



# Trends ..... December 2015

**India emerged as the 3<sup>rd</sup> largest crude steel producer in 2015 even as its finished steel import, which stood at 9.3 million tonnes for 2014-15 year as a whole, crossed 8 million tonnes in the first 9 months of 2015-16 itself.**

## WORLD ECONOMY AT A GLANCE

- Dropping from 51.7 in January 2015 to 50.9 in December 2015 as per reports released by the Markit Economics, the slippage in the J.P.Morgan Global Manufacturing PMI indicates that the global manufacturing sector ended 2015 on a disappointing note. Further, the average PMI reading of 2015 (51.2) was below that registered for 2014 (52.4).
- December 2015 saw the downturn in emerging market manufacturing continue, with PMI indices for China, India, Brazil, Russia, Indonesia and Malaysia all in sub-50.0 contraction territory. Further, as the Markit reports indicate that although the expansion in developed nations continued, growth slowed (on average) to an eight-month low, with the rates of expansion easing to a 38-month low in the USA and 3-month low in the UK. It however, held steady in Japan and accelerated to a 20-month high in the euro area. Within the eurozone, December 2015 saw Greece PMI return to growth.
- December 2015 also saw manufacturing output increase at the slowest pace since September 2015, as growth of incoming new orders eased to its weakest pace for eight months. The trend in new export orders inflows also moderated. Global manufacturing employment rose for the 3<sup>rd</sup> straight month and price pressures remained on the downside during the month.

Key Economic Figures				
Country	GDP Q3 2015: % yoy change*	Manufacturing PMI		
		January 2015	November 2015	December 2015
India ^	7.0	52.9	50.3	49.1
China	7.0	49.7	48.6	48.2
Japan	1.0	52.2	52.6	52.6
USA	2.2	53.9	52.8	51.2
EU 28	1.6	51.0	52.8	53.2
Brazil	-4.5	50.7	43.8	45.6
Russia	-4.1	47.6	50.1	48.7
South Korea	2.7	51.1	49.1	50.7

Source: GDP-official estimates; PMI- Markit Economics, \*provisional; ^based on new series data

## GLOBAL CRUDE STEEL PRODUCTION

World crude steel production for 2015 was 1622.8 million tonnes (mt), a decline of 2.8 per cent over 2014. The following table shows the ranking of the top ten world producers during 2015 and 2014, based on provisional data released by the World Steel Association.

<b>World Crude Steel Production</b>				
<b>Rank</b>	<b>Country</b>	<b>2015* (mt)</b>	<b>2014 (mt)</b>	<b>% yoy change</b>
1	China	803.83	822.75	-2.3
2	Japan	105.2	110.7	-5.0
3	India	89.60	87.30	2.6
4	United States	78.92	88.20	-10.5
5	Russia	71.11	71.50	-0.5
6	South Korea	69.67	71.50	-2.6
7	Germany	42.67	42.94	-0.6
8	Brazil	33.24	33.89	-1.9
9	Turkey	31.52	34.03	-7.4
10	Ukraine	22.93	27.17	-15.6
	<b>Top 10</b>	<b>1348.69</b>	<b>1389.98</b>	<b>-3.0</b>
	<b>World</b>	<b>1622.8</b>	<b>1670.2</b>	<b>-2.8</b>
Source: worldsteel, JPC;* provisional				

- China produced 804 mt of crude steel in 2015, down by 2.3 per cent yoy and remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was down by 3 per cent. China accounted for 73 per cent of Asian production during 2015, at same level as 2014. But more interestingly, China's production accounted for 50 per cent of world crude steel production in 2015, a tad up compared to its 49 per cent share in 2014 – this, despite the continued emphasis on curtailment on production and production capacity in the country during the year !
- 2015 Japanese crude steel production (105 mt) was a yoy decline of 5 per cent and the country remained the second largest crude steel producer in the world in 2015.
- With a 6 per cent share in total world production and a 2.6 per cent rise in production over last year, India was the third largest crude steel producer in the world in 2015 compared to its 4<sup>th</sup> largest status in 2014. Moreover, India was the only country in the top ten list to have recorded a growth in production during 2015 compared to 2014.
- Crude steel production in the EU (28) countries during 2015 was at 166 mt, down by 1.8 per cent yoy.
- At 1096 mt, Asian crude steel production was down by 2.3 per cent yoy in 2015. Asia accounted for 68 per cent of world crude steel production during 2015 compared to 67 per cent in 2014.

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## THE STEEL WORLD LAST MONTH

### THE AMERICAS

- US Steel will temporarily idle its Granite City Works operations in Illinois, due to challenging global market conditions.
- The US Department of Commerce postponed its preliminary determination in the anti-dumping investigation of CRC from Brazil, China, India, Japan, South Korea, Russia and the UK. It has also postponed its preliminary determination in the anti-dumping investigation of Turkish, Mexican and South Korean heavy-walled rectangular welded steel pipe and tube imports until February 16, from its original deadline of December 28.
- US Steel is to restructure its sheet management and operations, as its facilities will report through three "streamlined and consolidated commercial entities."
- The Mexican Ministry of Economy will begin an anti-dumping investigation into the imports of coated sheet from China and Taiwan.
- The Canada Border Service Agency issued preliminary duties of 71% to 361.7% on Chinese line pipe imports.
- Tyasa began construction of its 0.5 mtpa Castrip direct strip casting plant at its Ixtaczoquitlan site, Veracruz state, scheduled to start up in early 2017.
- Gerdau halted rolling steel operations at its Simoes Filho longs mill in Bahia state due to market conditions.
- Gerdau Corsa officially inaugurated its new 1 mtpa structural sections plant in the Mexican city of Sahagun.
- Chile's Anti Price-Distortion Commission started an investigation into possible price distortions in the import of steel wire. No date was set for the conclusion of the probe.

### ASIA

- China's steel futures rose during morning trading on December 1, 2015 after the IMF included the Chinese yuan in its benchmark currency basket a day earlier.
- Baosteel completed hot run trials on the hot strip mill at its Zhanjiang steelworks.
- Jiangsu Changbao Steel Tube has announced plans for a new greenfield 50,000 tpa pipe processing plant in Oman - reportedly the first of its kind in Oman.
- Tangshan Ganglu Iron & Steel stopped its 2.5 mtpa HSM due to the weak market.
- Nippon Steel & Sumitomo Metal Corp started operation at its 2<sup>nd</sup> CHQ wire plant in China, taking total drawing capacity to 42,000 tpa.
- Hyundai Steel will start making HDG sheet from its new 0.5 mtpa line at its Dangjin works, from January.
- Posco will absorb its ferroalloy subsidiary, Pos-HiMetal, w.e.f. 1.3.2016. It makes high-quality steel products like autosheet and ship plate, with a combined capacity of 75,000 tpa.
- The Malaysian government extended the time period to make its preliminary determination on safeguard measures against HRC imports by another 30 days to January 8, 2016.
- India opened a safeguard investigation into imports of hot rolled sheet and plate. The period of investigation is 2012-13 to 2015-16. It also imposed AD duty on CR flat products of

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stainless steel, in the range of 5-57% on major countries such as China, US, South Africa, Thailand and Taiwan. The highest duty of 57.39% has been imposed on steel from China.

- Further, in a move to curb steel imports, the Indian government has banned the production and sale of steel products that does not meet Bureau of Indian Standard (BIS) approval.
- India is expected to notify a minimum import price for steel products under 14 categories with different duties for base and special grades as further measure to safeguard the market from rising imports.

#### **RUSSIA, MID-EAST, AFRICA, AUSTRALIA**

- NLMK commissioned the first 0.25 mtpa strip straightening line for uncoated cold rolled coil at its principal Lipetsk Iron & Steel Works in western Russia.
- Severstal will halt production for the overhaul of its 1.1 mtpa four-stand 1,700mm CRM at its Cherepovets iron and steel works at the beginning of Q1 2016.
- Egyptian Steel is to raise its total capacity to 3.5 mtpa with the start-up of new plants at Bani Soueif and Ain Soukhna.
- Australia imposed duties on imports of rod in coil from China, in the range 9.5-18.4%.
- South Africa's Great Dykes Mining Co announced plans to construct a 5 mtpa stainless steel plant at Bushbuckridge in Mpumalanga province.
- As Angola celebrates its 40<sup>th</sup> year of independence, December 15 marked the inauguration of Angola's first major - and biggest - steel mill with an initial capacity of 0.5 mtpa long steel.

#### **EU AND OTHER EUROPE**

- Due to market conditions, ArcelorMittal will extend the stoppages at its Spanish integrated site in Asturias and the French mill in Fos-Sur-Mer.
- ArcelorMittal Belval in Luxembourg started operating a new straightener for sheet piles supplied by SMS group.
- The European Commission renewed AD on EU imports of seamless tube and pipe from China. The Commission set the AD duties at 17.7% for Shandong Luxing Steel Pipe Co, 27.2% for 16 other producers who co-operated with its investigation of the case, and 39.2% for all other Chinese exporters. It has also launched an expiry review of antidumping and countervailing duties against imports of graphite electrodes from India.
- The Eurasian Economic Commission, in a preliminary ruling, has found a dumping margin of 26.35% on imports of ferro-silicomanganese from Ukraine into the Eurasian Economic Union. It has also opened a review into ADD on imports of steel wire ropes and cables from South Korea, after exporting producer Daehang Steel Co requested an exemption.
- Turkey's Nursan halted production at its 1.5 mtpa meltshop and 1.4 mtpa rebar mill.
- Croatian special billet producer ABS Sisak stopped production due to weak demand.
- Slovakia's US Steel Kosice idled its No.1 BF for the whole of December owing to low demand.

[Source Credit: Steel First, Platts, leading news papers (India news)]

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## WORLD STEEL PRICE TRENDS

Global steel price trends ended December 2015 along same lines as in November 2015, weighed down by a host of factors including low demand, rising imports, volatile raw material prices and regional economic conditions that went on to affect domestic demand-supply situations in different markets around the world. The same held true for the year as a whole, which saw unprecedented volatility in global steel prices, owing principally to the deepening of the slowdown in the Chinese steel demand that in turn sparked off a surge in steel exports from China and a glut in iron ore supply globally, the latter, given the enhanced output from mining majors. Elsewhere too, pockets of demand growth (like India, USA) could hardly outweigh the adverse effect of the Chinese situation.

### Long products

- US rebar prices edged down IN end-December on import pricing pressure and renewed discounts from domestic mills, according to Steel First, which reported transactions at around \$480-500/t.
- Prices across Europe for domestically traded rebar held steady as markets were quiet ahead of the Christmas holiday period with transactions quoted at around €365-380/t (\$396-413) in Northern Europe and at around €345-360/t (\$375-391) in Southern Europe.
- China's spot rebar market surged in end-December as traders pushed up prices amid tight supply which got further boost with steel major Shagang lifting its longs list prices as well. Transactions for benchmark grade III 16-25mm rebar in Shanghai was quoted at 1,720-1,760 yuan/t (\$265-271) including VAT.
- Russian domestic rebar prices ended 2015 on a delining note in view of weak demand. Transactions for 12mm A500C rebar were quoted at around 20,500-20,550 roubles/t (\$286-287) cpt Moscow including VAT.

### Flat products

- Supported by stable scrap prices, lower import volumes, shrinking service centre inventories, leading US flat steel producers (NLMK, Arcelor Mittal) raised prices in December 2015 with HRC transactions quoted at around \$355/t.
- Steel First's assessment for domestic HRC in Northern Europe was €320-350/t (\$352-385) and at €280-300/t (\$308-330) in Southern Europe, lagely stable by year-end in view of low imports and demand pick-up prospects in Q1 2016.
- China's spot HRC prices saw a spurt in end-December riding on positive sentiments on steady futures gains and tight supply in the physical market. Transactions were quoted at around 2030-2080 yuan/t in Shanghai and at around 1870-1880 yuan/t in Beijing. All prices are ex-w and includes VAT.
- Low demand pushed down Russian HRC prices with Steel First quoting transactions for Russian domestic 4mm HR sheet at around 24,600-25,000 roubles/t (\$346-351) cpt Moscow.

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[Source Credit: Steel First]

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## SPECIAL FOCUS

### 2015: The Year in Hindsight

2015 was essentially a China-led global steel slowdown. With 2015 economic growth in China reaching historic lows, the prevailing economic order of the nation inflicted a major influence on the operation of the domestic as well as the global steel market. Viewed against the backdrop of a surfeit of iron ore supply from global mining majors, on one hand and the high steel supply/excess steelmaking capacity in China, on the other, the slowdown in the Chinese demand - from reduced intake of iron ore to slowed down steel consumption - disrupted global operations like never before. A surge in Chinese exports to almost all major steel markets of the world was one form of this disruption with levels breaching all past records and leading to emergence of trade cases in most markets around the globe. While the enhanced iron ore supply during the year was already foretold, the extent of slowdown in China could not be gauged since the broader view was that the situation would achieve some stability, as a crash-landing was already ruled out by the year started. But that stability never happened and what happened in reality was an unprecedented fall (read crash) in global iron ore prices – that touched record low of \$37/t in December 2015- in view of the emergent severe supply–demand crisis. It geared up somewhat from mid December 2015, ending the year at \$43.25/t on 31<sup>st</sup> December 2015.

With demand floundering in the world's largest market and impact of excess capacity remaining unabated, steel prices globally moved south, defying pockets of stability in the developed world and emerging markets. Regional steel industries, already facing supply-demand-pricing-investment crisis of their own, reeled under a surge of (cheap) Chinese steel imports and failed to take full advantage of the falling prices of raw materials and other resources (like oil).

The impact of the Chinese mayhem is reflected in the lowered steel consumption projections of the WSA in their Short Run Outlook (SRO), wherein it has forecasted that global apparent steel use will decrease by 1.7% to 1,513 mt in 2015 following growth of 0.7% in 2014. In 2016, it is forecast that world steel demand will grow by 0.7% and will reach 1,523 mt. But most significantly, the SRO has projected a negative growth in apparent steel use in case of China – a first timer since 1995 - for both 2015 and 2016 (decline by 3.5% in 2015 and by 2% in 2016), due mainly to the deceleration factor. Also, the SRO has indicated that while conditions in the Chinese economy continues to be vulnerable, steel demand in the developed economies remain on track, despite slight weakening of momentum.

Though China ruled the world crude steel production and consumption scenario in 2015, the year saw the emergence of India as the most stable market and a major global investment destination. The country surpassed the USA and emerged as the 3<sup>rd</sup> largest crude steel producer and the largest DRI producer in the world in 2015.



## INDIAN STEEL MARKET ROUND-UP

Provisional data released by JPC for April-December 2015-16 indicates a modest rise of 4.4 per cent in domestic steel consumption during the period as compared to same period of last year - in line with trends witnessed earlier. Analysis shows - again, like last month - that such a growth in steel consumption owes more to an influx of imports (up by 29 per cent during this period) given that on a cumulative basis, production for sale continued to decline (albeit marginally, by 1.8 per cent) and so did exports (by 30 per cent), the latter partly to make room for (ensuring) domestic commitments/availability and partly due to global conditions (including the exchange rate volatility).

If we look at the December 2015 numbers alone, there also reprieve seems to be elusive. For after declining in November 2015 over October 2015, import of total finished steel was up (by 3.3 per cent) in December 2015 (0.94 mt) compared to November 2015. However, on an year-on-year basis, import of total finished steel declined (by 6 per cent) in December 2015 over December 2014. While it is a bit early to attribute this trend fully to the impact of two hikes in import duty (June, August) and imposition of safeguard duty (September), it is apparent that trends in steel import would remain under the scanner of most in the coming days. This is inevitable as on a cumulative basis, steel imports, which had been a source of prime concern for industry last year and this year as well, continues to account for as high as 14.2 per cent of the total finished steel consumed by the country during April-December 2015-16, its high 29 per cent growth rate influenced partly by the low growth (decline) in indigenous supply (production for sale) during this period.

On analysis, the top 5 import markets for India during April-December 2015-16 again indicates the dominance of Asian neighbors led by China, which accounted for 32 per cent while the top three markets (China, Korea and Japan) remained same and accounted for as high as 78 per cent of the country's imports of total finished steel during this period.

As far as items are concerned, while non-flat, non-alloy finished steel items reported am across-the-board decline, imports continued to rise in the flat, non-alloy steel segment. Within this group, import of non-alloy HRC (the highest-imported item at 2.61 mt) saw a sharp increase of 96 per cent as compared to same period of last year and accounted for as high as 41 per cent of total non-alloy finished steel import during this period. All eyes are also on trends in import of CRC, a close second at 1.51 mt and recording a growth of 21.5 per cent during April-December 2015-16. Import growth rates were also on the higher side for alloy, long and alloy flat, both during this period.

<b>Import of total finished steel: top 5 markets in April-Dec2015-16(prov)</b>			
<b>Rank</b>	<b>Country</b>	<b>Qty</b>	<b>%Share</b>
1	China	2670	32
2	Korea	2211	26
3	Japan	1666	20
4	Russia	288	3
5	Ukraine	183	2
<b>Top 5</b>		<b>7017</b>	<b>84</b>
<b>All Total</b>		<b>8390</b>	<b>100.00</b>
Source: JPC			

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## Indian Steel Industry Performance: April-December 2015-16

The following is a report on the performance of Indian steel industry in terms of total finished steel during April-December 2015-16 based on provisional data released by JPC. All growth comparisons are with regard to same period of last year.

Total Finished Steel (alloy + non-alloy)	Performance Highlights		
	April-December 2015-16* (mt)	April-December 2014-15 (mt)	%yoy change*
Production for sale	67.711	68.985	-1.8
Import	8.390	6.493	29.2
Export	2.911	4.141	-29.7
Real Consumption	58.937	56.457	4.4
Source: JPC ; * provisional			

### Production for sale

- During April-December 2015-16, production for sale stood at 67.711 mt, a decline of 1.8 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 60.952 mt (2.4 per cent decline), while the rest was the contribution of the alloy steel segment (including stainless steel), where production for sale was up by 3 per cent.
- Analyzing by broad divisions, in the total production for sale of finished non-alloy steel, contribution of the non-flat segment stood at 31.139 mt (up by 3.5 per cent) while that of the flat segment stood at 29.813 mt (decline of 7.8 per cent).
- Analyzing by segments, one finds that in the non-flat, non-alloy segment, production for sale of bars & rods, structurals and railway materials stood respectively at 24.8 mt (up by 4 per cent), 5.7 mt (up by 2 per cent) and 0.62 mt (down by 1 per cent) as compared to last year.
- On the other hand, for the flat segment, with the exception of HR Sheets and pipes, production for sale was down for all other items like Plates (2.9 mt, down by 14 per cent), HRC (14 mt, down by 11 per cent), CRC (5.2 mt, down by 7.1 per cent) and GP/GC Sheets (5 mt, down by 6.3 per cent).

### Export

- During April-December 2015-16, export of total finished steel was 2.911 mt, down by 29.7 per cent compared to last year.
- Contribution of the non-alloy steel segment stood at 2.478 mt (down by 31 per cent) while the rest was that of alloy steel (including stainless steel) segment, where exports were down by 24 per cent.
- In the total export of finished non-alloy steel, export of non-flat was at 0.31 mt (down by 6 per cent) and that of flat steel was at 2.17 mt (down by 33 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.25 mt, down by 7 per cent) while growth in exports in the non-alloy, flat segment was led by GP/GC sheets (0.98 mt, down by 19 per cent).



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### **Import**

- With import of total finished steel during April-December 2015-16 at 8.39 mt (up by 29.2 per cent compared to last year) and remaining well above exports, India remained a net importer of total finished steel in 2015-16 so far.
- In total finished steel import, contribution of the non-alloy steel segment was 6.34 mt (30 per cent rise) while the rest was the contribution of alloy steel (including stainless steel) segment, which was up by 27 per cent over same period of last year.
- In the import of total finished non-alloy steel, non-flat imports were at 0.54 mt (down by 29 per cent) and flat imports were at 5.8 mt (up by 41 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.51 mt, down by 28 per cent) while for the flat segment, import was led by HRC (2.61 mt; up by 96 per cent).

### **Real Consumption**

- During April-December 2015-16, real consumption (or simply consumption) of total finished steel stood at 58.937 mt, a growth of 4.4 per cent compared to last year.
- For non-alloy steel, contribution of the non-flat segment stood at 30.478 mt, up by 6.3 per cent over last year and that of the flat segment (after accounting for double counting) stood at 22.517 mt, down by 2 per cent over last year, taking total non-alloy consumption (after double counting) to 52.995 mt, up by 3 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a growth of 24 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (24.2 mt; up by 7.5 per cent) whereas for the flat segment, consumption was led by HRC (15.5 mt, up by 2 per cent).

**JPC Market Prices (Retail): Delhi market prices:** Compared to December 2014, average (retail) market prices in Delhi market in December 2015 declined for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions (including impact of raw materials) and partly global influence. When compared to November 2015, the December 2015 trend was similar for TMT and HRC both. TMT prices were highest in the Kolkata market (Rs 30,044/t) and lowest in the Mumbai market (Rs 30,633/t) while HRC prices were highest in the Delhi market (Rs 36,267/t) and lowest in the Mumbai market (Rs 32,725/t) during December 2015. The situation in December 2015 with regard to December 2014 is shown in the table below for TMT 10 mm and HRC 2.0 mm.

<b>Trends in JPC market price (retail) in Delhi market in December 2015</b>		
<b>Item</b>	<b>Delhi market prices (Rs/t)</b>	<b>% change over December 2014</b>
TMT, 10 mm	30,417	-28.5
HRC, 2.0 mm	32,200	-24.1

Source: JPC

*All markets:* Compared to December 2014, average (retail) market prices in all four metro cities (Kolkata, Delhi, Mumbai and Chennai) in December 2015 declined for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in

response to domestic demand-supply conditions (including impact of raw materials) and partly global influence. Compared to November 2015, TMT prices in December 2015 declined in all the markets while for HRC, prices declined in all the markets except Mumbai (up marginally by 1.4 per cent). The situation in December 2015 with regard to December 2014 is shown in the table below for TMT 10 mm and HRC 2.0 mm for all the four markets.

Trends in JPC (retail) market price: %change in December 2015 over December 2014				
Item	Kolkata	Delhi	Mumbai	Chennai
TMT 10mm	-27.0	-28.5	-28.8	-26.8
HR Coils 2.00mm	-22.4	-24.1	-24.6	-24.6
Source: JPC				

## INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

**GDP:** GDP at constant (2011-12) prices in Q2 of 2015-16 is estimated at Rs 27.57 lakh crore, as against Rs 25.66 lakh crore in Q2 of 2014-15, showing a growth rate of 7.4 per cent. Quarterly GVA at Basic Price at constant (2011-12) prices for Q2 of 2015-16 is estimated at Rs 25.80 lakh crore, as against Rs 24.02 lakh crore in Q2 of 2014-15, showing a growth rate of 7.4 per cent over the corresponding quarter of previous year. The economic activities which registered growth of over 7 per cent in Q2 of 2015-16 over Q2 of 2014-15 are 'trade, hotels and transport & communication and services related to broadcasting', 'financial, insurance, real estate and professional services' and 'manufacturing'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply & other utility services, 'construction' and 'public administration, defence and other services' is estimated to be 2.2 per cent, 3.2 per cent, 6.7 per cent, 2.6 per cent and 4.7 per cent, respectively during this period.

**Industrial Production:** Provisional CSO data show that the Index of Industrial Production (IIP) was down by 3.2 per cent in November 2015 over November 2014 depressed by declining growth in sectors like Manufacturing, Basic Goods, Capital Goods, Intermediate Goods, Machinery and Equipment, Motor vehicles, trailers & semi-trailers. On a cumulative basis, however, these sectors recorded positive growth helping IIP to go up by 3.9 per cent yoy during April-November 2015-16, as compared to same period of last year.

**Inflation:** The annual rate of inflation, based on monthly WPI, stood at (-)0.73 per cent (provisional) for the month of December 2015 (over December 2014) as compared to (-) 1.99 per cent (provisional) for the previous month. Build up inflation rate in the financial year so far was 0.74 per cent compared to a build up rate of (-) 0.89 per cent in the same period of the previous year. The all India CPI inflation rate (combined) for December 2015 stood at 5.61 per cent as compared to 5.41 per cent of previous month.

**Infrastructure Growth:** The yoy growth rate of the eight core infrastructure industries declined in November 2015 (by 1.3 per cent) weighed down by the decline in growth rates in the production of crude oil, natural gas and steel but was up by 2 per cent during April-November 2015-16.

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**Trade:** Provisional figures from DGCI&S show that during April-December 2015-16 in dollar terms, overall exports were down by 18.06 per cent and imports were also down (by 15.87 per cent), both on yoy basis. During the same period, oil imports were valued at US\$ 68068.20 million, which was 41.6 per cent lower yoy while non-oil imports were valued at US\$ 227743.49 million which was 3.11 per cent lower yoy. The trade deficit for April-December 2015-16 was estimated at US\$ 99207.75 million which was lower than the deficit of US\$ 111685.04 million during April-December 2014- 15.

**Policy:**

- The government gives nod for four greenfield airports: 3 in AP, one in Gujarat.
- The government is planning standard rules for road projects through wildlife zones, aimed at avoiding delays, ensuring greater transparency in infrastructure projects.
- Under a new commercial mining plan, the government is likely to offer 6 blocks to state governments.
- The government is mulling to enact a law to put a cap on the usage of river water as well as underground water.
- The government is to build 16 greenfield expressways across country, to boost connectivity and ensure economic benefits reach these remote areas.
- New lending rate regime from April 1 as banks to compute lending rates under new rules to pass on RBI rate cut benefits to borrowers.
- CBDT relaxes reporting norms for imports with payments no longer requiring submission of Forms 15CA and 15CB.
- New diesel run vehicles will not be registered in Delhi and there will be no renewal of registration of such vehicles which are more than 10 years old.
- Government imposes anti-dumping duty on cold-rolled steel products of stainless steel from countries including China, Korea, European Union, South Africa, Thailand and the United States for five years.
- Cabinet approves changes to realty bill which restores earlier clause on 70% sale proceeds in escrow a/c; developer responsibilities tightened, beside other pro-consumer changes.
- The government is likely to restrict steel imports to India to one port, most likely to be Mundra in Gujarat.
- The government is to declare 106 additional inland waterways as national waterways.
- The RBI releases framework for external commercial borrowings.

**Prepared by Joint Plant Committee**