



Monthly Analysis (August 2019)

Ministry of Steel | Statistics Division

Major Highlights During August 2019

- During August 2019, **156.04 MT of crude steel was produced in the world**, with a positive growth rate of 3.4% over August, 2018.
- China, **world's largest producer of crude steel**, produced 87.3 MT of crude steel in August 2019.
- India has continued to remain in **second position** in crude steel production, having produced 8.9 MT of crude steel in August 2019.
- Japan, the **third largest producer** of crude steel in the world, produced 8.1 MT of crude steel in August 2019.
- The capacity utilisation in production of crude steel in the country has **decreased from 77.7% in August 2018 to 74.9% in August 2019**.
- During August 2019, production of finished steel was 8.39 MT with a **very low growth rate of 1.6%** over August 2018.
- Consumption of finished steel during August 2019 was 8.82 MT which has **increased by 4.1%** over August 2018.
- During August 2019, import of finished steel was 0.855 MT having recorded a **positive growth rate of 27.4%** over August 2018.
- Export of finished steel during August 2019 was 0.983 MT which **has increased by 37.3%** over August 2018.
- India became the **net exporter** in trade of finished steel in August 2019.
- During July 2019, production of iron ore was 18.5 MT **having increased by 30.1%** over July 2018.

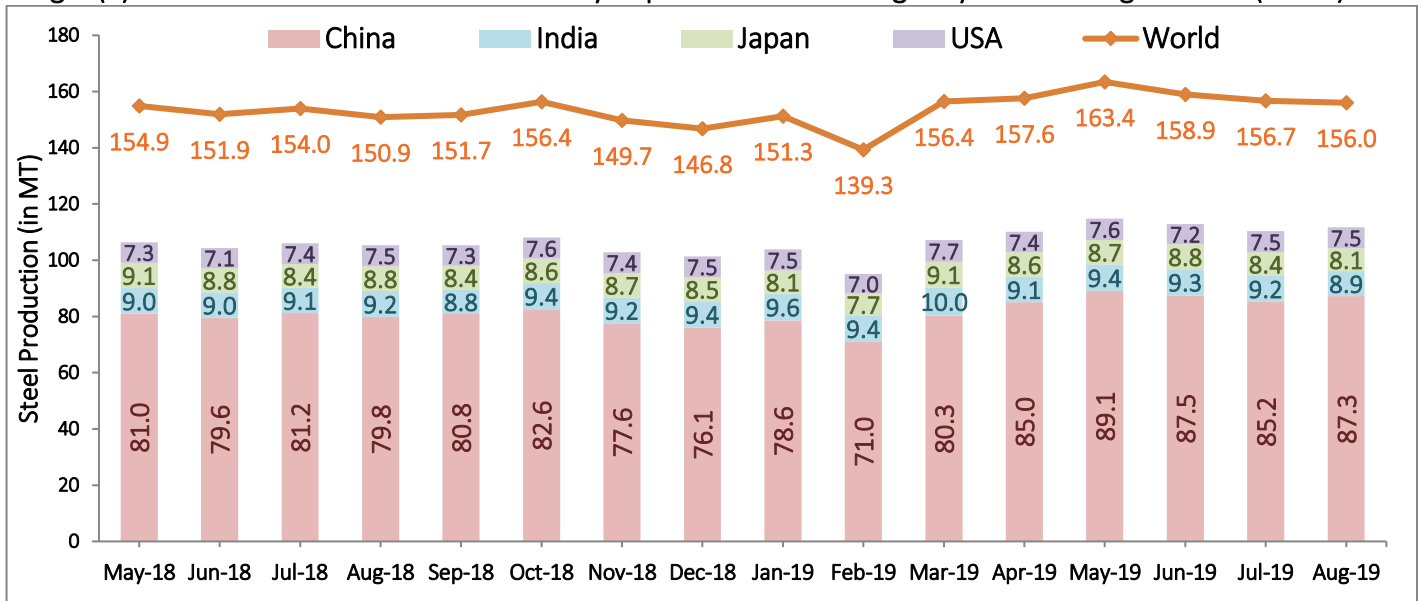
1. World Crude Steel Production

Table: 1(a):- Top Crude Steel Producing Countries (in MT)

	Aug-19	Aug-18	% Change		Apr-Aug, 2019	Apr-Aug, 2018	% Change	
China@	87.3	79.8		9.3	434.1	397.1		9.3
India#	8.9	9.2	-3.6		46.0	45.1		2.0
Japan@	8.1	8.8	-7.8		42.6	43.8	-2.7	
USA@	7.5	7.5		0.3	37.2	36.1		2.9
Other Countries	44.3	45.5	-2.7		232.8	237.3	-1.9	
World@	156.0	150.9		3.4	792.7	759.4		4.4

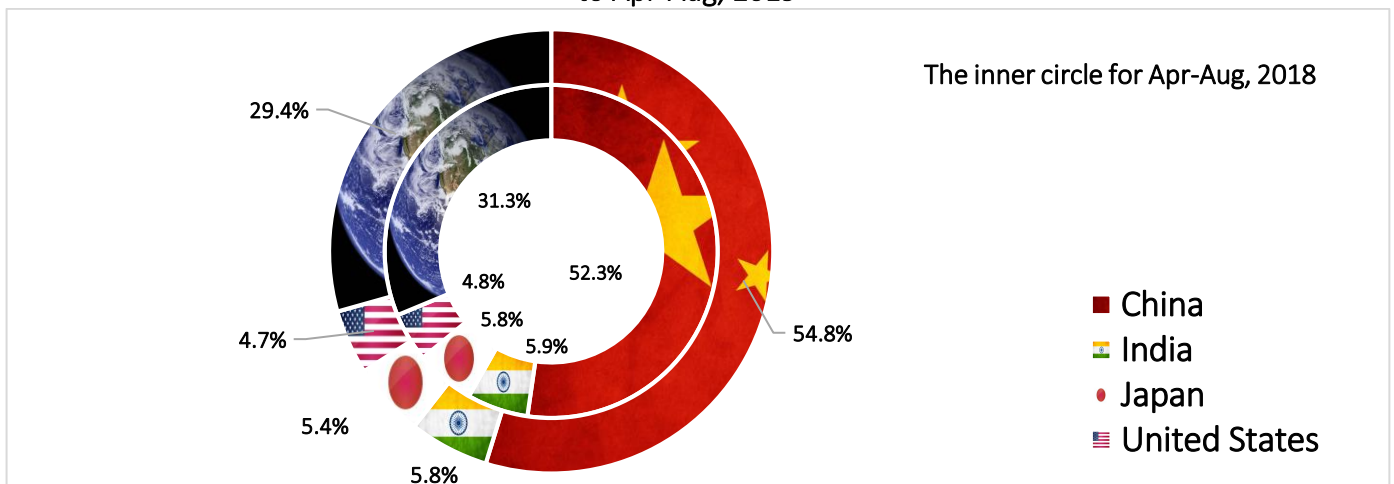
Source: @ WSA; # JPC

Fig. 1(a):- Trend in Crude Steel Production by Top 4 Countries during May 2018 to August 2019 (in MT)



- Since May 2019, China's production of crude steel has slowly decreased from 89.1 MT in May 2019 to 87.3 MT in August 2019, which has resulted in a global slowdown in crude steel production from May 2019 onward.
- India remained in 2nd position in crude steel production having produced 8.9 MT during August 2019.
- Japan and USA maintained its position at 3rd and 4th place respectively in crude steel production.

Fig. 1(b):- Change in Share in Production of Crude Steel by Top 4 Countries From Apr-Aug, 2018 to Apr-Aug, 2019



2. Performance of India's Steel Sector

2.1 Crude Steel

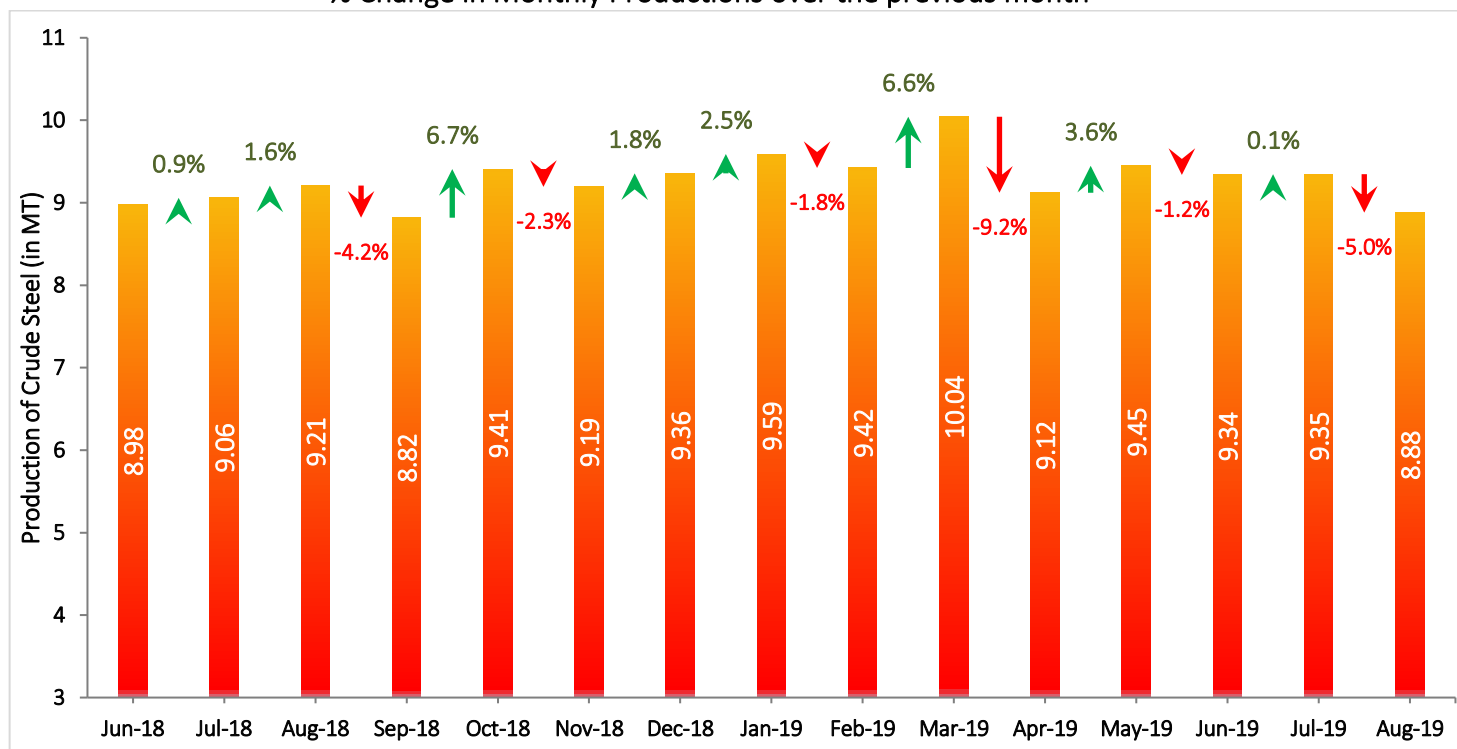
Table: 2(a):- Producer wise Production of Crude Steel in India (in MT)

Producers	Aug-19	Aug-18	% Change	Apr-Aug, 2019	Apr-Aug, 2018	% Change
SAIL	1.31	1.30	0.7	6.64	6.50	2.4
RINL	0.40	0.43	-5.2	2.13	2.16	2.3
TSL	1.07	1.12	-4.3	5.47	5.42	-0.9
ESSAR	0.58	0.55	4.5	3.03	2.79	9.6
JSPL	0.47	0.43	9.3	2.40	2.10	15.2
JSWL	1.21	1.45	-16.6	6.79	6.96	1.2
Others	3.85	3.94	-2.3	19.72	19.15	3.3
Total Production	8.88	9.21	-3.6	46.17	45.09	3.5
PSU Production	1.71	1.73	-0.8	8.76	8.67	1.6
% Share of PSU	19.28	18.73				

Source: JPC

- Due to slowdown in automobile, construction industries, the overall production of crude steel in India has seen a decreasing trend from May 2019.
- SAIL produced 1.31 MT of crude steel in August 2019, increasing its production only by 0.7% over August 2018. SAIL was also the largest producer of crude steel in August 2019; JSWL produced 1.21 MT of crude steel, having decreased by 16.6% over August 2018.

Fig. 2(a):- Monthly Production of Crude Steel (in MT) and % Change in Monthly Productions over the previous month



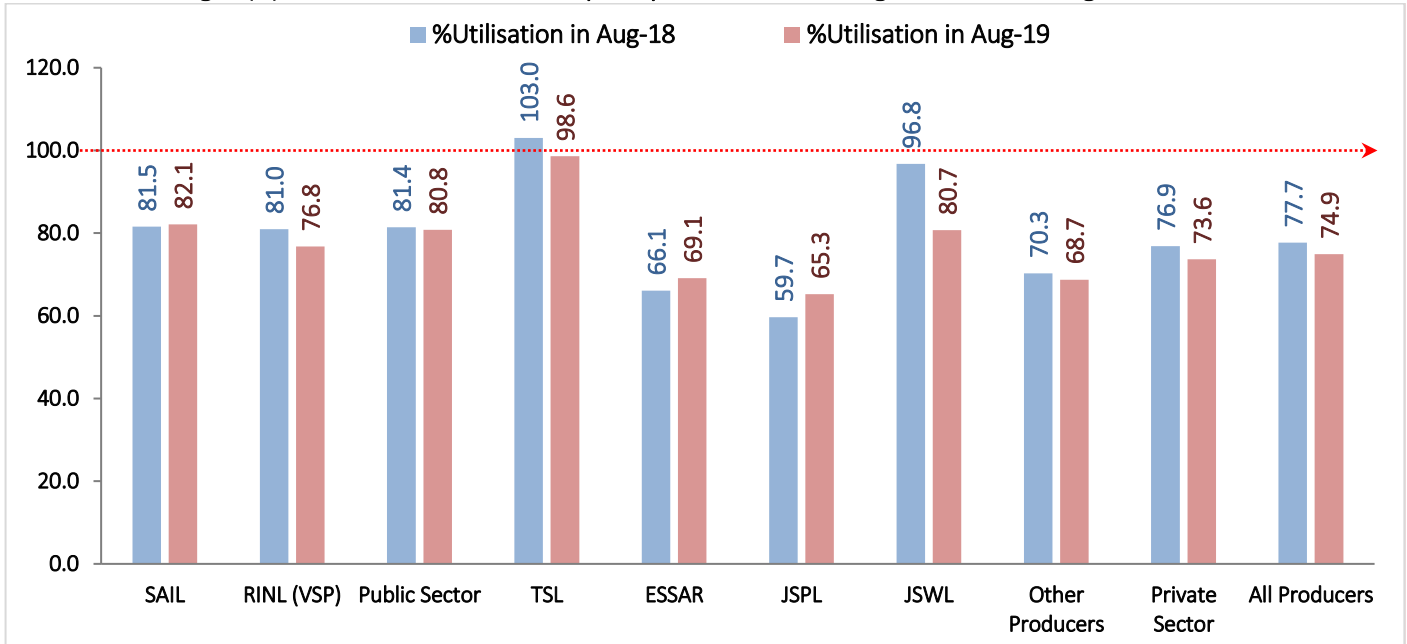
Source: JPC

- % increase in a month over the previous month
- % decrease in a month over the previous month

2.2 Capacity Utilisation in Production of Crude Steel

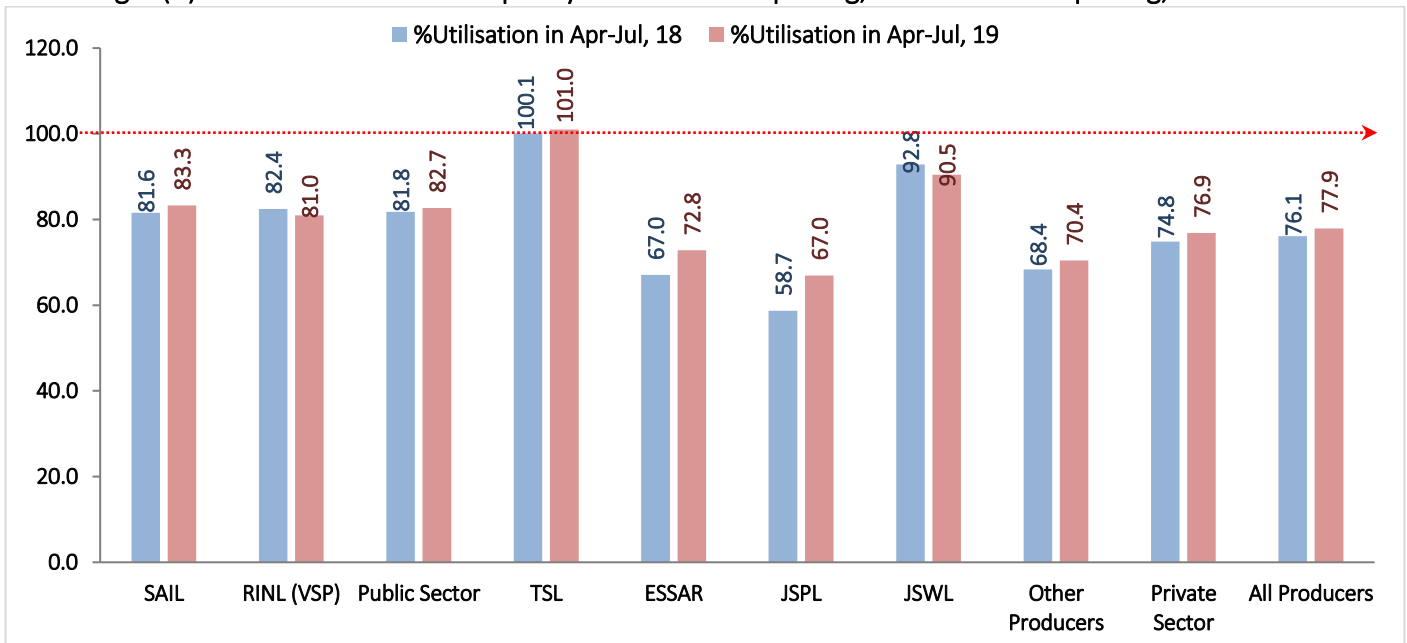
- The capacity utilisation in production of crude steel in the country has **decreased** from **77.7%** in **August 2018** to **74.9%** in **August 2019**.
- Capacity utilisation by SAIL has **increased** from **81.5%** in August 2018 to **82.1%** in August 2019.
- Among the producers in private sector, capacity utilisation of **Tata Steel Ltd. (TSL)** has decreased from 103.0% in August 2018 to 98.6% in August 2019. JSWL, also, **decreased** its capacity utilisation from **96.8%** in August 2018 to **80.7%** in August 2019.

Fig. 2(b).1:- Producer-wise % Capacity Utilisation in Aug-19 vis-a-vis Aug-18



Source: JPC

Fig. 2(b).2:- Producer-wise % Capacity Utilisation in Apr-Aug, 2019 vis-a-vis Apr-Aug, 2018



Source: JPC

2.3 Hot Metal

- During August 2019, production of hot metal was 5.96 MT having **decreased by 2.6%** over August 2018.

Table: 2(b):- Producer wise Production of Hot Metal in India (in MT)

Producers	Aug-19	Aug-18	% Change	Apr-Aug, 2019	Apr-Aug, 2018	% Change
SAIL	1.42	1.38	2.5	7.26	7.01	3.6
RINL	0.43	0.45	-6.1	2.33	2.37	-1.6
TSL	1.16	1.23	-5.9	5.87	5.86	0.2
ESSAR	0.30	0.23	26.8	1.50	1.30	16.0
JSPL	0.45	0.39	17.8	2.28	1.92	19.0
JSWL	1.18	1.32	-10.7	6.36	6.44	-1.3
Other Producers	1.03	1.11	-7.5	5.34	5.42	-1.5
Total	5.96	6.12	-2.6	30.94	30.31	2.1
Production by PSU	1.84	1.84	0.4	9.60	9.38	2.3
% Share of PSU	30.9	30.0		31.0	31.0	

Source: JPC

2.4 Pig Iron

- During August 2019, production of pig iron was 0.438 MT which has **decreased by 12.7%** over August 2018.

Table: 2(c):- Producer wise Production of Pig Iron in India (in MT)

Producers	Aug-19	Aug-18	% Change	Apr-Aug, 2019	Apr-Aug, 2018	% Change
SAIL	0.043	0.032	34.4	0.286	0.176	62.5
RINL	0.002	0.001	20.5	0.031	0.061	-48.9
JSWL+JSPL	0.029	0.012	154.2	0.201	0.116	72.7
Other Producers	0.364	0.457	-20.4	2.040	2.246	-9.2
Total Production	0.438	0.501	-12.7	2.558	2.599	-1.6
Production by PSU	0.045	0.033	33.9	0.317	0.237	33.8
% Share of PSU	10.2	6.6		12.4	9.1	

Source: JPC

2.5 Sponge Iron

- During August 2019, production of sponge iron for sale was 2.818 MT, recording a negative growth of 0.9% over August 2018.

Table: 2(d):- Producer wise Production of Sponge Iron (in MT) in India

Producers	Aug-19	Aug -18	% Change	Apr-Aug, 2019	Apr-Aug, 2018	% Change
ESSAR	0.385	0.422	-8.6	2.097	2.056	2.0
JSPL	0.129	0.106	22.2	0.634	0.551	14.9
JSWL	0.174	0.172	1.5	0.969	1.000	-3.1
Other Producers	2.129	2.146	-0.8	11.639	10.795	7.8
Total	2.818	2.845	-0.9	15.340	14.402	6.5

Source: JPC

2.6 Finished Steel

a) Production and Consumption of Finished Steel

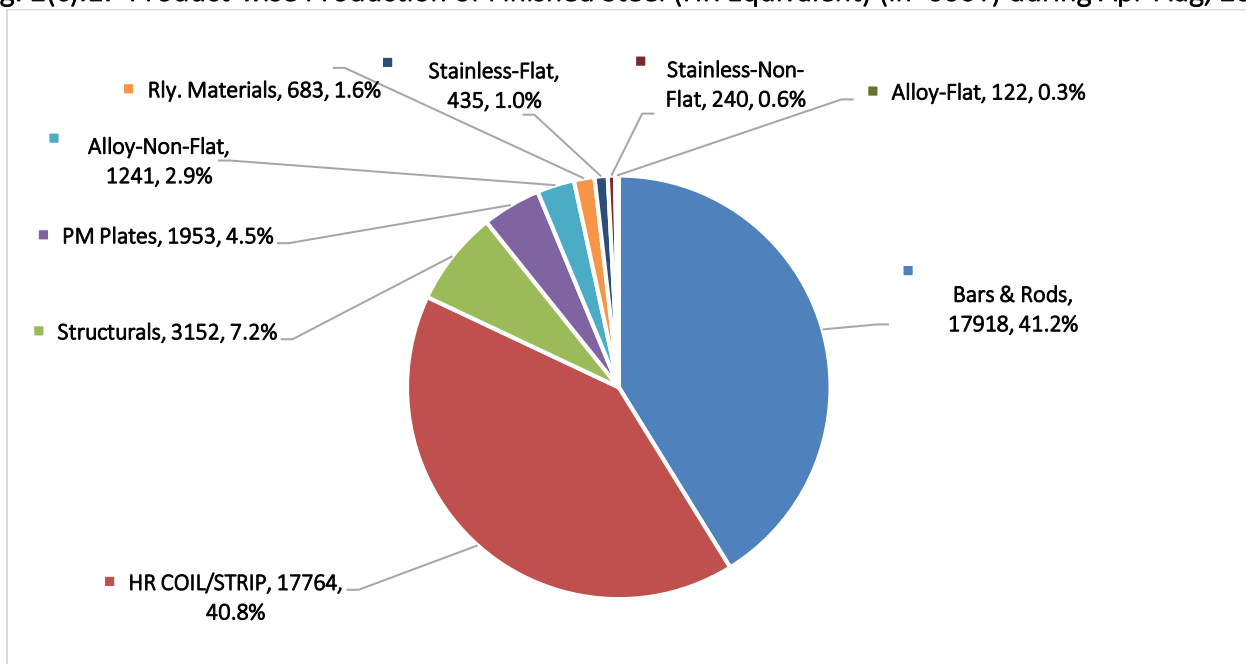
- During August 2019, production of finished steel was 8.39 MT having recorded a **very low positive growth rate of 1.6%** over August 2018. During April 2019 to August 2019, overall consumption as compared to production was less; but **during August 2019, consumption was 8.82 MT, surpassing the production of August 2019** and due to this increased consumption in August 2019, overall consumption during Apr-Aug, 2019 has increased by 6.1% over Apr-Aug, 2018.
- The producers cut their production and the high volume of accumulated stock has been used in domestic-consumption and export. As a result, the accumulated stock has decreased by 2.0% at the end of August 2019 over the previous month-end and remained at 14.3 MT.

Table: 2(e):- Production and Consumption of Finished Steel in India (in MT)

Producers	Aug-19	Aug-18	% Change	Apr-Aug, 2019	Apr-Aug, 2018	% Change
SAIL	1.00	1.04	-4.3	5.11	5.13	-0.5
RINL	0.26	0.34	-24.0	1.62	1.69	-4.4
TSL	0.96	1.02	-5.9	5.45	5.22	4.3
ESSAR	0.58	0.54	6.1	2.99	2.78	7.8
JSPL	0.40	0.30	32.6	1.81	1.48	22.8
JSWL	1.14	1.29	-12.0	6.31	6.38	-1.2
Other Producers	4.06	3.72	9.2	20.22	18.26	10.7
Total Production	8.39	8.26	1.6	43.51	40.95	6.3
Consumption	8.82	8.47	4.1	42.53	40.08	6.1
Production by PSU	1.25	1.38	-9.2	6.72	6.82	-1.5
% Share of PSU	14.9	16.7		15.5	16.7	

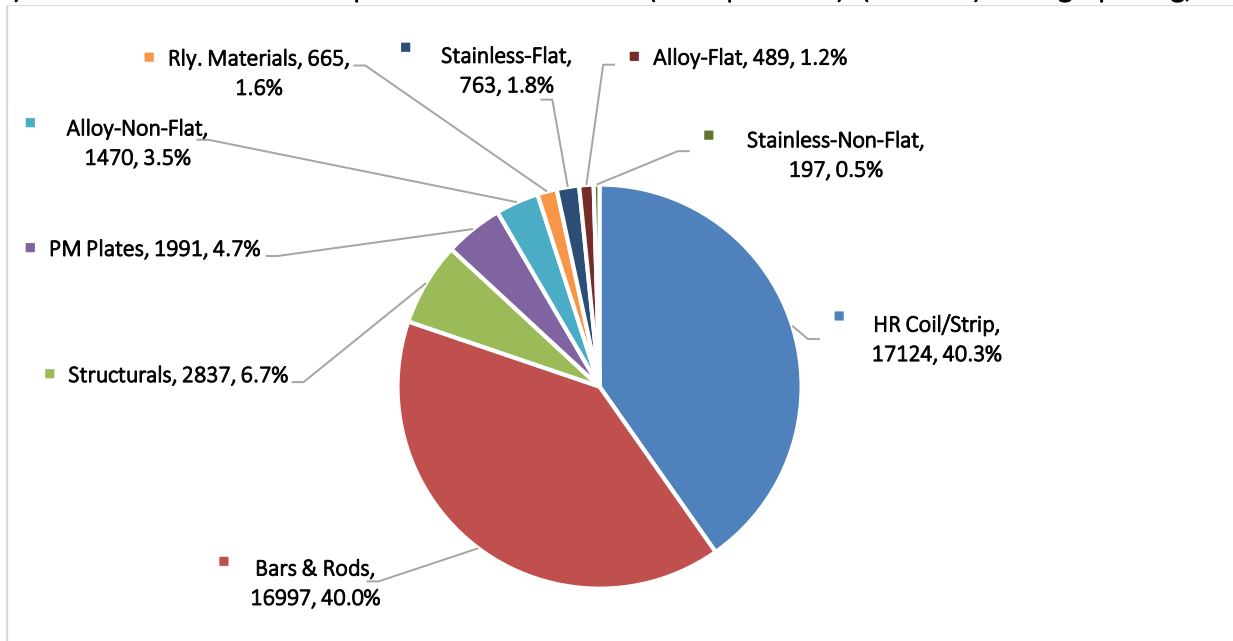
Source:JPC

Fig. 2(c).1:- Product-wise Production of Finished Steel (HR Equivalent) (in '000T) during Apr-Aug, 2019



Source: JPC

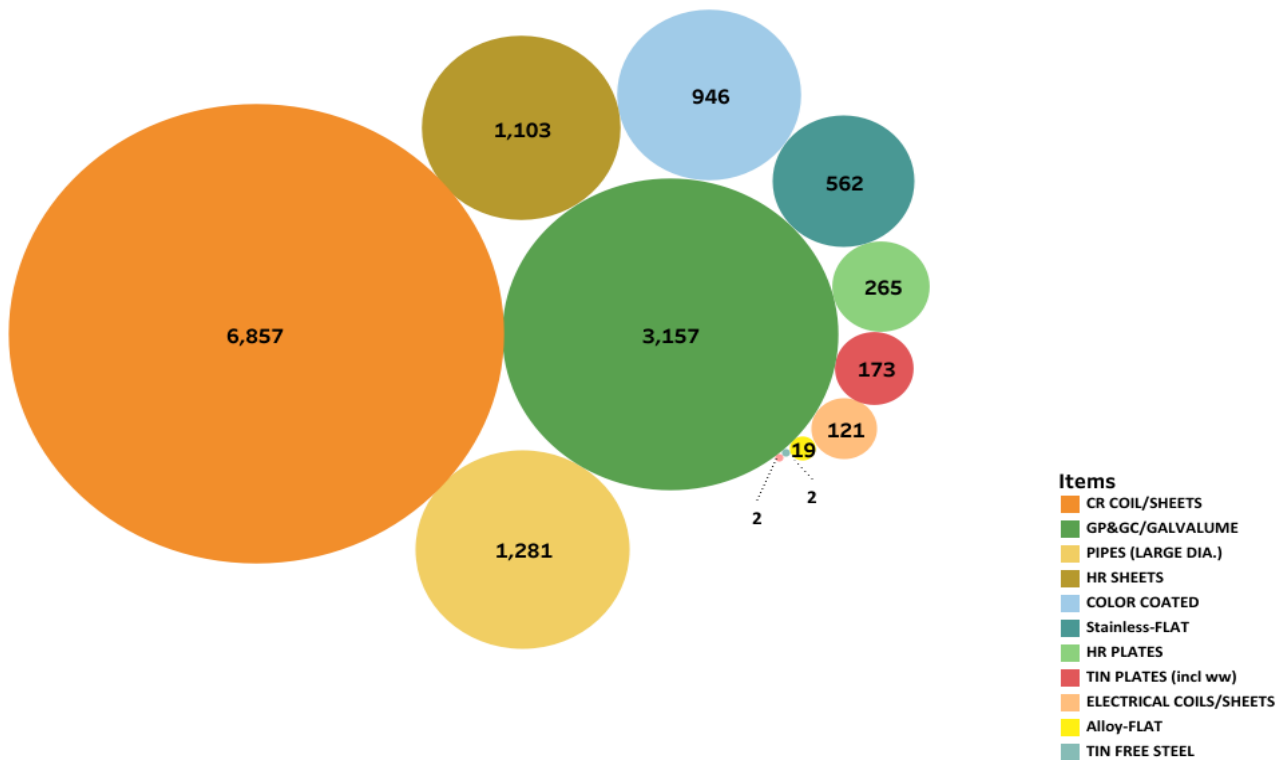
Fig. 2(c).2:- Product-wise Consumption of Finished Steel (HR Equivalent) (in '000T) during Apr-Aug, 2019



Source: JPC

- During the period of Apr-Aug, 2019, the **production** of finished steel was 43.51 MT having **increased by 6.3%** over same period of previous year; while **consumption** during Apr-Aug, 2019 was 42.53 MT having **increased by 6.1%** over same period of previous year.

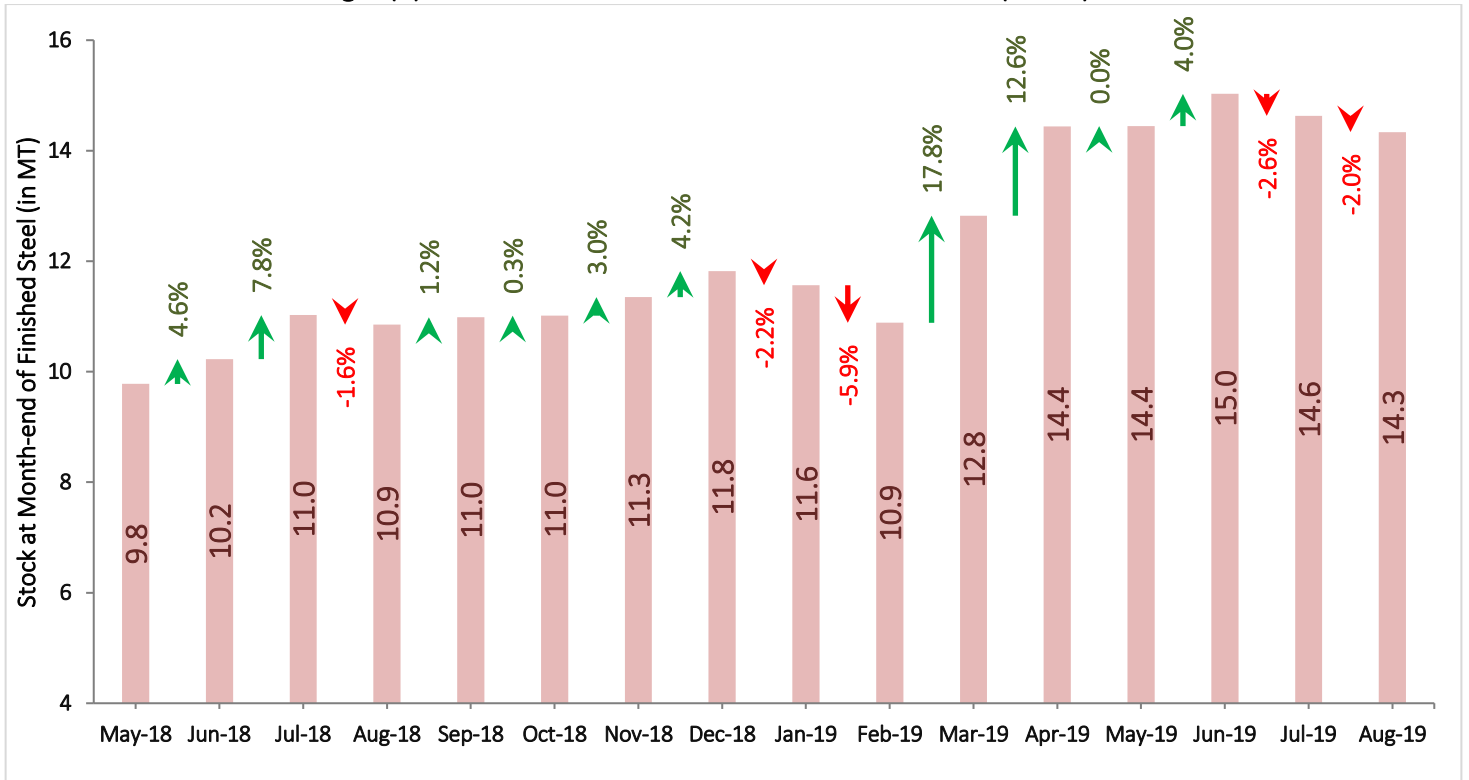
Fig. 2(d):- Product-wise Downstream / Value Added Production of Finished Steel (in '000T) during Apr-Aug, 2019



Source: JPC

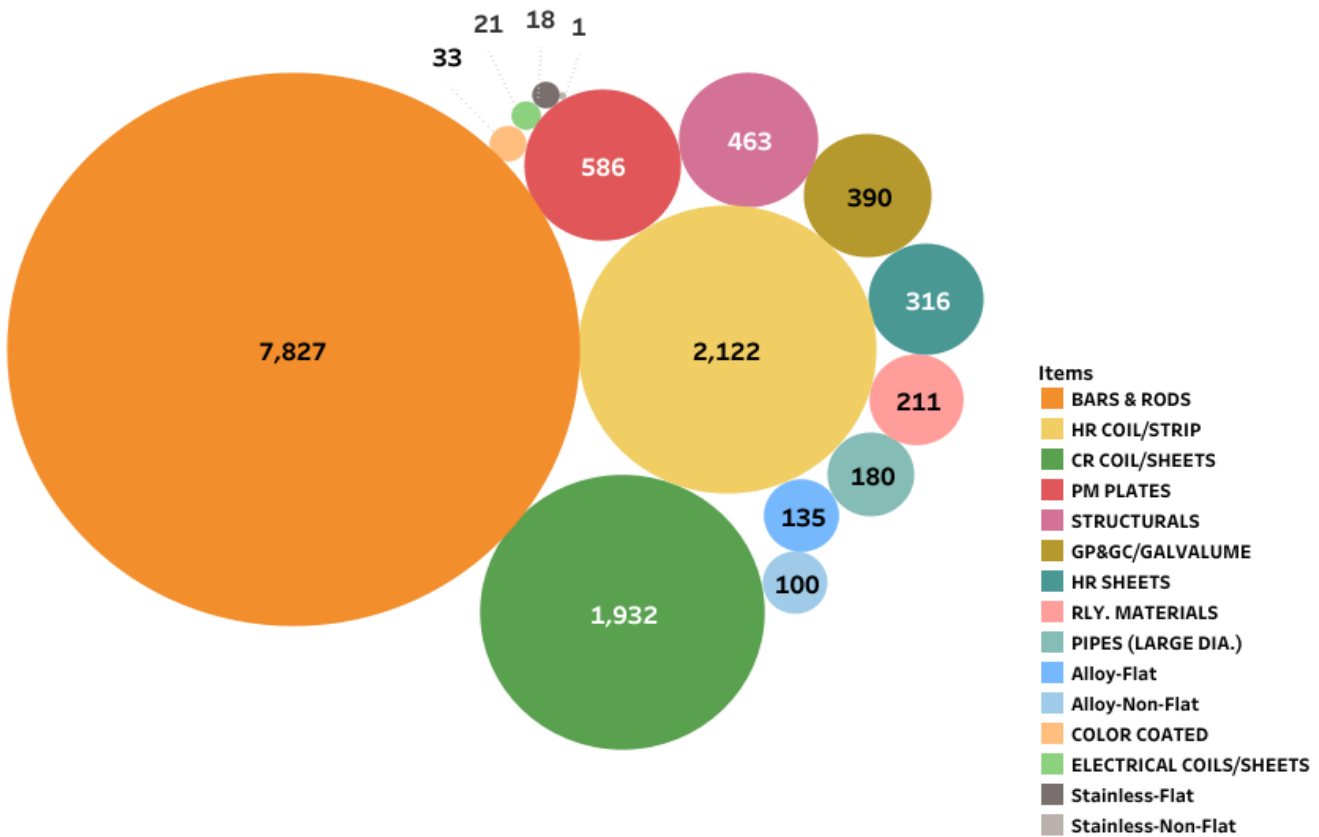
b) Stock Analysis of Finished Steel

Fig. 2(e):- Stock of Finished Steel at Each Month-End (in MT)



Source: JPC

Fig. 2(f):- Item-wise Stock of Finished Steel at the end of August 2019 (in '000T)



Source: JPC

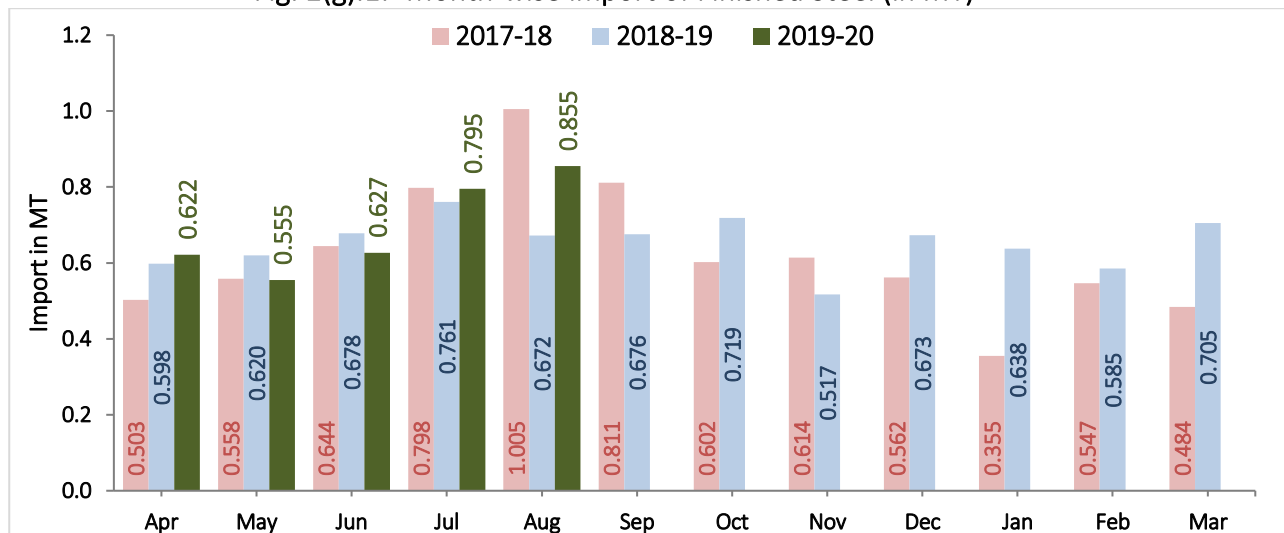
- Since February 2019, stock of finished steel has kept increasing, resulting in 31.7% increase in inventory of finished steel during February 2019 to August 2019. However, the producers have started to cut their production since March 2019 in order to keep its pace with the ongoing sluggish demand from domestic user-industries such as construction, automotive and infrastructure sectors and also started to use the inventory for domestic consumption and export and as a result, the amount has decreased since June 2019.

c) Category-wise Import & Export of Finished Steel

Table: 2(h):- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise in Aug-19 vis-à-vis Aug-18 and in Apr-Aug, 2019 vis-à-vis Apr-Aug, 2018						
Import	Aug-19	Aug-18	% Change	Apr-Aug, 2019	Apr-Aug, 2018	% Change
Non-Alloy						
Non-Flat	43	24	83.3	210	192	9.4
Flat	502	480	4.6	2249	2371	-5.1
Non-Alloy - Total	545	504	8.3	2459	2563	-4.1
Alloy						
Non-Flat	39	48	-18.8	174	312	-44.2
Flat	271	120	125.8	767	453	69.3
Alloy - Total	310	168	84.5	941	765	23.0
Import – Total	855	672	27.4	3400	3328	2.2
Export	Aug-19	Aug-18	% Change	Apr-Aug, 2019	Apr-Aug, 2018	% Change
Non-Alloy						
Non-Flat	105	40	162.5	292	218	33.9
Flat	799	628	27.2	2091	2214	-5.6
Non-Alloy - Total	904	668	35.3	2383	2432	-2.0
Alloy						
Non-Flat	22	25	-12.0	95	96	-1.0
Flat	57	23	147.8	180	115	56.5
Alloy - Total	79	48	64.6	275	211	30.3
Export – Total	983	716	37.3	2658	2643	0.6

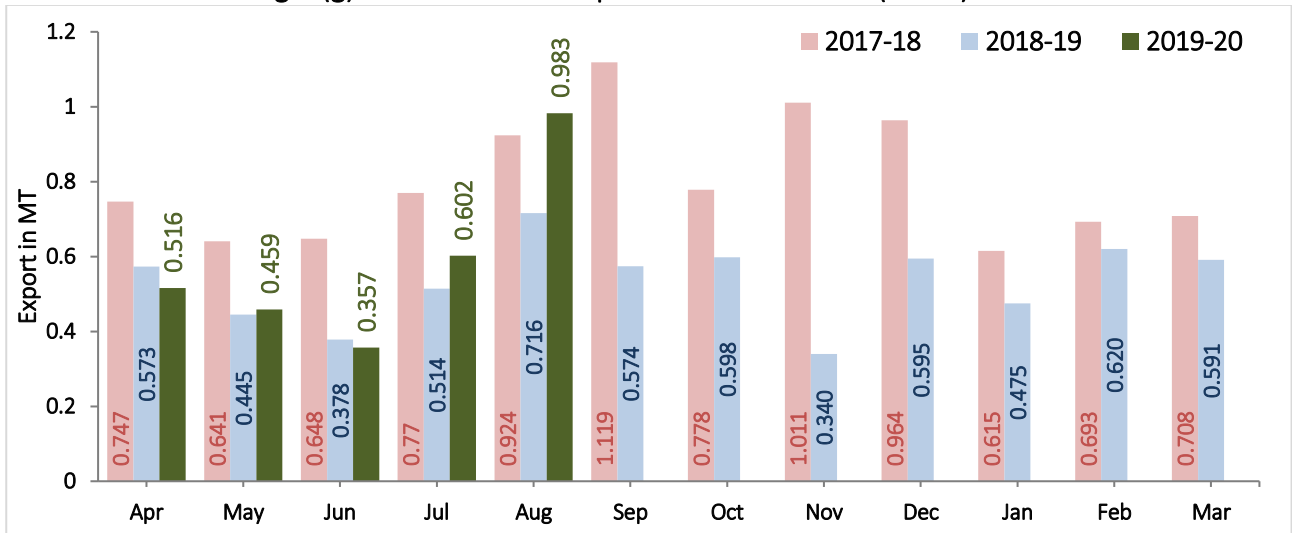
Source: JPC

Fig. 2(g).1:- Month-wise Import of Finished Steel (in MT)



Source: JPC

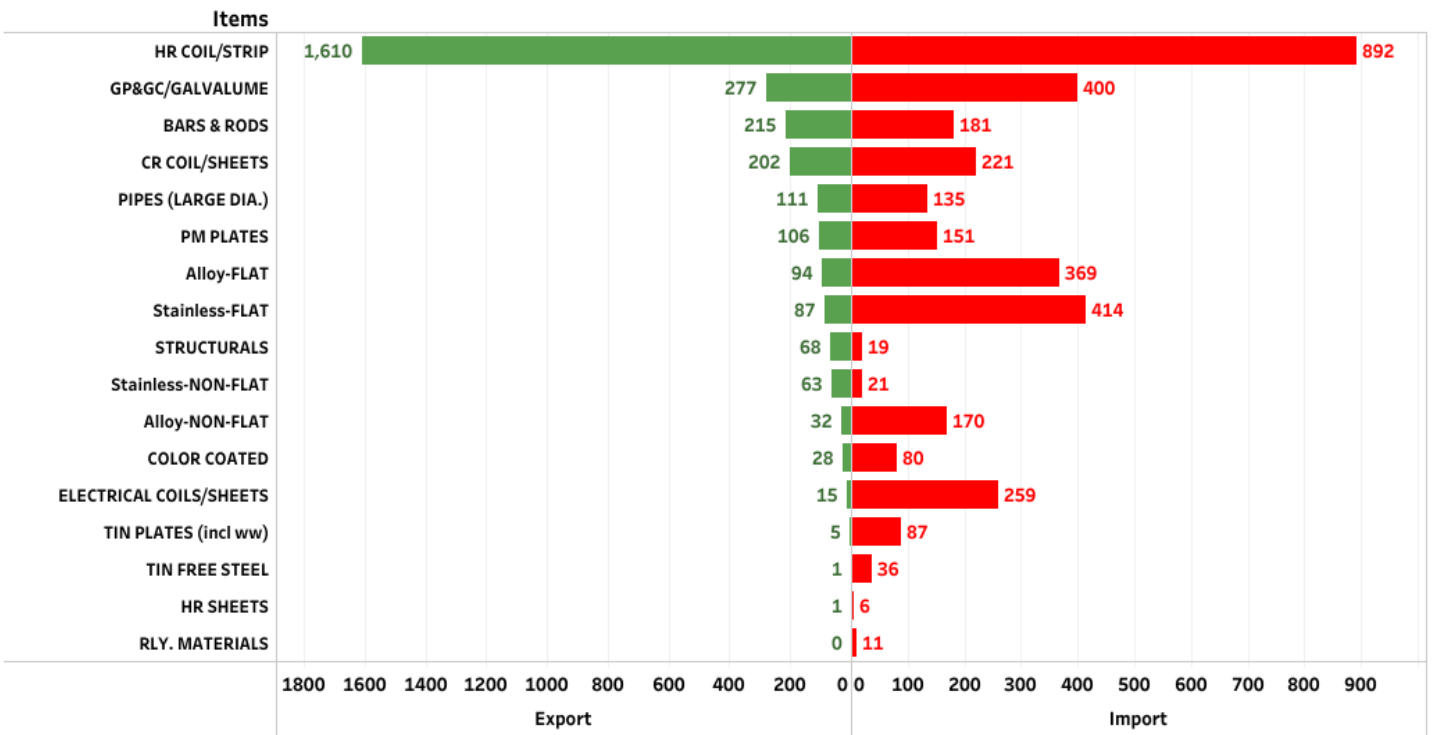
Fig. 2(g).2:- Month-wise Export of Finished Steel (in MT)



Source: JPC

- Import and export by India have increased in Apr-Aug 2019 by 2.2% and 0.6% respectively over the same period of previous year.
- However, India became a net-exporter in the month of August 2019, having exported 0.983 MT of finished steel.
- But, India remained a Net Importer during Apr-Aug 2019.

Fig. 2(h):- Item-wise Export & Import of Finished Steel (in '000T) during Apr-Aug 2019



Source: JPC

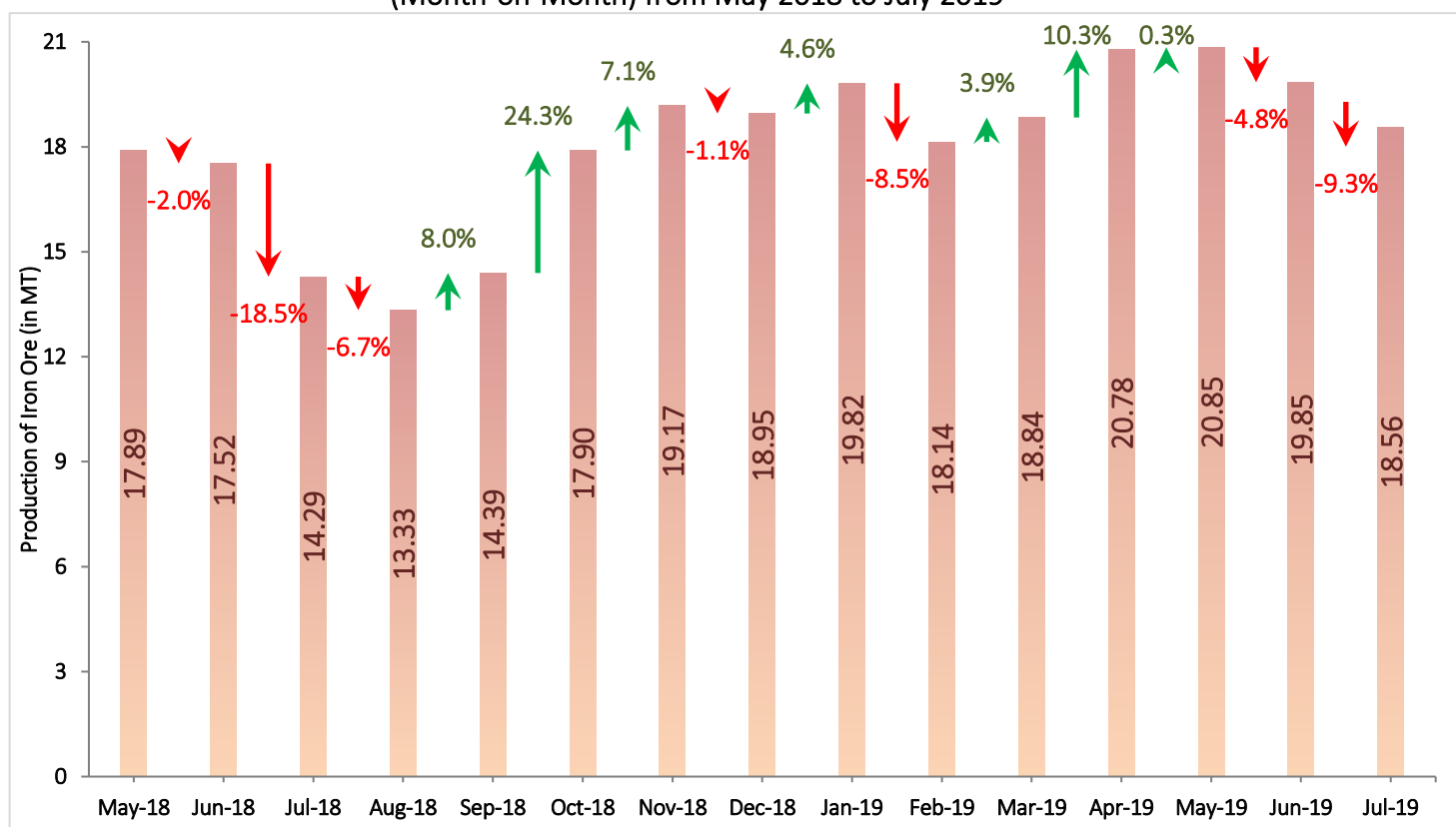
2.7 Iron Ore

- During July 2019, production of iron ore was 18.6 MT having decreased by -6.3% over June 2019 and increased by 30.1% over July 2018; while production during Apr-July 2019 was 79.65 MT having increased by 18.7% over the same period of previous year.
- Also, during Apr-July 2019, export of Iron ore (inc pellet) was 11.75 MT, having increased by 130.9% over the same period of previous year, while import was 0.85 MT, having decreased by 84.5% during the same period.
- Due to decrease in demand for steel in user-industries, use of iron ore has also reduced in domestic steel-sector and hence, the traders are exporting excess iron ore to the other countries. Even the low grade iron ore has been exported to China.

	July-19	July-18	% Change	Apr-Jul 2019	Apr-Jul 2018	% Change
Production [#]	18.5	14.3	30.1 ↑	79.65	67.07	18.7 ↑
Export [@]	3.1	0.8	314.2 ↑	11.7	5.1	130.9 ↑
Import [@]	0.03	1.9	-98.6 ↓	0.85	5.5	-84.5 ↓

Source: # - JPC, @ - DGCI&S

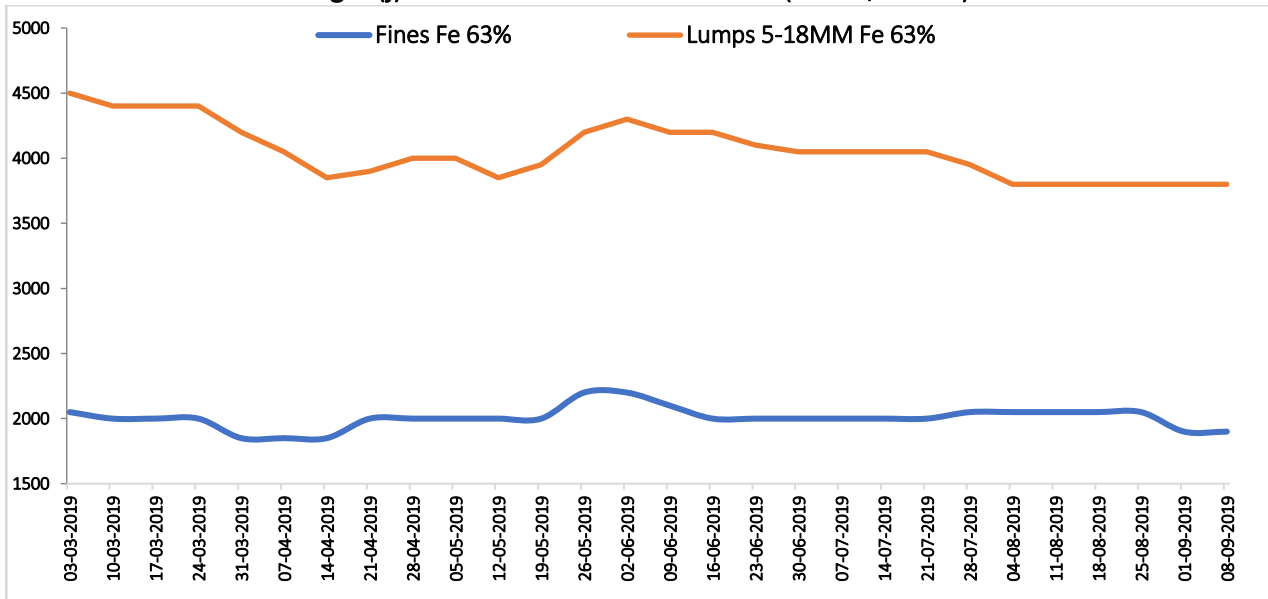
Fig. 2(i):- Production of Iron Ore (in MT) and % Change in Production (Month-on-Month) from May 2018 to July 2019



Source: JPC

- Domestic Iron Ore production decreased in August 19, but price remained stable in August 19.

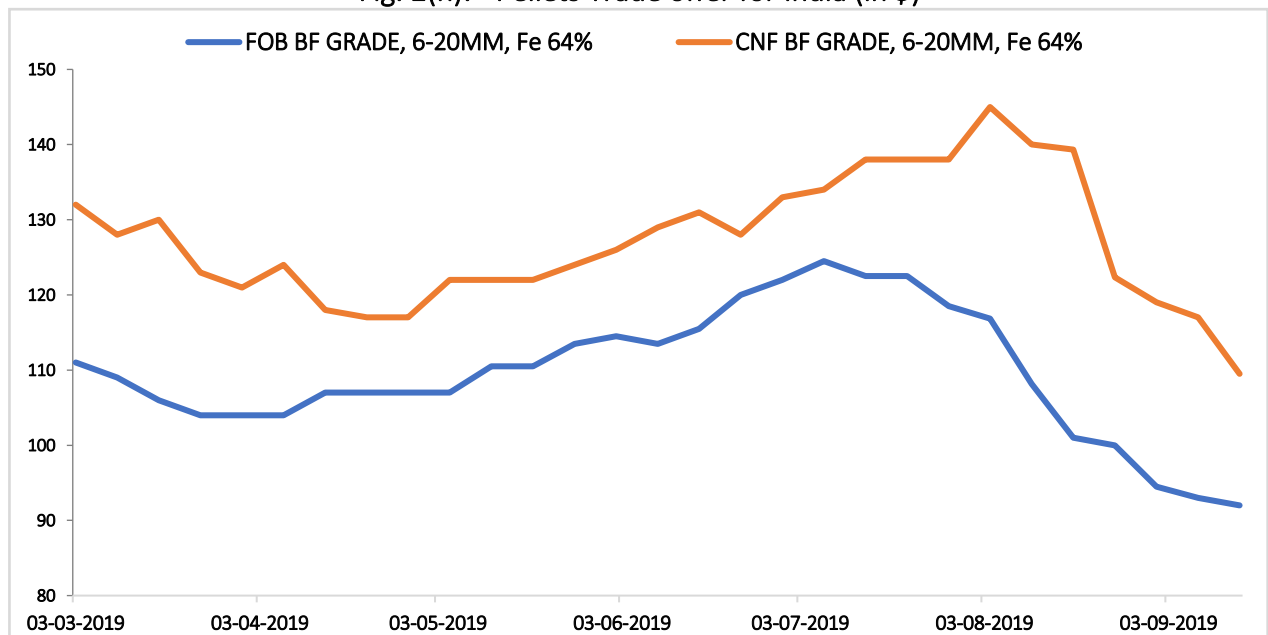
Fig. 2(j): - Domestic Price of Iron Ore (in INR/Tonne)



Source: Steelmint

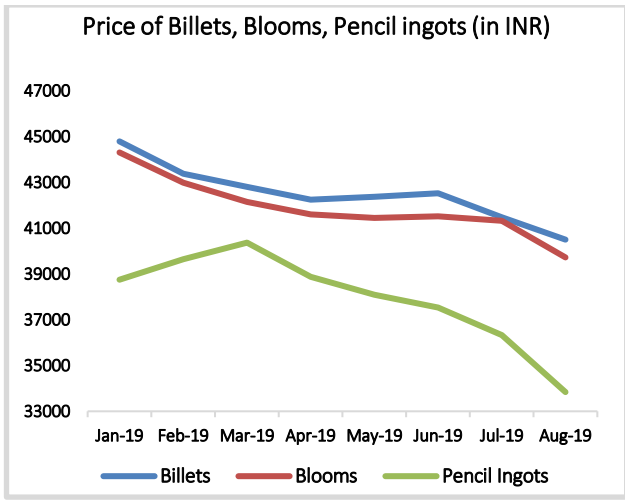
- Global pellet offer declined in Aug 19 as well as domestic Pallet offer stable amid less trade.

Fig. 2(h): - Pellets Trade offer for India (in \$)

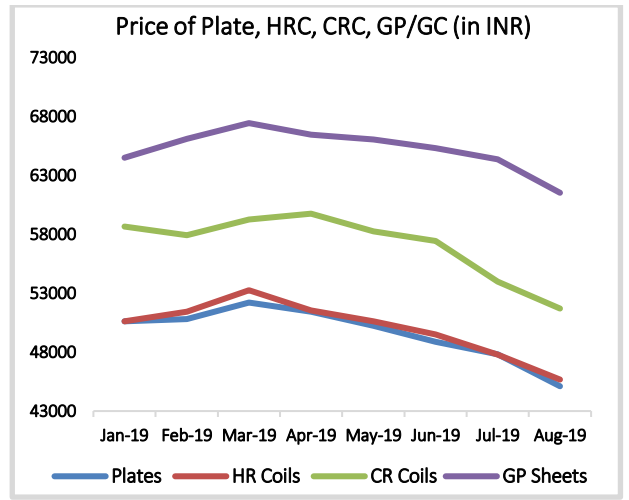


Source: Steelmint

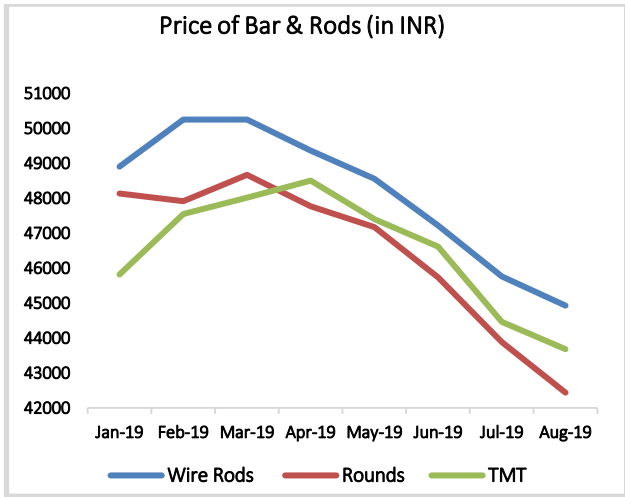
- Amid low demand of steel, domestic price of steel products declined from May 19 and lowest in August 19.



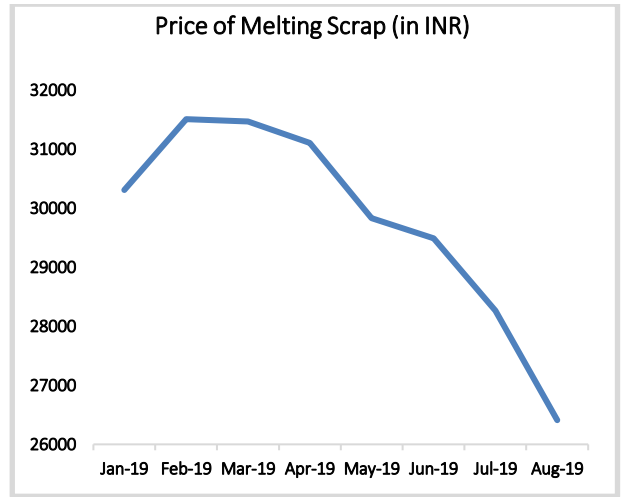
Source: JPC



Source: JPC



Source: JPC



Source: JPC