., Rebar, HRC and CRC during the current fiscal may be seen from the following graph. It is seen that prices of CRC after hitting its peak in May-June'21 have subsequently seen a declining trend. However, prices of HRC and Rebar have broadly remained range-bound with some fluctuation since May'21 till September'21. During October'21, there was an uptick in prices of all three product categories while the prices moderated for all three in the month of November'21.



iv. The retail prices for Rebar (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai on 30th November 2021 at Rs. 66015/tonne, Rs. 84883/tonne and Rs. 90199/tonne, respectively were lower by 1.5%, 1.7% and 2.9% than their respective prices at the start of the month.

18. The global production of crude steel during October'21 at 145.67 MT decreased by 10.6% over CPLY due mainly to a more than 23% decline in production in China. Few other major steel producing countries viz., South Korea, Iran and Ukraine also reported a decline in production during the month over CPLY. The major producing countries (with production of 1 million tonne for the month) which contributed to the enhanced global production in October'21 over October'20 include India, Japan, USA, Germany, Turkey, Brazil, Italy, Taiwan, Mexico, Spain, France, and Russia. As regards the share of major producing countries in the global production of crude steel, it is seen that due to a decline in production in China and along with some uptick in production in some of the other major producing countries, the share of China declined while that of India, Japan, USA and Germany increased during this period,

while the share of other major producers remained more or less stable as may be seen from the following graph:

