

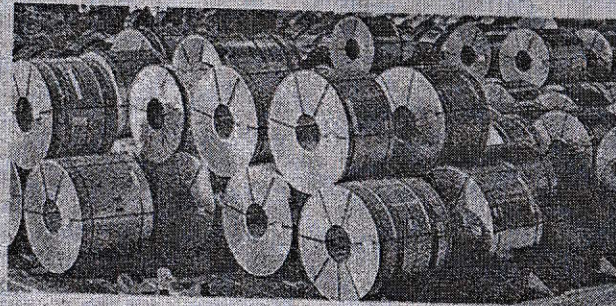
Steel mills cut production in Nov on slowing demand, fall in exports

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The country's steel exports fell 53 per cent (nearly halved) year-on-year in November to 3,38,000 tonnes because of weakened global cues triggered by the downturn in the metal cycle, while mills here cut back production, signalling a slump in demand.

Finished steel production dropped by 5 per cent in November to 9.5 mt versus October (9.9 mt). Variation in stock went up month-on-month to 1,49,000 tonnes, up 40 per cent, a report by the Steel Ministry, accessed by *businessline* showed.

Variation in stock is the difference between opening and closing stock indicative of the fact that mills are un-



DOWNTURN IN METAL CYCLE. Finished steel production fell by 5 per cent in Nov to 9.5 mt against 9.9 mt in Oct. REUTERS

able to liquidate offerings quickly because of slowing demand.

PRODUCTION CUTS

Finished steel production was lower (November versus October) by 4 per cent for SAIL, 6 per cent in case of Tata Steel, and 7.4 per cent for AM / NS, JSW, JSPL and others combined.

The report also indicates a cut in production by mills on a month-on-month basis across categories like crude steel, pig iron, hot metal and so on.

Crude steel production was 10.34 mt in November, down 1.1 per cent. Tata Steel saw a 6 per cent drop in production while the combined numbers of JSPL,

JSW, AM / NS, and some others were down by 3 per cent-odd.

Hot metal production dropped 4 per cent to 6.6 mt in November versus 6.9 mt in October.

Except SAIL and RINL, all players had cut back their hot metal production. Tata Steel saw a 7 per cent drop while the others had a combined drop of around 7 per cent.

Pig iron production dropped 20 per cent month-on-month to 483,000 tonnes in November (from 6,03,000 tonnes in October). SAIL cut back on pig iron production by 14 per cent and others (combined of JSW, JSPL, AM/NS) saw an over 60 per cent drop, the Ministry report said.

"There is a clear slowdown in demand in export

markets where Indian offerings were costlier than competing offerings. The delay in withdrawal of export duty further hit the order-book. In the domestic market demand remains somewhat patchy," a steel exporter said.

EXPORTS HIT

Exports in November last year were 772,000 tonnes while closing stock across mills - that include JSW, Tata Steel, JSPL, AM-NS, SAIL, RINL and others - was 107,000 tonnes in October 2022.

In April to November, exports more than halved (55 per cent drop) to 4.3 million tonnes (mt).

Variation in stock was 1.83 mt as against the previous year's position which was negative (-773,000

tonnes). A negative variation in stocks means mills were trying to catch-up on demand. India did away with the export levy later in November.

Finished steel exports includes non-alloy, alloy and stainless steel offerings.

For mills, the fall in export order was the highest for non-alloyed steel. The segment saw an 87 per cent fall in order to 87,000 tonnes (in November).

The alloy and stainless segment bucked the trend as it saw a 230 per cent jump in exports to 251,000 tonnes.

In the April-November period, non-alloyed steel orders dropped by 73 per cent to 2.4 mt while alloyed and stainless steel exports saw a 154 per cent increase to 1.9 mt.