

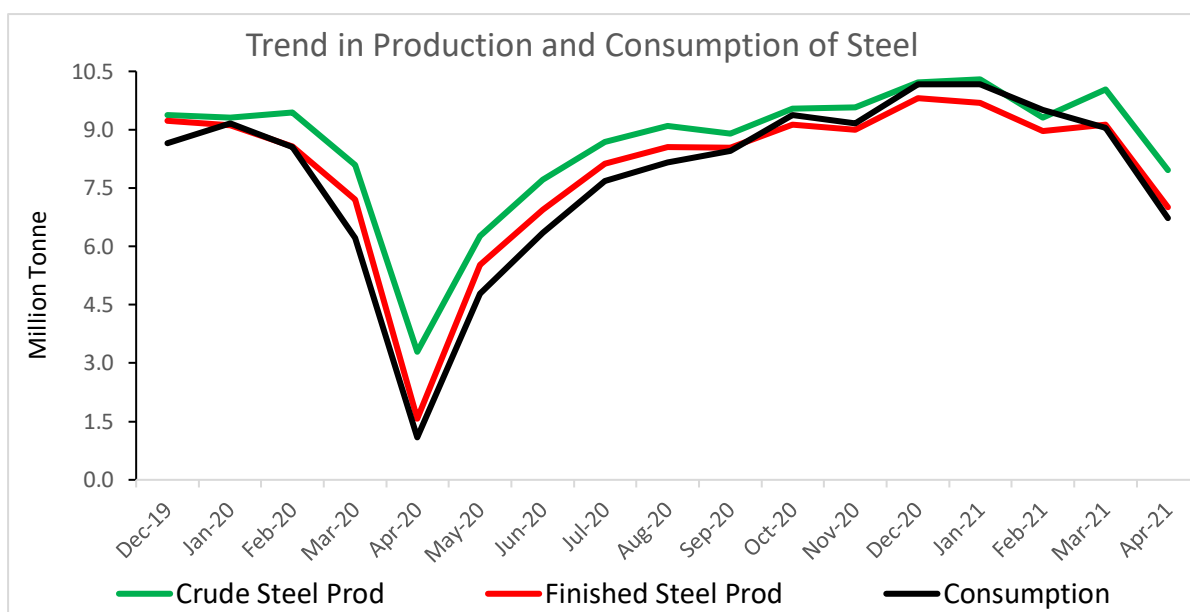
No. S-24013/1/2020-EA-RFD

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
अप्रैल – 2021
April - 2021

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

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

- Ministry has directed Steel CPSEs as well as Private sector companies in the steel sector to make all out efforts to enhance the production of Liquid Medical Oxygen (LMO) so as to supplement the efforts of the Government towards making available LMO for redressing medical need during the second wave of COVID-19 pandemic. In pursuance to the directions, Steel plants have enhanced their LMO production capacity from 2834 MT on 30th April, 2021 to 4191 MT on 10th May, 2021 due to several initiatives and technical modifications undertaken by them like reduced production of Liquid Nitrogen and Liquid Argon, reduced usage of Gaseous Oxygen, etc. The supply of LMO has also seen a substantial increase. As against the supply of 580 MT on 1st April, 2021, the supply crossed 3400 MT on 30th April, 2021 and on 15th May, 2021 it has even crossed the 4500 MT mark. The excess supply made on a daily basis, over and above the capacity and daily production, is because the Steel plants are using the LMO in their storage tanks. In fact, the Steel plants have reduced their safety stock of LMO from the prescribed 3.5 days to 0.5 days resulting in approximately 20,000 MT of LMO in their storage tanks. Apart from this, under our directions, the Oxygen Plants of both, the Steel CPSEs and Private Sector, are dispensing LMO 24x7 in order to meet the rising LMO demand in the country.
- Steel plants under the Ministry of Steel have planned to set up Jumbo COVID facilities comprising 8,150 beds using Gaseous Oxygen.
- The Steel sector recovered from the initial wave of COVID-19 pandemic and returned with much better performance in the second half of the last fiscal as compared to CPLY. However, during the first month of current fiscal, i.e. April'21, the production of crude and finished steel as well as its consumption fell by more than 20% vis-à-vis their respective levels in March'21. This decline is in part due to the seasonal factors due to which production and consumption of steel in April is, in general, lower than that in March and also partly due to the second wave of COVID-19, adversely affecting economic activities. The trend in production and consumption of steel since December 2019 may be seen from the following graph.



- During April 2021, production of Hot Metal, Crude Steel and Saleable Steel by SAIL stood at 1.371 MT, 1.230 MT and 1.256 MT respectively. This marked an improvement of 59%, 54% and 117% respectively over the lower base performance during April 2020 lock down period. Saleable Steel Sales during April 2021 stood at 1.202 MT.
- Iron ore production and sales by NMDC Ltd. for the month of April 2021 at 3.13 MT (Million Tons) and 3.09 MT, respectively were the highest ever for the month of April. Iron ore production and sale by NMDC in April 2021 registered growth of 73.9% and 123.9% respectively over the lower base in the CPLY.
- During April 2021, KIOCL produced 1.80 lakh tonne of Pellets as against production 0.81 lakh tonne during CPLY registering an increase of 122% over the lower base. KIOCL sold 1.60 lakh tonne of Pellets in April'21 which is 45% higher than the sale of 109.68 lakh tonne during CPLY.
- Enforcement date of Indian Standards for four steel products viz., Cold-reduced Electrolytic tin plate, Cold reduced electrolytic chromium / Chromium

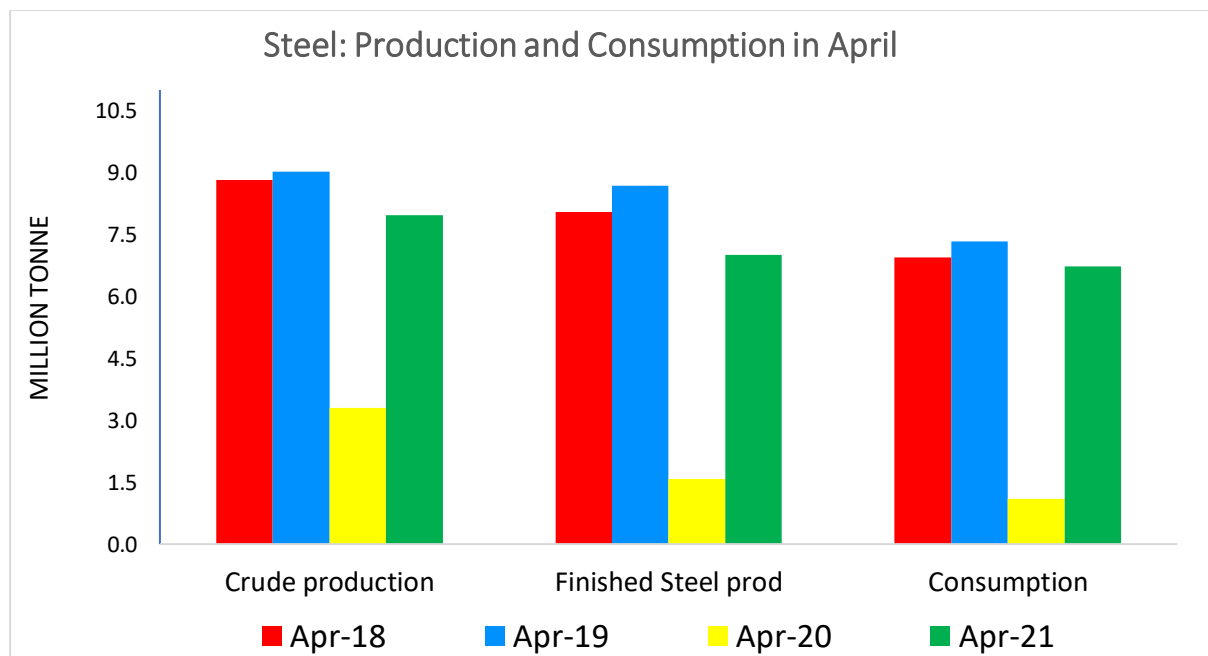
oxide-coated steel, Ferrosilicon-Specification and Specification for Ferronickel were extended keeping in view their domestic availability and requirement.

- The progress of PRAGATI projects related to Rail Lines, which are funded by steel CPSES and implemented by Railways were reviewed with the M/o Railways and State Govt. of Chhattisgarh (SGoCG). In pursuance to the decisions taken in the aforesaid meeting, the SGOCC has resolved the issues related to permission of tree cutting and diversion of forest land in April'2021 for the Dalli-Rajahara-Rowghat New Rail Line project. Also, during April 2021, Railways completed another 11 km work in project 'Doubling of KK Line from Kirandul to Jagdalpur' in Chhattisgarh.
- Ministry of Steel has also taken up the issues related to RoW for the steel sector projects included in NIP with MoRTH/NHAI and Railways so as to facilitate their implementation/execution. Presently, eight steel sector projects costing Rs. 21,340 crore are included in NIP of which seven projects are under development stage.
- The status of 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. 355.43 crore was made by steel PSEs to MSMEs during April 2021 as against Rs. 426.12 crore during March 2021.
- NITI Aayog has set up 11 committees for 11 focus areas mandating these committees to prepare comprehensive action plans for transitioning from a linear to a circular economy in their respective focus areas. Of these 11, Ministry of Steel has been entrusted to lead the committee on "Circular Economy in Scrap Metal (Ferrous and Non-Ferrous)". In pursuance to this objective, stakeholders' consultations were held with Aluminium, Copper and Iron & Steel industries during April 2021 to discuss the ways for transition from linear economy to circular economy in their respective sectors including through utilization of all wastes and

by-products, increasing useful life of products, recovering embodied resources at the end of life of products and thereby reducing carbon footprint.

- **Production and Consumption Scenario:**

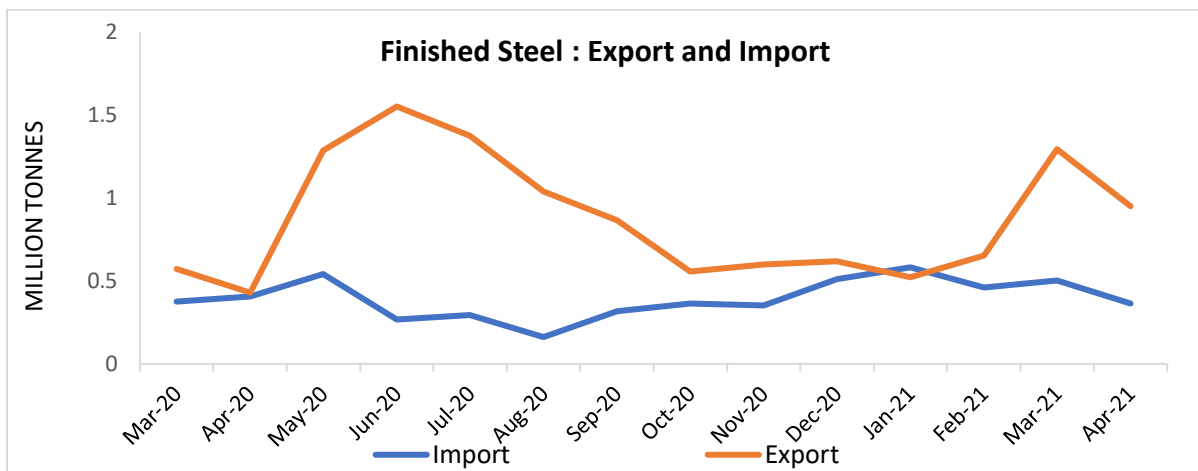
- i. The comparative picture of production and consumption of steel during the month of April over the last four years is depicted in the following graph. It is seen that the production of crude and finished steel and consumption of finished steel during the month of April 2021 is significantly higher than last year due to lower base effect, but is lower than those during earlier years.



- ii. Production of crude steel in April 2021 increased by 141.8% over the same month of the last year due to lower base but was 20.6% lower than the production in March 2021.
- iii. Production of finished steel in April 2021 was 346.3% higher than that in the same month of last year i.e., April 2020 due to lower base but was 23.2% lower than production in March 2021.
- iv. Consumption of finished steel in April 2021 registered an increase of 516.8% over April 2020 due to lower base following the lock down but it declined by 25.7% on M-o-M basis.

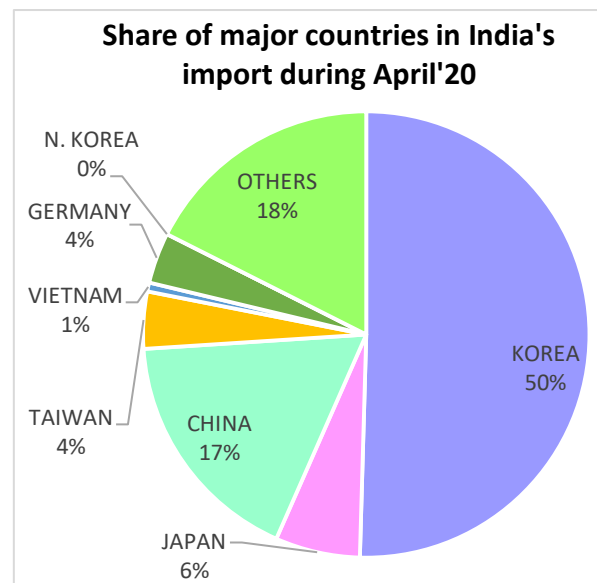
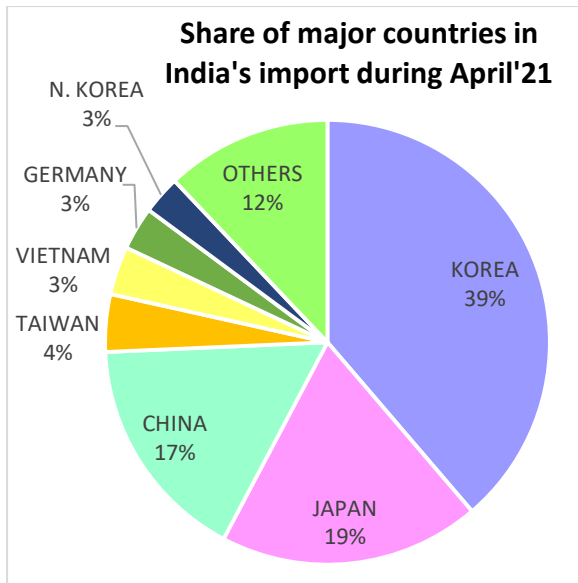
v. The prevailing consumption and net export in conjunction with lower production during April 2021, has resulted in absorption of inventories with the steel producing companies resulting in a lower closing stock of 8.4 MT of finished steel at the end of April 2021 which is 3.5% lower than that at the end of previous month and 41.1% lower than the same month of previous year.

- **Export-Import Scenario:** The month-wise export and import details indicate that progressive unlocking of the economy and improving economic activities led to better domestic demand resulting in decline/moderation in export from June'2020 and improvement in import from August'2020. However, during the last two months of the fiscal 2020-21, there has been an uptrend in export while import remained range bound. During April 2021, the export and import both declined as may be seen from the following graph:

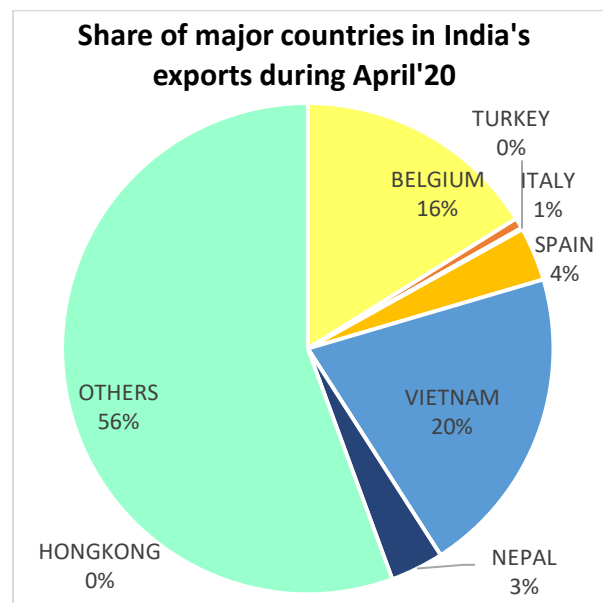
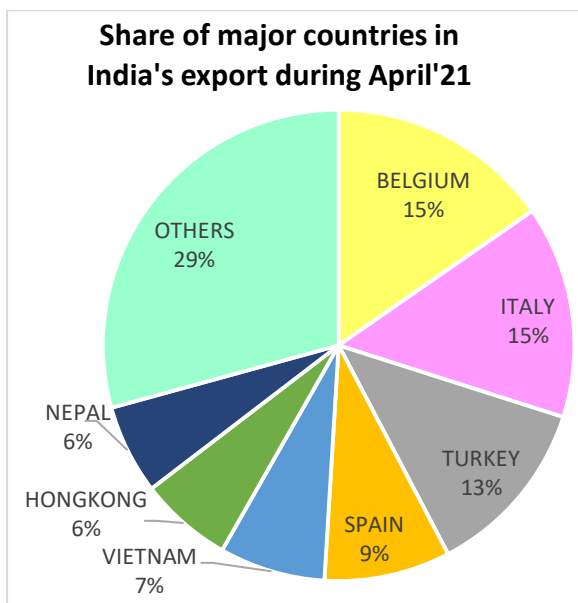


- During April 2021 export increased by 121.6% while import declined by 10.7% over CPLY, respectively. M-o-M, export and import declined by 26.4% and 27.4%, respectively in April 2021.
- India was net exporter of finished steel during the first month of the current fiscal year 2021-22, recording a net trade surplus of 0.59 MT in April 2021.
- Share of Japan, Vietnam and Democratic People's Republic of Korea increased in total steel import of India in April 2021 as compared to April 2020 while it

declined for Korea and Germany over this period as may be seen from the following graph:



iv. Share of Italy, Turkey, Spain, Hong Kong and Nepal in total steel export from India was higher in April 2021 as compared to April 2020. However, share of Vietnam and Belgium in India's total steel export declined over the same period [graph following].



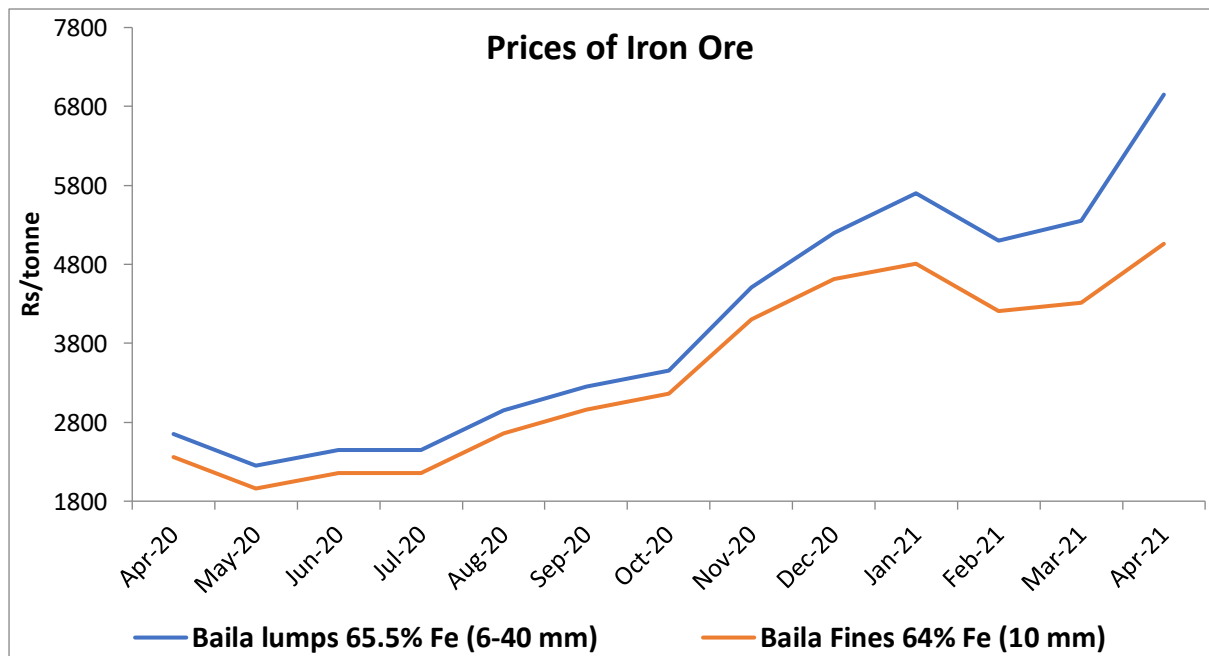
- **Price scenario:**

i. Prices of iron ore lumps increased by 29.9% to Rs. 6950/tonne and that of fines by 17.4% to Rs. 5060/tonne respectively, during the month of April 2021 over their respective prices in March 2021 due to domestic demand-supply situation as well as increasing prices in international market during the month.

ii. NMDC achieved production and sales of 3.13 MT (Million Tons) and 3.09 MT of iron ore respectively in April 2021 which are highest ever for the Month of April for NMDC. During the month, SAIL mines despatches about 2.31 lakh tonnes of iron ore against sales.

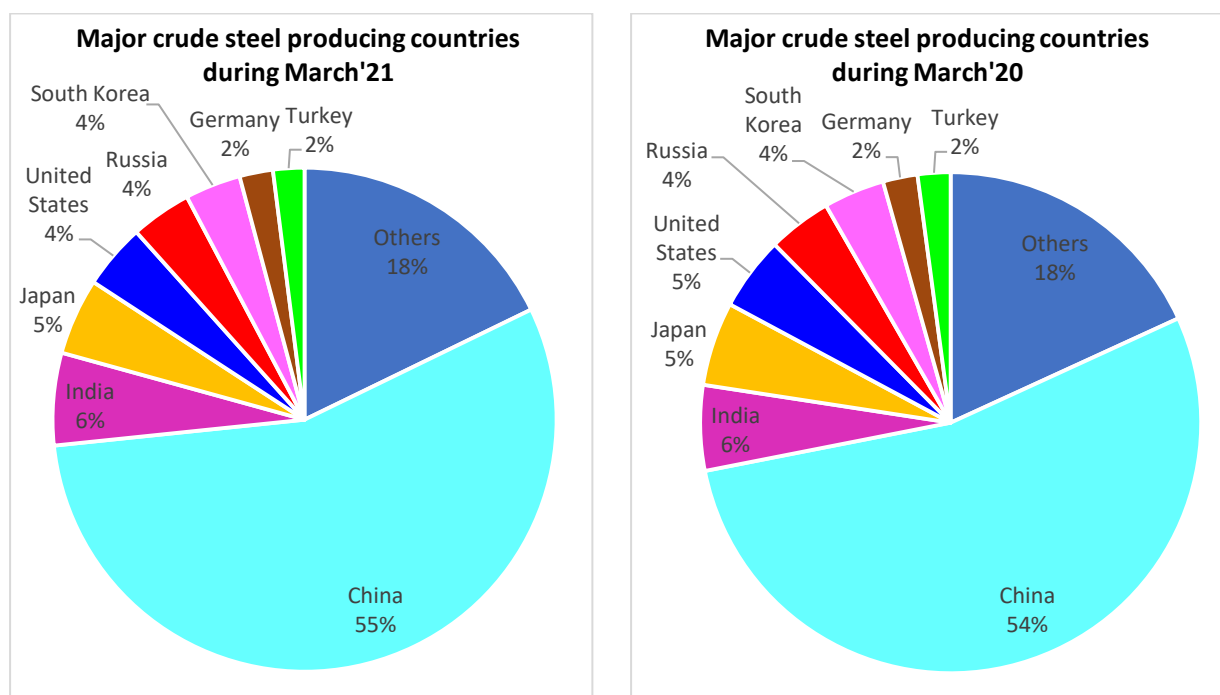
iii. The retail prices (Mumbai prices) of Rebar, HRC and CRC increased by 6.97%, 8.35% and 9.36% respectively during April 2021.

iv. The trend in iron ore prices over last one year may be seen from the graph below:



15. BSE Sensex declined by 2.18% during April 2021. However, BSE Metal Index showed an upward trend registering significant increase of 22.97% during the month.

16. The global production of crude steel increased in March 2021 by 15.23% over March 2020 with almost all major producing countries reporting improved production over CPLY. The major contribution to the enhanced global production came from China. Other major producing countries registering higher than global average of 15.23% growth in production in March 2021 over CPLY include India, Italy, Vietnam, France and Egypt. Of the major crude steel producing countries, only Mexico recorded a decline during March 2021 over CPLY. As for the share of major producing countries in the global production of crude steel it is seen that while share of China has increased for this period, the share of other major producers remained stable or witnessed a decline as may be seen from the following graph:



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

Organization	April, 2021	
	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	14	5.18

Steel CPSEs	338	11366.77
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Enhancing procurement through GeM, including by on-boarding of additional items on GeM, was reiterated to steel CPSEs specially SAIL and RINL