

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

Udyog Bhawan, New Delhi  
Dated: 17<sup>th</sup> November, 2021

**OFFICE MEMORANDUM**

**Sub: Monthly Summary for the Cabinet for the month of October, 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 October, 2021 for information.

**Encl:** As above.



**(Raj Kumar)**

Deputy Director

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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
7. Addl. Chief Economic Adviser, Ministry of Railways, Railway Board, R.No. 301, 3<sup>rd</sup> 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)

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मासिक सारांश

MONTHLY SUMMARY

ON

लौह एवं इस्पात

IRON & STEEL

अक्टूबर - 2021

October - 2021

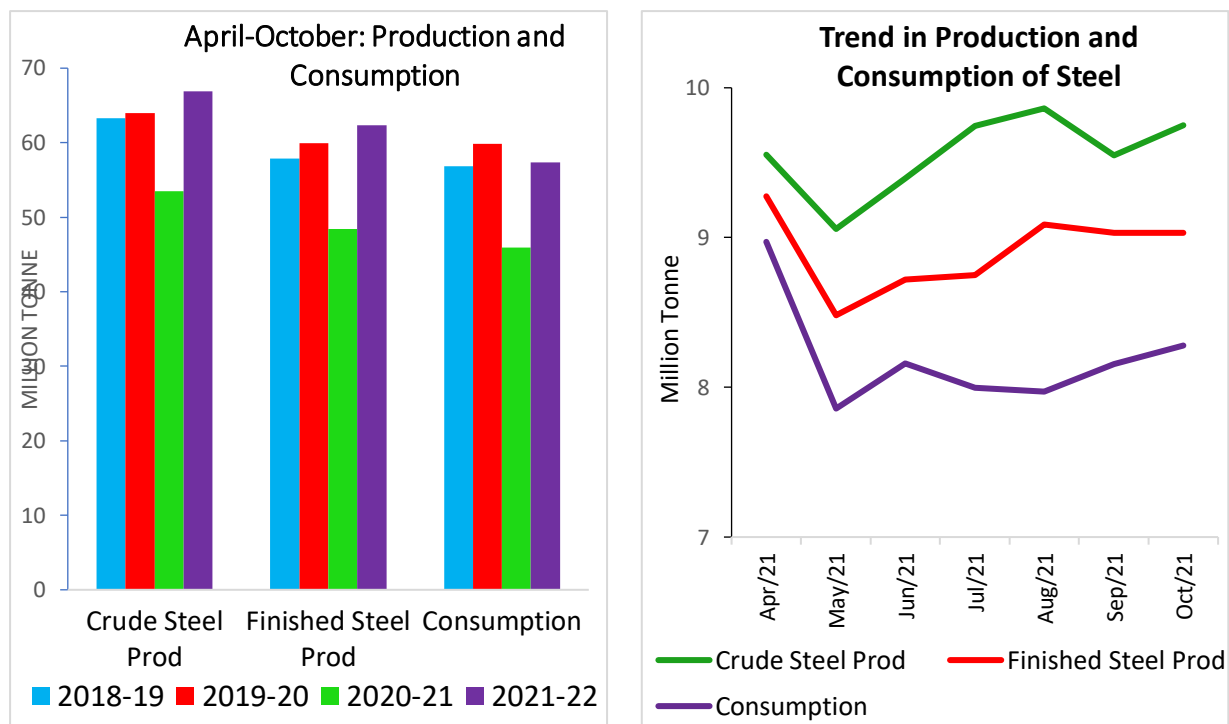
भारत सरकार/GOVERNMENT OF INDIA

इस्पात मंत्रालय/ MINISTRY OF STEEL

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

1. Ministry of Steel along with FICCI, Invest India and MECON Ltd, organized a day-long Seminar on the PLI Scheme for Specialty Steel on 25<sup>th</sup> October 2021 to provide a platform for brainstorming by the stakeholders over key features of the scheme and the challenges that the industry may foresee in implementation of the Scheme. The seminar was presided over by Hon'ble Steel Minister (HSM) and Hon'ble MoS Steel delivered special address on the occasion. Representatives from integrated steel producers, secondary steel producers, potential investors, specialty steel makers, steel associations, academicians, concerned Government agencies, steel CPSEs and others participated in the Seminar. Representatives from Indian Embassies in major steel producing countries including China and Russia also joined and addressed the Seminar through video-conferencing
2. Memorandum of Understanding (MoU) was signed on 14<sup>th</sup> October, 2021 by the Minister of Steel, Government of India and the Minister of Energy, Russian Federation on cooperation regarding coking coal, which is used in steel making. The MoU will benefit the Indian steel sector in diversifying the sources of coking coal which may lead to reduction in input cost for the steel players due to long term commitment of supply of high-quality coking coal to India (up to 40MT till 2035). This MoU also envisages implementation of joint projects/commercial activities in coking coal sector, including development of coking coal deposits and logistics development, sharing of experience in coking coal production management, technologies of mining, beneficiation, processing, training as well as promoting research collaboration between the two countries.
3. HSM visited Akhnoor area of Jammu district on 7<sup>th</sup> and 8<sup>th</sup> October, 2021, continuing the Central Government's Public Outreach Programme during which he also addressed a Steel Consumers Meet at Jammu wherein HSM mentioned that with construction of a number of new road and rail projects in the UT as well as various Hydro-electric Projects, opportunities have been created for enhancing steel consumption in J&K.
4. HSM dedicated the second vertical shaft at Chikla Mine of MOIL to the nation and also inaugurated various MOIL facilities including Hospitals at its five mines' locations (Chikla, Gumgaon, DongriBuzurg, Tirodi and Kandri Mines), Administrative Building at Tirodi Mine, and Graduate Trainee Hostel at Balaghat Mine during his visit to MOIL on 31<sup>st</sup> October, 2021 to 1<sup>st</sup> November, 2021.
5. The production performance of Steel sector during first seven months of the current fiscal has been encouraging with cumulative production of crude and finished

steel during April-October, 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-October of the current fiscal 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 production of crude steel and consumption of finished steel improved in October'21 over previous month while production of finished steel remained stable as may be seen from the following graph on month-wise trend in production and consumption:



6. During the month of October'21, SAIL produced 16.49 lakh metric tonne (LMT) of Hot Metal, 15.38 LMT of Crude Steel and 14.90 LMT of Saleable Steel which is an improvement of 4%, 6% and 11% respectively over the performance during CPLY i.e., October'20. M-o-M, the production of Hot Metal, Crude Steel and Saleable Steel by SAIL in October'21 were higher by 6%, 7% and 1% respectively over their respective production in September'21. Saleable Steel sale in October'21 at 14.82 LMT registered an increase of 10% over CPLY but declined by 1% M-o-M. The cumulative production during April-October'21 for Hot Metal, Crude Steel and Saleable Steel stood at 105.79 LMT, 97.77 LMT and 95.81 LMT respectively registering an improvement of 26%, 26% and 30% respectively over the performance during CPLY while sale of Saleable Steel at 90.89 LMT during the same period increased by 17% over CPLY.

7. During October'21, due to planned shutdown of plant production up to 30.10.2021, KIOCL produced 5 thousand Metric Tonne (TMT) of Pellets which was 91.7% lower than production over CPLY. During the month, KIOCL sold 1.04 LMT of Pellets which was 13.7% higher over CPLY. M-o-M, production of Pellets by KIOCL in October'21 decreased by 96.9% while its sales increased by 11.8% over their respective levels in September'21. During April-October'22, the production of Pellets by KIOCL stood at 11.36 LMT recording an increase of 6.5% while sales at 10.44 LMT declined by 13.9% over CPLY.

8. Production of Manganese ore by MOIL for the month of October'21, at 1.05 LMT was 15.7% higher than production in September'21 but 0.7% lower than CPLY. Sale of Manganese ores by MOIL at 0.84 LMT was 18.1% lower M-o-M but 4.3% higher than CPLY. During April-October'21, the production of Manganese ore at 6.18 LMT and sales at 6.10 LMT recorded increase of 23.6% and 7.0% over CPLY, respectively.

9. The CAPEX by CPSEs under the Ministry of Steel in the month of October'21 was Rs. 1313.2 crore which is 43.0% higher than CAPEX of Rs.918.18 crore in September'21 and 131.8% higher than CPLY. The cumulative CAPEX by steel CPSEs for April-October of the current fiscal at Rs.4601.8 crore is 63.7% higher than CAPEX during CPLY. The CAPEX for April-October of FY22 was 34.6% of the BE with major steel CPSEs viz., SAIL, NMDC, RINL, MOIL and KIOCL achieving 36.6%, 21.9%, 68.6%, 38.8% and 36.7% of their BE, respectively. The progress of CAPEX was reviewed by Secretary Steel on 25<sup>th</sup> October, 2021 and CPSEs were impressed upon to scale up CAPEX spending.

10. Ministry of Steel has been proactively taking up issues in National Infrastructure Pipeline projects of steel companies with concerned Central/State Governments, Ministries / Department in Inter-Ministerial Steering Committee (IMSC) meetings. All issues related to MoRTH and MoPNG in steel NIP projects have already been resolved. Further, vide letter dated 21.10.2021, MoEF&CC informed that based on the recommendation of the FAC (meeting held on 17.09.2021) and acceptance of the same by the competent authority in MoEF&CC, following three issues pertaining to policy matters stand resolved:

i. Forest Diversion approval for ROW corridor for laying slurry and return water pipeline with trench size of 2mtr wide and 2mtr depth instead of earlier 1mtr wide and 2 mtr depth.

ii. For RoW Corridors with NHAI having 'Forest Clearance for Utility Corridor', exclusive forest clearance permission for ROW along Highways for laying Slurry & Return water pipeline may be waived by MoEF&CC.

iii. Exemption of NPV charges for secondary user installing the pipeline in the RoW Utility Corridor of NHAI, which is already diverted and broken up forest land for which NPV and Afforestation Charges have already been remitted by NHAI.

11. An expenditure of Rs. 2177 crore has been incurred in eight steel NIP projects including seven in the Private sector till October'21 against the target of Rs. 2061 crore for the year 2021-22. The total outlay for these NIP projects is Rs. 25,051 crore.

12. Based on the representations received from the stakeholders and evaluation/assessment of demand of user industry, date of enforcement of Quality Control Order on IS 1110:1990 (Ferrosilicon-Specification) and IS 4409:1973 (Specification for Ferronickel) was extended by six months from 23rd October 2021 with the approval of competent authority with total number of QCOs enforced remaining at 130 out of 145 notified Indian Standards.

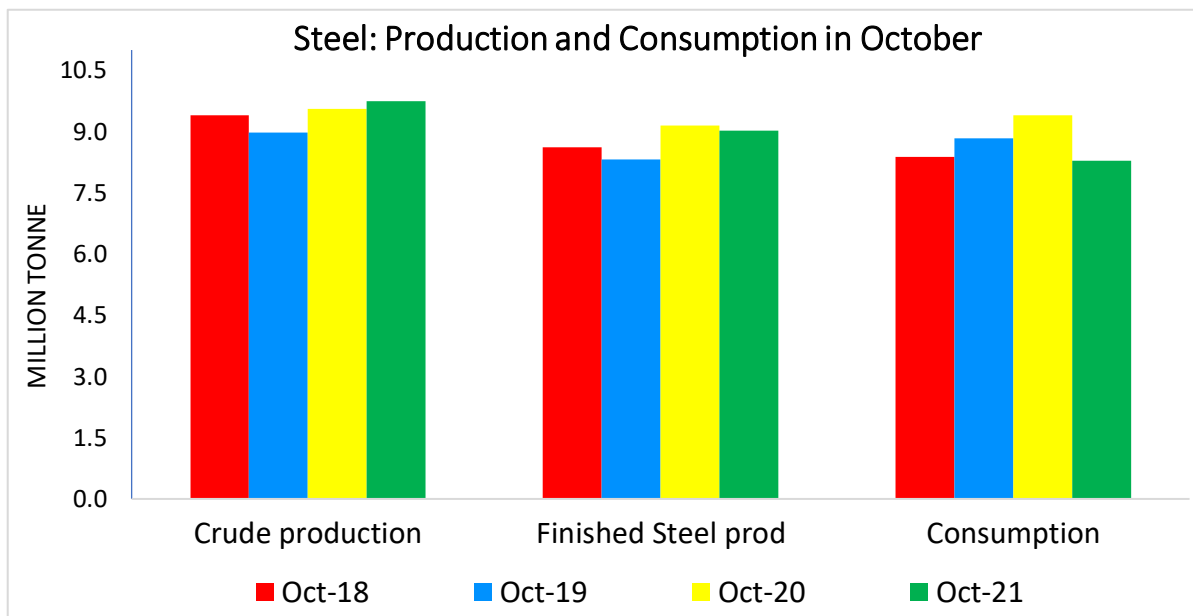
13. The status of pending payments to MSMEs by CPSEs of the Steel Ministry is being monitored on weekly basis to ensure that the same is credited timely and well within the 45 days' time limit for such payments with 97.3% of the payment during April-October of the current fiscal being made within 30 days. Payment of Rs.456.01 crore was made by steel CPSEs to MSMEs during October'21 as against Rs.469.24 crore during September'21. During April-October of FY22, Steel CPSEs made a payment of Rs. 2921.40 crore to MSME which is 67.9% higher than Rs. 1740.13 crore made during CPLY.

14. During the special campaign during the month of October, 2021, cleanliness campaigns were undertaken including weeding of files disposal of pending public grievances, Public grievances appeal, MP references and Parliamentary Assurance and an online auction through MSTC on 21<sup>st</sup> October, 2021 for disposal of e-waste and scraps which resulted in realisation of a scrap value of Rs 1.36 lakh and freed up Office space of about 1000 sq. ft. Similarly, all the CPSEs together reviewed 60,623 files out of which 34,345 files were weeded out. An amount of Rs.270.85 crore was generated by the CPSEs through scrap disposal and around 1,14,969 sq. ft. of space freed. CPSEs also conducted a total of 281 cleanliness campaigns during the period.

15. The Steel CPSEs undertook various activities and organised events like Swachhatha campaigns, tree plantation, Vaccination camps, Painting exhibition, Poster making Competition, Relief material distribution, Essay writing Competition, Elocution Competition, cycle rally, Kabaddi and football Competition, Rural Hockey Tournament, opening of Day Boarding Archery Centre, Shram Dan, etc., during the month towards commemoration of Azadi ka Amrit Mahotsav (AKAM).

**16. Production and Consumption Scenario:**

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

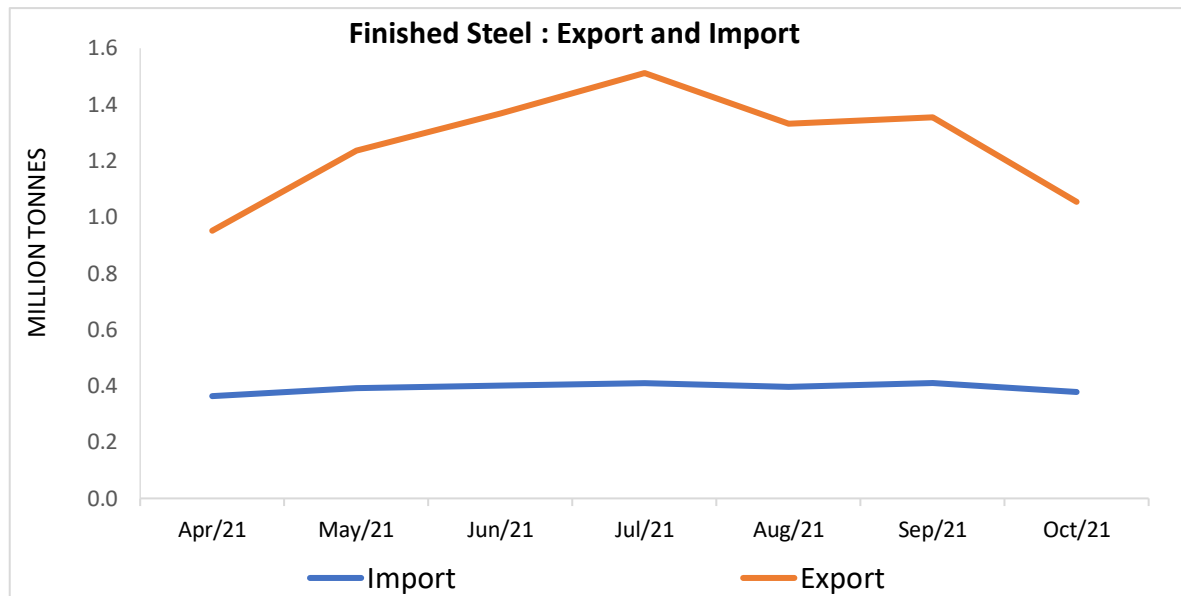


- ii. Production of crude steel in October'21 increased by 2.0% over the same month of the last year and by 1.8% over production in the previous month i.e., September'21.
- iii. Production of finished steel in October'21 was lower by 1.2% over CPLY and remained at the same level as in the previous month i.e., September'21.
- iv. Consumption of finished steel in October'21 registered a decline of 11.9% over CPLY but an increase of 1.5% M-o-M i.e., over September'21.

- ii. The consumption and net export taken together were lower than production during October'21 which resulted in increase in inventories with the steel producing companies. Accordingly, the closing stock of finished steel at the end of October'21 was 7.89 MT which is 0.95% higher than that at the end of previous month but 30.9% lower than the same month of previous year.

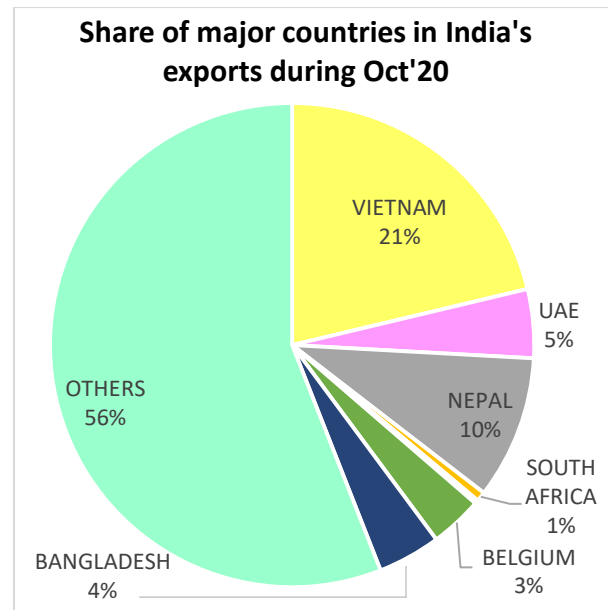
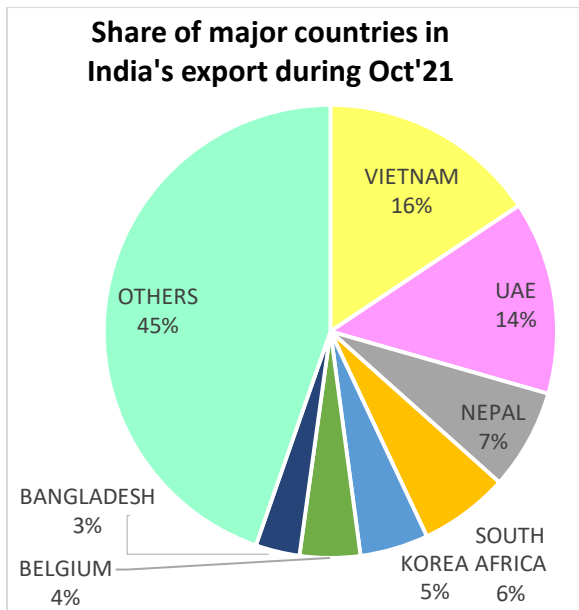
17. **Export-Import Scenario:** The month-wise trend in export and import of finished steel in the current fiscal indicates that exports increased consistently till July'21, due to the demand supply situation and high international prices. In the subsequent months of the current fiscal, exports registered a declining trend with the decline being more pronounced in October'21 which may partly be attributed to the softening

global demand and prices of steel. Imports during April-October of the current fiscal have remained range bound as may be seen from the following graph.

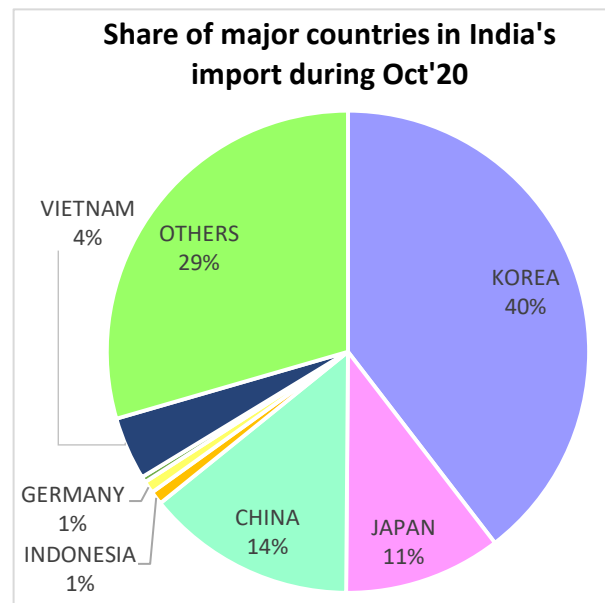
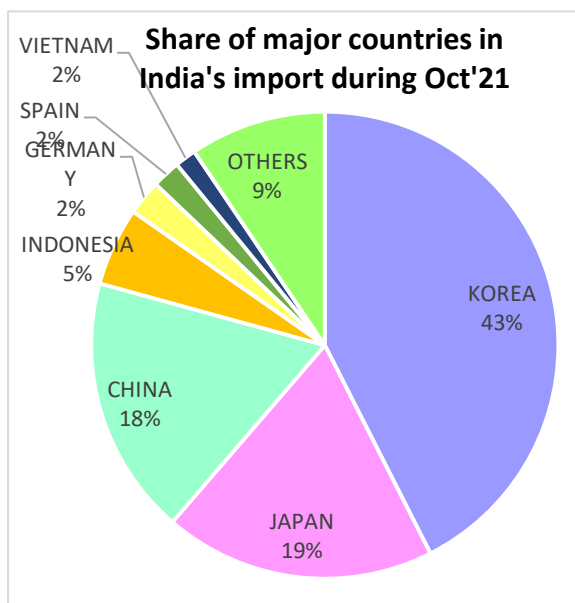


- i. Export and import of finished steel during October'21 increased by 90.1% and 4.4% over CPLY, respectively. However, M-o-M, export and import of finished steel in October'21 declined by 22.1% and 7.6% respectively over September'21. Exports and Imports during the April-October 2021-22 have increased by 17.2% and 24.1% over the CPLY.
- ii. India was net exporter of finished steel during October'21 recording a net trade surplus of 0.68 MT.
- iii. Share of UAE, South Africa, Korea and Belgium in total steel export from India was higher in October'21 as compared to October'20. However, share of Vietnam, Nepal and Bangladesh in India's total steel export declined over the same period as may be seen from the following graph.

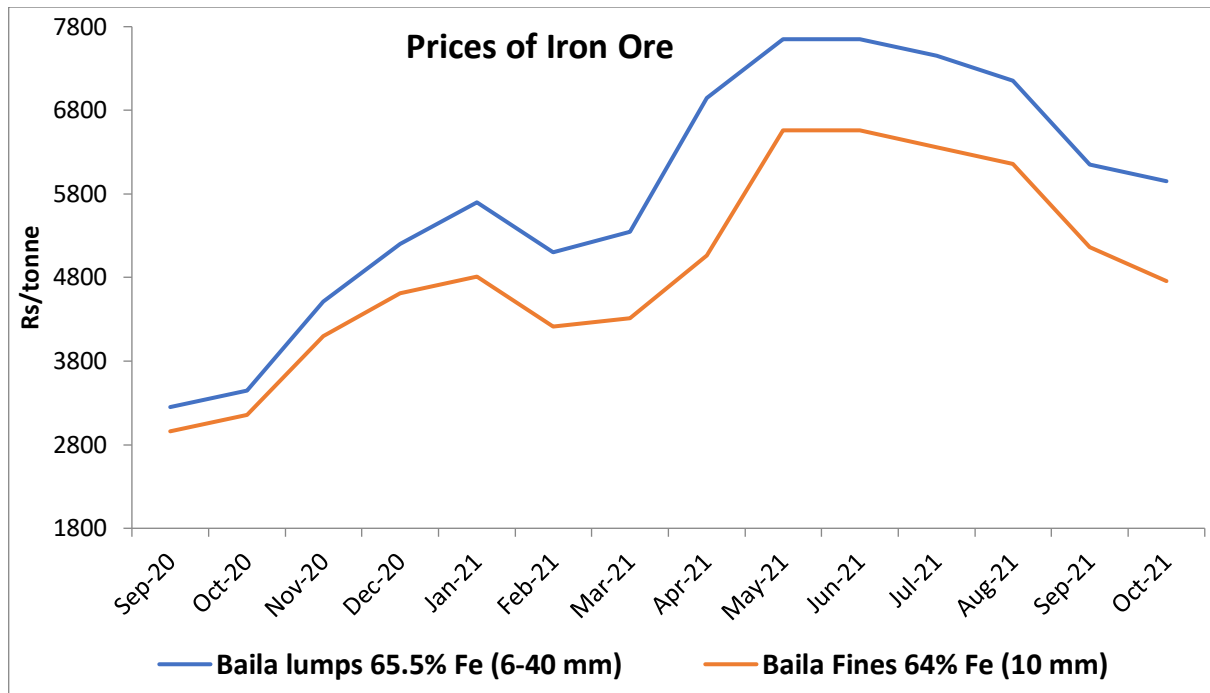




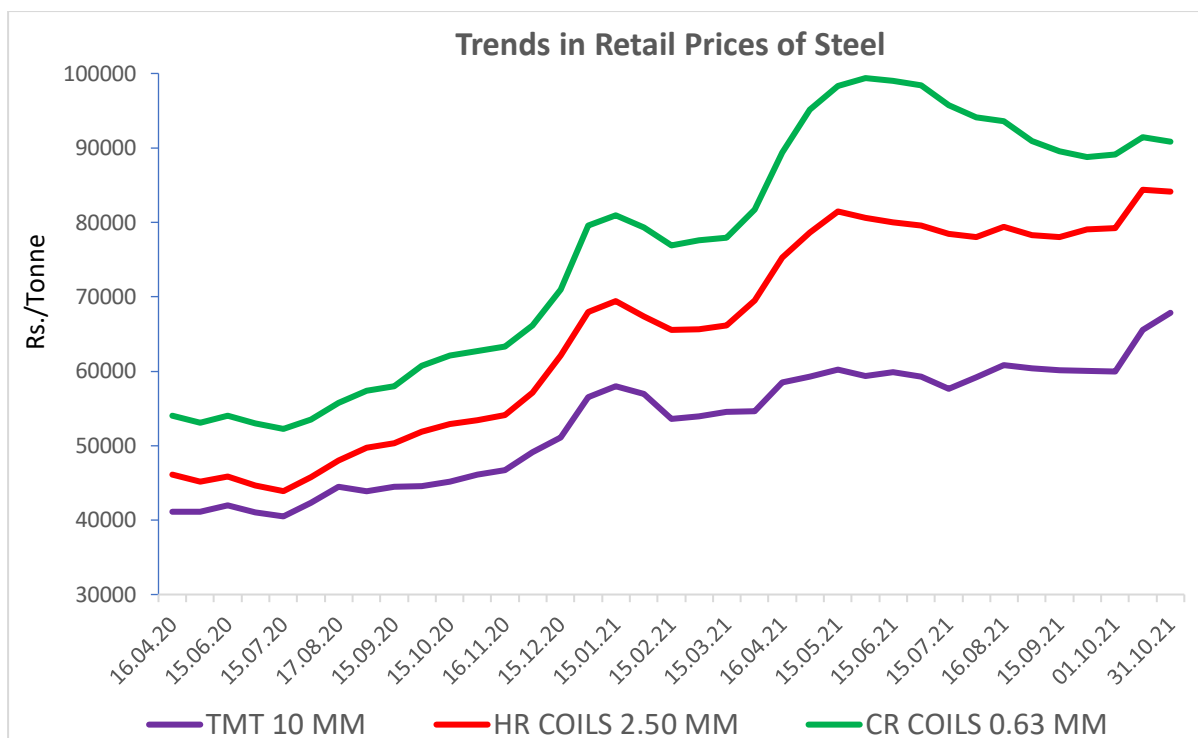
iv. Share of Korea, Japan, China, Indonesia Germany and Spain increased in total steel import of India in October'21 as compared to October'20 while it declined for Vietnam over this period as may be seen from the following graph:



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



- i. During the month of October'21, prices of iron ore lump declined by 3.3% to Rs.5950/tonne and that of fines by 7.8% to Rs. 4760/tonne over their respective prices in September'21.
- ii. NMDC achieved production of 33.3 LMT and sales of 35.8 LMT of iron ore in October'21. The production and sale of iron ore were 37.5% and 41.8% higher than that in the CPLY, respectively. Month-over-month(M-o-M) production and sales of iron ore by NMDC increased by 23.8% and 31.1 during October, 2021. During April-October of the current fiscal, production of iron ore by NMDC at 210.4 LMT and its sales at 220.8 LMT was 43.5% and 43.1% higher than CPLY, respectively. During the month SAIL produced around 30.6 LMT of iron ore which is an increase of 5.8% over CPLY and 15.8% M-o-M. SAIL booked 3.0 LMT and dispatched 0.96 LMT iron ore in October'21. During April-October 2021-22, the production of iron ore by SAIL was 194.6 LMT while booking and dispatch stood at 17.28 LMT and 19.08 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 has 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 in the first fortnight. While the prices of HRC and CRC moderated in the second fortnight of the month, prices of Rebar continued with the uptrend.



- i. The retail prices for Rebar, CRC and HRC increased by 13.18%, 61.3% and 1.98% respectively during the month of October'21.

19. BSE Sensex during October'21 registered an increase of 0.7% while BSE Metal Index declined by 0.2% 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 decreased by 8.9% in September'21 over September'20 due mainly to a more than 21% decline in production in China. In addition, few other major steel producing countries viz., Russia, South Korea, Vietnam and Iran also reported decline in production during the month over CPLY. The major producing countries (with production of 1 million tonne for the month) which recorded enhanced global production in September'21 over September'20 include India, Japan, USA, Germany, Turkey, Brazil, Italy, Taiwan, Ukraine, Mexico, Spain, France, and Canada. 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 along with some uptick in production in some of other major producing countries, share of China declined while that of India, Japan and USA increased during this period, while the share of other major producers remained more or less stable as may be seen from the following graph:

