



12-August -2022

**#Steel Industry News#**

**India's finished steel exports fall sharply by 40% m-o-m in July: JPC**

*As per provisional data released by the Joint Plant Committee (JPC).*

**Export:**

India's finished steel exports registered a sharp fall of 40% m-o-m in July 2022. In similar lines, export volumes plunged by 75% y-o-y against.

**Production :**

In India Production remained flat on a m-o-m basis in July 2022 at 9.97 mt.

The ongoing monsoon is adding to the pressure on steel demand in the country. The first quarter had seen channel destocking leading to an impact on sales volumes for steel manufacturers. The lower exports are adding to the build-up of inventory and forcing steel manufacturers to align production accordingly.

Snapshot of the performance								SteelMint
Particulars	Apr-July'22	Apr-July'21	change in %	July'22	June'22	m-o-m (change in %)	July'21	y-o-y (change in %)
Crude steel production	40.954	37.742	9%	9.974	9.968	=	9.750	2%
Finished steel production	38.546	35.267	9%	9.656	9.369	3%	8.790	10%
Finished steel exports	2.570	5.069	-49%	0.380	0.638	-40%	1.512	-75%
Finished steel imports	1.616	1.568	3%	0.444	0.450	-1%	0.410	8%
Finished steel consumption	36.532	33.029	11%	9.171	8.653	6%	8.039	14%

Quantity in mn t  
Source: Ministry of Steel, compiled by SteelMint

~ Steel Mint, 10 August 2022

**JSW's Seshagiri Rao explains why the steel industry is hurting**

Steel companies are facing multiple headwinds in the form of higher raw material prices, export duties and falling demand because of a possible recession in developed markets.

*Seshagiri Rao, Joint MD and Group CFO of JSW Steel said*

**1)Export duty:**

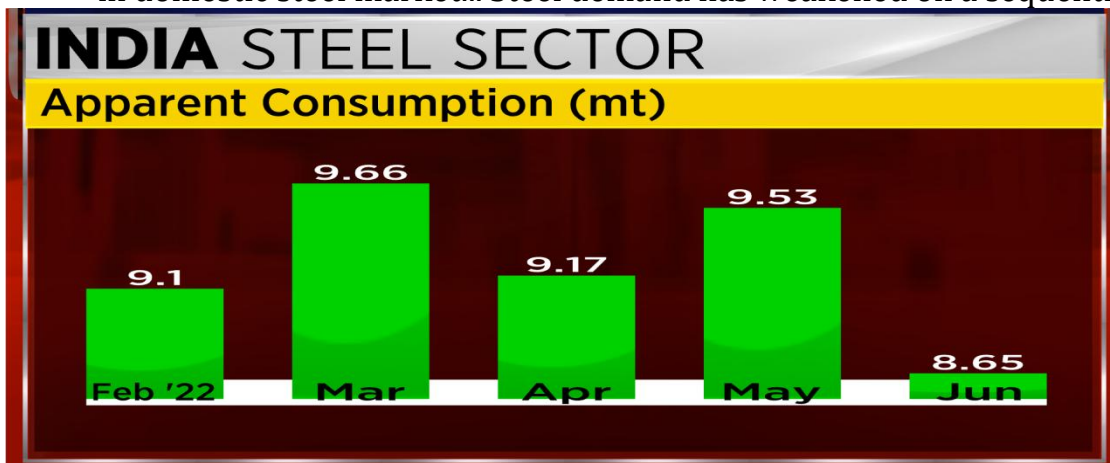
The sector has been hit by a 15 percent export duty on finished steel which was imposed by the government to protect the domestic need due to geopolitical uncertainties. This imposition of export duty has hurt the steel industry and in turn will hurt the economy.



Exports, in the last year were 18.5 million tonne whereas in this year they have already fallen, on a proportionate basis for 4 months, more than 50 percent. So, that also is impacting the overall production in India.

#### 2) Steel Demand:

- Global steel demand is falling because of economic conditions and financial tightness in the international market. Therefore, global demand for steel is weaker than anticipated in the current year. There has been inventory build-up in domestic steel market... Steel demand has weakened on a sequential basis



#### 3) Steel Price: Rao does not expect steel prices to fall further from here on.

- Coking coal which came down to USD 170 per tonne, again an uptick in the coking coal prices globally.
- Iron ore prices are not falling below 100 percent; as and when it comes to the level again it is going up. Therefore, if the raw material price cost push remains at the current levels then I do not expect steel prices to fall further.

~ Mint, 11 August 2022

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## The government may phase out export duty on steel, flat products may come first: Sources

JSW Steel's Joint Managing Director Seshagiri Rao said

- Steelmakers in the country expect some relief soon as the government is likely to roll back export duty on some steel products, if not all. **Expects the export duty to be rolled back before September end. But two other senior industry players said it could be sooner.**
- Government is likely to withdraw the export duty on steel in phases. The government is believed to be considering rolling back export duty on flat products first, while the export duty on building construction steel like Rebars, wire roads, and roofing sheets would continue. *(Flat steel: Products include the likes of the hot rolled coil (HRC), cold rolled coil and plates among other things)*

The government will be considering the following factor for the export duty:

### 1) Top Steel Maker (Tata Steel, JSW) Capex:

Measure part of the industry's (JSW, Tata Steel) capex has been committed towards creating capacities which could be exported

### 2) Foreign Exchange Revenue:

The government has lost huge foreign exchange revenue and overall business sentiment has gone down.

~ Mint, 09 August 2022

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## #Corporate News#

### JSW Steel crude steel production grows 14% in July

JSW STEEL (Unit In Lakh Tonne)			
Production	Jul-22	Jul-21	Y-O-Y%
Flat	10.72	9.34	14.8
Long	3.65	3.06	19.3
<b>Crude Steel</b>	<b>15.69</b>	<b>13.82</b>	<b>13.5%</b>

~ Economic Times, 09 August 2022

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### JSW Steel outlays Rs 20,000 crore capex for FY23: CMD Sajjan Jindal

JSW Chairman and Managing Director (CMD) Sajjan Jindal has said.

- JSW will invest over Rs 48,000 crore in the next three years as part of its capex plan. Out of Rs 48,700, Rs 20,000 crore capex (capital expenditure) is for the 2022-23 financial year.
- The consortium was the sole bidder for the 1.5-million-tonne asset in Chhattisgarh. The National Company Law Tribunal (NCLT) had approved a Rs 2,875-crore bid to acquire the bankrupt Monnet Ispat & Energy, which owed over Rs 11,000 crore to a clutch of lenders.
- As per JSW Steel, "The 5 MTPA (million tonne per annum) brownfield expansion at Vijayanagar is progressing well, with civil works underway at the site. The project is expected to be completed by the end of FY2024.

~ Economic Times, 10 August 2022

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## #Raw Material News#

### **NMDC raises iron ore prices**

Mining major NMDC has increased iron ore prices by ₹200 per tonne of lump ore and ₹100 for the same quantity of fines.

Effective August 11, the new prices are ₹4,100 for lump ore and ₹2,910 for fines.

This is the first upward revision by NMDC this fiscal. From ₹6,100 for lump ore and ₹5,160 for fines on April 1, the prices had been on a decline.

The prices, a reflection of the steel demand, however, had firmed up in the first quarter of CY22.

~ **Business Standard, 12 August 2022**

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### **Indian iron ore prices unlikely to drop any further - NMDC Chairman**

- NMDC has reduced iron ore prices by 30-35% over the last five (Apr-Jul'22) months.
- Production target in FY'23 is 47-48 mnt

Sumit Deb, Chairman of NMDC, said

✓ As far as the export duties are concerned, the government needs to take a call. We believe that there is sufficient supply of iron ore in the country and we expect the government rolls back the duty on iron ore below Fe58% because the domestic industry usually consumes ore above Fe58%.

✓ "As a government entity, NMDC's mandate is to produce and ensure there is sufficient supply of iron ore in the country. There is no question of cutting production due to the rapid decline in domestic iron ore prices. Steel prices have also come down rather quickly over the past two months. I believe we are likely to see stability in prices in the coming days.

Production target:

NMDC's production target for FY'23 is 47-48 million tonnes (mnt). India's production in the last fiscal was around 253 mnt. The company produced 8.92 MnT and sold 7.80 MnT iron ore in the first quarter of FY23. In the corresponding period last year, NMDC recorded 8.91 MnT production and 9.45 MnT sales.

~ **Steel Mint, 08 August 2022**

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## #Auto News#

### **Auto industry expects car sales on fast lane in festive season**

Automobile dealer's body President Vinkesh Gulati said

The auto industry expects car sales to be on the fast lane this festive season on the back of new launches and improved production but is cautiously optimistic on the road ahead once the festivities peter out.

"We expect the festive season this year to be the best in terms of passenger vehicle sales on the back of new launches and improved production activity.

The industry has been rolling out over 3 lakh units on an average in the past 4-5 months which is helping in retail

~ **Economic Times, 08 August 2022**

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## #Indian Economic News#

### India to be fastest growing economy this year: Government source

*A top government source said.*

Rising inflation rates notwithstanding, India will be the fastest growing economy in the world this year.

While inflation continues to be above the comfort zone, Inflation has stayed above the upper tolerance limit of 6 per cent for six straight months. The government is taking continuous steps and engaging with the RBI to bring down inflation.

The economy has continued on its recovery path, supported by pent-up demand for services and higher industrial output. There is no chance of growth slowing and India will be the fastest growing economy this year and the next.

The current account deficit (CAD) should steady going forward. The government is continuously monitoring borrowing cost.

~ Moneycontrol, 12 August 2022

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## --Global Industry News--

### China's steel exports drop nearly 7%, y-o-y, in Jan-July'22

*According to China's General Administration of Customs.*

China's steel exports fell 6.9% y-o-y to 40.073 million tonnes (mnt) in Jan-Jul'2022.

China(Million Tonnes)								
	Jul-22	Jun-22	M-O-M%	Jul-21	Y-O-Y%	Jan-Jul'22	Jan-Jul'21	%Change
Export	6.67	7.56	-11.8%	5.7	17.7%	40.07	42.99	-6.8%

Demand from major importing countries such as Vietnam remained subdued as buyers preferred domestic material over imports. China's steel exports to Vietnam fell by 19% y-o-y to 2.96 mnt in the first seven months of this year compared with 3.66 mnt in the same period year ago.

~Steel Mint, 10 August 2022

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### Consumer inflation in US moderates in July

Consumer inflation or Consumer Price Index in the US has moderated to 8.5 percent in July compared to a year ago period, US Bureau of Labor Statistics data showed. The inflation print for the month was down from a four-decade high of 9.1 per cent in June. Falling prices for gas, airline tickets and clothes helped give Americans a slight break from the pain of high inflation last month, though overall price increases slowed only modestly from a four-decade high that was reached in June.

~ Mint, 11 August 2022

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