

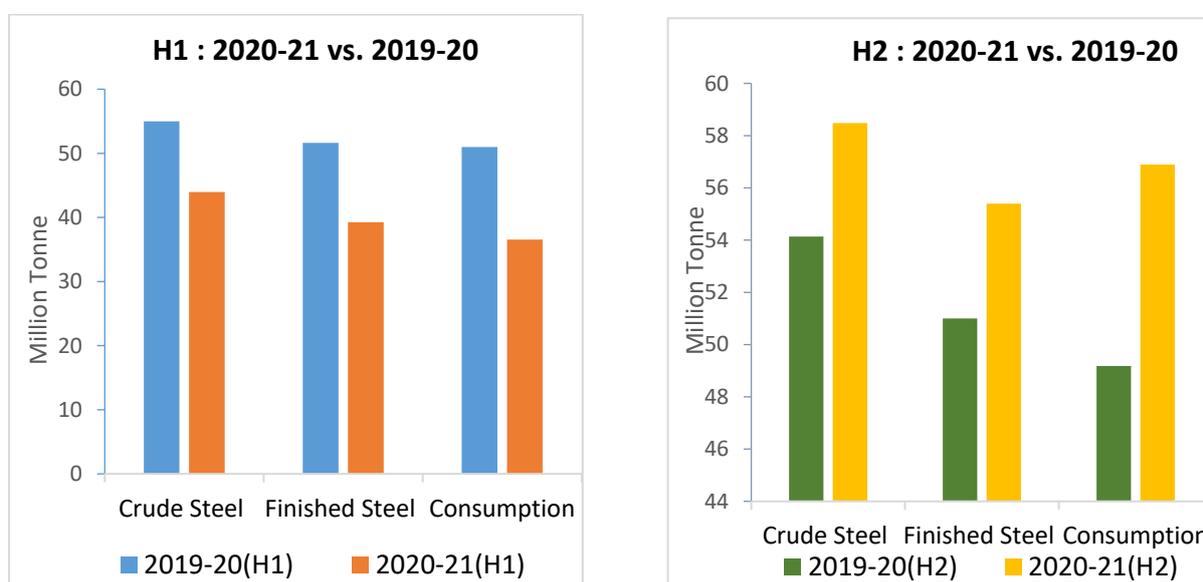
No. S-24013/1/2020-EA-RFD

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
मार्च - 2021
MARCH - 2021

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

The important developments in the steel sector during the fiscal year 2020-21 and March, 2021 were as following:

1. During the fiscal year 2020-21, production, both of crude and finished steel as well as consumption of steel declined during first half (H1:2020-21) vis-à-vis their performance in the corresponding period last year (CPLY) (i.e., H1:2019-20) due to the Covid-19 pandemic and the lockdown necessitated to contain its spread. However, the sector made smart recovery with production of both, crude and finished steel as well as consumption during H2:2020-21 surpassing not only those achieved in first half of the fiscal (i.e., H1:2020-21) but also that achieved during corresponding half of the previous fiscal (H2:2019-20) as can be seen from the graph below:



2. For the fiscal 2020-21, the overall production of crude steel at 102.49 MT and finished steel at 94.66 MT, however, declined by 6.1% and 7.8% respectively over previous year i.e., 2019-20. The consumption of finished steel at 93.43 MT was also lower by 6.7% over previous year due to the impact of pandemic.

3. During March, 2021, SAIL posted its highest ever monthly production of Hot Metal, Crude Steel and Saleable Steel at 1.756 million tonnes (MT), 1.625 MT and 1.577 MT, respectively. The production of Hot Metal, Crude Steel and Saleable Steel during Q4:FY2020-21 at 4.975MT, 4.554MT and 4.416MT respectively is the best ever quarterly performance for the Company. Sales of Saleable Steel during March'21 at 1.838MT is the best ever monthly performance of SAIL. SAIL also achieved the best ever quarterly sales volume at 4.274MT during Q4: FY2020-21 and annual sales volume at 14.866MT during FY2020-21. SAIL recorded best ever Labour Productivity for any month in March'21 and

any quarter in Q4:FY2020-21 at 511 Tonnes Crude Steel (TCS)/man/year and 493 TCS/man/year respectively.

4. Iron ore production and sales by NMDC Ltd. for the month of March, 2021 at 4.57 MT (Million Tons) and 4.08 MT, respectively were the highest ever for the month of March. Iron ore production and sale registered growth of 65.6% and 51.1% respectively over CPLY. The production and sale of iron ore in Q4:2020-21 are the highest ever quarterly performance achieved by NMDC. The yearly production and sales of iron ore at 34.11 MT and 33.27 MT during FY, 2020-21 were 8.3% and 5.6% higher over CPLY.

5. The Ispat Post Graduate Institute and Super Speciality Hospital, Rourkela constructed at a cost of Rs.294.82 crore and fully funded by the Government of India was dedicated to the Nation by the Hon'ble President of India on 21st March, 2021.

6. Ministry of Steel and its PSUs observed the 'Swachhata Pakhwada' from 16th -31st March, 2021. Employees of Ministry and various Plants/Units of PSUs spread across the country participated in activities organized during the Pakhwada. In the Ministry, the Pakhwada commenced with administering of 'Swachhata Pledge' to the employees of the Ministry on 16th March, 2021. Competitions on the theme of cleanliness in the background of corona pandemic and 'Shramdan' were also organized.

7. CPSEs under the Ministry also undertook various activities during the Swachhata Pakhwada, such as cleaning up of townships, factories, nearby villages/slums, cleaning up of schools run or adopted by them under Swachh Vidyalaya, awareness program on curbing use of single use plastic etc. Apart from this, Steel Safety Day was observed on 28th March, 2021. PSUs have also drawn up elaborate plans for the FY 2021-22 under Swachhata Action Plan which includes removal/reduction of slag, removal/reduction of iron ore fines and recycling of gaseous waste in power generation.

8. The OECD Steel Committee Meeting was held virtually on 19, 22 and 23 March 2020 in which delegation from Ministry of Steel also participated. The meeting discussed various issues pertaining to global steel sector including outlook for the world economy, global steel market situation, steel demand outlook, trade policy development and steelmaking capacity.

9. The first Joint Working Group meeting between India and Mongolia on Coking Coal was held virtually on 25th March 2021. Representative of Ministry of Steel (India), representative of Ministry of Mining and Heavy Industry (Mongolia), Ambassador of Mongolia to India, Ambassador of India to Mongolia, officials from Ministry of Coal and

MEA, Senior Executives of the Indian Steel Companies (public and private), the Mongolian coking coal suppliers and representative of Mongolian Coal Association participated in the meeting. In the meeting, specification of coking coal, its evacuation routes, logistics & transportation including newly planned rail routes and modalities were discussed. SAIL and RINL briefed the Group on status of the techno-commercial evaluation of washed coking coal sample received from Mongolia and the next steps to be undertaken after evaluation.

10. The total CAPEX by all PSU of the Ministry of Steel for the FY, 2020-21 was Rs. 7214.85 crore against BE of Rs. 7112.01 crore .

11. The progress of PRAGATI projects related to Rail Lines, funded by Steel CPSES and implemented by Railways, were reviewed on 10.03.2021 with representatives from M/o Railways and State Govt of Chhattisgarh (GoCG). These Rail Line projects are 'New Rail Line from Dalli Rajhara to Rowghat' and 'Doubling of KK Line from Kirandul to Jagdalpur' in Chhattisgarh. Railways and GoCG agreed to resolve pending issues and expedite the progress. Other PRAGATI projects pertaining to Ministry of Steel were also reviewed with the concerned stakeholders on 10.03.2021 for expediting their progress.

12. The status of pending payments to MSMEs by CPSEs of the Steel Ministry was reviewed on weekly basis to ensure that the same is credited timely and well within the 45 days' time limit for such payments. Payment of Rs. 426.12 crore was made by steel PSEs to MSMEs during March 2021 as against Rs. 295.26 crore during February 2021 taking the total payment to MSMEs by steel sector during 2020-21 to Rs. 3484.81 crore.

13. Following the on boarding of the Ministry of Steel on iGoT platform of the Mission Karmayogi and formation of Capacity Building Unit within the Ministry, as a next step, the relevant courses to be published on iGoT platform have been identified. The course on 'Iron making and Steel making' has been finalised for being published on the platform shortly.

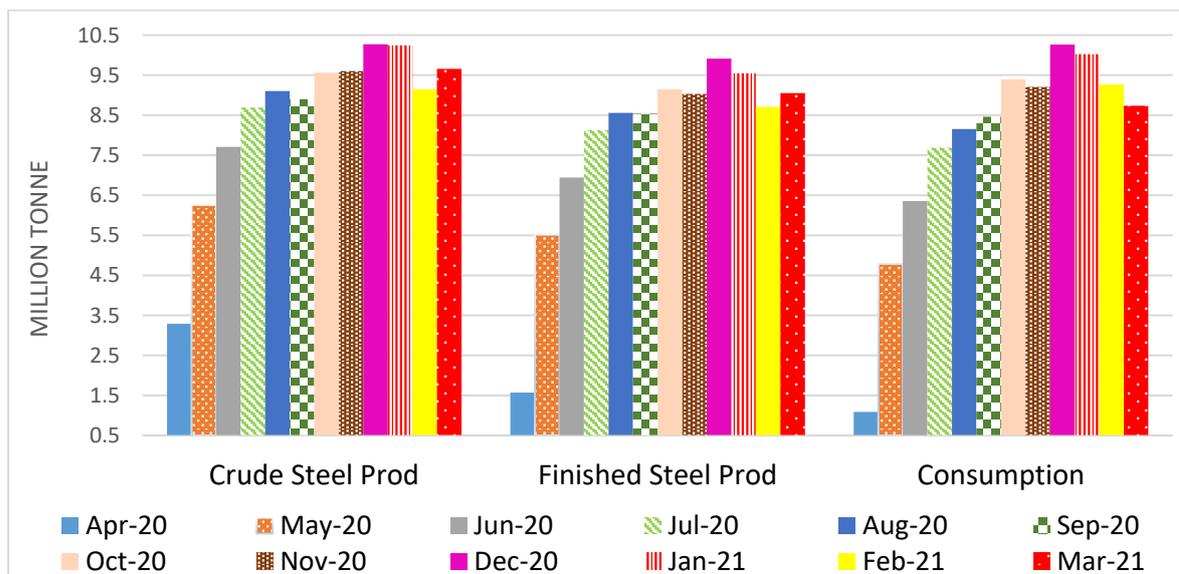
14. KIOCL has been awarded the work of 'Mineral Exploration (G-2 level) for Manganese and Iron Ores in Haddinapade Iron Ore Block, at total extent of 434.73 ha in Bellary District, Karnataka' by Government of Karnataka (GoK). This is one of the largest Mineral Exploration Block allotted by GoK and an agreement for execution of the work has been entered into by KIOCL with Deptt. of Mines and Geology, GoK on 15th March 2021.

15. With a view to improve the efficacy of the Scheme on "Promotion of Research & Development in Iron & Steel Sector", the relevant guidelines have been revised to

consider only such R&D projects which have partnership with industry in terms of funding support.

16. Production and Consumption Scenario:

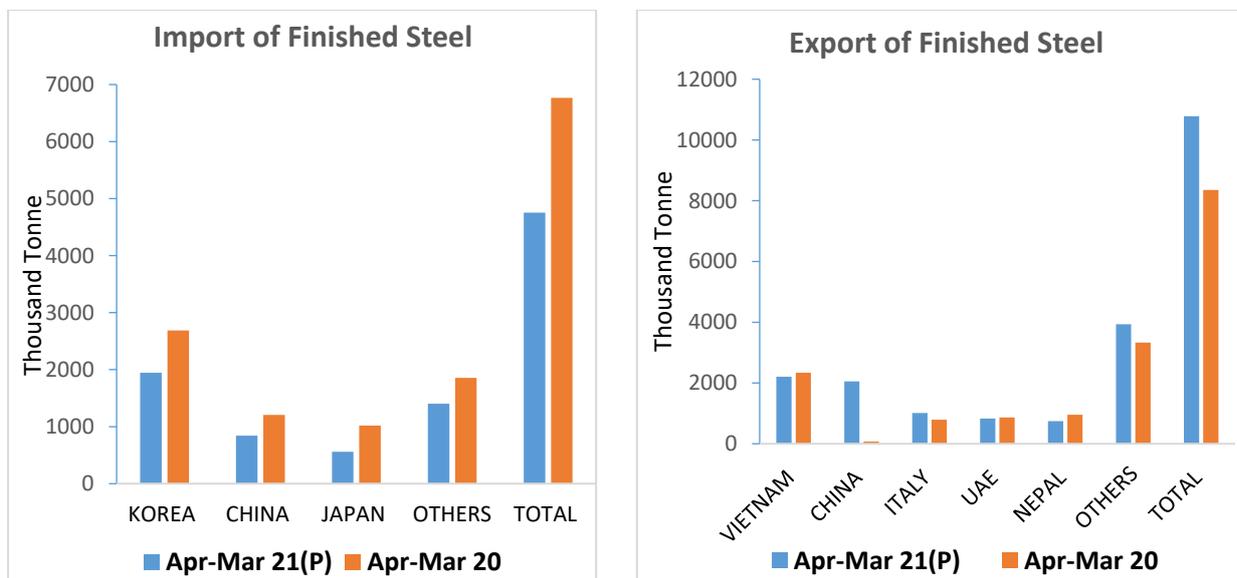
- i. The month-wise production of crude and finished steel and consumption of finished steel during the current fiscal may be seen as below:



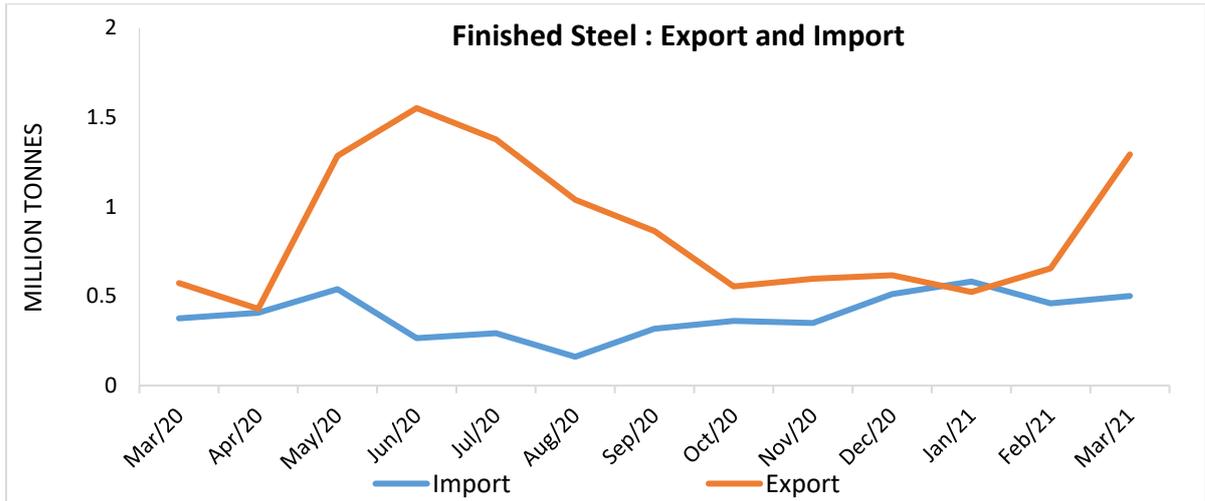
- ii. Production of crude steel in March, 2021 increased by 19.3% over the same month of the last year and by 5.6% as compared to the production in February, 2021.
- iii. Production of finished steel in March, 2021 was 25.7% higher than that in the same month of last year i.e., March, 2020 and 3.9% higher than production in February, 2021.
- iv. Consumption of finished steel in March, 2021 registered an increase of 40.6% over March, 2020 but it declined by 5.7% on M-o-M basis.
- v. The sustained consumption and higher net export during this fiscal 2020-21, in consonance with slightly lower production has led to absorption of inventories with the steel producing companies resulting in a lower closing stock of 8.9 MT of finished steel at the end of March, 2021 which is 5.0% lower than that at the end of previous month and 35.1% lower than the same month of previous year.

17. **Export-Import Scenario:**

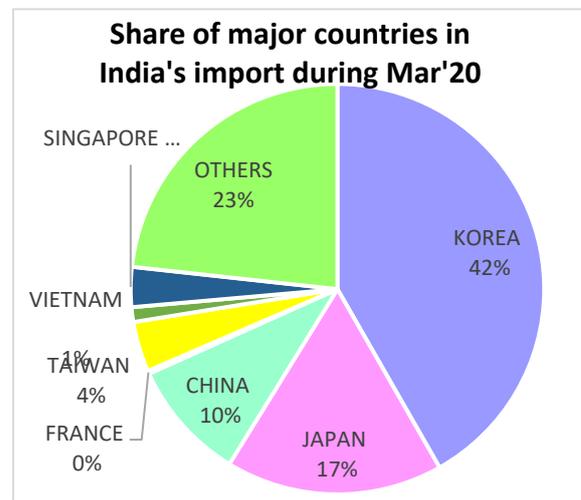
- i. During the fiscal year 2020-21, export of finished steel from India at 10.79MT was higher by 29.1% as compared to export during 2019-20 while import at 4.75 MT was lower by 29.8% over the same period. The increase in export during 2020-21 was driven mainly by exports to China. Export to other countries like Italy, Belgium and Spain also contributed to the increased export during the year. The overall import and the import from major supplying countries during the year 2020-21 declined. However, import from some countries like Vietnam, France, Germany and Taiwan registered some increase during the fiscal 2020-21 over import from them in 2019-20, respectively. The comparative position w.r.t. overall import and export along during 2020-21 and 2019-20 with its major country-wise distribution may be seen from the following graph:



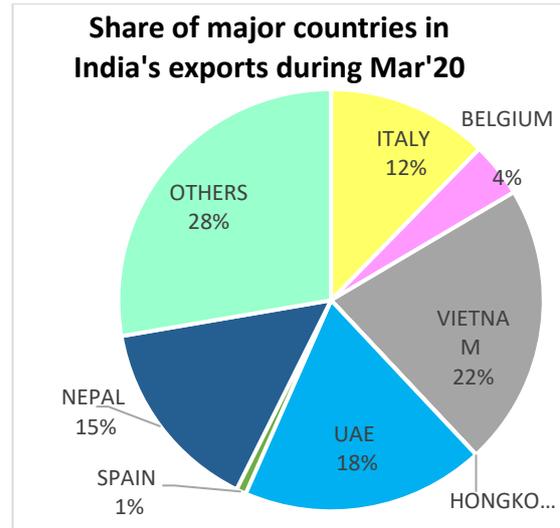
- ii. The month-wise export and import details indicate that progressive unlocking of the economy and improving economic activities led to better domestic demand resulting in decline/moderation in export from June'2020 and improvement in import from August'2020. However, during the last two months of the fiscal 2020-21, there has been an uptrend in export while import remained range bound as may be seen from the graph below:



- iii. During March, 2021, export and import increased by 125.7% and 33.3%, respectively over CPLY. M-o-M, export and import increased by 97.4% and 8.9%, respectively in March, 2021.
- iv. India was net exporter of finished steel during fiscal year 2020-21 with net trade surplus of 6.03 MT. During March, 2021 India had trade surplus of 0.79 MT.
- v. Share of Vietnam, France and China increased in total steel import of India in March, 2021 as compared to March, 2020 while it declined for Korea and Japan over this period as may be seen from the following graph:

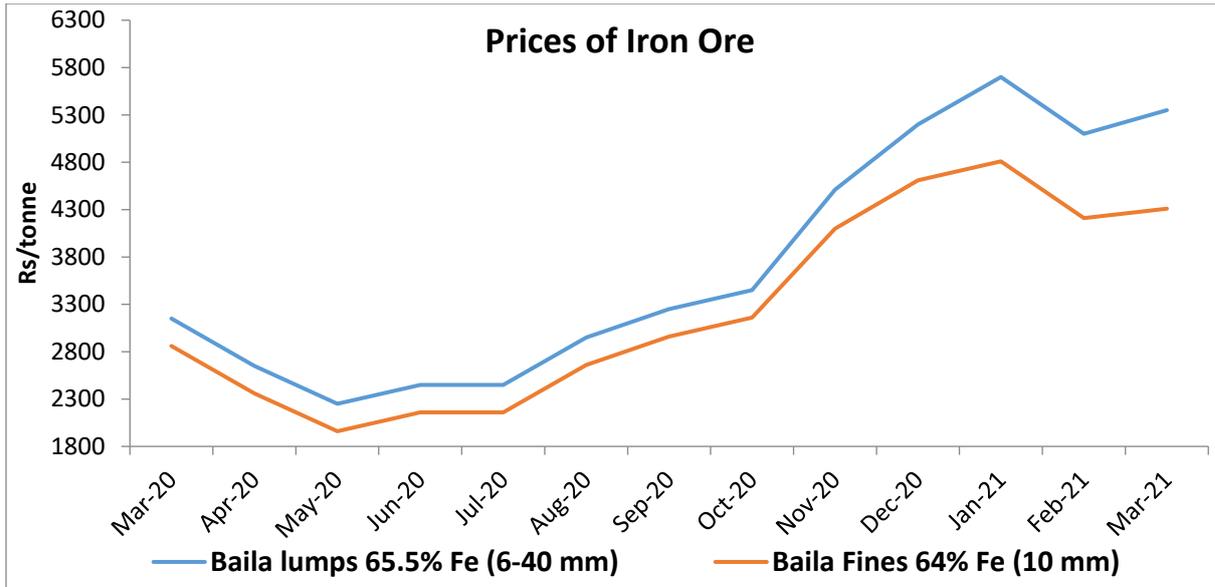


- vi. Share of Italy, Spain, Belgium and Hongkong in total steel export from India was higher in March, 2021 as compared to March, 2020. However, it declined for Nepal, Vietnam and UAE during the same period [graph following].



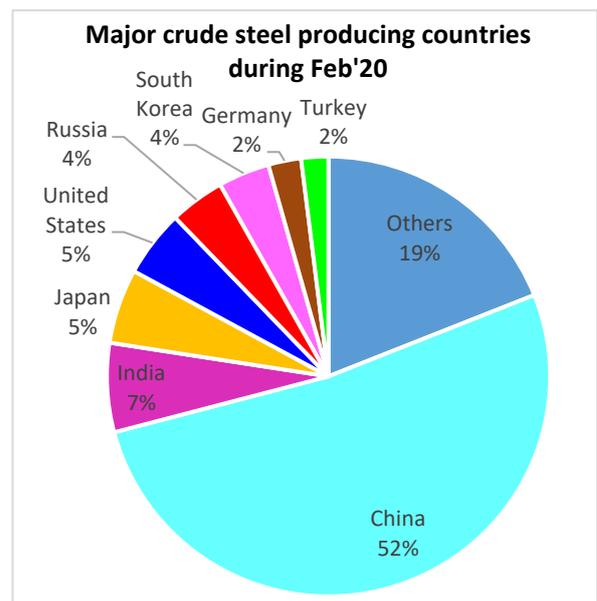
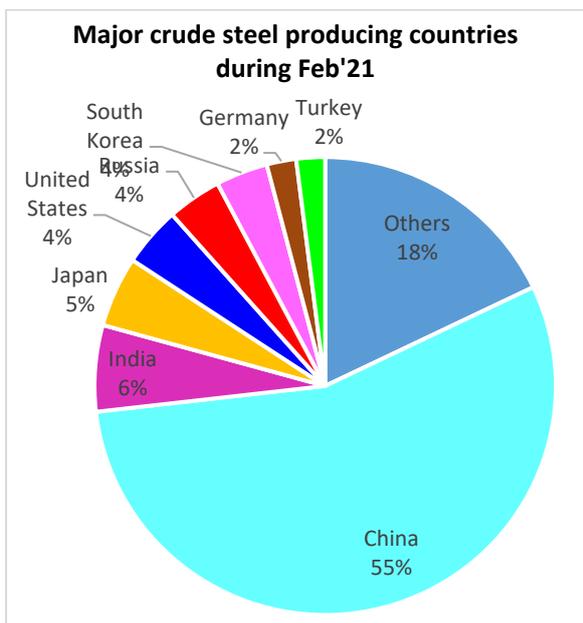
18. Price scenario:

- i. Prices of iron ore lumps increased by 4.9% to Rs.5350/tonne and that of fines by 2.4% to Rs.4310/tonne respectively, during the month of March, 2021 over their respective prices in February, 2021. Increase in price of iron ore may be due to improvement in domestic demand.
- ii. NMDC achieved highest ever production and sales of iron ore in March, 2021 at 45.68 lakh tonnes and 40.84 lakh tonnes respectively. The production and sales of iron ore were 66% and 51.0% higher than production during CPLY, respectively. SAIL booked 8.4 lakh tonnes of iron ore for sale and despatched 6.5 lakh tonnes during the month, taking the total sales of iron ore fines during 2020-21 to 45.5 lakh tonnes.
- iii. The retail prices (Mumbai prices) of Rebar, HRC and CRC increased by 1.02%, 0.79% and 0.52% respectively on M-o-M basis.
- iv. The trend in iron ore prices may be seen from the following graph:



19. BSE Sensex declined marginally by 0.48% during March, 2021. However, BSE Metal Index showed an upward trend registering an increase of 3.14% during the month.

20. The global production of crude steel increased in February, 2021 by 4.12% over February, 2020 driven primarily by the enhanced production in China. Other major producing countries registering growth over their production in February, 2020 include Vietnam, Iran, Brazil, South Korea and Mexico Vietnam. However, the production during February, 2021 was lower as compared to the respective production in February, 2020 for some major producing countries like India, Japan, USA, Germany, Russia etc. Therefore, China's share in the global production of crude steel has increased for this period while the share of other major producers remained stable or witnessed a decline as may be seen from the following graph:



21. Need for enhancing procurement through GeM, including by on-boarding of additional items on GeM, has been reiterated to steel CPSEs after joint review with CEO GeM on 24th August 2020. The details of procurement of goods and services through GeM Portal by Ministry of Steel and Steel PSUs are as following:

| Organization | March, 2021 | | 2020-21 | |
|-------------------|---------------|--------------------------------|---------------|--------------------------------|
| | No. of Orders | Value of orders (Rs. in Lakhs) | No. of Orders | Value of orders (Rs. in Lakhs) |
| Ministry of Steel | 10 | 2.42 | 287 | 151.11 |
| Steel CPSEs | 552 | 14308.17 | 4081 | 62480.10 |