

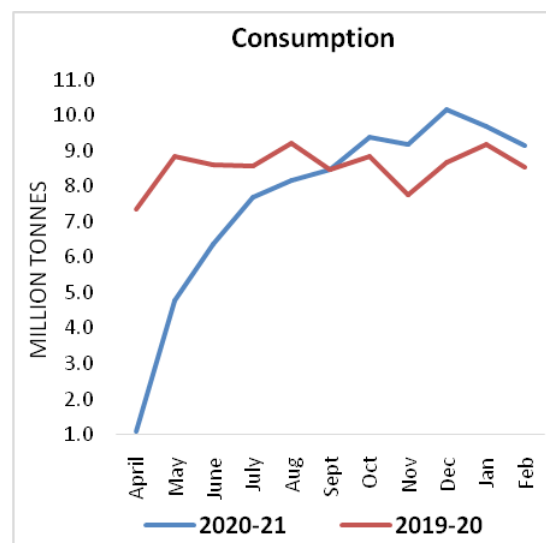
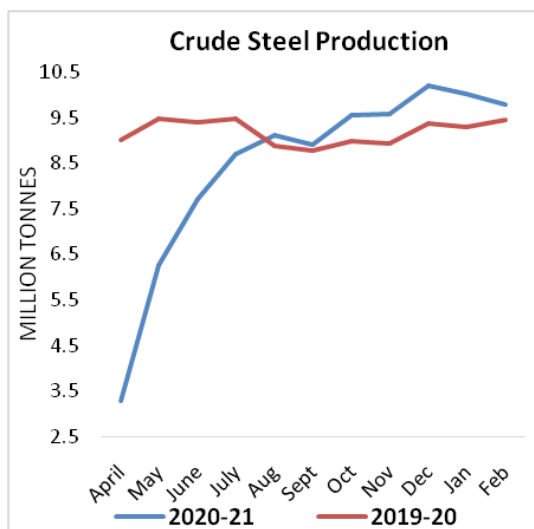
No. S-24013/1/2020-EA-RFD

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
फ़रवरी - 2021
FEBRUARY - 2021

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

During the month of February 2021, the important developments in the steel sector are as following:

1. During the current fiscal, after a significant contraction in the first quarter due to the Covid-19 pandemic and concomitant lockdown, production and consumption of steel staged a smart recovery from second quarter onwards. Since August'20, the monthly production of crude and finished steel have been consistently higher than their respective production during CPLY while monthly consumption of finished steel has remained higher than CPLY since September'20 as can be seen from the graph below:



2. During February, 2021 SAIL posted its highest ever monthly production of Hot Metal at 1.523 million tonnes(MT) and Crude Steel at 1.386 MT. Saleable Steel production of SAIL in February at 1.346 MT was 2% higher than production during CPLY. SAIL despatched 67 rakes of 260m Rails during the month, which is its best ever performance for the month of February. The average rake Loading and despatch for the month stood at 71.39 rakes per day which is the best ever for any month. SAIL has also commenced interim mining at its Rowghat Mine and transported 182 tonnes of ore by road to Antagarh Railway Siding on 5th February 2021.

3. Iron ore production and sales by NMDC for the month of February, 2021 were the highest ever for the month of February and stood at 3.86 MT (Million Tons) and 3.25 MT respectively. While the production in February 2021 increased by 19.5% over CPLY, sales registered a growth of 11.4% over the same

period. The cumulative iron ore production at 29.52 MT and sales at 29.15 MT during April-February in FY 21 were 1.4% and 0.8% higher over CPLY respectively.

4. During the month of February, 2021, KIOCL produced 2.15 lakh tonne and sold 2.10 lakh tonne of Pellets. During April-February, 2020-21, the KIOCL Pellet production stood at 19.31 lakh tonnes while sales were 20.41 lakh tonnes.

5. MSTC conducted Spectrum auction that concluded smoothly on 2nd February, 2021. Three bidders Bharti Airtel Limited, Reliance Jio Infocomm Ltd. and Vodafone Idea Ltd have actively participated in the auction. Total 74 LSA (License Service Areas) Bands (out of 138) have been auctioned at a total value of ₹ 77815 Cr. MSTC has also conducted events on behalf of OMC to select Mine Developer & Operators for five Iron Ore mines. MSTC conducted auction for sale iron ore worth of ₹160 Crore on behalf of JSW Steels Ltd which is its first auction for any Private organisation. The Service Provider Agreement for MSTC with Reserve Bank of India has been renewed for another 5 years for e-Procurement services.

6. The Ambassador of Kazakhstan to India, H.E. Mr. Yerlan Alimbayev, met the senior officers of NMDC on 11th February, 2021 to discuss ways to leverage NMDC's capabilities to further strengthen the Kazakh mining industry, including a plan to focus on strengthening the strategic partnership with high-level visits and mutual collaborations. Kazakhstan remains one of the world's most promising emerging markets for natural resources and is one of the 10 leading countries in the world for mineral reserves.

7. The CAPEX of the large companies of Ministry of Steel, SAIL, RINL, NMDC were reviewed and SAIL and NMDC were directed to redouble their efforts to achieve the CAPEX target for this fiscal.

8. Asset monetization initiatives of RINL, SAIL and NMDC were reviewed by the Ministry. The companies reported the progress of assets that are under strategic disinvestment as well as their core and non-core assets. The possibility of selling these non-core assets and the possible realizations was also discussed.

9. The 2nd meeting of Inter-Ministerial Steering Committee (IMSC) on steel sector National Infrastructure Pipeline (NIP) projects was held on 23rd February, 2021 to facilitate resolution of issues related to central clearances. Further, Hon'ble Finance Minister reviewed the progress of NIP projects on 26th

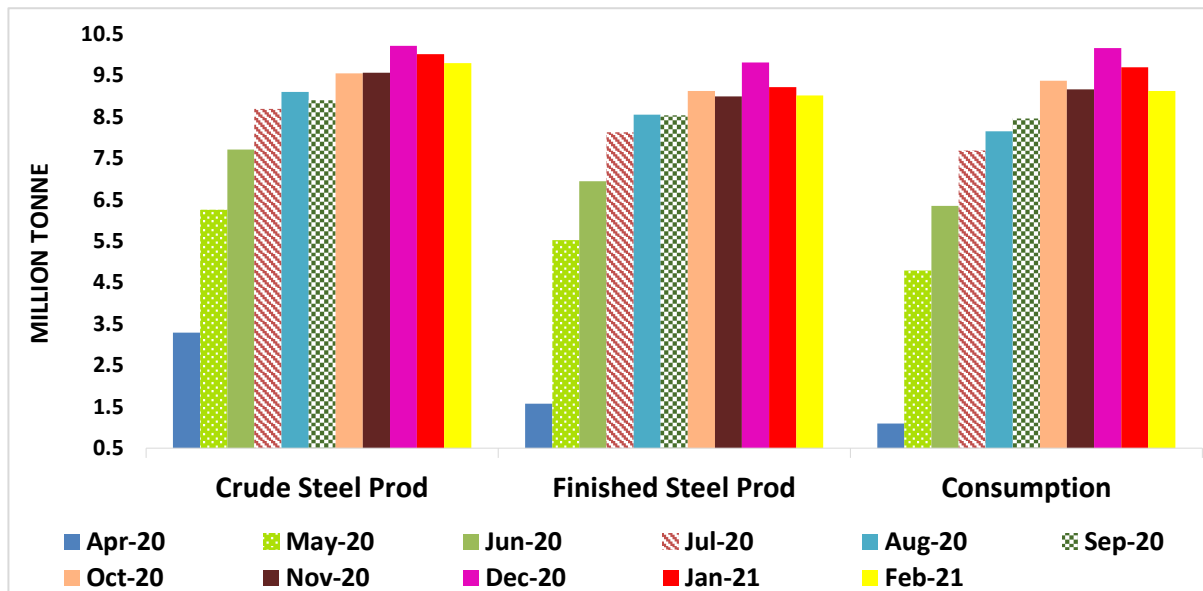
February, 2021. Presently, eight steel sector projects including seven in private sector are included in NIP with an outlay of Rs. 21,340 crore planned during FY20-FY25.

10. 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. 295.26 crore was made by steel PSEs to MSMEs during February 2021 as against Rs. 269.53 crore during January 2021.

11. To provide level-playing field to all steel producers including SME segment in the sector, Ministry of Steel has been pursuing the matter with MoRTH, MoHUA and Railways, to adopt a route agnostic approach while selecting vendors for supply of steel. It has been clarified from time to time that the steel producers should not be discriminated based on the routes of production such as BF-BOF or EAF/EIF route and use of raw materials such as Iron Ore, Scrap or DRI, as long as the steel produced is as per the relevant Indian standards. MoRTH has now issued the requisite order on 12th February, 2021 that all steel – whether produced from ore, billets, pellets or melting or scrap – would be allowed to be used for National Highway construction, as long as it meets the standards required for specific grades of steel.

12. Production and Consumption Scenario:

- i. During the current fiscal (April-February, 2020-21) the cumulative production of crude steel at 93.11 MT and finished steel at 85.42 MT declined by 7.9% and 10.5% respectively over CPLY, due mainly to the COVID-19 induced contraction in the first quarter. The consumption during same period at 84.07 MT was lower by 10.5% over CPLY. The month-wise production of crude and finished steel and consumption of finished steel during the current fiscal may be seen in the graph below:



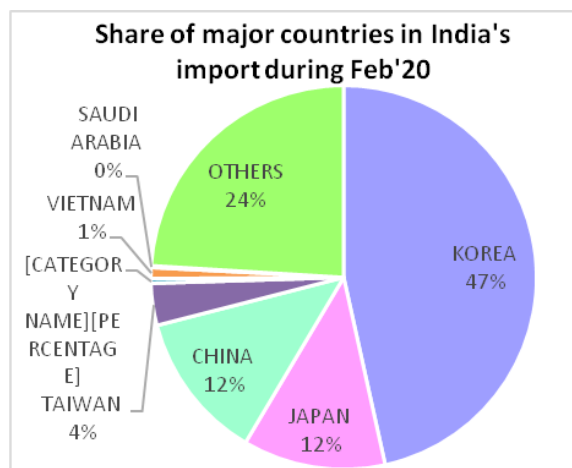
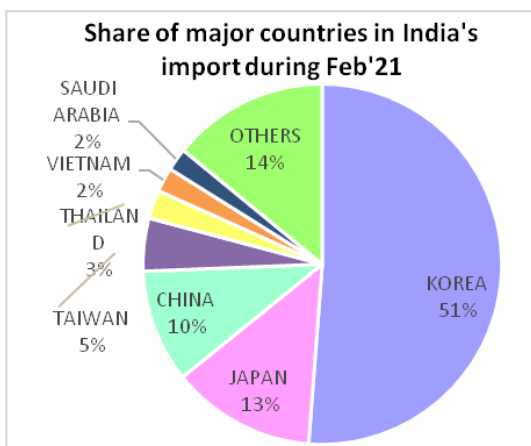
- ii. Production of crude steel in February 2021 increased by 3.8% over same month of the last year. However, it was lower by 2.2% as compared to production in January 2021.
- iii. Production of finished steel in February 2021 was 5.3% higher than that in the same month of last year i.e., February, 2020 but was 2.2% lower than production in January 2021.
- iv. Consumption of finished steel in February 2021 registered an increase of 6.7% over February 2020 but it declined by 5.9% on M-o-M basis.
- v. The increase in consumption and net export during this fiscal has also led to absorption of inventories with the steel producing companies resulting in a lower closing stock of 9.8 MT of finished steel at the end of February 2021 which is 3.0% lower than that at the end of previous month and 24.0% lower than the same month of previous year.

13. Export-Import Scenario:

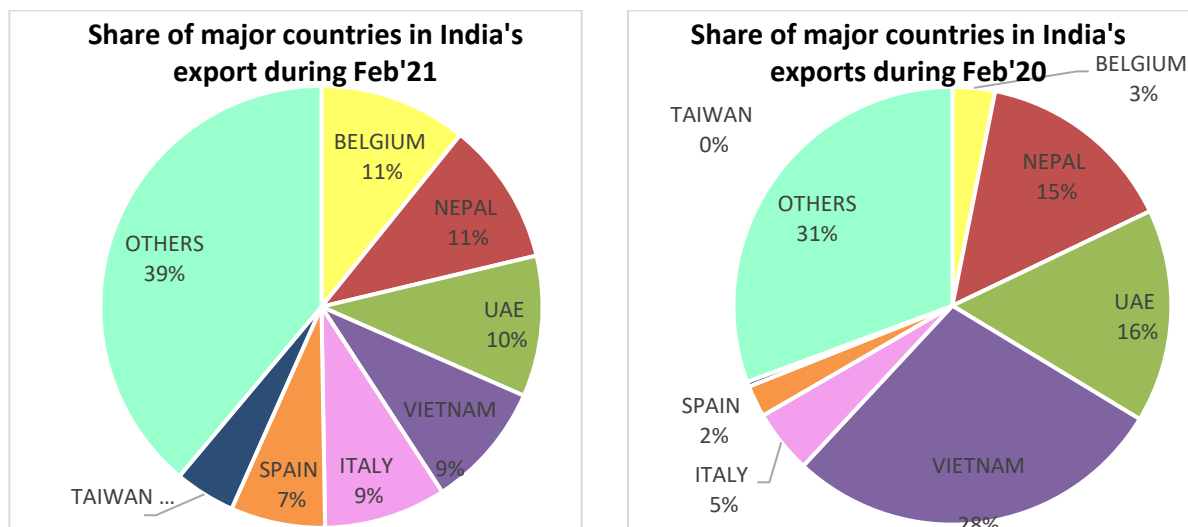
- i. During the current fiscal (April – February, 2020-21) export of finished steel from India at 9.49 MT increased by 22.0% while import at 4.25 MT have declined by 33.5% over CPLY. India was net exporter of finished steel during this period with net trade surplus of 5.24 MT. The progressive unlocking of the economy and improving economic activities has led to better domestic demand resulting in decline/moderation in export and improvement in imports in recent months. However, during February 2021, there has been some uptick in export while import declined as may be seen from the graph below:



- ii. During February 2021, exports and imports increased by 14.9% and 14.7%, respectively over CPLY. M-o-M, export increased by 25.3% and import decreased by 21.0% in February 2021.
- iii. India was a net exporter of finished steel during February, 2021 with a marginal trade surplus of 0.20 MT.
- iv. Share of Korea, Japan, Vietnam, Saudi Arabia and Taiwan increased in total steel import of India in February 2021 as compared to February 2020 while it declined for China over this period as may be seen from the graph below:

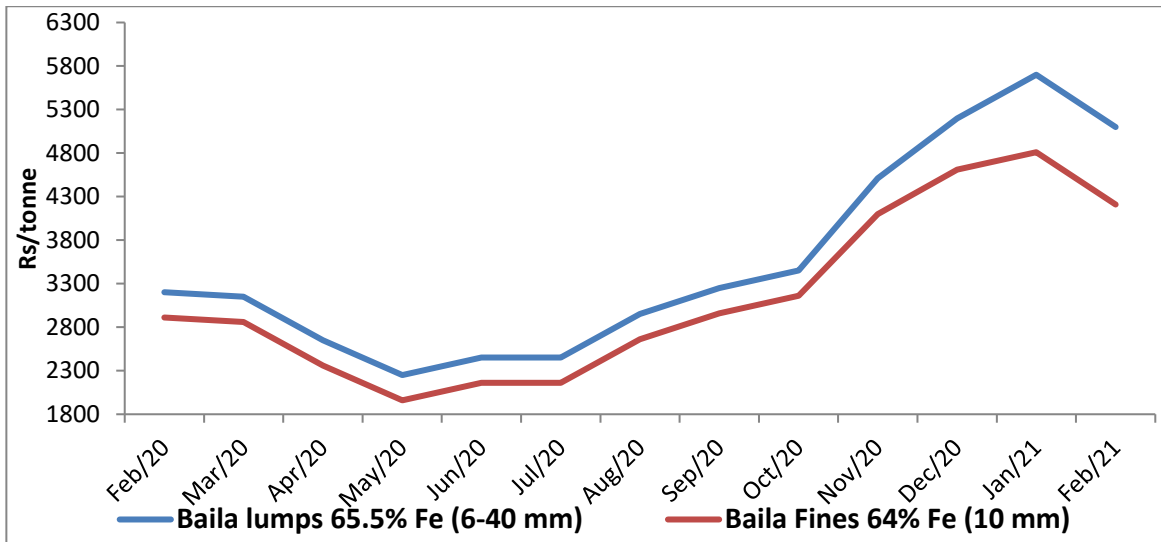


v. Share of Italy, Spain, Belgium, South Africa, Taiwan Romania and Saudi Arabia in total steel exports from India was higher in February 2021 as compared to February 2020. However, it declined for Nepal, Vietnam and UAE during the same period [graph below].



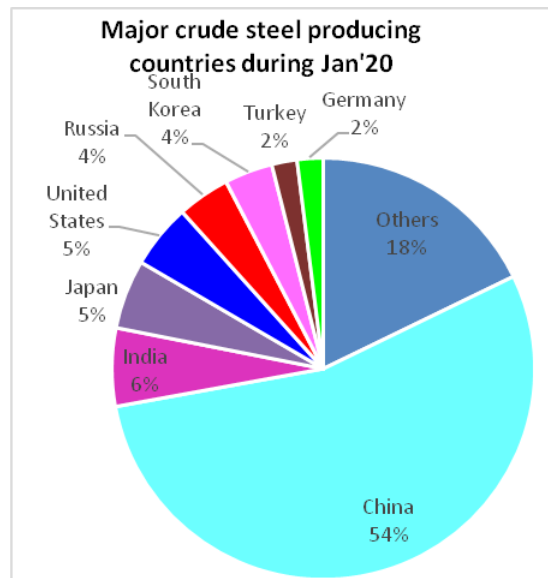
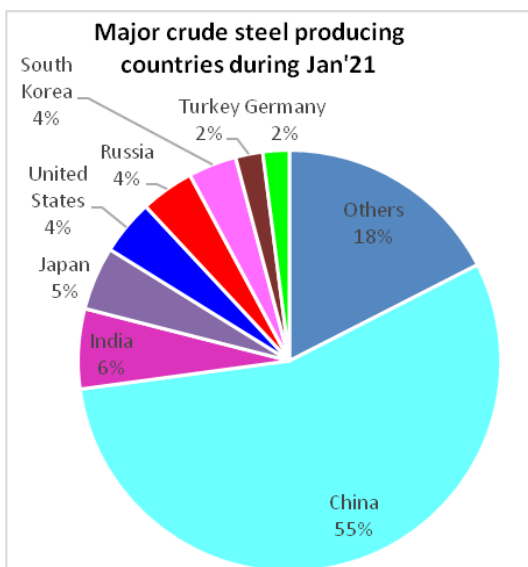
14. Price scenario:

- i. Prices of iron ore lumps decreased by 10.5% to Rs. 5100/tonne and that of fines by 12.5% to Rs. 4210/tonne respectively, during the month of February 2020. Decline in price of iron ore may be due to its lower demand from domestic market and some moderation in prices in the international market
- ii. NMDC achieved highest ever production and sales of iron ores for the February during the current fiscal at 38.59 lakh tonnes and 29.14 lakh tonnes respectively. The Production and sales of iron ore were 20% and 11.0% higher than production during CPLY, respectively. SAIL booked 7.8 lakh tonnes of iron ore for sales during the month.
- iii. The retail prices (Mumbai prices) of Rebar, HRC and CRC declined by 5.90%, 2.66% and 2.95% respectively on M-o-M basis.
- iv. The trend in iron ore prices may be seen from the graph below:



15. BSE Sensex and BSE Metal Indices, showed an upward trend during February, 2021 registering an increase of 5.6% and 24.2% respectively, indicating positive sentiment.

16. The global production of crude steel increased in January, 2021 by 4.76% over January, 2020 with most of the major producing countries viz., China, India, Turkey, Russia, Brazil, Germany, Iran, South Korea, Mexico and Vietnam registering growth over their production in January 2020. The major contribution to this increase in global production during January 2021 came from China which registered an increase in its share of the global production for this period. Share of other major producers of crude steel in global production remained stable or witnessed a decline during this period as can be seen from the graph below:



17. The details of procurement of goods and services through GeM Portal by Ministry of Steel and Steel PSUs are as following:

Organization	February 2021		April-February, 2020-21	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	15	0.58	277	148.69
Steel CPSEs	342	3822.52	3239	48014.79