

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

मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL
नवंबर - 2020
November - 2020

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

Monthly Summary for the Cabinet for the month of November, 2020:-

During the month of November 2020, the important developments in the steel sector are as following:

1. The Union Cabinet, in its meeting held on 11th November 2020, approved the Production Linked Incentive (PLI) scheme for ten champion sectors as a step towards PM's vision of **Aatmanirbhar Bharat**. "Speciality Steel" incorporating four different product categories is also included for incentive under the Scheme. The preliminary details of the Scheme have been worked out after discussions with the manufacturers and the Note for consideration of the Expenditure Finance Committee (EFC) is under finalization.
2. Ministry of Steel has notified 31 additional Indian Standards for steel and steel products in Gazette on 13th November 2020. With this, the total number of Indian standards for steel and steel products under Quality Control Order has increased to 144. Implementation of Quality Control Order of these 144 Indian Standards would ensure that no sub-standard/defective steel is manufactured/imported in the country and only quality products are available for sale.
3. During November, SAIL produced 1.351 MT saleable Steel which is best ever showing for the month of November with the production having gone up by 5% over CPLY. Cumulative despatch of rails upto November, 20 stood at 7.81 lakh tonne which is the best ever performance of the period. The long Rails components in the same stood at 4.83 lakh tonne which is again the best ever performance during the period with growth of 23% over CPLY. Cumulative sale during April-November, 20 stood at 9.34 MT which is the best ever production for the period and an improvement of 3% over CPLY.
4. Due approval for NMDC to buy back its shares has been obtained and conveyed to them. NMDC has been authorised to tender 13.12 crore shares at the price off Rs. 105 per equity in buy back. The draft letter of offer has been filed with SEBI. Buy Back Issue will be opened for all shareholders including government within five days of receipt of clearance of the draft letter of offer by SEBI.
5. NMDC in association of IIT- Hyderabad has launched an incubation and fellowship programme to support deep-tech start-up on 04.11.2020. The programme is a joint initiative of NMDC and i-TIC Foundation to promote the spirit of entrepreneurship and innovation and to support the Start-up India movement.

6. MSTC has successfully sold one decommissioned 4X50 MW power plant on behalf of Chhattisgarh State Power Generation Company Limited at a price of ₹75 Crores and has also signed MoU with JSW Steels Limited for online auction of Iron Ore ROM from its mines in Odisha. Out of 38 mines put up for auction, 19 mines have been successfully auctioned.

7. During the month of November, 2020, KIOCL produced 2.34 lakh tonne and sold 2.22 lakh tonne of Pellets representing achievement of 97% and 89% respectively of the revised monthly target for production and sale. During April-November, 2020, the Pellet production stood at 13.0 lakh tonnes while sales were 14.34 lakh tonnes achieving 85% and 96% of their respective target for the period.

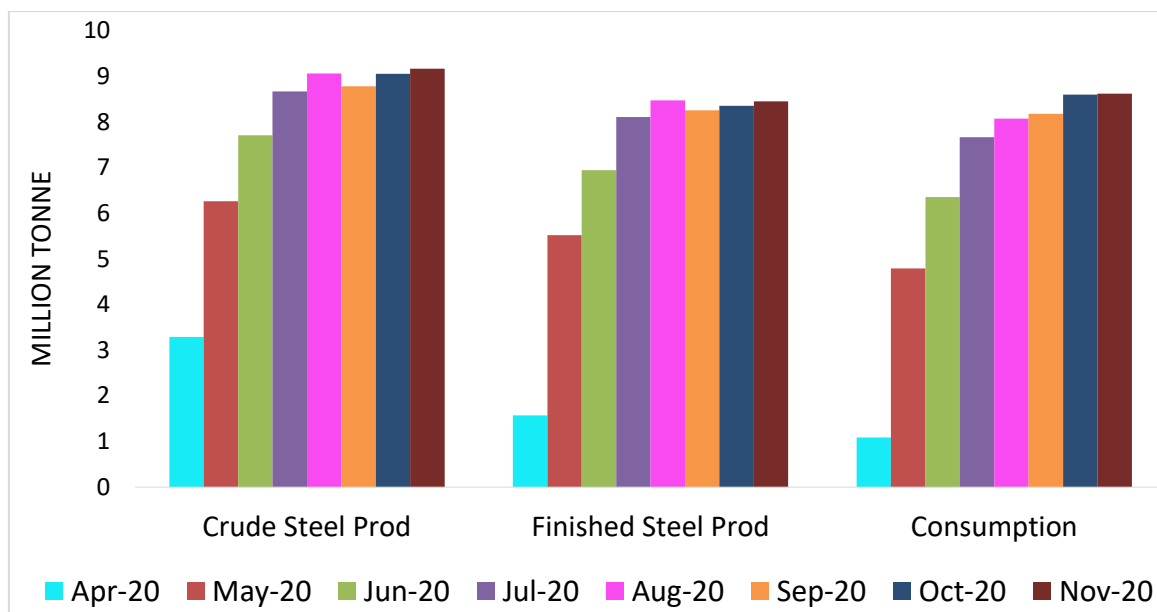
8. RINL produced 0.43 MT of crude steel during the month of November 2020 which was 15% higher than both, its production during October 2020 as well as in November 2019. However, cumulative crude steel production during April-November, 2020 at 2.23 MT was 31% lower than CPLY.

9. During the month of November, 2020, MOIL produced 1.2 lakh tonne of Manganese ores and fines which is 8.5% lower than production in the same month last year. During April-November, 2020, the cumulative production of Manganese ores and fines by MOIL stood at 6.2 lakh tonnes which is 22.8% lower than CPLY.

10. The status of clearing 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. 299.10 crore was made by steel PSEs to MSMEs during November 2020 as against Rs. 390.31 crore during October, 2020.

11. Production and Consumption Scenario:

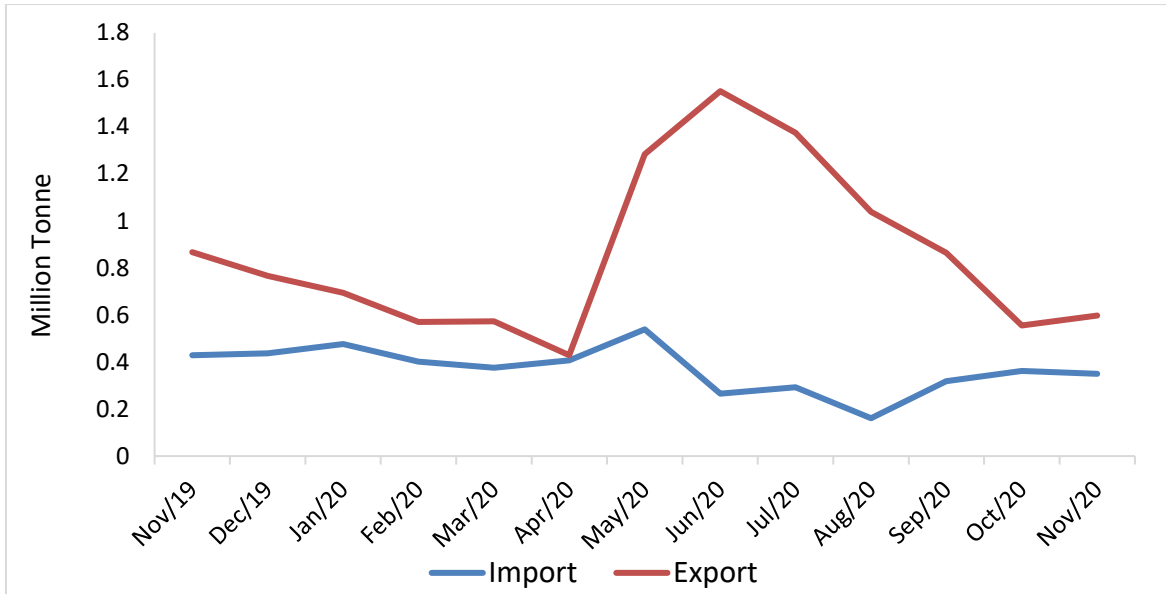
- i. During the current fiscal (April-November, 2020-21) production and consumption of steel was adversely affected by the Covid-19 pandemic and the lockdown necessitated to contain its spread. Thus, the cumulative production of crude steel at 62.01 MT and finished steel at 55.68 MT declined by (-)14.9% and (-)18.7% respectively over CPLY. The consumption during same period at 53.38 MT was lower by (-)21.0% over CPLY. However, the sector has seen improvement in production of crude and finished steel as well as consumption of finished steel, post COVID-19 pandemic and unlocking of the economy as can be seen from trend in month-wise production of crude and finished steel and consumption of finished steel during the current fiscal from the graph below.



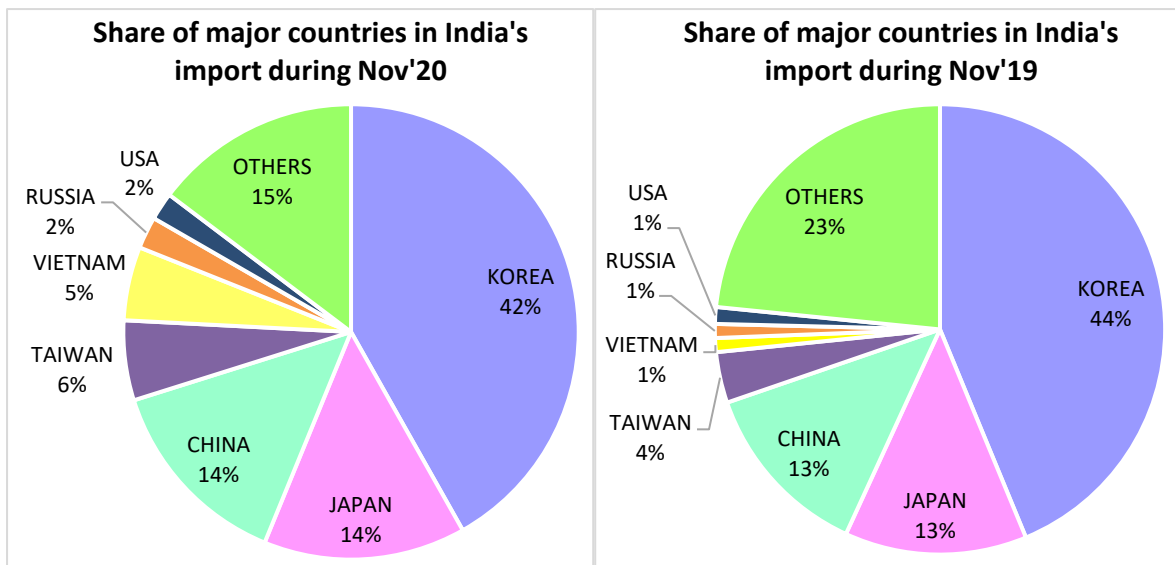
- ii. Production of crude steel recorded an increase of 1.2% in November over production in October 2020 and 2.7% increase over same month of the last year.
- iii. Production of finished steel in November 2020 was higher by 1.2% over that in October 2020 but was 1.4% lower than the production in the same month of last year i.e., November 2019.
- iv. Consumption of finished steel in November 2020 registered an increase of 0.23% on M-o-M basis and 11.0% over November, 2019.
- v. The continuous increase in consumption during this fiscal has also led to absorption of inventories with the steel producing companies resulting in a lower closing stock of 10.99 MT of finished steel at the end of November 2020 which is 3.68% lower than that in the previous month and 15.98% lower than the same month of previous year.

12. Export-Import Scenario:

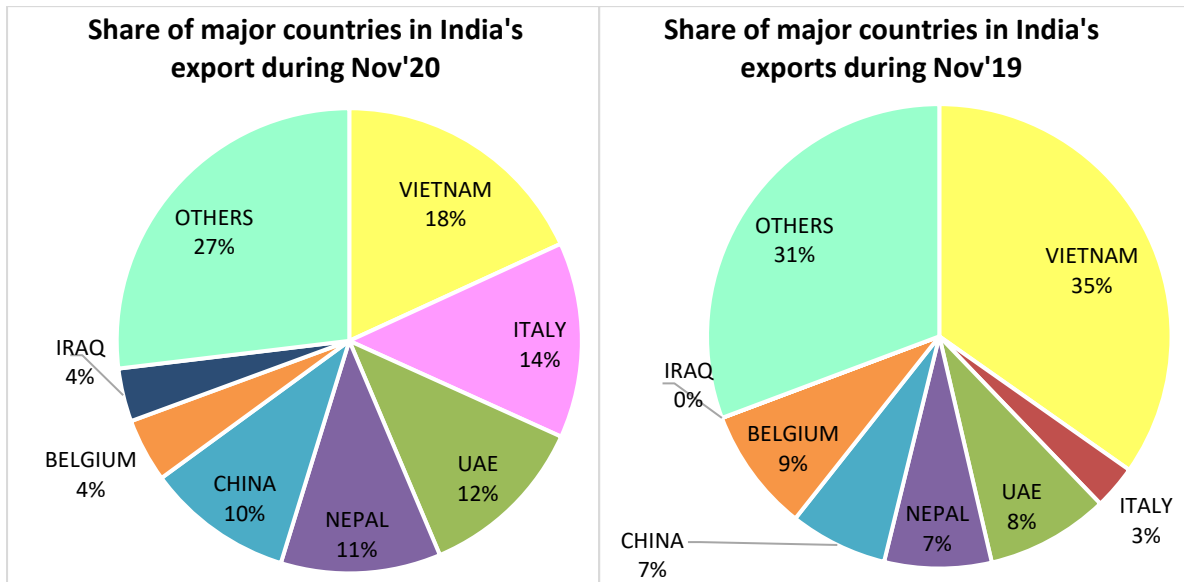
- i. During the current fiscal (April – Nov. 2020-21) export of finished steel from India at 7.70 MT increased by 33.8% while import at 2.70 MT have declined by (-)46.9% over CPLY. India was net exporter of finished steel during this period with net trade surplus of 5.0 MT. However, the progressive unlocking of the economy and improving economic activities leading to better domestic demand have resulted in decline/moderation in export and improvement in imports in recent months as may be seen from the graph below



- ii. During November 2020, export and import were lower by (-)31.0% and(-) 18.4% over that in November2019, respectively. However, M-o-M export increased by 7.8% and import declined by (-)3.4% as compared to October 2020.
- iii. India remained a net exporter of finished steel during November, 2020 with a net trade surplus of 0.25 MT.
- iv. Share of Vietnam,Taiwan, Japan, USA, Russia and China in total steel import of India increased in November 2020 as compared to November 2019 while it declined for Korea over this period as may be seen from the graph below:

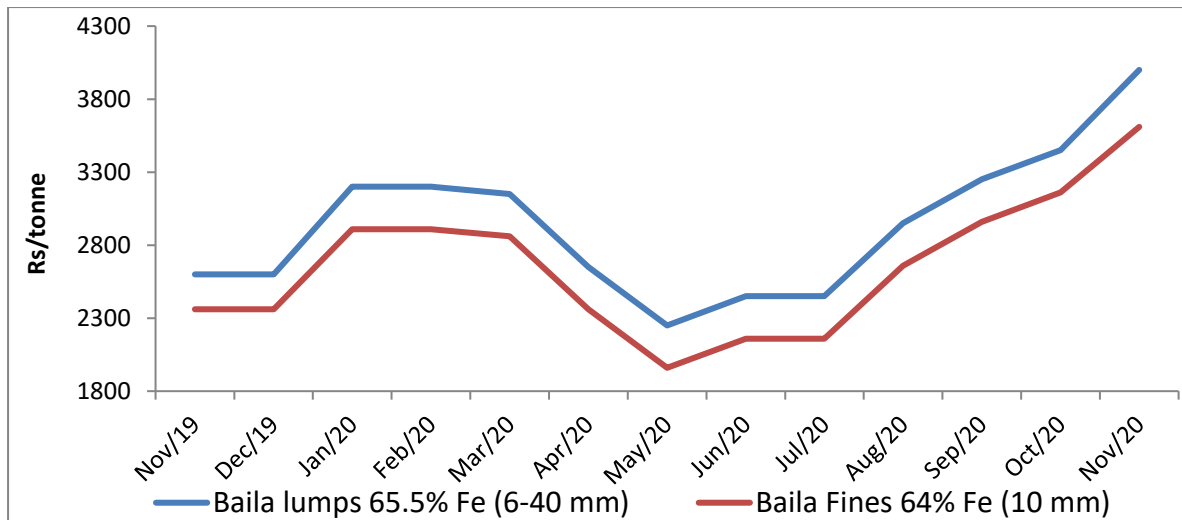


- v. Share of China, UAE, Italy, Nepal and Iraq in steel exports from India was higher in November 2020 as compared to November 2019. However, it declined for Vietnam and Belgium during the same period [graph below].



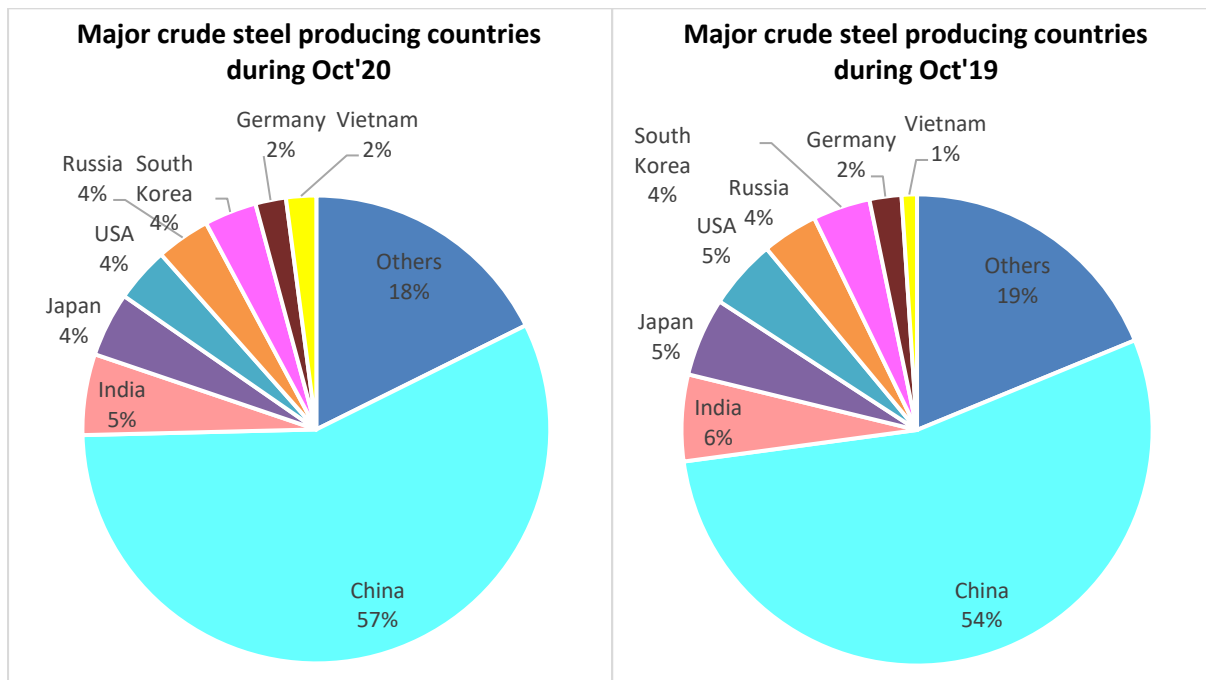
13. **Price scenario:**

- i. Prices of iron ore lumps increased by 15.9% to Rs.4000/tonne and that of fines by 14.2% to Rs.3600/tonne respectively, during the month of November 2020. Increased price of iron ore was due to increased demand of iron ore from domestic market and firm prices in the international market.
- ii. NMDC produced 33.26 lakh tonnes of iron ore during November 2020 which was 13% increase over CPLY. SAIL produced 29 lakh tonnes of iron ore in November 2020 which was 12.8% higher than its production during CPLY.
- iii. Continuous increase in steel consumption demand after gradual unlocking of the economy and higher export led to the increase in retail prices (Mumbai prices) of Rebar, HRC and CRC by 1.30%, 1.25% and 0.96% respectively on M-o-M basis.
- iv. The trend in iron ore prices may be seen from the graph below:



14. BSE Sensex and BSE Metal Indices, showed an upward trend during November, 2020 registering an increase of 10.7% and 24.0% respectively, indicating positive sentiment.

15. The **global production of crude steel** increased in October, 2020 over October, 2019 driven mainly by China with some other major producing countries viz., Turkey, Russia, Brazil, Germany Vietnam, Iran, Ukraine and Mexico also registering growth over their production in October 2019. The share of China accordingly registered a significant increase in the global production for this period. Share of other major producers of crude steel in global production, except for Vietnam, witnessed either a decline or remained stable as can be seen from the graph below.



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

| Organization | November 2020 | | April-November, 2020 | |
|-------------------|---------------|--------------------------------|----------------------|--------------------------------|
| | No. of Orders | Value of orders (Rs. in Lakhs) | No. of Orders | Value of orders (Rs. in Lakhs) |
| Ministry of Steel | 03 | 0.51 | 168 | 127.29 |
| Steel CPSEs | 362 | 1110.53 | 2284 | 7341.80 |

Enhancing procurement through GeM, including by on-boarding of additional items on GeM, has been reiterated to steel CPSEs specially SAIL and RINL

17. The status report in reference to Cabinet Secretary's D.O. No. 28(43) EO/2013(ACC) Pt. dated 27/06/2016 is as follows:

- I. The status of all the Board level (Functional Director) posts pertaining to the Ministry of Steel, has been updated on SUPREMO in the month of November 2020 and a certificate in this regard has been sent to ACC.
- II. All directions of ACC have been complied with.
- III. The status of cases where PESB recommendations have been received in the Ministry is as follows:
 - (i) The proposal for appointment of Shri Somnath Nandi, Director (Technical), NMDC as Executive Director (ED), SAIL: Proposal was sent to ACC on vide OM No. 3(3)/2019-BLA dated 16.11.2020.

18. A progress report on important areas of steel sector in reference to PMO's D.O. No. 210/31/C/24/2014-ES.I dated 03.07.2015 is annexed.