Monthly Analysis
(July 2019)

Ministry of Steel | Statistics Division

Major Highlights During July 2019

- During July 2019, **156.7 MT of crude steel was produced in the world**, with a positive growth rate of 1.7% over July, 2018.
- China, **world's largest producer of crude steel**, has produced 85.2 MT of crude steel in July 2019.
- India has continued to remain in **second position** in crude steel production, having produced 9.2 MT of crude steel in July 2019.
- Japan, the **third largest producer** of crude steel in the world, has produced 8.4 MT of crude steel in July 2019.
- The capacity utilisation in production of crude steel in the country has **increased** from 76.4% in July 2018 to **77.7% in July 2019**.
- During July 2019, production of finished steel was 8.35 MT having recorded a **positive growth rate of 2.3%** over July 2018.
- Consumption of finished steel during July 2019 was 9.06 MT which has **increased by 16.0%** over July 2018.
- During July 2019, import of finished steel was 0.772 MT having recorded a **positive growth rate** of **1.8%** over July 2018.
- Export of finished steel during July 2019 was 0.46 MT which **has decreased by 13.2%** over July 2018.
- India is still the **net importer** in trade of finished steel in July 2019.
- During June 2019, production of iron ore was 19.85 MT **having increased by 13.3%** over June 2018.

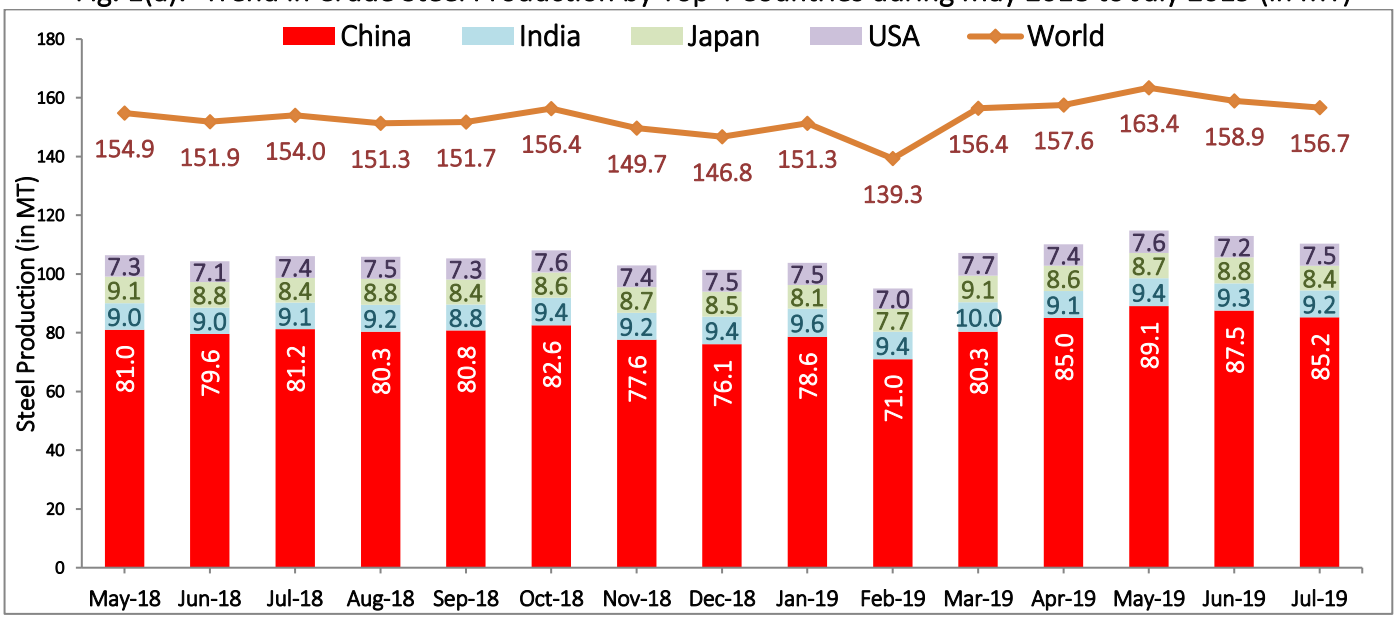
1. World Crude Steel Production

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

	Jul-19	Jul-18	% Change	Apr-Jul, 2019	Apr-Jul, 2018	% Change
China@	85.2	81.2	5.0	346.9	317.2	9.3
India#	9.2	9.1	1.7	37.1	35.9	3.4
Japan@	8.4	8.4	-0.4	34.5	35.0	-1.4
USA@	7.5	7.4	1.8	29.7	28.6	3.6
Other Countries	46.4	48.0	-3.4	188.5	191.8	-1.7
World@	156.7	154.0	1.7	636.6	608.5	4.6

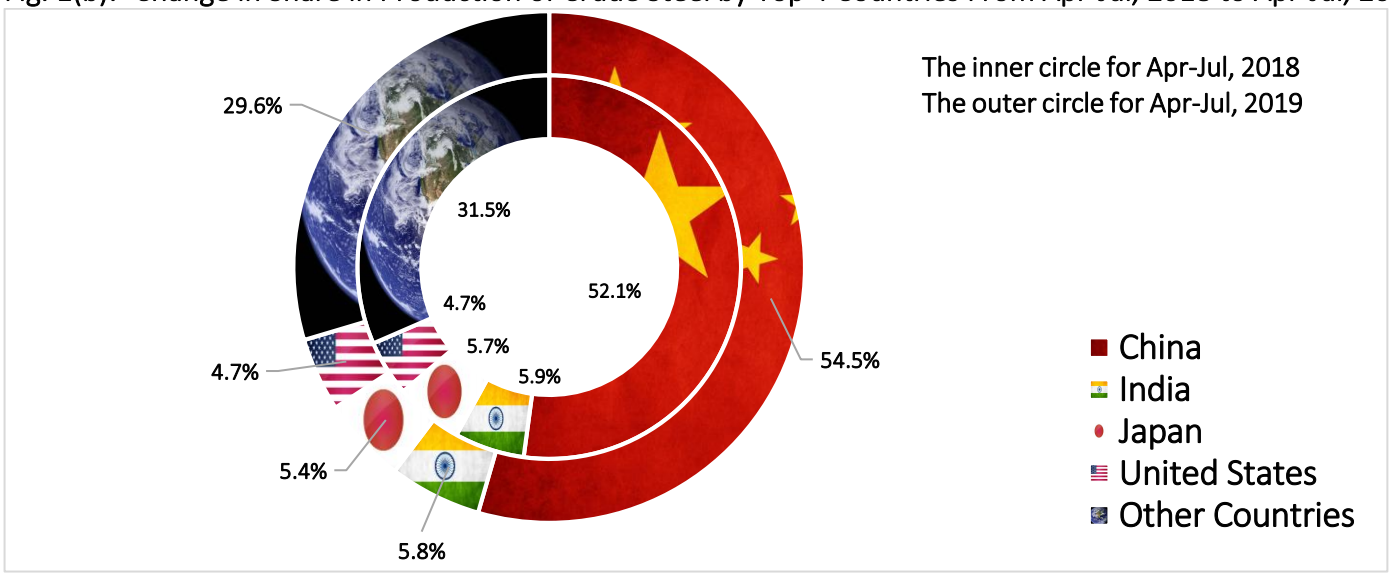
Source: @ WSA; # JPC

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



- Since May 2019, China's production of crue steel has slowly decreased from 89.1 MT in May 2019 to 85.2 MT in July 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 9.2 MT during July 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-Jul, 2018 to Apr-Jul, 2019



2. Performance of India's Steel Sector

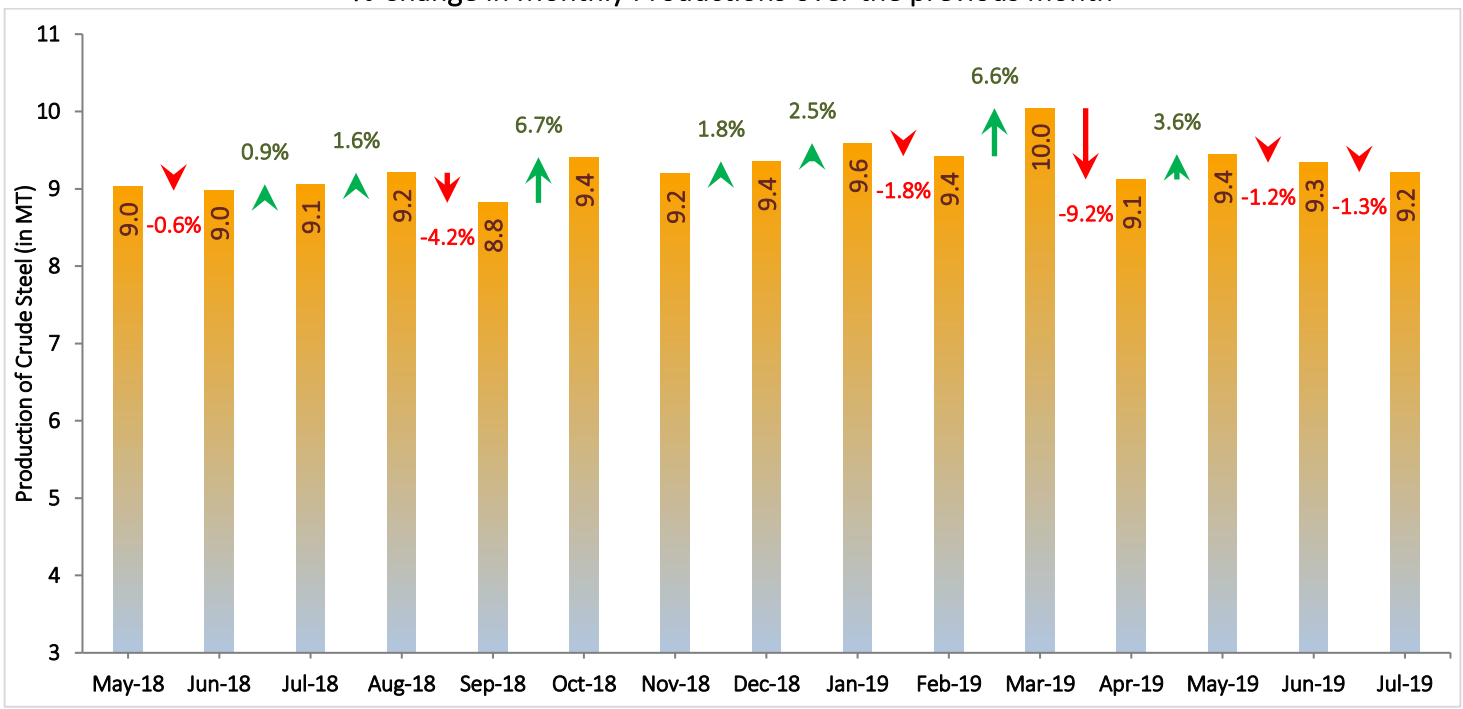
2.1 Crude Steel

Table: 2(a):- Producer wise Production of Crude Steel in India (in MT)						
Producers	Jul-19	Jul-18	% Change	Apr-Jul, 2019	Apr-Jul, 2018	% Change
SAIL	1.40	1.26	11.1	5.33	5.20	2.4
TSL	1.15	1.13	2.3	4.40	4.30	2.3
RINL (VSP)	0.42	0.44	-4.3	1.72	1.74	-0.9
ESSAR	0.61	0.55	9.4	2.46	2.24	9.6
JSPL	0.47	0.45	4.4	1.93	1.68	15.2
JSWL	1.32	1.38	-4.3	5.58	5.51	1.2
OTHERS	3.85	3.85	-0.1	15.71	15.21	3.3
Total Production	9.22	9.06	1.7	37.13	35.88	3.5
PSU Production	1.82	1.70	7.1	7.05	6.94	1.6
% Share of PSU	19.8	18.8		19.0	19.3	

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 1.4 MT of crude steel in July 2019, increasing its production by 11.1% over July 2018. SAIL, also, became the largest producer of crude steel in July 2019, overtaking JSWL who has produced 1.32 MT of crude steel, having decreased by 4.3% over July 2018.

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



Source: JPC

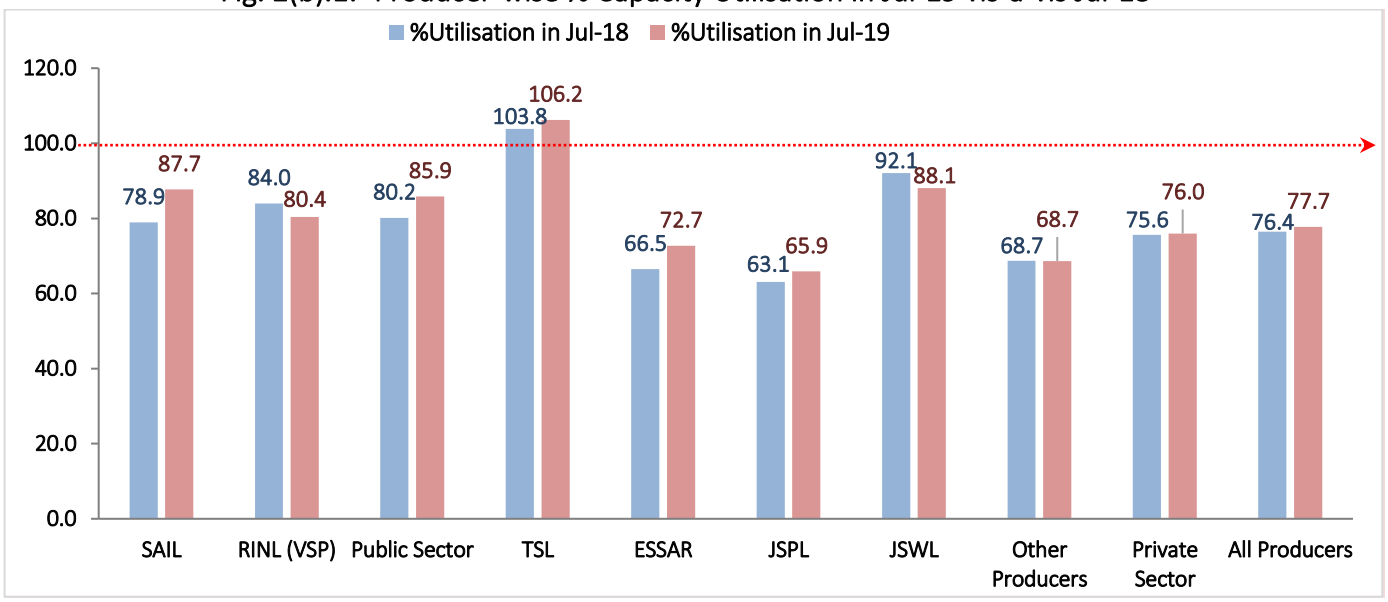
% increase in a month over the previous month

% decrease in a month over the previous month

2.2 Capacity Utilisation in Production of Crude Steel

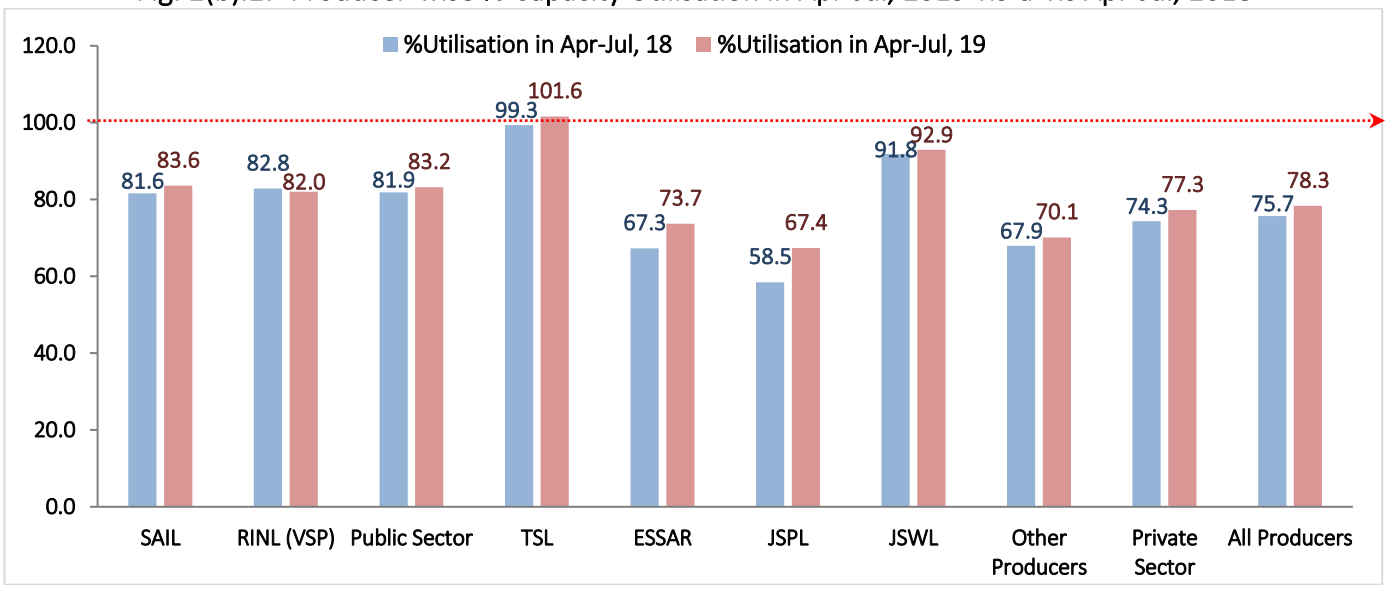
- The capacity utilisation in production of crude steel in the country has **increased** from 7**6.43% in July 2018** to **77.74% in July 2019**.
- Capacity utilisation by SAIL has **increased** from **78.9%** in July 2018 to **87.7% in** July 2019.
- Among the producers in private sector, capacity utilisation of **Tata Steel Ltd.** (TSL) has increased from 103.8% in July 2018 to 106.2% in July 2019. **JSWL**, **decreased** its capacity utilisation from 92.1% in July 2018 to **88.1% in July 2019**.

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



Source: JPC

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



Source: JPC

2.3 Hot Metal

➢ During July 2019, production of hot metal was 6.31 MT having **increased by 4.5%** over July 2018.

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

Producers	Jul-19	Jul-18	% Change	Apr-Jul, 2019	Apr-Jul, 2018	% Change
SAIL	1.52	1.37	11.6	5.85	5.63	3.8
TSL	1.23	1.20	3.1	4.71	4.62	1.8
RINL	0.46	0.48	-4.8	1.91	1.92	-0.6
ESSAR	0.31	0.23	36.9	1.21	1.06	13.7
JSPL	0.47	0.40	18.1	1.83	1.53	19.3
JSWL	1.24	1.27	-2.1	5.18	5.12	1.1
Other Producers	1.07	1.10	-2.5	4.42	4.31	2.4
Total	**6.31**	**6.04**	4.5	**25.09**	**24.20**	3.7
Production by PSU	1.98	1.85	7.3	7.75	7.55	2.7
% Share of PSU	31.4	30.6		30.9	31.2	

Source: JPC

2.4 Pig Iron

➢ During July 2019, production of pig iron was 0.528 MT which has **decreased by 4.5%** over July 2018.

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

Producers	Jul-19	Jul-18	% Change	Apr-Jul, 2019	Apr-Jul, 2018	% Change
SAIL	0.051	0.031	64.5	0.243	0.144	68.8
RINL	0.004	0.018	-77.8	0.030	0.060	-50.3
JSWL+JSPL	0.048	0.023	108.7	0.171	0.105	63.7
Other Producers	0.425	0.481	-11.6	1.707	1.790	-4.6
Total Production	**0.528**	**0.553**	-4.5	**2.151**	**2.098**	2.5
Production by PSU	0.055	0.049	12.2	0.273	0.204	33.8
% Share of PSU	10.4	8.9		12.7	9.7	

Source: JPC

2.5 Sponge Iron

➢ During July 2019, production of sponge iron for sale was 3.032 MT, recording a positive growth of 4.8% over July 2018.

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

Producers	Jul-19	Jul -18	% Change	Apr-Jul, 2019	Apr-Jul, 2018	% Change
ESSAR	0.410	0.433	-5.3	1.712	1.635	4.7
JSPL	0.142	0.109	30.3	0.565	0.446	26.8
JSWL	0.182	0.210	-13.3	0.795	0.828	-4.0
Other Producers	2.298	2.140	7.4	9.373	8.649	8.4
Total	**3.032**	**2.892**	4.8	**12.445**	**11.557**	7.7

Source: JPC

2.6 Finished Steel

a) Production and Consumption of Finished Steel

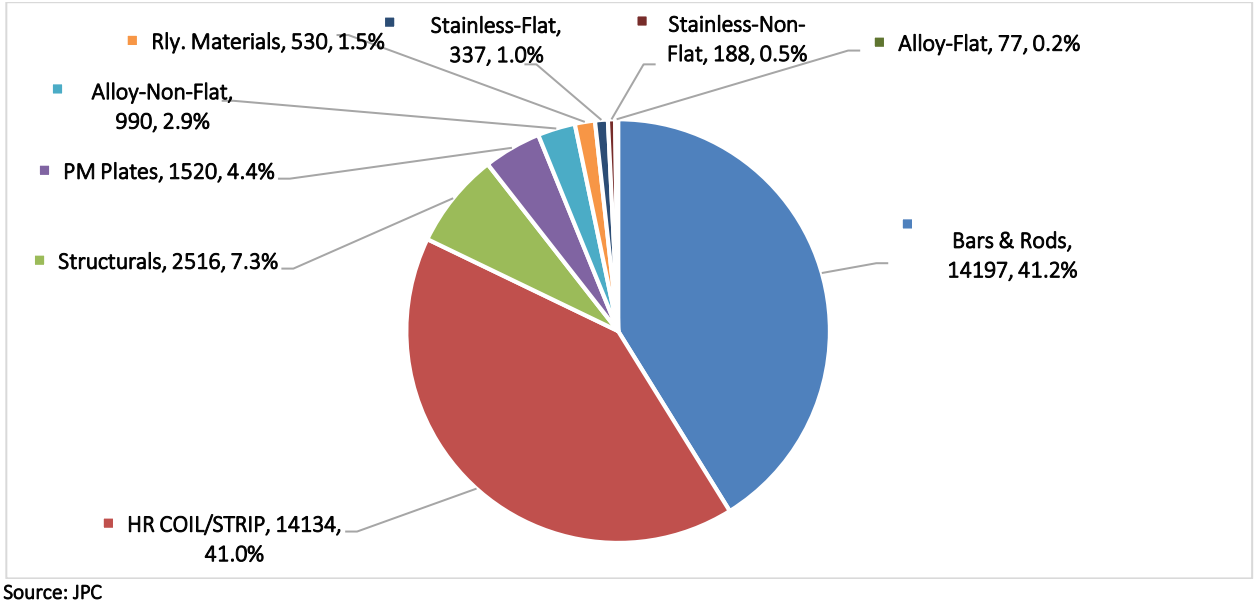
- During July 2019, production of finished steel was 8.35 MT having recorded a positive growth rate of 2.3% over July 2018. During March 2019 to June 2019, overall consumption as compared to production was less; but during July 2019, consumption was 9.06 MT, surpassing the production of July 2019 and due to this increased consumption in July 2019, overall consumption during Apr-Jul, 2019 has increased by 6.6% over Apr-Jul, 2018.
- The producers cut their production and the high volume of accumulated stock was used in domestic-consumption and as a result, the accumulated stock has decreased by 1.0% at the end of July 2019 over the previous month-end and remained at 14.63 MT.
- Also, Tata Steel has been able to overcome the slump in automobile sector by channelling its sales in other emerging sectors like branded products and retail, industrial products and projects, and downstream.

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

Producers	Jul-19	Jul-18	% Change	Apr-Jul, 2019	Apr-Jul, 2018	% Change
SAIL	1.03	0.98	4.3	4.11	4.09	0.4
TSL	1.12	1.07	4.8	4.49	4.21	6.8
RINL	0.29	0.33	-11.0	1.36	1.35	0.6
ESSAR	0.60	0.55	9.6	2.41	2.23	8.2
JSPL	0.36	0.32	13.3	1.42	1.18	20.3
JSWL	1.22	1.29	-5.3	5.17	5.09	1.6
Other Producers	3.73	3.63	2.8	15.53	14.54	6.8
Total Production	8.35	8.16	2.3	34.49	32.69	5.5
Consumption	9.06	7.81	16.0	33.71	31.61	6.6
Production by PSU	1.32	1.31	0.5	5.47	5.44	0.5
% Share of PSU	15.8	16.0		15.9	16.7	

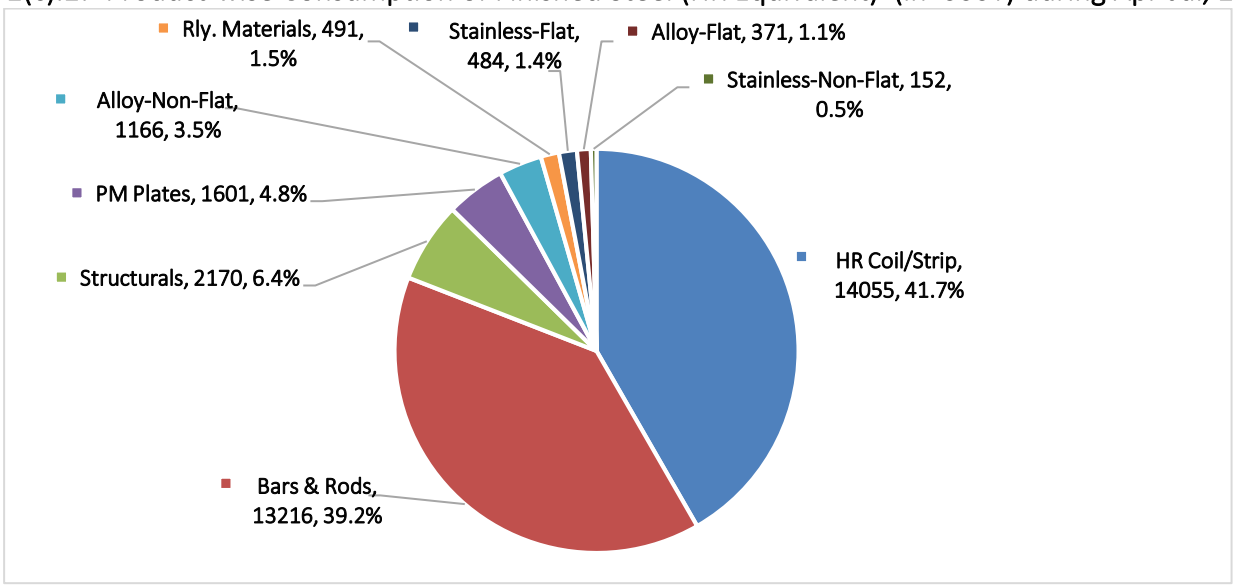
Source:JPC

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



Source: JPC

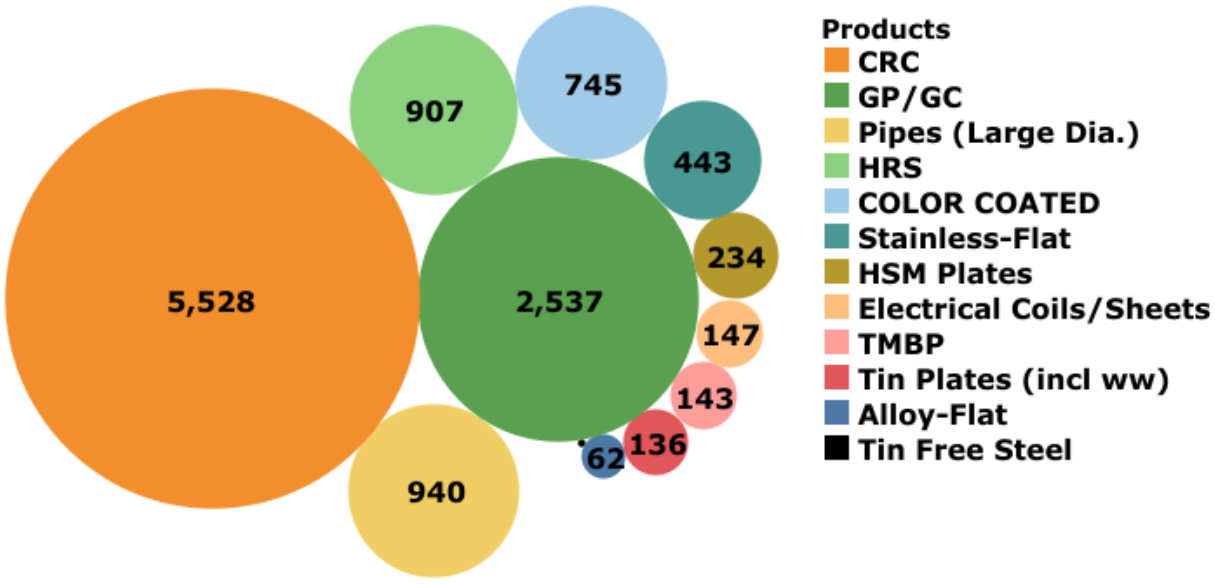
Fig. 2(c).2:- Product-wise Consumption of Finished Steel (HR Equivalent) (in '000T) during Apr-Jul, 2019



Source: JPC

- During the period of Apr-Jul, 2019, the **production** of finished steel was 34.49 MT having **increased by 5.5%** over same period of previous year; while **consumption** during Apr-Jul, 2019 was 33.71 MT having **increased by 6.6%** over same period of previous year.

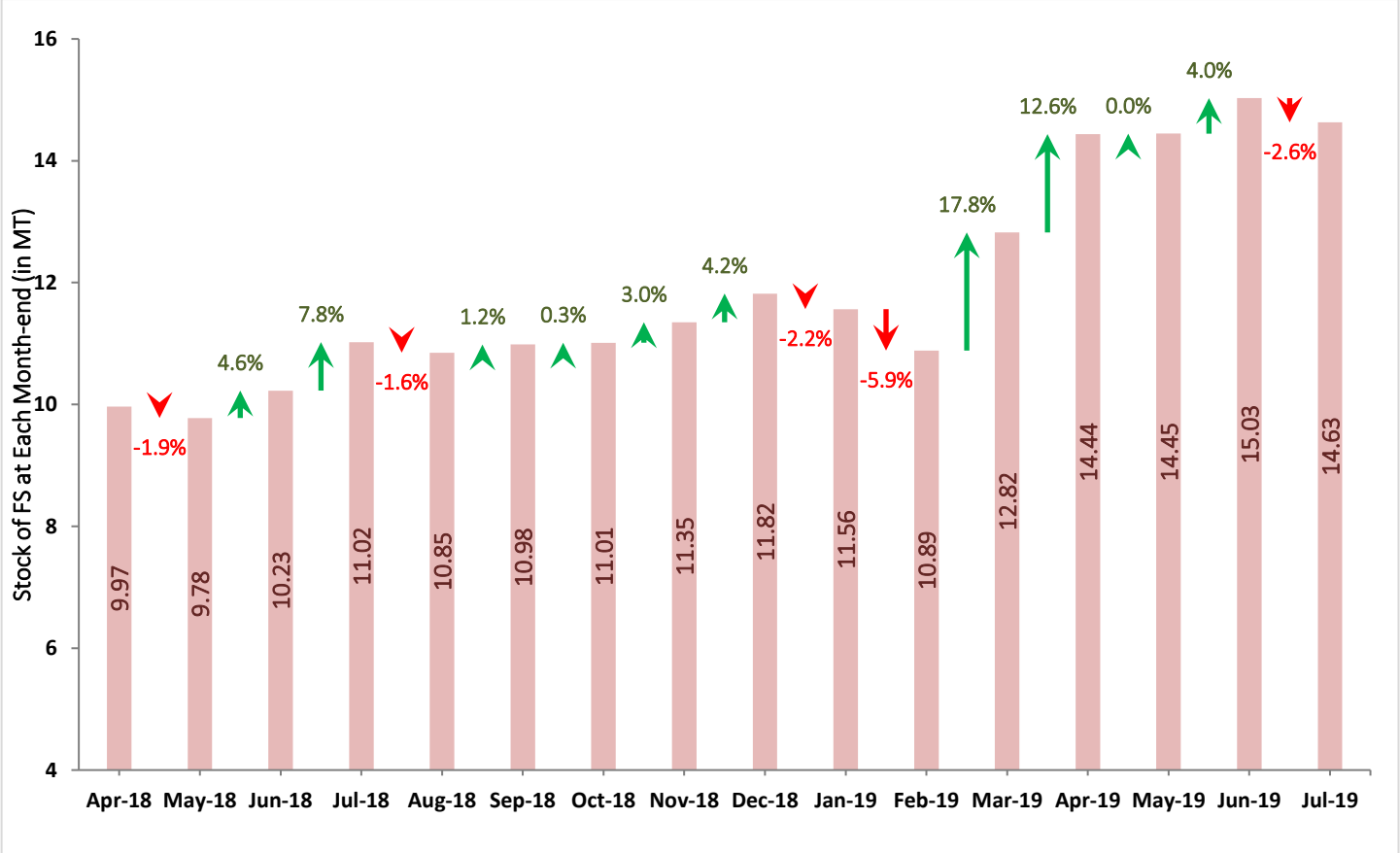
Fig. 2(d):- Product-wise Downstream / Value Added Production of Finished Steel (in '000T) during Apr-Jul, 2019



Source: JPC

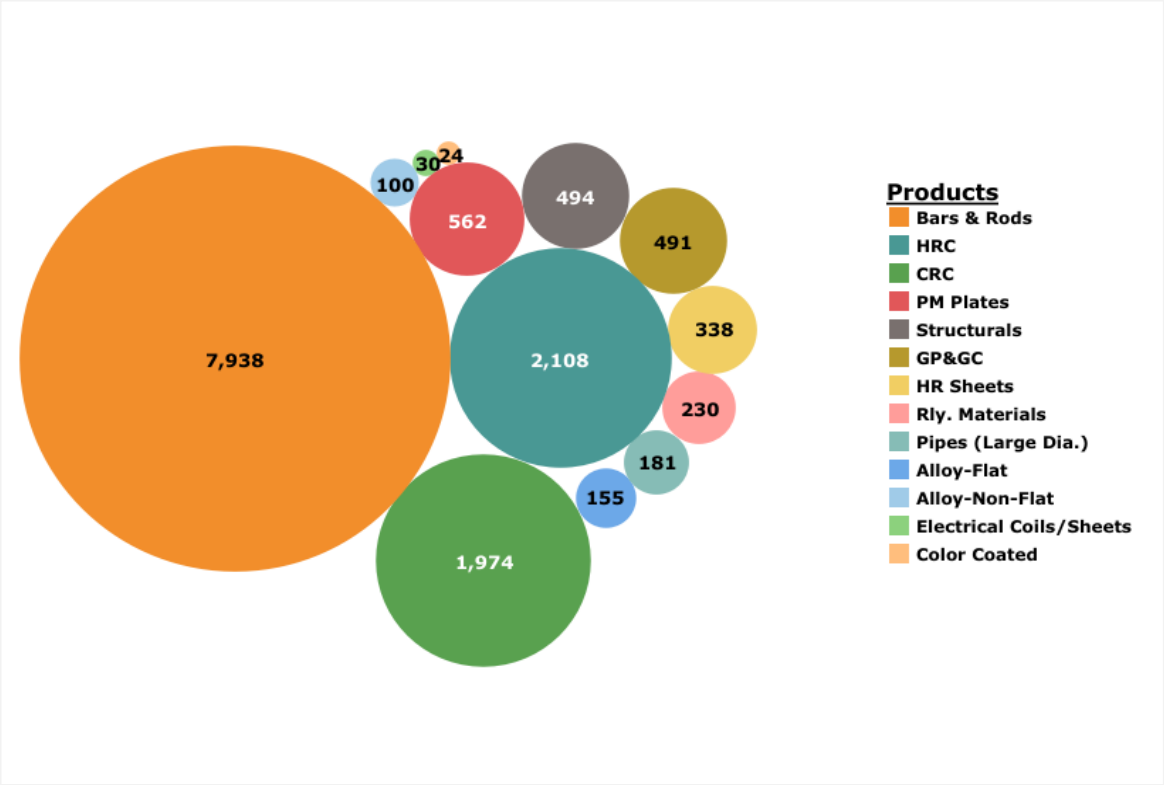
b) Stock Analysis of Finsihed Steel

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 July 2019 (in '000T)



Source: JPC

- Since February 2019, stock of finished steel has kept increasing and it hs resulted in 34.4% increase in inventory of finished steel during February 2019 to July 2019. However, the producers have started to cut their production since March 2019 in order keep its pace with the ongoing sluggish demand from domestic user industries such as construction, automotive and infrastructure sectors and also to keep a check on the increasing inventory.
- This sluggish demand of steel in domestic market as compared to the production capability of Indian steel industry is expected to continue during the second quarter. However, Government has taken several steps to boost the steel-user industries by reducing EMIs for housing loan, vehicle and other retail loans. Also, Government has decided to push for EVs but in a more measured step-by-step way.

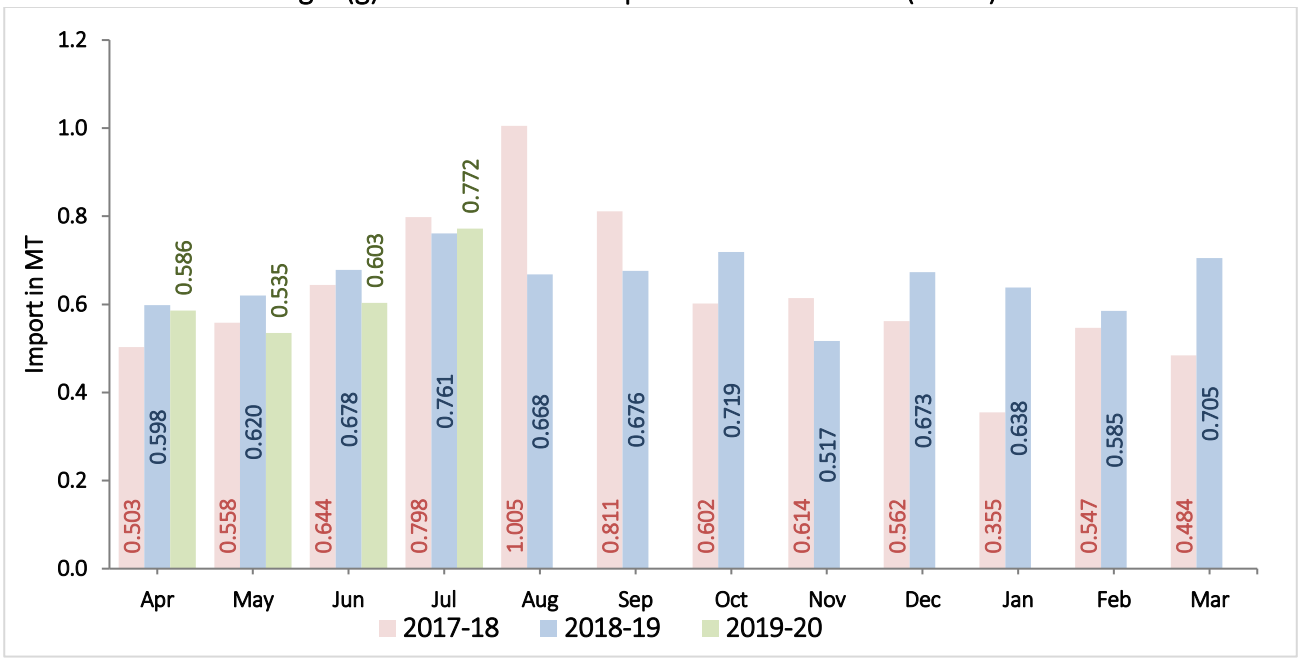
c) Category-wise Import & Export of Finished Steel

Table: 2(h):- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise in Jul-19 vis-à-vis Jul-18 and in Apr-Jul, 2019 vis-à-vis Apr-Jul, 2018

Import	Jul-19	Jul-18	% Change	Apr-Jul, 2019	Apr-Jul, 2018	% Change
Non-Alloy						
Non-Flat	43	40	7.5	166	168	-1.2
Flat	503	582	-13.6	1733	1891	-8.4
Non-Alloy - Total	546	622	-12.2	1899	2059	-7.8
Alloy						
Non-Flat	34	47	-27.7	122	264	-53.8
Flat	192	89	115.7	476	333	42.9
Alloy - Total	226	136	66.2	598	597	0.2
Import – Total	772	758	1.8	2497	2656	-6.0
Export	**Jul-19**	**Jul-18**	**% Change**	**Apr-Jul, 2019**	**Apr-Jul, 2018**	**% Change**
Non-Alloy						
Non-Flat	66	35	88.6	188	178	5.6
Flat	351	455	-22.9	1090	1586	-31.3
Non-Alloy - Total	417	490	-14.9	1278	1764	-27.6
Alloy						
Non-Flat	21	22	-4.5	73	71	2.8
Flat	22	18	22.2	123	92	33.7
Alloy - Total	43	40	7.5	196	163	20.2
Export – Total	460	530	-13.2	1474	1927	-23.5

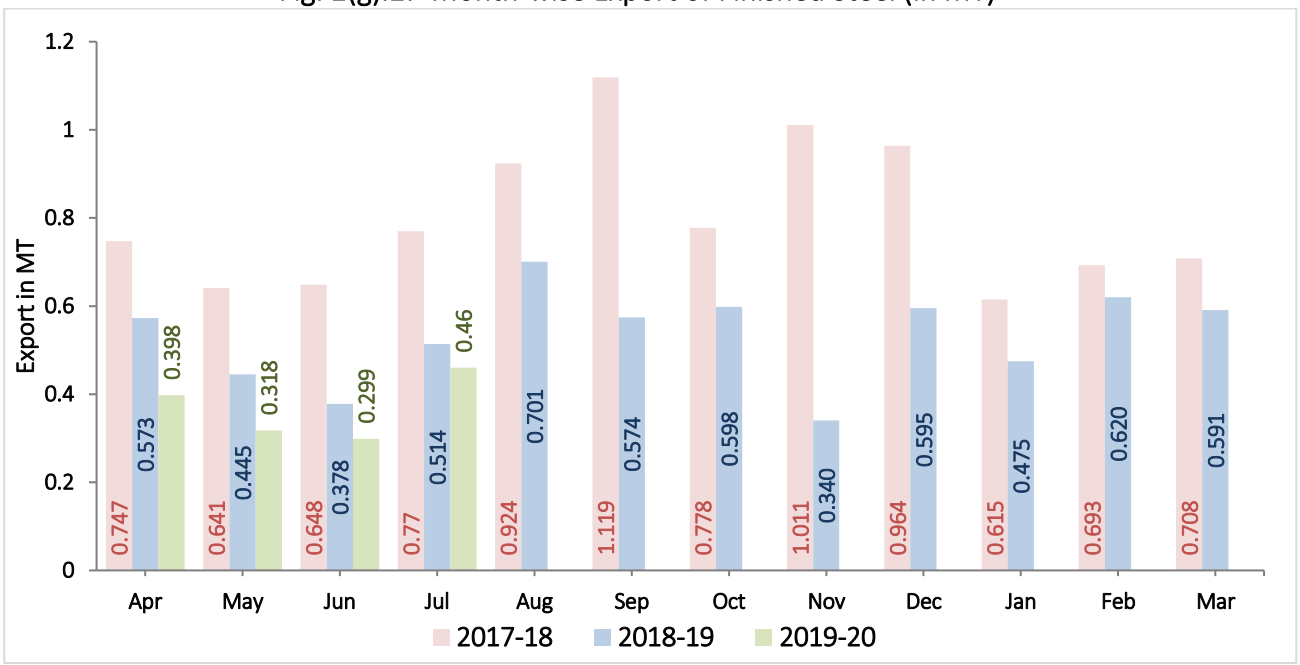
Source: JPC

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

- Due to sluggish demand of steel, trade war between countries and imposition of anti-dumping duty by different countries International trade is also volatile. Import and export by India have both reduced in Apr-Jul 2019 by 6.0% and 23.5% respectively over the same period of previous year.
- However, India remained a Net Importer during Apr-Jul 2019.
- During this period, Alloy/stainless steel is main gap creator in negative balance of trade. Among Non-Alloy products, HRC, GP/GC and Elec. sheets have very high negative balance of trade.
- Huge stock of Bar& Rods, HRC and CRC can be exported for making India net exporter, but these products are exported mostly.
- Again due to non-availability of required grade of steel domestically, alloy steel was imported while its stock is not sufficient to meet demand. Low imported price may be another reason for high import.

Fig. 2(h).1:- Item-wise Import of Finished Steel (in '000T) during Apr-Jul 2019

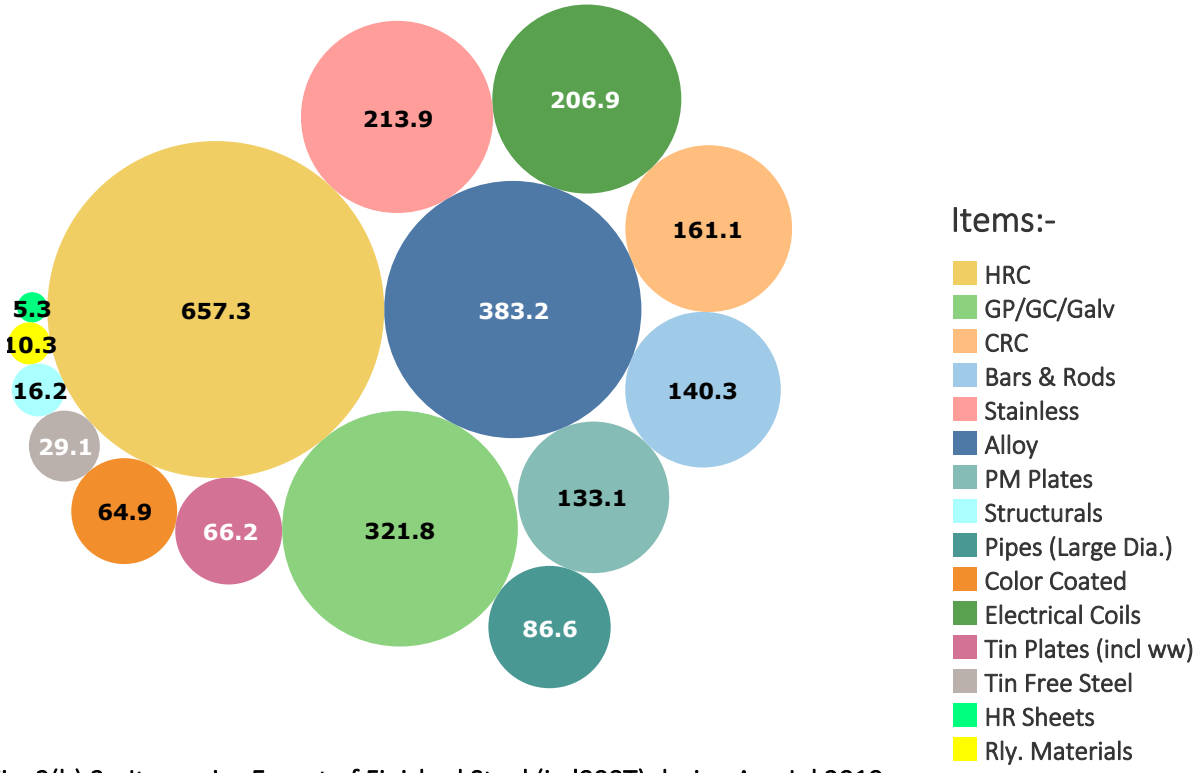
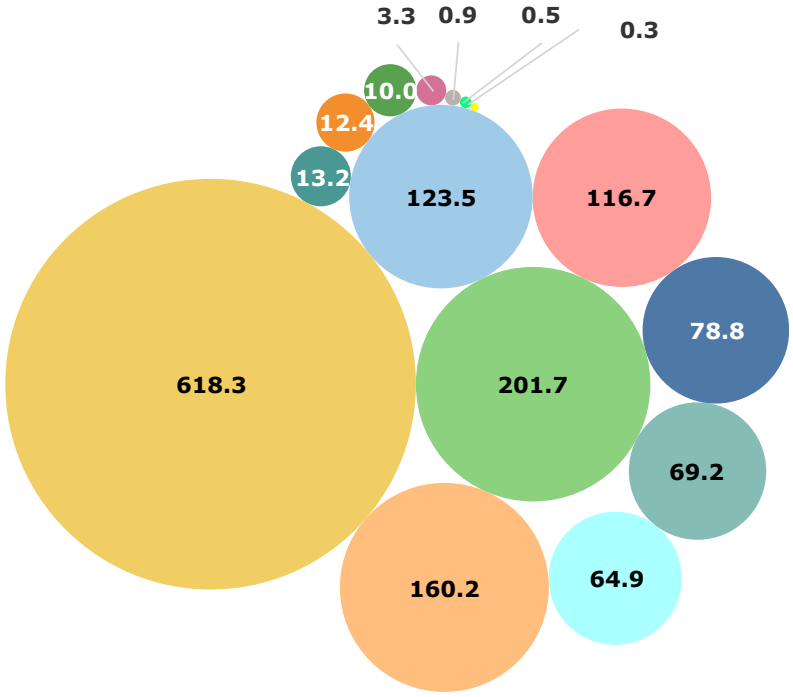


Fig. 2(h).2:- Item-wise Export of Finished Steel (in '000T) during Apr-Jul 2019



2.7 Iron Ore

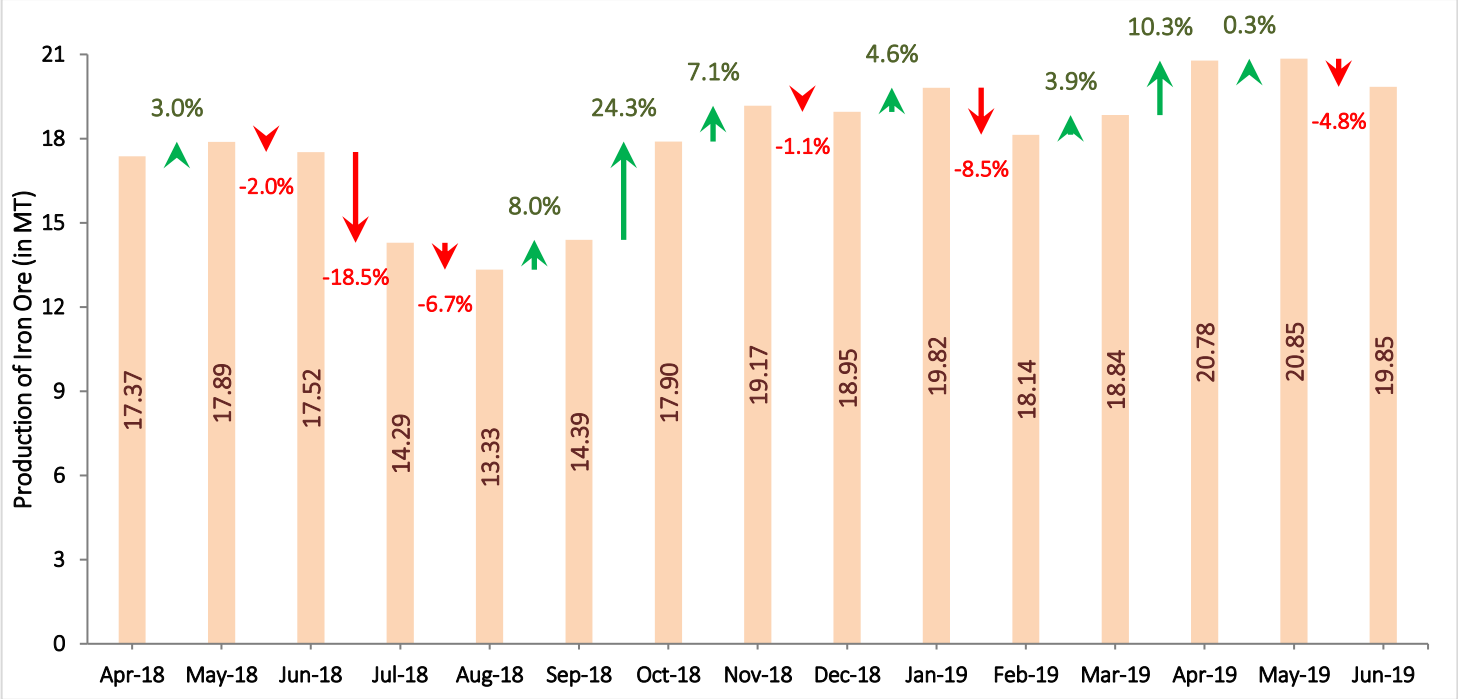
- During June 2019, production of iron ore was 19.85 MT **having decreased by 4.8%** over May 2019; while production during Apr-June 2019 was 61.05 MT **having increased by 15.7%** over the same period of previous year.
- Also, during Apr-June 2019, export of Iron ore was 8.62 MT, having increased by 99.1% over the same period of previos year, while import was 0.82 MT, having decreased by 76.8% 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 was exported to China.

Table: 2(h):- Production, Export & Import of Iron Ore in India (in MT)

	Jun-19	Jun-18	% Change	Apr-Jun 2019	Apr-Jun 2018	% Change
Production#	19.85	17.52	13.3% ↑	61.05	52.78	15.7% ↑
Export@	2.96	1.05	181.9% ↑	8.62	4.33	99.1% ↑
Import@	0.10	0.91	-89.0% ↓	0.82	3.54	-76.8% ↓

Source: # - JPC, @ - DGCI&S

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



Source: JPC