

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

Important Meetings/Major Activities:

2. In order to encourage Secondary steel sector as a growth engine for national economy and employment generation, Secondary Steel Sector Awards were given by Steel Minister to 26 steel companies having capacity less than one million tonne per annum on 13th September, 2018 at New Delhi. A compendium on India's Mini Steel Sector was also released.

3. Officers from the Ministry of Steel attended 85th Session of the OECD Steel Committee Meeting during 17th to 18th September, 2018 in Paris as an Observer. The discussions were focussed on global and regional steel market condition, steel trade and trade policy development, continuing challenges of excess capacity, market distorting subsidies and government support measures in steel sector. The committee reiterated the need to remove market distorting subsidies and other government support measures with a view to achieving long term solutions in the steel sector.

4. The Steel Minister represented India in Ministerial Meeting of Global Forum on Steel Excess capacity (GFSEC) on 19th to 20th September, 2018 in Paris. India, as Co-chair, played a pivotal role in building the consensus among the members of Forum on draft Ministerial Report in order to reduce excess capacity of steel globally. The Ministerial Report mandates all the member nations to take tangible and swift policy actions to eliminate all the market distorting subsidies and market support measures. India, as a member nation, reiterated that it does not have steel excess capacity and that there are no market distorting support measures by government or government-related entities.

5. **Growth Parameters:**

Production Scenario:

- India's crude steel production at 8.839 MT in *August 2018* witnessed an increase of 3.7% compared to *August 2017*. Japan's crude steel production at 8.805 MT, observed 0.9% increase during the same period, while China's crude steel production in August 2018, at 80.3 MT increased by 2.7% over corresponding period of last year (CPLY).
- During *January to August 2018*, growth of crude steel production in India at 71.14 MT was 5.9 percentage point higher than Japan.
- During *September 2018*, gross production of finished steel in the country at 10.50 MT increased by 2.1% as compared to 10.28 MT during September 2017.
- During April-September 2018 gross production of finished steel in the country at 63.76 MT increased by 4.0% over CPLY.

Consumption Scenario:

- During September 2018, consumption of finished steel stood at 8.22 MT, is less by 1.0% from August 2018, while it increased by 7.7% in September 2018 over the CPLY.
- The compound annual growth rate of the consumption of finished steel for the period *April to September 2018* stood at 3.3%.

Capacity Utilisation:

- The working capacity of Indian steel Sector stood at 134.66 MT during 2018-19 increased by 3.52% over 2017-18.
- The crude steel capacity utilization ratio during *April-September, 2018* was 77.64%, thereby recording growth of 6.0% over the CPLY.

Market price:

- Market prices of all important steel and steel based products have shown mixed trend during September 2018 over August 2018. The price of CR Coil increased by 4.51%, Plates by 3.42%, GP Sheets by 3.05%, HR Coil by 1.56%, Wire Rods by 1.54% and Pig Iron by 0.70%, while the price of TMT Bar decreased by 2.79%, Billets by 0.39% and Rounds by 0.29%.

Trade Scenario:

- Exports decreased to 0.57 MT during *September 2018* as compared to 1.12 MT in September 2017 thereby recording a decline of 48.6%.
- Imports at 0.67 MT *in September 2018* decreased by 16.8% as compared to 0.81 MT in September 2017.
- Quarter 3 of the year 2018 witnessed of a global trade war with USA imposing 25% tariffs on steel imports. Even EU has imposed safeguard duties on 14 tariff lines affecting India. Officials from Ministry have made formal representation to EU Commission against such imposition on 12th September 2018 in Brussels. Decision is awaited.
- Steel prices moved in tandem with supply-demand issues, of finished product and raw materials, impacted to varied extent by all the goings-on in the surrounding.
- During September 2018, Rebar prices in USA remained steady despite a weakening scrap and with Section 232 tariffs keeping import in check.
- Rebar prices in the EU declined during September, 2018 in view of weak demand and uncertainties regarding falling demand in Turkey.
- Chinese rebar prices also declined in September 2018, with demand remaining subdued following low-volume transactions in view of the week-long holiday ahead.

Performance of Steel PSUs:

- SAIL: The production of saleable steel of SAIL during the month of September 2018, was 1.17 MT, less by 6% over the corresponding period of last year (CPLY). Sales at 1.11 MT during the period was less by 11% over CPLY. Sales turnover of SAIL at Rs. 5592 crore during September 2018 registered a growth of 27% over the turnover of Rs. 4402 crore in CPLY.
 - RINL: The saleable steel production at 0.39 MT in September 2018, was 9% higher than its 0.35 MT production in September 2017. Sales turnover of Rs. 1925 crore in September 2018 was higher by 48% as against the sales turnover of Rs. 1299 crore in September 2017.
 - NMDC: In the case of NMDC, iron ore production at 2.36 MT in September 2018 was less by 4% than its production at 2.46 MT in September 2017. Sales of iron ore at 2.37 MT during September 2018, was also less by 4% as compared to CPLY. Total sales turnover of NMDC during September 2018 at Rs. 925 crore, was 47% higher than Rs. 630 crore in September 2017.
 - KIOCL: During the month of September 2018, Pellet Plant of KIOCL produced 0.10 MT of Pellets against the target of 0.19 MT observing 53% achievement of monthly target. Cumulative Pellet production stood at 0.92 MT against the target of 1.00 MT.
 - RINL was given the prestigious 'Rajbhasha Keerti Puraskar (Gruha Patrika), First Prize for the year 2017-18, by Hon'ble Vice President of India on the occasion of Hindi Diwas on 14th September, 2018 at New Delhi. RINL was also given ' Rashtriya Khel Protsahan Puraskar-2018 by Hon'ble President of India on 25th September, 2018 for recognition of its contribution in the field of identifying and nurturing budding talent in sports.
 - NMDC was given 'India Green Energy Award-2018' in the category of "Outstanding Renewable Energy Generation Projects by Public Sector" on 10th September, 2018 in a function organized by Indian Federation of Green Energy. Rajbhasha Award (2nd Prize) was also given to NMDC by Hon'ble Vice President of India in a function on 14th September, 2018 at New Delhi.
6. The Ministry of Steel is making procurement of goods and services through GeM Portal. A total of 309 orders of Rs. 77.36 lakhs (approx.) have been placed on GeM from April 2018 to September, 2018. A total of 40 orders of Rs. 20.70 lakhs (approx.) have been placed on GeM in the month of September, 2018.
