

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

Udyog Bhawan, New Delhi
Dated: 15th February, 2023

OFFICE MEMORANDUM

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

Encl: As above.



(Raj Kumar)
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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. All Secretaries to the Government of India
6. Chief Economic Adviser, Ministry of Finance, North Block, New Delhi
7. Addl. Chief Economic Adviser, Ministry of Railways, Railway Board, R. No. 301, 3rd Floor, Pragati Maidan Metro Station Building Complex, New Delhi.
8. Information Officer, PIB, Shastri Bhawan, New Delhi steel_pib@nic.gov.in
9. PS to SM
10. PS to MoS
11. Sr. PPS to Secretary (Steel),
12. Sr. PPS to AS&FA
13. PPS to AS
14. PS to JS(R), PS to JS(K), PPS to JS(S), PS to DDG.
15. NIC (Steel)-(with a request to upload on the website of the Ministry of Steel)

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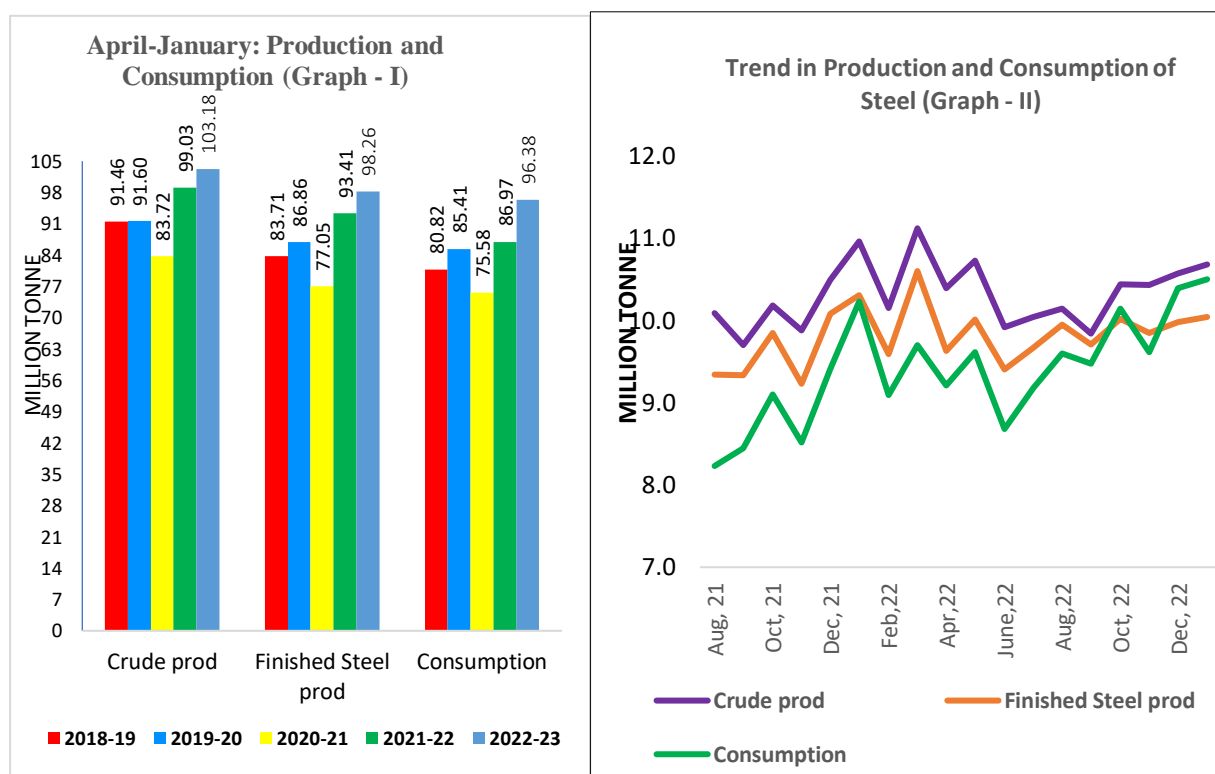
**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

**जनवरी - 2023
January - 2023**

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

Ministry of Steel – Report for January 2023

1. Performance of Steel sector during April-January, 2022-23 FY23 has been encouraging. The cumulative production of crude steel at 103.18 MT, finished steel at 98.26 MT and consumption of finished steel at 96.38 MT during April-January, FY23 has exceeded their respective levels achieved over the corresponding period of not only COVID affected last two years but also pre COVID years as well, 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 – II) indicates to an overall increasing trend with month-on-month fluctuations and that the production and consumption of steel increased in January’23 over their respective levels in December’22.



- i. Production of crude steel in January’23 at 10.68 MT decreased by 2.6% over CPLY but increased by 1.0% by M-o-M.
- ii. Production of finished steel in January’23 at 10.04 MT decreased by 2.6% over CPLY but increased by 0.6% by M-o-M.
- iii. Consumption of finished steel in January’23 at 10.50 MT increased by 2.6% over CPLY and 1.1% by M-o-M.
- iv. Inventories of the finished steel with the steel producing companies at 9.53 MT at the end of January’23 decreased by 4.6% M-o-M but increased by 16.6% over CPLY.

2. During the month, among the steel producing CPSEs, SAIL registered an increase in production of Hot Metal, Crude Steel and Saleable steel over month (M-o-M) and over the corresponding period last year (CPLY). RINL registered an increase in production of hot metal and saleable steel month over month (M-o-M)

but decrease over CPLY. However, the production of liquid steel and crude steel by RINL decreased during the month and over CPLY. Similar production trend is exhibited by ore producing CPSE, NMDC, its production during Jan'23 was higher than previous month but lower over CPLY. The ore production by SAIL during Jan'23 was higher than previous month and over CPLY. However, the production of ore by MOIL was lower than previous month but higher over CPLY. The detailed performance of the Steel CPSEs is as below:

- i. During January'23, SAIL produced 18.00 lakh metric tonne (LMT) of Hot Metal, 17.25 LMT of Crude Steel and 16.12 LMT of Saleable Steel recording an increase of 7.8%, 7.2% and 6.4% respectively over previous month (MoM) and 9.8%, 12.3% and 10.0% respectively over CPLY. This is the highest ever monthly production in history of SAIL. That of Crude Steel exceeded the previous best by 5.3%. The cumulative production of SAIL during April-January'23 for Hot Metal at 159.60 LMT, Crude Steel at 150.61 LMT and Saleable Steel at 141.59 LMT registered an improvement of 3.8%, 5.3% and 1.7% respectively, over CPLY. During the month, SAIL produced around 30.37 LMT of iron ore recording an increase of 1.1% M-o-M and 1.5% over CPLY. The cumulative production of iron ore by SAIL during April-January'23 at 278.49 LMT was 2.6% lower than CPLY.
- ii. Production of iron ore by NMDC at 42.04 LMT in January'23 registered an increase of 16.4% M-o-M but decline by 7.8% over CPLY. The cumulative production of iron ore by NMDC during April-January'23 at 311.37 LMT declined by 5.3% over CPLY. Sale of iron ore by NMDC at 38.40 LMT in January'23 was higher by 15.8% M-o-M, but lower by 9.4 over CPLY. During April-January'22, sale of iron ore by NMDC at 296.41 LMT was lower by 9.1% over CPLY.
- iii. During the month KIOCL produced 1.60 LMT of Pellets which was lower by 33.3% M-o-M but higher by 23.1% over CPLY. KIOCL sold 1.63 LMT of Pellets which was lower by 30.9% M-o-M and 39.6% over CPLY. During April-January'23, production and sales of Pellets by KIOCL at 9.94 LMT and 9.28 LMT respectively recorded a decline of 34.4% and 39.4% respectively over CPLY.
- iv. During January'23, production of Manganese ore by MOIL at 1.26 LMT was lower by 10.6% M-o-M but higher by 7.7% over CPLY. Sale of Manganese ore by MOIL during January'23 at 1.32 LMT was lower by 19.5% M-o-M but higher by 30.7% over CPLY. During April-January'23, production of Manganese ore at 10.26 LMT was higher by 5.1% and its Sale at 9.19 LMT was lower by 1.6% over CPLY.
- v. During January'23, RINL achieved production of 4.52 LMT of Liquid Steel and 4.32 LMT of Crude Steel, which was 0.2% and 0.7% lower than its production in December'22 respectively, and lower by 10.5% and 10.4% over CPLY respectively. During the month of January'23, RINL achieved production of 4.57 LMT of Hot Metal and 4.13 LMT of Saleable Steel which was 0.2% and 5.4% higher than its production in December'22 respectively, but lower by 10.9% and 7.6% over CPLY respectively. During April-January'23, production of Liquid Steel at

34.88 LMT, Hot Metal at 35.63 LMT, Crude Steel at 33.41 LMT and Saleable Steel at 31.34 LMT by RINL was 25.8%, 27.9%, 25.6% and 27.7% lower than their respective production during CPLY.

3. The CAPEX by Steel CPSEs in January'23 at Rs. 1,204.48 crore was 38.0% higher M-o-M and 129.6% higher than CAPEX in CPLY. The cumulative CAPEX by steel CPSEs for April-January'23 at Rs. 7,247.57 crore was 4.5% lower than CAPEX during CPLY but was 62.5% of the BE for the FY'23. 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.

4. Sixth meeting of the Advisory Group for Integrated Steel Plants (ISP) was held on 4th January, 2023 under the chairmanship of Hon'ble Steel Minister (HSM). During the meeting, a presentation was made on Action taken report on issues raised by industries/ associations by Ministry of Steel. A presentation on Roadmap to ensure availability of 161MT of Coking Coal for future expansion of steel industry to 300MT capacity as per NSP 2017 was made by Indian Steel Association (ISA). It was agreed upon that future course of action may be charted for exploring the possibility of expanding the sources of coking coal especially from Russia, Mongolia, Canada and USA. A presentation on Utilization of low-grade iron ore- Iron Ore Beneficiation was made by NMDC. HSM suggested that ISA should come up with medium term and long-term strategy to use low grade iron along with incentive structure. A presentation was made on Royalty over Royalty by ISA. It was decided that this Ministry and ISA will take up the matter with Ministry of Mines. HSM also suggested that ISA should provide a note on surge in Imports and suggest measures to curtail the same.

5. The applications window for participation in the PLI scheme was closed on 15.09.2022. A total of 79 applications were received from 35 small and large steel-making companies, committing to investment of Rs. 46,000 Crore and downstream capacity addition of 28 million tonne over by 2030. 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 Crore with a downstream capacity addition of 26 million tonne and employment generation potential of 70,000. Selected companies were informed through the PLI portal on Dec 9, 2022 and a draft of the MoU to be signed with the Government was shared on Dec 16, 2022. The MoU with selected companies is likely to be signed by end of February 2023.

6. Ministry of Steel has introduced Steel Quality Control Order (QCO) thereby banning sub-standard/ defective steel products both from domestic & imports to ensure the availability of quality steel to the industry, users and public at large. As per the Order, it is to be ensured that only quality steel conforming to the relevant BIS standards is made available to the end users. As on date 145 Indian Standards have been notified under the Quality Control Order (QCO) covering carbon steel, alloy steel and stainless steel. Out of these, QCO on 144 Indian Standards have been enforced.

7. Ministry of Steel got 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 Quality Control Order or Otherwise. Meeting of the Technical Committee was held on 10th January 2023 and 31st January 2023, wherein 1,895 applications for clarification on the applicability of QCO on the imported steel grades were examined.

8. Ministry of Steel also got requests from the importers/ applicants seeking exemption of certain steel grades from the purview of the Quality Control Order, on the ground that these are required in critical applications. To address this issue, an Empowered Committee was constituted to examine the applications for exemption from the purview of the Quality Control Order for the steel grades being imported. Exemptions are granted to critical application grades based on the prescribed guidelines formulated for according such exemptions.

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 2022, 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 for 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. for providing financial assistance under the R&D Scheme for the Financial Year 2022-23. The last date of receipt of proposal was 15th July 2022. 37 R&D project proposals have been received from the stakeholders from the CSIR Labs, Academic Institutions (IITs) etc. These proposals were examined with respect to the guidelines of the R&D scheme. Meeting of the Evaluation Group constituted by Ministry of Steel for evaluation of the proposal was held on 12th & 15th September 2022. The Evaluation Group supported six R&D project proposals in-principle subject to submission of revised project proposals based on the suggestions/ observations made in the meeting. Subsequently, meeting of the Evaluation Group was held on 23rd November 2022 wherein the aforementioned six R&D project proposals were further deliberated for industrial participation & funding. Through deliberations in the aforementioned two meetings, the Evaluation Group had recommended 5 R&D project proposals for funding through the aforementioned R&D Scheme. The meeting of the Project Approval & Monitoring Committee for approval of the projects was held on 31st Jan 2023 in which four R&D project proposals were approved in-principle, subject to revision of duration of the projects and costs thereof. The Project Investigators of the projects have been requested to submit revised proposals as per the direction of the PAMC. In addition to the above, the Project Review Committee (PRC) constituted for reviewing the on-going R&D project "Development of Type Designs of Aanganwaadi and Houses using Structural Steel as part of Pradhan Mantri Awas Yojana towards Enhancing Use of Steel in Housing Sector by MNIT Jaipur & SPA Bhopal in association with SAIL, JSW, Tata Steel, AMNS & JSPL" was held on 20th Jan 2023 at MNIT Jaipur.

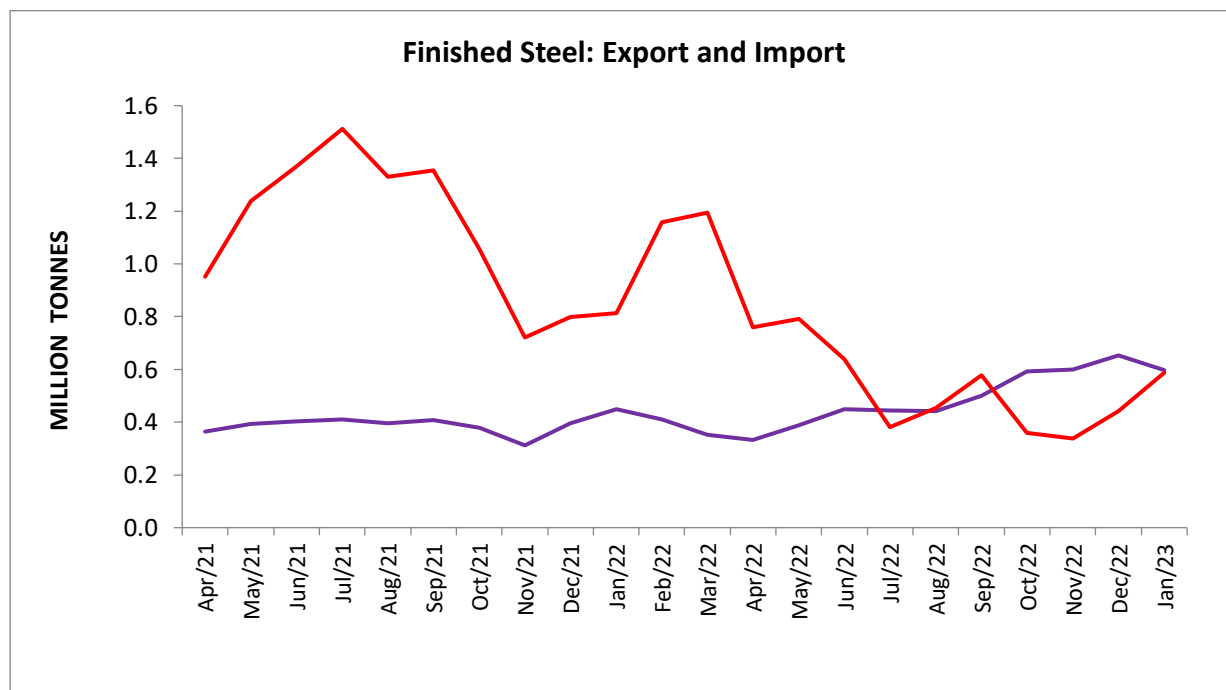
10. Presently, eight ongoing projects of steel CPSEs (SAIL-5, NMDC-3) with total project cost of Rs.30,070 crore are uploaded on the OCMS portal of MoSPI. An expenditure of Rs. 24,600 crore (81.8%) has been incurred till January'23.

11. Eight National Infrastructure Pipeline (NIP) Projects related to slurry pipelines of various steel companies having a total cost of Rs. 25,680 crore are uploaded on IIG/NIP Portal. An expenditure of Rs. 3,170 cr. has been incurred on these projects till January'23.

12. For 'Doubling of Talgaria to Bokaro N/Cabin Section (32km)' project, the proposal for transfer of approx 7.22 acres of SAIL land at Bokaro Steel Plant, to the South Eastern Railway (SER), on receiving the market value of this land, has been approved on 16.1.23 by the Board of SAIL. This has been referred to Department of Expenditure, Ministry of Finance for requisite clearance.

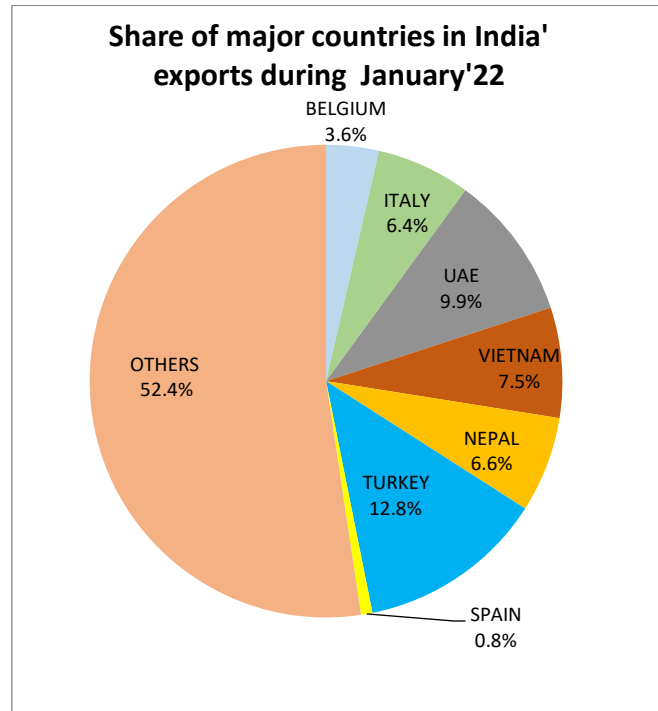
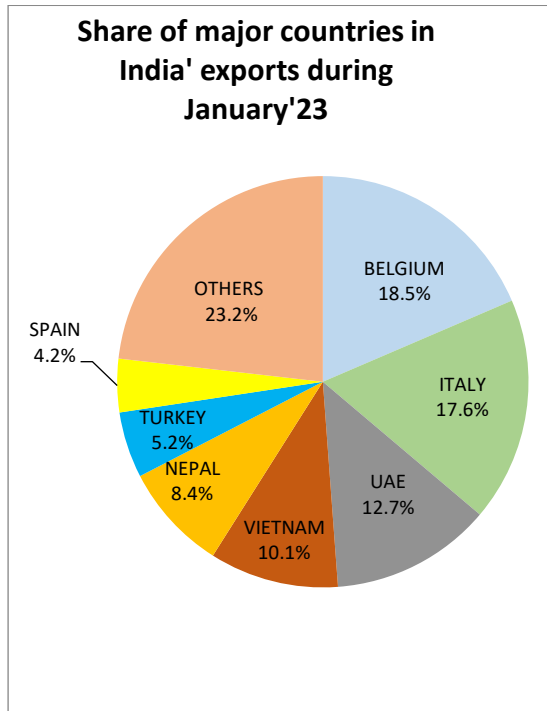
13. The status of pending payments to MSMEs by CPSEs of the Ministry is being monitored on weekly basis to ensure payments to them within the 45 days' time limit for such payments. Payment of Rs. 651.56 crore was made by Steel CPSEs to MSMEs during January'23 which is 21.2% higher than payments made during CPLY but 5.2% lower than M-o-M. During April-January'23, Steel CPSEs have made payment of Rs. 6,086.15 crore to MSME, which is 39.6% higher than Rs.4,359.20 crore made during CPLY.

14. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during recent months shows that except for July'22, India's export during a month has consistently exceeded import during that month. During the month of January'23 the export from India increased and imports decreased as may be seen from the graph below:

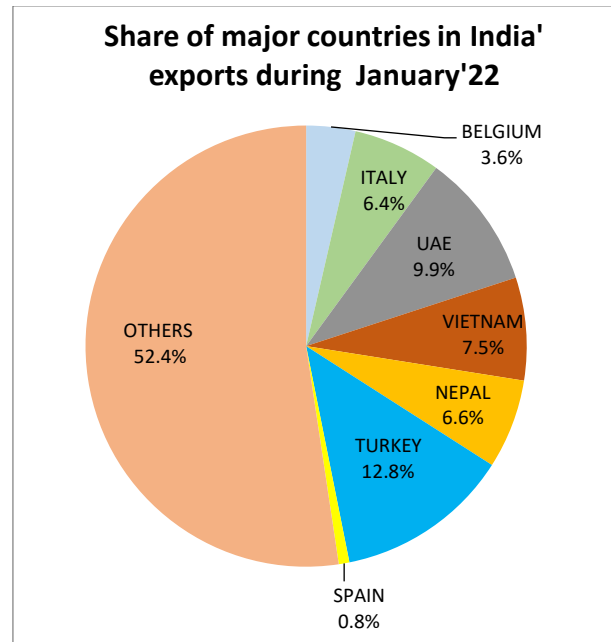
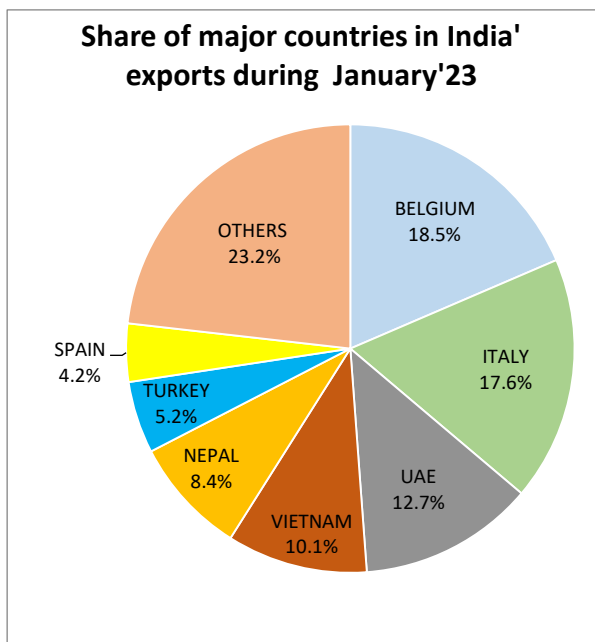


- i. Export of finished steel in January'23 at 5.88 LMT increased by 33.0% M-o-M but decreased by 27.8% over CPLY while import at 5.96 LMT decreased by 8.7% M-o-M but increased by 32.4% over CPLY. During April-January'23, exports at 53.29 LMT declined by 52.2% while imports at 50.00 LMT increased by 28.0% over CPLY.
- ii. In January'23, India's export was lower than its imports and it was a net importer of finished steel during the month.

- iii. Share of China, Japan, Vietnam, Russia, Thailand, Taiwan, Spain and Nepal increased in total steel import of India in January'23 as compared to January'22 while share of Korea and Germany declined over this period as may be seen from the following graph:

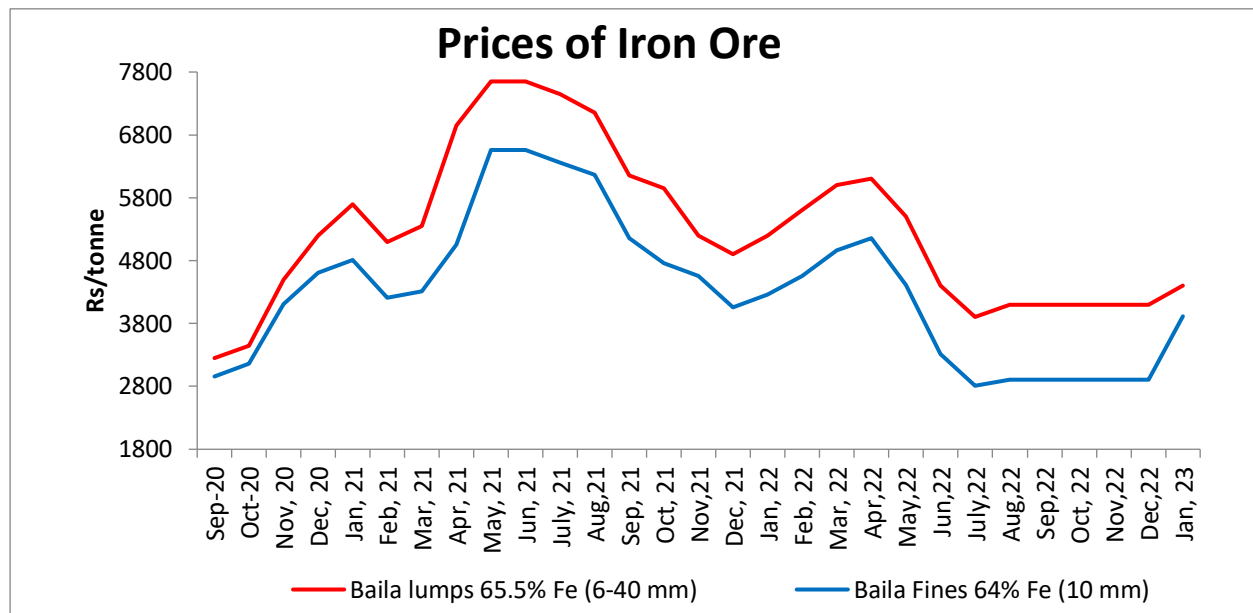


- iv. Share of Belgium, Italy, UAE, Vietnam, Nepal, Spain, Poland, and Indonesia was higher in total steel export from India in January'23 as compared to January'22 while share of Turkey and UK declined over this period as may be seen from the following graph:

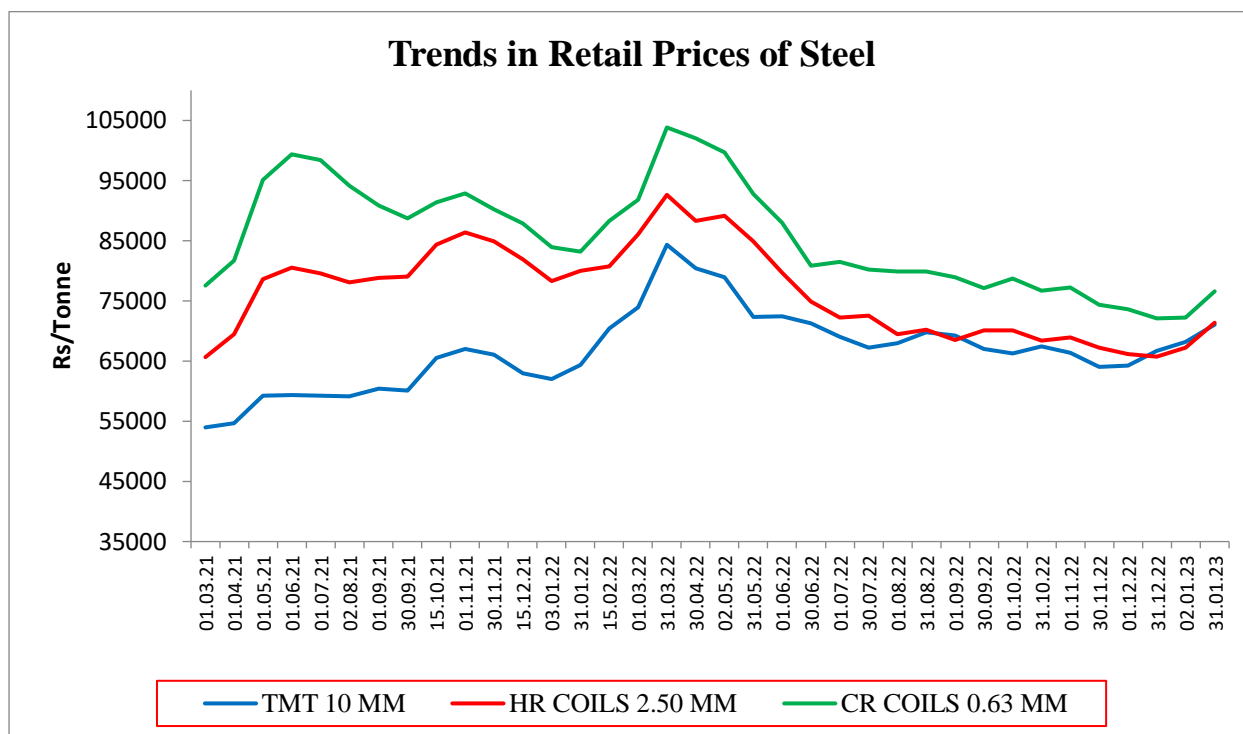


15. Price scenario: Prices of iron ore, hit its peak in May-June'21. Its prices followed a declining trend since July'21 till December'21 but started increasing again from January'22 and the uptrend continued till April'22. The prices of iron ore which was declining since April have stabilized during recent months upto

December'22. The Prices of iron ore increased in January'23 as may be seen from the graph below:



- i. During the month of January'23, prices of iron ore lump and fines at Rs. 4,400/tonne and Rs. 3,910/tonne respectively increased by 7.3% and 34.5% as their respective prices in December'22.
- ii. The prices of CRC, HRC and Rebar, peaked in March'22 and started moderating thereafter. The reduction in the prices may partly be attributed to decline in the cost of inputs. Prices of Australian coking coal declined to the level of below USD 200/tonne by the end of July, 2022 as against its peak of about USD 650/tonne recorded in March, 2022. Prices of iron ore also declined. In addition, declining international prices of steel and policy intervention in terms of imposition suitable modifications in tariff lines have also contributed to this trend of moderation in the domestic prices of steel. However, prices of raw material used for Steel making specially Coking Coal have seen some uptick in prices during Mid-August and September'22 when compared to July'22-early August'22. The prices of HCC Coking coal FOB Australia increased from USD 188/tonne on 3rdAugust, 2022 to USD 274/tonne in September'22 and then moderated somewhat to USD 251/tonne during the month. The trend in prices showing an increasing trend during the month with prices of TMT, HRC and CRC during the month as may be seen from the following graph depicting trend in prices of steel product categories viz., Rebar, HRC and CRC.



iii. The retail prices for Rebar (10mm) in Mumbai on 31st January'23 at Rs. 71,100/tonne, HRC (2.50mm) at Rs. 71,370/tonne and CRC (0.63mm) at Rs. 76,640/tonne respectively were 4.3%, 6.2% and 6.1% higher than their respective prices at the start of the month.

16. The global production of crude steel decreased by 10.8% in December'22 over CPLY which is majorly due to decrease in production in China, Japan, USA, Russia, South Korea, Germany, Turkey and Brazil. India and Iran among the major producing countries (with production of 1 million tonne for the month) recorded an increase in production in December'22 over December'21. As regard the share of major steel producing countries in the global production of crude steel, it is seen that due to differences in contribution to global production, share of China, India, USA, Iran and Brazil increased during December'22 while that of Japan, Germany and Turkey declined and share of Russia, and South Korea remained constant during this period as may be seen from the following graph:

