

Monthly Summary for the Cabinet for the month of December 2018:-

1. Official from the Ministry of Steel attended the meeting on "Global Forum on Steel Excess Capacity (GFSEC)" from 12th to 13th December, 2018 at Tokyo, Japan. During the meeting deliberations were held on steelmaking capacity, demand, support measures and subsidies given by Governments and other entities which could be marked as distorting measures leading to excess capacity. All members agreed for their commitment to the resolutions passed in the Berlin (2017) and Paris (2018) Ministerial Reports, and adopted by the leaders in the G20 summits of 2017 and 2018. The measures inter-alia, include information sharing commitments, identify support measures, commitments for swift policy action for their removal. During the meeting, it was notified that the members will endeavour to prepare a substantive report by June, 2019.
2. Manganese Ore India Ltd (MOIL) Limited has taken a big initiative to explore the possibilities of acquisition of mining assets/stakes in Gabonese Republic. In the recent past, the Ministry has held discussions with Gabonese delegation and officials have visited Gabon. A Non-Disclosure Agreement (NDA) was signed between MOIL and Nouvelle Gabon Mining (NGM) on 18th December, 2018 at New Delhi. CMD, MOIL and CEO, NGM have been requested to work on a draft MoU which may be signed by both the companies at the earliest.
3. Officials from the Ministry of Steel and NMDC Ltd. held meetings with State Mining Company (STAMICO), Government of Tanzania during 17th to 20th December, 2018. Discussions primarily focused on joint development of mineral commodities, detailed analysis on NMDC Bulyang'ombe Gold Mining pilot project and drilling & exploration at Siga Hills Gold License. The decision during meeting inter-alia included a signing of general MoU between STAMICO and NMDC, through the Ministry of Steel, focusing on exploration of mineral commodities in Tanzania, capacity building in metallurgical, geological & mining by both countries; setting – up of pilot plant at Bulyang'ombe lease after getting Reconnaissance License (RL) by NMDC.
4. A meeting to discuss the issue of supply of rails by SAIL to Indian Railways under the chairmanship of Principal Secretary to the Hon'ble PM was held at PMO on 13th December, 2018. Secretary (Steel) along with Additional Secretary (Ministry of Steel), CMD, SAIL and CRB attended the meeting. The commitment of SAIL to supply 1 MT rails to Indian Railway during the current Financial Year was reiterated during the meeting.

A function was organized to commemorate 60th year of steel production by Steel Authority of India Limited (SAIL) on 28th December, 2018 at New Delhi. Steel Minister, Minister of State for Steel, officials of the Ministry of Steel, Railways and other central government department were present on this occasion.

SAIL has clocked its best ever production of Hot Metal, in a single day, at 55282 tonnes on 13th December, 2018. Along with the Company's best ever production, SAIL's Rourkela Steel Plant also set a new benchmark by producing 13051 tonnes of Hot Metal on the day.

SAIL has supplied around 35400 metric tonnes of steel for the construction of recently inaugurated India's longest bridge-Bogibeel Road-cum-Rail Bridge on the river Brahmaputra. This quantity is little more than 50% of the total quantity of steel supplied for the bridge. SAIL has also supplied rebars, plates and structural for this 4.94 KM long bridge, which has composite welded steel truss girders in its structures.

5. Steel Minister gave away 'Steel Award 2018' instituted by Steel Users Federation of India (SUFI) to the contributors during an award function organized by SUFI on 9th December, 2018 at Mumbai.

6. Steel Minister reviewed the functioning of MOIL at its headquarter Nagpur on 10th December, 2018. He emphasised the need for increasing the production and improving CAPEX.

7. NMDC has filed a Writ Petition challenging the legality of the condition of charging premium of 80% on sale price for extension of Donimalai Mining lease by Karnataka Government before the Hon'ble High Court of Karnataka. The case is now posted for argument on interim order. NMDC has stopped the mining operation at Donimalai mine w.e.f. 4.11.2018.

8. Secretary (Steel) took presentations of MOU of Steel PSUs from 17th to 21st December, 2018. Both physical and financial performances of Steel PSUs vis-a-viz targets in the current scenario were reviewed and suitably enhanced.

I. Trade Scenario:

(A) Statistical Updates:

Table No. 1: Imports and Exports of Finished Steel (Provisional):

Description	('000 Tonnes)					
	Dec, 2017	Dec, 2018	% Variation	April-Dec 2017	April-Dec 2018	% Variation
Imports	562	548	(-) 2.5	6096	5908	(-) 3.1
Exports	963	367	(-) 61.9	7603	4675	(-) 38.5

Table No. 2: Product-wise Imports of Finished Steel (Provisional):

Product category	('000 T)		
	April-Dec 2017	April-Dec 2018	% Variation
Non-Alloy Steel (carbon)	4553	4466	(-) 1.9
Alloy & Stainless Steel	1543	1442	(-) 6.5
Total	6096	5908	(-) 3.1

Table No. 3: Product-wise Export of Finished Steel (Provisional):

Product category	('000 T)		
	April-Dec 2017	April-Dec 2018	% Variation
Non-Alloy Steel (carbon)	6871	4220	(-) 38.6
Alloy & Stainless Steel	732	455	(-) 37.8
Total	7603	4675	(-) 38.5

Table No. 4: Product-wise Imports:

('000 T)

Product category	April-Nov 2017	April-Nov 2018	% Variation	% age of total steel	
				April-Nov 2017	April-Nov 2018
Total Steel (Non-Alloy)	4690.88	4550.30	(-) 3.00	42.46	37.78
Total Steel (Alloy)	1475.79	1438.14	(-) 2.55	13.36	11.94
Total Steel (Non-Alloy+Alloy)	6166.67	5988.44	(-) 2.89	55.82	49.72
Scrap	3269.04	4225.62	29.26	29.59	35.08
Other Iron & Steel items	1611.55	1829.91	13.55	14.59	15.19
Total	11047.26	12043.97	9.02	100.00	100.00

Table No. 5: Product-wise Exports:

('000 T)

Product category	April-Nov 2017	April-Nov 2018	% Variation	% age of total steel	
				April-Nov 2017	April-Nov 2018
Total Steel (Non-Alloy)	7164.11	5051.03	(-)29.50	65.47	53.29
Total Steel (Alloy)	672.50	381.15	(-)43.32	6.15	4.02
Total Steel (Non-Alloy+Alloy)	7836.61	5432.18	(-)30.68	71.61	57.31
Other Iron & Steel items	3106.28	4046.32	30.26	28.39	42.69
Total	10942.89	9478.50	(-)13.38	100.00	100.00

(B) Global Trade Related Issues:

(i) US 232 Measures

India filed second request for composition of panel to WTO. Imposition of high import duties on Steel and Aluminum by US has impacted exports of these products by India. India has alleged that the US move is not in compliance with global trade norms. The first request to compose panel was blocked by USA. The application of second request automatically establishes the WTO panel. However, the panel has not yet been composed.

India has postponed the imposition of the retaliatory duties on imports of certain products from USA. The imposition is in retaliation to US-232 measures and was to be imposed from 31st January, 2019.

(ii) Canada-Safeguards

The Ministry of Steel has submitted case briefs and reply briefs against the imposition of provisional safeguard duty on certain steel products by Canada. India exports two product categories of steel to Canada: Energy Tubular Products and Stainless Steel Wire. The Ministry of Steel will attend the hearing scheduled in January, 2019.

(iii) EU-Safeguards

The European Commission announced that European Union is going to extend its steel safeguard investigation by two months and will reveal definitive measures by 1st February, 2019.

(iv) DS518 (India – Iron and Steel)

The WTO Panel had decided against the safeguard measure imposed by India on certain Steel products. On 14th December, 2018, India notified the WTO “Dispute Settlement Body” that India is appealing against the panel’s decision on certain issues of law and legal interpretation in the Panel Report.

II. Growth Parameters: Statistical updates

- During calendar year 2018, India reached at 106 million tonnes in production of Crude Steel which increased by 5% over 2017.
- During Jan-Nov 2018, India became 2nd largest crude steel producer after China.

Table No. 6: Crude Steel* Production:

Country	(Million tonne)					
	Nov, 2017	Nov, 2018	% Variation	Jan-Nov, 17	Jan-Nov, 18	% Variation
India	8.604	8.959	4.1	92.388	97.391	5.41
Japan	8.703	8.658	(-) 0.5	95.940	95.860	(-) 0.1
China	70.024	77.621	10.8	803.343	857.372	6.7

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.

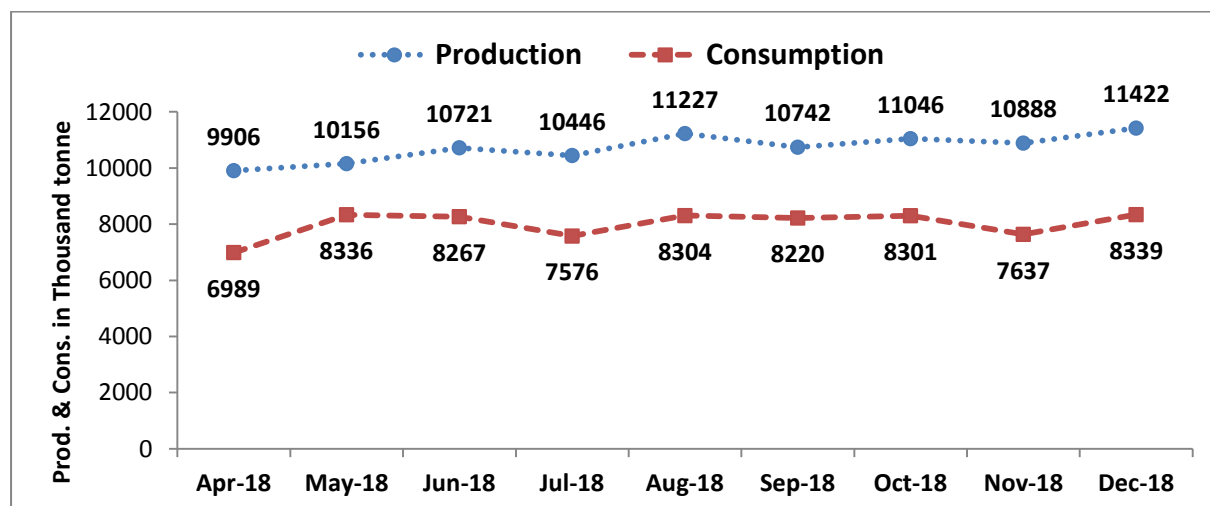
Table No. 7: Production & Consumption of Finished Steel#:

Description	(million tonne)					
	Dec, 2017	Dec, 2018	% Variation	April-Dec 2017	April-Dec 2018	% Variation
Gross Production	10.946	11.422	4.3	93.177	97.358	4.5
Consumption	7.621	8.339	9.4	66.301	71.862	8.4
Capacity Utilization of Crude steel (%)	83.64%	77.72%	(-) 7.08*	77.62%	76.33%	(-) 1.66*

Finished Steel Products obtained upon hot rolling/forging of Semi-finished steel (blooms/billets/slabs). These cover 2 broad categories of products, namely Long Products and Flat Products.

* Percentage points

Graph No. 1: Production and consumption of Finished Steel (000 tonne):



Market price:

Table No. 8: Market Prices of Selected Steel Items:

Item *	(Rs. per tonne)				
	Oct-18	Nov-18	% Variation (Nov Vs Oct, 18)	Dec-18	% Variation (Dec Vs Nov, 18)
Pig Iron (LM Gr. IV)	41300	40002	(-)3.14	38940	(-)2.65
TMT Bar (10mm)	51259	49194	(-)4.03	48701	(-)1.00
Wire Rods (8mm)	51920	51266	(-)1.26	49560	(-)3.33
Rounds (16mm)	49265	49118	(-)0.30	47771	(-)2.74
Plates (12mm)	56522	54221	(-)4.07	50701	(-)6.49
HR Coil (2.5mm)	55991	55558	(-)0.77	50003	(-)10.00
CR Coil (0.63mm)	62933	61242	(-)2.69	56640	(-)7.51
GP Sheets (0.63mm)	67104	65448	(-)2.47	62106	(-)5.11
Billets (100mm)	48521	47570	(-)1.96	46350	(-)2.56

* Delhi

Graph No. 2: Market Price of TMT Bar & HR Coil (Rs. per tonne).

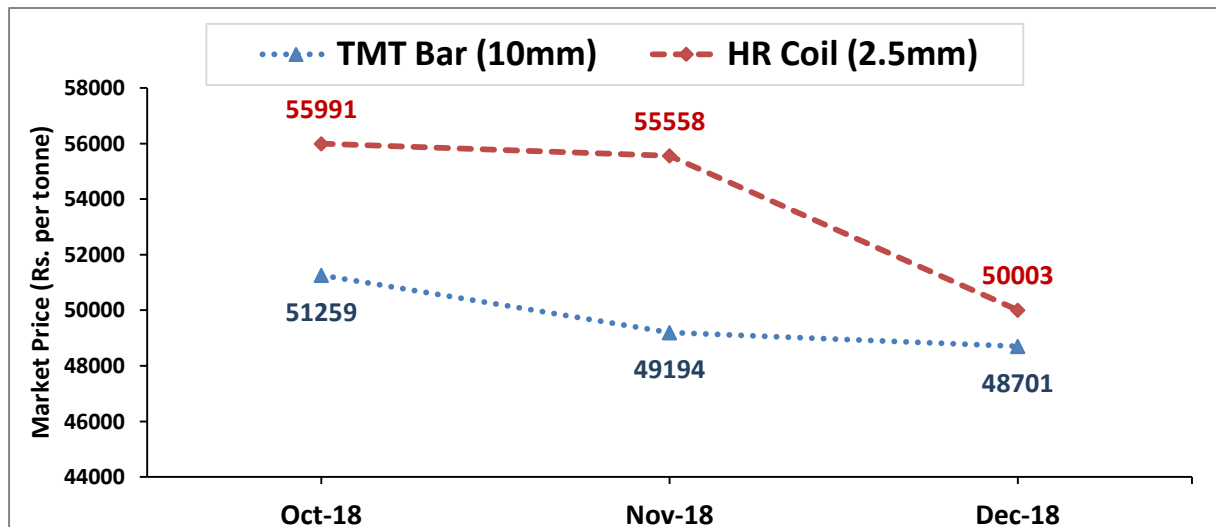
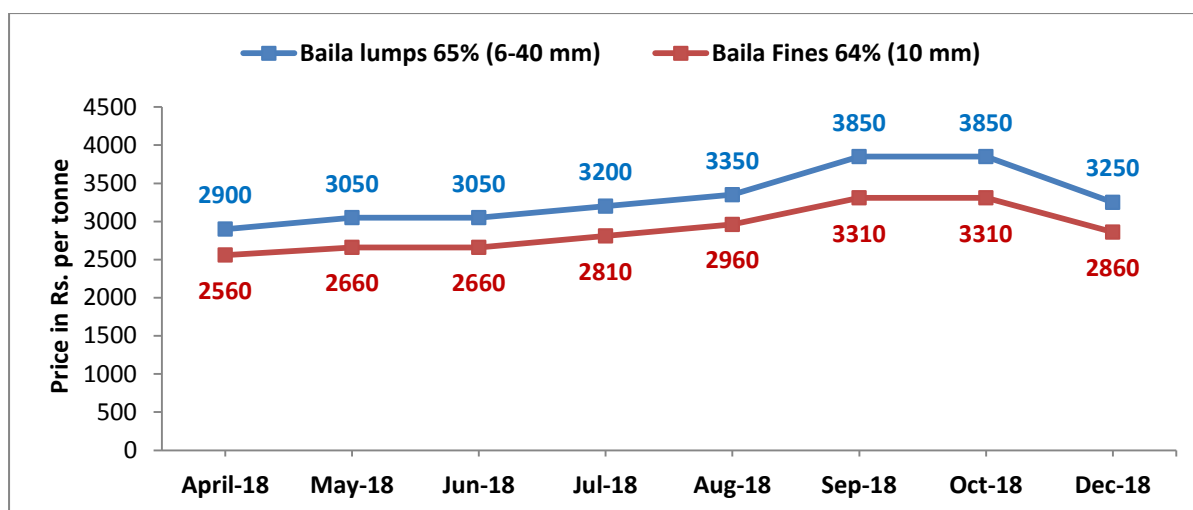


Table No. 9: Price of Iron Ore (Rs. per tonne)

Mineral	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Dec-18
Baila lumps 65% (6-40 mm)	2900	3050	3050	3200	3350	3850	3850	3250
Baila Fines 64% (10 mm)	2560	2660	2660	2810	2960	3310	3310	2860

Source: NMDC

Graph No. 3: Price of Iron Ore.



Performance of Steel PSUs:

Table No. 10: Production/Sales/Sales Turnover:

(Million Tonnes)

Steel PSUs	December 2017	December 2018	% variation
SAIL:			
Saleable Steel (MT)	1.212	1.393	15
Sales (MT)	1.342	1.076	(-) 20
Total Sales Turnover(Rs. Crore)	5432	5189	(-) 4
RINL:			
Saleable Steel (MT)	0.429	0.430	0.23
Sales Steel (MT)	0.565	0.367	(-) 35
Sales Turnover(Rs. Crore)	1995	1549	(-) 22
NMDC:			
Iron ore (MT)	3.367	3.104	(-)8
Sales (MT)	3.218	2.839	(-)12
Sales Turnover(Rs. Crore)	1200	1150	(-)4
MOIL:			
Manganese Ore (MT)	0.128	0.121	(-)5.02
Sales-Mn. Ore (MT)	0.165	0.113	(-)31.61
Total Turnover (Rs. Crore)	173.63	131.67	(-)24.17

Table No. 11: Physical & Financial Performance:

KIOCL: Pellets Production (in million tonnes)		
	December, 2018	April-Dec, 2018
Production(MT)	0.167	1.561
Increase/Decrease over CPLY	(-)12.10%	(-)8.18%
Financial Performance (Sales-Pellets) in Rs. crore	137.68	1204.82
Profit Before Tax (Rs. crore)	1.81	66.76
MECON: Performance (Rs. Crore)		
Physical Performance (Total Business Procurement)	31.20	239.62
Increase/Decrease over CPLY	(-) 64.76%	(-) 48.89%
Financial Performance (Total Turnover)	34.10	261.12
Net Profit (Before Tax)	1.05	34.01
MSTC: Performance (Rs. Crore)		
Physical Performance (Total Trading & E-Commerce)	3116.55	83001.34
Increase/Decrease over CPLY	(-) 57.38%	89.16%
Financial Performance (Sales Turnover)	266.02	1963.85
Increase/Decrease over CPLY	96.59%	140.65%
Profit (Before Tax)	15.59	89.99
FSNL: Performance		
Physical Performance (Iron & Steel Scrap recovery) in million tonnes	0.39	2.60
Increase/Decrease over CPLY	48.77%	10.81%
Financial Performance (Sales-Service Charges) in Rs. Crore	32.7530	267.3759
Increase/Decrease over CPLY	20.11%	20.23%
Net Profit After Tax (Rs. Crore)	2.8705	19.4388

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

Organization	December, 2018		April – December, 2018	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	75	6.47122	413	92.76660
Steel PSUs	122	63.91951	515	988.516
