Monthly Analysis
(February 2020)

Ministry of Steel | Statistics Division

Major Highlights During Febuary 2020

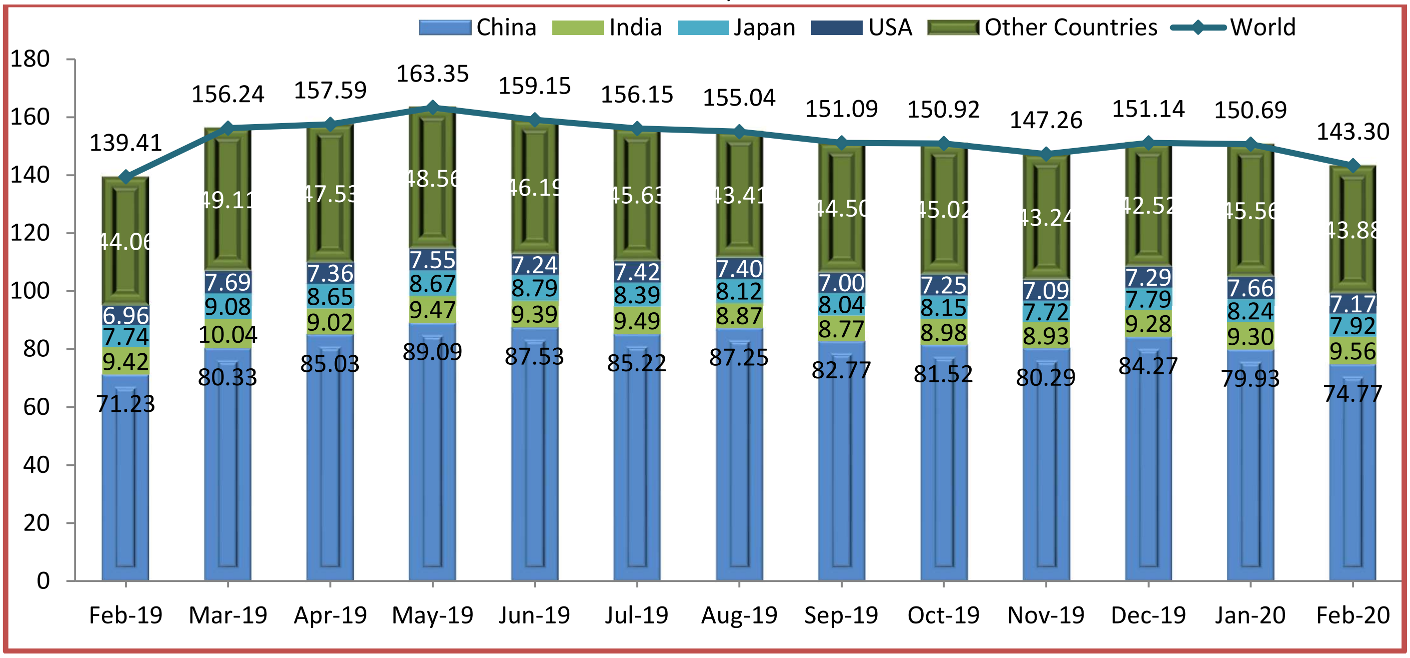
- During Feb 2020, **142.40 million tonnes of crude steel was produced in the world**, **increased by 2.1%** over Feb 2019.
- **China**, world's largest producer of crude steel, produced **74.77 million tonnes** of crude steel in Feb 2020, **up by 4.97%** over Feb 2019. Global level slowdown in production and trade are induced by corona virus outbreak in China.
- **India**, world's 2nd largest producer of crude steel, produced **9.56 million tonnes** of crude steel in Feb 2020, **up by 1.48**% over Feb 2019.
- **Japan**, the third largest producer of crude steel in the world, produced **7.92 million tonnes** of crude steel in Feb 2020, **up by 2.2%** over Feb 2019.
- The **capacity utilisation** in production of crude steel in India crossed 80% first time in FY20, has **decreased** from **79.5% in Feb 2019** to **80.7% in Feb 2020**.
- During Feb 2020, **production of finished steel was 8.30 million tonnes**, **up by 0.17%** over Feb 2019.
- **Consumption of finished steel** during Feb 2020 was **7.84 million tonnes** which has **decreased by 6.38%** over Feb 2019.
- Corona virus outbreak in China influenced Indian trade of steel negatively. Hence both import and export of Indian steel declined. During Feb 2020, **import** of finished steel was **0.401 million tonnes**, **declined by 31.17%** over Feb 2019 while **Export** of finished steel during Feb 2020 was **0.570 million tonnes** which has **decreased by 7.94%** over Feb 2019.
- India became the **net exporter** in trade of finished steel in Feb 2020 with **trade balance 0.169 million tonnes**.
- During Jan 2020, **production of Iron Ore was 22.87 million tonnes** having increased by 15% over Jan 2019.

1. World Crude Steel Production

Table: 1(a):- Top Crude Steel Producing Countries (in million tonnes)						
Country	**Feb-20**	**Feb-19**	**% change**	**Apr-Feb 2019-20**	**Apr-Feb 2018-19**	**% change**
China	74.77	71.23	4.97	917.68	862.84	6.36
India	9.56	9.42	1.48	101.05	100.88	0.17
Japan	7.92	7.74	2.21	90.47	93.80	-3.55
USA	7.17	6.96	3.05	80.43	80.26	0.20
Other Countries	42.98	44.06	-2.45	575.57	595.99	-3.43
World Total	**143.30**	**139.41**	**2.78**	**1685.16**	**1653.51**	**1.91**

Source: WSA

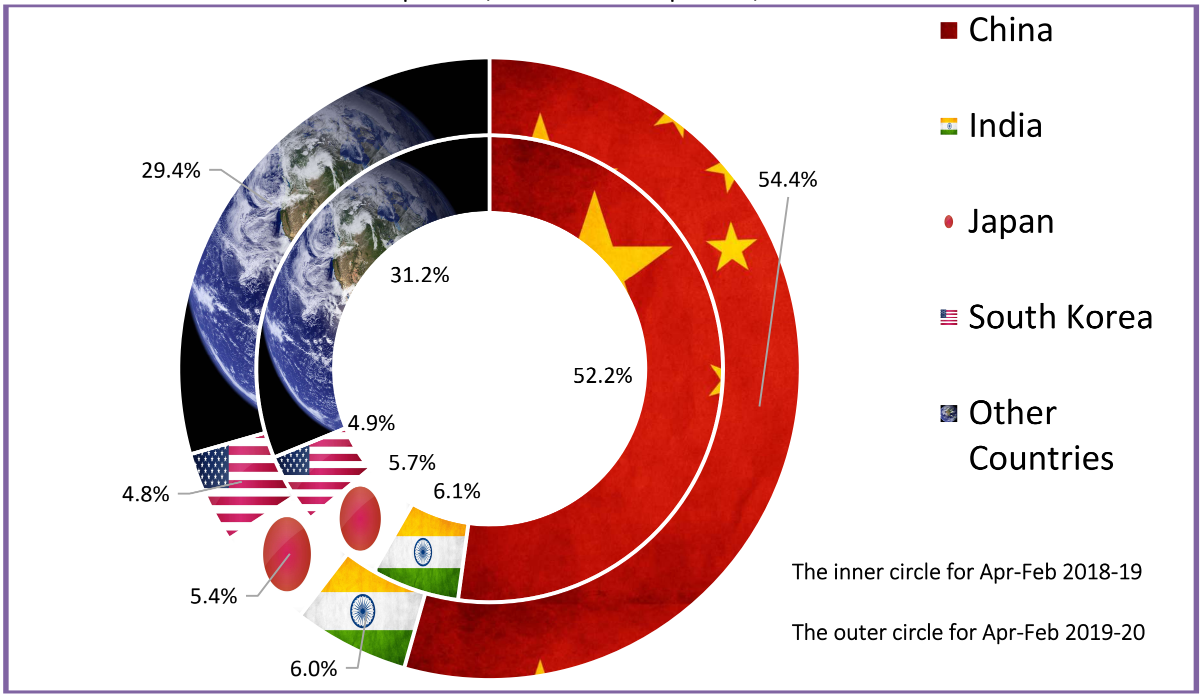
Fig. 1(a):- Trend in Crude Steel Production by Top 4 Countries during Feb 2019 to Feb 2020 (in million tonnes)



- Imposition of lock down to prevent the spread of COVID-19 has lowered steel production in China. Hence, as China is main contributor in global steel sector with share more than 52%, Crude Steel production at world level also decreased in Feb 2020 by 4.91% over Jan 2020.
- Crude steel production declined in most of the countries in Feb 2020 over Jan 2020. In China, Japan, USA, Crude Steel production decreased by 6.45%, 3.99% and 6.38% respectively while it increased in India with 2.85%.
- In Apr-Feb 2019-20, Crude Steel production at world level increased only by 1.91% as production in most of the countries was low in this period.

Fig. 1(b):- Change in Share in Production of Crude Steel by Top 4 Countries

From Apr-Feb, 2018-19 to Apr-Feb, 2019-20



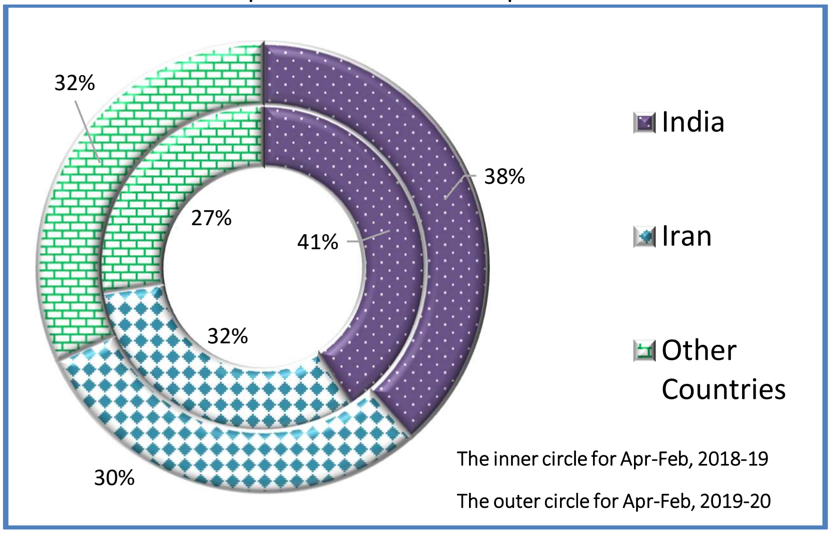
- **India,** the largest producer of DRI/Sponge Iron at global level, produced **3.11 million tonnes** Sponge Iron in Feb 2020, up by 10.46% over Feb 2019.

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

Country	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
India	3.11	2.82	10.46	31.48	28.89	8.96
Iran	2.34	2.23	4.72	24.47	22.27	9.89
Other Countries	2.14	2.17	-1.61	21.16	23.80	-11.09
World Total	**7.59**	**7.23**	**5.06**	**77.11**	**74.96**	**2.87**

Source: WSA

Fig. 1(c):- Change in Share in Production of Sponge Iron by Top 2 Countries From Apr-Feb 2018-19 to Apr-Feb 2019-20



2. Performance of India's Steel Sector

2.1 Crude Steel

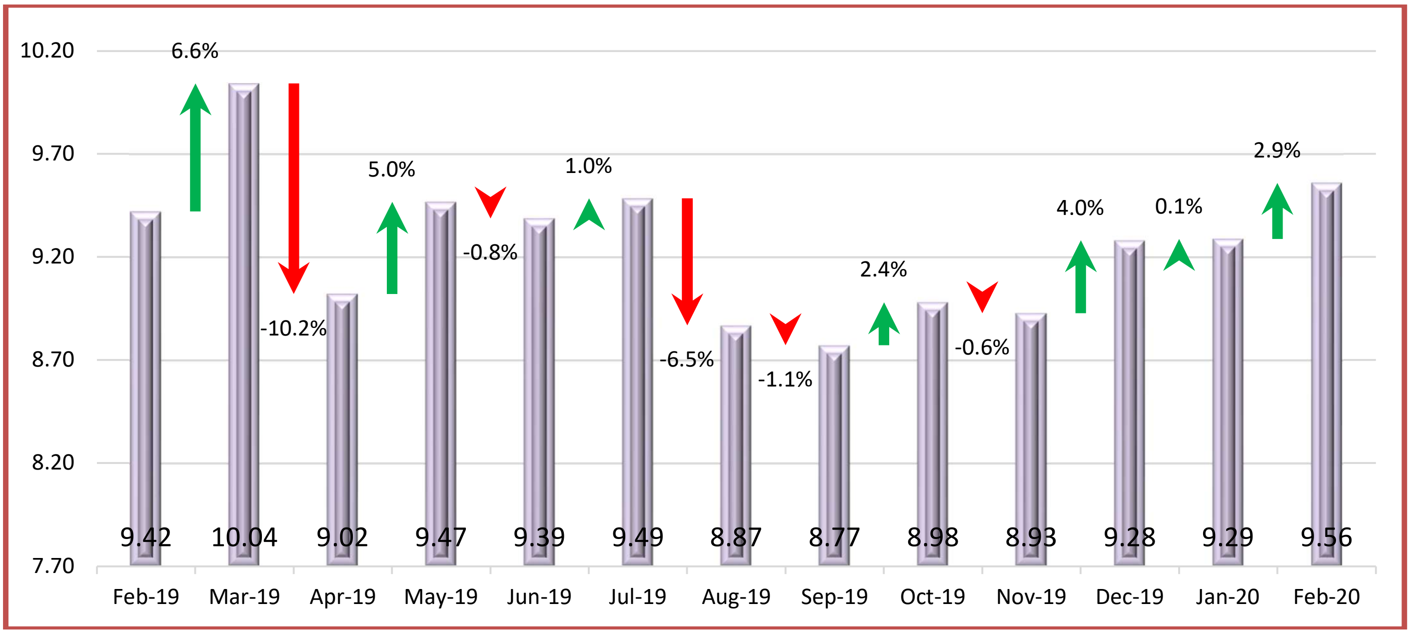
Table 2(a): Indian Crude Steel Production (Million Tonne)

PSU	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
SAIL	1.44	1.36	5.43	14.75	14.73	0.15
RINL (VSP)	0.45	0.43	3.85	4.27	4.77	-10.49
Public Sector	1.89	1.80	5.05	19.02	19.50	-2.45
TSL	1.10	1.08	2.03	11.99	12.00	-0.10
ESSAR	0.60	0.56	8.07	6.62	6.20	6.80
JSPL	0.54	0.45	19.69	5.33	4.70	13.36
JSWL	1.49	1.26	18.01	14.77	15.28	-3.36
OTHERS	3.94	4.27	-7.84	43.38	43.19	0.44
Private sector	7.67	7.63	0.63	82.09	81.38	0.88
Total Production	**9.56**	**9.42**	**1.47**	**101.11**	**100.88**	**0.23**
% Share of PSU	20	19		19	19	
% Share of Oxygen Route Production	46	43		44	45	
% Share of EAF Route Production	26	24		26	26	
% Share of IF Route Production	28	33		30	30	

Source: JPC

- Domestic producers saw good demand from project, OEM and construction sector, while demand is weak in automobile sector. Hence production increase by most of the big producers in Feb 2020 and as a result during Feb 2020, production of Crude Steel increased slightly by 1.47% over Feb 2019 while it is a increase of 2.9% over Jan 2020.
- During Apr-Feb 2019-20 crude steel production increased slightly by 0.23% over Apr-Feb 2018-19.

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



Source: JPC

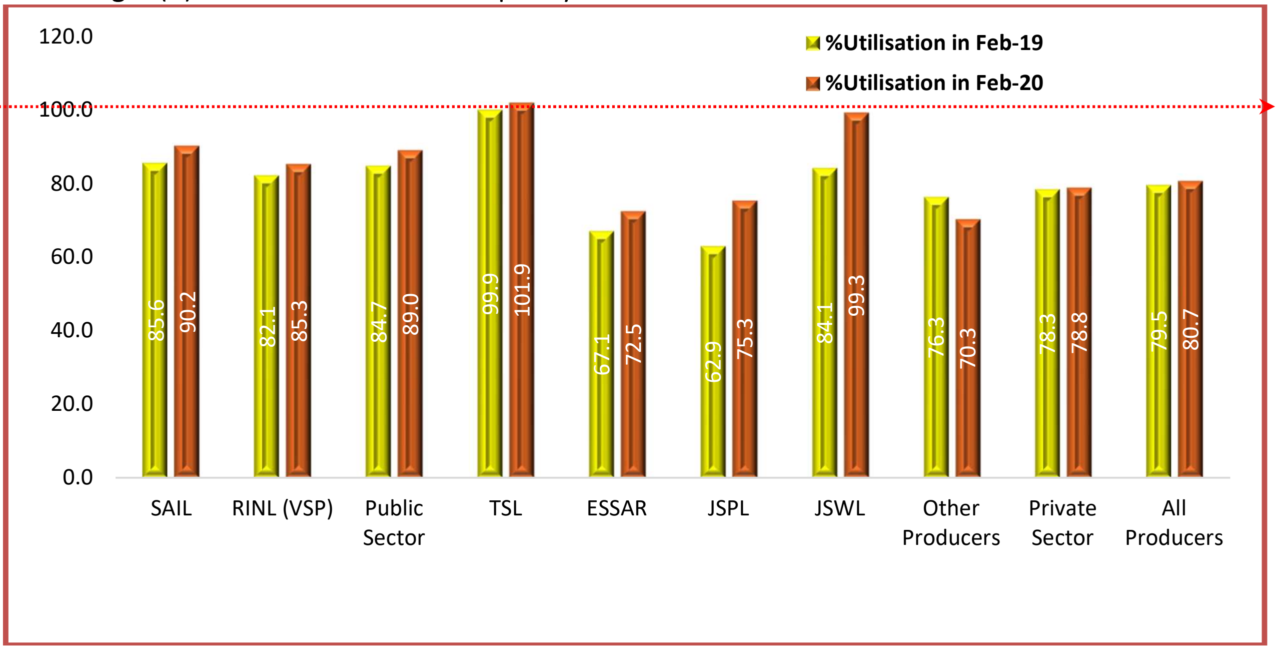
% decrease in a month over the previous month

% increase in a month over the previous month

2.2 Capacity Utilisation in Production of Crude Steel

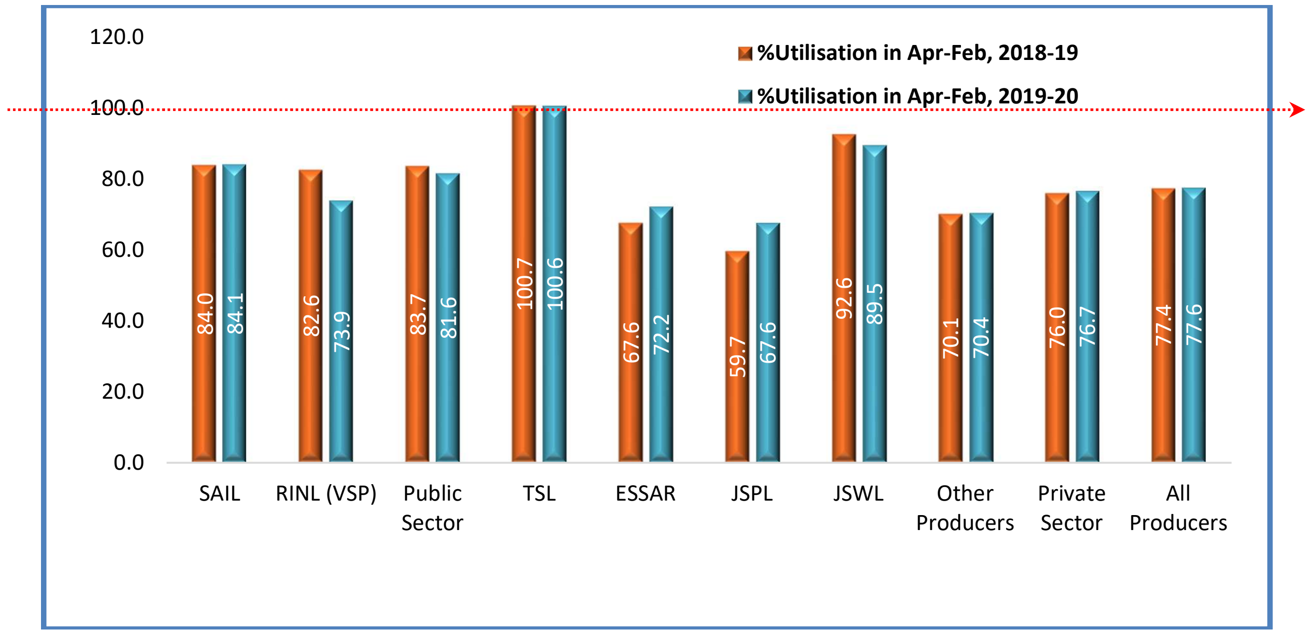
- The capacity utilisation in production of Crude Steel in the country has **increased** from **79.5% in Feb 2019** to **80.7% in Feb 2020**. This is due to good capacity utilisation both in public and private sector in Feb 2020 expecting a good domestic demand of steel. In **public sector**, Capacity utilisation has **increased** from **84.7%** in Feb 2019 to **89.0% in** Feb 2020 while that of **private sector increased from 78.3% in Feb 2019 to 78.8% in Feb 2020**
- During Apr-Feb 2019-20 capacity utilisation was 77.6%, which is 0.23% increase over Apr-Feb 2018-19 (77.4%).

Fig. 2(b).1:- Producer-wise % Capacity Utilisation in Feb 2020 vis-a-vis Feb 2019



Source: JPC

Fig. 2(b).2:- Producer-wise % Capacity Utilisation in Apr-Feb 2019-20 vis-a-vis Apr-Feb 2018-19



Source: JPC

2.3 Hot Metal

- During Feb 2020, **production of Hot Metal was 6.18 million** tonnes having decreased by 1.9% over Feb 2019.

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

PSU	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
SAIL	1.53	1.47	4.5	15.94	15.87	0.43
RINL (VSP)	0.50	0.48	4.24	4.64	5.26	-11.8
TSL	1.18	1.14	3.41	12.87	12.95	-0.59
ESSAR	0.30	0.28	9.77	3.37	2.95	14
JSPL	0.42	0.68	-39.23	4.76	4.57	4.19
JSWL	1.25	1.17	6.34	14.06	14.12	-0.47
OTHERS	1.00	1.08	-7.22	11.33	11.98	-5.49
Total Production	**6.18**	**6.30**	**-1.9**	**66.95**	**67.70**	**-1.11**
Public sector	2.03	1.94	4.44	20.57	21.13	-2.61
Share in Public sector	32.8	30.8		30.7	31.2	

Source: JPC

2.4 Pig Iron

- During Feb 2020, **production of Pig Iron was 0.423 million tonnes** which has decreased by 21.49% over Feb 2019 while consumption of Pig Iron also weakens in domestic market, down by 23.2% in Feb 2020.

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

PSU	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
SAIL	0.03	0.04	-26.32	0.52	0.43	21.86
RINL	0.01	0.01	-29.87	0.04	0.11	-64.27
TSL+ESSAR+JSWL+JSPL	0.02	0.05	-68.75	0.37	0.33	11.28
OTHERS	0.37	0.44	-15.78	4.24	4.97	-14.86
Total Production	**0.42**	**0.54**	**-21.49**	**5.16**	**5.84**	**-11.64**
Public sector	0.03	0.05	-27.02	0.56	0.54	4.04
Share in Public sector	8.19	8.81		10.92	9.28	
Import	**0.00**	**0.00**	**-39.19**	**0.01**	**0.07**	**-83.81**
Export	**0.00**	**0.01**	**-38.42**	**0.39**	**0.25**	**53.39**
Consumption	**0.38**	**0.49**	**-23.20**	**4.86**	**5.59**	**-13.06**

Source: JPC

2.5 Sponge Iron

- During Feb 2020, **production of Sponge Iron was 3.114 million tonnes**, recorded a positive growth of 10.46% over Feb 2019. Its consumption increased by 13.24% in the same period.

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

PSU	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
ESSAR	0.40	0.38	6.40	4.48	4.38	2.33
JSPL	0.17	0.11	49.52	1.96	1.22	60.56
JSWL	0.10	0.14	-26.85	1.84	2.15	-14.59
OTHERS	2.44	2.19	11.60	26.26	23.96	9.57
Total Production	**3.11**	**2.82**	**10.46**	**34.53**	**31.71**	**8.90**
Import	**0.00**	**0.00**	**-8.82**	**0.046**	**0.042**	**8.54**
Export	**0.083**	**0.063**	**31.49**	**0.78**	**0.54**	**43.65**
Consumption	**3.17**	**2.80**	**13.24**	**34.17**	**31.18**	**9.59**

Source: JPC

2.6 Pellet

- During Feb 2020, **production of Pellet was 5.842 million tonnes**, recorded a positive growth of 15.41% over Feb 2019 while its consumption shows a positive growth of 30.1% in the same period.

Table: 2(e):- Producer wise Production of Pellet in India (in million tonnes)

PSU	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
TSL	0.42	0.49	-14.02	5.13	5.72	-10.38
ESSAR	1.01	0.92	10.31	10.69	9.55	11.88
JSPL	0.63	0.53	20.11	6.39	6.40	-0.22
JSWL	0.67	0.62	8.14	7.49	7.39	1.35
OTHERS	3.11	2.52	23.74	33.40	26.08	28.10
Total Production	**5.84**	**5.06**	**15.41**	**63.10**	**55.14**	**14.42**
Import	**0.00**	**0.00**	**-**	**0.05**	**0.64**	**-91.62**
Export	**0.00**	**1.07**	**-100.00**	**11.01**	**8.44**	**30.52**
Consumption	**5.69**	**4.37**	**30.09**	**51.39**	**48.14**	**6.76**

Source: JPC

- During Feb 2020 as well as in Apr-Feb 2019-20, "Pellet to Sponge Iroon to Steel" sector performed well compare to "Iron Ore to Crude Steel to Steel" sector.
- During Apr-Feb 2019-20, Consumption of Sponge Iron increased increased by 9.59% while that of Pellet increased by 6.76%.
- Pellet consumption is less compare to Sponge Iron as its import declined (91.6%) and export increased (30.5%) heavily.
- Import is less and export is high, both for Pellet and Sponge Iron because of less domestic steel demand.

2.7 Finished Steel

a) Production and Consumption of Finished Steel

- in **Feb 2020**, **production** of **Finished Steel** was 8.3 million tonnes, a **slight increase of 0.17%** over Feb 2019 while **consumption was** 7.84 million tonnes, **decreased by 6.38%** over Feb 2019.

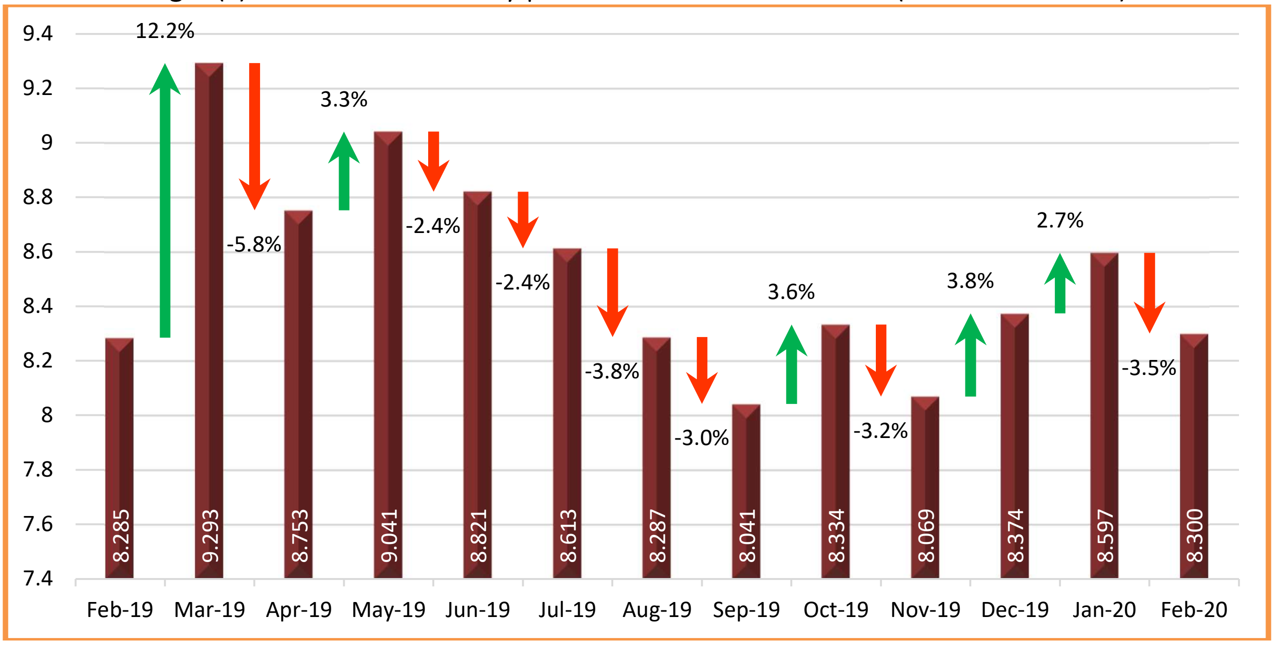
Table: 2(f):- Production, trade and Consumption of Finished Steel in India (in million tonnes)

PSU	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
SAIL	1.10	1.06	4.49	11.37	11.48	-0.9
RINL (VSP)	0.31	0.33	-6.25	3.23	3.83	-15.6
Public Sector	**1.42**	**1.39**	**1.91**	**14.61**	**15.31**	**-4.6**
TSL	1.12	1.04	8.02	11.95	11.77	1.5
ESSAR	0.59	0.56	5.43	6.52	6.17	5.6
JSPL	0.37	0.34	11.56	4.09	3.41	19.9
JSWL	1.29	1.22	5.42	13.91	14.17	-1.9
OTHERS	3.51	3.74	-6.17	43.22	41.16	5.0
Private sector	**6.88**	**6.90**	**-0.18**	**79.68**	**76.69**	**3.9**
Gross Total Production	**8.30**	**8.29**	**0.17**	**94.29**	**91.99**	**2.5**
% Share of PSU in production	17.1%	16.8%		15.5%	16.6%	
Import	**0.40**	**0.58**	**-31.17**	**6.39**	**7.13**	**-10.4**
Export	**0.57**	**0.62**	**-7.94**	**7.78**	**5.77**	**34.9**
Consumption	**7.84**	**8.37**	**-6.38**	**92.68**	**89.19**	**3.9**

Source: JPC

- During Apr-Feb 2019-20, the **production** of **finished steel** was **94.287 million tonnes** having increased by 2.5% over same period of previous year; while **consumption** during Apr-Feb 2019-20 was **92.68 million tonnes** having increased by 3.9% over same period of previous year.

Fig. 2(c).1:- Trend in monthly production of Finished Steel (in million tonnes)



➢ Expecting a good demand in steel sector, production started to increase from Dec 2019 onwards but again declined in Feb 2020. In the same line consumption also decreased.

Fig. 2(c).2:- Trend in monthly consumption of Finished Steel (in million tonnes)

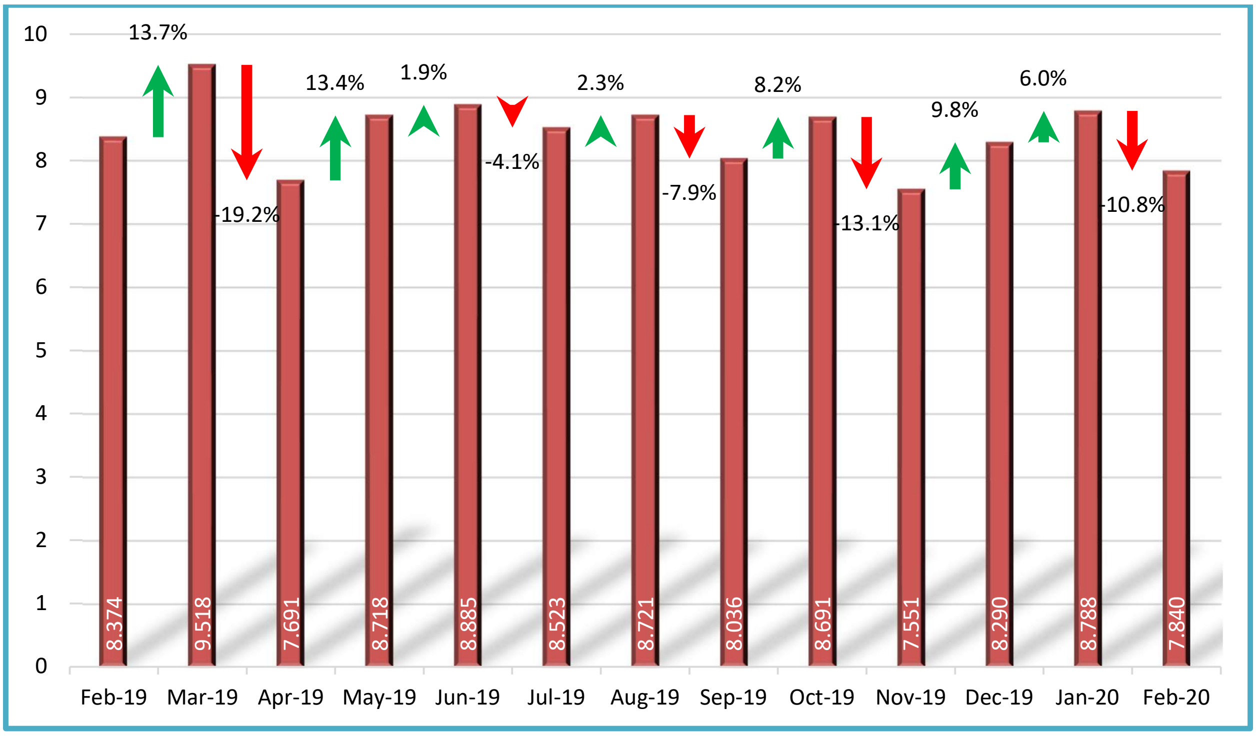
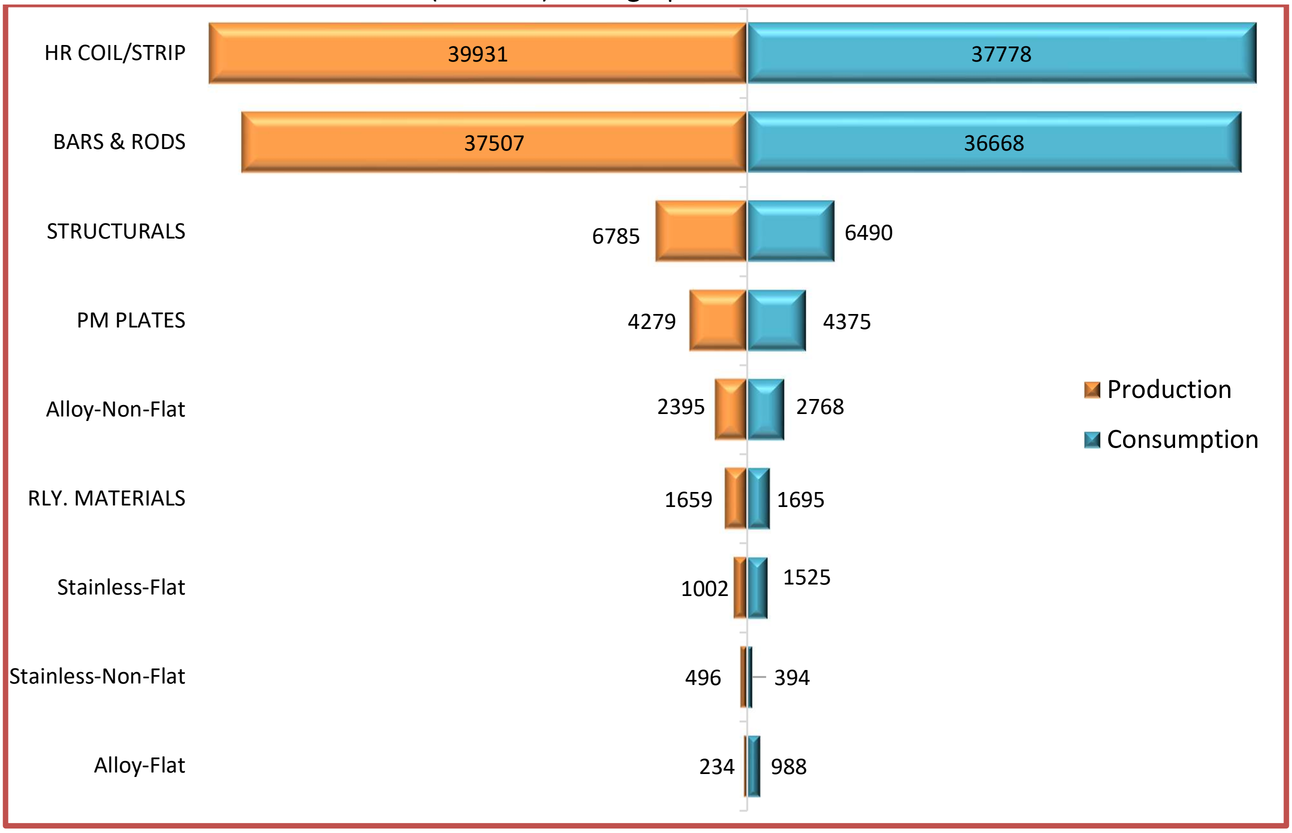


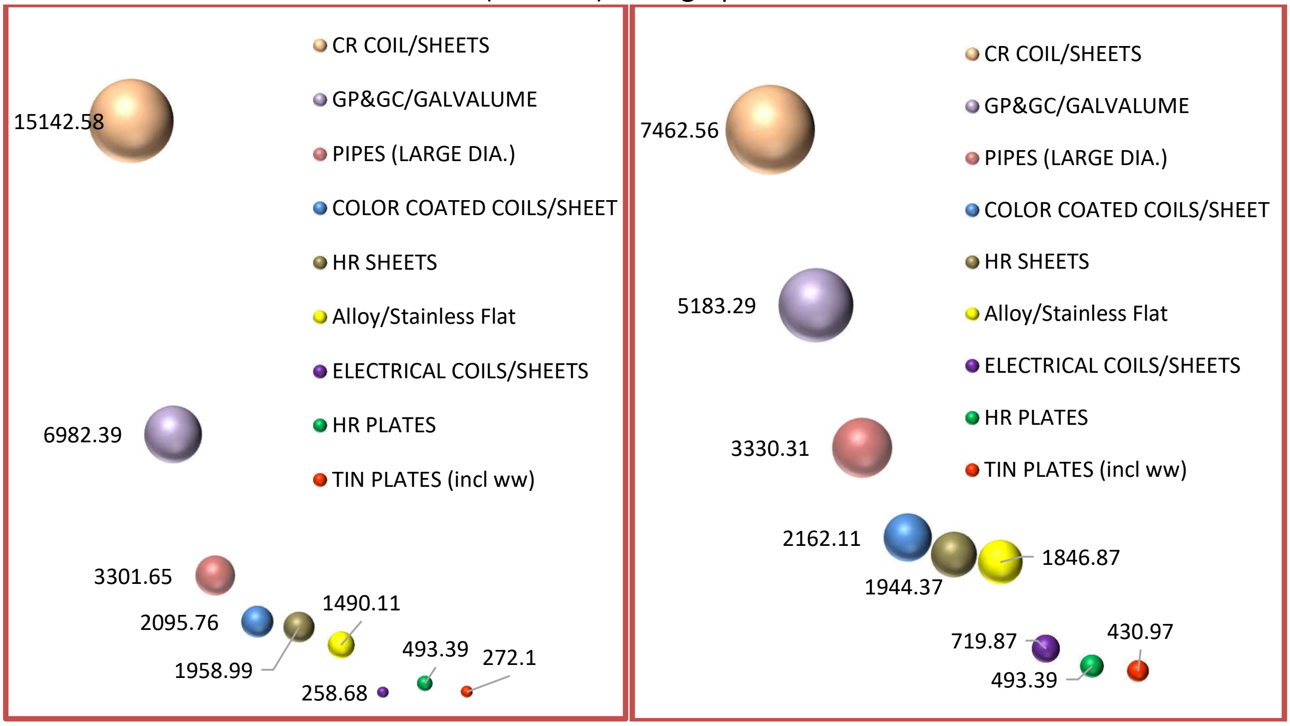
Fig. 2(d):- Product-wise Production & Consumption of Finished Steel (HR Equivalent) (in '000T) during Apr-Feb 2019-20



Source: JPC

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

Fig. 2(e):- Production and consumption of Downstream / Value Added Products of Finished Steel (in '000T) during Apr-Feb 2019-20

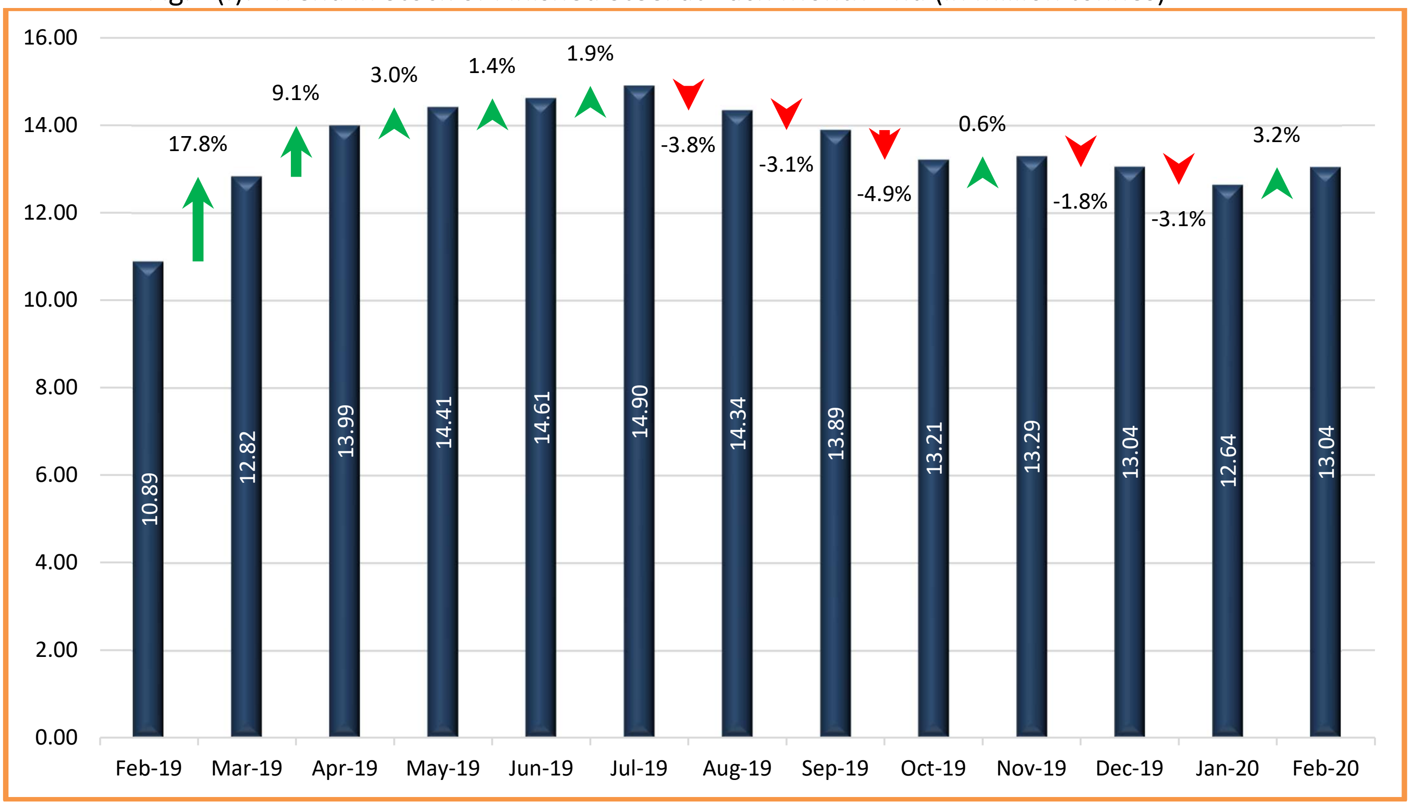


Source: JPC

➢ Among the steel products, **CR Coil/Sheets, GP&GC have high demand in India** in Apr-Feb 2019-20.

b) Stock Analysis of Finished Steel

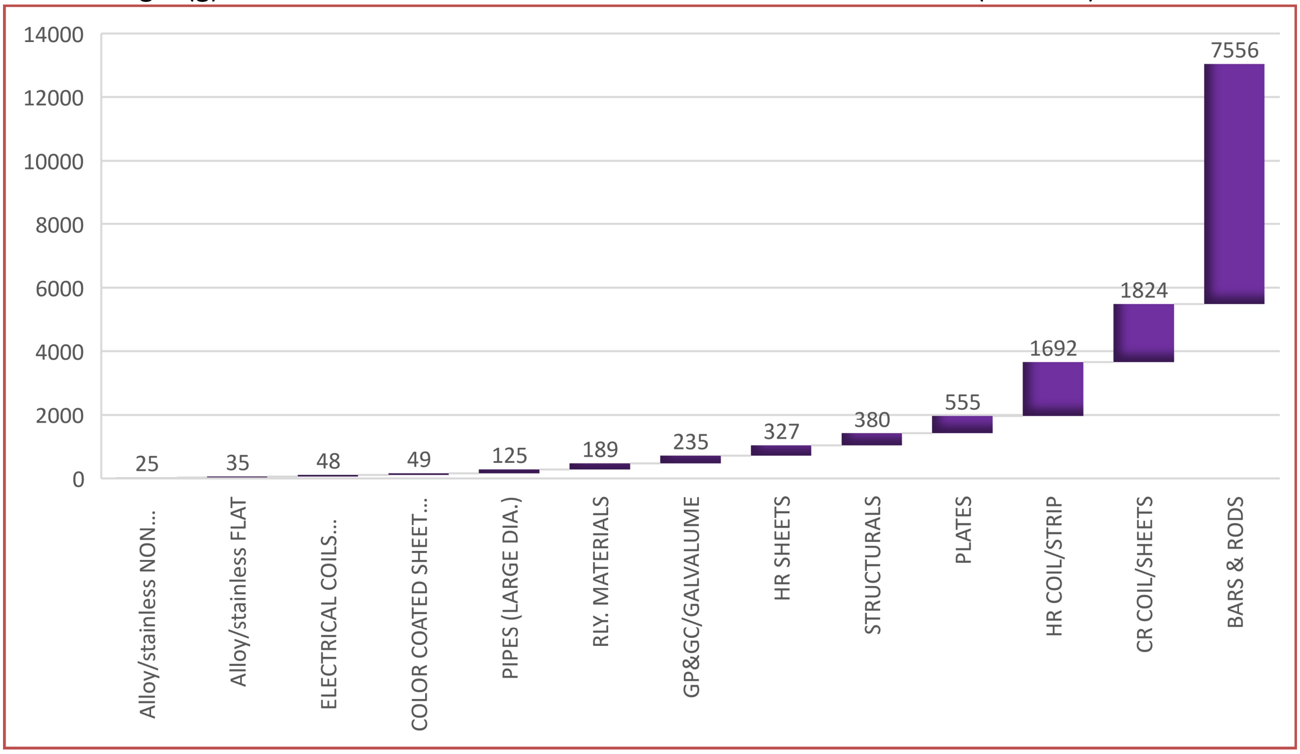
Fig. 2(f):- Trend in Stock of Finished Steel at Each Month-End (in million tonnes)



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 export was lowered in Feb 2020 as well as domestic consumption was less, the accumulated **stock** has increased by 3.2% at the end of Febuary 2020 over the previous month-end and stock remained at **13.04 million tonnes**.

Fig. 2(g):- Item-wise Stock of Finished Steel at the end of Feb 2020 (in '000T)



Source: JPC

- As on 31st Feb 2020, **7.556 million tonnes of Bar&Rods are in stock** which can be exported.
- As on 31st Feb 2020, 1**.824 million tonnes and 1.692 million tonnes of CRC and HRC are in stock** while a good amount of HRC, CRC were exported in recent period which made India net exporter in Apr-Feb 2019-20.

c) Import & Export of Finished Steel

Table: 2(g).1:- Import of Finished Steel (in '000 Tonnes) – Category-wise						
Import	**Feb-20**	**Feb-19**	**% change**	**Apr-Feb 2019-20**	**Apr-Feb 2018-19**	**% change**
Non-Alloy						
Non-Flat	36	28	28.9	342	400	**-14.5**
Flat	269	433	-37.8	4163	5011	**-16.9**
Non-Alloy - Total	**305**	**460**	**-33.8**	**4504**	**5411**	**-16.7**
Alloy/Stainless						
Non-Flat	22	32	-32.0	365	565	-35.3
Flat	74	90	-17.3	1523	1155	31.9
Alloy - Total	**96**	**122**	**-21.2**	**1888**	**1719**	**9.8**
Import – Total	**401**	**583**	**-31.2**	**6392**	**7130**	**-10.3**

Source: JPC

- During Feb 2020, both import and export was declined by 31.2% and 7.9% respectively over Feb 2019. As domestic price was higher than international price, mills were getting better realization in domestic markets than in exports, resulting in lower export bookings in Feb 2020.

Table: 2(g).2:- Export of Finished Steel (in '000 Tonnes) – Category-wise

Export	Feb-20	Feb-19	% change	Apr-Feb 2019-20	Apr-Feb 2018-19	% change
Non-Alloy						
Non-Flat	67	89	-24.3	633	635	-0.3
Flat	449	491	-8.4	6431	4587	40.2
Non-Alloy - Total	**517**	**580**	**-10.9**	**7064**	**5222**	**35.3**
Alloy/Stainless						
Non-Flat	22	18	19.8	252	259	-2.4
Flat	31	21	48.5	466	288	61.6
Alloy - Total	**53**	**39**	**35.3**	**718**	**547**	**31.3**
Export – Total	**570**	**619**	**-7.9**	**7783**	**5769**	**34.9**

Source: JPC

- Mainly export of Flat product contributed in net export status of India in Apr-Feb 2019-20.

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

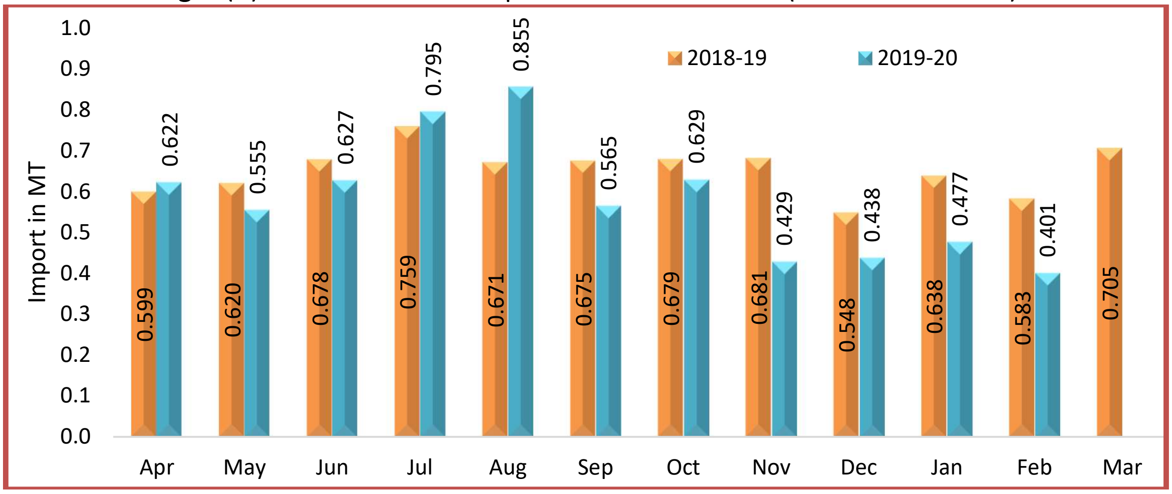


Fig. 2(h).2:- Month-wise Export of Finished Steel (in million tonnes)

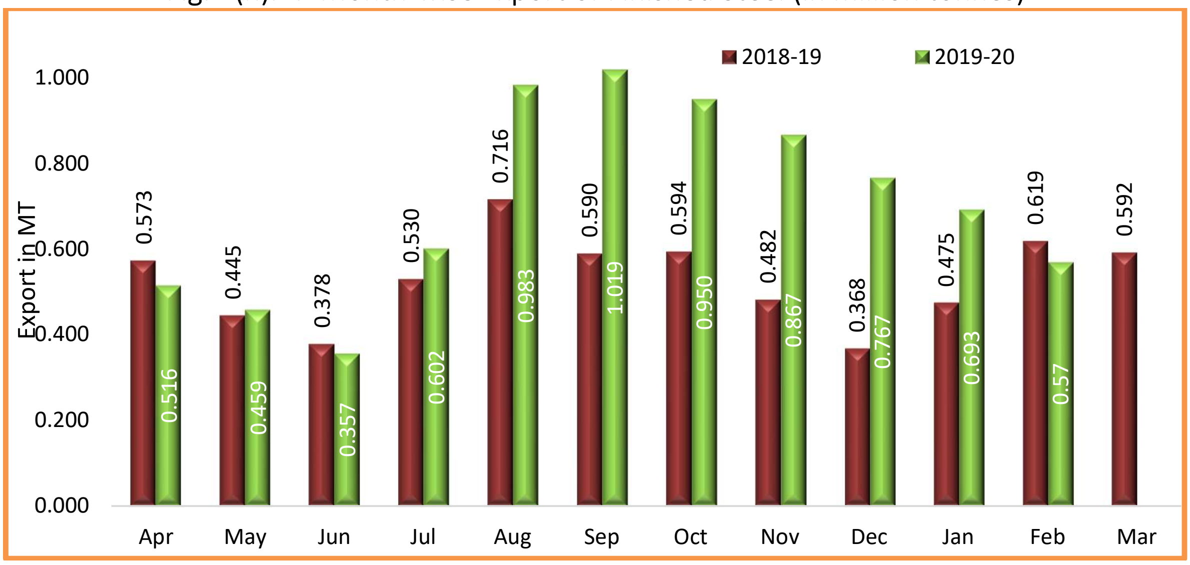
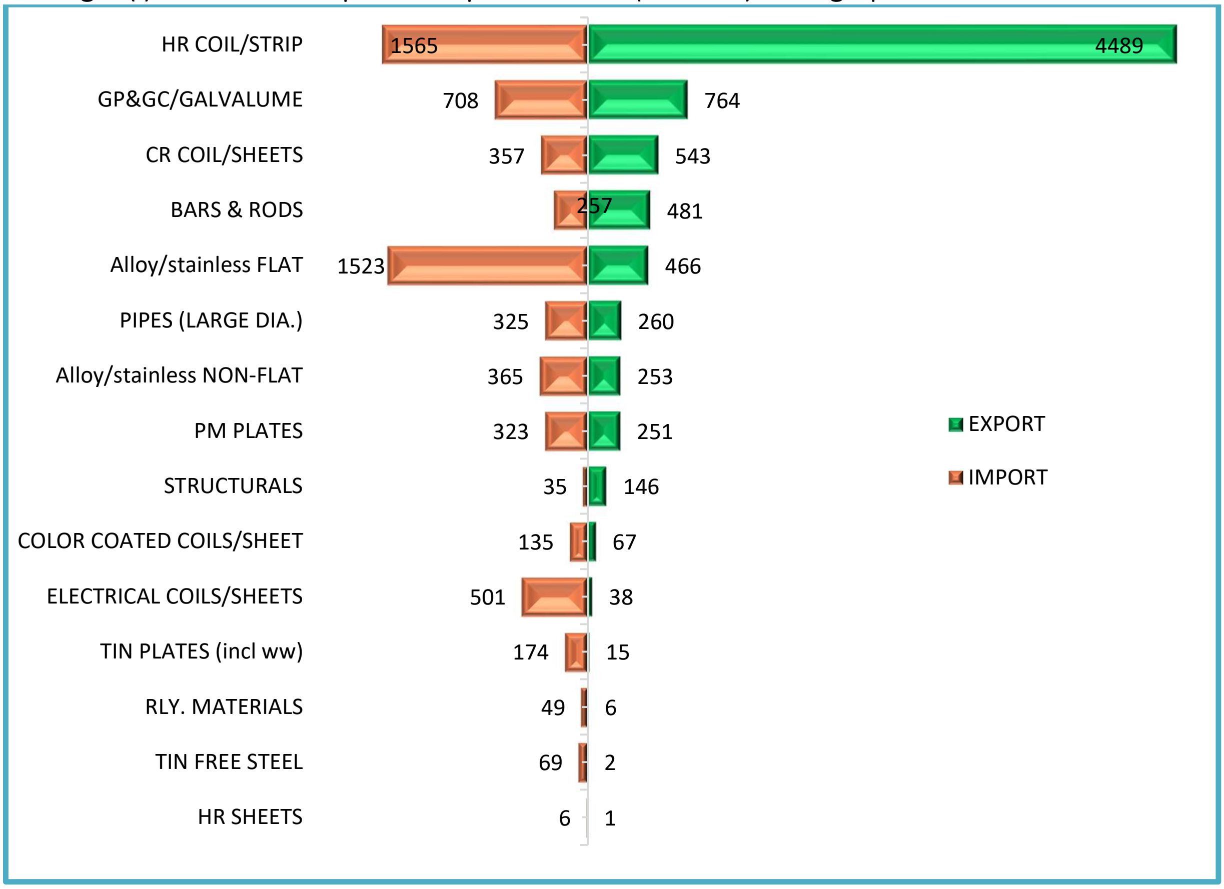


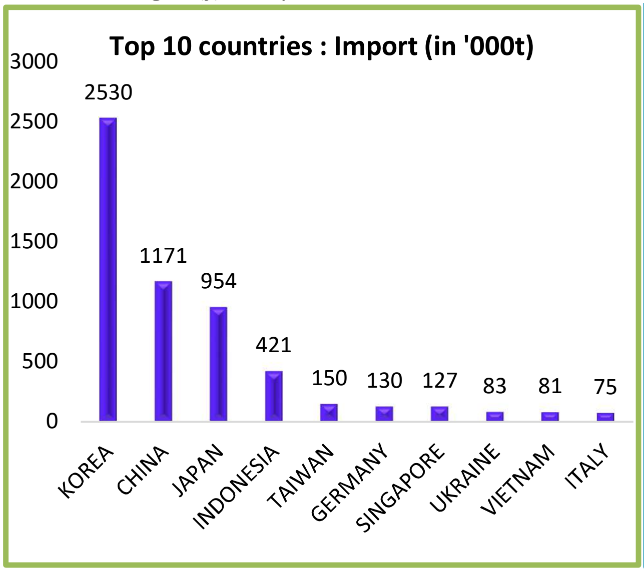
Fig. 2(i):- Item-wise Export & Import of Steel (in '000T) during Apr-Feb 2019-20

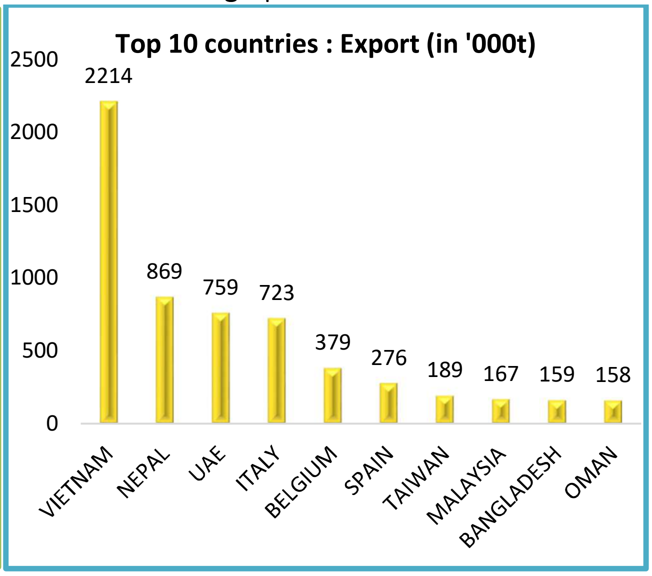


Source: JPC

- **4.489 million tonnes** of **HRC was exported** in Apr-Feb 2019-20 out of which **2.19 million tonnes was exported to Vietnam (around 49%).**
- **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(j):- Top 10 countries in Trade of finished steel during Apr-Feb 2019-20





Source: JPC

2.8 Iron Ore

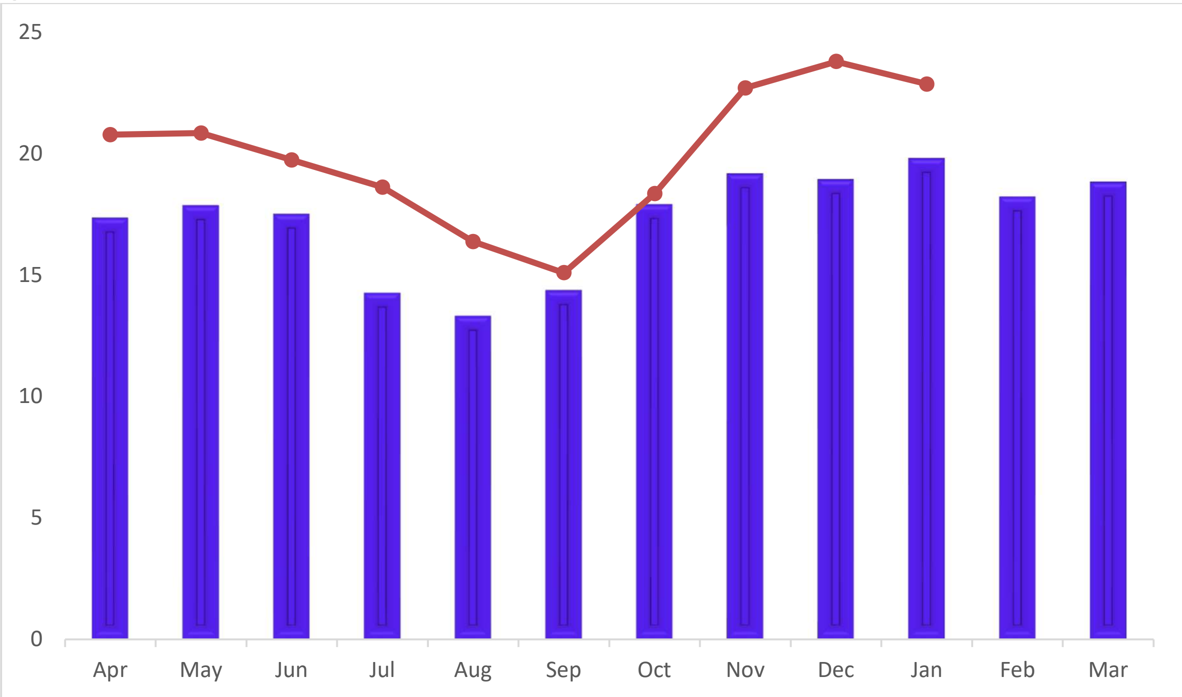
- During **Jan 2020**, **production** of **Iron Ore** was **22.87 million tonnes,** increased by 15.4% over Jan 2019 but declined by 3.9% over previous month; while production during **Apr-Jan 2019-20 was 199.22 million tonnes** having increased by 17**%** over the same period of previous year.
- During **Apr-Feb 2020, export of Iron Ore (inc pellet) was 32.7 million tonnes**, having **increased by 130%** over the same period of previous year, while **import was 1.24 million tonnes**, having **decreased by 90%** during the same period.
- Amid dull domestic steel demand 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(h):- Production, Export & Import of Iron Ore in India (in million tonnes)

	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
Production#	22.87	19.82	**15%**	199.22	170.67	**17%**
	Feb 20	Feb 19	% Change	Apr-Feb 2019-20	Apr-Feb 2018-19	% Change
Export@	2.56	1.41	**82%**	32.70	14.21	**130%**
Import@	0.02	0.64	**-97%**	1.24	12.64	**-90%**

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

Fig. 2(k):- Trend in Production of Iron Ore (in million tonnes) from Jan 2019 to Jan 2020

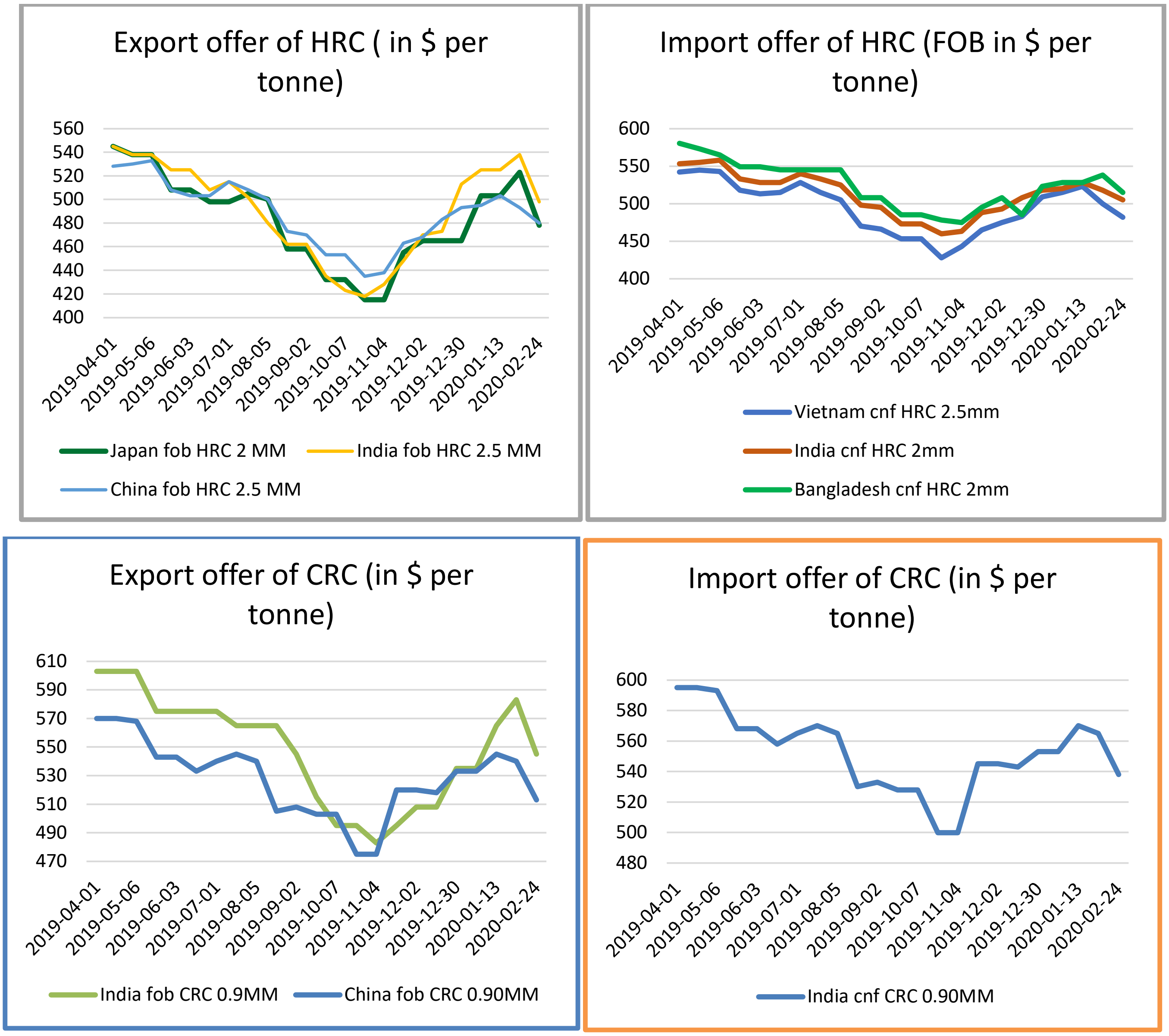


Source: JPC/steelmint

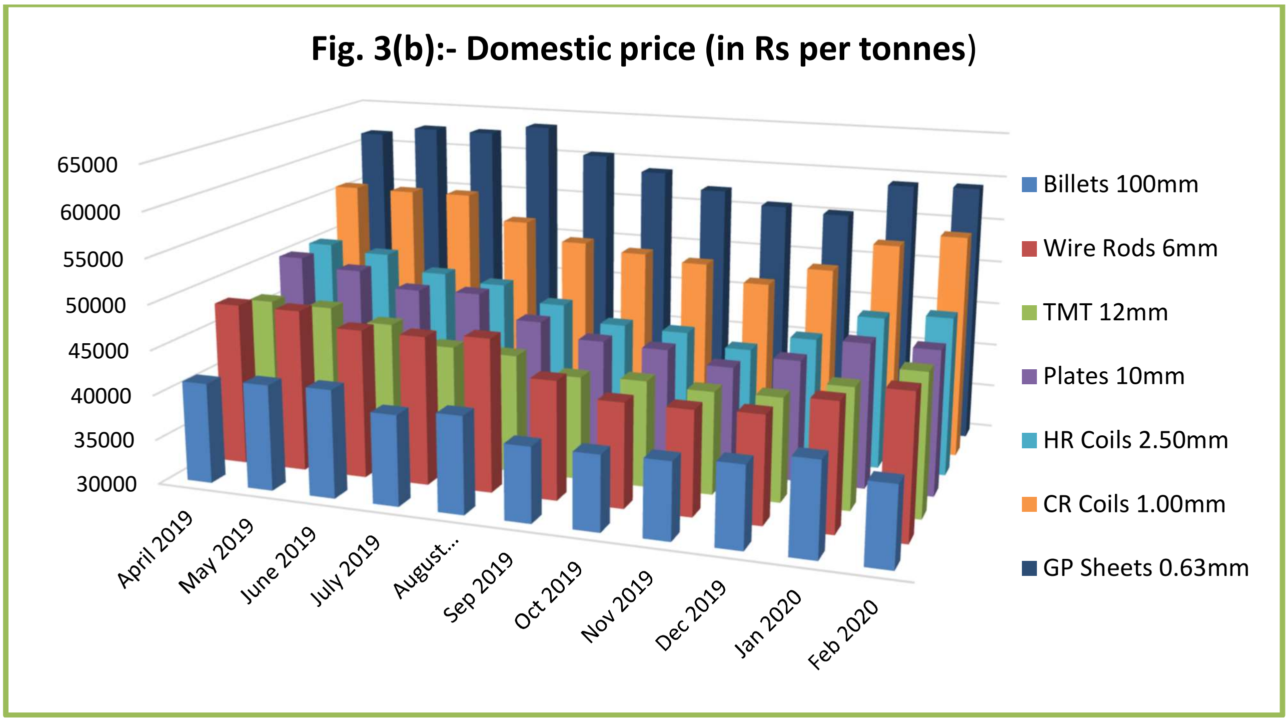
3. Price

- Chinese production and export hit due to CORONAVIRUS outbreak while stock piled up in China. This pushed international steel price down.

Fig. 3(a):-Trade offer for HCR and CRC

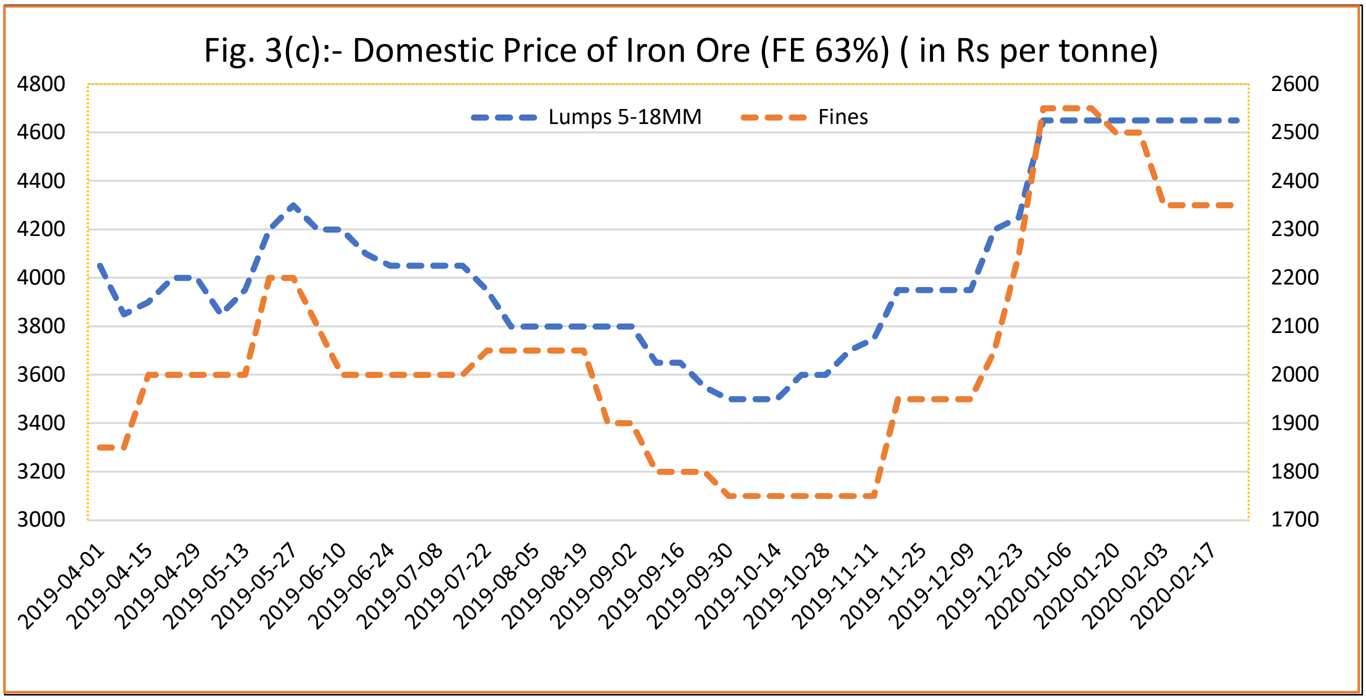


- Trade offer for HRC and CRC declined in Feb 2020. HRC offers of India to Vietnam market were comparatively higher end as compared to offers of China.
- Corona virus disturbs import of cheap steel from China, Japan, S. Korea in India while fall of Chinese export opened up India's export opportunity. All this pushed domestic price to increase *but domestic consumption has not increased at desired level.*
- Domestic steel prices for most of steel items increased in Feb 2020 expectying a increase in domestic steel demand. For HRC and CRC, domestic price increased by 1.4% & 2.8% respectively over Jan 2020. (Domestic price based of Mumbai price).



Source: JPC

- Price of Iron Ore lumps was reduced while that of fines were stable in Feb 2020.



Source: Steelmint