

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

Udyog Bhawan, New Delhi
Dated: 13th October, 2023

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of September, 2023.

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 September, 2023 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, New Delhi
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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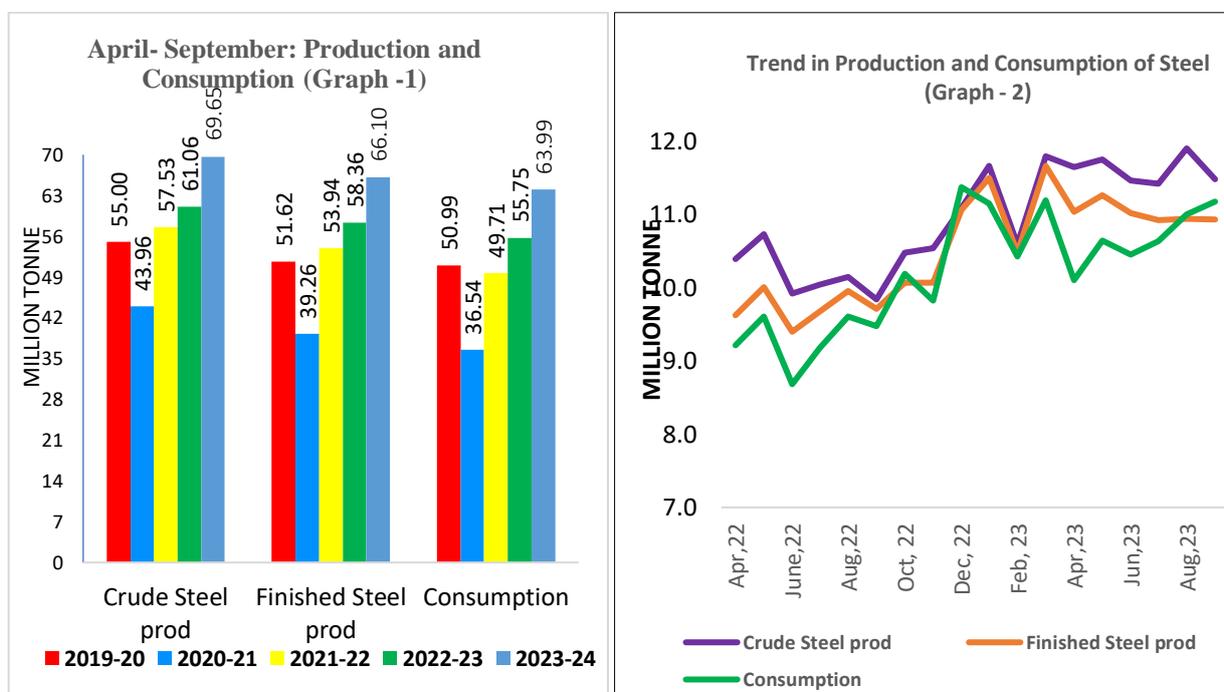
**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

**सितम्बर - 2023
September - 2023**

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

Ministry of Steel – Report for September 2023

1. The performance of Steel sector during the first half of the fiscal year 2023-24 (H1: FY '24) i.e., April-September 2023 has been best ever in H1 of any fiscal year. During H1: FY '24, the cumulative production of crude steel at 69.65 MT, finished steel at 66.10 MT and consumption of finished steel at 63.99 MT is 14.1%, 13.3% and 14.8% higher than their respective levels in H1: FY '23. Production and consumption of steel have shown a strong recovery after Covid-19 affected 2020-21, as may be seen from the following graph on cumulative production and consumption for five years (Graph-I). The month-wise production and consumption (Graph-2) indicates month-on-month fluctuations –the production of Crude Steel and finished steel decreased in September '23 over their respective levels in August '23. The consumption of steel increased in September '23 over previous month, i.e., August '23.



- i. Production of crude steel in September '23 at 11.48 MT increased by 16.7% over September '22 but was 3.5% lower over the previous month.
- ii. Production of finished steel in September '23 at 10.93 MT increased by 12.6% over September '22 but was 0.1% lower over the previous month.
- iii. Consumption of finished steel in September '23 at 11.17 MT increased by 17.9% over September '22 and by 1.6% over the previous month.
- iv. Inventories of the finished steel with the steel producing companies at 12.38 MT at the end of September '23 increased by 29.5% over September '22 but decreased by 0.1% M-o-M.

3. Among the steel CPSEs, the performance of SAIL, NMDC and MOIL has been encouraging during H1: FY '24. SAIL achieved its best ever production during H1: FY '24. NMDC also achieved its best ever production and sales performance in H1: FY '24. Similarly, MOIL also recorded its best ever production and sales performance in H1: FY '24. During the month of September '23, Steel Authority of India (SAIL) registered an increase in production of Hot Metal, Crude Steel, Saleable steel and Iron Ore over September '22, but decreased over previous month. Rashtriya Ispat Nigam Limited (RINL) registered an increase in production of liquid steel, hot metal and crude Steel over September '22. Production of iron ore by National Mineral Development Corporation (NMDC) also registered an increase over September '22, but registered a decreased over previous month. The production of ore by MOIL also increased over previous month and over September '22. The detailed performance of the Steel CPSEs is as below:

- i. During September '23, SAIL produced 16.28 lakh metric tonne (LMT) of Hot Metal, 15.33 LMT of Crude Steel, 15.69 LMT of Saleable Steel and 26.67 LMT of Iron ore registering an increase of 5.8%, 4.5%, 15.7% and 7.6% respectively over September '22, but a decline of 4.2%, 3.8%, 4.7% and 3.1% respectively over previous month (M-o-M). The cumulative production of SAIL during H1: FY '24 for Hot Metal stood at 101.35 LMT, Crude Steel at 94.70 LMT, Saleable Steel at 91.68 LMT and Iron ore at 163.86 LMT registering an increase of 9.9%, 9.8%, 12.3% and 1.7% respectively over CPLY. During H1: FY '24, sales of saleable steel by SAIL at 86.84 LMT was higher by 17.1% over CPLY.
- ii. Production of iron ore by NMDC at 30.00 LMT in September '23 registered an increase of 9.9% over September '22, but it decreased by 12.1% M-o-M. The cumulative production of iron ore by NMDC H1: FY '24 at 195.60 LMT witnessed an increase of 20.9% over CPLY. Sale of iron ore by NMDC at 31.09 LMT in September '23 was higher by 6.8% over September '22, but recorded a decrease of 12.2% M-o-M. During H1: FY '24, sale of iron ore by NMDC at 205.56 LMT was higher by 26.0% over CPLY.
- iii. Kudremukh Iron Ore Company Limited (KIOCL) produced 2.22 LMT of Pellets during September '23, which was 469.2% higher over previous month. KIOCL sold 2.03 LMT of Pellets which was higher by 123.1% M-o-M and higher by 745.8% over September '22. During H1: FY '24, production of Pellets by KIOCL at 9.29 LMT recorded an increase of 75.6% and its sales at 9.61 LMT recorded an increase of 121.4% over CPLY.
- iv. During September '23, production of Manganese ore by Manganese Ore (India) Limited (MOIL) at 1.35 LMT was higher by 9.8% M-o-M and 48.4% higher over September '22. Sales of Manganese ore by MOIL during September '23 at 1.56 LMT was higher by 40.5% M-o-M and 60.8% higher over September '22. During H1: FY '24, production of Manganese ore at 8.15 LMT was higher by 44.8% and its Sales at 7.57 LMT was higher by 54.5% over CPLY.

- v. During September '23, RINL's production of Liquid Steel stood at 3.84 LMT, Hot Metal at 3.90 LMT and Crude Steel at 3.67 LMT, which was higher by 36.7%, 38.8 and 35.9% respectively over September '22, but lower by 7.3%, 6.5% and 7.6% respectively over its production in August '23. In September '23, production of Saleable Steel at 3.86 LMT, which was higher by 0.3% over previous month and 30.0% higher over September '22. During H1: FY '24, the production of Liquid Steel stood at 22.38 LMT, Hot Metal at 22.81 LMT, Crude Steel at 21.47 LMT and Saleable Steel at 20.64 LMT, which was 18.1%, 16.5%, 18.4% and 21.7% higher than their respective productions during CPLY.

4. The CAPEX by Steel CPSEs in September '23 at Rs. 1176.35 crore was 87.0% higher over the previous month (M-o-M) and was 51.2% higher than CAPEX in September '22. The CAPEX by steel CPSEs during H1: FY '24 at Rs. 4315.06 crore was 14.9% higher than CAPEX during CPLY and it was 41.9% of the BE for the FY '24. The CAPEX by steel CPSEs is regularly monitored by the Ministry and steel CPSEs are being encouraged and directed to ensure achievement of CAPEX and expedite spending.

5. In a significant stride toward realizing India's commitment to decarbonizing the steel sector, Hon'ble Steel Minister (HSM) held a fruitful discussion on 28th September, 2023 with 5 out of the 13 task forces dedicated towards enabling the ecosystem for green steel in India. The meeting brought together key stakeholders, industry experts, and government officials, all deeply committed to India's vision of achieving sustainability and decarbonisation in steel production. In the discussion chaired by the HSM, a roadmap was defined to tackle inevitable challenges through a multi-pronged approach, including renewable energy uptake, skill development, incentives, and potential pathways for decarbonisation. The Minister provided guidance and insights, which would be instrumental in shaping the final recommendations put forth by the task forces. He emphasized the need for tailored decarbonisation solutions as well as policy measures that consider the diverse landscape of the steel industry, encompassing both integrated steel plants and secondary facilities.

6. Secretary, Ministry of Steel participated in National Seminar on Biochar-Greening of Steel through Agro Based Products on 15th – 16th September, 2023 at RDCIS, Ranchi. In his keynote address in the inaugural session, he commended the organisers of BIOS 2023 as it was creating an opportunity for meeting the daunting challenge of carbon footprints. He also stated that sagacious technologies if adopted shall take us back to our roots. He remarked that the COP 26 at Glasgow, Scotland has defined our outer frame work of net carbon neutrality by 2070.

7. Ministry of Steel has introduced Steel Quality Control Order (QCO) thereby banning sub-standard/ defective steel products both from domestic producers & imports to ensure the availability of quality steel to the industry, users and public at large. As per the Order, it is ensured that only quality steel conforming to the relevant BIS standards are made available to the end users. As on date 145 Indian

Standards have been notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel. Out of these, QCO on 144 Indian Standards have been enforced. The draft QCO for inclusion of six additional Indian Standards pertaining to the iron & steel sector has been uploaded in Ministry of Steel's Website on 02.06.2023 and on WTO website vide regular TBT notification no. G/TBT/N/IND/278 dated 14.06.2023 for comments of the stakeholders. As per WTO-TBT mandate, the final date for comments on the said notification is 60 days from the date of notification in WTO website i.e. 13.08.2023. Based on the consultations held in the meeting the draft QCO was revised and sent to BIS for concurrence.

8. Ministry of Steel got several requests from the importers/ applicants seeking clarification on the applicability of the certain imported steel grades from the purview of the Quality Control Order, on the ground that these are complying with foreign standards and no equivalent Indian Standards exist. To address this issue, a Technical Committee, comprising members from the BIS, steel producers & end users, was constituted to examine the applications and clarify whether the imported steel grades are falling under the purview of the QCO or otherwise. Meeting of the Technical Committee was held on 12th September 2023, wherein 1,200 applications for clarification on the applicability of QCO on the imported steel grades were examined.

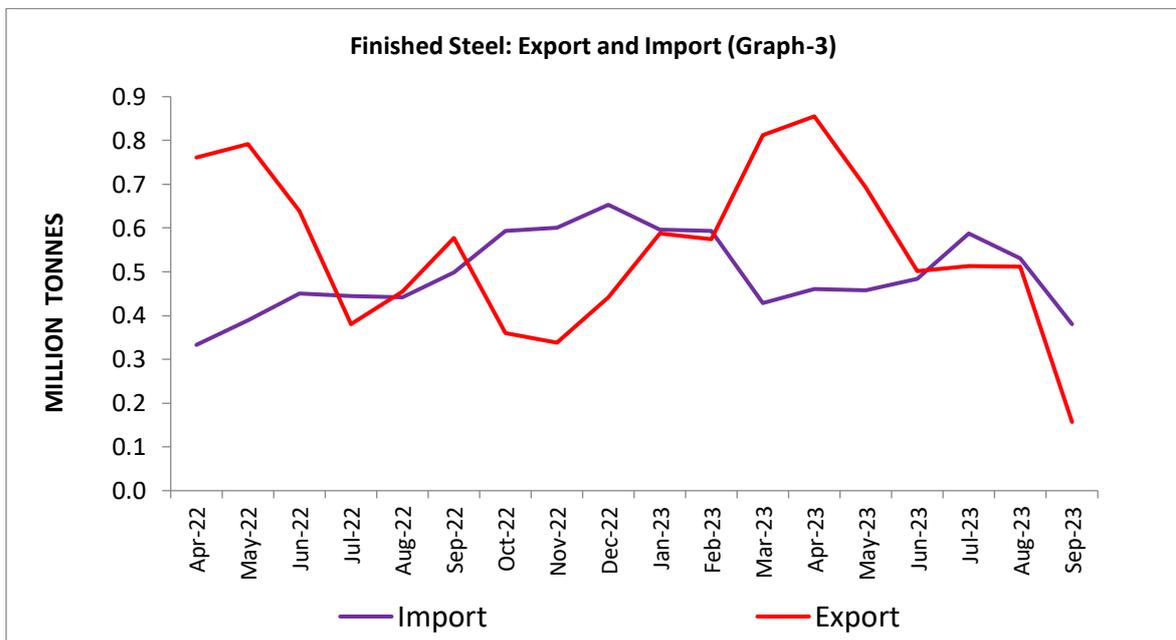
9. Ministry of Steel is providing financial assistance for pursuing Research & Development to address the technological challenges faced by the Iron & Steel sector. In this regard, in May 2023, Ministry of Steel has sought R&D Project proposals in joint collaborative mode from reputed Academic Institutions, Research Laboratories and Steel Companies for pursuing R&D projects on the identified thrust areas, for providing financial assistance under the R&D Scheme for the Financial Year 2023-24. The thrust areas for providing financial assistance under the R&D Scheme include development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (green steel production, H₂ based steel production, CCUS etc.), waste utilization, resource efficiency, etc. The details of the R&D Scheme including guidelines for financial support and an indicative list of R&D projects that can be taken up to address common issues of the Iron & Steel Sector, have been uploaded on Ministry of Steel's website in May 2023. The last date of receipt of the R&D project proposals was 31st July 2023 wherein 36 R&D proposals have been received, which were preliminarily examined with respect to the guidelines for support under the R&D scheme. Subsequently, meeting of the Evaluation Group constituted by Ministry of Steel, was held on 24th August 2023 for detailed evaluation of the proposals which were as per the guidelines for support under the R&D scheme. The five R&D project proposals recommended by the Evaluation Group were considered in the meeting of the Project Approval & Monitoring Committee held on 20th September, for approval. The Project Approval & Monitoring Committee had approved four R&D projects and deferred one project for further discussion.

10. Presently, there are eight ongoing projects of steel CPSEs (SAIL-5, NMDC-3), which are uploaded on the OCMS portal of MoSPI. The total cost of these projects is Rs. 30,201 crores and an expenditure of Rs. 27,549.46 crore (91.22%) has been incurred till September '23.

11. There are Nine National Infrastructure Pipeline (NIP) Projects related to slurry pipelines of various steel companies having a total cost of Rs. 26,628 crore uploaded on IIG/NIP Portal and an expenditure of Rs. 4,261.89 crore has been incurred on these projects till September '23.

12. The status of pending payments to MSMEs by CPSEs of the Ministry is being monitored on weekly basis to ensure payments to them within the 45 days' time limit for such payments. Payment of Rs. 566.63 crores was made by Steel CPSEs to MSMEs during September '23 which is 19.1% lower than payments made during September '22 and 5.4% lower than M-o-M. During H1: FY '24, Steel CPSEs have made payment of Rs. 3,786.75 crore to MSMEs, which is 4.6% higher than Rs. 3,620.88 crore made during CPLY.

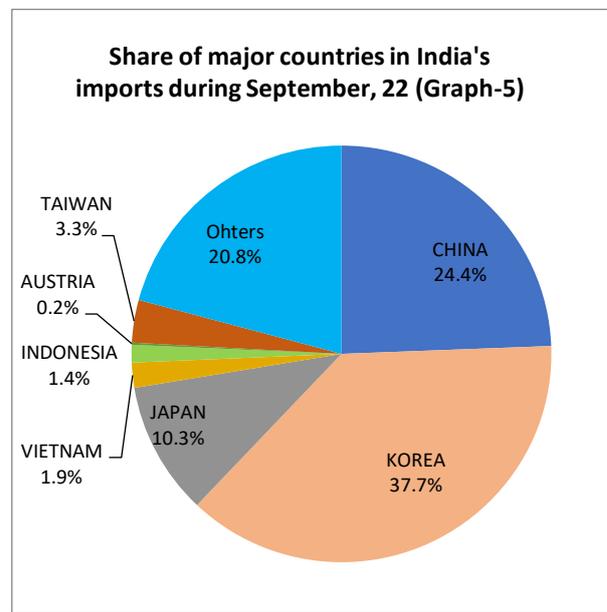
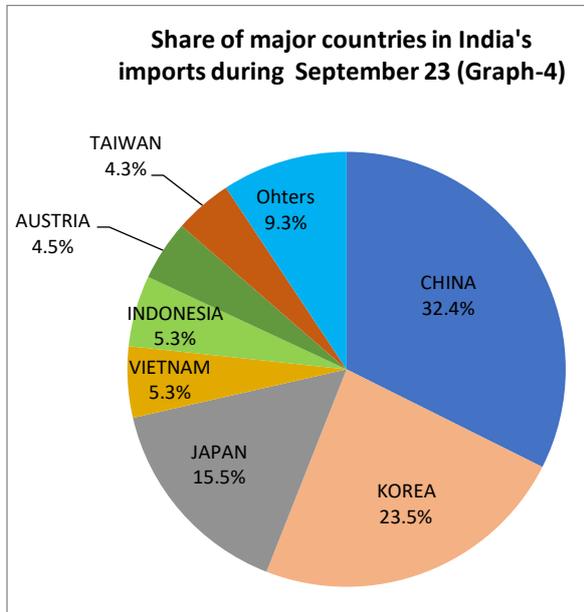
13. **Export-Import Scenario:** During the month of September '23, imports and exports of finished steel decreased as compared to previous month as shown in graph-3.



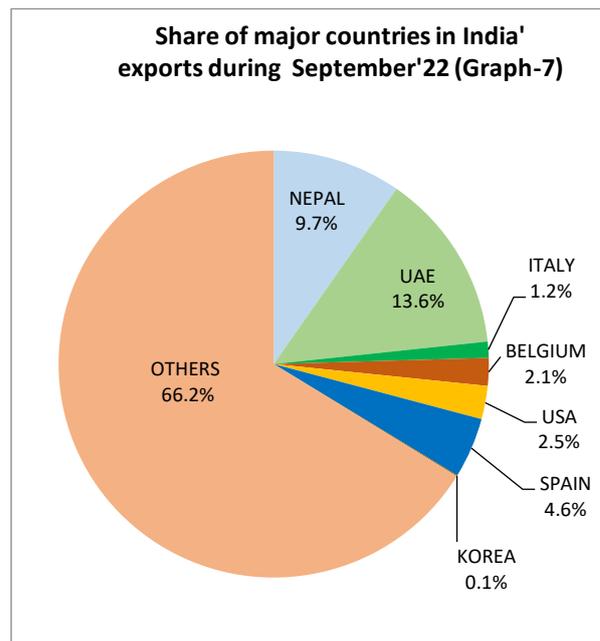
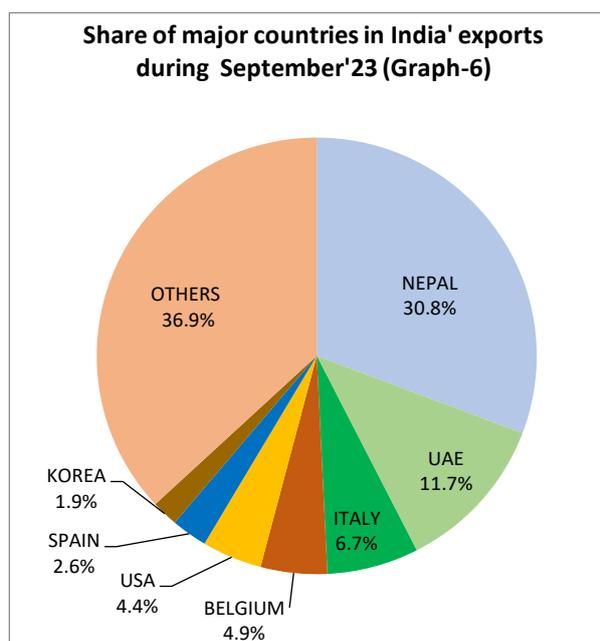
- i. In September '23, India was a net importer of finished steel. Export of finished steel was 1.57 Lakh Metric Tonne (LMT) in September '23, which decreased by 69.3% M-o-M and by 72.8% over September '22. Imports of finished steel was 3.81 LMT in September '23, showing a decrease of 28.1% M-o-M and of 23.6% over September '22. During H1: FY '24,

exports at 32.32 LMT declined by 10.2% while imports at 28.99 LMT increased by 13.4% over CPLY.

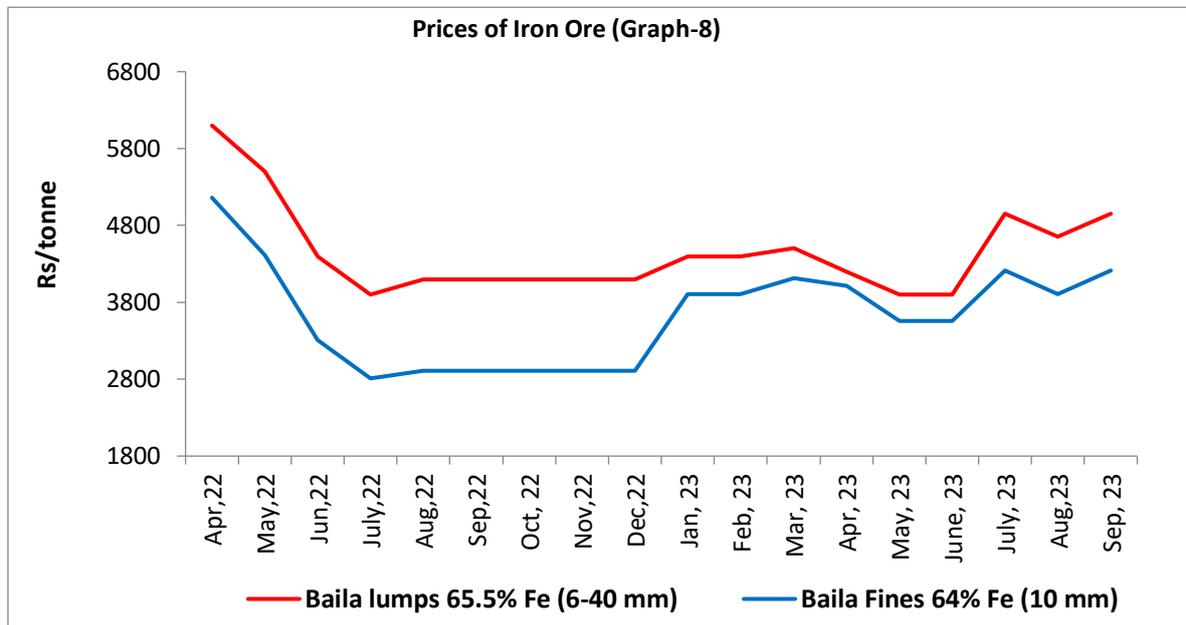
- ii. Share of China, Japan, Vietnam, Indonesia, Austria, Taiwan, Thailand and Nepal increased in total steel import of India in September '23 as compared to September '22 while share of Korea and Italy declined over this period as may be seen from the following graphs 4 & 5:



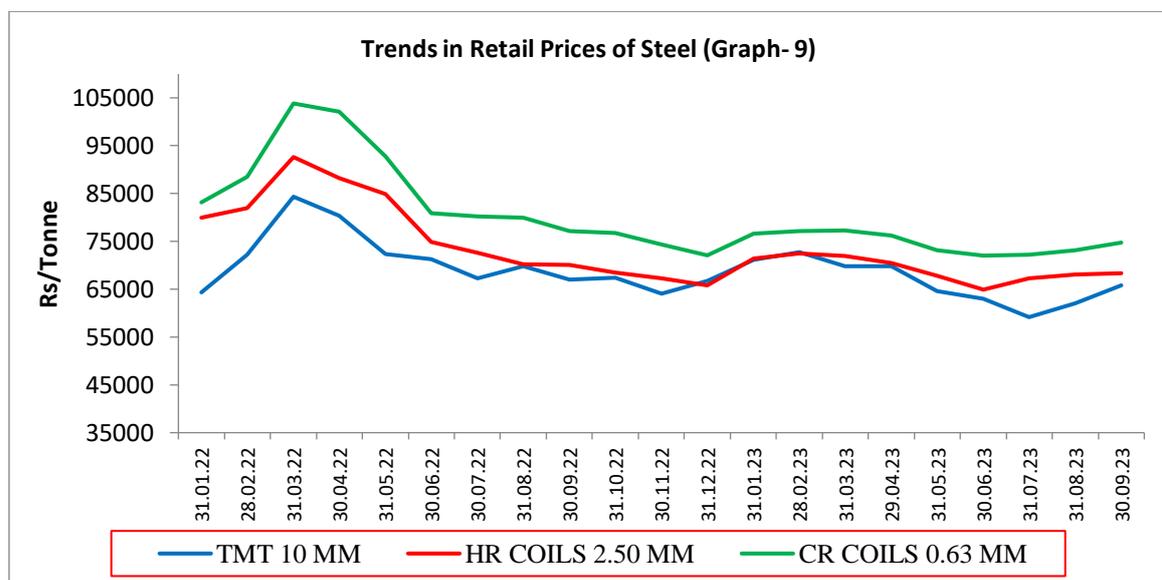
- iii. Share of Nepal, Italy, Belgium, USA, Korea, Bangladesh, Poland and Morocco increased in total steel export from India in September '23 as compared to September '22 while share of UAE and Spain declined over this period as may be seen from the following graphs 6 & 7:



14. The prices of iron ore have increased after December '22. In recent months, since April, 2023, prices of iron ore have witnessed fluctuations. The prices of iron ore increased in September '23 as may be seen from the graph-8.



- i. During the month of September '23, prices of iron ore lump and fines was Rs. 4,950/tonne and Rs. 4,210/tonne, which increased by 6.5% and 7.7% respectively over their respective prices in August '23.
- ii. The prices of HCC Coking coal f.o.b. Australia have increased from USD 268/tonne on 31.08.2023 to USD 333/tonne on 29.09.2023.
- iii. The prices of steel (TMT, HRC and CRC) peaked in March '22 on account of Russia-Ukraine war. After that steel prices moderated till December '22 due to both global and domestic factors. The prices of TMT, HRC and CRC have declined in September '23 over September '22 as may be seen from the graph-9.



iv. The retail prices of TMT (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai market stood at Rs.65,815/tonne, Rs. 68,390/tonne and Rs. 74,700/tonne respectively on 30th September '23, recording an increase of 6.0%, 0.5% and 2.1% respectively over prices on 31st August '23.

15. The global production of crude steel increased by 2.2% in August '23 over August' 22 mainly due to increase in production in China, India, USA and Russia. Among the major steel producing countries (with production of over 1 million tonnes for the month), China, India, USA and Russia recorded an increase in production in August '23 over August '22. As for the share of major steel producing countries in the global production of crude steel, it is seen that share of China, India and Russia increased during August '23 while that of Japan, USA, South Korea, Germany, Turkey, Brazil and Iran declined during this period as may be seen from the following graphs 10 & 11.

