

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

Udyog Bhawan, New Delhi
Dated: 24th September, 2024

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of August, 2024.

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 August, 2024 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. Secretary to the Vice President of India, New Delhi
6. PS to Prime Minister of India, South Block
7. All Secretaries to the Government of India
8. Information Officer, PIB, Shastri Bhawan, New Delhi (steel_pib@nic.gov.in)

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**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

अगस्त - 2024

August – 2024

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

Ministry of Steel – Report for August 2024

During the month of August-2024, the following are the important development in the steel sector.

1.1. Steel Sector Overview

Global Scenario

1.1.1 As per World Steel Association, global crude steel production was 1,892.2 million tonnes (MT) in 2023. The global steel sector is facing challenges effected by high interest rates, declining investments, low demand, and growing restrictive trade actions. The World Steel Association in its Short-Range Outlook (SRO), released in April 2024, has forecast a zero growth in 2024, followed by a 1% contraction in 2025 compared with the previous year for China. China was world's largest crude steel producer in 2023 (1,019.1MT) followed by India (140.8MT), Japan (87.0MT) and the USA (81.4 MT).

1.2.2 Global steel demand contracted by 1.1% in 2023 to 1,763 MT and Global steel production was down by 0.7% during January-July 2024 as per data released by World Steel Association.

1.2 India Steel Production, Consumption, Trade and Price Update

1.2.1 Performance of Steel sector during FY'24 was the best ever for any financial year. Cumulative production and consumption of steel during the last five financial years and FY'25 (Apr-Aug) are given in the following table below:

Table 1: Production and consumption (in MT)							
Category	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25 (April-Aug)*	FY'24 (April-Aug)
Crude production	109.14	103.54	120.29	127.20	144.30	61.08	58.48
Finished Steel production	102.62	96.20	113.60	123.20	139.15	58.87	55.91
Consumption	100.17	94.89	105.75	119.89	136.29	60.26	52.95
Source: Joint Plant Committee; *Provisional							

1.2.2 In the first five months of FY 2024-25 (April-August), crude steel production grew by 4.44% compared to the same period last year. Finished steel production also increased, showing a 5.30% rise from the previous year. Steel consumption saw a significant jump, with an increase of 13.78% over the same period last year.

1.3 Prices of Steel and its key raw materials:

Prices of Steel and its key raw materials have moderated during the month of August 2024:

- i. The retail prices of TMT (10 mm), HRC (2.50 mm) and CRC (0.63 mm) in Mumbai market stood at Rs. 57,120/tonne, Rs. 59,890/tonne and Rs. 69,530/tonne respectively on 31st August '24, recording a decline of 1.4%, 3.8% and 2.7% respectively over their prices on 31st July '24.
- ii. During the month of August '24, prices of iron ore lumps decreased to Rs. 5,350/ tonne as against Rs. 5,950/ tonne in July '24.

- iii. International prices of coking coal have been volatile in last one year and have decreased from US\$ 237/tonne in July '24, to US\$ 206/tonne in August '24.

1.4 India's International Trade of Steel

1.4.1 During last five years, India was a net exporter of total finished steel in all the years barring FY'24 and FY'25 (Apr-Aug) when it turned net importer. The Table below contains the details:

Item	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25 (April-Aug)*	FY'24 (April-Aug)
Export	8.36	10.78	13.49	6.72	7.49	1.92	3.17
Imports	6.77	4.75	4.67	6.02	8.32	3.45	2.78
Net Exports	1.59	6.03	8.83	0.70	(-0.83)	(-1.53)	0.40

Source: JPC, *provisional

1.4.2 In the first five months of FY 2024-25 (April-August), steel exports saw a sharp drop of nearly 40% compared to the same period last year. In contrast, imports rose significantly by over 24%. As a result, net exports shifted from a surplus last year to a noticeable deficit this year, with imports now outpacing exports by a wider margin. This reflects a reversal in the trade balance for steel, with higher import levels and lower export activity.

1.4.3 Trade Issues

- Rising Protectionism & Threat of Trade diversion into India:* With a slowdown in the global economy, most of the countries are raising barriers to imports from China and others to safeguard their domestic market. The steel sector is witnessing a wave of trade protection measures as countries respond to low-cost imports and unfair trade practices. The European Union has imposed anti-dumping duties on cold and hot rolled stainless steel, with rates reaching up to 25.30%, and a 25% safeguard tariff on steel imports exceeding set quotas. Similarly, Brazil, Mexico, and the USA have implemented duties to protect their domestic markets. The USA has imposed particularly high duties on stainless steel sheets and coils, with anti-dumping and countervailing duties as high as 190.71%.
- Rising Protectionism in Asia:* Asian countries like Vietnam, Thailand, and Malaysia have also joined in, with measures targeting imports of hot-rolled coil and tinplate from China, India, and other regions. This global trend reflects heightened efforts to safeguard domestic industries in the face of increasing competition and concerns over excess capacity in the steel market.
- India is vulnerable to global trade diversion, with no trade protection measures in place:* US and Canada have both levied 25% Safeguard duty to protect their Steel Industry. Similarly, EU has levied 25% duty beyond quantitative quota. Recently, swift trade action has been taken by host of countries like Turkey, Indonesia, Malaysia, Vietnam, Japan, etc. to protect their markets.
- Increase in Inventory:*

As on 31.03.2021	8.97
As on 31.03.2022	7.99
As on 31.03.2023	10.60
As on 31.03.2024	14.29
As on 31.03.2024*	14.43

Source: JPC, *provisional, MT= Million Tonnes

Increase in imports has taken place even when there is an increase in inventory of steel in each of the last 2 years. This is a matter of concern and points to the fact that imported steel is crowding out domestically produced steel to that extent.

- e) Decreasing price of Steel: The price of steel in the domestic market has been consistently falling due to decline in international prices and dumping of steel by China at low prices. Indian Steel Industry has been requesting that Basic Customs Duty on steel import should be increased to prevent import of steel from China (directly or indirectly). Ministry is assessing the situation and will take appropriate action

2. Significant achievements of Steel CPSEs

2.1 SAIL:

(a) August 2024 Production:

- Hot Metal: 17.33 lakh tonnes (1.9% increase from August 2023)
- Crude Steel: 16.24 lakh tonnes (1.9% increase from August 2023)

(b) April to August 2024 Production:

- Hot Metal: 84.97 lakh tonnes (0.1% decrease from Apr-Aug 2023)
- Crude Steel: 79.22 lakh tonnes (0.2% decrease from Apr-Aug 2023)
- Saleable Steel: 72.67 lakh tonnes (4.4% decrease from Apr-Aug 2023)
- Iron Ore: 133.16 lakh tonnes (3.7% decrease from Apr-Aug 2023)

(c) Sales of Saleable Steel:

- 66.47 lakh tonnes (6% decrease from Apr-Aug 2023)

2.2 NMDC:

- **August 2024 Production:** Iron Ore: 30.68 lakh tonnes (9.9% decrease from August 2023)
- **April to August 2024 Production:** Total Iron Ore: 144.31 lakh tonnes (12.9% decrease from April to August 2023)
- **April to August 2024 Sales:** Total Iron Ore: 162.68 lakh tonnes (6.7% decrease from April to August 2023)

2.3 MOIL:

- **August 2024 Production:** Manganese Ore: 1.24 LMT (0.8% increase from August 2023)
- **April to August 2024 Production:** Manganese Ore: 7.24 LMT (6.6% increase from April to August 2023)
- **April to August 2024 Sales:** Manganese Ore: 5.92 LMT (1.3% decrease from April to August 2023)

2.4 Rashtriya Ispat Nigam Limited (RINL): RINL is in serious financial trouble. It is running at minimal capacity at continuous losses. The overall dues of RINL have gone above Rs.35,000 crore and it is at the risk of being classified as non-performing asset by banks. Ministry is taking steps to keep RINL as a 'going concern' in consultation with the Ministry of Finance.

2.5 The CAPEX by Steel CPSEs in August '24 at Rs. 604.69 crore was 9.4% higher over the previous month (M-o-M) and 3.9% lower over August '23. The CAPEX by steel CPSEs during April-August '24 stood at Rs. 2,601.02 crore, which was 25.2% of the BE for the FY'25.