



Monthly Analysis (January 2020)

Ministry of Steel | Statistics Division

Major Highlights During January 2020

- During Jan 2020, **154.44 million tonnes of crude steel was produced in the world**, increased by 2.1% over Jan 2019.
- **China**, world's largest producer of crude steel, produced **84.27 million tonnes** of crude steel in Jan 2020, up by 7.2% over Jan 2019.
- **India**, world's 2nd largest producer of crude steel, produced **9.28 million tonnes** of crude steel in Jan 2020, down by 3.2% over Jan 2019.
- **Japan**, the third largest producer of crude steel in the world, produced **8.24 million tonnes** of crude steel in Jan 2020, up by 1.3% over Jan 2019.
- The **capacity utilisation** in production of crude steel in India has **decreased** from **80.9% in Jan 2019** to **78.4% in Jan 2020**.
- During Jan 2020, **production of finished steel was 8.60 million tonnes**, declined by 1.7% over Jan 2019.
- **Consumption of finished steel** during Jan 2020 was **8.29 million tonnes** which has increased by 3.5% over Jan 2019.
- During Jan 2020, **import** of finished steel was **0.477 million tonnes**, declined by 25.2% over Jan 2019.
- **Export** of finished steel during Jan 2020 was **0.693 million tonnes** which has increased by 46% over Jan 2019.
- India became the **net exporter** in trade of finished steel in Jan 2020 with **trade balance 0.216 million tonnes**.
- During Jan 2020, **production of Iron Ore was 22.87 million tonnes** having increased by 15% over Jan 2019.

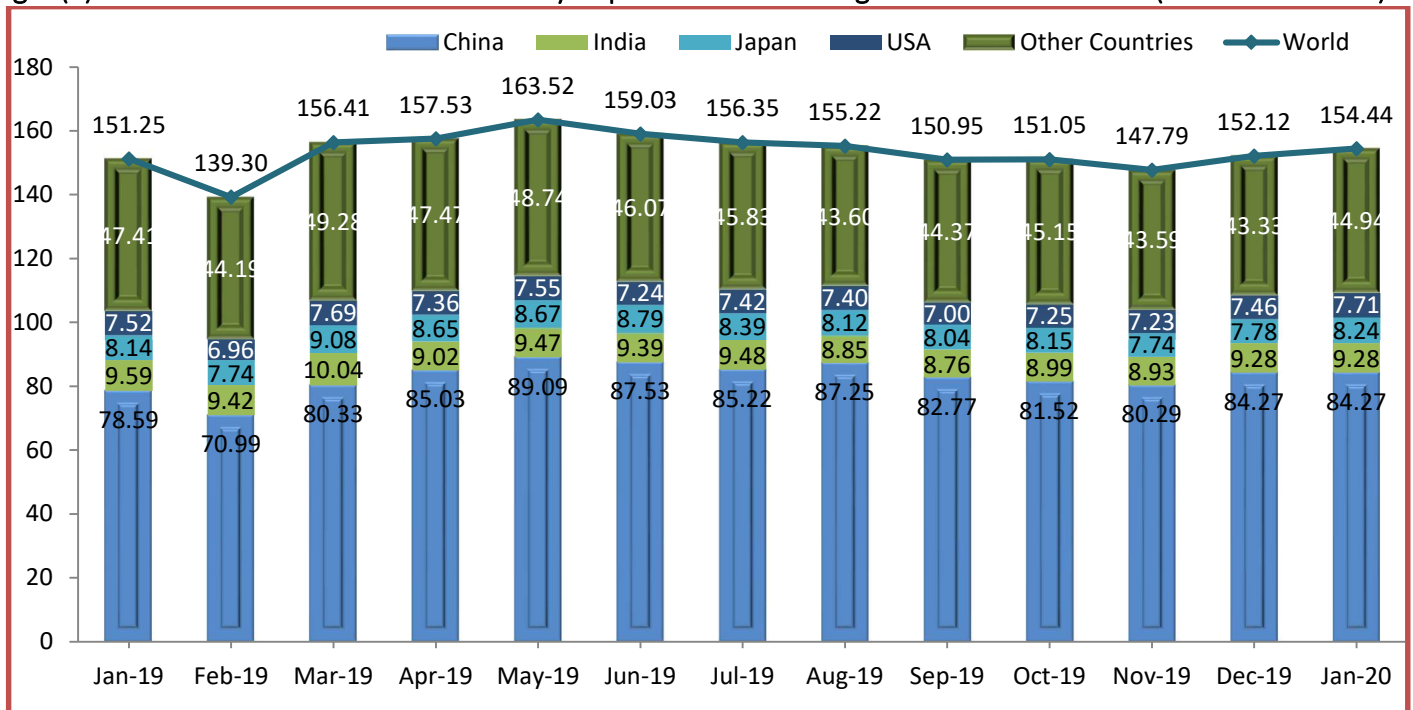
1. World Crude Steel Production

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

Country	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
China	84.27	78.59	7.22	847.24	791.34	7.06
India	9.28	9.59	-3.23	91.48	91.46	0.02
Japan	8.24	8.14	1.25	82.56	86.06	-4.07
USA	7.71	7.52	2.51	73.31	73.31	0.00
Other Countries	44.94	47.38	-5.16	457.49	472.10	-3.10
World Total	154.44	151.23	2.12	1552.08	1514.27	2.50

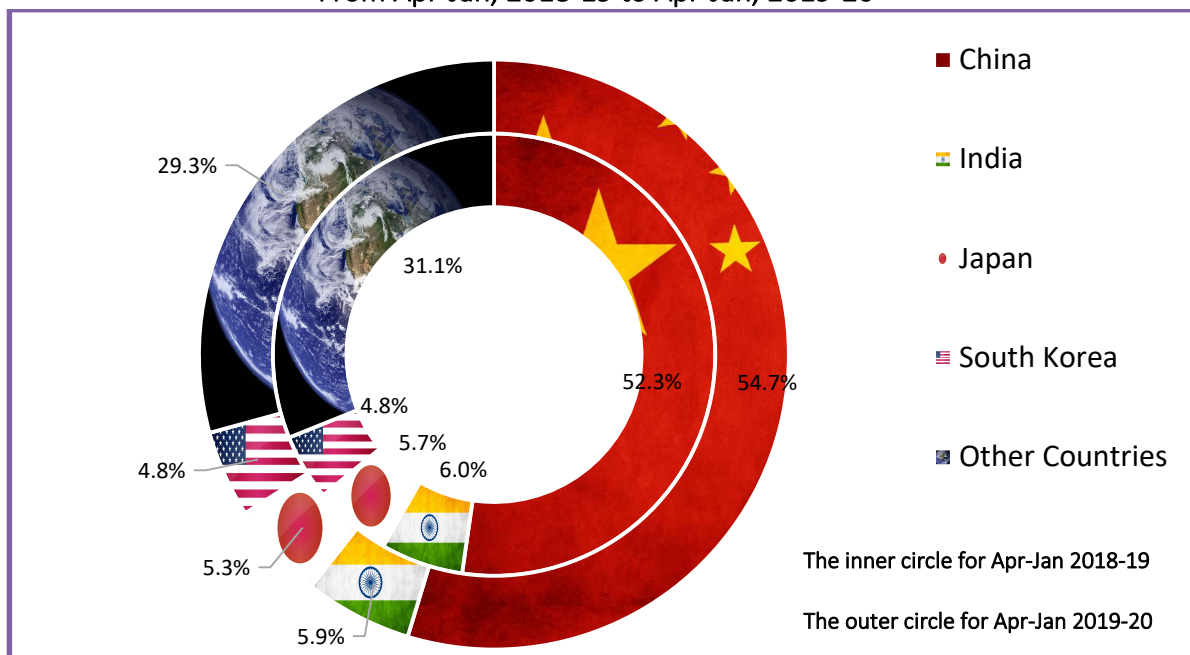
Source: WSA

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



- Crude steel production in India, Japan, USA, increased in Jan 2020 over Dec 2019 by 0.08%, 5.91% and 3.35% respectively while it is same for China. Crude Steel production at world level also increased in Jan 2020 by 1.52% over Dec 2019.
- In Apr-Jan 2019-20, Crude Steel production at world level increased by only 2.5% as production in most of the countries was low in this period. China only have a good growth rate (7.06%) in Crude Steel production.
- Amid demand optimisation at global level from Dec 2019 onwards, all countries started to increase crude steel production and as a result It is expected that global steel industry will show a good positive growth in near future.

Fig. 1(b):- Change in Share in Production of Crude Steel by Top 4 Countries
From Apr-Jan, 2018-19 to Apr-Jan, 2019-20



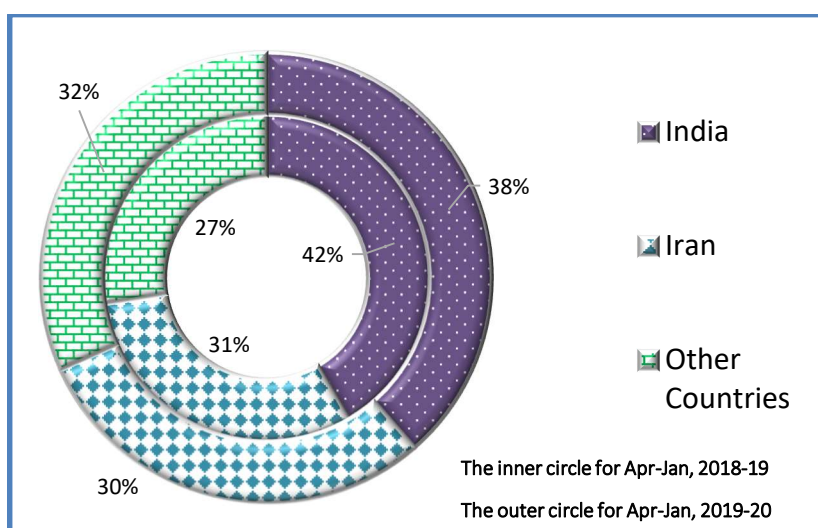
➤ **India**, the largest producer of DRI/Sponge Iron at global level, produced **3.29 million tonnes** Sponge Iron in Jan 2020, up by 10.64% over Jan 2019.

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

Country	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
India	3.29	2.97	10.64	31.36	28.89	8.54
Iran	2.50	2.20	13.50	23.32	22.27	4.72
Other Countries	2.04	2.36	-13.59	20.76	23.72	-12.50
World Total	7.83	7.54	3.87	75.44	74.88	0.74

Source: WSA

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



2. Performance of India's Steel Sector

2.1 Crude Steel

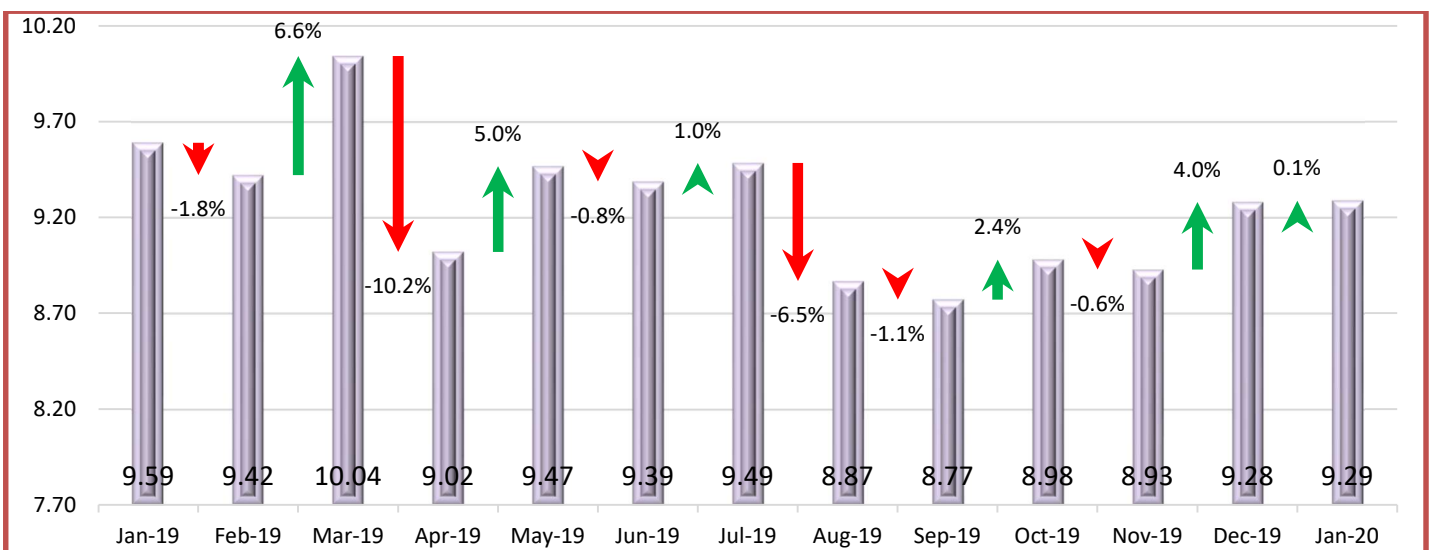
Table 2(a): Indian Crude Steel Production (Million Tonne)

PSU	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
SAIL	1.47	1.44	2.08	13.32	13.37	-0.39
RINL (VSP)	0.32	0.44	-26.53	3.82	4.34	-11.92
Public Sector	1.79	1.88	-4.63	17.14	17.71	-3.21
TSL	1.19	1.15	2.86	10.89	10.92	-0.31
ESSAR	0.64	0.59	8.71	6.02	5.64	6.67
JSPL	0.37	0.51	-28.09	4.79	4.25	12.68
JSWL	1.37	1.46	-5.72	13.28	14.02	-5.28
OTHERS	3.93	4.00	-1.85	39.37	38.92	1.16
Private sector	7.49	7.71	-2.80	74.34	73.75	0.80
Total Production	9.29	9.59	-3.16	91.48	91.46	0.03
% Share of PSU	19	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 Jan 2020, production of Crude Steel decreased by 3.16% over Jan 2019 while it is a slight increase of 0.1% over Dec 2019. This is because of less production by most of the producers in Jan 2020. Both in public and private sector production declined in Jan 2020.
- As a result, during Apr-Jan 2019-20 crude steel production increased slightly by 0.03% over Apr-Jan 2018-19. Production in public sector declined by 3.2% in this period while it increased with a meagre rate of 0.8% in private sector.

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



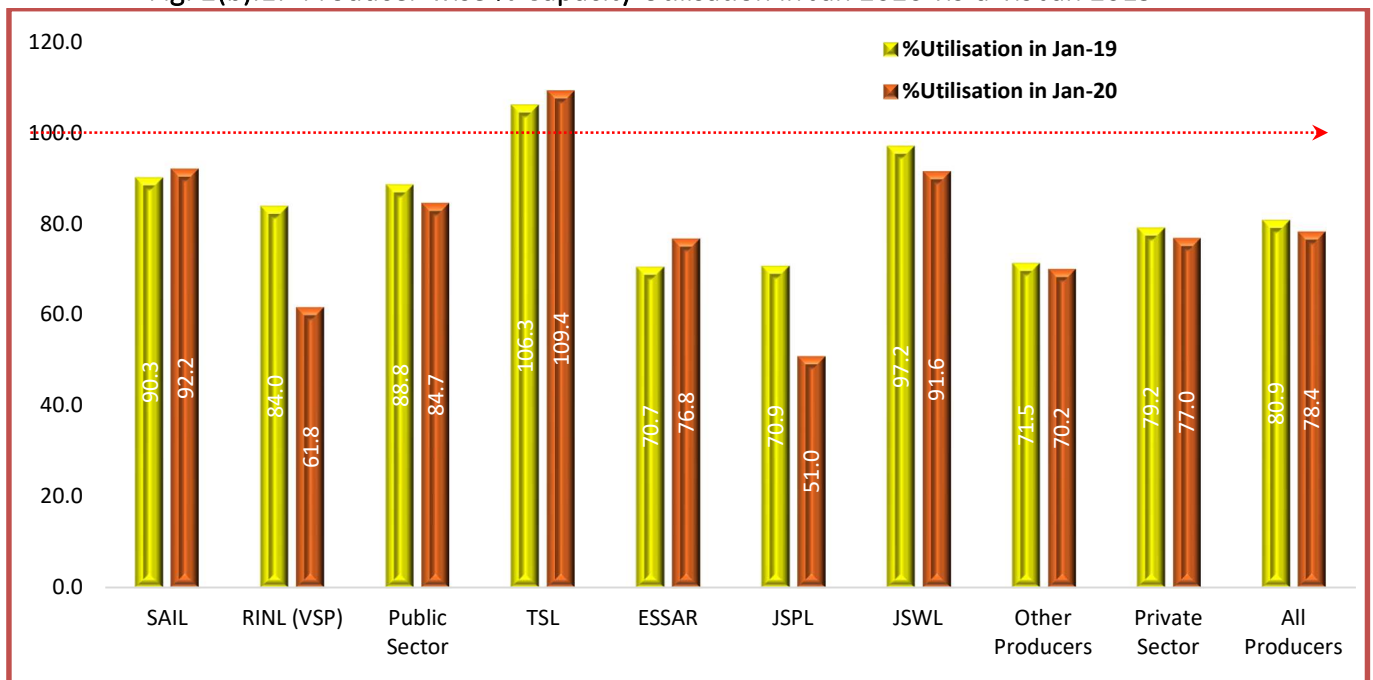
Source: JPC

- ➔ % decrease in a month over the previous month
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2.2 Capacity Utilisation in Production of Crude Steel

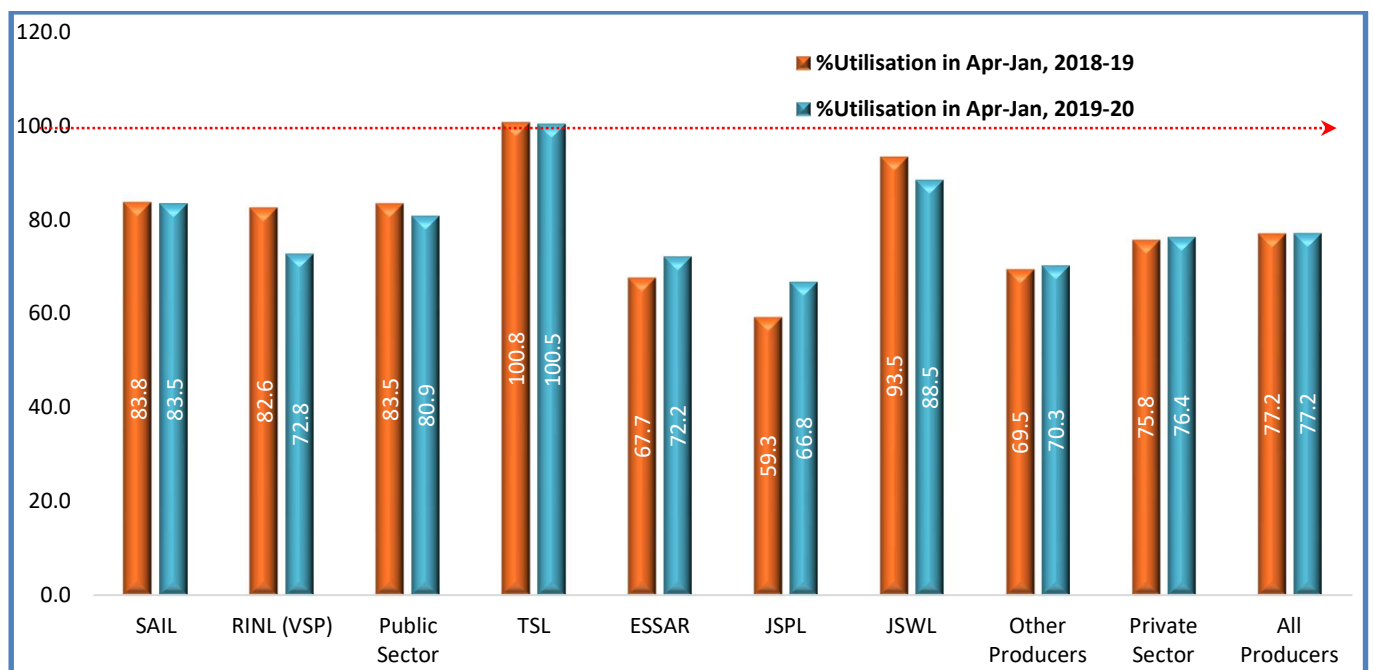
- The capacity utilisation in production of base metal Crude Steel in the country has **decreased** from **80.9% in Jan 2019** to **78.4% in Jan 2020**. This is due to less capacity utilisation both in public and private sector in Jan 2020. In **public sector**, Capacity utilisation has **decreased** from **88.8%** in Jan 2019 to **84.7%** in Jan 2020 while that of **private sector decreased from 79.2% in Jan 2019 to 77.0% in Jan 2020**
- During Apr-Jan 2019-20 capacity utilisation was approximately same as Apr-Jan 2018-19 (77.2%).

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



Source: JPC

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



Source: JPC

2.3 Hot Metal

- During Jan 2020, **production of Hot Metal was 6.14 million tonnes** having decreased by 1.82% over Jan 2019.

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

PSU	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
SAIL	1.56	1.56	0.32	14.40	14.40	0.01
RINL (VSP)	0.34	0.49	-30.27	4.14	4.78	-13.39
TSL	1.25	1.23	2.2	11.69	11.81	-0.98
ESSAR	0.33	0.30	7.61	3.06	2.68	14.44
JSPL	0.24	0.46	-47.47	4.34	3.88	11.85
JSWL	1.33	1.36	-1.95	12.81	12.95	-1.08
OTHERS	1.08	1.11	-2.43	10.42	10.91	-4.44
Total Production	6.14	6.51	-5.63	60.87	61.40	-0.87
Public sector	1.91	2.05	-7	18.54	19.18	-3.33
Share in Public sector	31.0	31.5		30.5	31.2	

Source: JPC

2.4 Pig Iron

- During Jan 2020, **production of Pig Iron was 0.427 million tonnes** which has decreased by 23.54% over Jan 2019 as demand of Pig Iron weakens in domestic market (down by 22.8% in Jan 2020).

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

PSU	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
SAIL	0.03	0.05	-32.65	0.50	0.39	26.53
RINL	0.00	0.01	-95.03	0.03	0.10	-67.43
TSL+ESSAR+JSWL+JSPL	0.03	0.05	-37.58	0.35	0.28	24.60
OTHERS	0.36	0.45	-19.21	3.90	4.53	-13.83
Total Production	0.43	0.56	-23.54	4.78	5.31	-9.86
Public sector	0.03	0.06	-43.81	0.53	0.49	7.02
Share in Public sector	7.85	10.69		11.07	9.32	
Import	0.00	0.00	-39.35	0.01	0.06	-84.33
Export	0.04	0.00	807.03	0.39	0.25	55.40
Consumption	0.43	0.56	-22.80	9.07	10.22	-11.25

Source: JPC

2.5 Sponge Iron

- During Jan 2020, **production of Sponge Iron was 3.287 million tonnes**, recorded a positive growth of 10.63% over Jan 2019.

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

PSU	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
ESSAR	0.43	0.39	9.62	4.08	4.00	1.95
JSPL	0.20	0.12	64.08	1.83	1.11	64.86
JSWL	0.17	0.22	-23.91	1.73	2.01	-13.72
OTHERS	2.49	2.24	11.32	23.62	21.77	8.49
Total Production	3.29	2.97	10.63	31.26	28.89	8.20
Import	0.01	0.00	142.59	0.045	0.041	9.27
Export	0.074	0.061	22.98	0.70	0.48	45.25
Consumption	3.36	2.97	12.99	30.95	28.38	9.03

Source: JPC

2.6 Pellet

- During Jan 2020, **production of Sponge Iron was 5.857 million tonnes**, recorded a positive growth of 15.02% over Jan 2019.

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

PSU	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
TSL	0.46	0.61	-23.80	4.71	5.24	-10.05
ESSAR	1.08	0.73	46.99	9.64	8.64	11.61
JSPL	0.58	0.60	-2.96	5.75	5.87	-2.04
JSWL	0.69	0.70	-1.29	6.82	6.77	0.74
OTHERS	3.05	2.46	24.04	29.50	23.56	25.20
Total Production	5.86	5.09	15.02	56.43	50.08	12.67
Import	0.00	0.00		0.05	0.64	-91.56
Export	1.08	0.86	25.49	11.02	7.37	49.38
Consumption	4.89	4.37	11.90	44.97	43.77	2.74

Source: JPC

- During Jan 2020 as well as in Apr-Jan 2019-20, “Pellet to Sponge Iron to Steel” sector performed well compare to “Iron Ore to Crude Steel to Steel” sector.
- During Apr-Jan 2019-20, Consumption of Sponge Iron increased increased by 9% while that of Pellet increased by 2.9%.
- Pellet consumption is less compare to Sponge Iron as its import declined (92%) and export increased (49%) heavily.

2.7 Finished Steel

a) Production and Consumption of Finished Steel

- in Jan 2020, production of Finished Steel was 8.60 million declined by 1.67% over Jan 2019 while consumption was 8.79 million tonnes, increased by 3.54%.

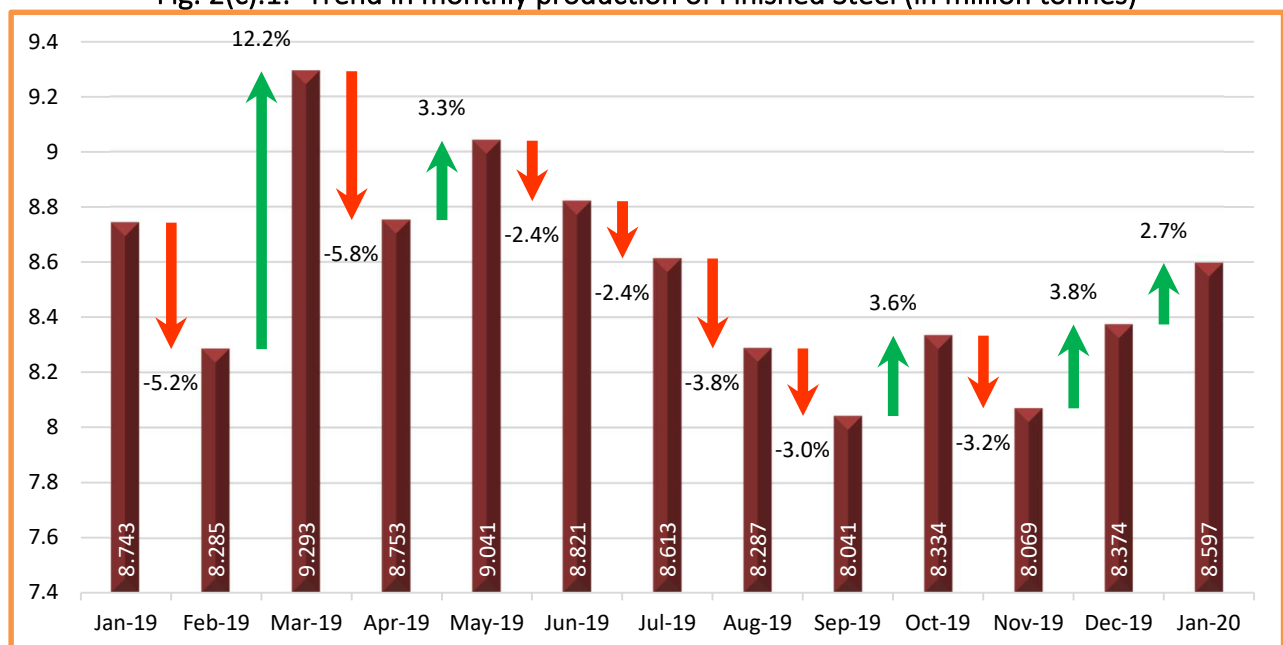
Table: 2(f):- Production, trade and Consumption of Finished Steel in India (in million tonnes)

PSU	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
SAIL	1.10	1.03	6.51	10.23	10.42	-1.9
RINL (VSP)	0.27	0.35	-23.2	2.92	3.50	-16.5
Public Sector	1.37	1.38	-1.05	13.15	13.92	-5.5
TSL	1.24	1.11	11.83	10.83	10.74	0.8
ESSAR	0.63	0.59	6.39	5.93	5.62	5.6
JSPL	0.30	0.34	-11.69	3.71	3.07	20.8
JSWL	1.36	1.38	-1.02	12.62	12.95	-2.6
OTHERS	3.70	3.94	-6.23	38.69	37.41	3.4
Private sector	7.23	7.36	-1.78	71.78	69.79	2.9
Gross Total Production	8.60	8.74	-1.67	84.93	83.71	1.5
% Share of PSU in production	16%	16%		15%	17%	
Import	0.48	0.64	-25.24	5.99	6.55	-8.5
Export	0.69	0.48	45.89	7.21	5.15	40.0
Consumption	8.79	8.49	3.54	83.90	80.82	3.8

Source: JPC

- During Apr-Jan 2019-20, the production of finished steel was 84.931 million tonnes having increased by 1.5% over same period of previous year; while consumption during Apr-Jan 2019-20 was 83.896 million tonnes having increased by 3.8% 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 in last two months. In the same line consumption also increased in last two months.

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

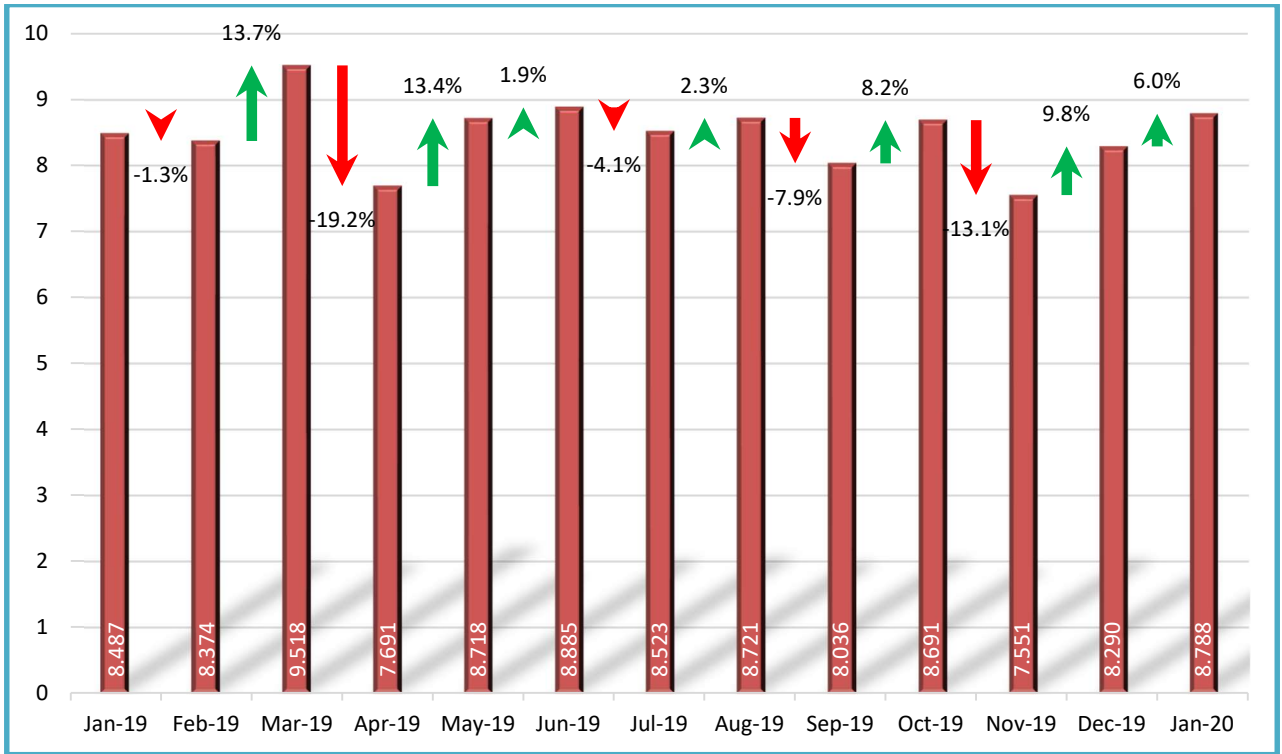
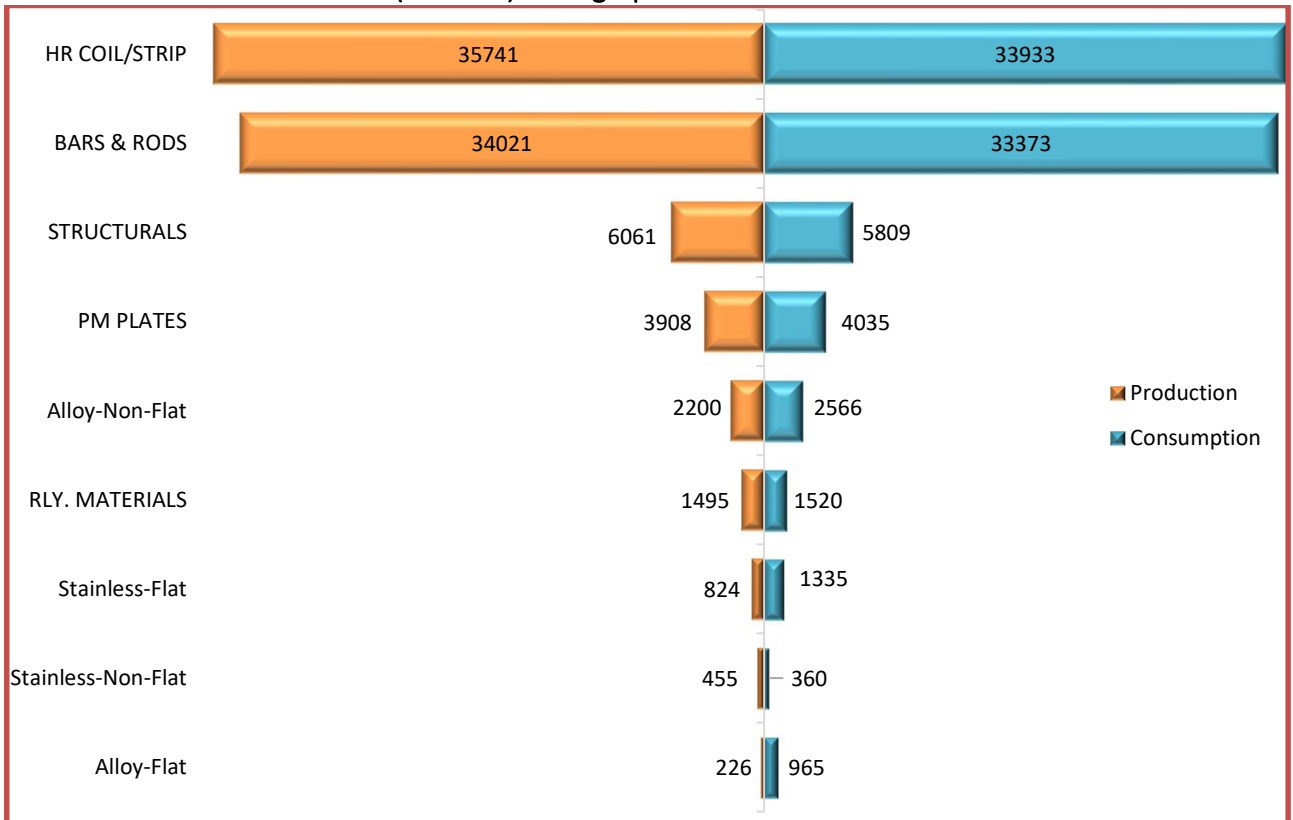


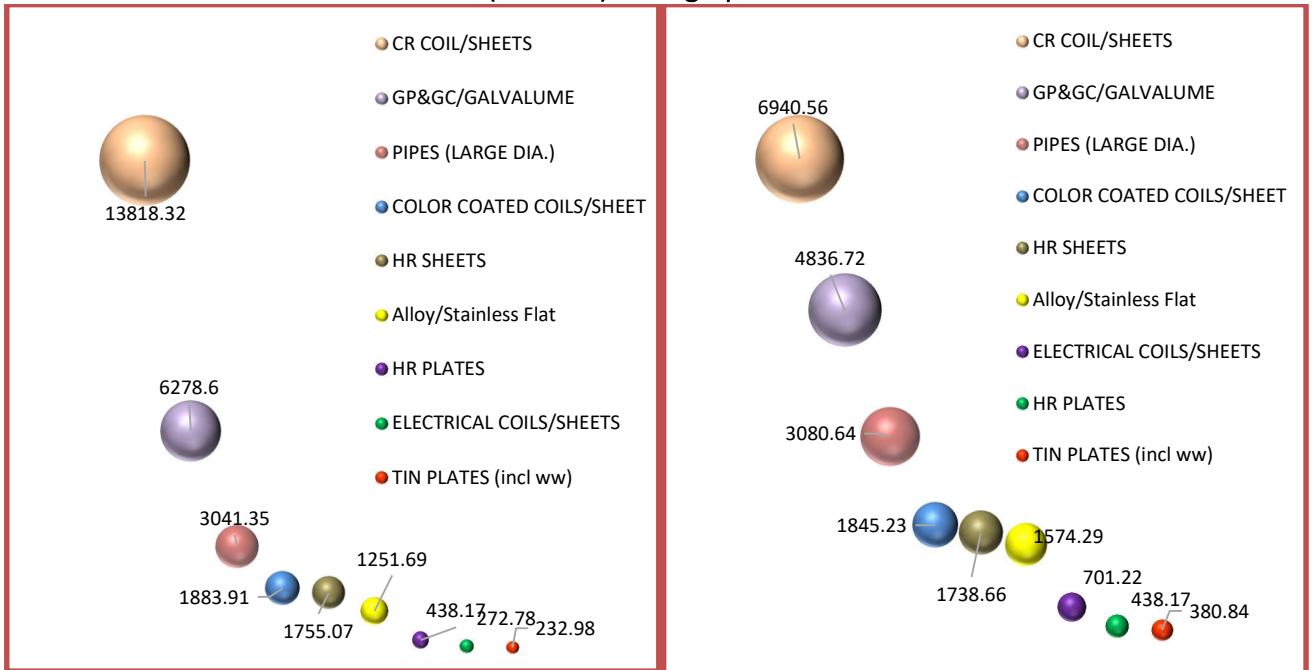
Fig. 2(d):- Product-wise Production & Consumption of Finished Steel (HR Equivalent) (in '000T) during Apr-Jan 2019-20



Source: JPC

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

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

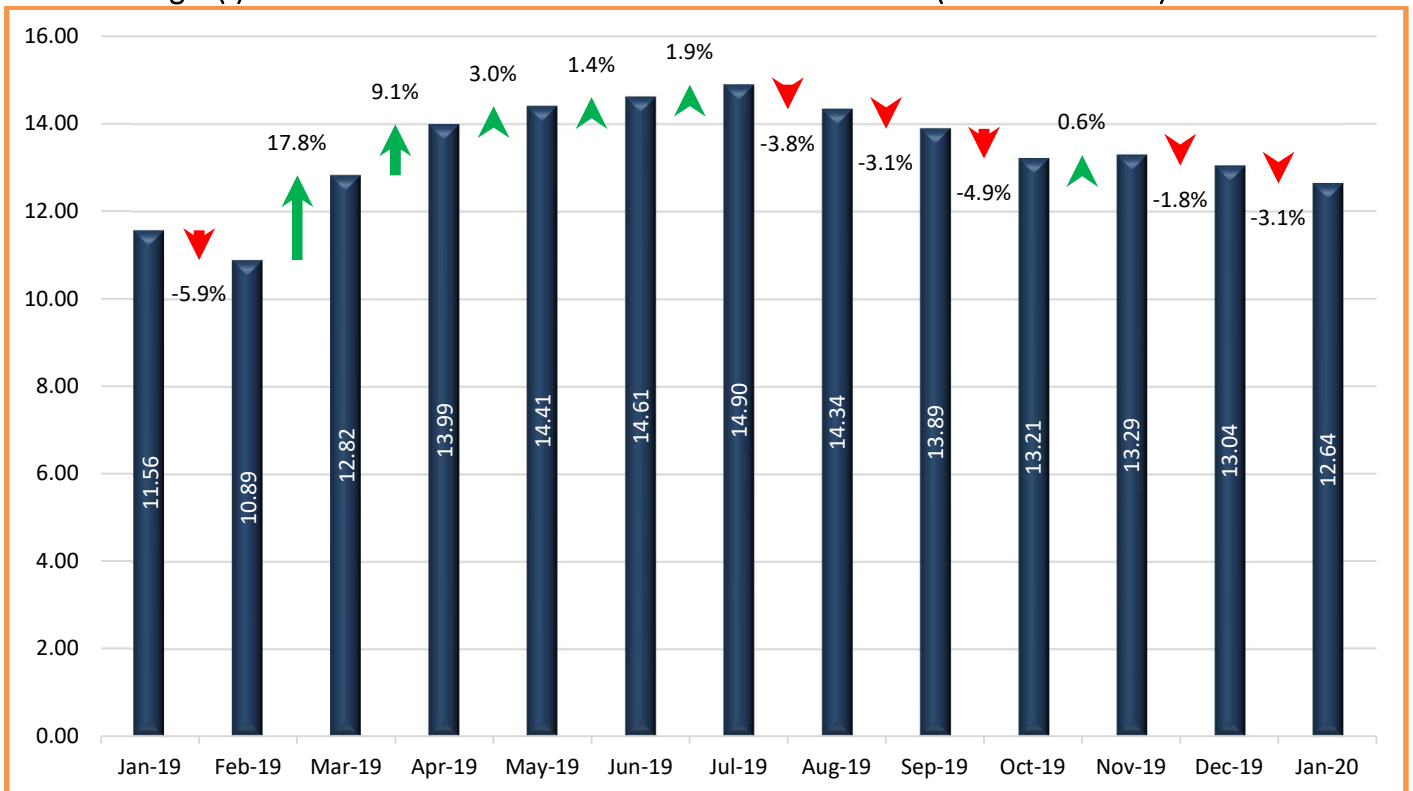


Source: JPC

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

b) Stock Analysis of Finished Steel

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

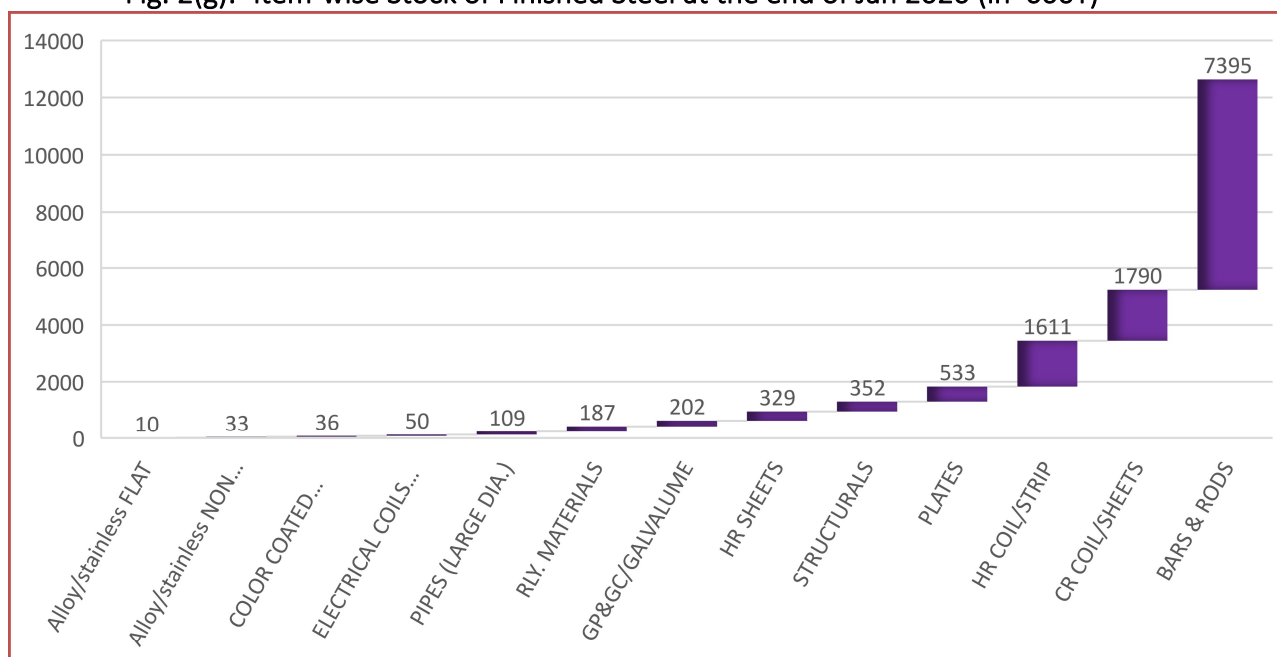


Source: JPC

➤ 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 a

result, the accumulated **stock** has decreased by 3.1% at the end of January 2020 over the previous month-end and till now stock remained at **12.64 million tonnes**.

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



Source: JPC

- As on 31st Jan 2020, **7.395 million tonnes of Bar&Rods** are in stock which can be exported.
- As on 31st Jan 2020, **1.79 million tonnes and 1.61 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 last six months and also in Apr-Jan 2019-20.

c) Import & Export of Finished Steel

Table: 2(g).1:- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise						
Import	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
Non-Alloy						
Non-Flat	28	53	-48.2	306	372	-17.7
Flat	300	429	-30.1	3894	4578	-15.0
Non-Alloy - Total	327	482	-32.1	4200	4950	-15.2
Alloy/Stainless						
Non-Flat	24	49	-50.2	343	532	-35.5
Flat	125	107	17.1	1448	1065	36.0
Alloy - Total	150	156	-4.0	1792	1597	12.2
Import – Total	477	638	-25.2	5991	6547	-8.5

Source: JPC

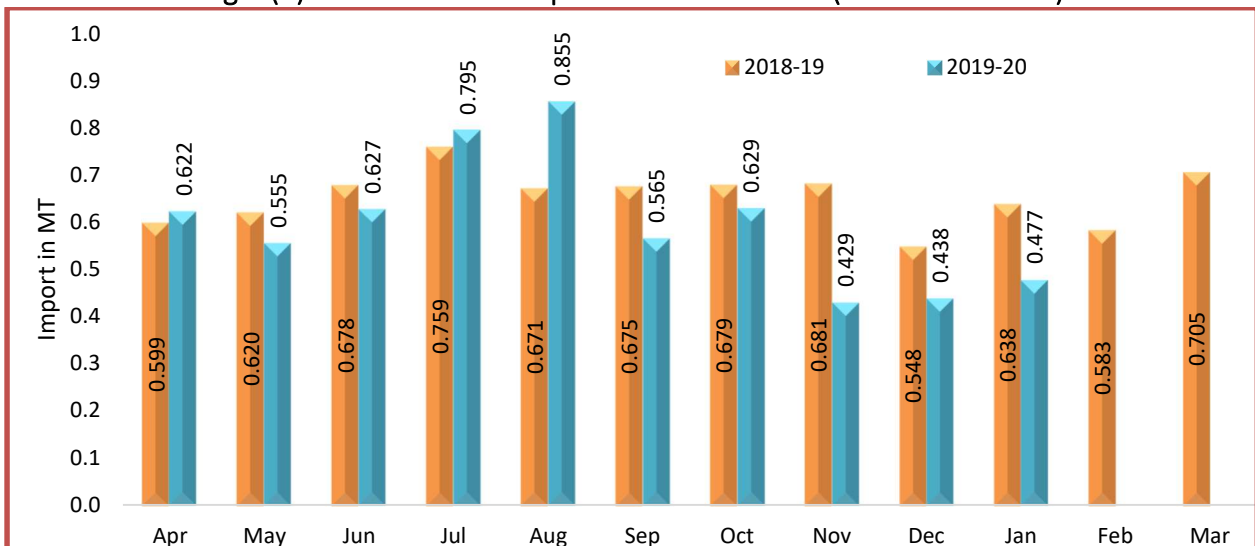
- During Jan 2020 import declined by 25% while export increased by 46%.
- Since Aug 2019, India has been a net-exporter country. As a result, export in Apr-Jan 2019-20 increased by 40% while import decreased by 8.5%

Table: 2(g).2:- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise						
Export	Jan-20	Jan-19	% change	Apr-Jan 2019-20	Apr-Jan 2018-19	% change
Non-Alloy						
Non-Flat	65	37	75.8	566	546	3.6
Flat	560	385	45.5	5982	4096	46.0
Non-Alloy - Total	625	422	48.2	6548	4643	41.0
Alloy/Stainless						
Non-Flat	22	22	-1.1	231	241	-4.1
Flat	46	31	49.8	434	267	62.6
Alloy - Total	68	53	28.5	665	508	31.0
Export – Total	693	475	46.0	7213	5150	40.0

Source: JPC

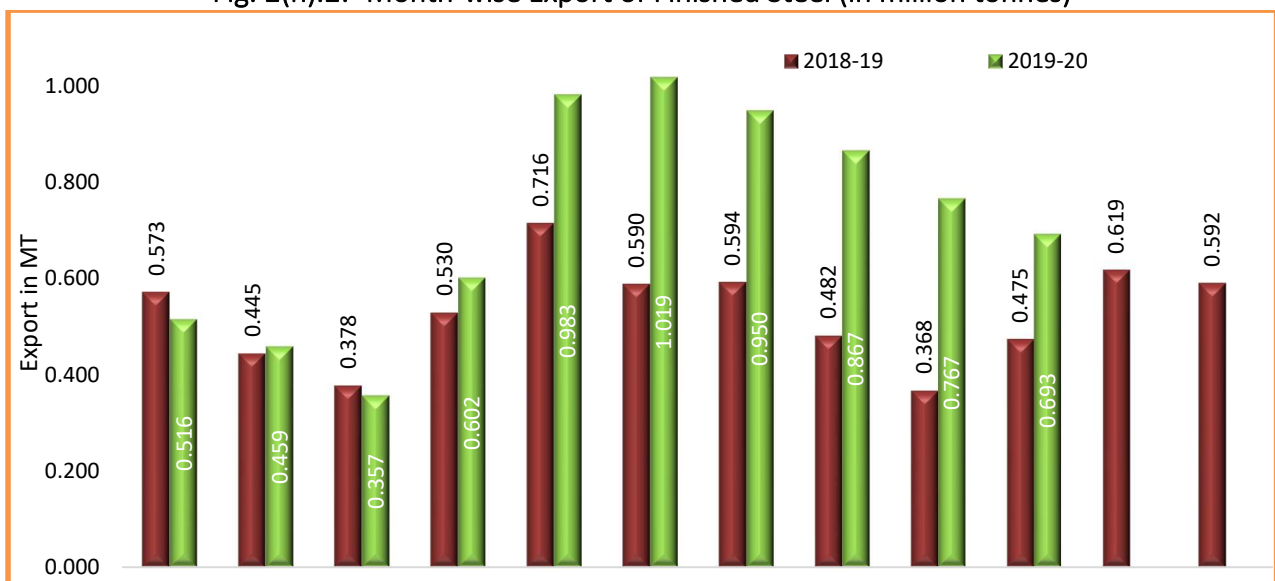
- During Apr-Jan 2019-20, balance of trade became 1.222 million tonnes.
- Mainly export of Flat product contributed in net export status of India in Jan 2020 and in Apr-Jan 2019-20.

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



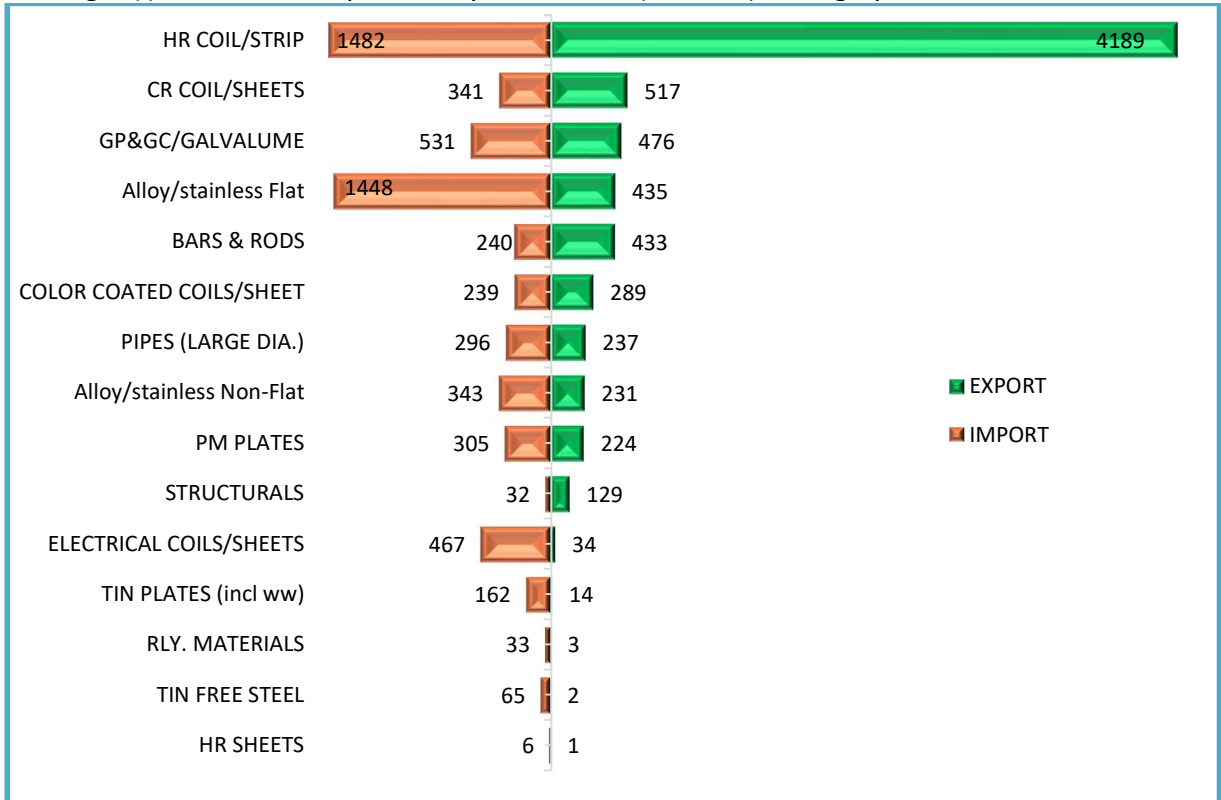
Source: JPC

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



Source: JPC

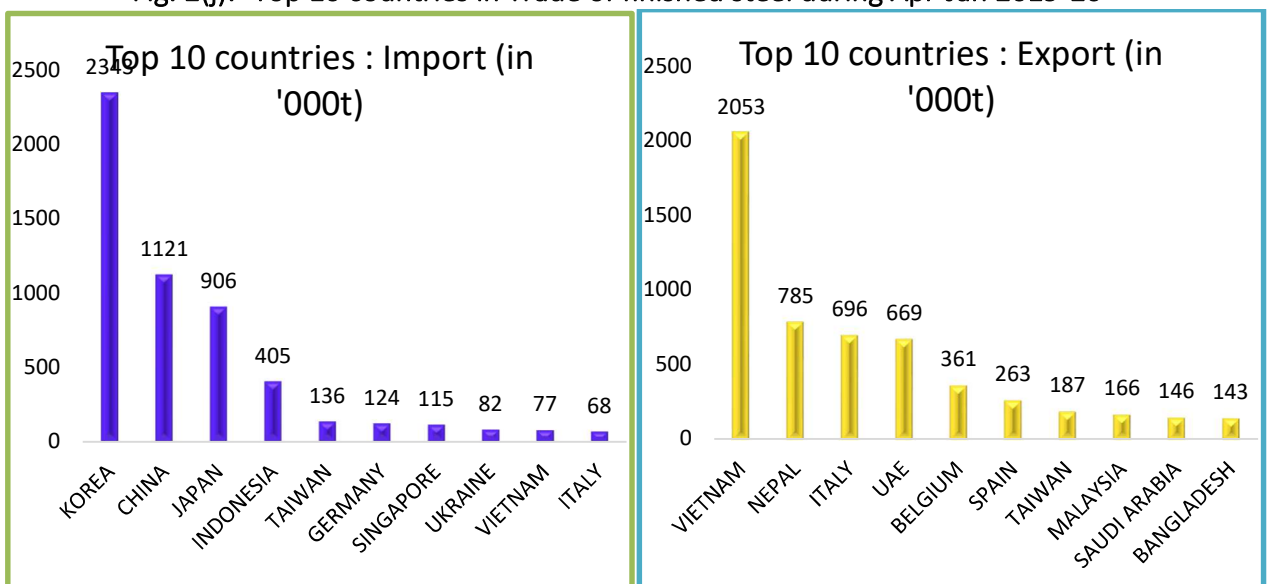
Fig. 2(i):- Item-wise Export & Import of Steel (in '000T) during Apr-Jan 2019-20



Source: JPC

- 4.19 million tonnes of **HRC** was exported in Apr-Jan 2019-20 out of which **2.03 million tonnes** was exported to Vietnam (around 48%).
- **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-Jan 2019-20



Source: JPC

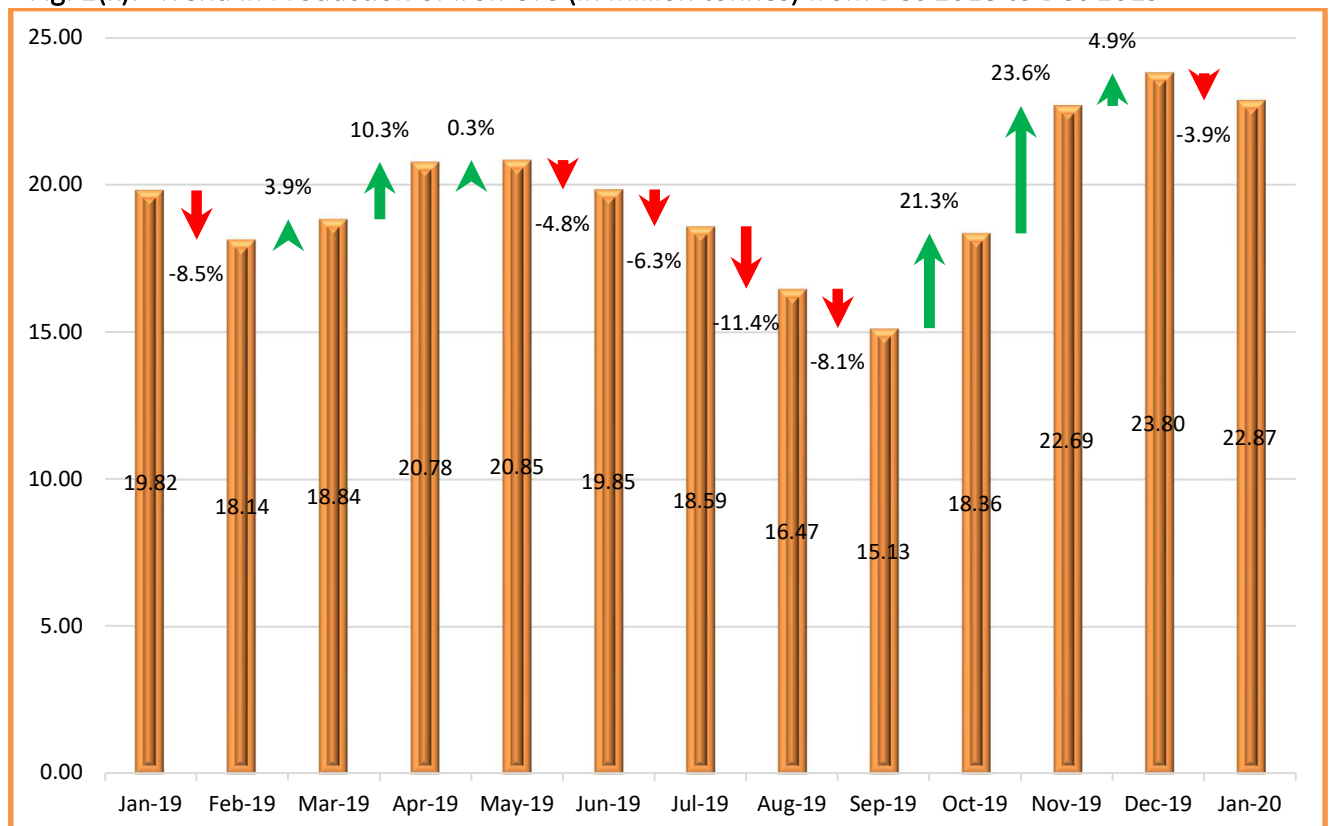
2.7 Iron Ore

- 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-Jan 2020**, **export of Iron Ore (inc pellet)** was **30.22 million tonnes**, having **increased by 136%** over the same period of previous year, while **import was 1.22 million tonnes**, having **decreased by 90%** 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.

	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%
Export [@]	3.96	1.60	148%	30.22	12.80	136%
Import [@]	0.14	0.24	-42%	1.22	11.99	-90%

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

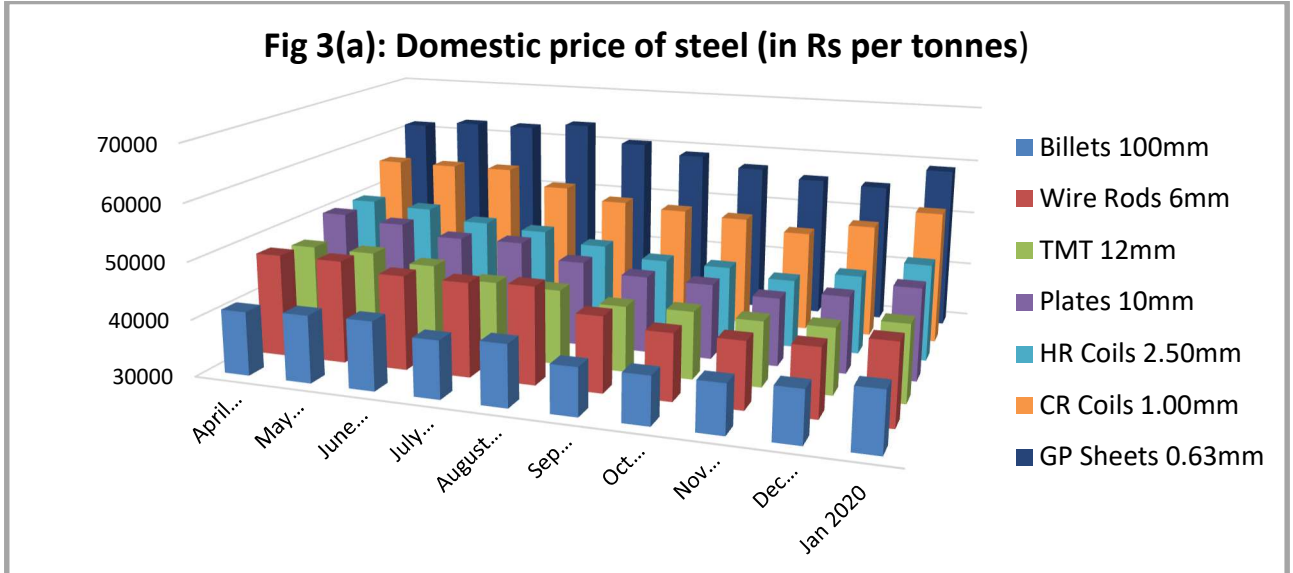
Fig. 2(k):- Trend in Production of Iron Ore (in million tonnes) from Dec 2018 to Dec 2019



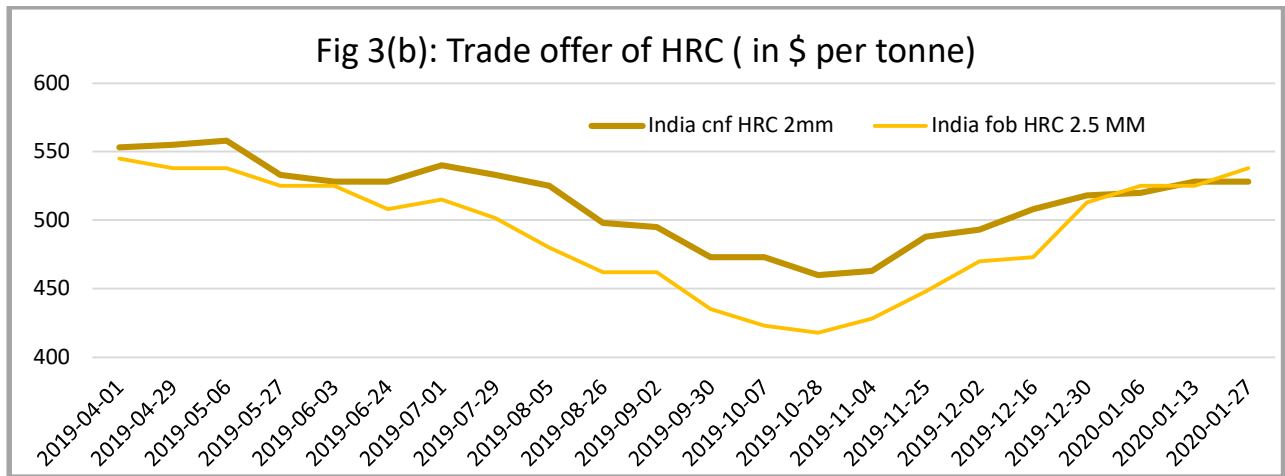
Source: JPC/steelmint

3. Price

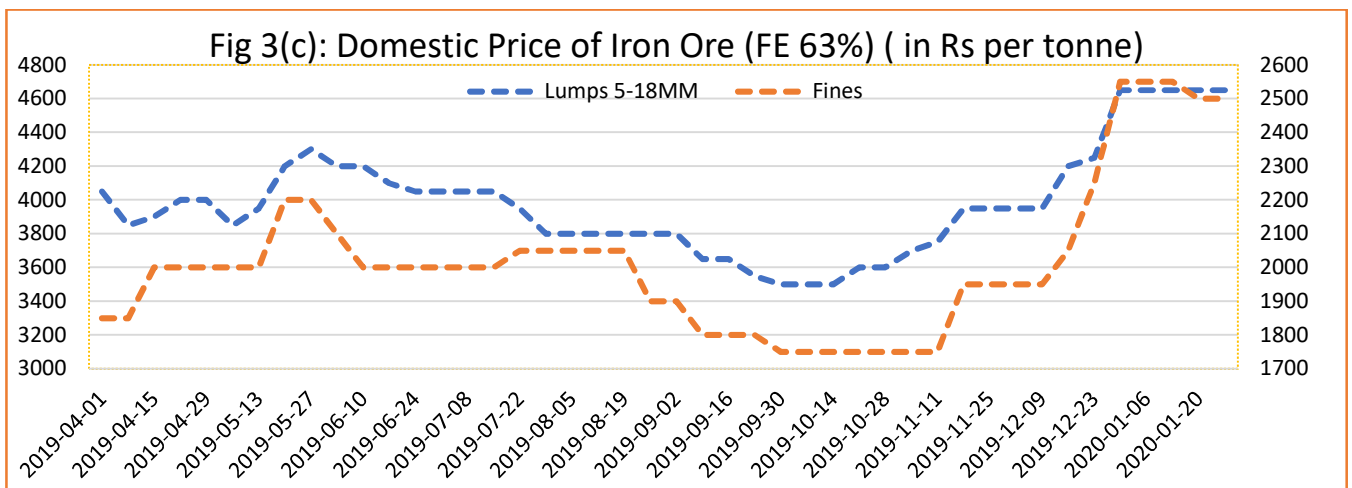
- Domestic steel prices for most of steel items, increased in Jan 2020 due to increase in domestic steel demand and international price hike. For HRC and CRC, domestic price increased by 7.1% & 6.5% respectively over Dec 2019. (Domestic price based of Mumbai price).



Source: JPC



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



Source: Steelmint