

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

Udyog Bhawan, New Delhi
Dated: 29th October, 2024

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of September, 2024.

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 September, 2024 for information.

Encl: As above.


(Subhash Chand)

Assistant Director

Tel: 23062490

Email: subhash.chand77@nic.in

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. Secretary to the Vice President of India, New Delhi
6. PS to Prime Minister of India, South Block
7. All Secretaries to the Government of India
8. Information Officer, PIB, Shastri Bhawan, New Delhi (steel_pib@nic.gov.in)

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

**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

**सितम्बर - 2024
September – 2024**

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

Ministry of Steel – Report for September 2024

During the month of September-2024, the following are the important development in the steel sector.

1.1. Steel Sector Overview

Global Scenario

1.1.1 As per World Steel Association, global crude steel production was 1,892.2 million tonnes (MT) in 2023. The global steel sector is facing challenges effected by high interest rates, declining investments, low demand, and growing restrictive trade actions. The World Steel Association in its Short-Range Outlook (SRO), released in October 2024, has forecast that this year global steel demand will drop by 0.9% to 1,751 MT. After three years of decline, it is expected a broad-based recovery in the world excluding China in 2025. Global steel demand is forecast to finally rebound by 1.2% in 2025 to reach 1,772 MT. China was world's largest crude steel producer in 2023 (1,019.1MT) followed by India (140.8MT), Japan (87.0MT) and the USA (81.4 MT).

1.2.2 Global steel demand contracted by 1.1% in 2023 to 1,763 MT and Global steel production was down by 1.5% during January-August 2024 as per data released by World Steel Association.

1.2 India Steel Production, Consumption, Trade and Price Update

1.2.1 Cumulative production and consumption of steel during the last five financial years and FY'25 (Apr-Sep) are given in the following table below:

Table 1: Production and consumption (in MT)							
Category	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25 (April-Sep)*	FY'24 (April-Sep)
Crude production	109.14	103.54	120.29	127.20	144.30	72.83	70.23
Finished Steel production	102.62	96.20	113.60	123.20	139.15	70.87	67.42
Consumption	100.17	94.89	105.75	119.89	136.29	72.82	64.07
Source: Joint Plant Committee; *Provisional							

1.2.2 In the first six months of FY 2024-25 (April-September), crude steel production grew by 3.70% compared to the same period last year. Finished steel production also increased, showing a 5.10% rise from the previous year. Steel consumption saw a significant jump, with an increase of 13.66% over the same period last year.

1.3 Prices of Steel and its key raw materials:

Prices of Steel and its key raw materials have gone down during the month of September 2024:

- The retail prices of TMT (10 mm), HRC (2.50 mm) and CRC (0.63 mm) in Mumbai market stood at Rs. 56,450/tonne, Rs. 59,000/tonne and Rs. 68,440/tonne respectively on 30th September '24, recording a decline of 1.2%, 1.5% and 1.6% respectively over their prices on 31st August '24.

- ii. During the month of September '24, prices of iron ore lumps remained unchanged at Rs. 5,350/ tonne.
- iii. International prices of coking coal have moderated from US\$ 206/tonne in August '24, to US\$ 187/tonne in September '24.

1.4 India's International Trade of Steel

1.4.1 India has been a net importer of total finished steel in FY'24 and FY'25 (Apr-Sep). International trade of finished steel is shown in table below:

Table 2: Exports and Imports in Million Tonnes (MT)							
Item	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25 (April-Sep)*	FY'24 (April-Sep)
Export	8.36	10.78	13.49	6.72	7.49	2.31	3.60
Imports	6.77	4.75	4.67	6.02	8.32	4.70	3.33
Net Exports	1.59	6.03	8.83	0.70	(-0.83)	(-2.39)	0.27
Source: JPC, *provisional							

1.4.2 In the first six months of FY 2024-25 (April-September), steel exports saw a sharp drop of nearly 36% compared to the same period last year. In contrast, imports rose significantly by over 41%. As a result, net exports shifted from a surplus last year to a noticeable deficit this year, with imports now outpacing exports by a wider margin. There is growing demand by domestic steel industry for protection against cheap imports from China directly or through countries like Vietnam on the lines of anti-dumping and safeguard duties imposed by USA, European Union, Canada and other countries.

1.4.3 Trade Issues

- a) *Rising Protectionism & Threat of Trade diversion into India:* With a slowdown in the global economy, most of the countries are raising barriers to imports from China and others to safeguard their domestic market. The steel sector is witnessing a wave of trade protection measures as countries respond to low-cost imports and unfair trade practices. The European Union has imposed anti-dumping duties on cold and hot rolled stainless steel, with rates reaching up to 25.30%, and a 25% safeguard tariff on steel imports exceeding set quotas. Similarly, Brazil, Mexico, and the USA have implemented duties to protect their domestic markets. The USA has imposed particularly high duties on stainless steel sheets and coils, with anti-dumping and countervailing duties as high as 190.71%.
- b) *Rising Protectionism in Asia:* Asian countries like Vietnam, Thailand, and Malaysia have also joined in, with measures targeting imports of hot-rolled coil and tinplate from China, India, and other regions. This global trend reflects heightened efforts to safeguard domestic industries in the face of increasing competition and concerns over excess capacity in the steel market.
- c) *India is vulnerable to global trade diversion, with no trade protection measures in place:* US and Canada have both levied 25% Safeguard duty to protect their Steel Industry. Similarly, EU has levied 25% duty beyond quantitative quota. Recently, swift trade action has been taken by host of countries like Turkey, Indonesia, Malaysia, Vietnam, Japan, etc. to protect their markets.

d) *Increase in Inventory:*

Closing Stock of Finished Steel (in MT)	
As on 31.03.2021	8.97
As on 31.03.2022	7.99
As on 31.03.2023	10.60
As on 31.03.2024	14.29
As on 30.09.2024*	14.72
Source: JPC, *provisional, MT= Million Tonnes	

Increase in imports has taken place even when there is an increase in inventory of steel in each of the last 2 years. This is a matter of concern and points to the fact that imported steel is crowding out domestically produced steel to that extent.

2. Significant information about Steel CPSEs

2.1 SAIL:

(a) September 2024 Production:

- Hot Metal: 16.27 lakh tonnes (0.1% decrease from September 2023)
- Crude Steel: 15.35 lakh tonnes (0.1% increase from September 2023)

(b) April to September 2024 Production:

- Hot Metal: 101.24 lakh tonnes (0.1% decrease from Apr-Sep 2023)
- Crude Steel: 94.57 lakh tonnes (0.1% decrease from Apr-Sep 2023)
- Saleable Steel: 87.77 lakh tonnes (4.3% decrease from Apr-Sep 2023)
- Iron Ore: 159.08 lakh tonnes (3.5% decrease from Apr-Sep 2023)

(c) Sales of Saleable Steel:

- 81.68 lakh tonnes (6.3% decrease from Apr-Sep 2023)

2.2 NMDC:

- **September 2024 Production:** Iron Ore: 30.45 lakh tonnes (1.5% increase from September 2023)
- **April to September 2024 Production:** Total Iron Ore: 174.76 lakh tonnes (10.7% decrease from April to September 2023)
- **April to September 2024 Sales:** Total Iron Ore: 198.03 lakh tonnes (3.6% decrease from April to September 2023)

2.3 MOIL:

- **September 2024 Production:** Manganese Ore: 1.45 LMT (7.4% increase from September 2023)
- **April to September 2024 Production:** Manganese Ore: 8.70 LMT (6.7% increase from April to September 2023)
- **April to September 2024 Sales:** Manganese Ore: 7.51 LMT (0.8% decrease from April to September 2023)

2.4 Steel Consumption: Steel consumption also showed a robust growth of 13.6% over the same period last year.

2.5 Disinvestment of FSNL: The Alternative Mechanism approved the bid amounting to Rs. 320 crore (Three hundred and twenty crore only) of M/s. Konoike Transport Co. Ltd. For sale of 100% equity shareholding of MSTC Limited in Ferro Scrap Nigam Limited (FSNL) along with transfer of management control.

2.6 Rashtriya Ispat Nigam Limited (RINL): RINL is in serious financial trouble. Ministry is taking steps to keep RINL as a 'going concern' in consultation with the Ministry of Finance. In this regard, GoI has infused Rs. 500 crore towards equity on 19.09.2024 and Working Capital loan of Rs. 1140 crore on 27.09.2024. SBICAPS is preparing a report on sustainability of RINL.

2.7 The CAPEX by steel CPSEs during April-September '24 stood at Rs. 4,751.50 crore, which was 46.0% of the BE for the FY'25.