

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

Udyog Bhawan, New Delhi
Dated: 30th May, 2022

OFFICE MEMORANDUM

Subjet: Monthly Summary for the Cabinet for the month of April, 2022.

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 April, 2022 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**

अप्रैल – 2022

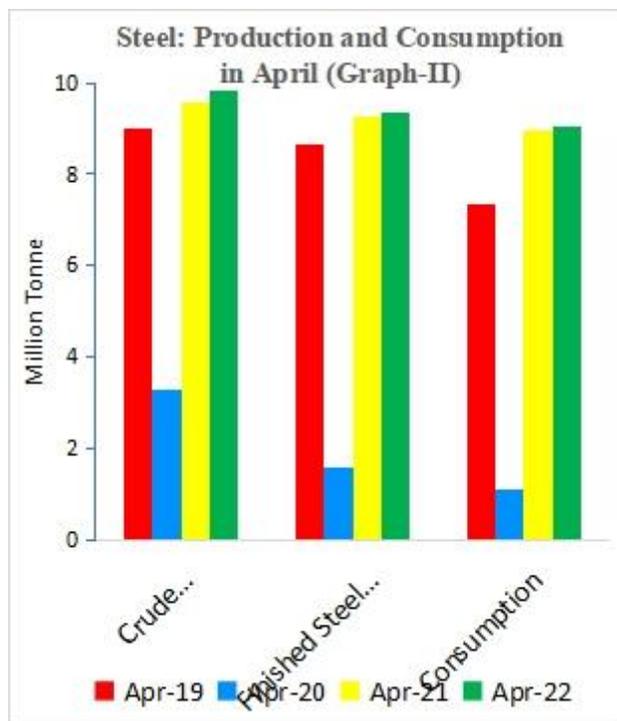
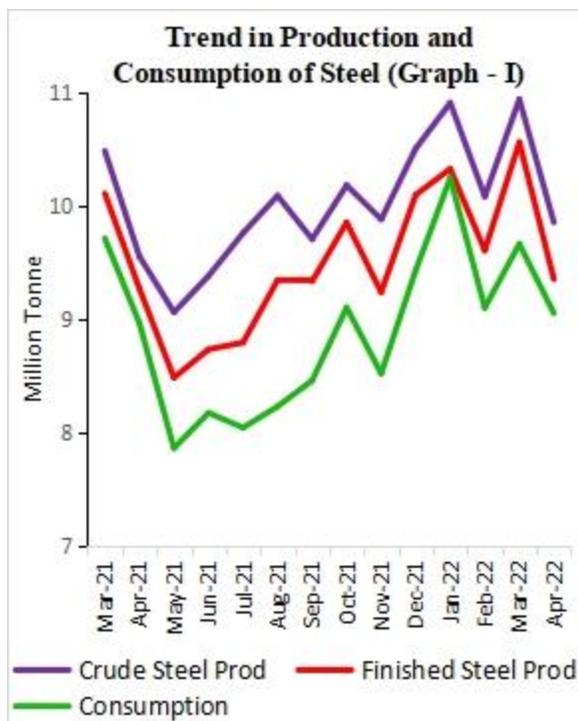
April - 2022

भारत सरकार /GOVERNMENT OF INDIA

इस्पात मंत्रालय/ MINISTRY OF STEEL

The important developments in the steel sector during the month of April, 2022 are as following:

1. Ministry has initiated preparation of framework document for development of Multi-modal connectivity, as envisaged under PM GatiShakti National Master Plan so as to provide integrated and seamless connectivity for movement of much larger volumes of raw materials and finished products emanating from the enhanced production capacity of 500 MT for steel industry envisioned over Amrit Kaal i.e., by 2047.
2. A meeting with stakeholders of steel Industry was held on 20th April, 2022 under the chairmanship of Hon'ble Minister of Steel to discuss the roadmap for achieving targets as per National Steel Policy (NSP), 2017, creating a globally competitive steel industry in India and achieving Government's vision of Aatmanirbhar Bharat in specialty steel by taking advantage of Production Linked Incentives (PLI) Scheme for Specialty Steel launched by the Ministry. Stakeholders, including private steel sector companies, were urged to contribute towards the target of 500 million tonnes (MT) of green and clean steel capacity in the country in the 25 years of the Amrit Kaal.
3. HSM met a high-level delegation from International Renewable Agency (IRENA) in New Delhi, on 27th April, 2022 and discussed issues relating to use of renewable energy in Indian steel industry. Matters like, achievements of the world in the field of decarbonisation, international cooperation for technology, need for technical and financial help for establishing pilot plant to develop green hydrogen for green DRI as well as carbon capturing, need for technology to make small industries energy efficient etc., were also discussed.
4. The month-wise production of both crude and finished steel as well as consumption of finished steel over the recent months indicates to an overall increasing trend with month-on-month (M-o-M) fluctuations in production and consumption (Graph – I). Production of both crude and finished steel as well as consumption of finished steel was highest in April'22 when compared to previous three years (Graph – II) however, production and consumption of steel was lower than that in the previous month i.e., March'22 (Graph –I).



5. In sync with the overall performance of the sector during the month, the Steel CPSEs, except RINL, have registered an improvement in performance in April'22 over CPLY but a decline M-o-M as may be seen below:

- i. During April'22, SAIL produced 15.82 lakh metric tonne (LMT) of Hot Metal, 14.48 LMT of Crude Steel and 13.46LMT of Saleable Steel by SAIL recorded an increase of 15.4%, 17.7% and 7.3% respectively over CPLY. While Production of Hot Metal, Crude Steel and Saleable Steel decreased by 10.6%, 12.3% and 15.7% MoM respectively.
- ii. Production of iron ore by NMDC at 31.49 LMT in April'22 registered an increase of 0.6% over CPLY but a decline of 36.6% M-o-M. Sale of iron ore by NMDC at 31.20 LMT during the month was higher by 1.0% over CPLY but lower by 25.9% M-o-M.
- iii. During April'22, KIOCL produced 1.94 LMT of Pellets which was 7.8% higher than CPLY and sold 1.65 LMT of Pellets which is an increase of 3.8% over CPLY. M-o-M, production and sales of Pellets by KIOCL in April'22 was lower by 26.8% and 56.5%, respectively.
- iv. During April'22, production of Manganese ore by MOIL at 1.04 LMT was 41.6% higher than CPLY but 23.5% lower M-o-M. While its sales during April'22 at 0.57 LMT was 22.5% higher than CPLY but 65.9% lower M-o-M.
- v. In April'22, RINL achieved production of 3.02 LMT of Liquid Steel, 3.50 LMT of Hot Metal and 2.88 LMT of Crude Steel which is 26.7%, 16.9% and 26.7% lower

than its production in March'22 respectively and 38.6%, 35.2% and 38.8% lower than CPLY respectively.

6. Ministry has instituted 'National Metallurgist Award 2021' with the objective of recognising the outstanding contribution of metallurgist /engineers working in the field of Iron & Steel covering Manufacturing, R&D, Design, Education, Waste management, Energy Conservation and their specific contribution to achieve objectives of Aatmanirbhar Bharat. The Award is in line with the vision of Hon'ble Prime Minister regarding rationalisation of the awards. HSM gave the Lifetime Achievement Award, National Metallurgist Award, Award for R&D in Iron & Steel Sector and Young Metallurgist (Metal Science) for National Metallurgist Award at the function hosted by Ministry on 20th April, 2022 at New Delhi.

7. Enforcement dates of two items viz. Ferro Silicon (IS:1110) and Ferro Nickel (IS:4409) have been extended by six months as these are critical raw material for steel making process and sufficient number of producers are yet to obtain BIS licenses. Quality Control Order (QCO) has been enforced on a total of 142 Indian Standards out of 145 notified Indian Standards so as to ensure that only quality steel conforming to the relevant BIS standards is made available to the users.

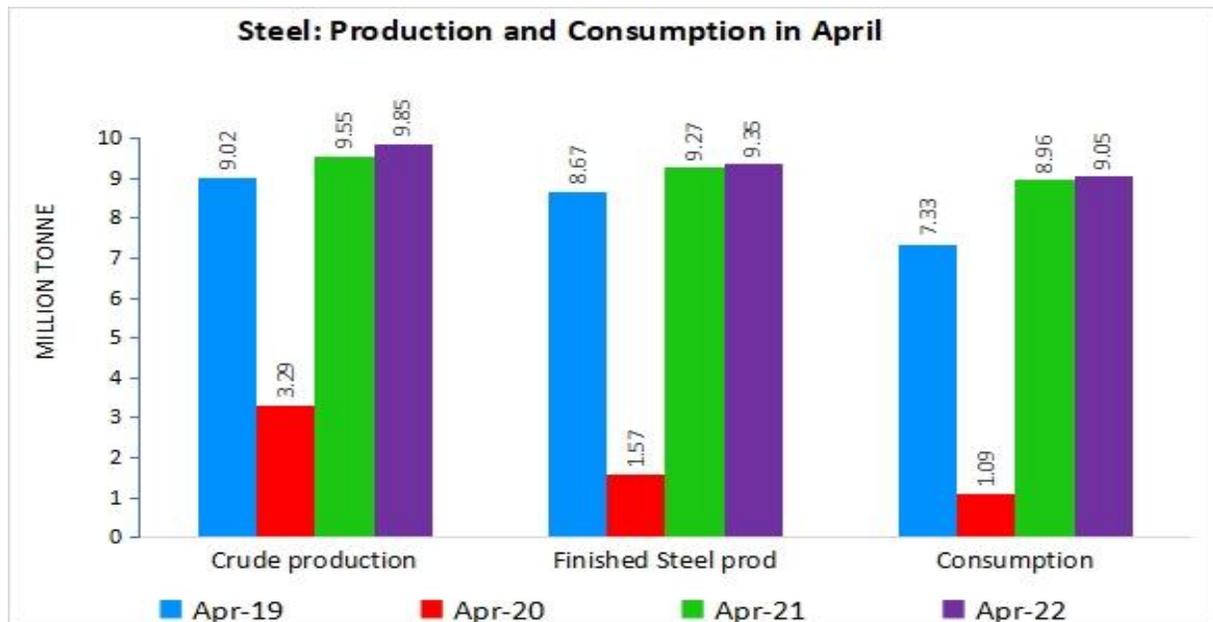
8. The capital expenditure (CAPEX) by Steel CPSEs in April'22 was Rs. 353.5 crore which is 80.2% lower M-o-M and 7.7% lower than CAPEX in CPLY. A meeting to review the CAPEX incurred by Steel CPSEs during the FY 2021-22 and to assess the plans of the CPSEs for achieving the CAPEX targets for the current year 2022-23 was held on 19th April, 2022 under the chairmanship of Hon'ble Minister of Steel with representatives of Steel CPSEs. CPSEs were directed to undertake regular milestone-based monitoring of CAPEX projects so as to ensure no slippage in achievement of CAPEX targets. In addition, CPSEs were also advised to plan and prepare the roadmap for 'Amrit Kaal', develop their exploration expertise, work for capacity enhancement while keeping climate concerns in mind, work towards production of Green Steel, prepare their skilling road maps and also diversify their portfolios with a view to remaining competitive in the market.

9. 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. 556.99 crore was made by Steel CPSEs to MSMEs during April'22 which is 56.7% higher than payments made during CPLY but 12.2% lower M-o-M.

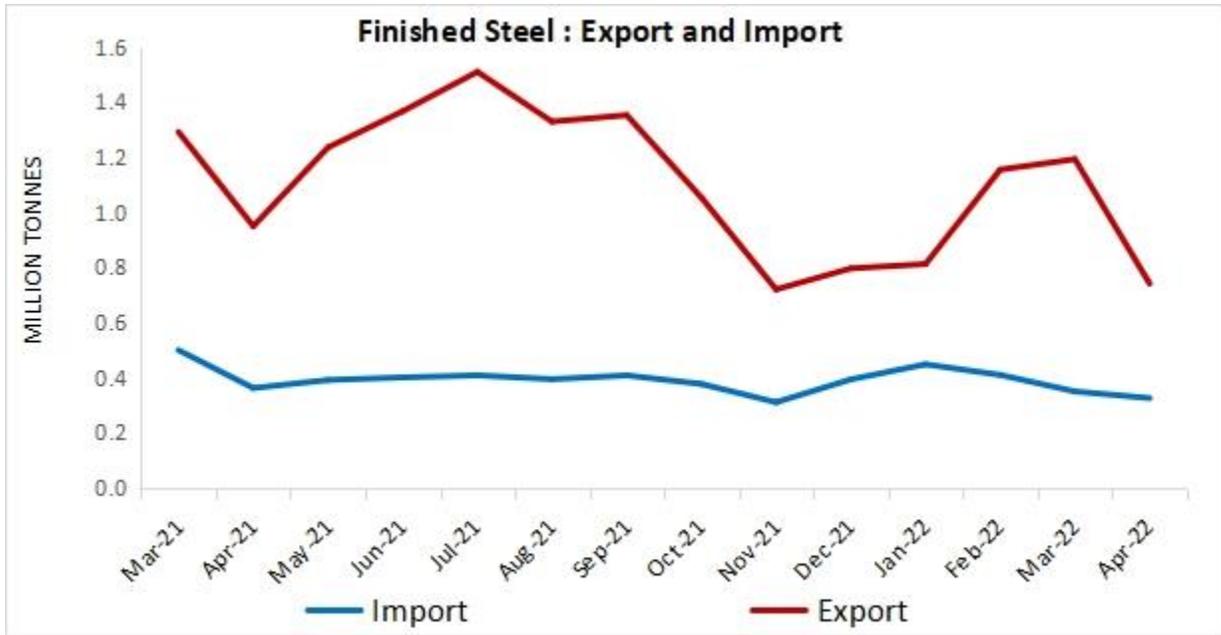
10. As a countdown to the International Yoga Day on June 21, a programme of common yoga protocol was organised by the Ministry on 23rd April, 2022 at Udyog Bhawan premises, New Delhi for better physical and mental health of officials of the Ministry. Secretary (Steel) led the yoga session which was guided by experts from Morarji Desai National Institute of Yoga.

11. Production and Consumption Scenario:

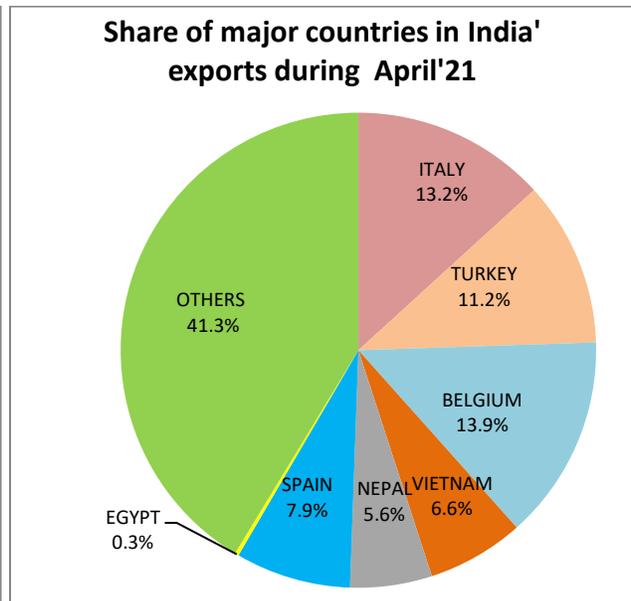
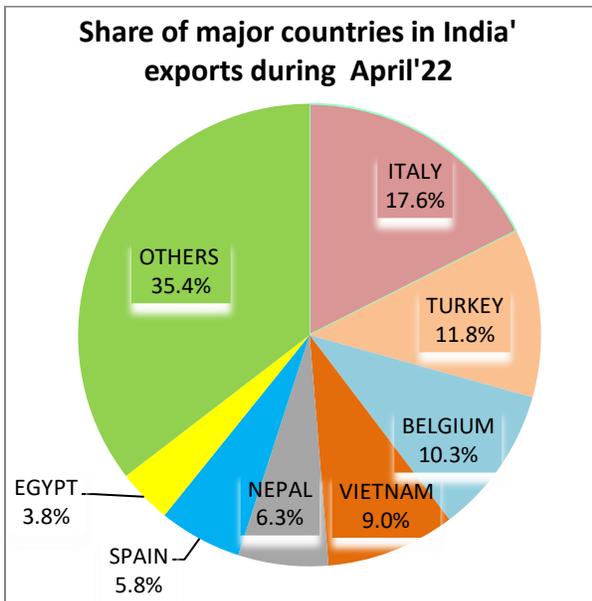
- i. A comparison of production and consumption of steel during the month of April over four years indicate that production of crude and finished steel as well as consumption of finished steel during April'22 is higher than that in the corresponding month of the last three years as may be seen from following Graph:



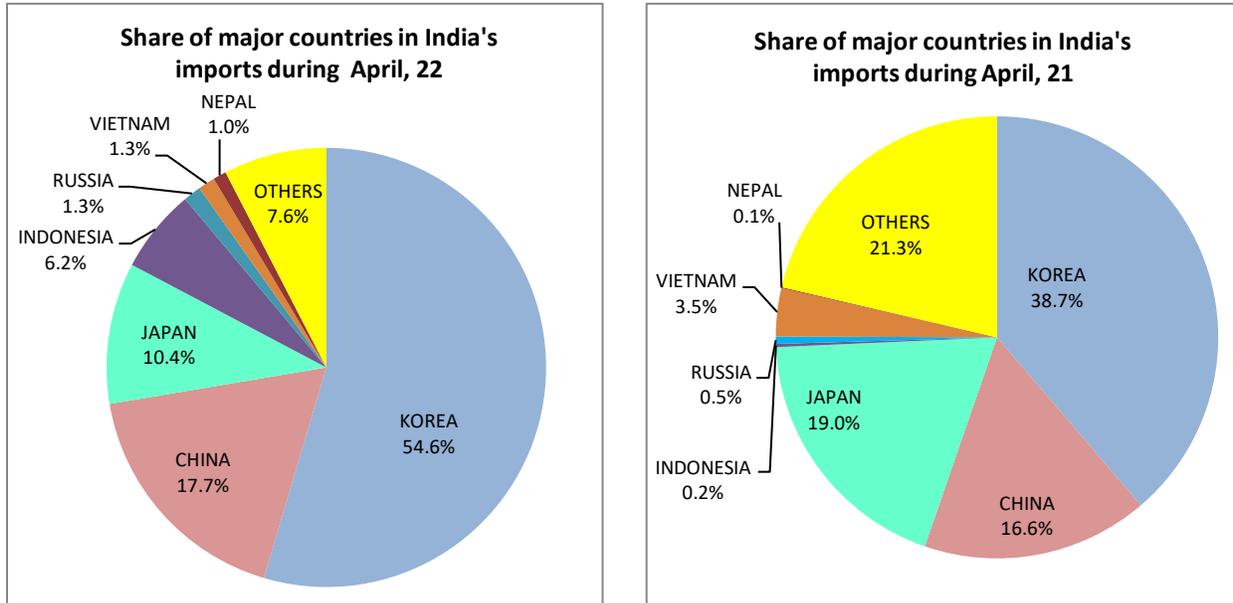
- ii. Production of crude steel in April'22 at 9.85 MT increased by 3.1% over CPLY but declined by 10.9% M-o-M.
 - iii. Production of finished steel in April'22 at 9.35 MT was 0.9% higher over its production during CPLY but decreased by 12.9% M-o-M.
 - iv. Consumption of finished steel in April'22 at 9.05 MT is higher by 1.0% over its production during CPLY but lower by 8.1% M-o-M.
 - v. Inventories of the finished steel with the steel producing companies at 7.87 MT the end of April'22 was lower by 1.4% M-o-M and 9.3% over CPLY.
12. **Export-Import Scenario:** The month-wise trend in export and import of finished steel during recent months shows that India's export during a month has consistently exceeded import during that month. Also, export of finished steel from India has shown more pronounced M-o-M variation while imports have been relatively stable as may be seen from the graph below.



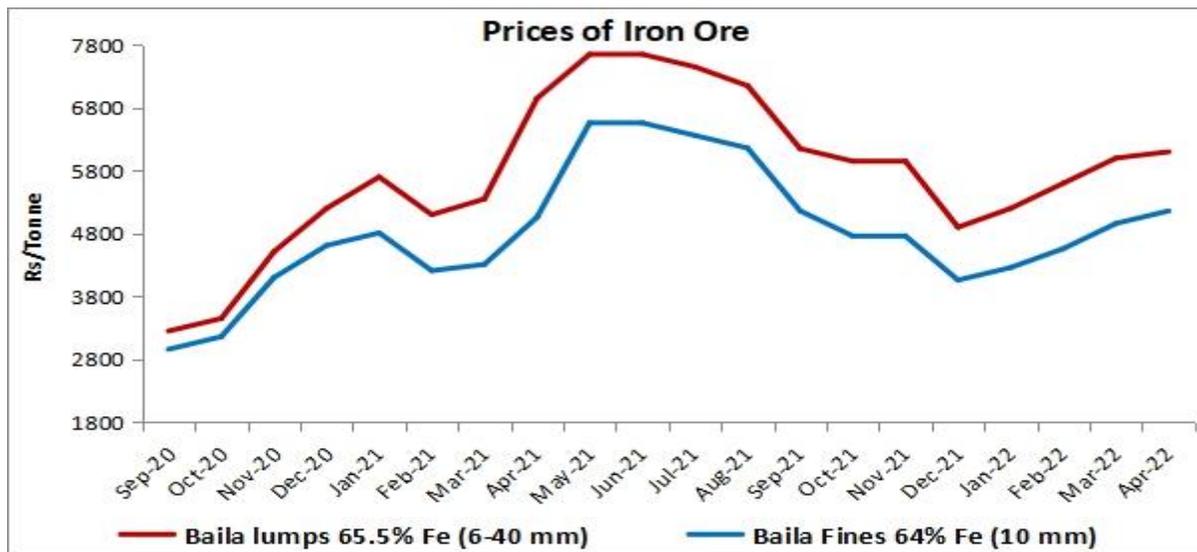
- i. Export of finished steel during April'22 at 7.43 LMT declined by 21.9% while import at 3.27 LMT declined by 10.2% over CPLY. M-o-M, export and import of finished steel decreased by 37.8% and 6.8%, respectively.
- ii. India was net exporter of finished steel recording a net trade surplus of 4.16 LMT in April'22.
- iii. Share of Italy, Turkey, Vietnam, Nepal and Egypt in total steel export from India was higher in April'22 as compared to April'21. However, share of Belgium and Spain in India's total steel export declined over the same period as may be seen from the following graph.



iv. Share of Korea, China, Indonesia, Russia and Nepal increased in total steel import of India in April'22 as compared to April'21 while share of Vietnam and Japan declined over this period as may be seen from the following graph:



13. **Price scenario:** Prices of iron ore, after hitting peak in May-June'21 followed a declining trend since July'21 till December'21 but started increasing again from January'22. However, the rate of increase in prices of iron ore moderated during April'22 as may be seen from the graph below:



- i. During the month of April'22, prices of iron ore lump increased by 1.7% to Rs.6100/tonne and that of fines by 4.0% to Rs. 5160/tonne over their respective prices in March'22.
- ii. In April'22, NMDC achieved production of 31.49 LMT and sales of 31.2 LMT of iron ore which are higher by 0.6% and 1.0% respectively than that in the CPLY. However, production and sale of iron ore by NMDC in April'22 is lower by 36.6% and 25.9% respectively over March'22. During the month SAIL produced around 27.29 LMT of iron ore which is a decline of 4.2% M-o-M and 1.0% over CPLY, respectively.
- iii. The higher input cost, specially that of coke and improved international demand as reflected in a more than 25% increase in export of finished steel during FY22 over FY21 may have put pressure on the domestic prices of steel keeping them at elevated levels. It is seen from the following graph depicting prices of steel product categories viz., Rebar, HRC and CRC that prices of CRC which was on an uptrend since February'22 has moderated in April'22. In case of HRC and Rebar also, where retail prices started rising from mid-Janauary'2022, have shown signs of moderation during April'22 but still remains elevated. To moderate the impact of higher steel prices for the steel users specially in SME and export sector, Ministry of Steel and Ministry of Commerce and Industry jointly negotiated with the integrated steel producers (ISPs) for offering steel to SME users at a lower price, providing them a relief of Rs. 2500 per tonne, on purchase of steel by them.



- iv. The retail prices for Rebar (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai on 30th April'22 at Rs. 80390/tonne, Rs. 88270/tonne and Rs. 102070/tonne were 1.8%, 3.9% and 0.1% lower than their respective prices at the start of the month.

14. As per the data released by World Steel Association (WSA), India is the only country among top 10 steel producing nations of the world, which has registered growth in steel production during January to March 2022, as compared to corresponding period last year. Further WSA data also indicate that the global production of crude steel decreased by 5.8% in March'22 over March'21 due mainly to a decline in production in China and Ukraine. In addition, few other major steel producing countries viz., Japan, Russia, South Korea, Germany, Turkey, Italy, Iran and USA also reported decline in production during the month over CPLY. The major producing countries (with production of 1 million tonne for the month) which contributed to the enhanced global production in March'22 over March'21 include India, Brazil and Taiwan. As regard the share of major producing countries in the global production of crude steel (Graph below), it is seen that due to decline in production in China and uptick/less steep decline in production in some of other major producing countries, share of China, Germany and Turkey declined while that of India, Russia, and USA, increased during this period.

