Monthly Analysis
(December 2019)

Ministry of Steel | Statistics Division

Major Highlights During December 2019

- During Dec 2019, **152.12 million tonnes of crude steel was produced in the world**, increased by 4.05% over Dec, 2018.
- **China**, world's largest producer of crude steel, produced **84.27 million tonnes** of crude steel in Dec 2019, up by 11.62% over Dec 2018.
- **India**, world's 2nd largest producer of crude steel, produced **9.28 million tonnes** of crude steel in Dec 2019, down by 0.80% over Dec 2018.
- **Japan**, the third largest producer of crude steel in the world, produced **7.78 million tonnes** of crude steel in Dec 2019, down by 8.02% over Dec 2018.
- The **capacity utilisation** in production of crude steel in India has **decreased** from **78.9% in Dec 2018** to **78.3% in Dec 2019**.
- During Dec 2019, **production of finished steel was 8.37 million tonnes**, declined by 3.91**%** over Dec 2018.
- **Consumption of finished steel** during Dec 2019 was **8.29 million tonnes** which has increased by 1.68% over Dec 2018.
- During Dec 2019, **import** of finished steel was **0.438 million tonnes**, declined by 20% over Dec 2018.
- **Export** of finished steel during Dec 2019 was **0.767 million tonnes** which has increased by 108.6% over Dec 2018.
- India became the **net exporter** in trade of finished steel in Dec 2019 with **trade balance 0.329 million tonnes**.
- During Dec 2019, **production of Iron Ore was 25.44 million tonnes** having increased by 34% over Dec 2018.

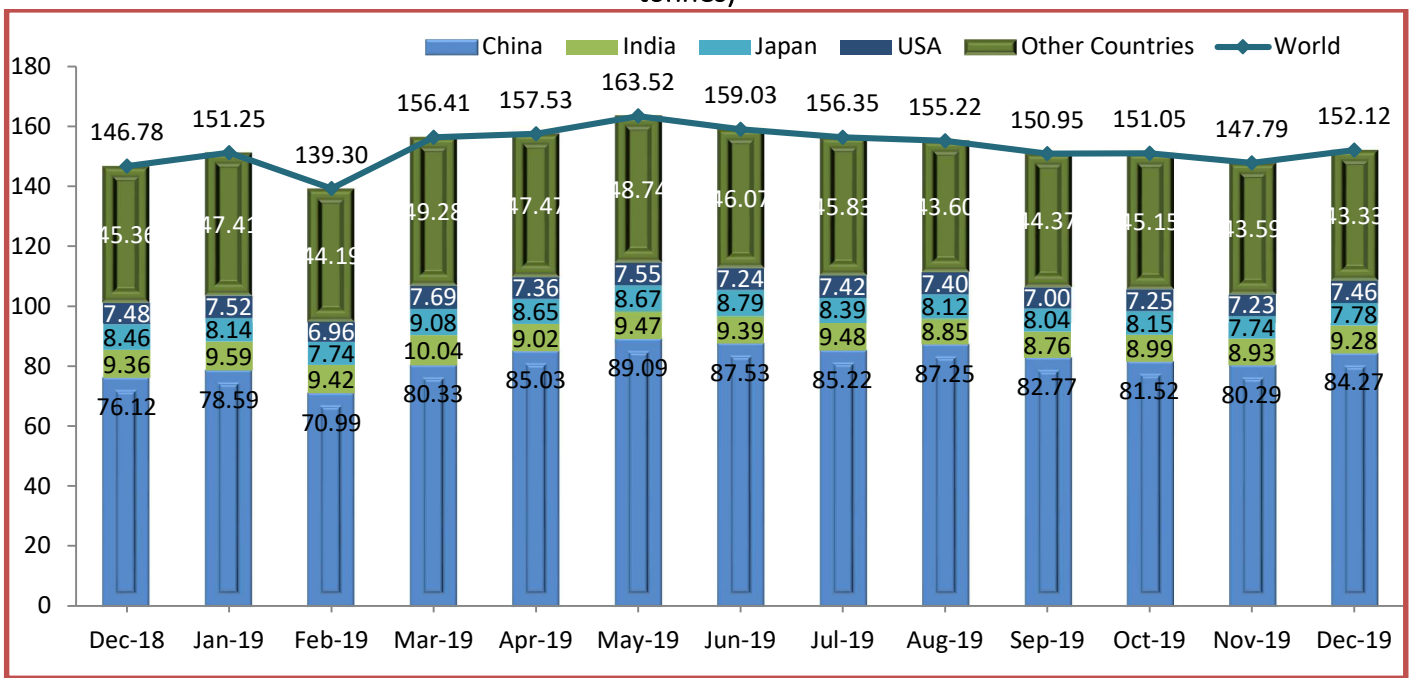
1. World Crude Steel Production

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

Country	Dec 19	Dec 18	% change	Apr-Dec 2019-20	Apr-Dec 2018-19	% change	2019	2018	% change
China	84.27	75.49	11.62	762.97	712.74	7.05	996.30	920.00	8.29
India	9.28	9.36	-0.80	82.19	81.87	0.40	111.25	109.27	1.81
Japan	7.78	8.46	-8.02	74.31	77.92	-4.62	99.28	104.32	-4.83
USA	7.46	7.48	-0.27	65.77	65.79	-0.04	87.93	86.61	1.52
Other Countries	43.33	45.42	-4.59	412.97	424.72	-2.77	575.14	588.20	-2.22
World Total	152.12	146.21	4.05	1398.22	1363.04	2.58	1869.90	1808.40	3.40

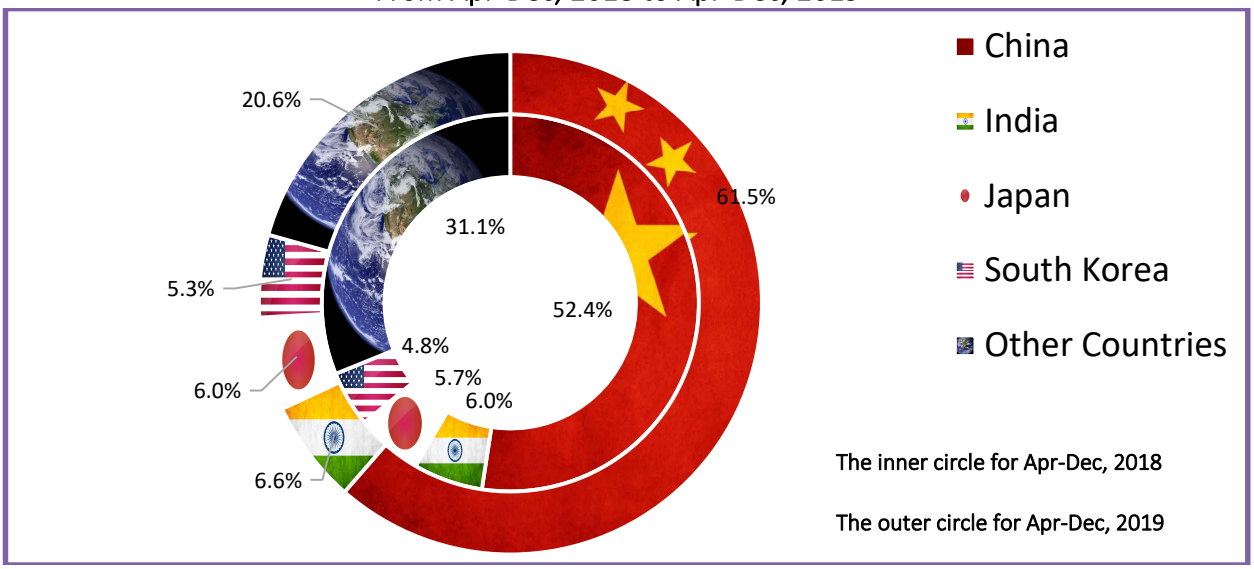
Source: WSA

Fig. 1(a):- Trend in Crude Steel Production by Top 4 Countries during Dec 2018 to Dec 2019 (in million tonnes)



- Crude steel production in China, India, Japan, USA, increased in Dec 2019 over Nov 2019 by 4.9%, 3.9%, .05% and 3.1% respectively and thus Crude Steel production at world level also increased in Dec 2019 by 2.9%.
- In CY19, Crude Steel production at world level increased by only 3.4% as production in most of the countries was low in this period. China only have a good growth rate (8.3%) in Crude Steel production.
- In CY2019, Crude Steel production in India increased by only 1.8%, while that in Japan declined by 4.8%.

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



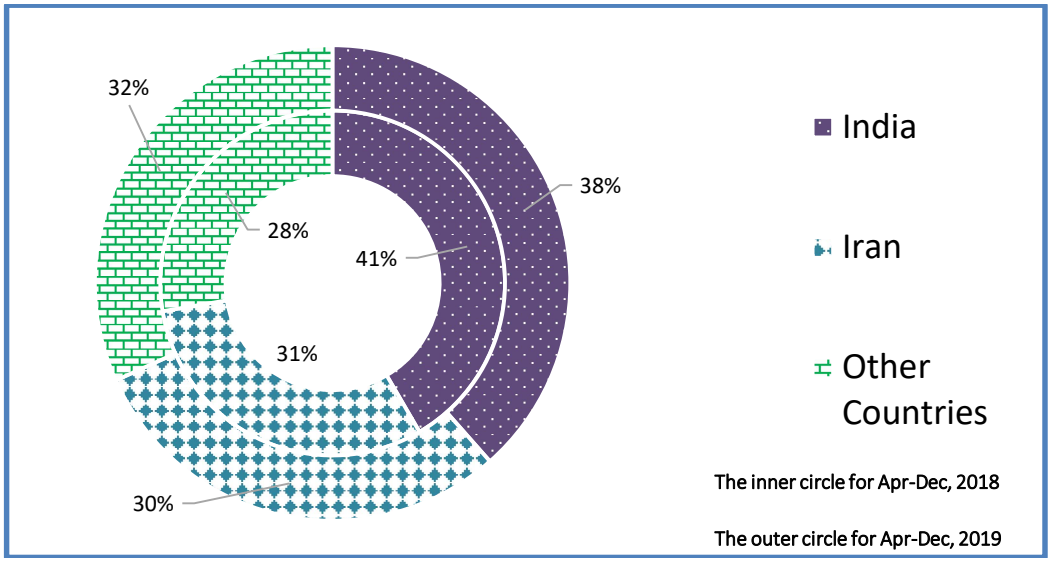
- **India,** the largest producer of DRI/Sponge Iron at global level, produced **3.23 million tonnes** Sponge Iron in Dec 2019, up by 9.02% over Dec 2018.

Table: 1(b):- Top Sponge Iron Producing Countries (in million tonnes)

Country	Dec 19	Dec 18	% change	Apr-Dec 2019-20	Apr-Dec 2018-19	% change	2019	2018	% change
India	3.23	2.96	9.02	28.07	25.92	8.30	36.86	34.22	7.72
Iran	2.50	2.53	-1.10	20.82	20.07	3.76	27.73	25.75	7.72
Other Countries	1.92	2.35	-18.37	18.65	21.36	-12.70	25.48	28.19	-9.61
World Total	7.65	7.84	-2.46	67.54	67.34	0.29	90.07	88.15	2.18

Source: WSA

Fig. 1(c):- Change in Share in Production of Sponge Iron by Top 2 Countries
From Apr-Dec, 2018 to Apr-Dec, 2019



2. Performance of India's Steel Sector

2.1 Crude Steel

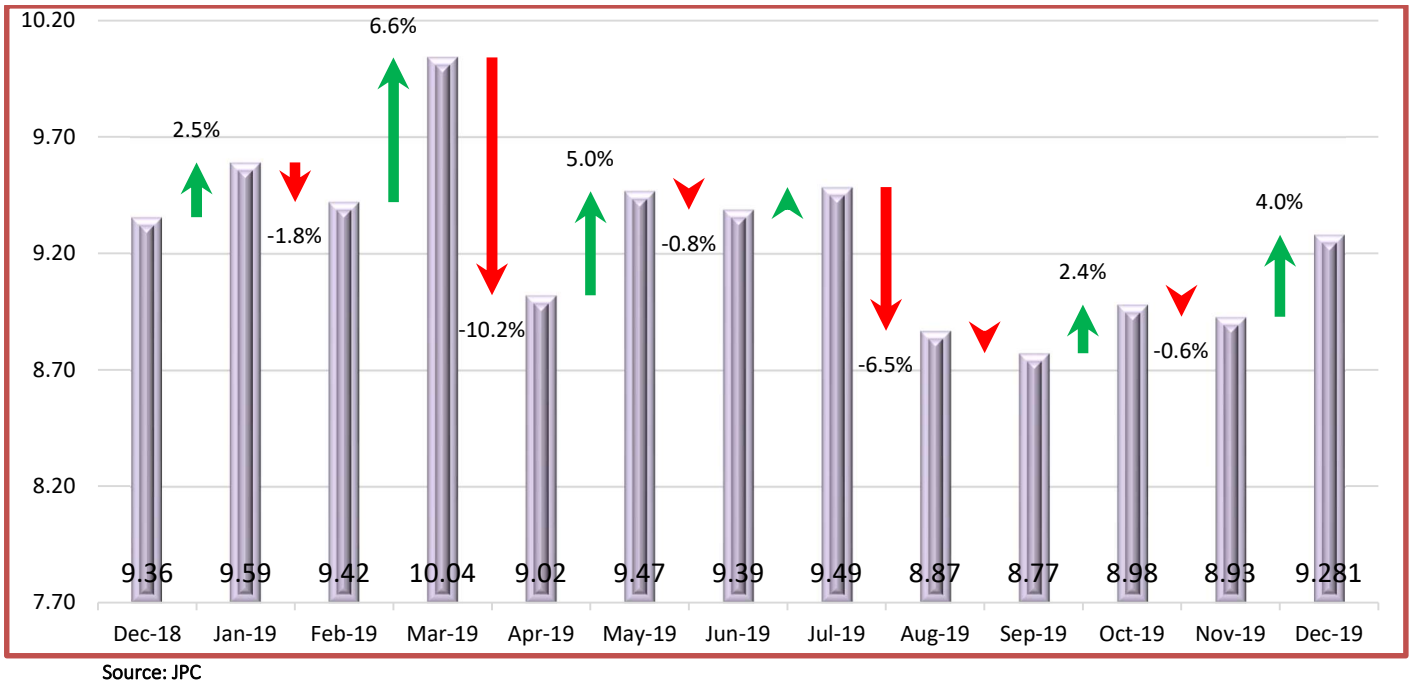
Table 2(a): Indian Crude Steel Production (Million Tonne)

PSU	Dec-19	Dec-18	% change	Apr-Dec 19	Apr-Dec 18	% change
SAIL	1.42	1.46	-2.67	11.85	11.93	-0.69
RINL (VSP)	0.28	0.46	-39.34	3.50	3.90	-10.26
Public Sector	1.70	1.92	-11.37	15.34	15.83	-3.05
TSL	1.09	1.09	0.55	9.70	9.77	-0.69
ESSAR	0.64	0.61	5.10	5.38	5.05	6.43
JSPL	0.53	0.41	27.54	4.43	3.74	18.19
JSWL	1.39	1.40	-0.50	11.91	12.56	-5.22
OTHERS	3.94	3.94	-0.03	35.44	34.92	1.50
Private sector	7.58	7.44	1.92	66.85	66.04	1.22
Total Production	**9.28**	**9.36**	**-0.80**	**82.19**	**81.87**	**0.40**
% Share of PSU	18	20		19	19	
% Share of Oxygen Route Production	43	45		44	45	
% Share of EAF Route Production	28	25		26	26	
% Share of IF Route Production	29	30		30	29	

Source: JPC

- During Dec 2019, production of Crude Steel decreased by 0.8% over Dec 2018 and during Apr-Dec 2019-20 the same increased slightly by 0.4% over Apr-Dec 2018-19.
- During Dec 2019, largest producer of Crude Steel is SAIL, followed by JSW.

Fig. 2(a):- Trend in Monthly Production of Crude Steel (in million tonnes)



Source: JPC

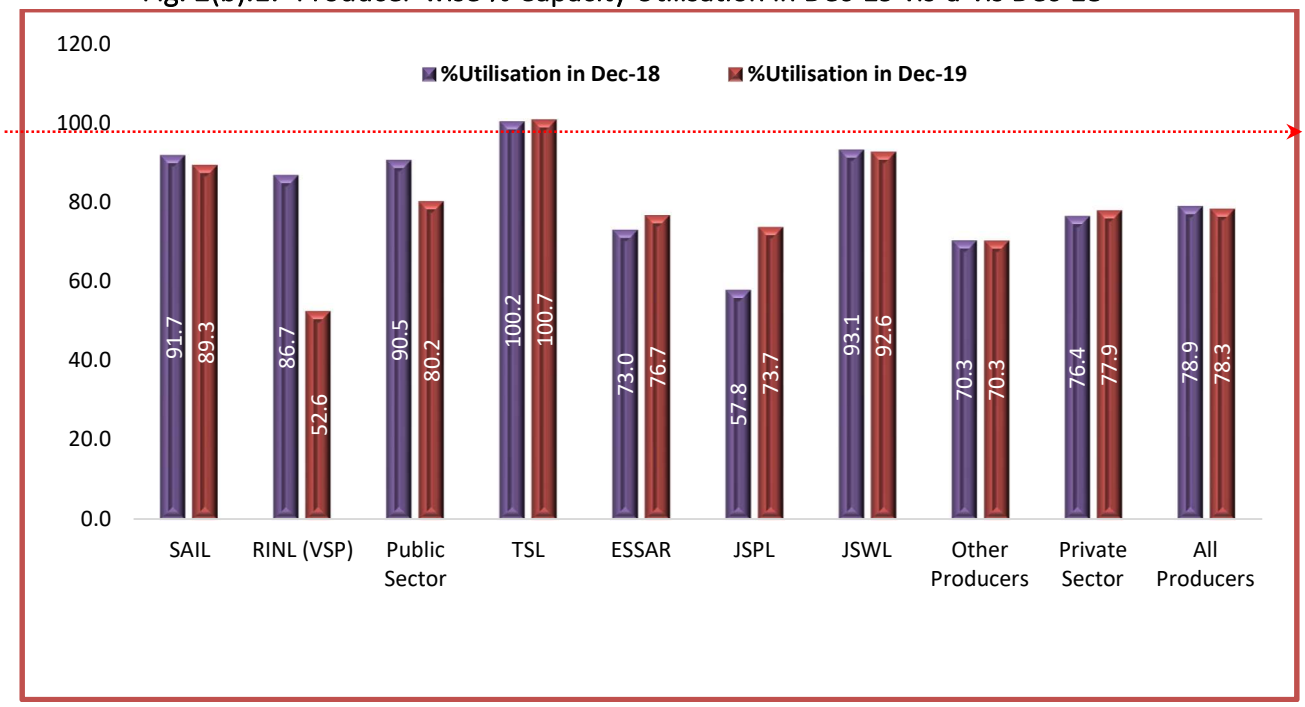
% decrease in a month over the previous month

% increase in a month over the previous month

2.2 Capacity Utilisation in Production of Crude Steel

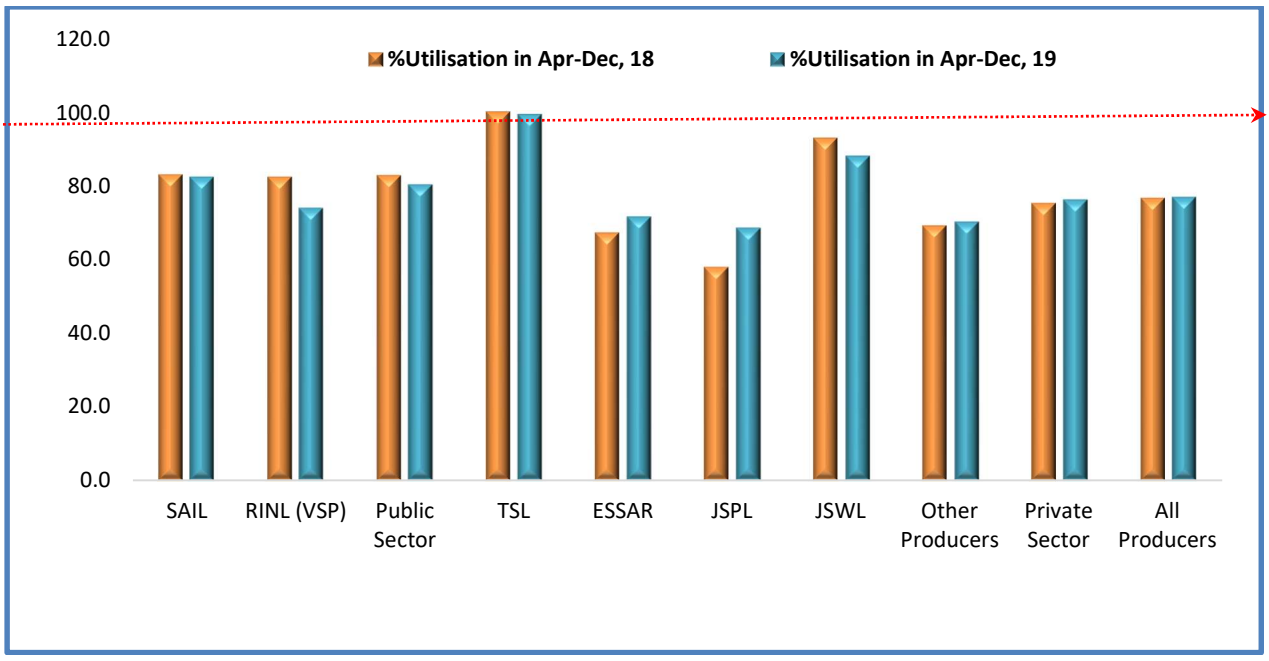
- The capacity utilisation in production of Crude Steel in the country has **decreased** from **78.9% in December 2018** to **78.3% in December 2019**. During Apr-Dec 2019-20 capacity utilisation was 77.0%.
- In **public sector**, Capacity utilisation has **decreased** from **90.5%** in December 2018 to **80.2% in** December 2019 while that of **private sector increased from 76.4% in December 2018 to 77.9% in December 2019.**

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



Source: JPC

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



Source: JPC

2.3 Hot Metal

- During December 2019, **production of Hot Metal was 6.26 million** tonnes having decreased by 1.82% over December 2018.

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

PSU	Dec-19	Dec-18	% change	Apr-Dec 19	Apr-Dec 18	% change
SAIL	1.52	1.60	-4.69	12.84	12.84	-0.02
RINL (VSP)	0.30	0.52	-42.2	3.80	4.29	-11.46
TSL	1.19	1.16	2.6	10.44	10.58	-1.35
ESSAR	0.33	0.29	13.27	2.74	2.37	15.29
JSPL	0.47	0.38	25.8	4.10	3.42	19.89
JSWL	1.41	1.31	7	11.44	11.59	-1.29
OTHERS	1.04	1.12	-7.14	9.27	9.80	-5.44
Total Production	**6.26**	**6.38**	**-1.82**	**54.62**	**54.90**	**-0.5**
Public sector	1.82	2.12	-13.88	16.64	17.13	-2.89
Share in Public sector	29.1	33.2		30.5	31.2	

Source: JPC

2.4 Pig Iron

- During December 2019, **production of Pig Iron was 0.420 million tonnes** which has decreased by 26.19% over December 2018.

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

PSU	Dec-19	Dec-18	% change	Apr-Dec 19	Apr-Dec 18	% change
SAIL	0.040	0.057	-29.82	0.463	0.343	34.99
RINL	0.001	0.019	-94.74	0.033	0.092	-64.13
TSL+ESSAR+JSWL+JSPL	0.030	0.047	-36.17	0.317	0.228	39.04
OTHERS	0.349	0.446	-21.75	3.501	4.085	-14.30
Total Production	**0.420**	**0.569**	**-26.19**	**4.314**	**4.748**	**-9.14**
Public sector	0.041	0.076	-46.05	0.496	0.435	14.02
Share in Public sector	9.8	13.4		11.5	9.2	

Source: JPC

2.5 Sponge Iron

- During December 2019, **production of Sponge Iron was 3.228 million tonnes**, recorded a positive growth of 8.98% over December 2018.

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

PSU	Dec-19	Dec-18	% change	Apr-Dec 19	Apr-Dec 18	% change
ESSAR	0.422	0.432	-2.31	3.656	3.615	1.13
JSPL	0.134	0.122	9.84	1.591	0.986	61.36
JSWL	0.186	0.174	6.9	1.546	1.788	-13.53
OTHERS	2.486	2.234	11.28	21.281	19.533	8.95
Total Production	**3.228**	**2.962**	**8.98**	**28.074**	**25.922**	**8.30**

Source: JPC

2.6 Finished Steel

a) Production and Consumption of Finished Steel

- During **December 2019**, **production** of **Finished Steel** was 8.37 million **declined** by **3.91%** over December 2018 while **consumption was** 8.29 million tonnes, **increased by 1.68%.**

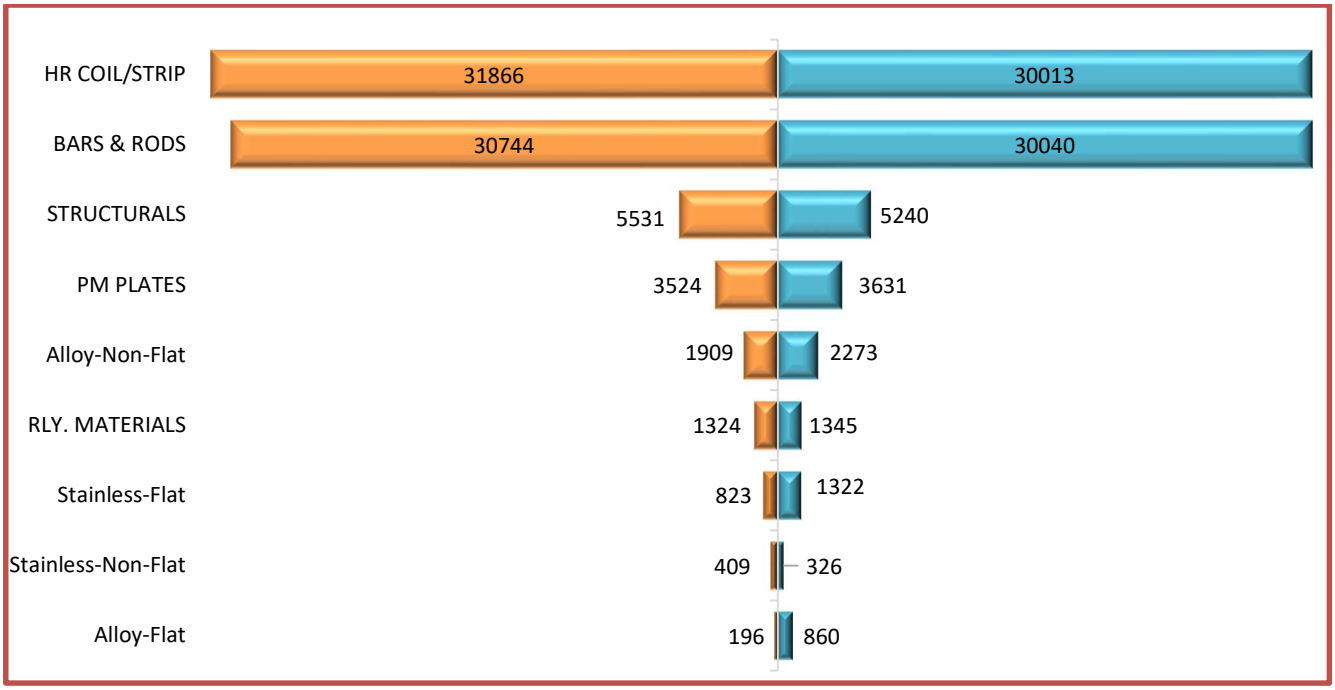
Table: 2(e):- Production and Consumption of Finished Steel in India (in million tonnes)

PSU	Dec-19	Dec-18	% change	Apr-Dec 19	Apr-Dec 18	% change
SAIL	1.13	1.10	2.36	9.13	9.39	-2.8
RINL (VSP)	0.23	0.36	-36.74	2.65	3.15	-15.7
Public Sector	**1.36**	**1.47**	**-7.3**	**11.78**	**12.54**	**-6.0**
TSL	1.18	1.08	8.58	9.59	9.63	-0.4
ESSAR	0.62	0.61	1.48	5.30	5.02	5.5
JSPL	0.44	0.31	39.87	3.41	2.73	24.9
JSWL	1.30	1.31	-0.23	11.22	11.57	-3.1
OTHERS	3.48	3.94	-11.61	35.03	33.47	4.6
Private sector	**7.01**	**7.25**	**-3.23**	**64.54**	**62.43**	**3.4**
Gross Total Production	**8.37**	**8.71**	**-3.91**	**76.33**	**74.97**	**1.8**
Consumption	**8.29**	**8.15**	**1.68**	**75.05**	**72.33**	**3.8**
% Share of PSU in production	16%	17%		15%	17%	

Source: JPC

- During Apr-Dec, 2019, the **production** of **finished steel** was **76.33 million tonnes** having increased by 1.8% over same period of previous year; while **consumption** during Apr-Dec, 2019 was **75.05 million tonnes** having increased by 3.8% over same period of previous year.

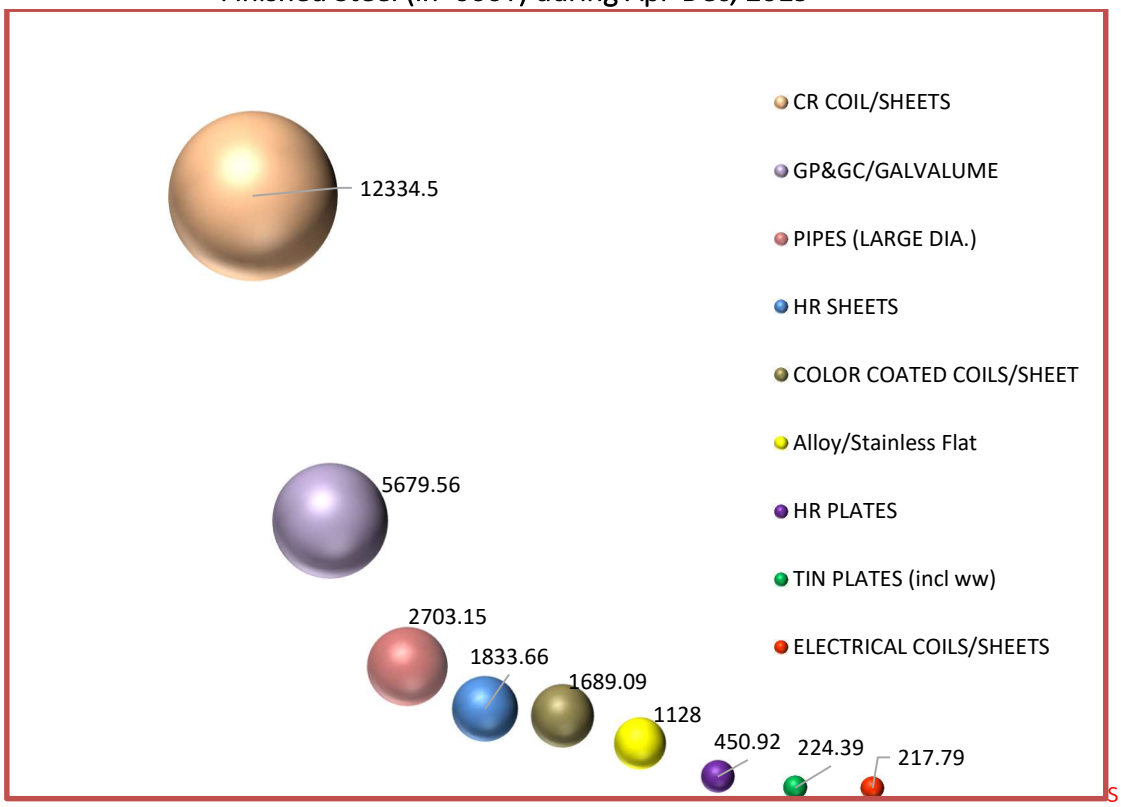
Fig. 2(c):- Product-wise Production & Consumption of Finished Steel (HR Equivalent) (in '000T) during Apr-Dec, 2019



Source: JPC

➢ As usual, **HR Coil/Strip and Bars&Rods have high demand in India** in Apr-Dec 2019-20.

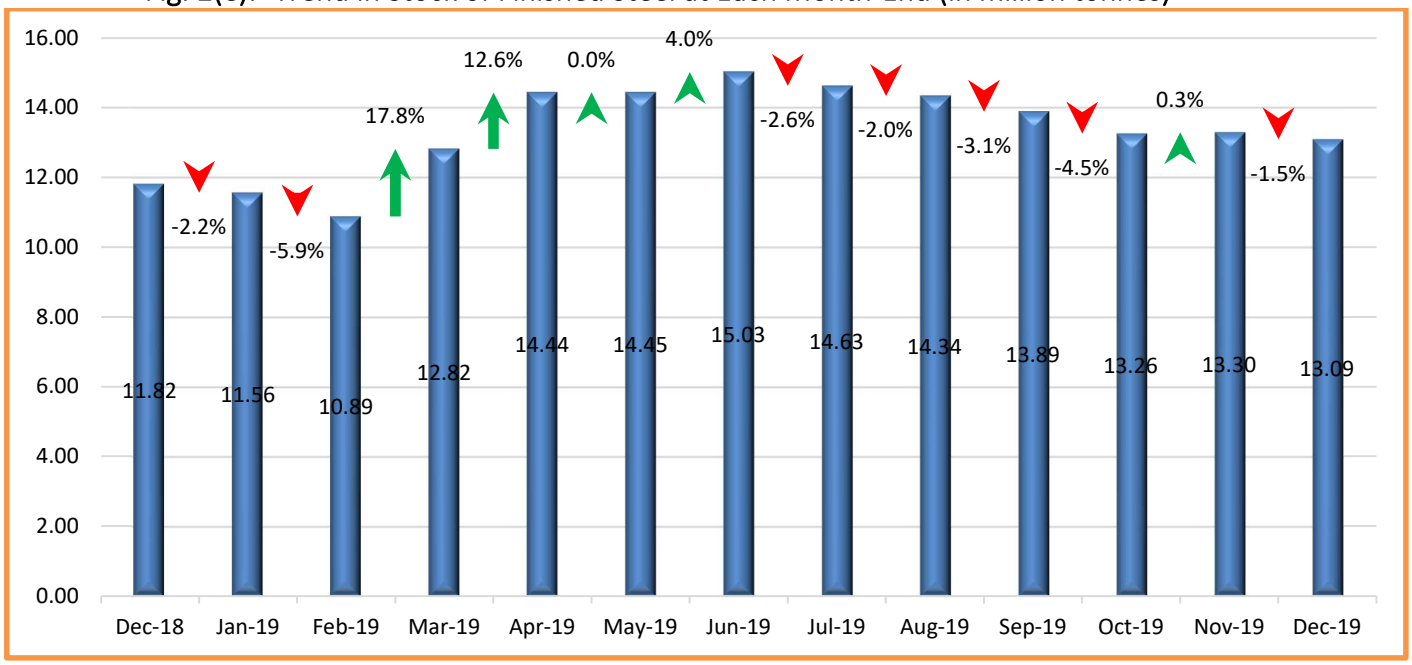
Fig. 2(d):- Production of Downstream / Value Added Products of Finished Steel (in '000T) during Apr-Dec, 2019



Source: JPC

b) Stock Analysis of Finished Steel

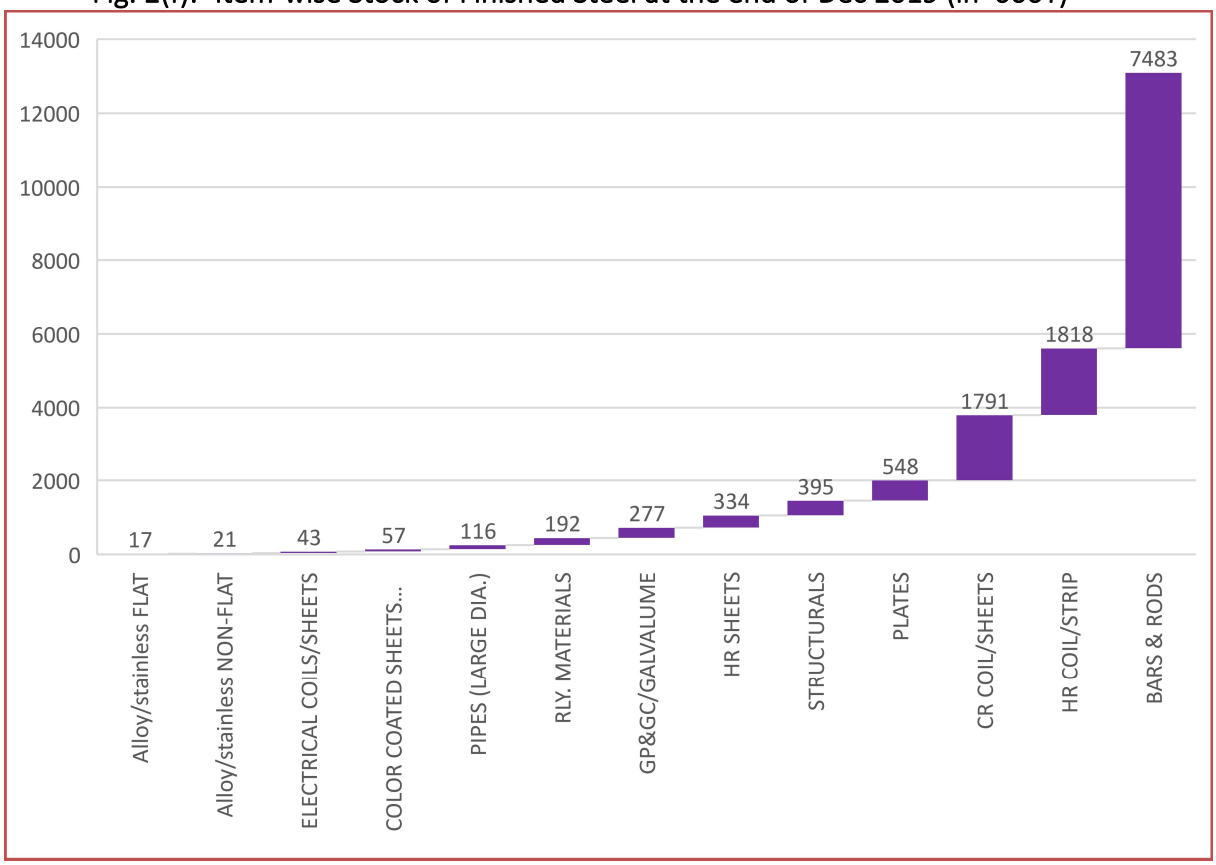
Fig. 2(e):- Trend in Stock of Finished Steel at Each Month-End (in million tonnes)



Source: JPC

➢ Amid low demand of steel in domestic market, a good stock of steel was piled up in FY20 and Indian steel makers have resorted to ease off inventories to global market through export. As a result, the accumulated **stock** has decreased by 1.5% at the end of December 2019 over the previous month-end and remained at **13.09 million tonnes**.

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



Source: JPC

- As on 31st Dec 2019, **7.5 million tonnes of Bar&Rods are in stock** which can be exported.
- As on 31st Dec 2019, 1**.82 million tonnes and 1.79 million tonnes of HRC and CRC are in stock** while a good amount of HRC, CRC were exported in recent period which made India net exporter in last five months and also in Apr-Dec 2019-20.

c) Import & Export of Finished Steel

Table: 2(f).1:- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise

Import	Dec 19	Dec 18	% Change	Apr-Dec, 2019	Apr-Dec, 2018	% Change
Non-Alloy						
Non-Flat	15	19	-19.0	279	319	**-12.7**
Flat	221	388	-43.1	3594	4149	**-13.4**
Non-Alloy - Total	**236**	**407**	**-42.0**	**3872**	**4468**	**-13.3**
Alloy/Stainless						
Non-Flat	19	29	-33.8	319	483	-34.0
Flat	183	112	62.7	1323	958	38.1
Alloy - Total	**202**	**141**	**43.1**	**1642**	**1441**	**13.9**
Import – Total	**438**	**548**	**-20.1**	**5514**	**5909**	**-6.7**

Source: JPC

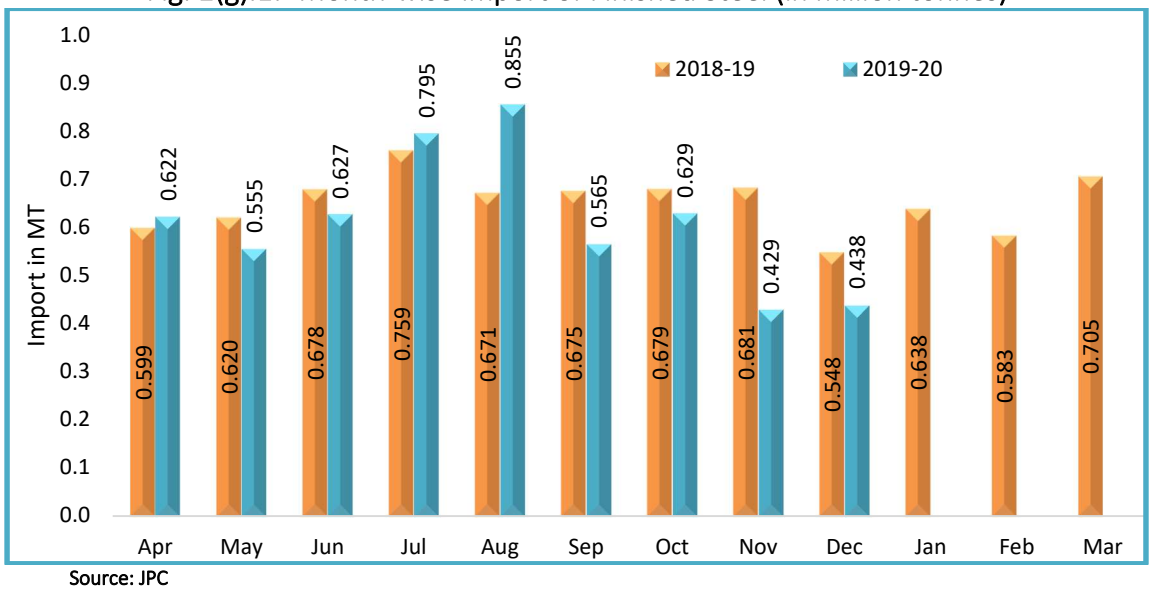
- During Dec 2019 import declined by 20% while export increased by 108%.
- Since Aug 2019, India has been a net-exporter country.

Table: 2(f).2:- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise						
Export	**Dec 19**	**Dec 18**	**% Change**	**Apr-Dec, 2019**	**Apr-Dec, 2018**	**% Change**
Non-Alloy						
Non-Flat	39	64	-39.2	501	509	-1.7
Flat	632	245	157.6	5422	3711	46.1
Non-Alloy - Total	**671**	**310**	**116.8**	**5923**	**4221**	**40.3**
Alloy/Stainless						
Non-Flat	37	22	68.3	209	218	-4.4
Flat	59	36	62.7	388	237	64.3
Alloy - Total	**96**	**58**	**64.8**	**597**	**455**	**31.3**
Export – Total	**767**	**368**	**108.6**	**6520**	**4676**	**39.4**

Source: JPC

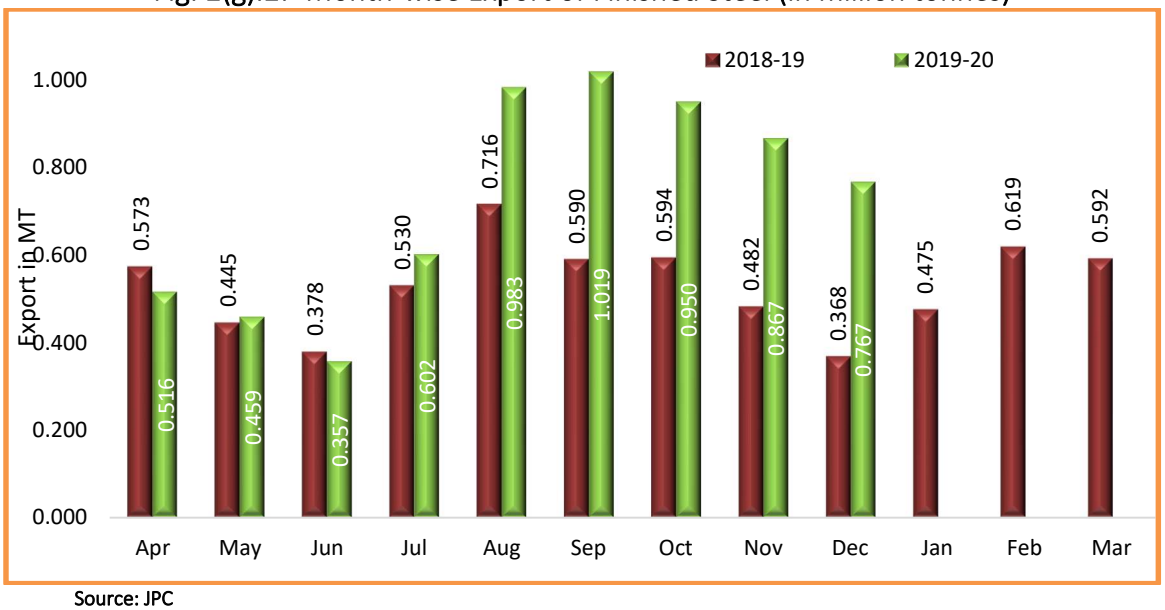
- During Apr-Dec 2019-20, balance of trade became 1.006 million tonnes.
- Mainly export of Flat product contributed in net export status of India in Dec 2019.

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



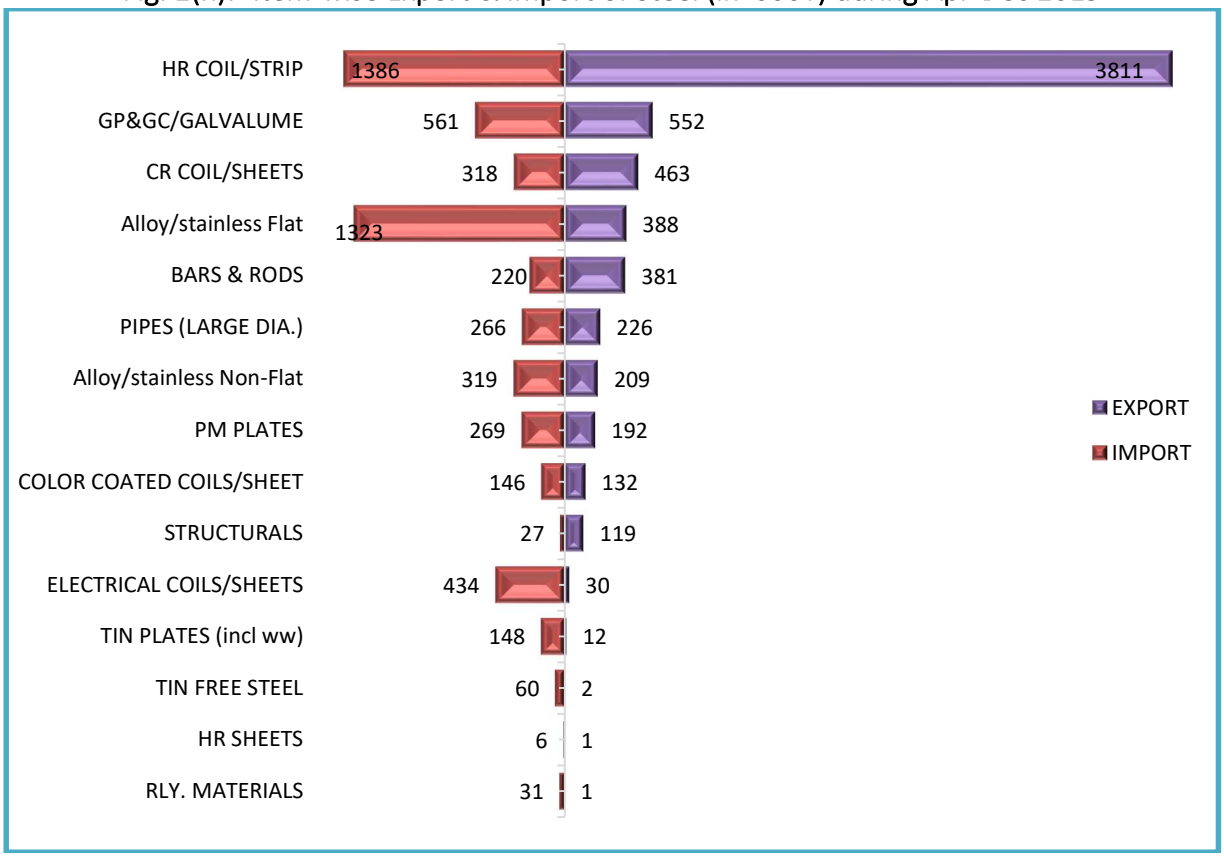
Source: JPC

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



Source: JPC

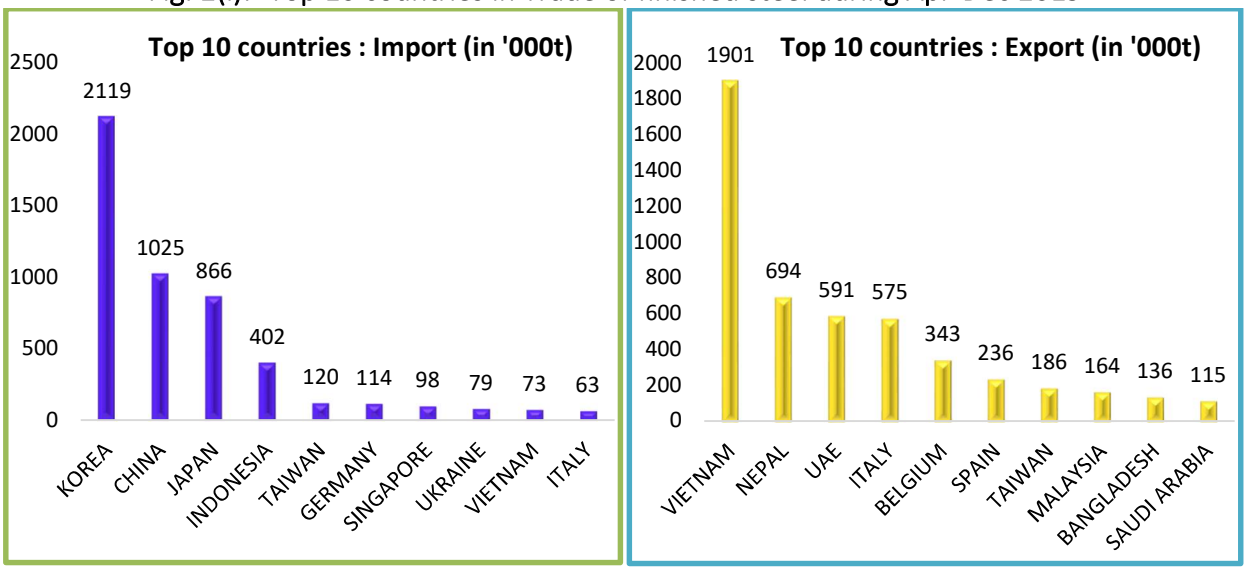
Fig. 2(h):- Item-wise Export & Import of Steel (in '000T) during Apr-Dec 2019



Source: JPC

- Huge amount of **HRC (3.811 million tonnes) was exported** in Apr-Dec 2019-20 out of which **1.879 million tonnes was exported to Vietnam**.
- **Vietnam** is the **top-most destination** country for export of Indian steel whereas S. **Korea** is the **top-most source country** for import of steel in India.

Fig. 2(i):- Top 10 countries in Trade of finished steel during Apr-Dec 2019



Source: JPC

2.7 Iron Ore

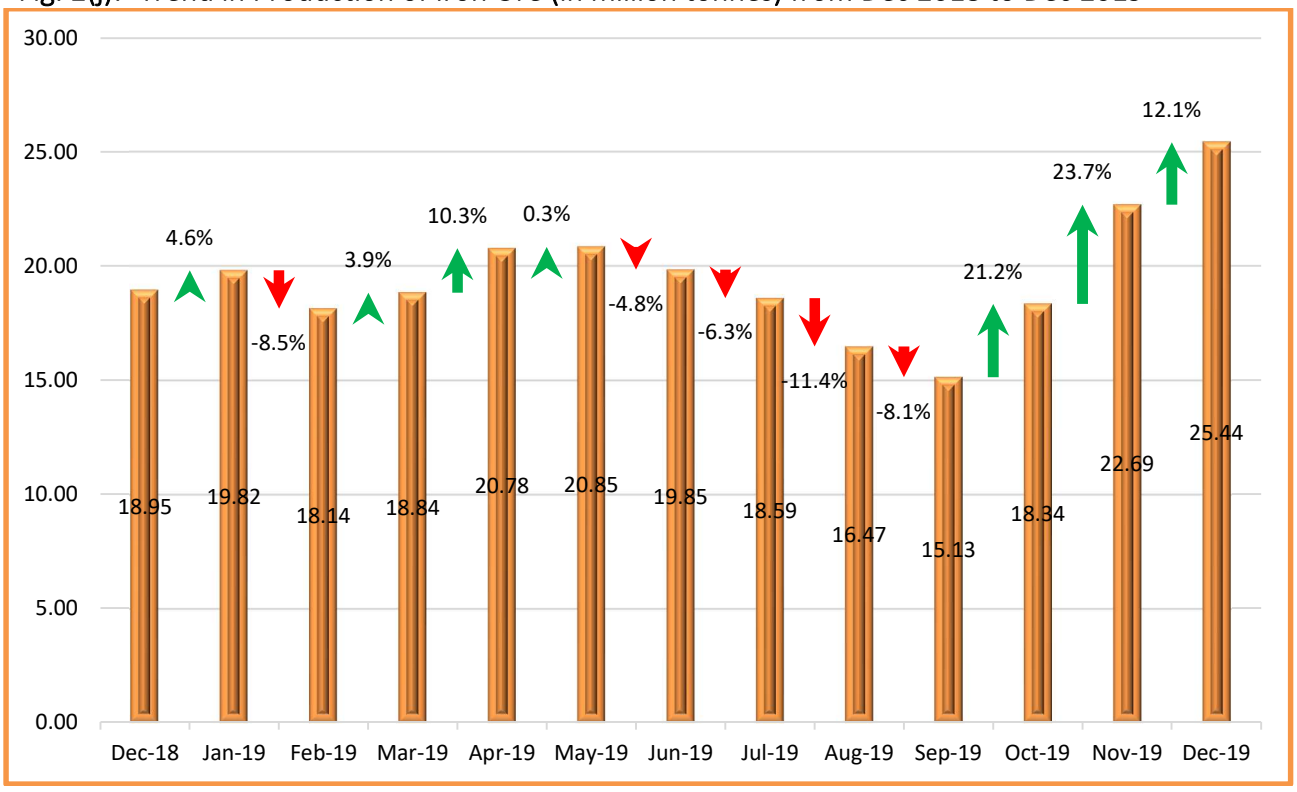
- During **Dec 2019**, **production** of **Iron Ore** was **25.44 million tonnes,** increased by 34% over Dec 2018; while production during **Apr-Dec 2019 was 177.95 million tonnes** having increased by 18**%** over the same period of previous year.
- During **Apr-Dec 2019, export of Iron Ore (inc pellet) was 26.21 million tonnes**, having **increased by 134%** over the same period of previous year, while **import was 1.08 million tonnes**, having **decreased by 91%** 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 traders are exporting excess Iron Ore to the other countries, while import is very less.

Table: 2(g):- Production, Export & Import of Iron Ore in India (in million tonnes)

	Dec 19	Dec 18	% Change	Apr-Dec 2019	Apr-Dec 2018	% Change
Production#	25.44	18.95	**34%**	177.95	150.86	**18%**
Export@	3.21	1.60	**101%**	26.21	11.20	**134%**
Import@	0.04	1.61	**-98%**	1.08	11.75	**-91%**

Source: # - JPC/steelmint, @ - DGCI&S, trade inc pellets

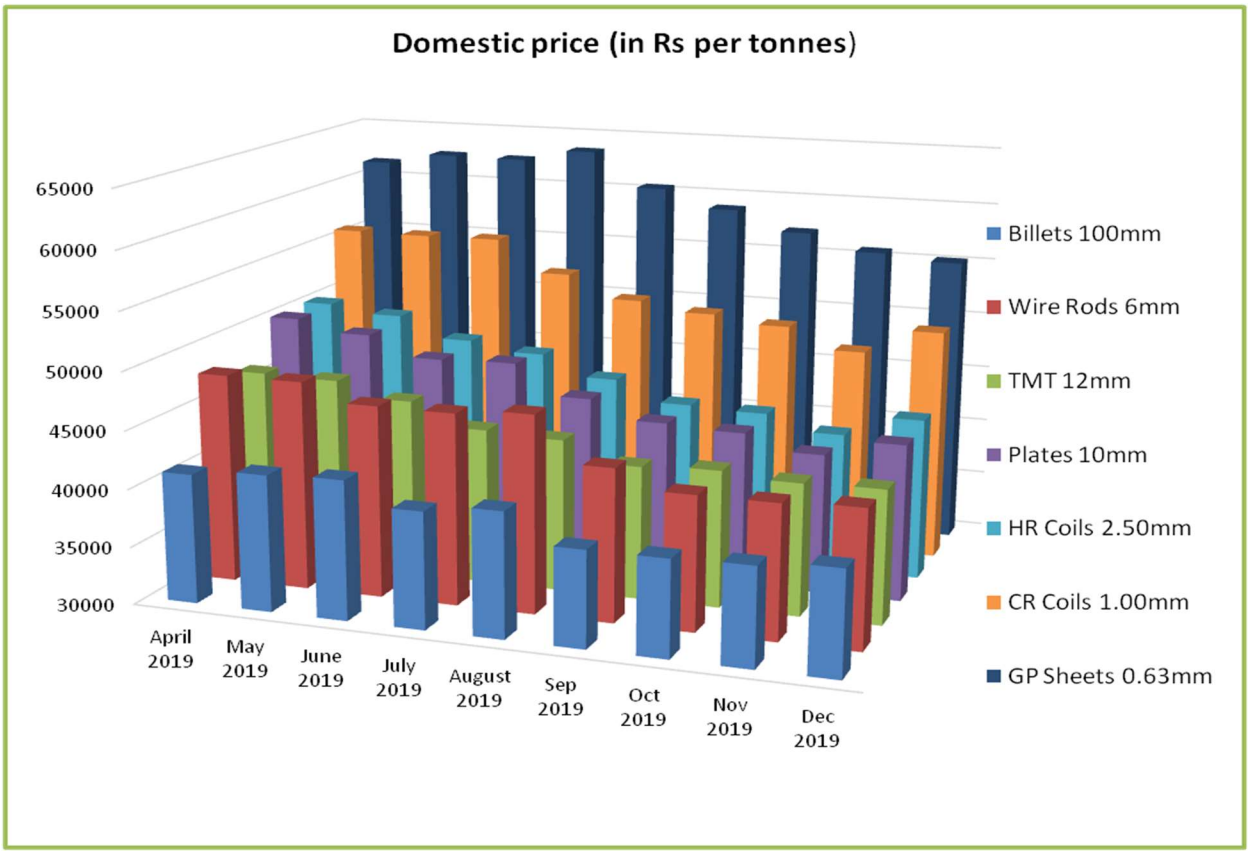
Fig. 2(j):- Trend in Production of Iron Ore (in million tonnes) from Dec 2018 to Dec 2019



Source: JPC/steelmint

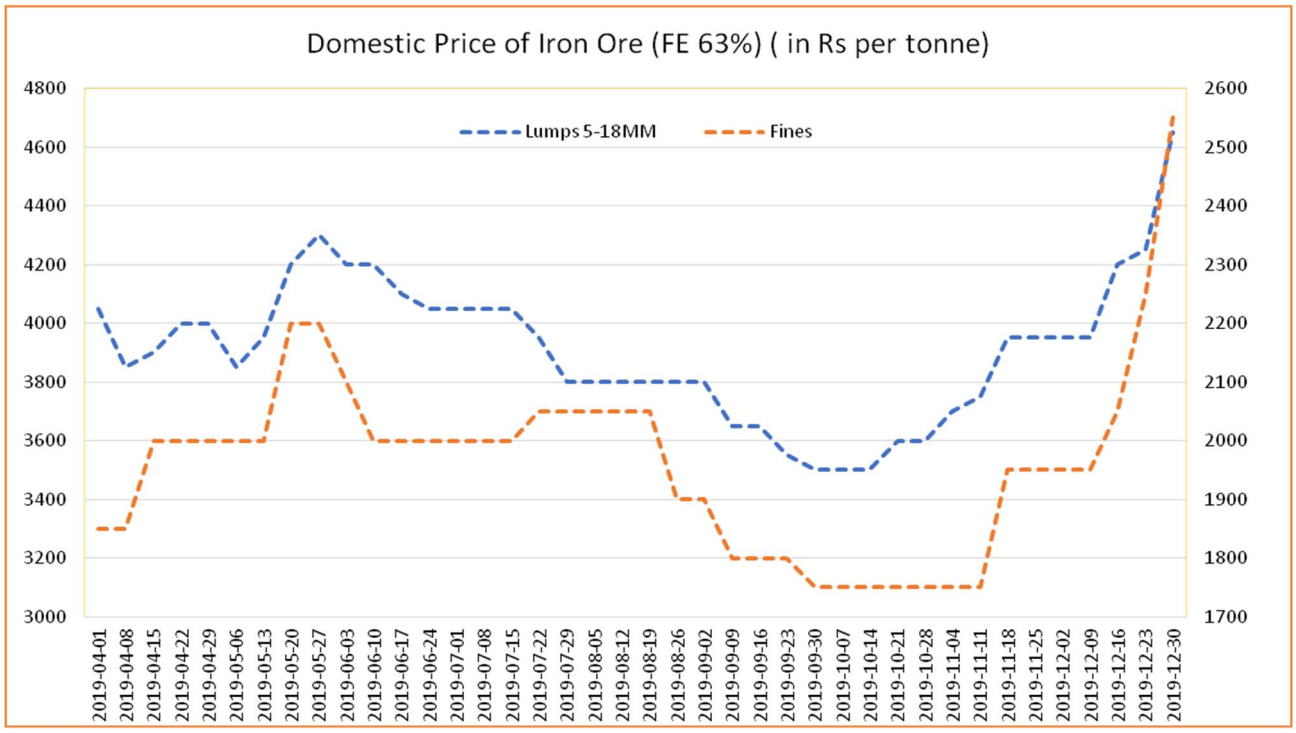
2.8 Price

- In FY20, demand of steel is slightly increased both in domestic and international market and as a result price of steel increased both at domestic and global level.



Source: JPC

- This led to increase in price of Iron Ore also.



Source: Steelmint