



Monthly Analysis  
(September 2019)

## Major Highlights During September 2019

- During Sep 2019, **151.5 million tonnes of crude steel was produced in the world**, declined by 0.3% over Sep, 2018.
- China, **world's largest producer of crude steel**, produced 82.8 million tonnes of crude steel in Sep 2019.
- India has continued to remain in **second position** in crude steel production, having produced 8.9 million tonnes of crude steel in Sep 2019.
- Japan, the **third largest producer** of crude steel in the world, produced 8.1 million tonnes of crude steel in Sep 2019.
- The capacity utilisation in production of crude steel in the country has **increased from 74.4% in Sep 2018 to 75.6% in Sep 2019**.
- During Sep 2019, production of finished steel was 8.96 million tonnes with a **very low growth rate of 1.6%** over Sep 2018.
- Consumption of finished steel during Sep 2019 was 8.08 million tonnes which has **decreased by 3.4%** over Sep 2018.
- During Sep 2019, import of finished steel was 0.565 million tonnes , **declined by 16.3%** over Sep 2018.
- Export of finished steel during Sep 2019 was 1.019 million tonnes which **has increased by 72.8%** over Sep 2018.
- India became the **net exporter** in trade of finished steel in Sep 2019.
- During Sep 2019, production of iron ore was 15.13 million tonnes **having increased by 5%** over Sep 2018.

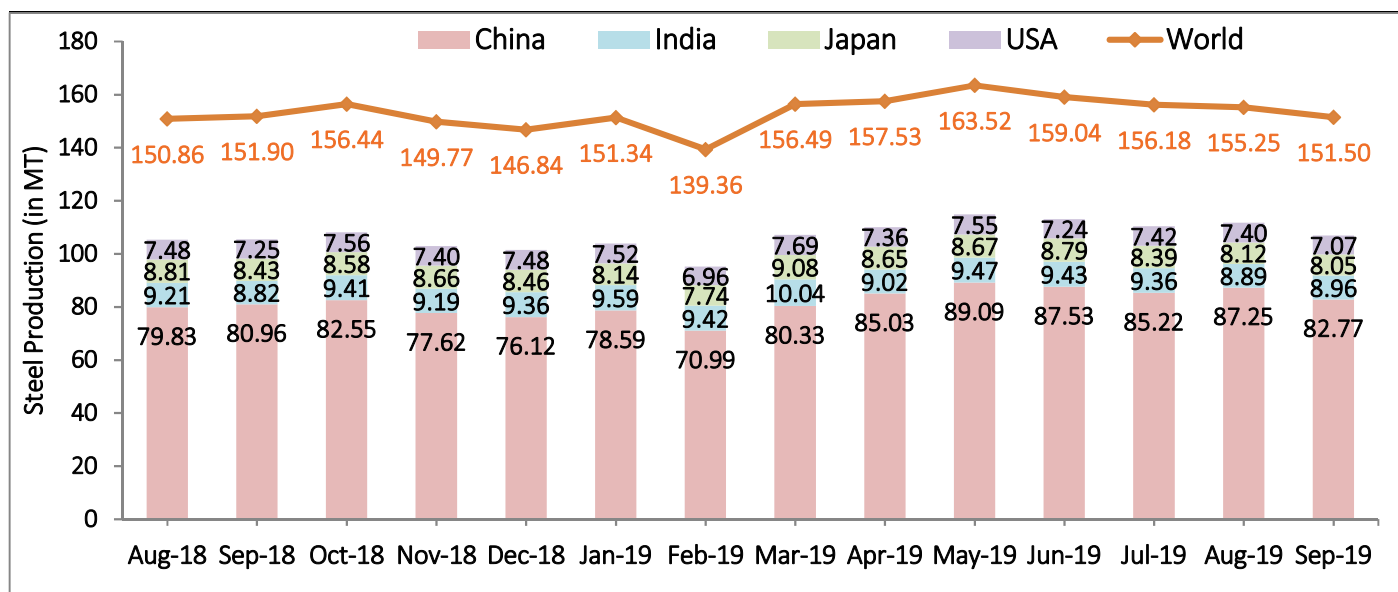
# 1. World Crude Steel Production

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

	Sep-19	Sep-18	% Change	Apr-Sep, 2019	Apr-Sep, 2018	% Change
China@	82.77	80.96	2.2	516.90	478.03	8.1
India#	8.96	8.82	1.6	55.14	53.91	2.3
Japan@	8.05	8.58	-6.1	50.67	52.22	-3.0
USA@	7.07	7.25	-2.5	44.04	43.36	1.6
Other Countries	44.65	46.29	-3.5	276.27	284.06	-2.7
World@	151.50	151.90	-0.3	943.02	911.57	3.5

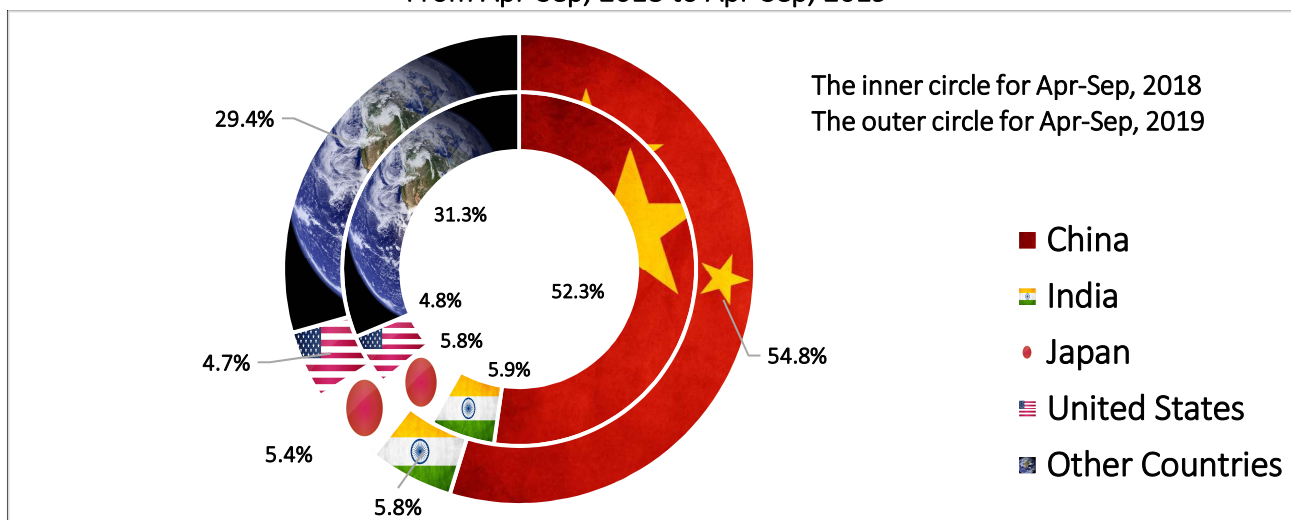
Source: @ WSA; # JPC

Fig. 1(a):- Trend in Crude Steel Production by Top 4 Countries during Aug 2018 to Sep 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 82.8 million tonnes in Sep 2019, which has resulted in low production of crude steel at global level from May 2019 onward. India remained in 2<sup>nd</sup> position in crude steel production having produced 8.9 million tonnes during Sep 2019.

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



## 2. Performance of India's Steel Sector

### 2.1 Crude Steel

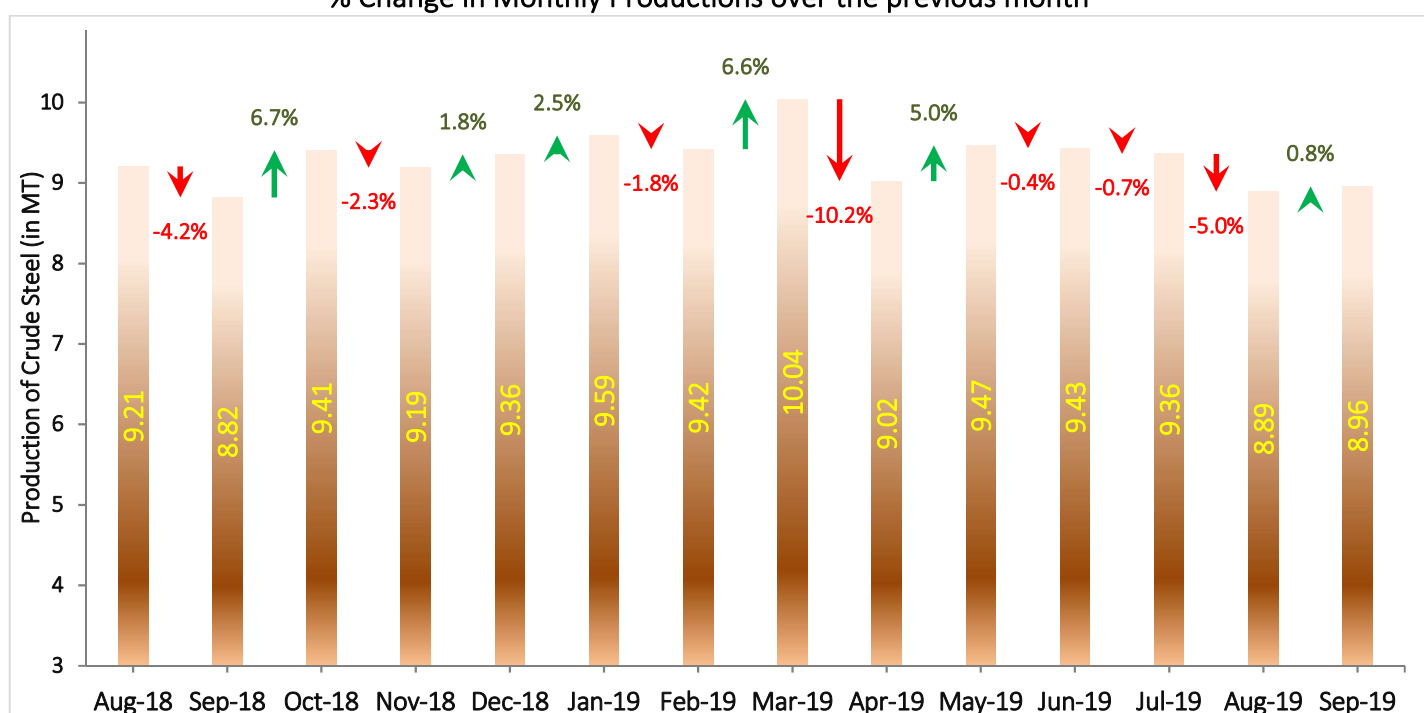
Table 2(a): Indian Crude Steel Production (Million Tonne)

PSU	Sep-19	Sep-18	% change	Apr-Sep 19	Apr-Sep 18	% change
SAIL	1.18	1.14	3.50	7.82	7.65	2.30
RINL (VSP)	0.36	0.42	-14.70	2.49	2.59	-3.88
Public Sector	1.55	1.57	-1.42	10.31	10.23	0.74
TSL	1.07	1.03	3.70	6.54	6.45	1.40
ESSAR	0.55	0.58	-5.39	3.58	3.37	6.18
JSPL	0.50	0.42	18.58	2.90	2.52	14.78
JSWL	1.24	1.36	-9.18	8.02	8.32	-3.60
OTHERS	4.07	3.86	5.30	23.79	23.01	3.38
Private sector	7.41	7.25	2.26	44.83	43.68	2.63
<b>Total Production</b>	<b>8.96</b>	<b>8.82</b>	<b>1.61</b>	<b>55.14</b>	<b>53.91</b>	<b>2.27</b>
Total PSU Production	1.55	1.57	-1.42	10.31	10.23	0.74
% Share of PSU	17.25	17.78		18.70	18.98	

Source: JPC

- Due weak demand of steel, the overall production of crude steel in India has seen a decreasing trend since May 2019. During Sep 2019 production of crude steel increased only by 1.6% and during Apr-Sep 2019-20 by 2.3%.
- In public sector, production of RINL declined by 14.7% in Sep 2019 and as a result of it production of public sector is also declined by 1.42%. Similarly private sector also produced less and grow by only 2.26% in Sep 2019.

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



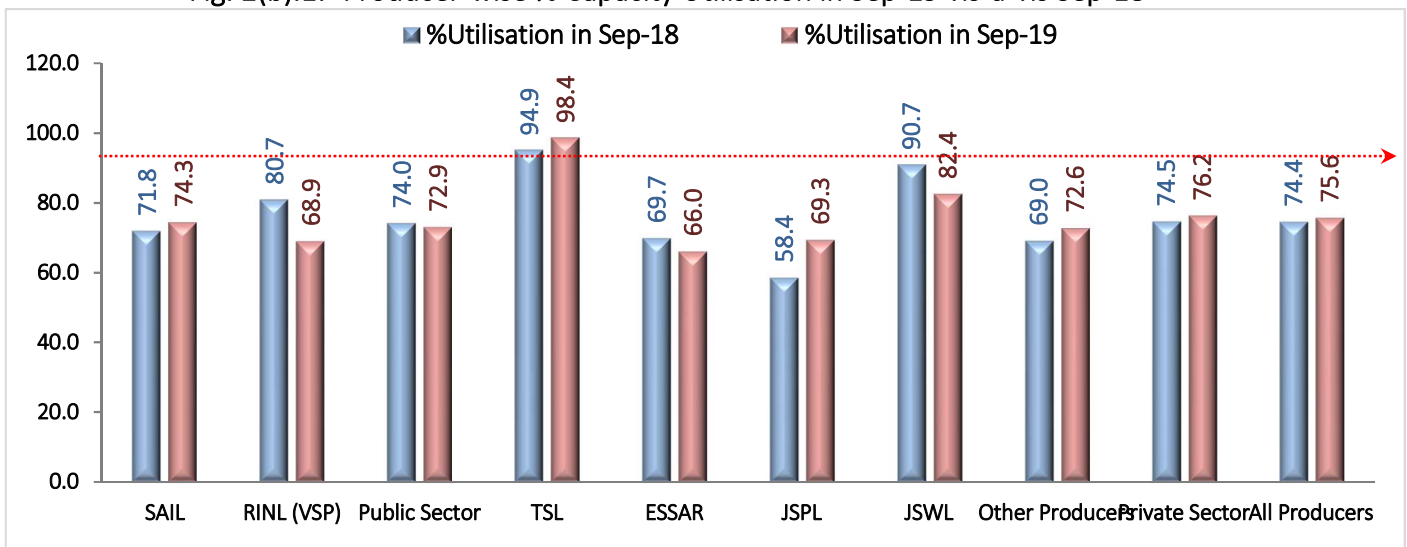
Source: JPC

- % 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

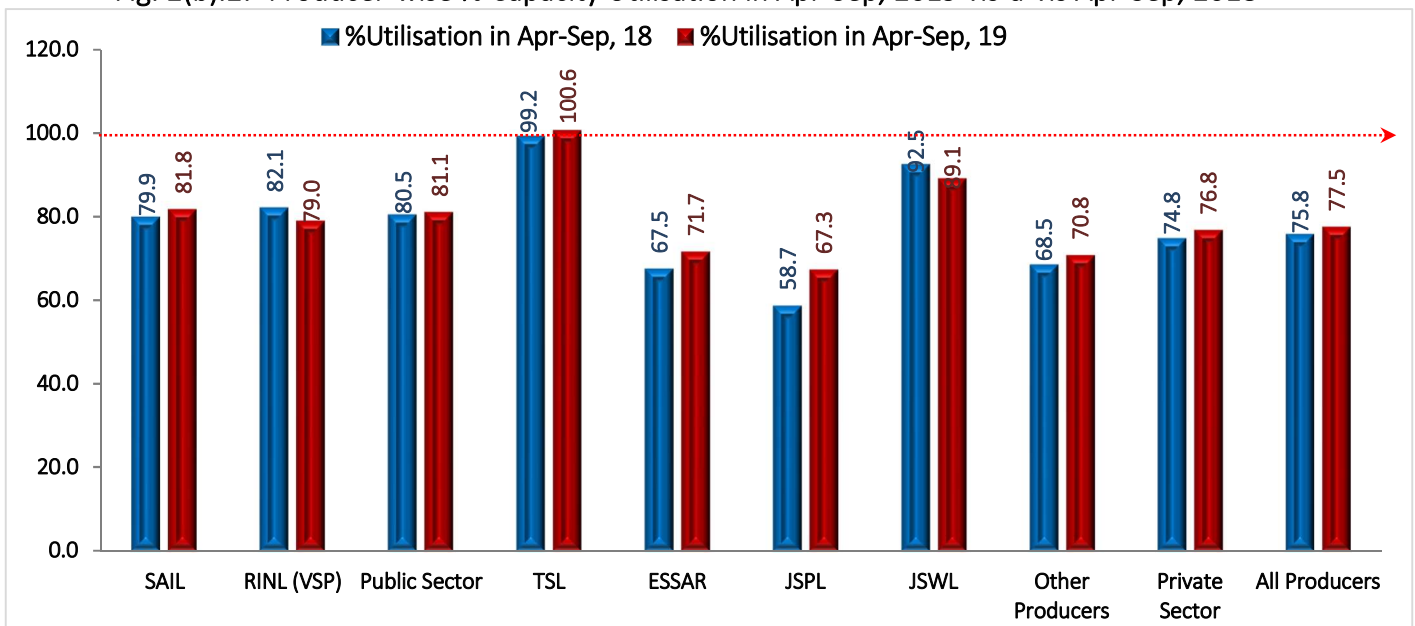
- The capacity utilisation in production of crude steel in the country has **increased** from **74.4%** in **September 2018** to **75.6%** in **September 2019**. During Apr-Sep 2019-20 capacity utilisation is 77.5%
- In public sector, Capacity utilisation by SAIL has **increased** from **71.8%** in September 2018 to **74.3%** in September 2019 while that of RINL decreased from **80.7%** in September 2018 to **68.9%** in September 2019.
- Among the producers in private sector, capacity utilisation of **Tata Steel Ltd. (TSL)** has increased from **94.9%** in September 2018 to **98.4%** in September 2019. **JSWL** decreased its capacity utilisation from **90.7%** in September 2018 to **82.4%** in September 2019.

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



Source: JPC

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



Source: JPC

## 2.3 Hot Metal

- During September 2019, production of hot metal was 5.84 million tonnes having increased by 0.4% only over September 2018.

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

Producers	Sep-19	Sep-18	% Change	Apr-Sep, 2019	Apr-Sep, 2018	% Change
SAIL	1.26	1.23	2.6	8.52	8.24	3.4
RINL	0.38	0.46	-16.9	2.71	2.83	-4.1
TSL	1.18	1.16	2.1	7.05	7.01	0.5
ESSAR	0.29	0.28	3.7	1.79	1.58	13.9
JSPL	0.44	0.37	18.5	2.73	2.29	19.0
JSWL	1.21	1.24	-2.3	7.57	7.68	-1.4
Other Producers	1.07	1.08	-0.7	6.43	6.50	-1.2
<b>Total</b>	<b>5.84</b>	<b>5.82</b>	<b>0.4</b>	<b>36.80</b>	<b>36.13</b>	<b>1.9</b>
Production by PSU	1.64	1.69	-2.7	11.24	11.07	1.5
% Share of PSU	28.1	29.0		30.5	30.6	

Source: JPC

## 2.4 Pig Iron

- During September 2019, production of pig iron was 0.456 million tonnes which has decreased by 15.1% over September 2018.

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

Producers	Sep-19	Sep-18	% Change	Apr-Sep, 2019	Apr-Sep, 2018	% Change
SAIL	0.034	0.041	-17.1	0.320	0.217	47.5
RINL	0.001	0.003	-65.3	0.032	0.064	-49.7
JSWL+JSPL	0.025	0.012	111.9	0.226	0.128	76.4
Other Producers	0.396	0.481	-17.7	2.476	2.727	-9.2
<b>Total Production</b>	<b>0.456</b>	<b>0.537</b>	<b>-15.1</b>	<b>3.055</b>	<b>3.136</b>	<b>-2.6</b>
Production by PSU	0.035	0.044	-20.7	0.352	0.281	25.3
% Share of PSU	7.7	8.2		11.5	9.0	

Source: JPC

## 2.5 Sponge Iron

- During September 2019, production of sponge iron for sale was 2.932 million tonnes, recording a positive growth of 5.1% over September 2018.

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

Producers	Sep-19	Sep-18	% Change	Apr-Sep, 2019	Apr-Sep, 2018	% Change
ESSAR	0.364	0.411	-11.5	2.461	2.468	-0.2
JSPL	0.117	0.097	20.4	0.750	0.648	15.8
JSWL	0.125	0.193	-35.3	1.105	1.193	-7.4
Other Producers	2.326	2.088	11.4	14.106	12.883	9.5
<b>Total</b>	<b>2.932</b>	<b>2.790</b>	<b>5.1</b>	<b>18.423</b>	<b>17.192</b>	<b>7.2</b>

Source: JPC

## 2.6 Finished Steel

### a) Production and Consumption of Finished Steel

- During September 2019, production of finished steel was 8.09 million declined by 2.5% over September 2018 while consumption declined by 3.43%.

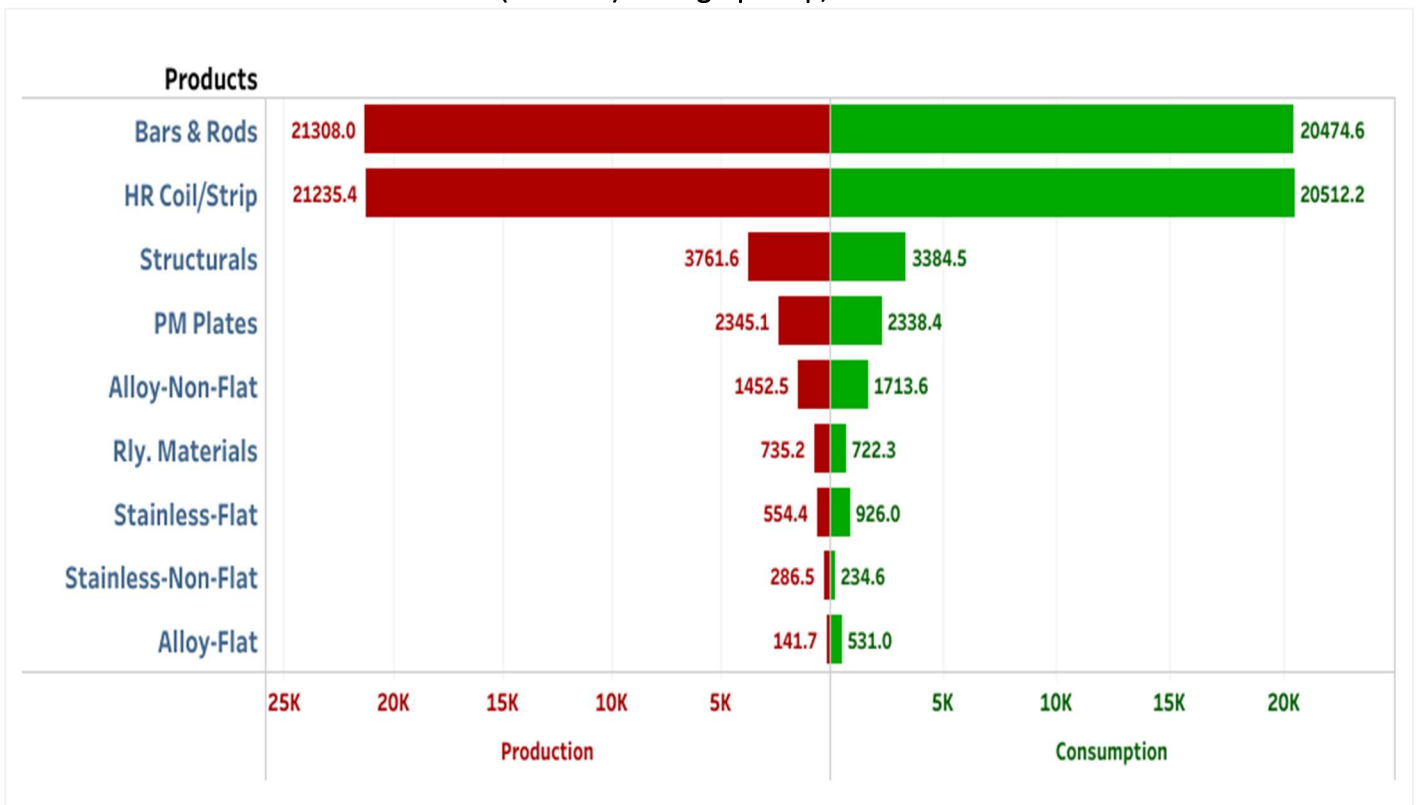
Table: 2(e):- Production and Consumption of Finished Steel in India (in million tonnes)

Producers	Sep-19	Sep-18	% Change	Apr-Sep, 2019	Apr-Sep, 2018	% Change
SAIL	0.74	0.98	-25.1	5.88	6.12	-3.9
RINL	0.26	0.34	-24.5	1.86	2.03	-8.2
TSL	0.99	1.09	-9.0	6.44	6.31	2.0
ESSAR	0.55	0.57	-3.1	3.54	3.35	5.9
JSPL	0.37	0.32	13.5	2.18	1.80	21.1
JSWL	1.16	1.27	-8.6	7.47	7.66	-2.4
Other Producers	4.02	3.71	8.2	24.44	21.98	11.2
<b>Total Production</b>	<b>8.09</b>	<b>8.30</b>	<b>-2.5</b>	<b>51.82</b>	<b>49.24</b>	<b>5.2</b>
<b>Consumption</b>	<b>8.08</b>	<b>8.37</b>	<b>-3.4</b>	<b>50.84</b>	<b>48.45</b>	<b>4.9</b>
Production by PSU	0.99	1.32	-25.0	7.75	8.15	-4.9
<b>% Share of PSU</b>	<b>12.3</b>	<b>16.0</b>		<b>14.9</b>	<b>16.5</b>	

Source:JPC

- During the period of Apr-Sep, 2019, the production of finished steel was 51.82 million tonnes having increased by 5.2% over same period of previous year; while consumption during Apr-Sep, 2019 was 50.84 million tonnes having increased by 4.9% only over same period of previous year.

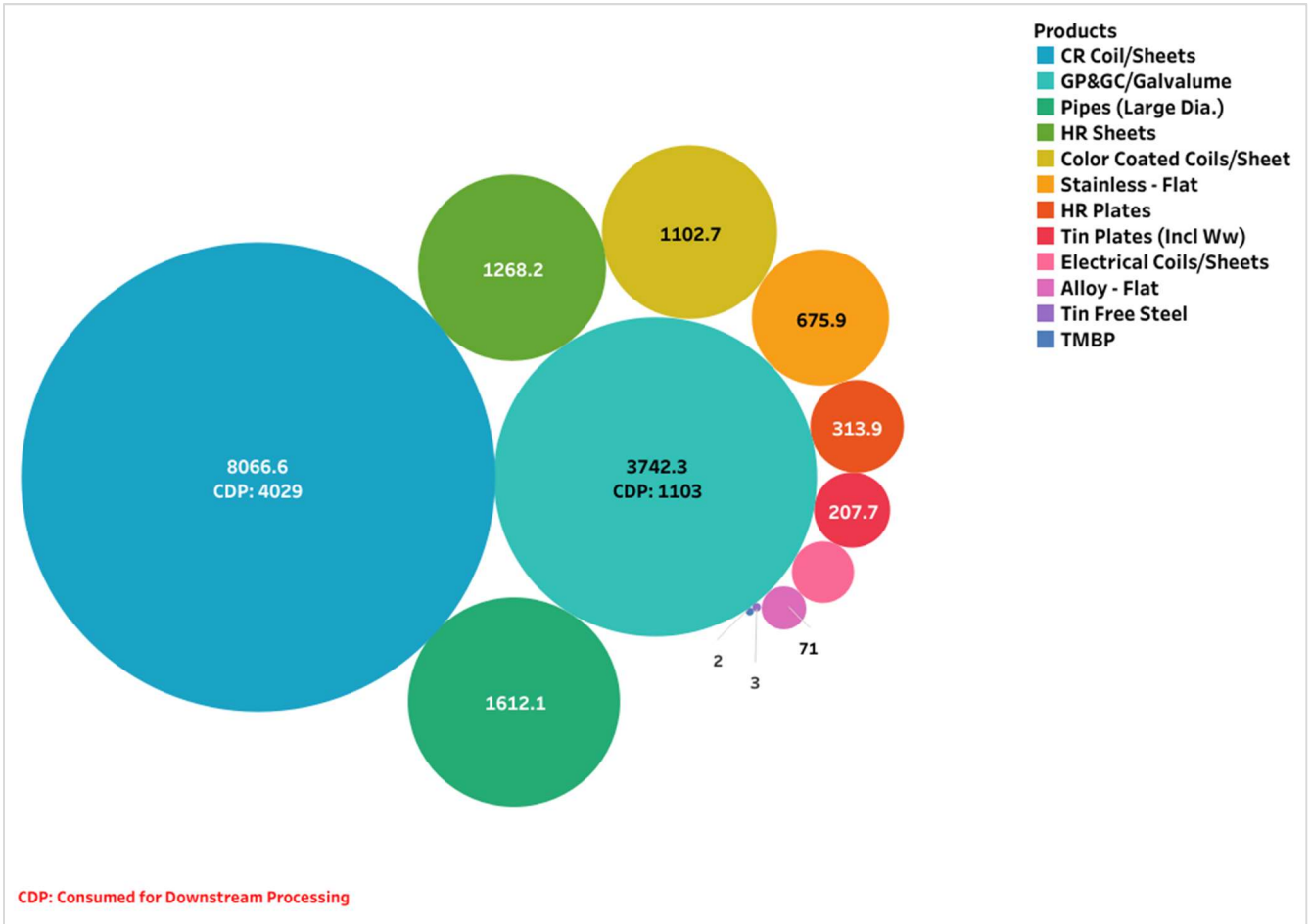
Fig. 2(c):- Product-wise Production & Consumption of Finished Steel (HR Equivalent) (in '000T) during Apr-Sep, 2019



Source: JPC



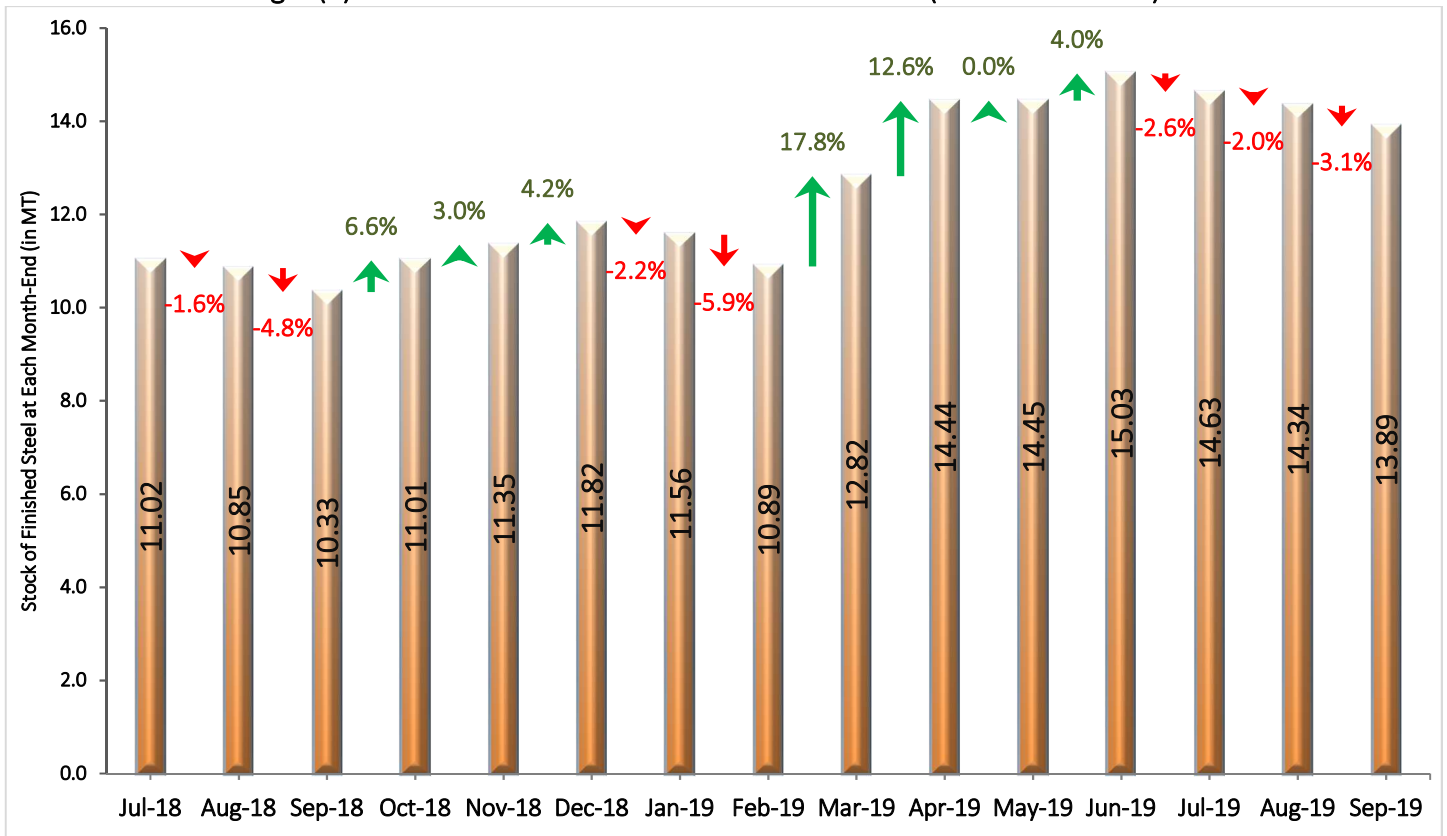
Fig. 2(d):- Production of Downstream / Value Added Products of Finished Steel (in '000T) during Apr-Sep, 2019



Source: JPC

b) Stock Analysis of Finsihed Steel

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

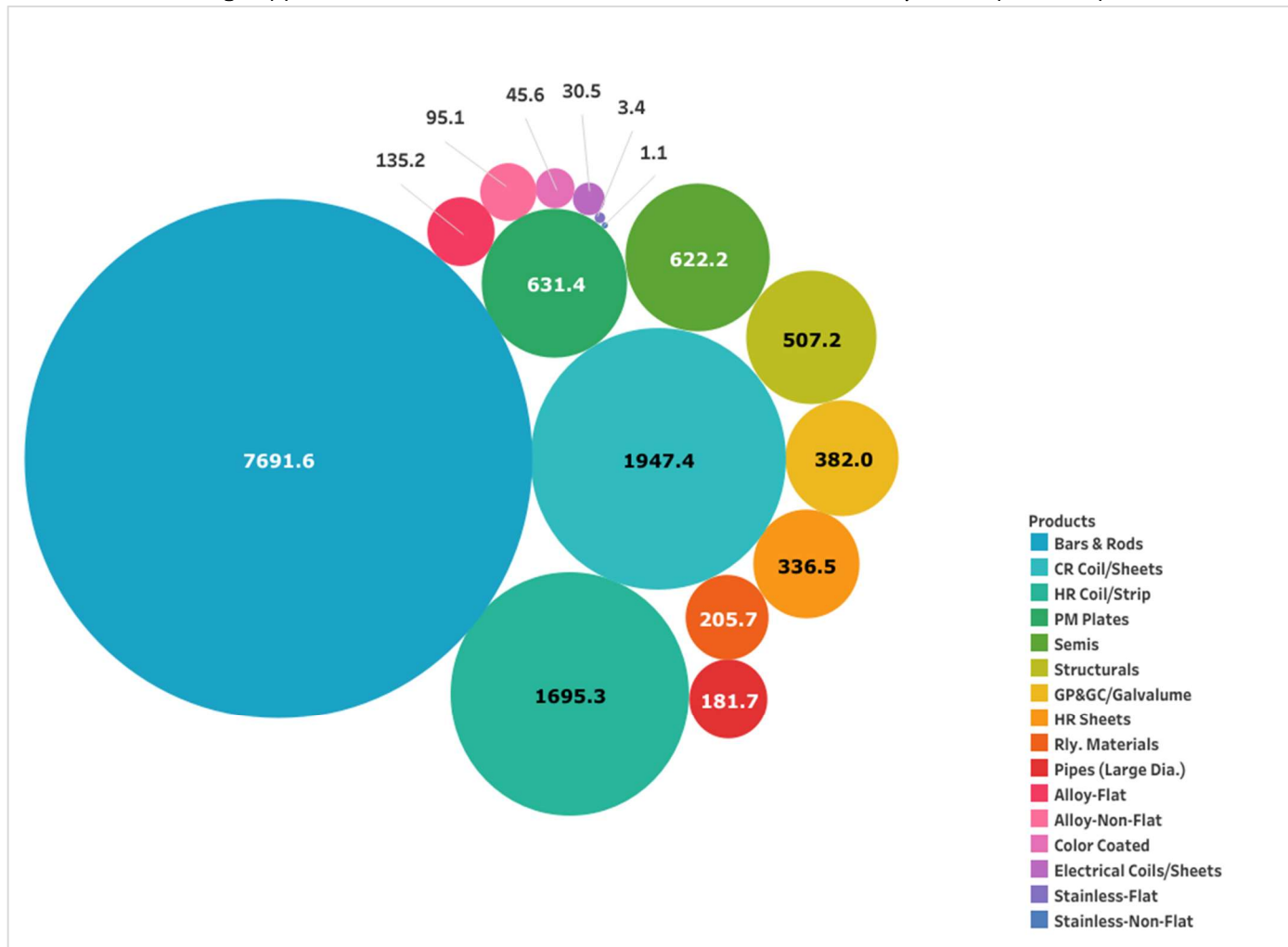


Source: JPC



- The producers cut their production and amid flat buying and poor demand hovering in domestic market, 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 September 2019 over the previous month-end and remained at 13.89 million tonnes.

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



Source: JPC

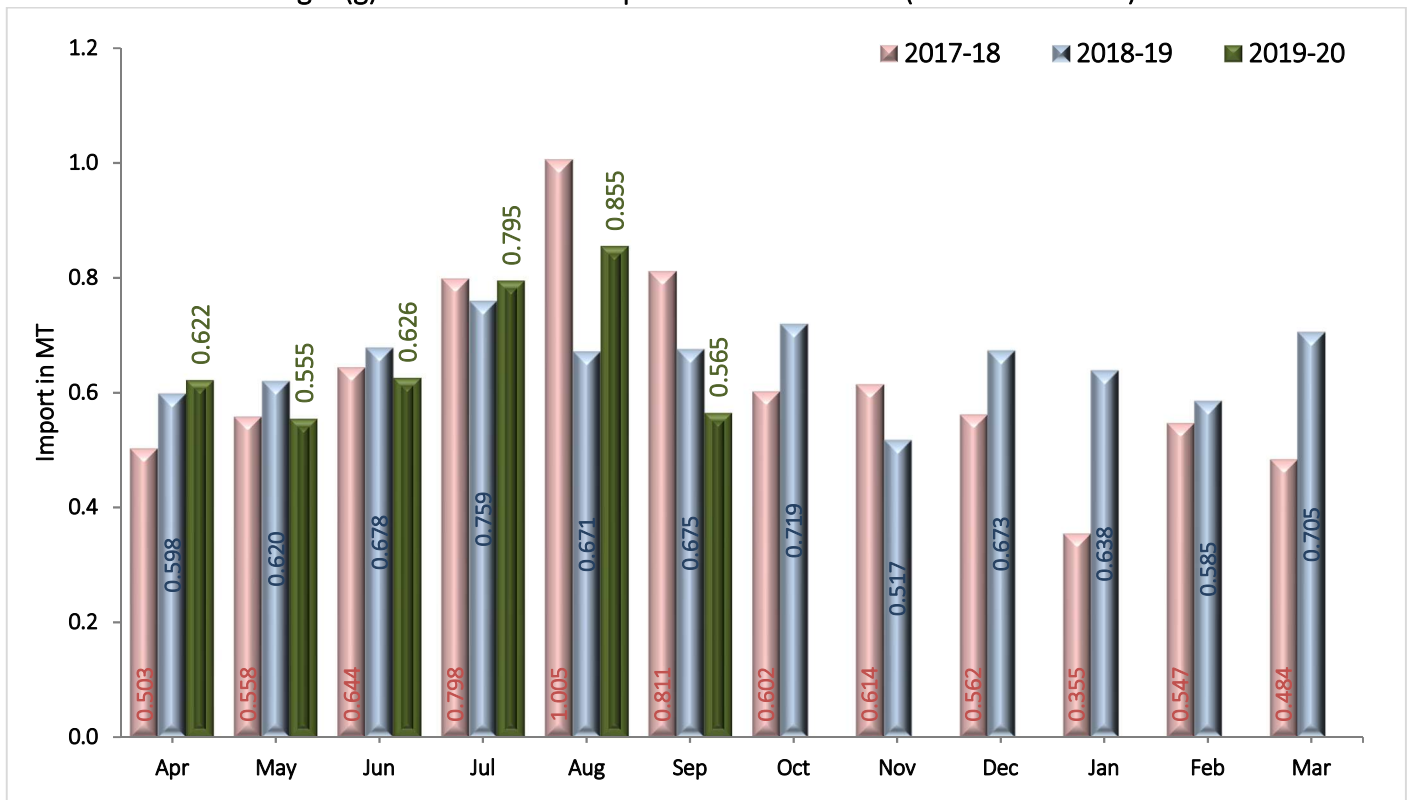
- As on 30<sup>th</sup> Sep 2019, 7.7 million tonnes of Bar&Rods are in stock which can be exported while its export is very less as well as domestic consumption is also less.
- As on 30<sup>th</sup> Sep 2019, 1.9 million tonnes and 1.7 million tonnes of CRC and HRC are in stock while a good amount of HRC, CRC were exported in recent period which made India net exporter in last two months.

c) Category-wise Import & Export of Finished Steel

Table: 2(h):- Export & Import of Finished Steel (in '000 Tonnes) – Category-wise in Sep-19 vis-à-vis Sep-18 and in Apr-Sep, 2019 vis-à-vis Apr-Sep, 2018						
Import	Sep-19	Sep-18	% Change	Apr-Sep, 2019	Apr-Sep, 2018	% Change
<b>Non-Alloy</b>						
Non-Flat	9	31	-70.7	220	222	-0.9
Flat	407	463	-12.1	2676	2835	-5.6
<b>Non-Alloy - Total</b>	<b>416</b>	<b>494</b>	<b>-15.7</b>	<b>2896</b>	<b>3057</b>	<b>-5.3</b>
<b>Alloy</b>						
Non-Flat	42	52	-18.8	232	363	-36.0
Flat	107	130	-17.4	890	582	53.0
<b>Alloy - Total</b>	<b>149</b>	<b>181</b>	<b>-17.8</b>	<b>1122</b>	<b>945</b>	<b>18.8</b>
<b>Import – Total</b>	<b>565</b>	<b>675</b>	<b>-16.3</b>	<b>4018</b>	<b>4001</b>	<b>0.4</b>
Export	Sep-19	Sep-18	% Change	Apr-Sep, 2019	Apr-Sep, 2018	% Change
<b>Non-Alloy</b>						
Non-Flat	75	47	59.2	358	265	35.2
Flat	865	491	76.1	3222	2705	19.1
<b>Non-Alloy - Total</b>	<b>940</b>	<b>538</b>	<b>74.6</b>	<b>3580</b>	<b>2969</b>	<b>20.6</b>
<b>Alloy</b>						
Non-Flat	24	23	6.3	119	118	1.0
Flat	55	29	90.0	236	145	63.2
<b>Alloy - Total</b>	<b>79</b>	<b>52</b>	<b>53.3</b>	<b>355</b>	<b>263</b>	<b>35.2</b>
<b>Export – Total</b>	<b>1019</b>	<b>590</b>	<b>72.8</b>	<b>3935</b>	<b>3232</b>	<b>21.8</b>

Source: JPC

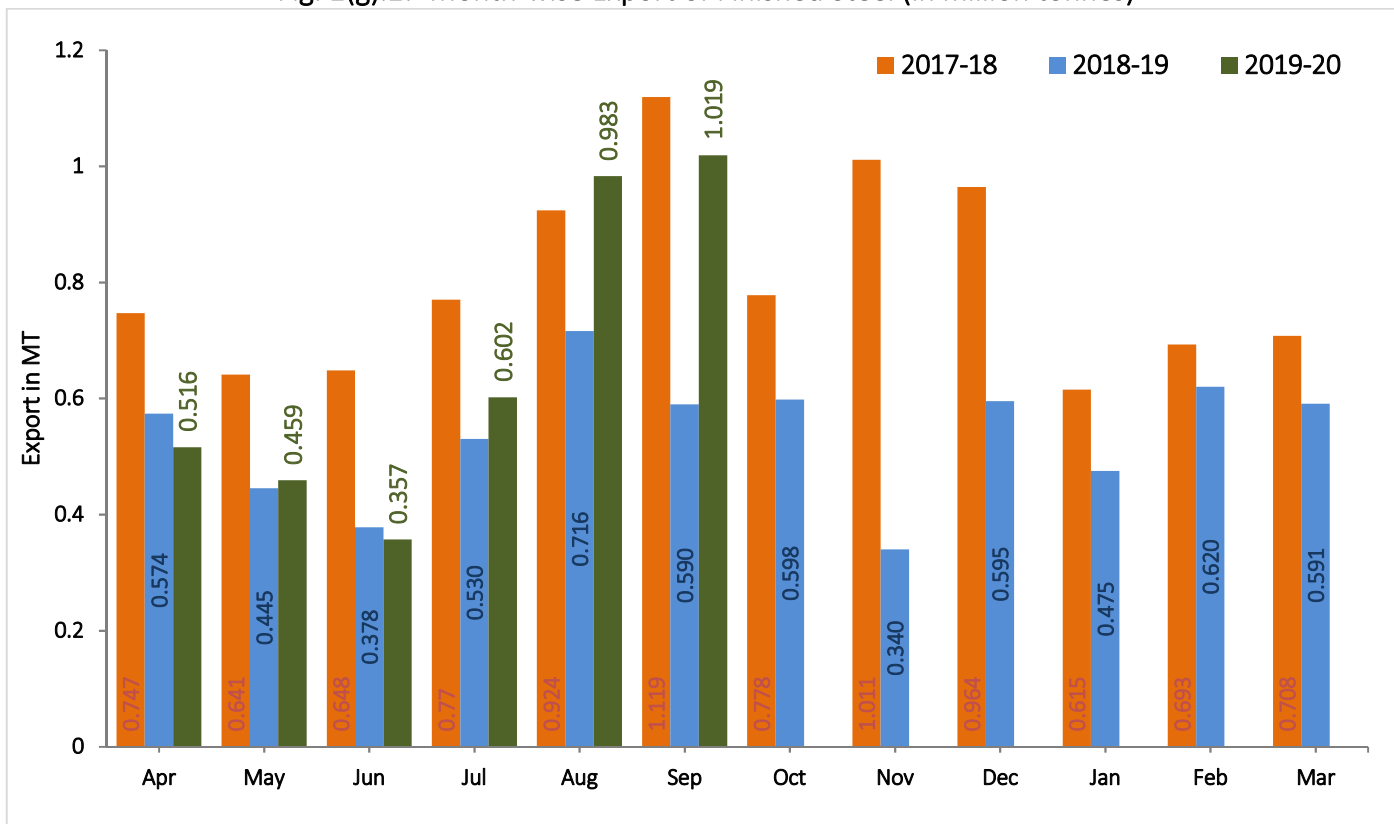
Fig. 2(g).1:- Month-wise Import of Finished Steel (in million tonnes)



Source: JPC

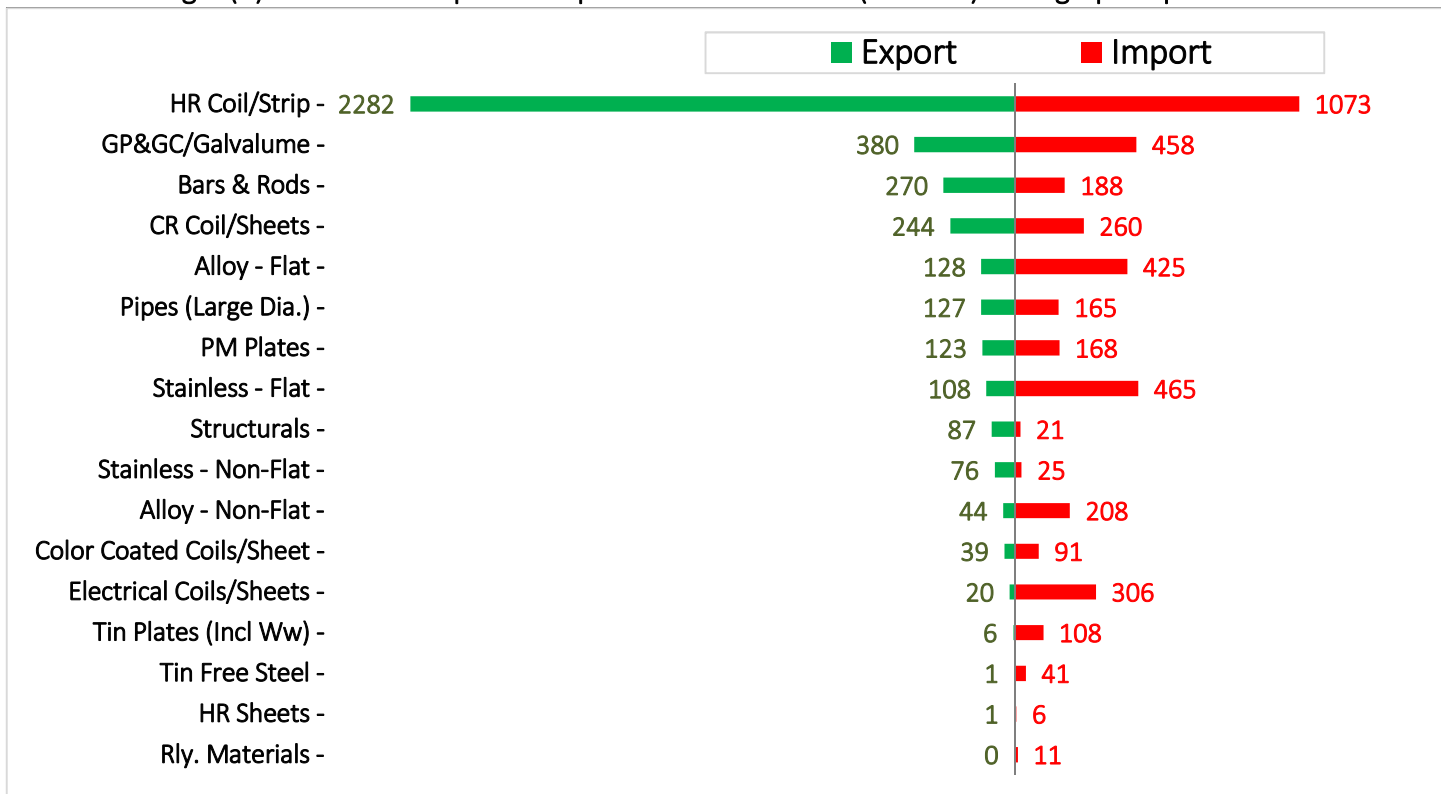
- Both the **import** and **export** of India have increased in Apr-Sep 2019 by 0.4% and **21.8%** respectively over the same period of previous year.
- Since Aug 2019, India has been a net-exporter country. During Apr-Sep 2019-20, balance of trade is -0.83 million tonnes.

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



Source: JPC

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



Source: JPC

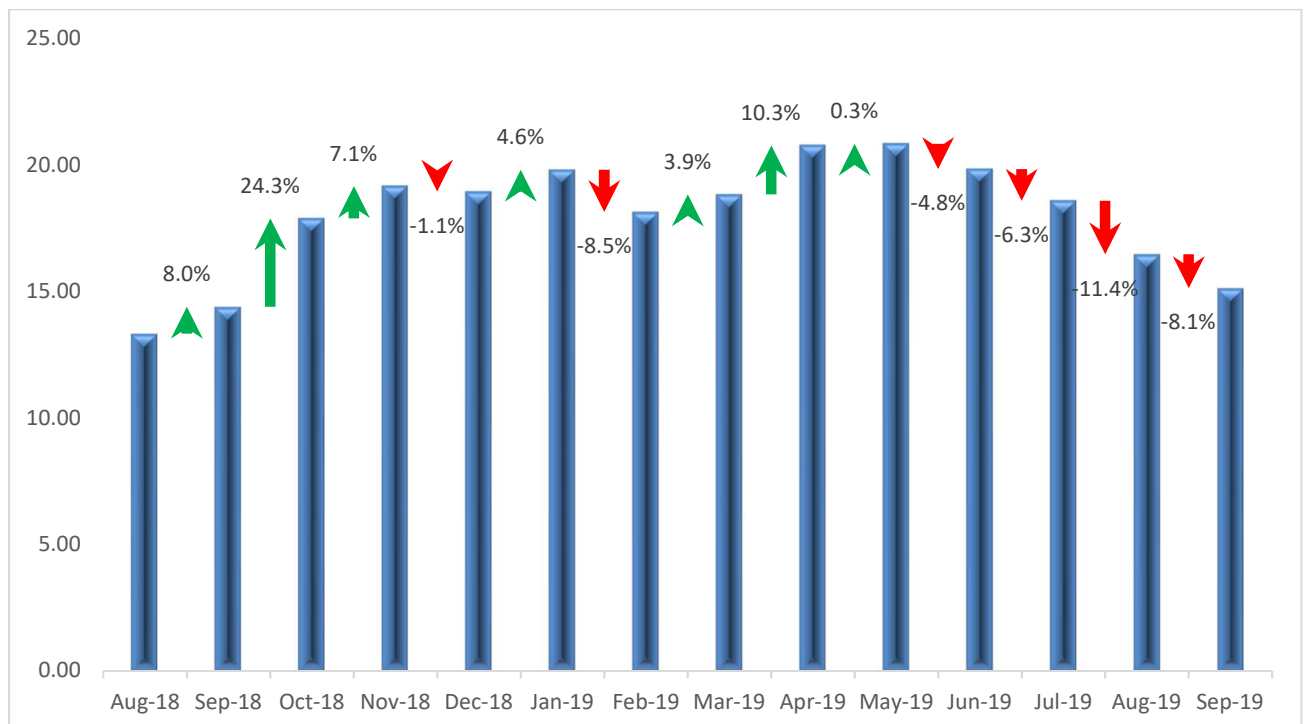
## 2.7 Iron Ore

- During Sep 2019, production of iron ore was 15.13 million tonnes having decreased by 8.1% over Aug 2019 and increased by 5.1% 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.
- Also, during Apr-Sep 2019, export of Iron ore (inc pellet) was 17.19 million tonnes, having increased by 157% over the same period of previous year, while import was 0.90 million tonnes, having decreased by 89% 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 <sup>#</sup>	15.13	14.39	5%	111.24	94.79	17%
Export <sup>@</sup>	2.01	1.06	90%	17.19	6.68	157%
Import <sup>@</sup>	0.03	1.01	-97%	0.90	7.97	-89%

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

Fig. 2(i):- Production of Iron Ore (in million tonnes) and % Change in Production (Month-on-Month) from Aug 2018 to Sep 2019



Source: JPC/steelmint