

Monthly Summary for the Cabinet for the month of April 2019:-

2. The efforts to bring investment from Korea and Japan continued. There has been a very good response from Korea, particularly from Hyundai. A team of POSCO Steel and Hyundai Steel Company visited India to discuss the possibilities/prospects of business collaboration with steel PSEs. The meetings of POSCO Steel Company with SAIL, RINL and NMDC were held on 19th March, 2019 while the team of Hyundai Steel Company met these steel PSEs during 10th - 12th April, 2019.
3. Joint Secretary, Ministry of Steel, attended a meeting of Global Forum on Steel Excess Capacity (GFSEC) from 16th to 17th April, 2019 at Tokyo. The meeting discussed in detail the draft outline "Report of GFSEC" which will be finalized in the GFSEC meeting to be held on 15th – 16th May, 2019. India reiterated its stand that India is a developing country and hence steel capacity in the country will grow as per the demand.
4. A team led by Additional Secretary, Ministry of Steel, along with CMD and other officials of NMDC Limited visited Perth, Australia from 15th – 18th April, 2019 to review the functioning of Legacy Iron Ore Limited and also visited Commonwealth Scientific and Industrial Research Organization and the Department of Mines in Curtin University for discussing the areas of collaboration in the field of Research and Development.
5. Secretary (Steel) took a comprehensive performance review meeting of RINL on 26th April, 2019 at Visakhapatnam. A visit to the Plant and the vacant lands was done. During the review it was emphasized that RINL may make all out effort to improve efficiency and ramp-up production to achieve rated capacity. RINL was also advised to ensure the completion of projects on time, streamline the procurement system and to reduce the administrative & production expenses by 10% during 2019-20.
6. One of the significant achievements of SAIL was that Bhilai Steel Plant produced 93,959 tonnes of Prime Rails for Railways in April 2019. During April 2018 to March 2019 period, the cumulative production was 9,85,023 tonnes, which is the best ever performance of Rails production. An ambitious target for production during 2019-20 is 13.50 lakh tonnes of Rails, which should broadly take care of requirements of Ministry of Railways.
7. The Ministry of Steel has identified 13 additional products and 2 intermediate products made primarily of steel for implementation of Quality Control Order (QCO). The draft QCO has been uploaded on the Ministry's website and also on WTO website for comments from stakeholders and WTO members before finalizing the same.
8. India continued to be a net importer of steel. Exports have substantially reduced. Imports from Korea have surged.
9. Prices for various steel products remained stable.
10. During the April-February 2018-19, 188.43 MT iron ore was produced (4.3% growth). During the period 12.64 MT was imported (72% growth). Import was mostly of fines from Australia. There has been reduction in imports in January and February 2019.
11. During April-February 2018-19, 14.16 MT of iron ore was exported of which 60% was pellets.
12. On 02/04/2019, a fatal accident occurred in RINL, Visakhapatnam, in which one regular employee died.

I. Growth Parameters: Statistical updates:

Table 1: Production & Consumption of Steel during 2019-20

Description	April		% Variation
	2018	2019	
Production (Crude Steel)	8.653	8.662	0.1
Production (Finished Steel)	10.429	10.721	2.8
Consumption	7.047	7.500	6.4
Capacity Utilization of Crude steel (%)	75.26%	75.34%	0.12

- During the month of April 2019, crude steel production registered a growth of 0.1% over April 2018.
- India produced 10.72 MT finished steel in April, 2019 thereby witnessing an increase of 2.8% over CPLY.
- During April 2019, India's finished steel consumption increased by 6.4% over CPLY.
- During April, 2019, the consumption and production of finished steel grew at different rates. The consumption was higher by 3.6 percentage points.

Table 2: Country-wise Crude Steel* Production during 2018-19

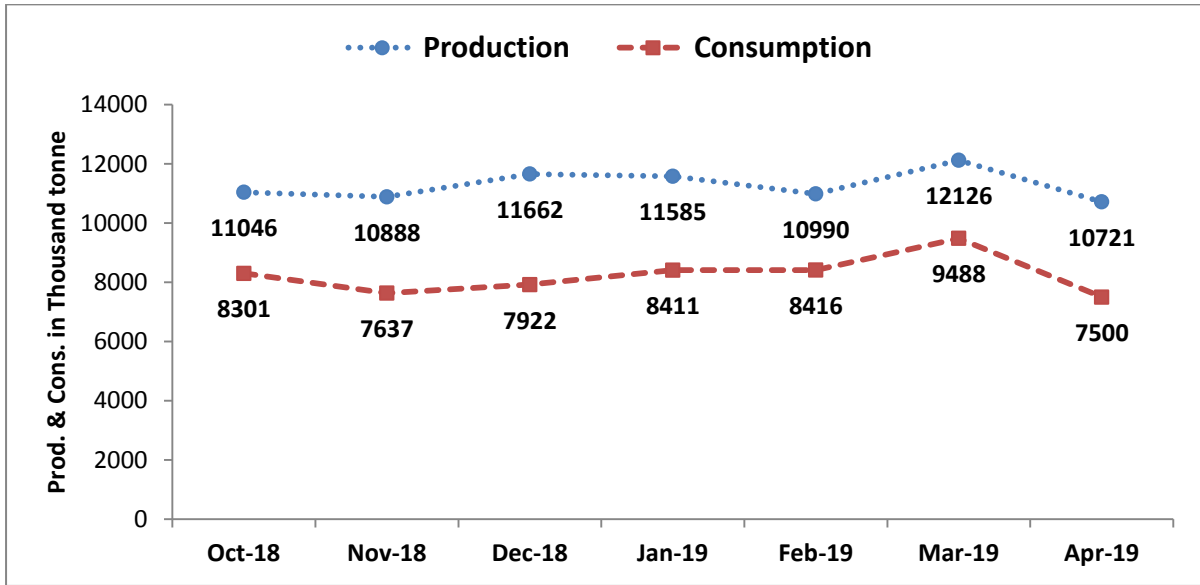
Country	(Million Tonnes)					
	March		% Variation	Apr-Mar		% Variation
	2018	2019		2017-18	2018-19	
India	9.506	9.412	(-)1.0	103.131	106.564	3.3
Japan	9.085	9.084	0.0	104.838	102.888	(-)1.9
China	73.047	80.326	10.0	877.569	946.633	7.9

Source: World Steel Association for China and Japan; JPC for India.

(* Crude steel is the first solid state after melting, suitable for further processing or for sale, it is obtained by solidification of Hot metal.)

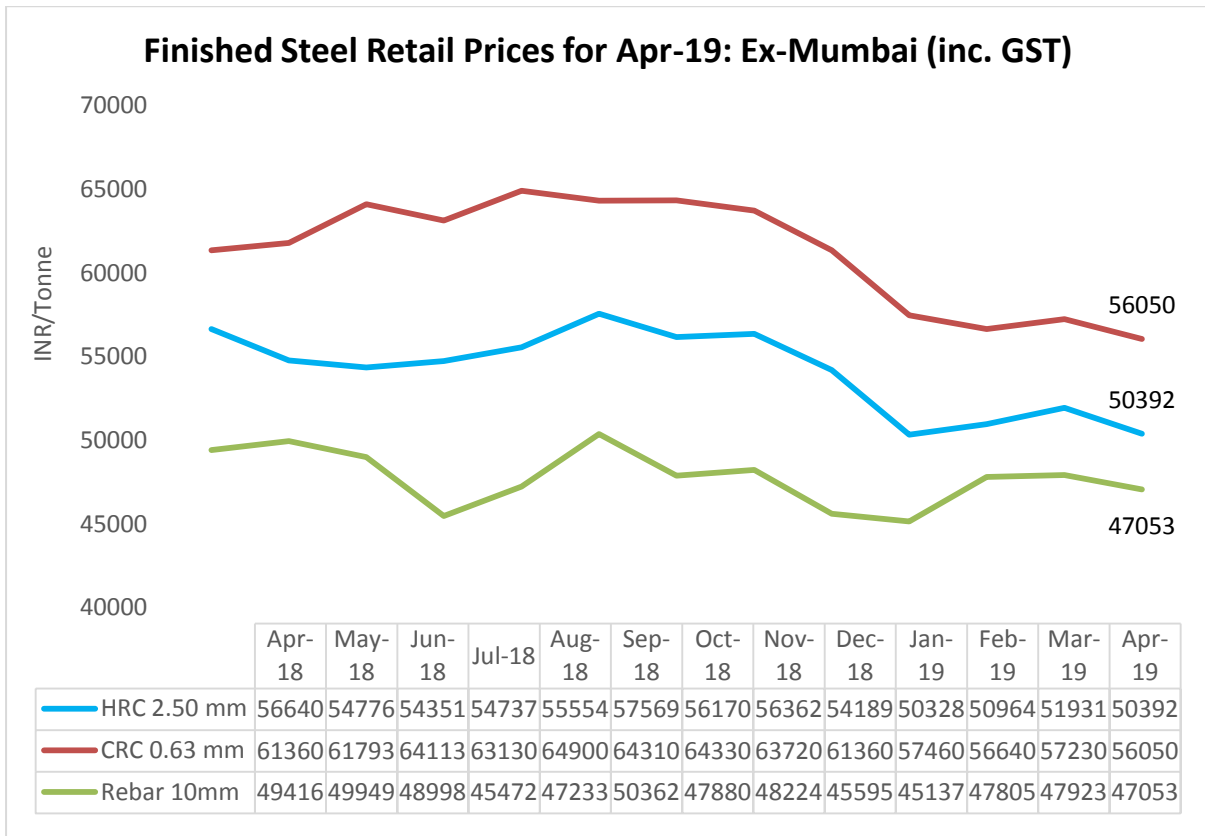
- For FY 2018-19, the crude steel production of India stood at 106.56 million tonnes (MT).
- India produced 9.41 MT crude steel in March, 2019 thereby registering a decline of 1.0% over CPLY.
- During FY 2018-19 production of crude steel increased by 3.3% in India over CPLY.

Graph No. 1: Production and consumption of Finished Steel:



- Production has shown a mixed trend and remained nearly flattish till February, 2019. It recorded an increase in March, 2019 while in April 2019, it declined.
- Consumption has shown an upward trend since November, 2018 till March, 2019 thereafter, it declined.

Graph No. 2: Market Price of HR Coil, CR Coil and Rebars.



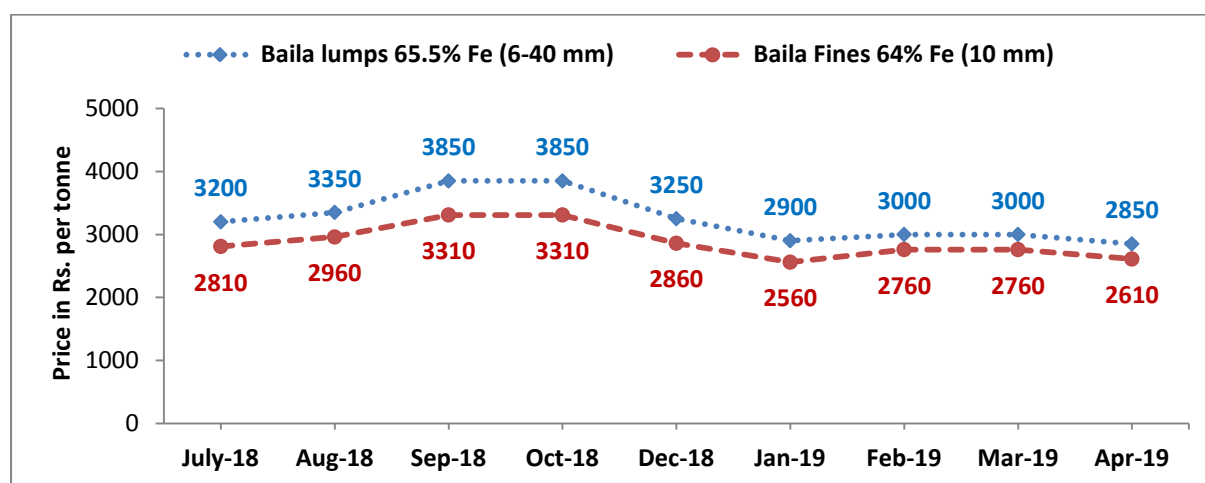
- Prices of HRC, CRC and Rebar declined during April, 2019 to a low level from peak level witnessed during September, 2018, for HRC & Rebars and during August, 2018 for CRC.
- On M-o-M basis, prices for HRC, CRC and Rebar declined by 3.0%, 2.1% and 1.8% respectively.
- Low demand due to an on-going election, increase in cheap imports, especially from FTA countries and increase in inventories are important factors which depressed finished steel product prices.

Table 3: Price of Iron Ore (Rs. per tonne)

Mineral	2018					2019			
	July	Aug	Sep	Oct	Dec	Jan	Feb	Mar	Apr
Baila lumps 65.5% Fe (6-40 mm)	3200	3350	3850	3850	3250	2900	3000	3000	2850
Baila Fines 64% Fe (10 mm)	2810	2960	3310	3310	2860	2560	2760	2760	2610

Source: NMDC

Graph No. 3: Price of Iron Ore.



- The prices of iron ore lumps as well as fines declined in the month of April, 2019 from the peak level in September, 2018 and stood at INR 2850/ tonne and INR 2610/ tonne, respectively. On M-o-M basis, prices of lumps and fines decreased by 5% and 5.43% respectively during April, 2019.
- Subdued demand, an increase in inventories, decrease in offer prices by Odisha Merchant Miners, improved supply, etc. are few factors determining the prices of iron ore domestically.
- On the global front, 20% (approx.) increase in shipments from Australia over March, 2019, report of Vale getting clearance, etc. have led to slight moderation in the iron ore prices during April, 2019.

II. Trade Scenario:

Table 4: Imports and Exports of Finished Steel (Provisional):

Description	('000 Tonnes)		
	April		% Variation
	2018	2019	
Imports	599	586	(-) 2.2
Exports	573	398	(-) 30.5

- Import of total finished steel was at 0.586 MT in April, 2019 down by 2.2% over April, 2018.
- At 0.398 MT, export of total finished steel was down by 30.5% in April, 2019 over April, 2018.
- India remains as a net importer of the steel during April, 2019.

Table 5 - Month-wise Export & Import of Finished Steel

(Million Tonne)

Month	Import	Export	Month	Import	Export	M-o-M Growth (%)	
						Import	Export
Apr-17	0.504	0.747	Apr-18	0.598	0.558	-	-
May-17	0.56	0.641	May-18	0.62	0.43	3.68	(-)22.94
Jun-17	0.645	0.648	Jun-18	0.676	0.364	9.03	(-)15.35
Jul-17	0.799	0.77	Jul-18	0.759	0.516	12.28	41.76
Aug-17	1.004	0.924	Aug-18	0.671	0.701	-11.59	35.85
Sep-17	0.811	1.119	Sep-18	0.676	0.574	0.75	(-)18.12
Oct-17	0.602	0.778	Oct-18	0.719	0.598	6.36	4.18
Nov-17	0.614	1.012	Nov-18	0.517	0.34	-28.09	(-)43.14
Dec-17	0.558	0.964	Dec-18	0.673	0.595	30.17	75.00
Jan-18	0.356	0.615	Jan-19	0.638	0.474	-5.20	(-)20.34
Feb-18	0.547	0.693	Feb-19	0.582	0.619	-8.78	30.59
Mar-18	0.483	0.708	Mar-19	0.705	0.592	21.13	(-)4.36
			Apr-19	0.586	0.398	-16.88	(-)32.77

- Imports of finished steel have shown a mixed trend during the period January to April, 2019. Imports decreased from January to February, 2019; increase from February to March, 2019 and thereafter, decreased from March to April, 2019.
- The import of Finished Steel during March 2019 was 0.705 million tonnes which was an increase of 46% when compared to March, 2018 and an increase of 21% when compared to February 2019.
- The long products section which includes Bars and Rods (35 thousand tonnes) and Railway Materials (24 thousand tonnes) have registered huge imports. Similarly, imports for flat products is dominated by HR Coils (195 thousand tonnes), CR Sheets/Coils (56 thousand tonnes), GP/GC (71 thousand tonnes) and Electrical Sheets (63 thousand tonnes).

- The analysis for the month of March, 2019 shows that in total import of India, the import share of China and Indonesia has increased significantly over CPLY. In volume terms, imports have drastically increased from South Korea and Indonesia during the same period.
- Exports of finished steel registered an increase from January to February, 2019, remained nearly flattish thereafter declined sharply from March to April, 2019.
- Except for the month of August, 2018 and February 2019, the exports have remained below the imports.

Graph No. 4 - Monthly Trend of Finished Steel Import & Export

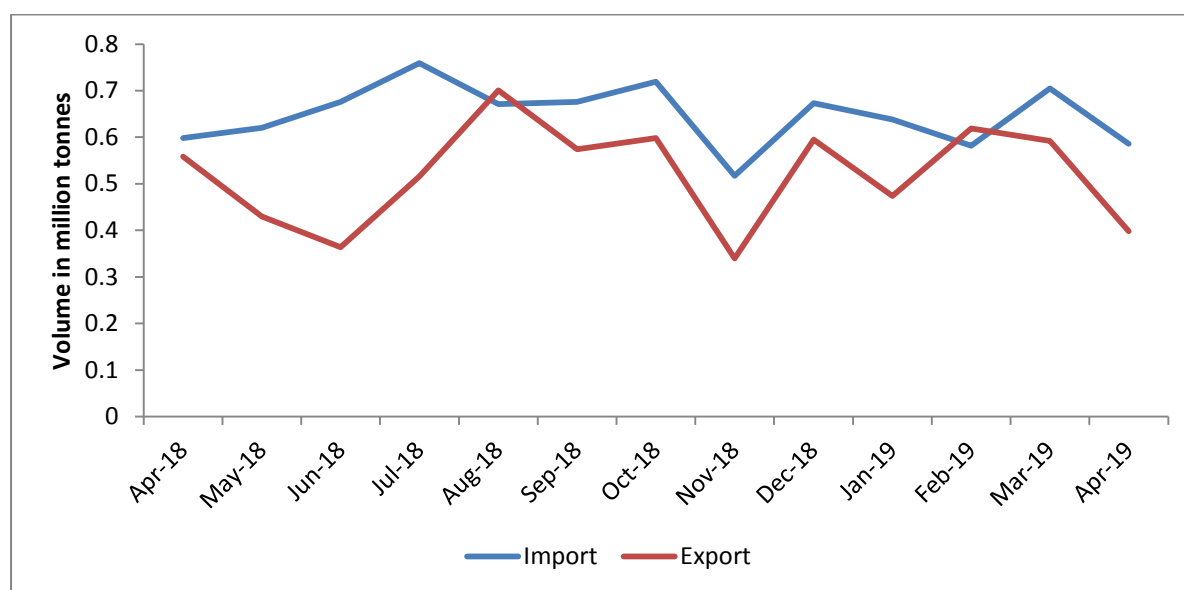
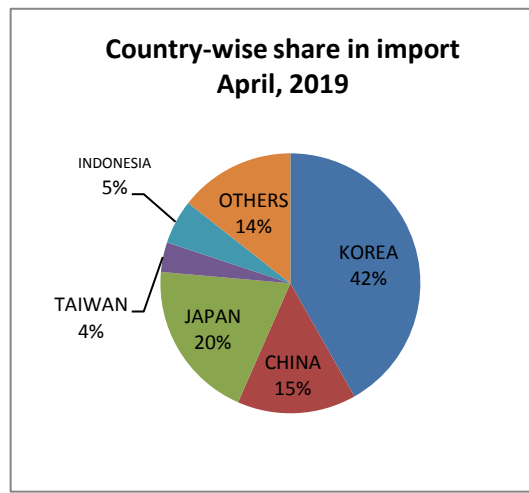
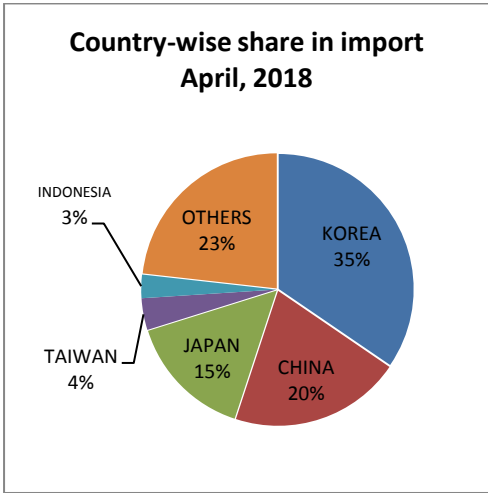


Table 6: Country-wise share in imports to India

Country	(000' tonnes)				
	April 2019	% Share	April 2018	% Share	% change
KOREA	244.71	41.8	206.74	34.5	18.4
CHINA	86.69	14.8	122.86	20.5	(-)29.4
JAPAN	115.96	19.8	90.56	15.1	28
TAIWAN	21.72	3.7	22.5	3.8	(-)3.5
INDONESIA	32.36	5.5	16.93	2.8	91.1
OTHERS	84.05	14.4	138.92	23.2	(-)39.5
TOTAL	585.49	100	598.51	100	(-)2.2

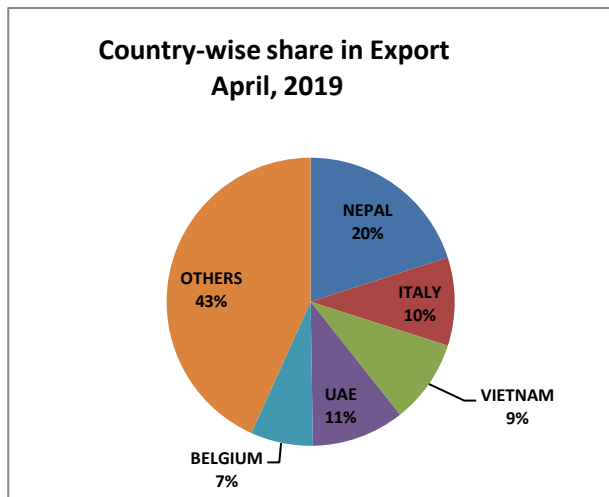
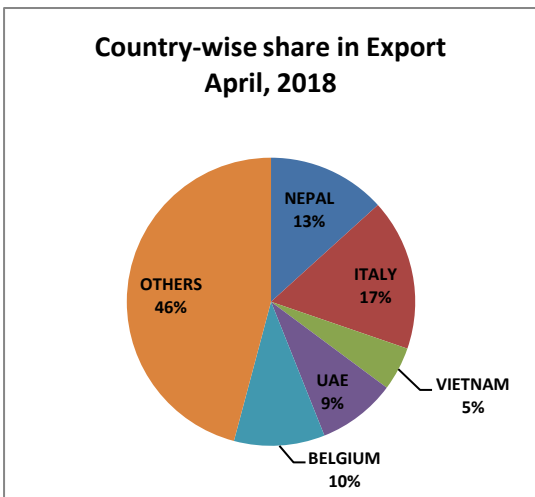


- The imports of finished steel have increased from South Korea, Japan and Indonesia during April, 2019 over CPLY.

Table 7: Country-wise share in Exports from India

(000' tonnes)

Country	April 2019	% Share	April 2018	% Share	% change
NEPAL	79.57	20	75.99	13.3	4.7
ITALY	39.32	9.9	97.43	17	(-)59.6
VIETNAM	37.56	9.4	28.32	4.9	32.6
UAE	41.48	10.4	50.3	8.8	(-)17.5
BELGIUM	27.85	7	58.23	10.2	(-)52.2
OTHERS	171.9	43.2	262.93	45.9	(-)34.6
TOTAL	397.68	100	573.2	100	(-)30.6



- Exports to Nepal and Vietnam have increased during April, 2019 over CPLY.

Global Trade Issues – Canada Safeguard

- Protectionist safeguard measures have been put in place by several countries like USA, EU, Canada, etc. Coupled with massive excess capacity of China, our steel industry faces a real challenge. The effect of the safeguard measures of other countries has been visible in appreciable increase of imports from Korea, Japan and Indonesia. These are incidentally countries with whom we have FTAs.
- The Government of Canada has announced an intensive 30-day consultation with industry and workers, in order to determine further protections to its domestic industry in response to the CITT decision.

IV. Performance of Steel PSUs:

Table 8: Production/Sales/Sales Turnover:

Steel PSUs	April		% variation
	2018	2019	
(Million Tonnes)			
SAIL:			
Saleable Steel (MT)	1.154	1.234	6.9
Sales (MT)	0.920	0.930	1.1
Total Sales Turnover (Rs. Crore)	4544	4537	(-)0.2
RINL:			
Saleable Steel (MT)	0.377	0.373	(-)1.1
Sales Steel (MT)	0.330	0.224	(-)32.1
Sales Turnover(Rs. Crore)	1387	993	(-)28.4
NMDC:			
Production-Iron ore (MT)	2.411	2.903	20.4
Sales-Iron ore (MT)	2.218	2.703	21.9
Sales (Rs. Crore)	750	950	26.7
MOIL:			
Production-Mn. Ore (MT)	0.106	0.097	(-)8.6
Sales-Mn. Ore (MT)	0.016	0.049	200.6
Total Turnover (Rs. Crore)	30.74	55.31	79.9

Table 9: Physical & Financial Performance:

Steel PSUs	April		% variation
	2018	2019	
KIOCL:			
Pellets Production (MT)	0.165	0.137	(-)17.0
Financial Performance (Sales-Pellets) in Rs. Crore	150.79	129.73	(-)14.0
Profit Before Tax (Rs. crore)	1.08	4.42	309.3
MECON: Performance (Rs. Crore)			
Physical Performance (Total Business Procurement)	21.07	67.92	222.4
Financial Performance (Total Revenue from Operations)	20.56	7.02	(-)65.9
Net Profit (Before Tax)	(9.19)	(18.92)	105.9
FSNL: Performance			
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.285	0.304	6.6
Financial Performance (Sales-Service Charges) in Rs. Crore	28.40	28.43	0.1
Net Profit After Tax (Rs. Crore)	1.34	1.70	26.9
MSTC: Performance (Rs. Crore)			
Physical Performance (Total Trading & E-Commerce)	7536	9313	23.6
Financial Performance (Sales Turnover)	41.1	159.0	286.8
Profit Before Tax	7.1	5.0	(-)28.9

Figures in parentheses indicate a negative amount/balance

V. The Ministry of Steel and Steel PSUs are making procurement of goods and services through GeM Portal as under:

Organization	April, 2019	
	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	37	13.18
Steel PSUs	24	12.23
