



Monthly Analysis
(October 2019)

Major Highlights During October 2019

- During Oct 2019, **151.6 million tonnes of crude steel was produced in the world**, declined by 2.7% over Oct, 2018.
- China, **world's largest producer of crude steel**, produced 81.5 million tonnes of crude steel in Oct 2019, down by 0.6% over Oct 2018.
- India has continued to remain in **second position** in crude steel production, having produced 9.09 million tonnes of crude steel in Oct 2019.
- Japan, the **third largest producer** of crude steel in the world, produced 8.2 million tonnes of crude steel in Oct 2019.
- The capacity utilisation in production of crude steel in India has **decreased from 79.4% in Oct 2018 to 76.7% in Oct 2019**.
- During Oct 2019, production of finished steel was 8.24 million tonnes , declined by 4.4% over Oct 2018.
- Consumption of finished steel during Oct 2019 was 8.55 million tonnes which has **increased by 2.1%** over Oct 2018.
- During Oct 2019, import of finished steel was 0.63 million tonnes , **declined by 7.4%** over Oct 2018.
- Export of finished steel during Oct 2019 was 0.95 million tonnes which **has increased by 59.9%** over Oct 2018.
- India became the **net exporter** in trade of finished steel in Oct 2019.
- During Sep 2019, production of iron ore was 15.13 million tonnes **having increased by 5%** over Sep 2018. *Production data for Oct 2019 yet to be published.*

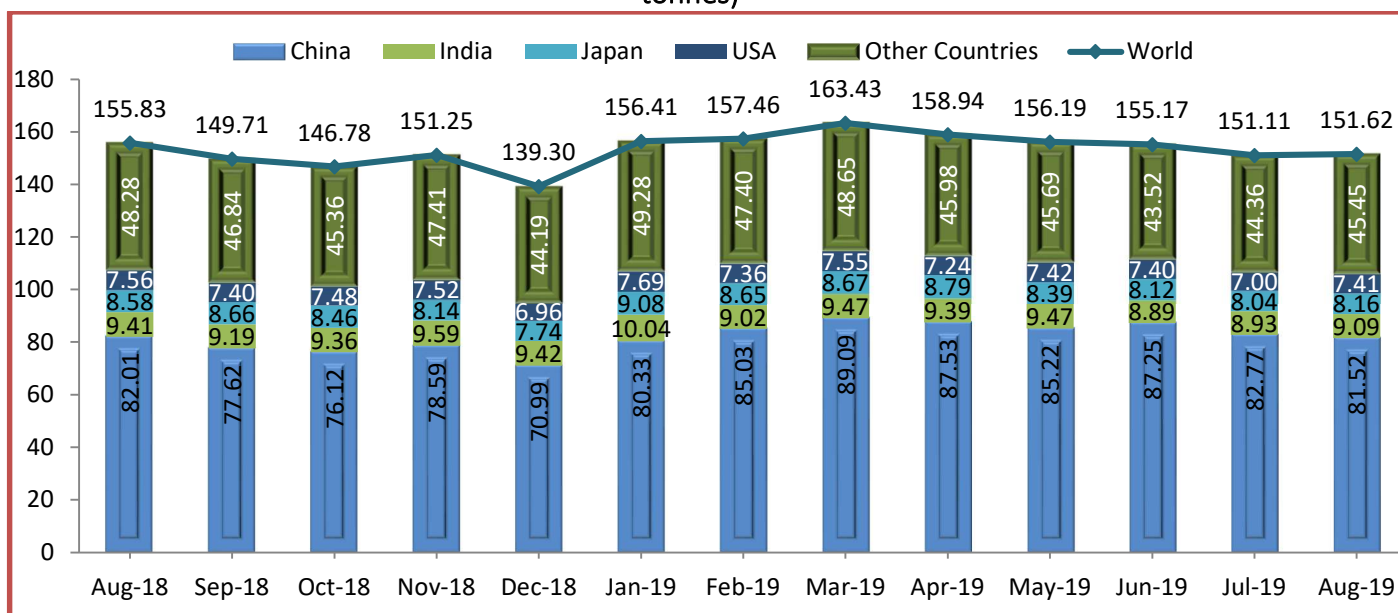
1. World Crude Steel Production

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

	Oct-19	Oct-18	% Change	Apr-Oct, 2019	Apr-Oct, 2018	% Change
China@	81.52	82.01	-0.60	598.42	560.04	6.85
India#	9.09	9.41	-3.39	64.25	63.32	1.47
Japan@	8.16	8.58	-4.91	58.82	60.79	-3.2
USA@	7.41	7.56	-1.99	51.38	50.91	0.91
Other Countries	45.45	48.28	-5.86	321.05	331.88	-3.2
World@	151.62	155.83	-2.70	1093.92	1066.95	2.53

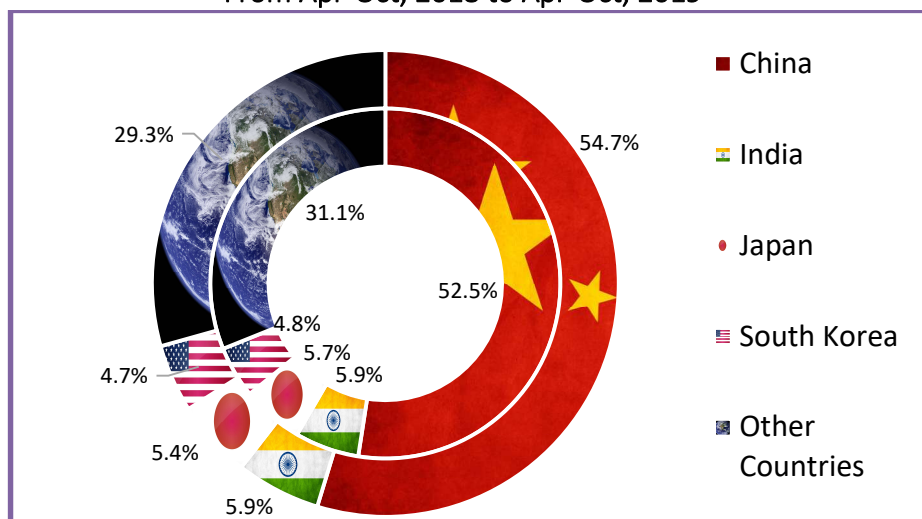
Source: @ WSA; # JPC

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



- Since May 2019, China’s production of crude steel has slowly decreased from 89.1 million tonnes in May 2019 to 81.52 million tonnes in Oct 2019, which has resulted in low production of crude steel at global level from May 2019 onward. **India remained in 2nd position in crude steel production having produced 8.9 million tonnes during Oct 2019.**

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



2. Performance of India's Steel Sector

2.1 Crude Steel

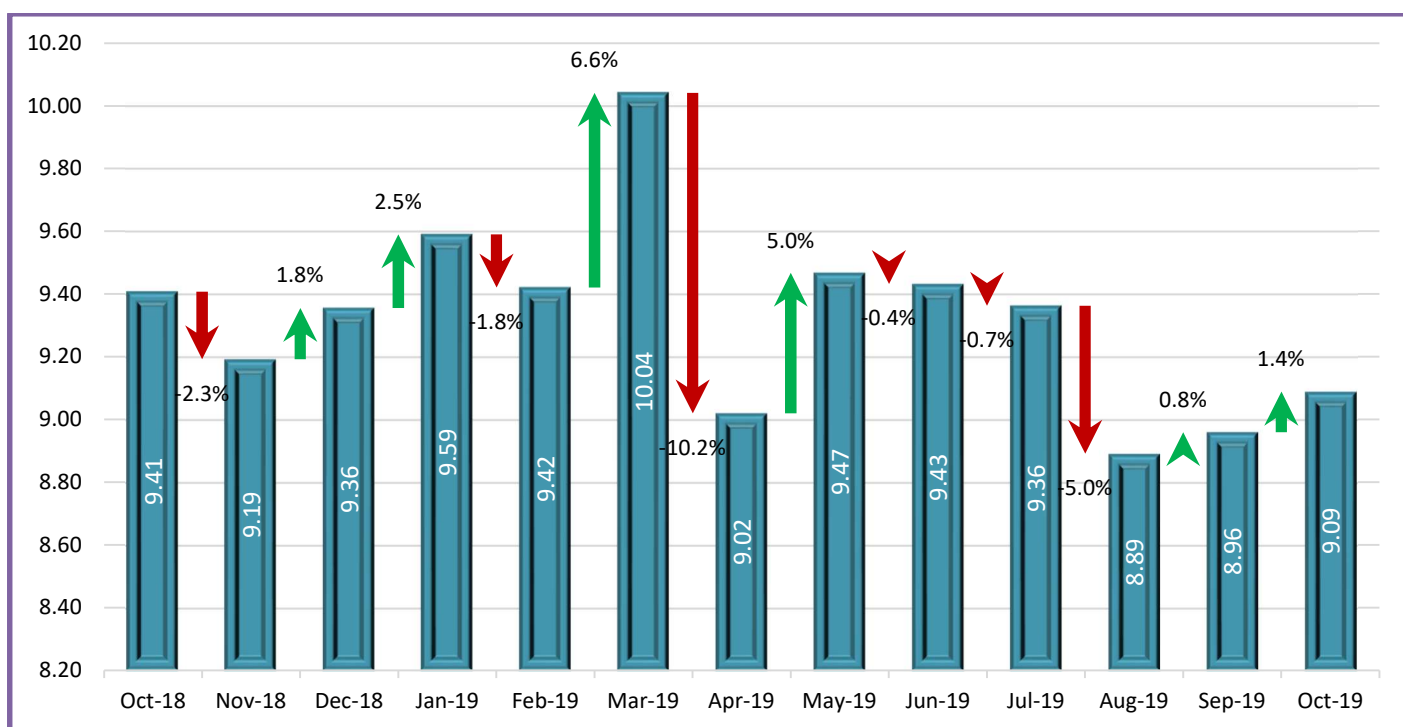
Table 2(a): Indian Crude Steel Production (Million Tonne)

PSU	Oct-19	Oct-18	% change	Apr-Oct 19	Apr-Oct 18	% change
SAIL	1.27	1.37	-7.15	9.10	9.02	0.87
RINL (VSP)	0.37	0.55	-33.60	2.85	3.14	-9.12
Public Sector	1.64	1.92	-14.76	11.95	12.16	-1.71
TSL	1.11	1.14	-2.99	7.64	7.59	0.74
ESSAR	0.59	0.50	16.84	4.17	3.88	7.56
JSPL	0.50	0.38	33.66	3.40	2.90	17.23
JSWL	1.23	1.45	-15.33	9.25	9.77	-5.34
OTHERS	4.03	4.02	0.24	27.84	27.02	3.02
Private sector	7.45	7.49	-0.47	52.30	51.16	2.23
Total Production	9.09	9.41	-3.39	64.25	63.32	1.47
% Share of PSU	18	20		19	19	
% Share of Oxygen Route Production	44	45		45	45	
% Share of EAF Route Production	24	25		24	26	
% Share of IF Route Production	32	30		31	29	

Source: JPC

- During Oct 2019 production of crude steel decreased by 3.4% over Oct 2018 and during Apr-Oct 2019-20 the same increased slightly by 1.5% over Apr-Oct 2018-19.
- During Oct 2019, production of crude steel in public and private sector declined by 14.8% and 0.5% respectively.

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



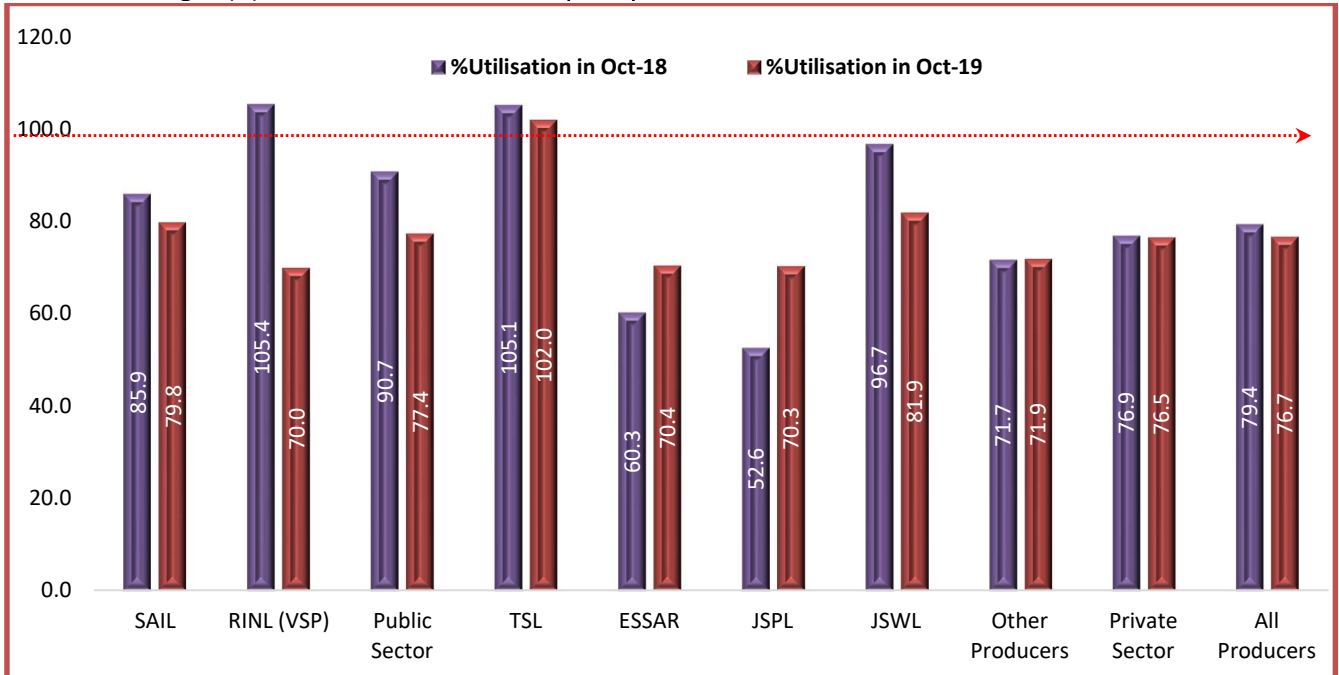
Source: JPC

- % 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

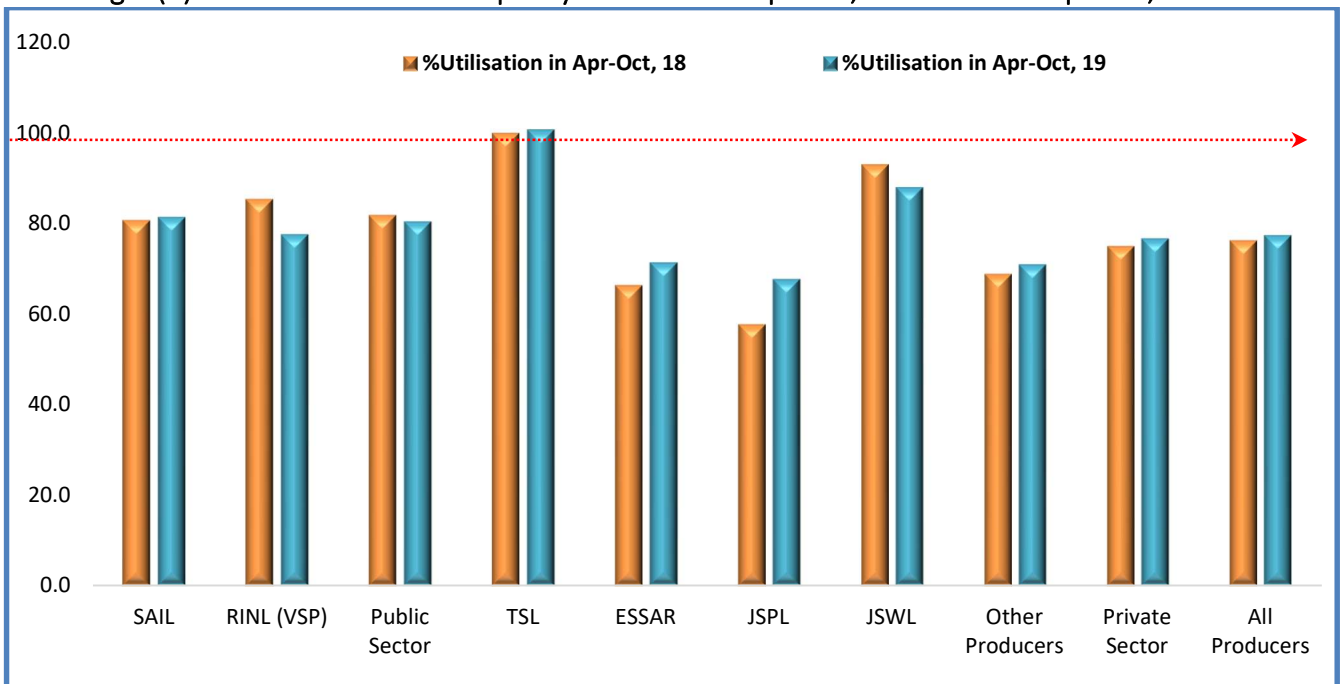
- The capacity utilisation in production of crude steel in the country has **decreased** from **79.4% in October 2018** to **76.7% in October 2019**. During Apr-Oct 2019-20 capacity utilisation is 77.4%
- In **public sector**, Capacity utilisation has **decreased** from **90.7% in October 2018** to **77.4% in October 2019** while that of **private sector decreased** from **105.4% in October 2018** to **70% in October 2019**.

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



Source: JPC

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



Source: JPC

2.3 Hot Metal

- During October 2019, production of hot metal was 5.91 million tonnes having decreased by 3.1% over October 2018.

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

PSU	Oct-19	Oct-18	% change	Apr-Oct 19	Apr-Oct 18	% change
SAIL	1.36	1.46	-7.13	9.88	9.70	1.85
RINL (VSP)	0.39	0.42	-7.89	3.10	3.25	-4.57
TSL	1.18	1.23	-4.15	8.23	8.24	-0.21
ESSAR	0.31	0.24	30.24	2.10	1.81	15.98
JSPL	0.45	0.35	26.35	3.17	2.65	19.95
JSWL	1.23	1.32	-7.04	8.79	9.00	-2.26
OTHERS	1.01	1.08	-6.89	7.28	7.59	-4.11
Total Production	5.91	6.11	-3.13	42.55	42.23	0.75
Public sector	1.74	1.88	-7.3	12.98	12.95	0.24
Share in Public sector	29.5	30.8		30.5	30.7	

Source: JPC

2.4 Pig Iron

- During October 2019, production of pig iron was 0.437 million tonnes which has decreased by 20.1% over October 2018.

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

PSU	Oct-19	Oct-18	% change	Apr-Oct 19	Apr-Oct 18	% change
SAIL	0.041	0.034	20.59	0.361	0.251	43.82
RINL	0.000	0.002	-100.00	0.032	0.067	-51.78
TSL+ESSAR+JSWL+JSPL	0.027	0.030	-10.00	0.256	0.158	62.03
OTHERS	0.369	0.481	-23.29	2.777	3.208	-13.44
Total Production	0.437	0.547	-20.11	3.426	3.684	-6.99
Public sector	0.041	0.036	13.89	0.393	0.318	23.68
Share in Public sector	9.4	6.6		11.5	8.6	

Source: JPC

2.5 Sponge Iron

- During October 2019, production of sponge iron for sale was 2.978 million tonnes, recording a positive growth of 5.05% over October 2018.

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

PSU	Oct-19	Oct-18	% change	Apr-Oct 19	Apr-Oct 18	% change
ESSAR	0.401	0.300	33.56	2.862	2.768	3.42
JSPL	0.105	0.105	0.06	0.856	0.754	13.57
JSWL	0.094	0.215	-56.43	1.199	1.408	-14.85
OTHERS	2.378	2.215	7.39	16.354	15.097	8.32
Total Production	2.978	2.835	5.05	21.271	20.027	6.21

Source: JPC

2.6 Finished Steel

a) Production and Consumption of Finished Steel

- During **October 2019**, production of **finished steel** was 8.24 million **declined** by **4.4%** over October 2018 while **consumption** (8.55 million tonnes) slightly **increased** by **2.1%**.

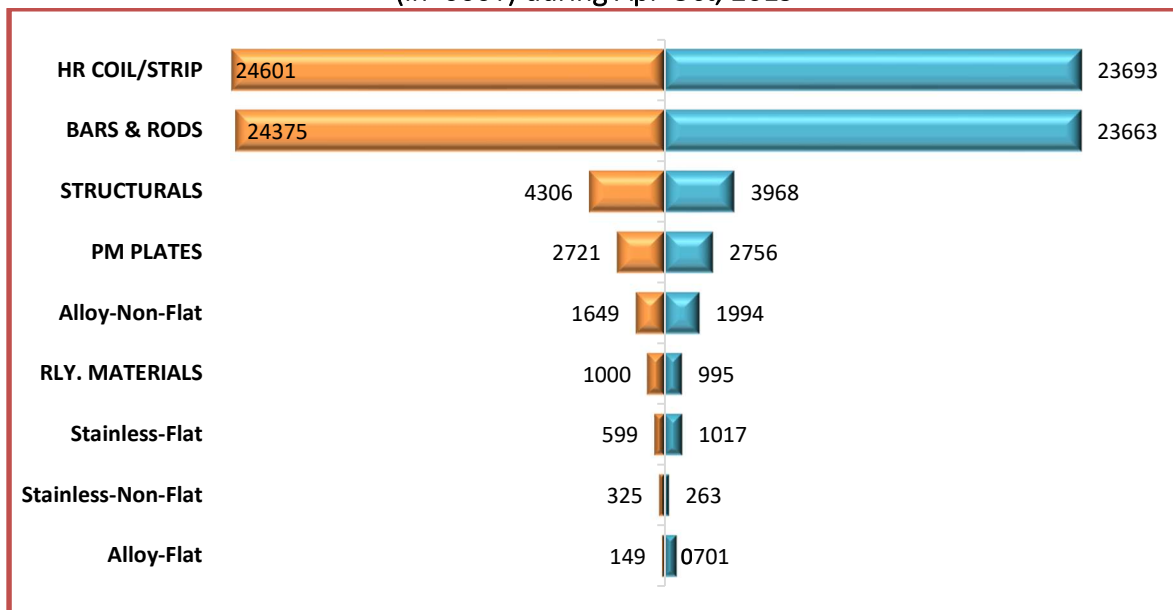
Table: 2(e):- Production and Consumption of Finished Steel in India (in million tonnes)

PSU	Oct-19	Oct-18	% change	Apr-Oct 19	Apr-Oct 18	% change
SAIL	0.97	1.13	-14.15	6.96	7.25	-4.0
RINL (VSP)	0.23	0.39	-41.12	2.09	2.42	-13.5
Public Sector	1.20	1.52	-20.99	9.05	9.67	-6.4
TSL	1.04	1.12	-6.71	7.49	7.43	0.7
ESSAR	0.58	0.50	15.22	4.12	3.85	7.1
JSPL	0.40	0.28	41.62	2.59	2.09	23.9
JSWL	1.23	1.35	-8.78	8.70	9.01	-3.4
OTHERS	3.78	3.84	-1.58	27.77	25.82	7.6
Private sector	7.04	7.10	-0.84	50.67	48.19	5.1
Gross Total Production	8.24	8.62	-4.39	59.73	57.86	3.2
Consumption	8.55	8.38	2.08	59.05	56.82	3.9
% Share of PSU in production	15%	18%		15%	17%	

Source:JPC

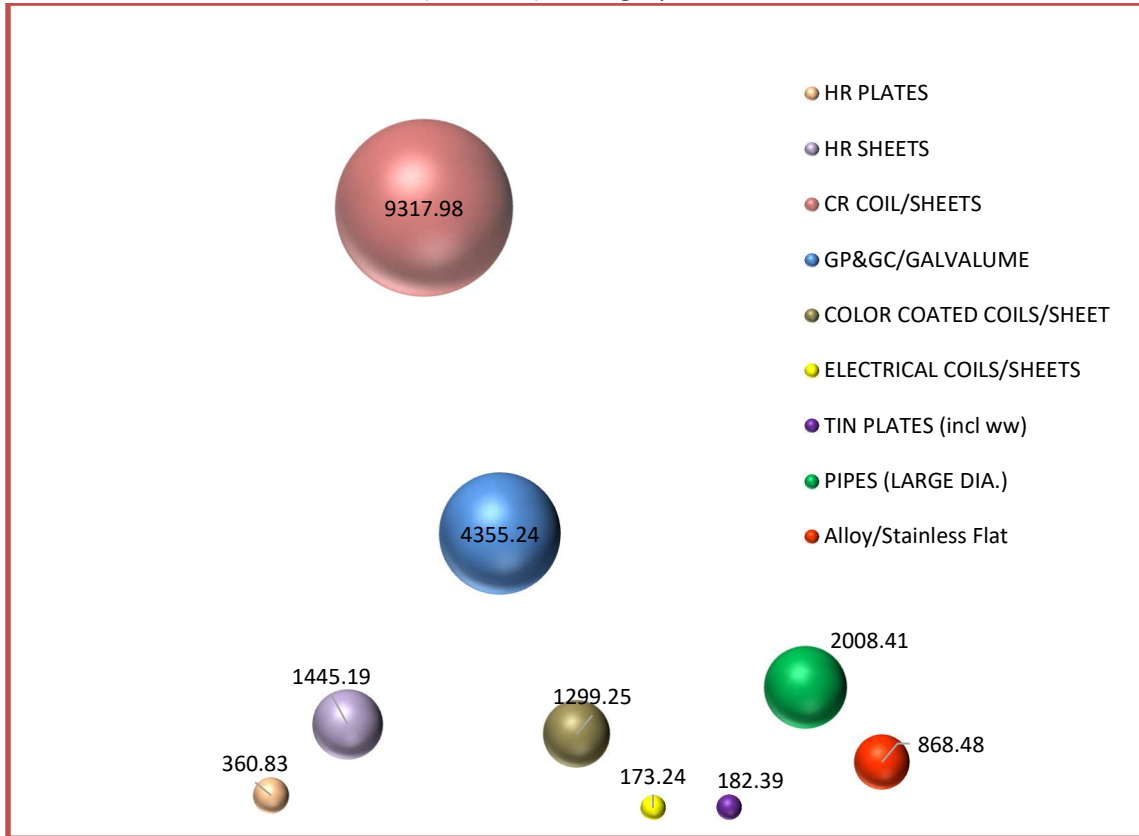
- During the period of Apr-Oct, 2019, the production of finished steel was 59.73 million tonnes having increased by 2.2% over same period of previous year; while consumption during Apr-Oct, 2019 was 59.05 million tonnes having increased by 3.9% only over same period of previous year.

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



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

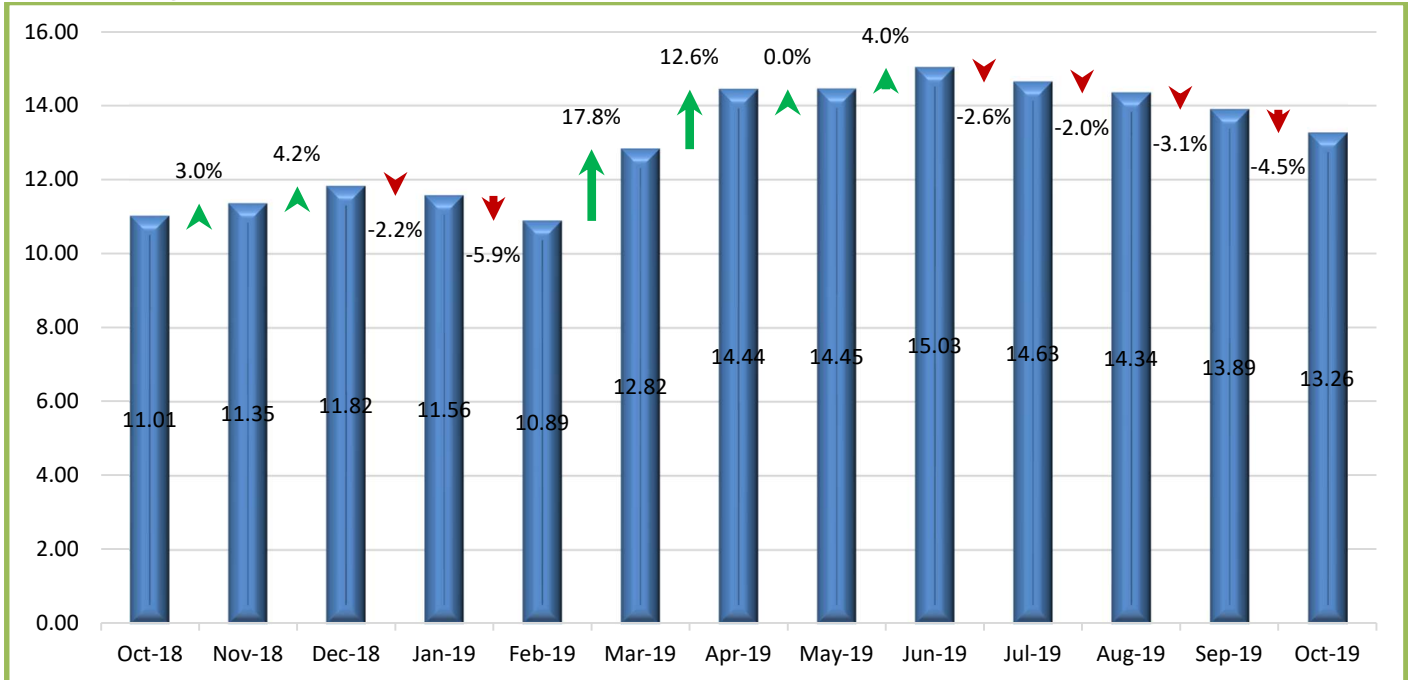
Fig. 2(d):- Production of Downstream / Value Added Products of Finished Steel (in '000T) during Apr-Oct, 2019



Source: JPC

b) Stock Analysis of Finsihed Steel

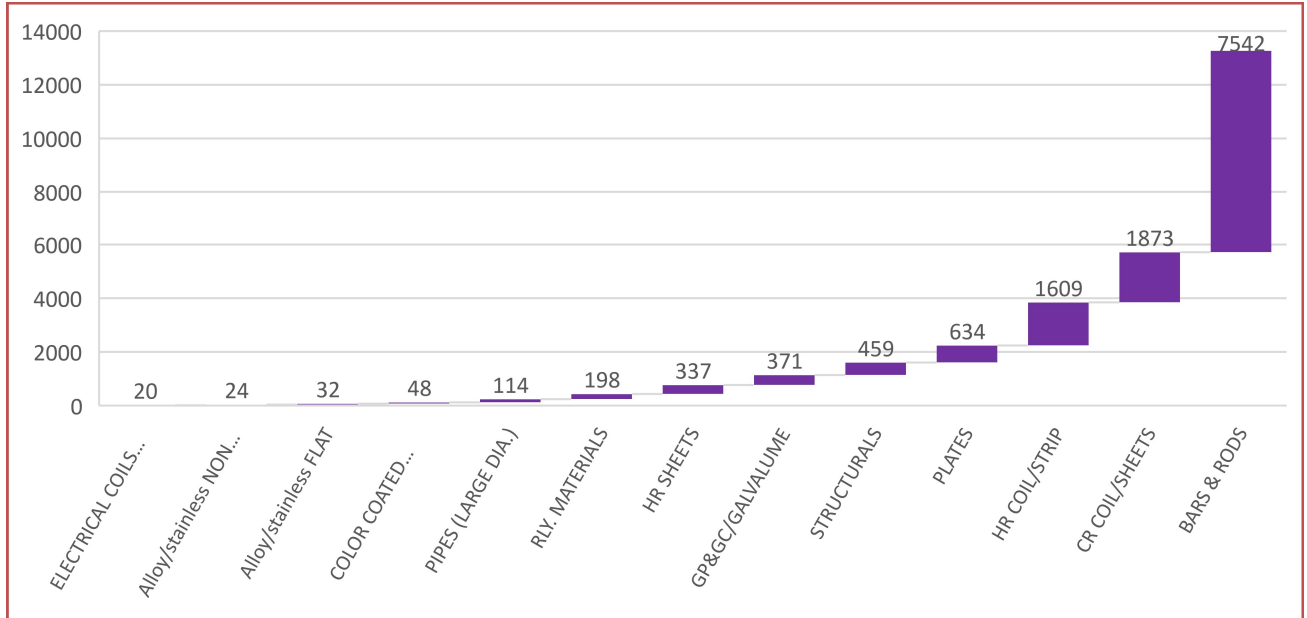
Fig. 2(e):- Trend in Stock of Finished Steel at Each Month-End (in million tonnes)



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 decreased by 4.6% at the end of October 2019 over the previous month-end and remained at 13.26 million tonnes.

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



Source: JPC

- As on 31st Oct 2019, 7.5 million tonnes of Bar&Rods are in stock which can be exported.
- As on 31st Oct 2019, 1.87 million tonnes and 1.6 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 three months and also in Apr-Oct 2019-20.

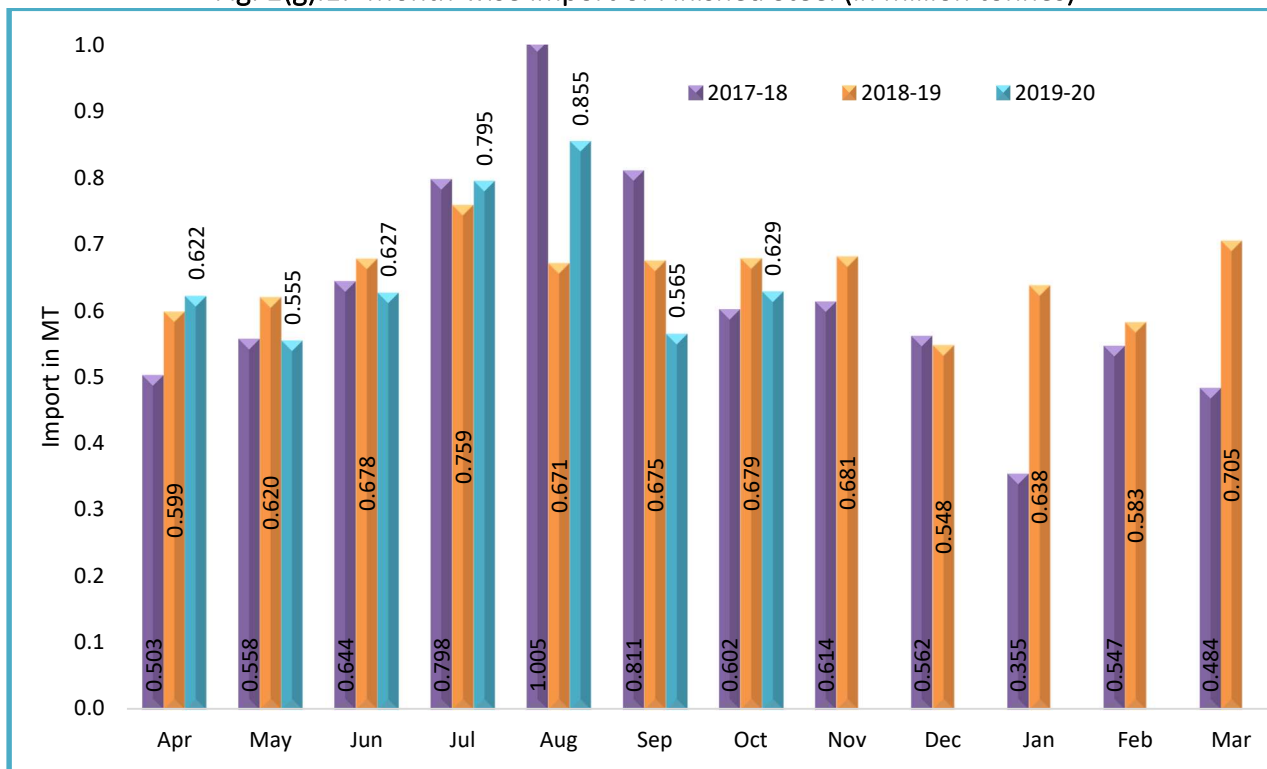
c) [Category-wise Import & Export of Finished Steel](#)

Table: 2(f):- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise						
Import	Oct-19	Oct-18	% Change	Apr-Oct, 2019	Apr-Oct, 2018	% Change
Non-Alloy						
Non-Flat	8	69	-88.9	228	291	-21.7
Flat	429	448	-4.3	3105	3283	-5.4
Non-Alloy - Total	436	517	-15.5	3332	3573	-6.7
Alloy						
Non-Flat	32	50	-37.1	264	413	-36.1
Flat	161	112	44.2	1051	694	51.5
Alloy - Total	193	162	19.0	1315	1107	18.8
Import – Total	629	679	-7.3	4647	4680	-0.7
Export	Oct-19	Oct-18	% Change	Apr-Oct, 2019	Apr-Oct, 2018	% Change
Non-Alloy						
Non-Flat	44	98	-55.1	402	363	10.7
Flat	818	412	98.5	4041	3117	29.6
Non-Alloy - Total	862	511	68.9	4443	3480	27.7
Alloy						
Non-Flat	30	59	-49.4	149	177	-15.6
Flat	58	25	135.3	294	170	73.4
Alloy - Total	88	83	5.6	443	346	28.0
Export – Total	950	594	60.0	4886	3826	27.7

Source: JPC

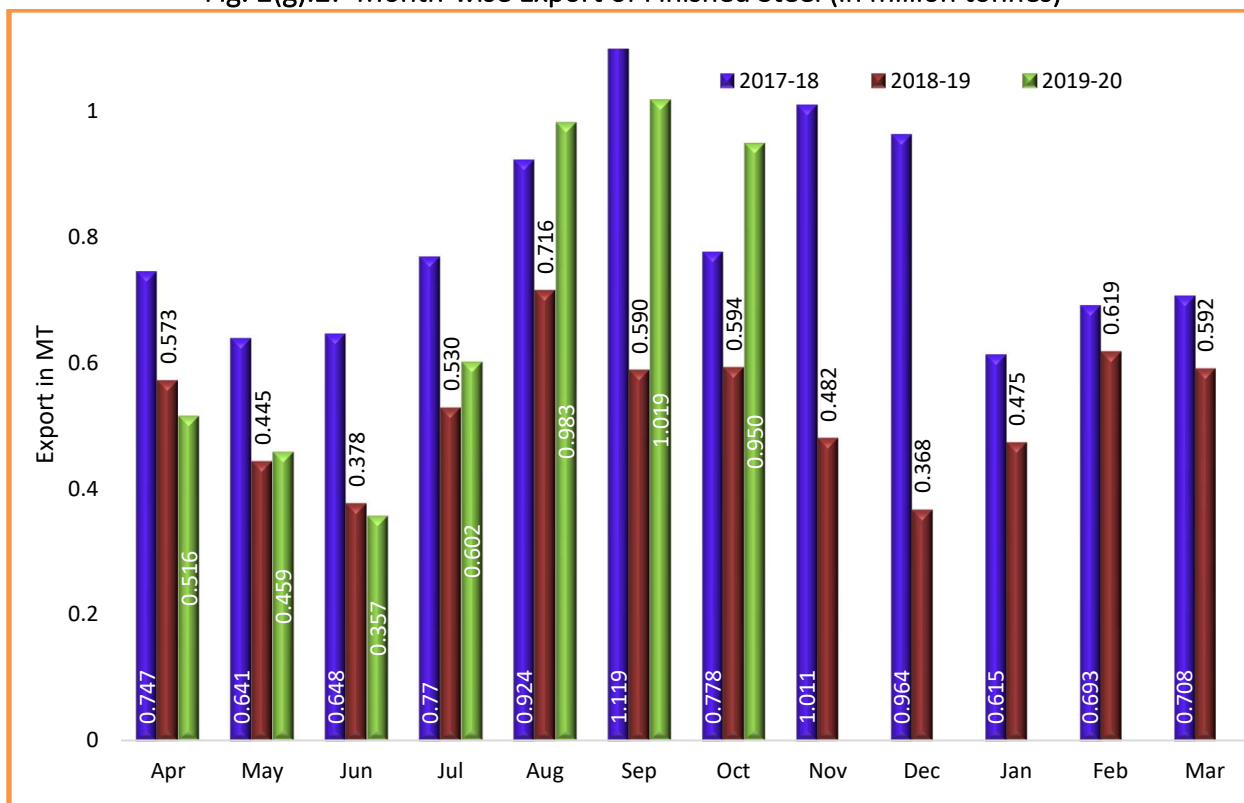
- During Oct 2019 import declined by 7.3% while export increased by 60%.
- Since Aug 2019, India has been a net-exporter country for three consecutive months. During Apr-Oct 2019-20, balance of trade became positive (0.238 million tonnes) for the first time in FY20.
- Mainly export of Flat product contributed in net export status of India in Oct 2019.

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



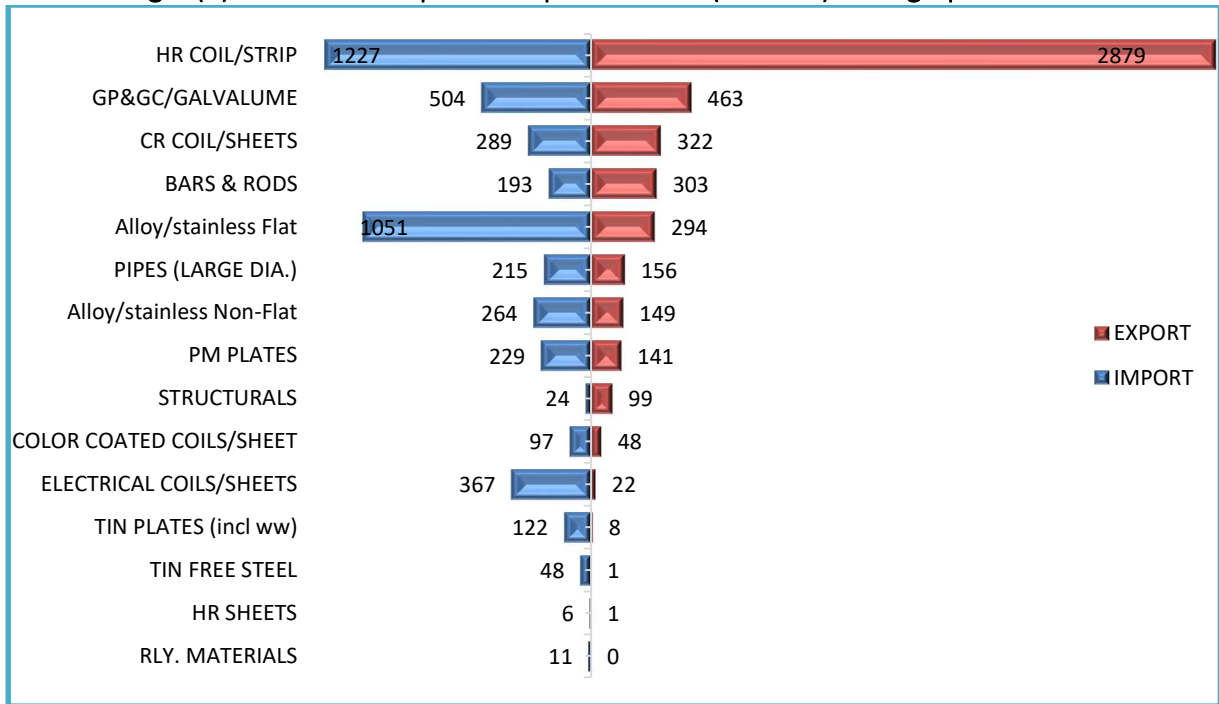
Source: JPC

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



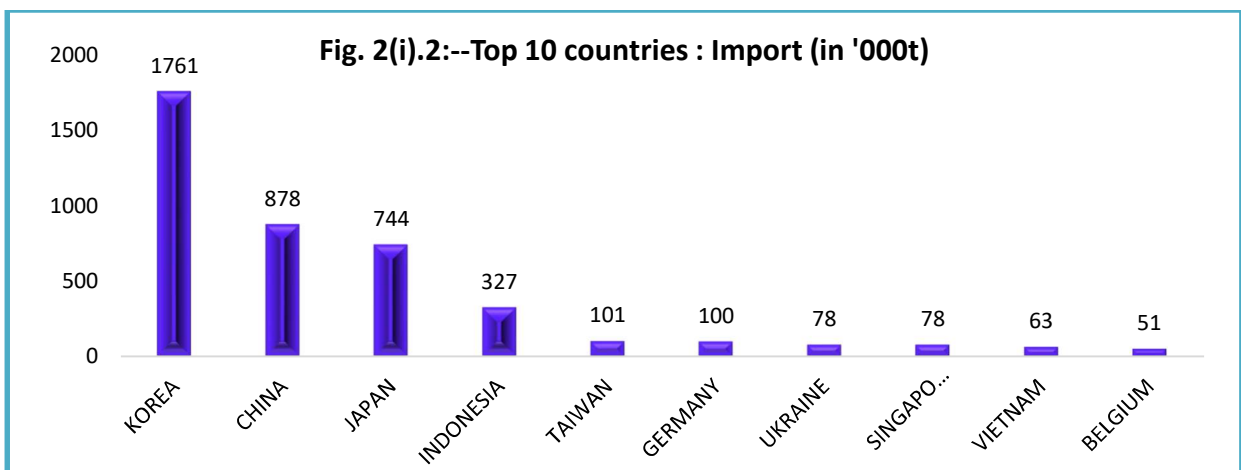
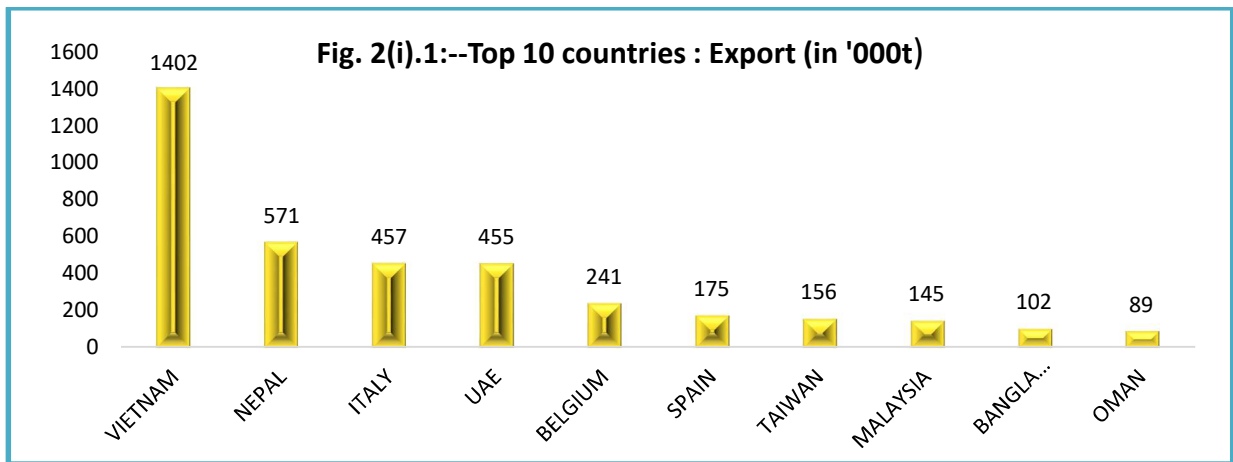
Source: JPC

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



Source: JPC

- Huge amount of HRC (2.9 million tonnes) was exported in Apr-Oct 2019-20 out of which 1.38 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.



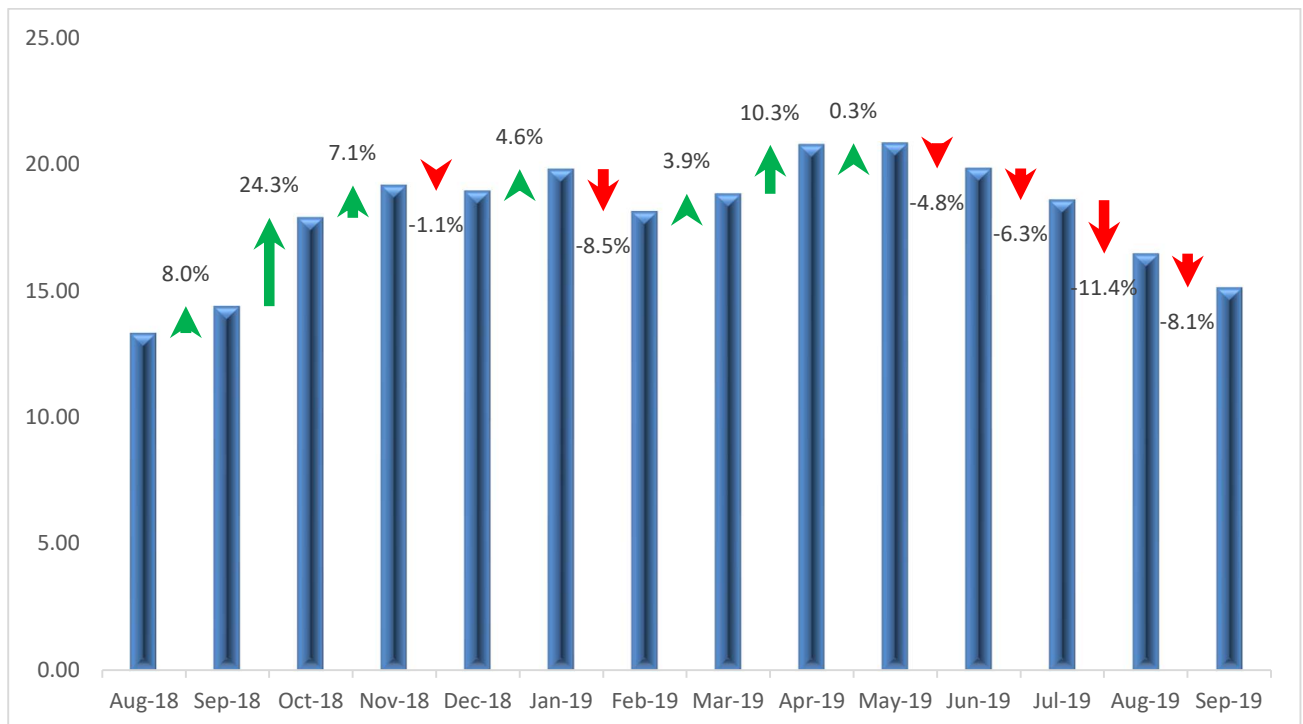
2.7 Iron Ore

- During **Sep 2019**, production of iron ore was **15.13 million tonnes** having decreased by **5%** over **Sep 2018**; while production during **Apr-Sep 2019** was **111.24 million tonnes** having increased by **17.4%** over the same period of previous year. *Production data of Oct 2019 yet to receive.*
- During **Apr-Oct 2019**, **export of Iron ore (inc pellet)** was **20.13 million tonnes**, having increased by **152%** over the same period of previous year, while **import was 0.90 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, the traders are exporting excess iron ore to the other countries. Even the low grade iron ore has been exported to China.

	Sep-19	Sep-18	% Change	Apr-Sep 2019	Apr-Sep 2018	% Change
Production [#]	15.13	14.39	5%	111.24	94.79	17%
	Oct-19	Oct-18	% Change	Apr-Oct 2019	Apr-Oct 2018	% Change
Export [@]	2.94	1.30	126%	20.13	7.98	152%
Import [@]	0.01	1.13	-99%	0.90	9.10	-90%

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

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



Source: JPC/steelmint