



## Monthly Analysis (November 2019)

## Major Highlights During November 2019

- During Nov 2019, **147.79 million tonnes of crude steel was produced in the world**, declined by 1.05% over Nov, 2018.
- **China**, world's largest producer of crude steel, produced **80.29 million tonnes** of crude steel in Nov 2019, up by 3.98% over Nov 2018.
- **India**, world's 2<sup>nd</sup> largest producer of crude steel, produced **8.93 million tonnes** of crude steel in Nov 2019, down by 2.81% over Nov 2018.
- **Japan**, the third largest producer of crude steel in the world, produced **7.74 million tonnes** of crude steel in Nov 2019, down by 10.58% over Nov 2018.
- The **capacity utilisation** in production of crude steel in India has **decreased** from **77.6% in Nov 2018** to **75.4% in Nov 2019**.
- During Nov 2019, **production of finished steel was 7.83 million tonnes**, declined by 6.7% over Nov 2018.
- **Consumption of finished steel** during Nov 2019 was **7.36 million tonnes** which has increased by 0.05% over Nov 2018.
- During Nov 2019, **import** of finished steel was **0.43 million tonnes**, declined by 37% over Nov 2018.
- **Export** of finished steel during Nov 2019 was **0.87 million tonnes** which has increased by 79.9% over Nov 2018.
- India became the **net exporter** in trade of finished steel in Nov 2019 with **trade balance 0.44 million tonnes**.
- During Oct 2019, **production of Iron Ore was 18.34 million tonnes** having increased by 3% over Oct 2018. *Production data for Nov 2019 yet to be published.*

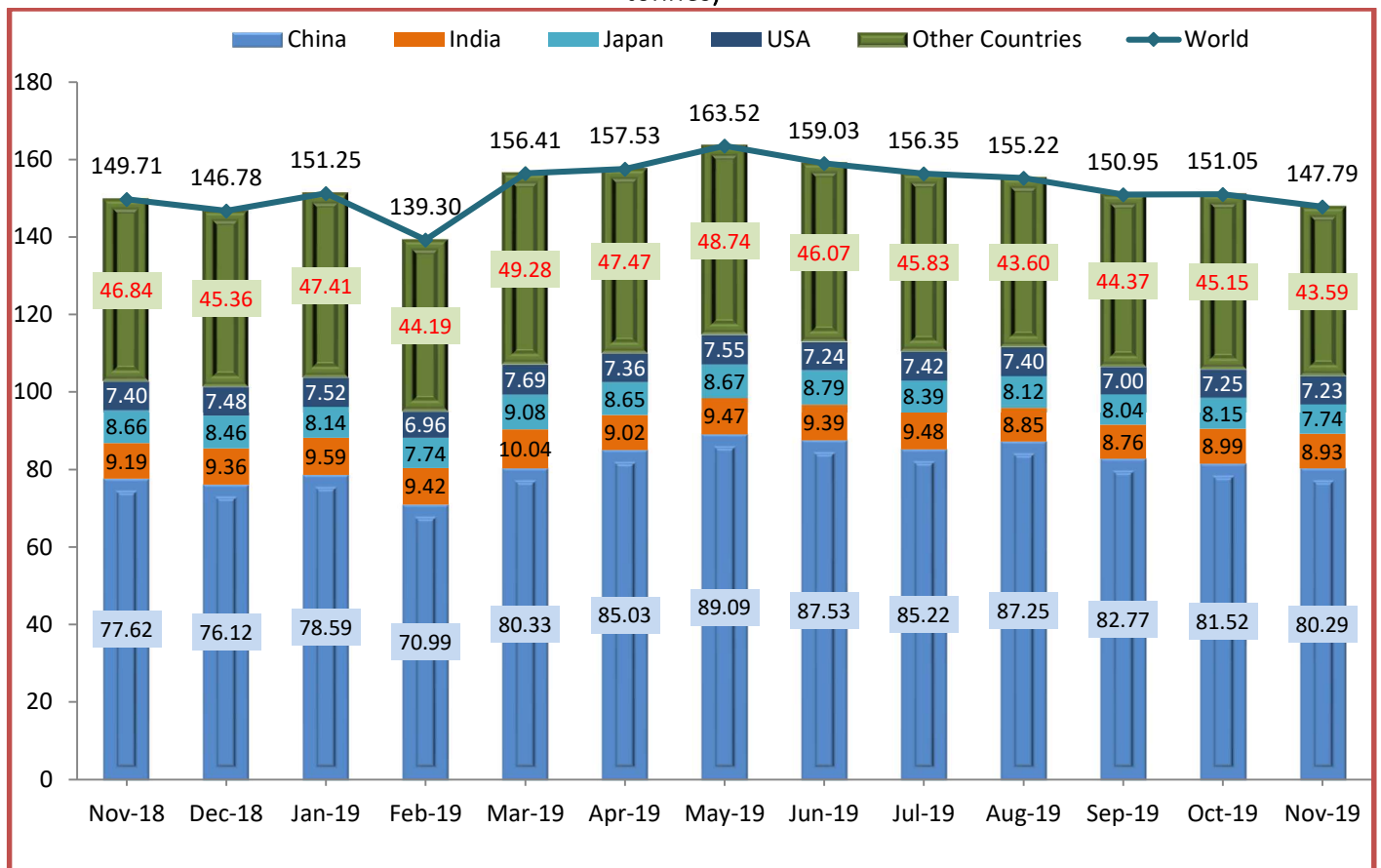
# 1. World Crude Steel Production

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

	Nov-19	Nov-18	% Change		Apr-Nov, 2019	Apr-Nov, 2018	% Change	
China <sup>@</sup>	80.29	77.21		3.98	678.71	637.26		6.51
India <sup>#</sup>	8.93	9.19	-2.81		72.90	72.51		0.54
Japan <sup>@</sup>	7.74	8.66	-10.58		66.56	69.45	-4.17	
USA <sup>@</sup>	7.23	7.40	-2.24		58.46	58.31		0.24
Other Countries	43.59	46.89	-7.03		364.82	379.30	-3.82	
World <sup>@</sup>	147.79	149.36	-1.05		1241.44	1216.83		2.02

Source: @ WSA; # JPC

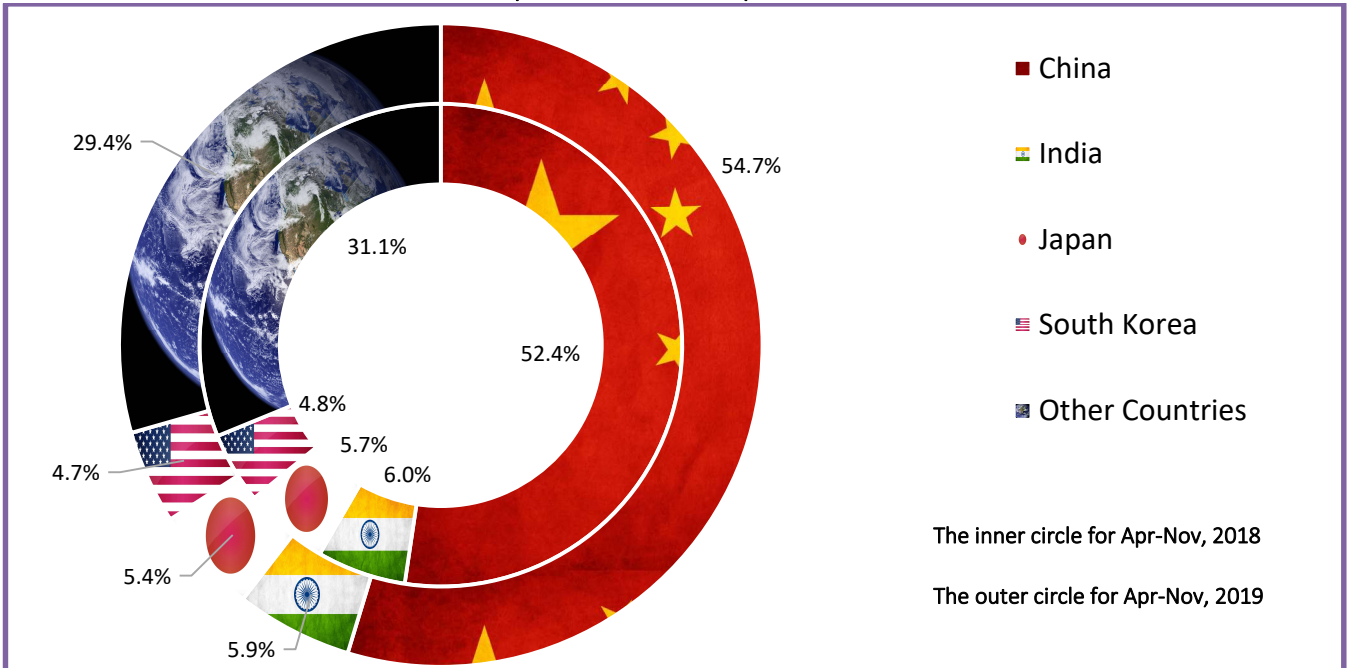
Fig. 1(a):- Trend in Crude Steel Production by Top 4 Countries during Nov 2018 to Nov 2019 (in million tonnes)



- China, with share more than 50% in Crude Steel production at global level, mostly influences the production of crude steel at global level.

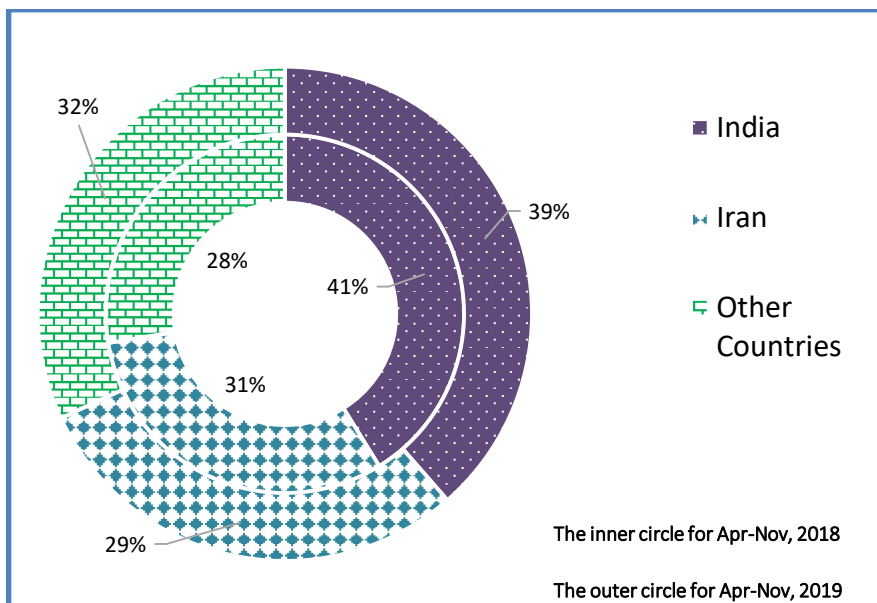
- Since May 2019, China's production of Crude Steel has slowly decreased from 89.1 million tonnes in May 2019 to 80.29 million tonnes in Nov 2019, and as a result, Crude Steel at global level, also declined from May 2019 onward.
- Similarly, Crude Steel production in India, Japan, USA also declined gradually from May19-Jun19 onwards.

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



- **India**, the largest producer of DRI/Sponge Iron at global level, produced **3.39 million tonnes** Sponge Iron in Nov 2019, up by 7.5% over Nov 2018.

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



## 2. Performance of India's Steel Sector

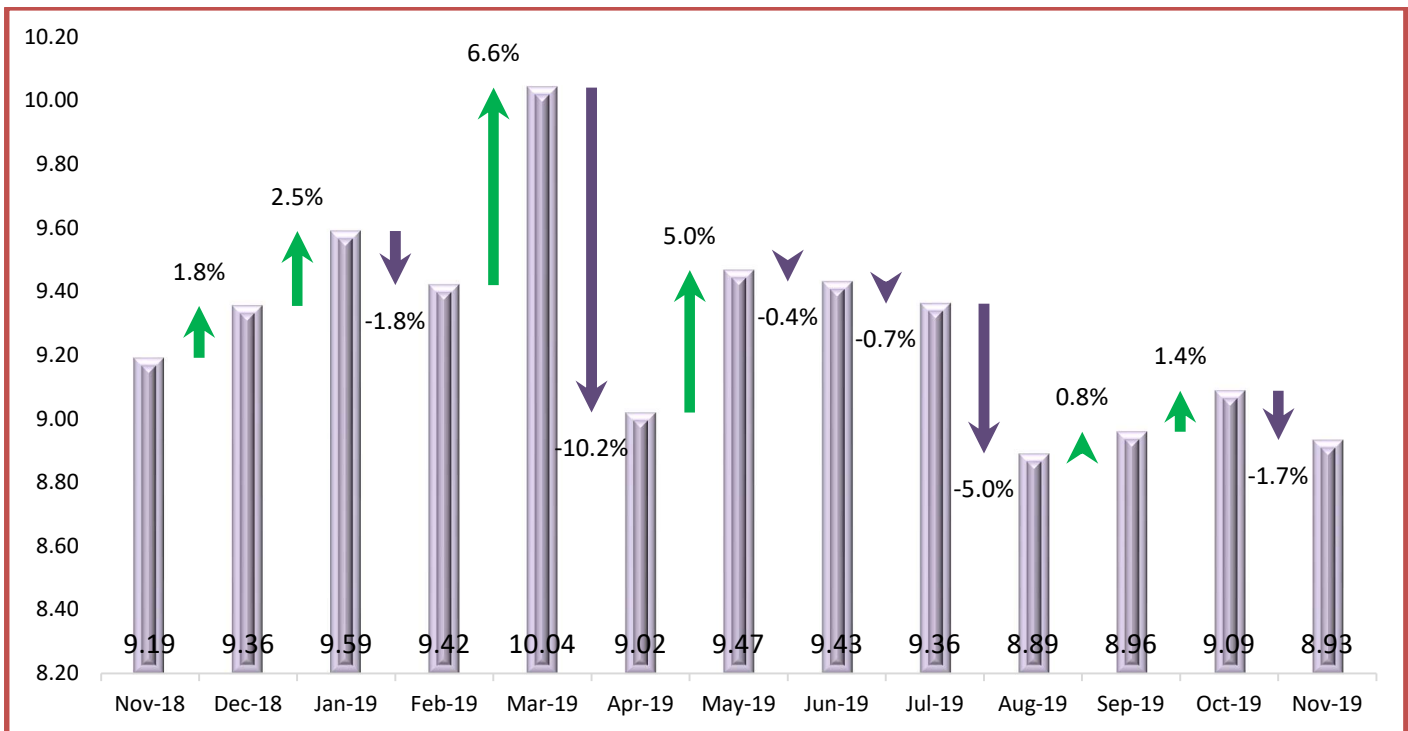
### 2.1 Crude Steel

Table 2(a): Indian Crude Steel Production (Million Tonne)						
PSU	Nov-19	Nov-18	% change	Apr-Nov 19	Apr-Nov 18	% change
SAIL	1.33	1.45	-8.36	10.42	10.47	-0.41
RINL (VSP)	0.37	0.30	21.70	3.22	3.44	-6.41
Public Sector	1.69	1.75	-3.17	13.64	13.91	-1.90
TSL	0.97	1.10	-11.78	8.61	8.68	-0.84
ESSAR	0.57	0.57	0.27	4.74	4.44	6.63
JSPL	0.50	0.43	15.81	3.90	3.33	17.05
JSWL	1.27	1.39	-9.20	10.52	11.17	-5.82
OTHERS	3.94	3.95	-0.39	31.49	30.98	1.66
Private sector	7.24	7.44	-2.73	59.26	58.60	1.12
<b>Total Production</b>	<b>8.93</b>	<b>9.19</b>	<b>-2.81</b>	<b>72.90</b>	<b>72.51</b>	<b>0.54</b>
% Share of PSU	19	19		19	19	
% Share of Oxygen Route Production	42	44		44	45	
% Share of EAF Route Production	26	26		26	26	
% Share of IF Route Production	32	30		30	29	

Source: JPC

- During Nov 2019, production of Crude Steel decreased by 2.81% over Nov 2018 and during Apr-Nov 2019-20 the same increased slightly by 0.54% over Apr-Nov 2018-19.
- During Nov 2019, largest producer of Crude Steel is SAIL, followed by JSW.

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



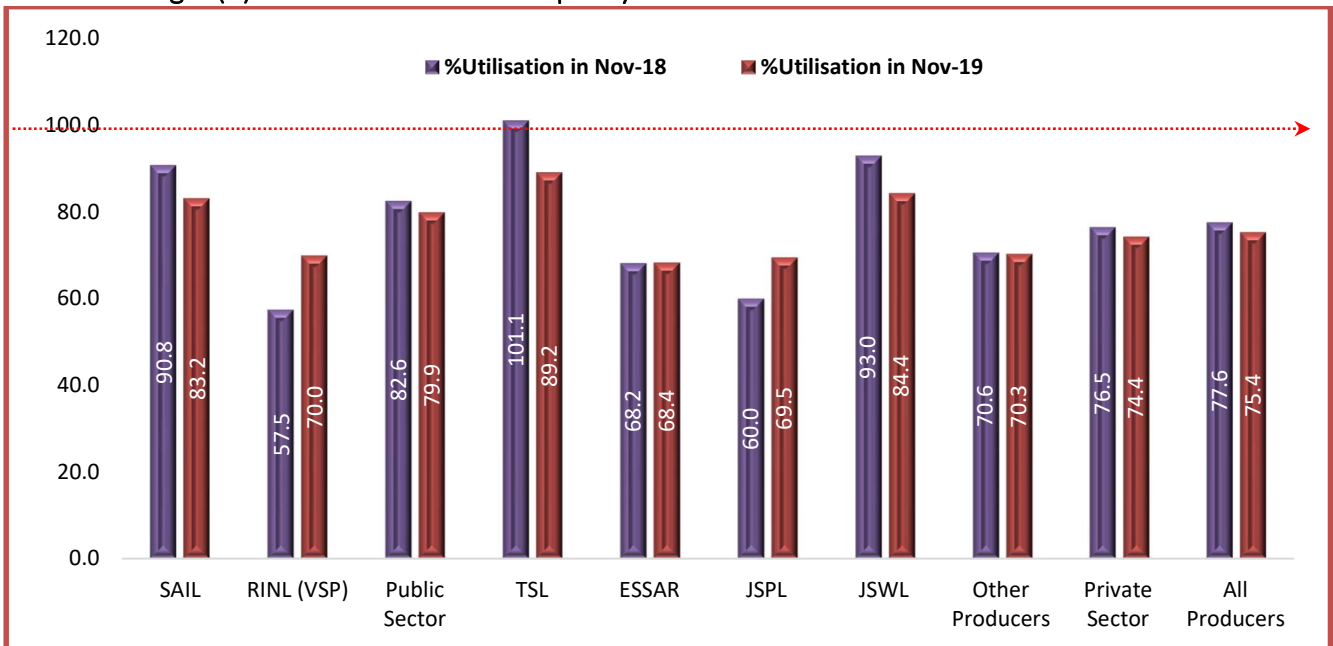
Source: JPC

- % 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

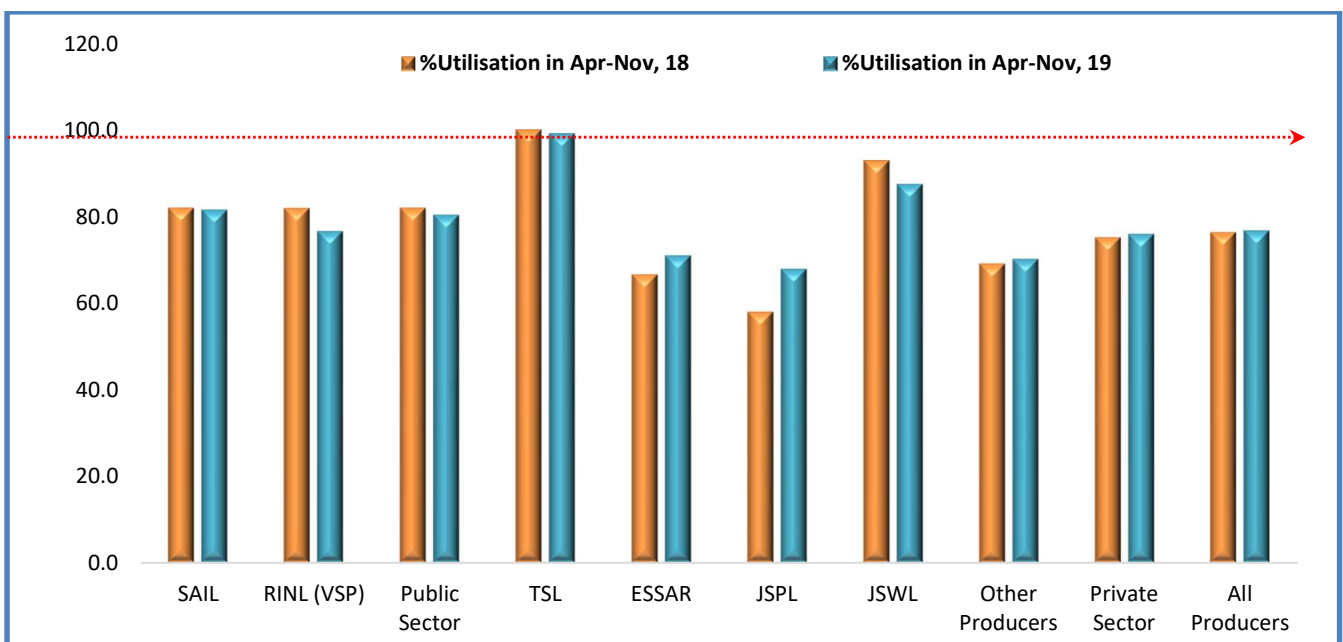
- The capacity utilisation in production of Crude Steel in the country has **decreased** from **77.6% in November 2018** to **75.4% in November 2019**. During Apr-Nov 2019-20 capacity utilisation was 76.9%.
- In **public sector**, Capacity utilisation has **decreased** from **82.6%** in November 2018 to **79.9%** in November 2019 while that of **private sector decreased** from **76.5% in November 2018** to **74.4% in November 2019**.

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



Source: JPC

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



Source: JPC



## 2.3 Hot Metal

- During November 2019, **production of Hot Metal was 5.77 million tonnes** having decreased by 8.24% over November 2018.

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

PSU	Nov-19	Nov-18	% change	Apr-Nov 19	Apr-Nov 18	% change
SAIL	1.44	1.54	-6.93	11.32	11.24	0.64
RINL (VSP)	0.40	0.52	-23.82	3.50	3.77	-7.24
TSL	1.03	1.18	-13.18	9.25	9.43	-1.84
ESSAR	0.30	0.27	13.09	2.40	2.08	15.61
JSPL	0.45	0.40	13.91	3.62	3.04	19.16
JSWL	1.24	1.28	-3.02	10.03	10.27	-2.36
OTHERS	0.91	1.09	-16.65	8.15	8.68	-6.07
<b>Total Production</b>	<b>5.77</b>	<b>6.28</b>	<b>-8.24</b>	<b>48.28</b>	<b>48.52</b>	<b>-0.49</b>
Public sector	1.83	2.07	-11.21	14.82	15.02	-1.34
Share in Public sector	31.8	32.9		30.7	30.9	

Source: JPC

## 2.4 Pig Iron

- During November 2019, **production of Pig Iron was 0.582 million tonnes** which has increased by 17.53% over November 2018.

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

PSU	Nov-19	Nov-18	% change	Apr-Nov 19	Apr-Nov 18	% change
SAIL	0.062	0.035	77.14	0.423	0.286	47.90
RINL	0.000	0.006	-100.00	0.032	0.073	-55.50
TSL+ESSAR+JSWL+JSPL	0.032	0.024	33.33	0.288	0.181	59.12
OTHERS	0.488	0.430	13.46	3.257	3.639	-10.48
<b>Total Production</b>	<b>0.582</b>	<b>0.496</b>	<b>17.53</b>	<b>4.001</b>	<b>4.179</b>	<b>-4.25</b>
Public sector	0.062	0.041	50.94	0.455	0.359	26.92
Share in Public sector	10.6	8.3		11.4	8.6	

Source: JPC

## 2.5 Sponge Iron

- During November 2019, **production of Sponge Iron was 3.386 million tonnes**, recorded a positive growth of 15.42% over November 2018.

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

PSU	Nov-19	Nov-18	% change	Apr-Nov 19	Apr-Nov 18	% change
ESSAR	0.372	0.416	-10.53	3.234	3.183	1.60
JSPL	0.609	0.111	451.17	1.465	0.864	69.55
JSWL	0.161	0.206	-22.04	1.360	1.614	-15.77
OTHERS	2.244	2.202	1.94	18.633	17.299	7.71
<b>Total Production</b>	<b>3.386</b>	<b>2.934</b>	<b>15.42</b>	<b>24.692</b>	<b>22.961</b>	<b>7.54</b>

Source: JPC

## 2.6 Finished Steel

### a) Production and Consumption of Finished Steel

- During **November 2019**, production of **Finished Steel** was 7.83 million declined by **6.67%** over November 2018 while **consumption** was 7.36 million tonnes, **increased by 0.05%**.

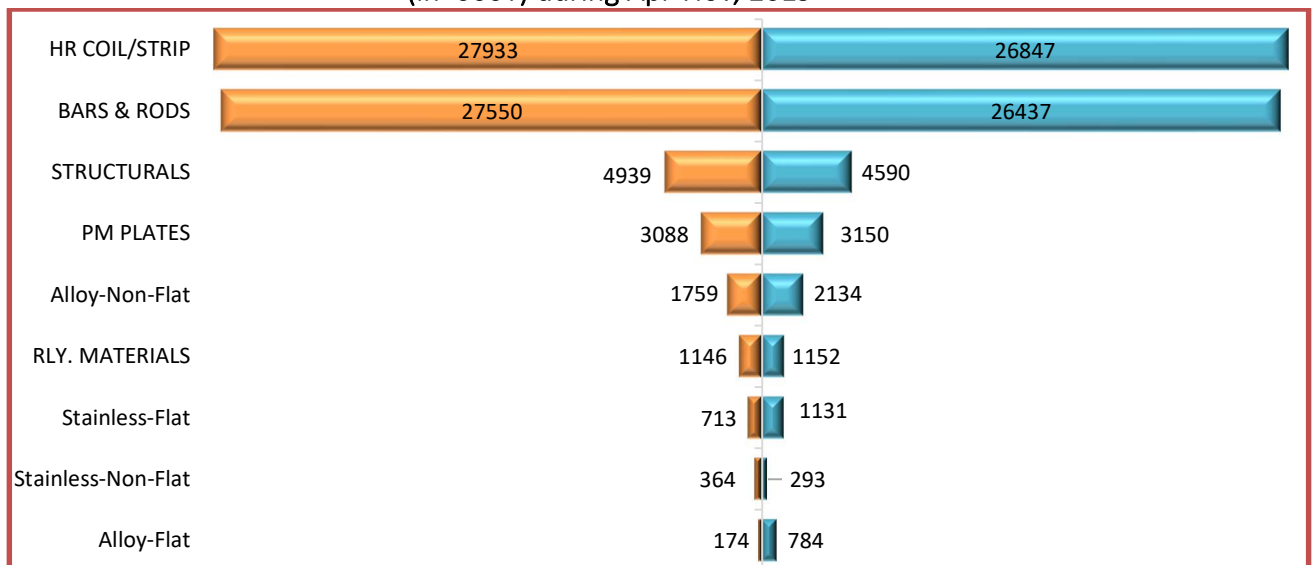
**Table: 2(e):- Production and Consumption of Finished Steel in India (in million tonnes)**

PSU	Nov-19	Nov-18	% change	Apr-Nov 19	Apr-Nov 18	% change
SAIL	1.00	1.04	-3.68	7.96	8.29	-3.9
RINL (VSP)	0.33	0.37	-10.04	2.42	2.78	-13.0
<b>Public Sector</b>	<b>1.33</b>	<b>1.40</b>	<b>-5.35</b>	<b>10.38</b>	<b>11.07</b>	<b>-6.2</b>
TSL	0.93	1.12	-16.77	8.41	8.55	-1.6
ESSAR	0.56	0.57	-0.85	4.69	4.42	6.1
JSPL	0.41	0.33	24.93	3.00	2.42	24.0
JSWL	1.21	1.26	-4.12	9.91	10.27	-3.5
OTHERS	3.39	3.72	-8.66	31.28	29.53	5.9
<b>Private sector</b>	<b>6.50</b>	<b>6.99</b>	<b>-6.92</b>	<b>57.28</b>	<b>55.18</b>	<b>3.8</b>
<b>Gross Total Production</b>	<b>7.83</b>	<b>8.39</b>	<b>-6.66</b>	<b>67.67</b>	<b>66.25</b>	<b>2.1</b>
<b>Consumption</b>	<b>7.36</b>	<b>7.35</b>	<b>0.05</b>	<b>66.52</b>	<b>64.18</b>	<b>3.6</b>
% Share of PSU in production	17%	17%		15%	17%	

Source: JPC

- During Apr-Nov, 2019, the **production of finished steel** was **67.67 million tonnes** having increased by 2.1% over same period of previous year; while **consumption** during Apr-Nov, 2019 was **66.52 million tonnes** having increased by 3.6% over same period of previous year.

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

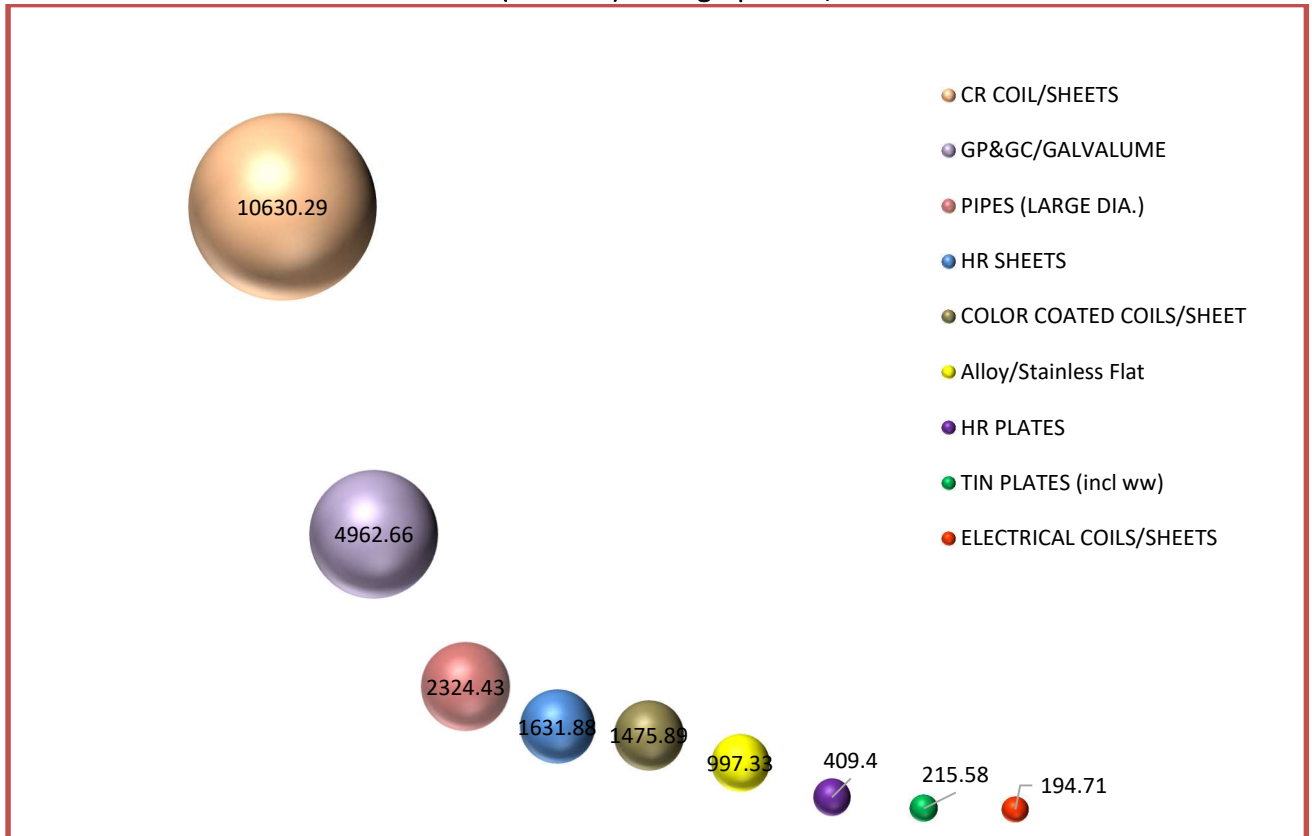


Source: JPC

- **HR Coil/Strip and Bars&Rods have high demand in India.** HRC is used to produce value added product such as CRC, GP/GP etc while Bars&Rods are used in major steel using sector Construction/Infrastructure.



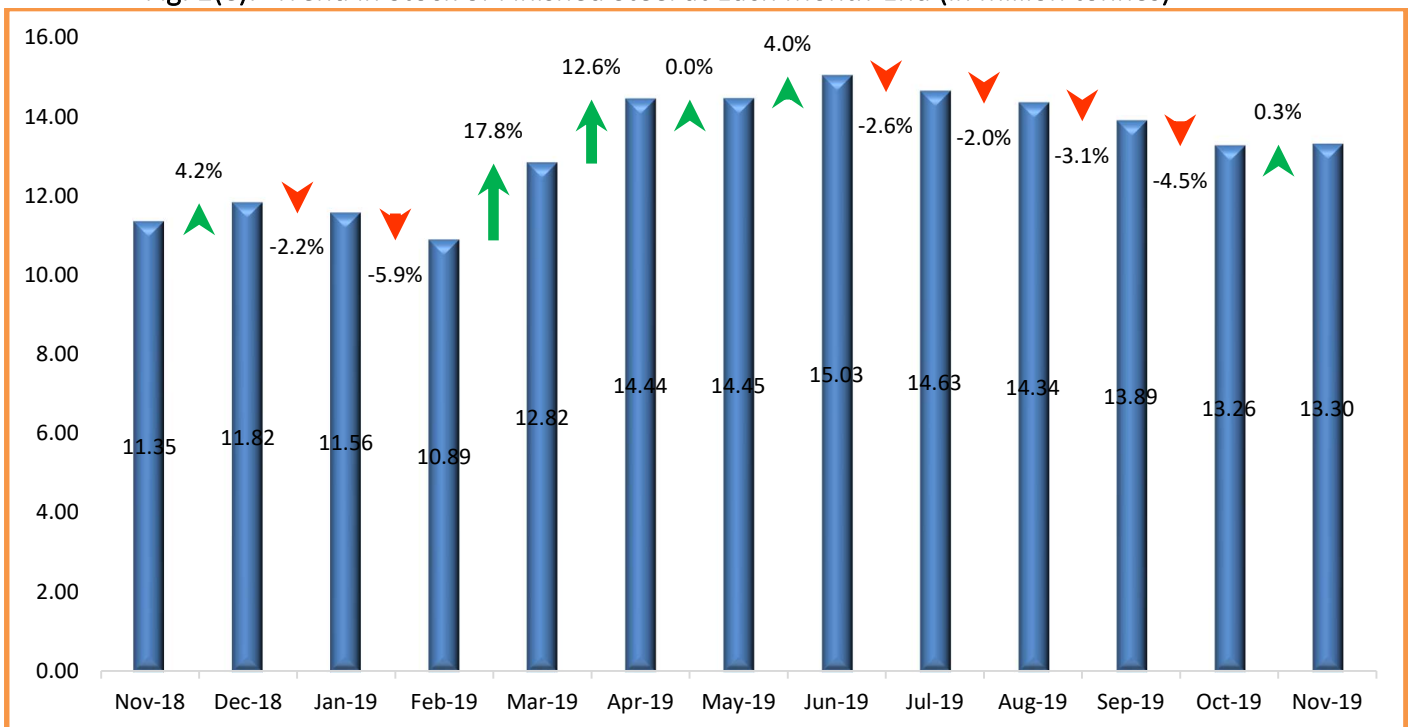
Fig. 2(d):- Production of Downstream / Value Added Products of Finished Steel (in '000T) during Apr-Nov, 2019



Source: JPC

b) Stock Analysis of Finished Steel

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

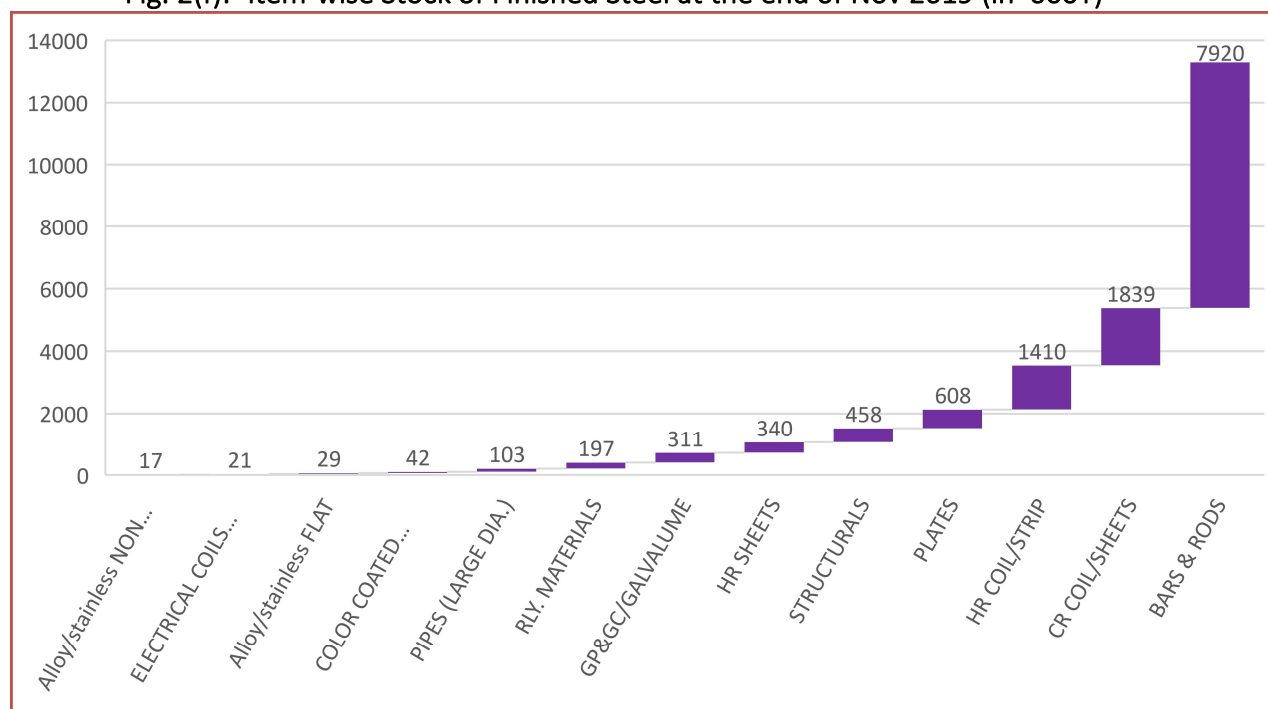


Source: JPC

➤ Amid low demand of steel in domestic market, a good stock of steel was piled up and Indian steel makers have resorted to ease off inventories to global market through export. As a result, the

accumulated **stock** has increased only by 0.3% at the end of November 2019 over the previous month-end and remained at **13.297 million tonnes**.

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



Source: JPC

- As on 30<sup>th</sup> Nov 2019, **7.9 million tonnes of Bar&Rods are in stock** which can be exported.
- As on 30<sup>th</sup> Nov 2019, **1.87 million tonnes and 1.4 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 four months and also in Apr-Nov 2019-20.

### c) Import & Export of Finished Steel

Table: 2(f).1:- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise						
Import	Nov 19	Nov 18	% Change	Apr-Nov, 2019	Apr-Nov, 2018	% Change
<b>Non-Alloy</b>						
<b>Non-Flat</b>	36	10	264.4	264	300	<b>-12.3</b>
<b>Flat</b>	268	478	-44.0	3373	3761	<b>-10.3</b>
<b>Non-Alloy - Total</b>	<b>304</b>	<b>488</b>	<b>-37.7</b>	<b>3636</b>	<b>4061</b>	<b>-10.5</b>
<b>Alloy/Stainless</b>						
<b>Non-Flat</b>	36	41	-13.0	300	455	-34.0
<b>Flat</b>	89	152	-41.4	1140	845	34.9
<b>Alloy - Total</b>	<b>125</b>	<b>193</b>	<b>-35.3</b>	<b>1440</b>	<b>1300</b>	<b>10.8</b>
<b>Import – Total</b>	<b>429</b>	<b>681</b>	<b>-37.0</b>	<b>5076</b>	<b>5361</b>	<b>-5.3</b>

Source: JPC

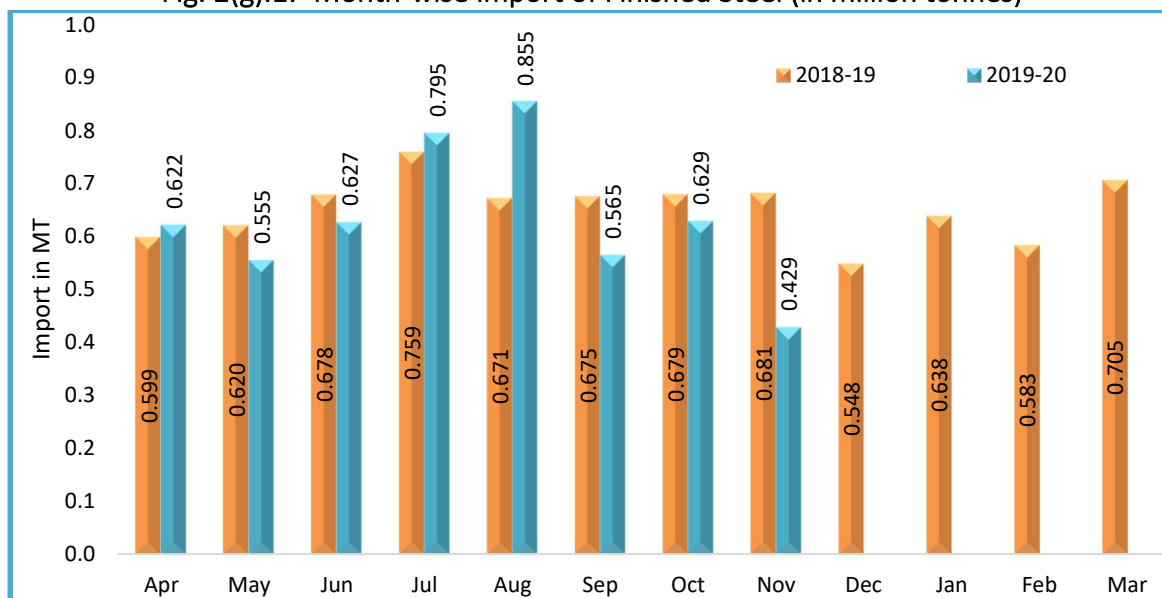
- During Nov 2019 import declined by 37% while export increased by 80%.
- Since Aug 2019, India has been a net-exporter country.

Table: 2(f).2:- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise						
Export	Nov 19	Nov 18	% Change	Apr-Nov, 2019	Apr-Nov, 2018	% Change
<b>Non-Alloy</b>						
Non-Flat	60	82	-27.0	462	445	3.8
Flat	749	349	114.5	4790	3466	38.2
<b>Non-Alloy - Total</b>	<b>809</b>	<b>431</b>	<b>87.6</b>	<b>5252</b>	<b>3911</b>	<b>34.3</b>
<b>Alloy/Stainless</b>						
Non-Flat	23	20	15.9	172	196	-12.5
Flat	35	31	14.0	329	200	64.5
<b>Alloy - Total</b>	<b>58</b>	<b>51</b>	<b>14.7</b>	<b>501</b>	<b>397</b>	<b>26.4</b>
<b>Export – Total</b>	<b>867</b>	<b>482</b>	<b>79.9</b>	<b>5753</b>	<b>4308</b>	<b>33.5</b>

Source: JPC

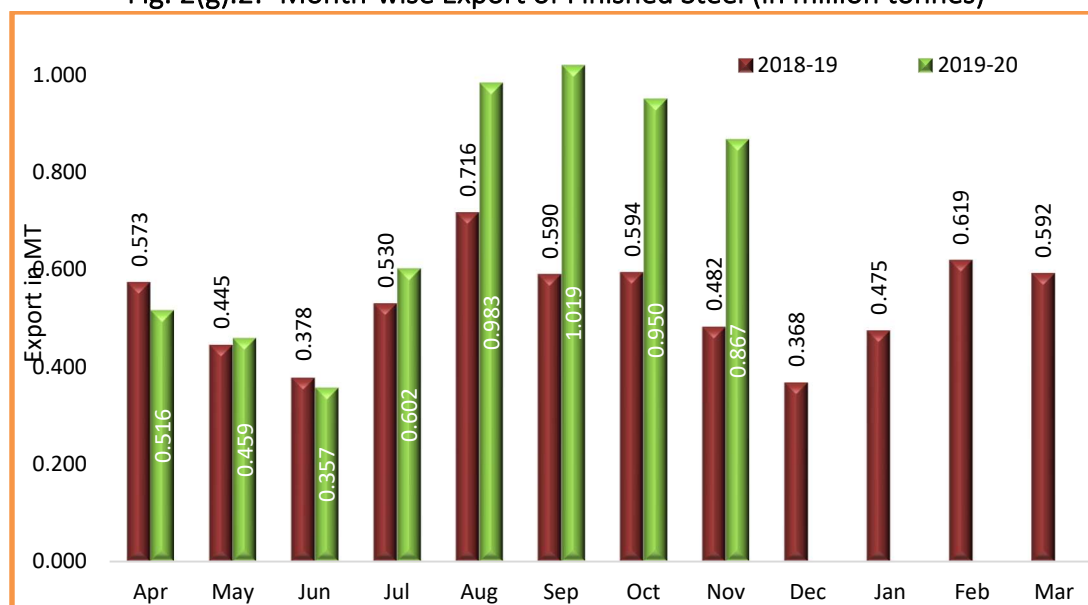
- During Apr-Nov 2019-20, balance of trade became 0.676 million tonnes.
- Mainly export of Flat product contributed in net export status of India in Nov 2019.

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



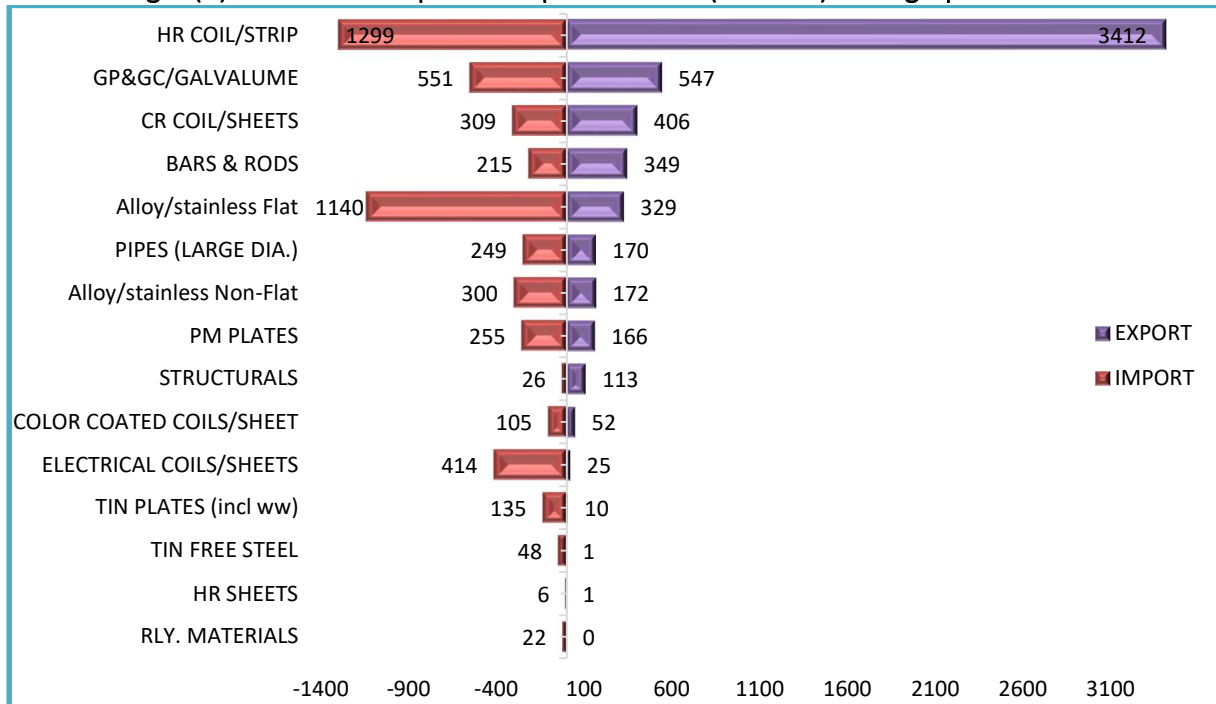
Source: JPC

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



Source: JPC

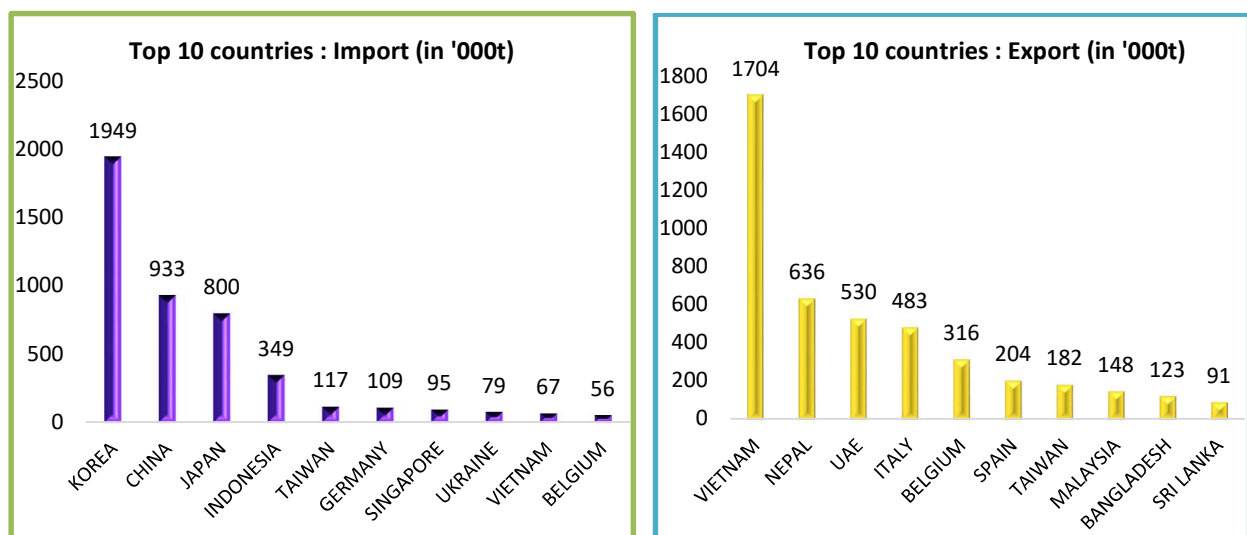
Fig. 2(h):- Item-wise Export & Import of Steel (in '000T) during Apr-Nov 2019



Source: JPC

- Huge amount of **HRC (3.412 million tonnes)** was exported in Apr-Nov 2019-20 out of which **1.683 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-Nov 2019



Source: JPC

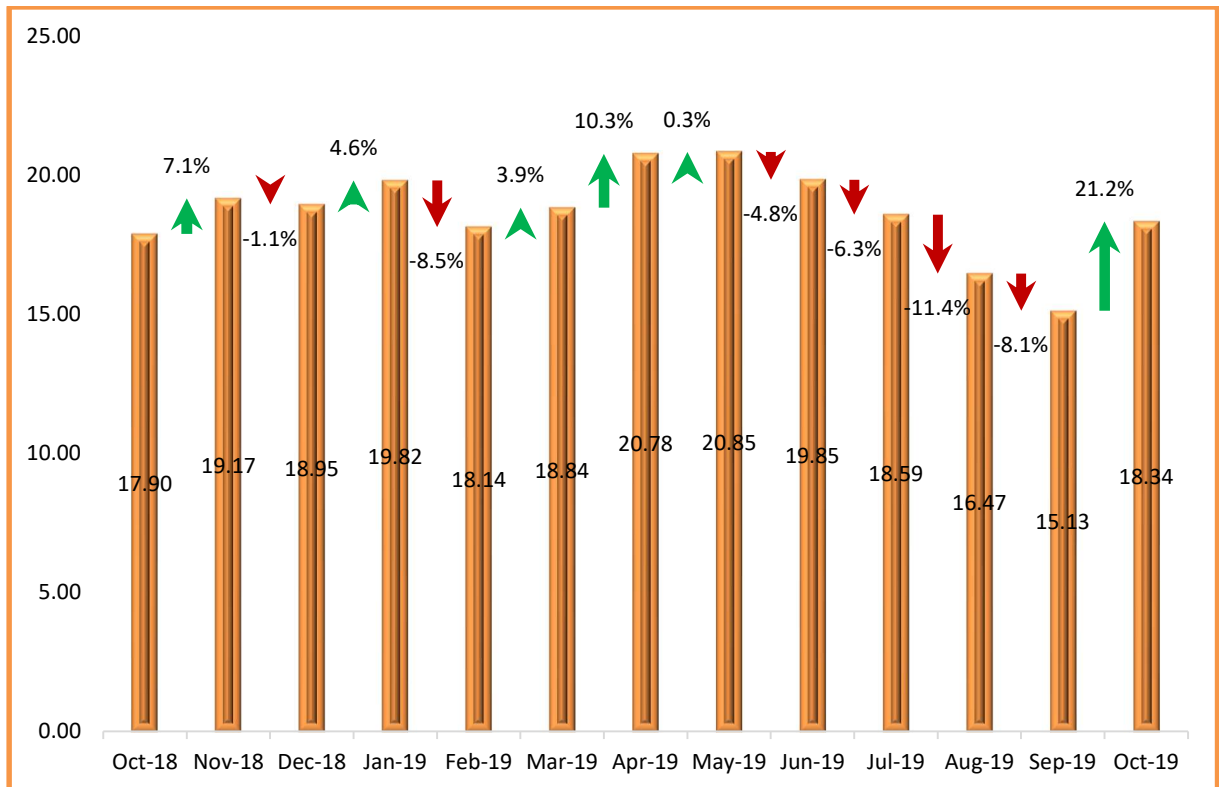
## 2.7 Iron Ore

- During **Oct 2019**, **production of Iron Ore was 18.34 million tonnes**, increased by 3% over Oct 2018; while production during **Apr-Oct 2019 was 129.82 million tonnes** having increased by 15% over the same period of previous year. *Production data of Nov 2019 yet to receive.*
- During **Apr-Nov 2019**, **export of Iron Ore (inc pellet) was 22.81 million tonnes**, having **increased by 138%** over the same period of previous year, while **import was 1.04 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.

Table: 2(g):- Production, Export & Import of Iron Ore in India (in million tonnes)						
	Oct-19	Oct-18	% Change	Apr-Oct 2019	Apr-Oct 2018	% Change
Production <sup>#</sup>	18.34	17.90	3%	129.82	112.69	15%
	Nov-19	Nov-18	% Change	Apr-Nov 2019	Apr-Nov 2018	% Change
Export <sup>@</sup>	2.68	1.61	66%	22.81	9.59	138%
Import <sup>@</sup>	0.12	1.05	-89%	1.04	10.14	-90%

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

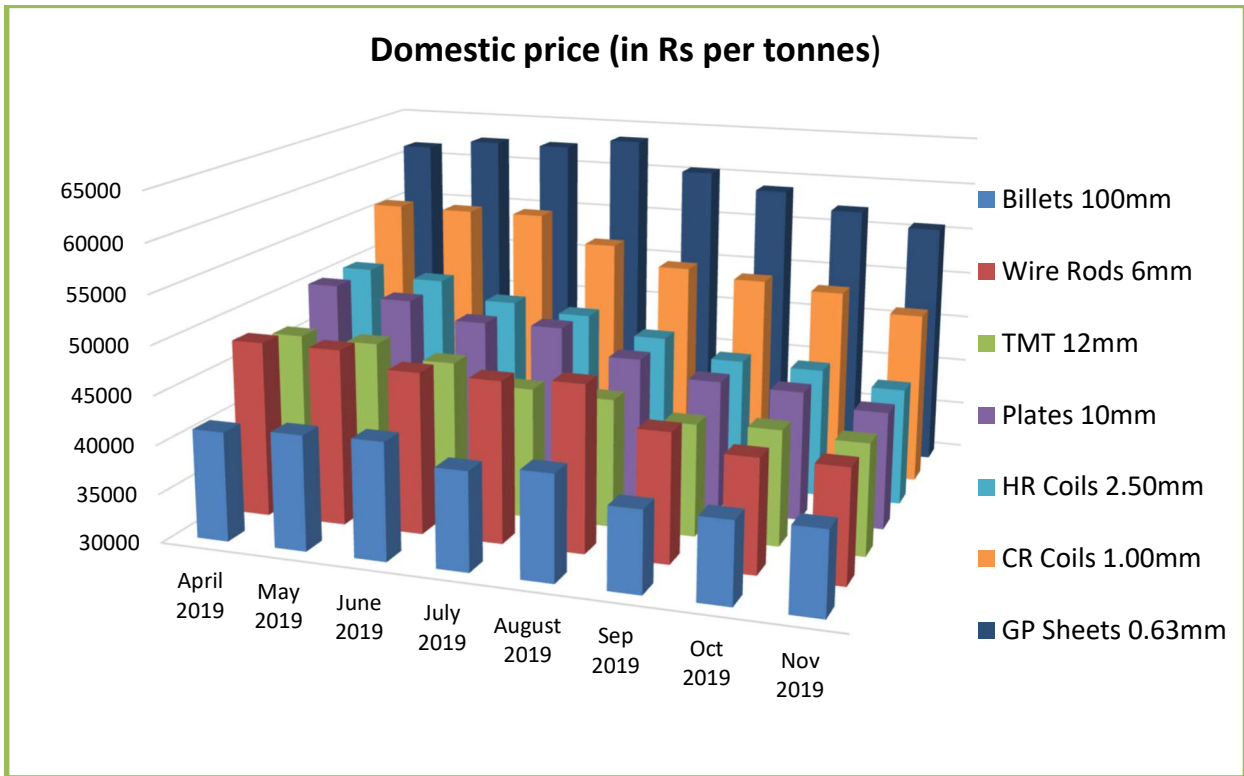
Fig. 2(j):- Trend in Production of Iron Ore (in million tonnes) from Oct 2018 to Oct 2019



Source: JPC/steelmint

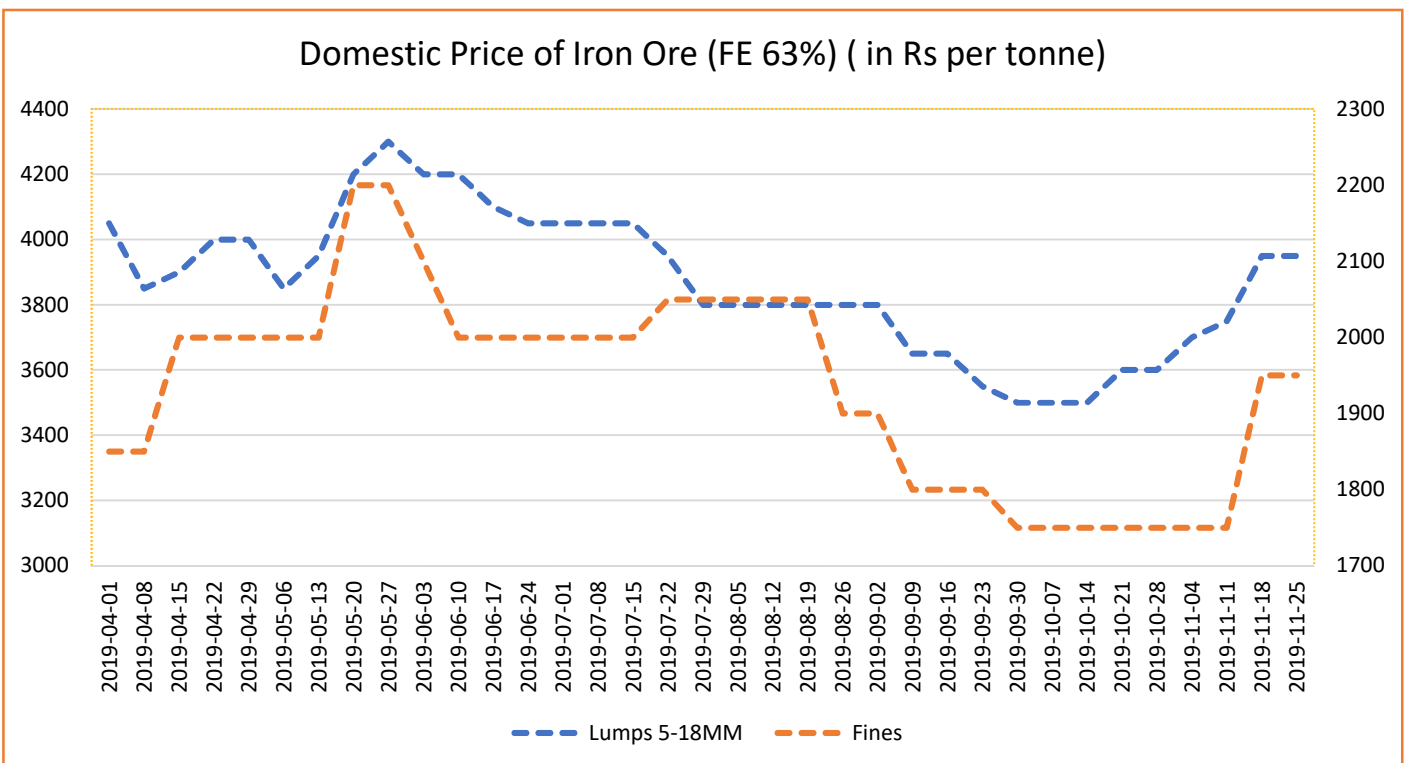
## 2.8 Price

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



Source: JPC

- This led to reduction in price of Iron Ore also. But during last week of Nov 2019, increase in international price of Iron Ore, influenced domestic price to increase.



Source: Steelmint