



Trends December 2017

In 2017, the Indian steel industry recorded a milestone performance with its crude steel production crossing the avowed 100 mt mark for the first time in its long journey and stood at 101.4 mt (prov). The feat also meant that India joined the elite club - so far being populated only by China and Japan - whose crude steel production is in excess of 100 million tonne annually.

WORLD ECONOMY AT A GLANCE

- The J.P.Morgan Global Manufacturing PMI reached a seven-year high of 54.5 in December 2017, up from November's 54.1 as per reports from Markit Economics and in doing so, it stood at an annual average of 53.1 in 2017 compared to the level of 51.0 reached in 2016. The reports also indicate that the growth in global manufacturing sector gathered momentum during H2 2017 (53.5 on an average) compared to the 52.8 of H1 and within H2, it was the last quarter, Oct-Dec. 2017 that actually reported the highest quarterly growth rate amongst all the four quarters.
- As seen before, global manufacturing PMI growth on an average was driven more by the developed nations compared to emerging markets. The Euro area remained the strongest performing region and rates of expansion improved in the US and Japan. In the Asian zone, PMI readings stood at a three-month high in China, surged to a record five-year high in India and stood on robust grounds in case of Russia and Brazil. Among the largest nations covered by the Markit survey, employment rose in the US, the Euro area, Japan, the UK, India and Brazil, but fell in China and South Korea while rising price pressures moderated in December 2017, with rates of inflation in input costs and output charges both.

Key Economic Figures				
Country	GDP Q3 2017: % yoy change*	Manufacturing PMI		
		November 2017	December 2017	2017 (Avg.)
India	6.3	52.6	54.7	51.4
China	6.8	50.8	51.5	50.9
Japan	2.1	53.6	54.0	52.9
USA	2.3	53.9	55.1	53.6
EU 28	2.6	60.1	60.6	57.4
Brazil	1.4	53.5	52.4	50.2
Russia	1.8	51.5	52.0	52.0
South Korea	3.8	51.2	49.9	49.7
Germany	2.8	62.5	63.3	59.4
Turkey	11.1	52.9	54.9	52.8
Italy	1.7	58.3	57.4	56.0

Source: GDP: official releases; PMI- Markit Economics, *provisional

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association (worldsteel) data shows that world crude steel production for December 2017 was 138.06 million tonnes (mt), up by 3.9 per cent year-on-year (yoy) and was 1691.2 mt during 2017, up by 5.3 per cent yoy.

World Crude Steel Production: Top 10 in 2017*						
Rank	Country	2017* (mt)	% Share: 2017*	2016 (mt)	% Share: 2016	% change*: 2017 over 2016
1	China	831.7	49.2	786.90	49.0	5.7
2	Japan	104.70	6.2	104.8	7	-0.1
3	India	101.40	6.0	95.50	6	6.2
4	United States	81.60	4.8	78.50	5	3.9
5	Russia	71.34	4.2	70.45	4	1.3
6	South Korea	71.08	4.2	68.58	4	3.6
7	Germany	43.56	2.6	42.08	3	3.5
8	Turkey	37.52	2.2	33.16	2	13.1
9	Brazil	34.36	2.0	31.27	2	9.9
10	Italy	24.04	1.4	23.37	1	2.9
	Total: Top 10	1401.30	82.9	1334.61	83	5.0
	World	1691.2		1606.3		5.3

Source: worldsteel, JPC; * provisional

- At 67.05 mt, Chinese crude steel production grew by 1.8 per cent during December 2017 and was up by 1.4 per cent over November 2017. Crude steel production stood at 831.7 mt during 2017, up by 5.7 per cent yoy. China remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was up by 4.9 per cent. China accounted for 72.2 per cent of Asian and 49.2 per cent of world crude steel production during 2017 compared to 72 per cent and 49 per cent respectively of 2016.
- December 2017 Japanese crude steel production (8.72 mt) was up by 0.1 per cent while production at 104.7 mt during 2017 saw a decline (by 0.1 per cent). The country remained the second largest crude steel producer in the world during 2017.
- With a 6 per cent share in total world production and a 6.2 per cent rise in production over same period of last year, India remained the third largest crude steel producer in the world in 2017. **But more significantly, at 101.4 mt, the country's crude steel production crossed the 100 million tonne mark for the first time, thereby making 2017 a milestone year for the domestic steel industry.**
- Crude stel production in the EU (28) countries during December 2017 was at 13.63 mt, up by 5.8 per cent yoy and was at 168.68 mt, during 2017, up by 4.1 per cent yoy.
- At 94.35 mt, Asian crude steel production was up by 2.6 per cent in December 2017 and at 1151.81 mt during 2017, it was up by 5.7 per cent yoy. Asia accounted for 68 per cent of world crude steel production during 2017, the same level as in 2016.

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- The top 10 countries which remained the same for both 2017 and 2016, accounted for 83 per cent of total world crude steel production in both the years and recorded a yoy production growth of 5 per cent during 2017 as compared to 2016.

NEWS AROUND THE WORLD

THE AMERICAS

- The US Commerce Department has admitted making “a significant ministerial error” when calculating preliminary anti-dumping margins on imports of South Korean wire rods and quadrupled the penalty to 40.9% from 10.09%.
- After a sunset review, the US Commerce Department has found that revocation of the antidumping duty order on certain small diameter seamless pipe from Germany would likely lead to continuation or recurrence of dumping, which would generate weighted-average dumping margins of up to 57.72%.
- Commercial Metals Co. will invest in a spooler to produce hot-rolled, spooled rebar at its micro mill in Mesa, Arizona, according to a statement released by the company.
- Chile’s Anti-Price Distortion Commission has applied a definitive antidumping measure of 8.2%-22.9% ad valorem tariff on imports of Chinese steel bars for grinding balls production, valid for one year.
- The Ontario Superior Court of Justice has approved an agreement between Algoma and iron ore miner Cliffs Natural Resources for the supply of iron ore pellets through 2020.
- Brazilian steel slab producer Companhia Siderurgica do Pecem (CSP) aims to operate at its full capacity of 3 mtpa in 2018, after output of 2.5 mtpa this year.
- Venezuela’s CSN Barquisimeto steel plant resumed operations after being offline since November, due to the lack of raw materials (electrodes and scrap).

ASIA

- Platts reports indicate that a study of Chinese local government announcements over the year till December-end, shows that approvals were granted for the installation of new steelmaking facilities capable of producing 127.51 mtpa, indicating possibility of China embarking on a fresh expansion drive.
- Shanghai-listed Liuzhou Iron & Steel has announced plans to build a coastal integrated steelworks with 10.68 mtpa pig iron capacity and 14.70 mtpa crude steel.
- China is turning from a billet exporter to an importer in view of low domestic inventories and record rebar margins.
- Local Chinese government websites for Sichuan, Yunnan and Hubei provinces have reported eleven steelmakers have approvals for adding no fewer than 21 new electric arc furnaces of a combined 17.98 mtpa of crude steel capacity.
- Japanese trader Hanwa Co has decided to establish a new coil center in eastern China with Chinese partners, aiming to start operations from end-2018. The venture will host 1.1 mtpa of processing capacity and aims to process 0.3 mtpa of stainless and 0.8 mtpa of ordinary carbon steel.
- India’s SAIL has announced that it’s board has approved the proposal to enter into a JV with the world’s largest steelmaker ArcelorMittal for manufacturing high-end automotive steel.

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- India's JSW Steel is to commission a 4.5 mtpa slab production facility at Dolvi in Maharashtra state, in mid-2019 while Tata Steel is planning to increase its total steel capacity in India to 18 mtpa by expanding its Kalinganagar operations.
 - The Korea Trade Commission has concluded a preliminary investigation into the import of China-origin galvanized wire, ruling that wire shipped during calendar 2016 had been dumped and imposing temporary anti-dumping duties of 4.43% to 15.71%.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- Ukrainian integrated steelworks ISD Alchevsk is reportedly restarting production.
- The Iranian government has decreased import duties on different steel products by 5%-10% with immediate effect.
- Russian steelmaker NLMK said it has revived the shelved project to add a new 0.45 mtpa HDG line, and a new 0.15 mtpa colour-coating line at its Lipetsk steelworks in central Russia.
- West Siberian Iron & Steel Works -- part of mining and steel giant Evraz -- has received certification required for its rails to be used in high-speed and other public rail transportation projects in the European Union.
- Egypt will maintain tariffs on rebar imports from Turkey, China and Ukraine for a period of five years, the country's Ministry of Trade & Industry has said, with duties placed in the ranges of 11-27%.
- Saudi Arabia's largest steelmaker Sabc Hadeed has declared force majeure on up to 250,000 t of shipments after damage caused by a fire in its high voltage transformer.
- Australia's Anti-Dumping Commission said that anti-dumping measures on hot-rolled coil originating in Malaysia, South Korea and Japan will no longer be applied.

EU AND OTHER EUROPE

- Tunisia's Ministry of Trade and Industry has decided to increase customs duties for Turkey, including steel products, as of January 1.
- Turkish mills are pondering production of graphite electrodes to overcome the availability problems they have been faced with this year.
- Liberty House UK aims to reach its much praised 5 mtpa capacity within five years.
- ArcelorMittal is investing €67 million for a new HDG line with 0.6 mtpa capacity to better serve the automotive sector. The new line is expected to be ready in 2019.
- The Turkish ministry of economy has announced final dumping duties on imports of some seamless heavy plate qualities from China, with the determined margins of 16.89%-22.55%.
- The European Union is to shorten the investigation period for determining provisional anti-dumping measures and become more flexible in adapting the lesser duty rule, meaning higher duties can be imposed.
- Liberty House has completed its purchase of ArcelorMittal's Georgetown, South Carolina wire rod mill for an undisclosed sum, marking the first in a series of strategic North American acquisitions and new projects targeted by the group. The 600,000-square-foot plant, which includes a 540,000 st/year EAF and 680,000 st/year rod mill, is expected to resume operations in spring 2018.

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- ArcelorMittal will produce more than 10 mtpa of crude steel in France this year as per CEO of ArcelorMittal Atlantique-Lorraine.

[Source Credit: Metal Bulletin, Platts, leading news papers (India news)]

WORLD STEEL PRICE TRENDS

2017 ended on a “high” note as far as steel prices are concerned with their northward move led by a combination of factors including supply-demand imbalance, raw material price movements, (outcome of) trade cases, all operating in the prevailing policy framework of individual nations. Of the latter, the one with the most notable impact at a global level is of course attributable to China, where 2017 saw emergence of strict policy actions ranging from removal of obsolete capacity to ensuring a cleaner-greener air leading to significant production cuts. Going ahead, all eyes are also on outcome/direction of Section 232 investigations (USA), Algeria which will end its import licensing system for all products (EU), demand recovery as steel supply side gets streamlined (China) and decisive trends in the raw material (iron ore/scrap/graphite electrode) market, among others. The popular opinion among analysts is an improvement in prices in Q1 2018 influenced by a mix of these factors.

Long Product

- December 2017 US domestic rebar prices moved north following gains in scrap prices and resultant price hikes by market leaders. Transactions, as per Metal Bulletin reports, stood around \$550-570/t at month-end.
- Rising scrap costs also pulled up EU rebar prices in December 2017 with Metal Bulletin’s assessment for Southern European rebar around €505-530/t (\$597-626) ex-w and around €530-565/t (\$626-667) ex-w for Northern Europe at month-end.
- Slowed down transactions towards month-end eased the growing trajectory of Chinese rebar prices in December 2017 but prices in general rose compared to last month. Transactions, as per Metal Bulletin reports, stood around 4,250-4,300 yuan/t (\$650-658) in Shanghai and around 4,000-4,030 yuan/t in Beijing at month-end.
- December 2017 Russian rebar prices moved south in view of low seasonal demand. Metal Bulletin’s price assessment for Russian domestic 12mm A500C rebar was around 30,100-32,000 roubles/t (\$517-549) cpt Moscow, including VAT.

Flat Product

- US HRC prices in general reported a rise in December 2017, despite easing slightly in the closing days of the month. Transactions, as per Metal Bulletin reports, stood around \$630-650/t at month-end.
- European HRC prices did not show much momentum in December 2017 following the seasonal lull in buying with transactions reported around €530-550/t (\$626-650) ex-w in Northern Europe and around €520-535/t ex-w in Southern Europe.
- Chinese HRC prices edged up at month-end following a strong momentum in futures market but remained quiet otherwise. Transactions, as per Metal Bulletin reports, stood around 4280-4310 yuan/t (\$654-659) in Shanghai and around 4170-4200 yuan/t in Tianjin at month-end.

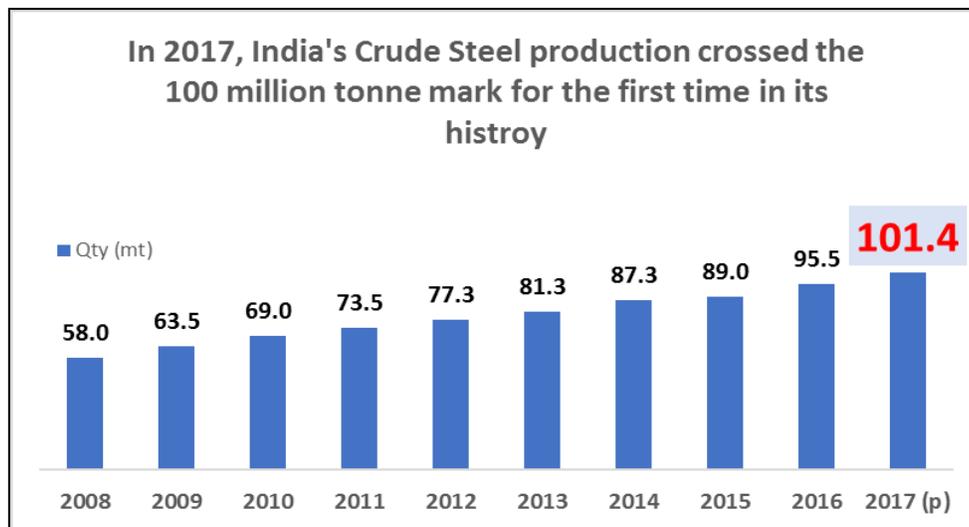
- December 2017 Russian flat steel prices remained stable, encouraged by trends in export market with demand remaining low in view of seasonal impact. Metal Bulletin's price assessment for Russian 4-mm HR sheet was around 37,500-39,000 roubles/t (\$637-663) cpt Moscow including VAT.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

Indian Steel's Milestone Performance in 2017

For the completed calendar year i.e. January-December 2017, the Indian steel industry recorded a milestone performance with its crude steel production crossing the avowed 100 million tonne (mt) mark for the first time in its long and eventful journey. As per provisional data released by JPC, the country's crude steel production stood at 101.4 mt in 2017 (prov), a growth of 6.2 per cent over 2016 (95.5 mt). The feat also meant that India joined the elite club - so far being populated only by China and Japan - whose crude steel production is in excess of 100 million tonne annually. These three members incidentally are all Asian neighbours, indicating the emergence of Asia as the driver of global steel production growth.



Trend Data: Analysis of trend data on India's crude steel production for the last ten years (2008-2017) indicates a steady progress in the country's production performance which has helped it improve its global rank from 5th largest global producer in 2008 to being the 3rd largest in 2017 (prov.). At the same time, its share in global crude steel production has increased from 4 per cent in 2008 to 6 per cent in 2017 (prov.). The sustained rise in production during this period, from 58 mt in 2008 to 101.4 mt in 2017 (a little less than doubling) has implied a CAGR growth of 6.7 per cent during this ten year period.

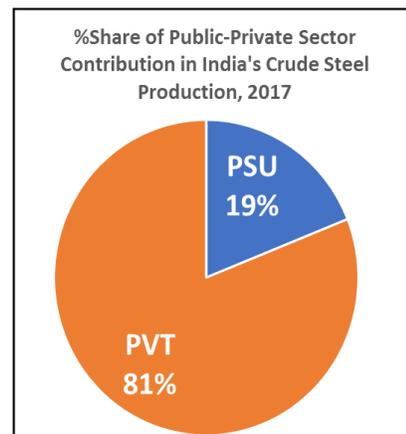
India's Global Performance in Crude Steel Production			
Year	Qty (mt)	Global Rank	%Share in Global Total
2008	58.0	5	4
2017 (p)	101.4	3	6
Source: JPC; p=prov.			

The situation is equally encouraging if we look at the last five year's (2013-2017) trend performance that translates into a CAGR growth of 5.6 per cent and indicates a rise in India's share in global crude steel production from 5 per cent in 2013 to 6 per cent in 2017 and an improvement in ranking from 4th largest in 2013 to 3rd largest in 2017.

Global Comparison: Interestingly, if we compare the performance of China and world for the same period of last ten years (2008-2017), then analysis indicates a CAGR growth of 5.4 per cent in case of China and 2.3 per cent in case of world total as far as crude steel production is concerned, confirming India with a production growth 6.7 per cent in terms of CAGR as one of the leading drivers of global steel production during this period. Again, the situation is equally encouraging if we look at the last five year's (2013-2017) trend performance that translates into a CAGR growth of 1.6 per cent rise in case of world production and 2.6 per cent rise in case of Chinese crude steel production, again confirming India with a production growth 5.6 per cent in terms of CAGR as one of the leading drivers of global steel production during this period as well.

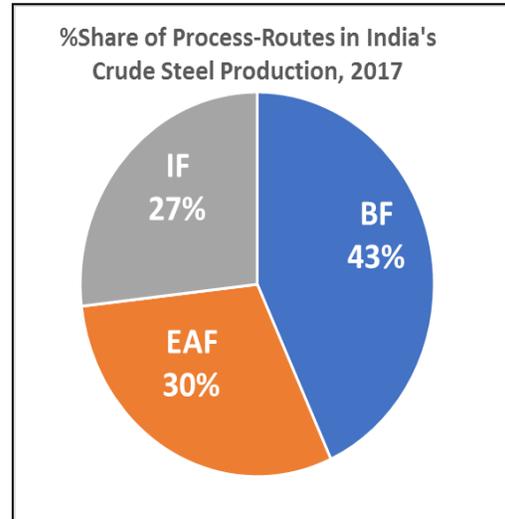
Crude Steel Production: % CAGR Growth			
Period	World	India	China
In last 5 yrs	1.6	5.6	2.6
In last 10 yrs	2.3	6.7	5.4
Source: worldsteel			

The Sectoral Contributors: On analysis, the provisional JPC data shows that the country's 101.4 mt of crude steel production in 2017 was contributed primarily by the Private Sector (82.2 mt, up by 6.3 per cent over 2016) with the remaining 19.2 mt being the contribution of the Public Sector (up by 5.6 per cent over 2016). Thus, the Private Sector accounted for nearly 81 per cent of the country's crude steel production in 2017, the remaining 21 per cent being the share of the Public Sector, the shares being at the same levels as noted for 2016 also for both the Sectors.



The Route-wise Contributors: A study of the performance of the main routes of steel-making i.e. oxygen and electric route and within the latter, electric arc furnace (EAF) and induction furnace (IF) during 2017 and 2016 throws up interesting insights. For, the provisional data indicates the following regarding the 2017 route-wise, domestic crude steel production performance:

- Volume-wise, it was the electric route (57.6 mt; 5.2 per cent growth) that led overall crude steel production in 2017 with the remaining 43.8 mt (7.4 per cent growth) coming from the oxygen route.



- The electric route accounted for 57 per cent of the total crude steel production compared to the 43 per cent of the oxygen route in 2017, both the shares being at same levels as in 2016.

- But it was the changes within the electric route that were of significance. For, it was the relatively more-vigorous EAF route (30.4 mt, 8.2 per cent growth over 2016) that led overall crude steel production with the remaining 27.2 mt (2.2 per cent growth over 2016) coming from the IF route.

- More importantly, 2017 saw the EAF route enhance its share by one percentage point to 30 per cent of the total crude steel production compared to 2016, with the IF route reporting a concomitant decline in its share of total crude steel production to 27 per cent in 2017.

INDIAN STEEL MARKET ROUND-UP

The following is a report on the performance of Indian steel industry during April-December 2017 based on provisional data released by JPC.

Item	Performance Highlights		
	April-December 2017* (mt)	April-December 2016 (mt)	%yoy change*
Crude steel production	75.642	72.208	4.8
Total Finished Steel (alloy + non-alloy)			
Production for sale	79.049	75.088	5.3
Import	6.097	5.495	11.0
Export	7.606	4.975	52.9
Consumption	64.868	61.662	5.2
Source: JPC ;*provisional			

Crude Steel

- Production of crude steel during April - December 2017 was at 75.642 million tonnes (mt), a growth of 4.8 per cent compared to April - December 2016.
- SAIL, RINL, TSL, ESSAR, JSWL & JSPL produced 43.534 mt during this period, which was a growth of 6.8% compared to last year. The rest i.e. 32.108 mt was the contribution of the Other Producers, which was a growth of 2.1% compared to last year.
- Overall crude steel production in December 2017 (8.796 mt) was up by 4.9 per cent over December 2016 and was up by 4.4 per cent over November 2017.

Production for sale

- During April-December 2017, production for sale stood at 79.049 mt, a growth of 5.3 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 71.729 mt (up by 4.2 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where production for sale was up by 17.1 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 33.121 mt (up by 1.7 per cent) while that of the flat segment stood at 38.608 mt (up by 6.4 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 26.13 mt (up by 1.4 per cent), 6.08 mt (up by 0.9 per cent) and 0.91 mt (up by 22 per cent).
- On the other hand, for the flat segment, production for sale was up for items like Plates (3.8 mt, up by 11.5 per cent) and HRC (19.2 mt, up by 10 per cent) but was down for CRC (6.2 mt, down by 3.2 per cent) and GP/GC Sheets (5.61 mt; down by 3.5 per cent).
- Production for sale stood at 8.95 mt in December 2017, up by 0.9 per cent over December 2016 and was up by 1.3 per cent over November 2017.

Export

- Exports stood at 7.606 mt during April-December 2017, a growth of 52.9 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 6.873 mt (growth of 50.9 per cent), while the rest was the share of the alloy steel segment (including stainless steel) where exports were up by 74.5 per cent.
- In the total export of finished non-alloy steel, export of non-flat was at 1.952 mt (up by 239 per cent) and that of flat steel was at 4.921 mt (up by 24 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (1.78 mt, up by 302 per cent) while growth in exports in the non-alloy, flat segment was led by HRC (2.2 mt, up by 64.5 per cent).
- Exports stood at 0.964 mt in December 2017, up by 29 per cent over December 2016 but was down by 5 per cent over November 2017.

Import

- Imports stood at 6.097 mt during April-December 2017, a growth of 11 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 4.553 mt (growth of 13 per cent), while the rest was the share of the alloy steel segment (including stainless steel) where imports were up by 6 per cent.
- In the import of total finished non-alloy steel, non-flat imports were at 0.26 mt (down by 34 per cent) and flat imports were at 4.3 mt (up by 18 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.21 mt, down by 34 per cent) while for the flat segment, import was led by HRC (1.42 mt; down by 2.1 per cent).
- Imports stood at 0.562 mt in December 2017, down by 26 per cent over December 2016 and was down by 9 per cent over November 2017.
- Such trends in export-import implied that for total finished steel, India was a net exporter in both December 2017 as well as April-December 2017.

Consumption

- During April-December 2017, real consumption (or simply consumption) of total finished steel stood at 64.868 mt, a growth of 5.2 per cent over same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 31.626 mt, up by 1.5 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 27.489 mt, up by 9.2 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 59.115 mt, up by 4.9 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a growth of 8 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (24.93 mt; up by 1.4 per cent) whereas for the flat segment, consumption was led by HRC (18.36 mt, up by 6 per cent).
- Consumption stood at 7.622 mt in December 2017, up by 6.2 per cent over December 2016 and was up by 10.9 per cent over November 2017.



JPC Market Prices (Retail)

Delhi market prices: Compared to December 2016, average (retail) market prices in Delhi market in December 2017 increased 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 and global influences. When compared to November 2017, the trend was the same as above for prices of HRC and TMT both. The situation in December 2017 with regard to December 2016 is shown in the table below for TMT 10 mm and HRC 2.0 mm.

Trends in JPC market price (retail) in Delhi market in December 2017		
Item	Delhi market prices (Rs/t)	% change over December 2016
TMT, 10 mm	43873	17
HRC, 2.0 mm	49855	20
Source: JPC		

All markets: Compared to December 2016, average (retail) market prices in December 2017 increased for long products (represented by TMT 10 mm) across markets and while the same

applied also for flat products (represented by HRC 2 mm) the latter however, saw a dip in Mumbai market during the month. The trends were exactly the same for both TMT and HRC when compared to November 2017. The situation in December 2017 with regard to December 2016 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 2017 over December 2016				
Item	Kolkata	Delhi	Mumbai	Chennai
TMT 10mm	17.3	17.0	19.2	18.3
HR Coils 2.00mm	6.8	20.1	-0.9	13.3
Source: JPC				

TMT prices were highest in the Delhi market (Rs 43,873/t) and lowest in the Kolkata market (Rs 38,324/t) while HRC prices were highest in the Delhi market (Rs 49,855/t) and lowest in Mumbai market (Rs 43,660/t) during December 2017.



INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

GDP: The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the estimates of Gross Domestic Product (GDP) for the second quarter (July-September) Q2 of 2017-18, both at constant (2011-12) and current prices. As per the report, GDP at constant (2011-12) prices in Q2 of 2017-18 is estimated at Rs. 31.66 lakh crore, as against Rs. 29.79 lakh crore in Q2 of 2016-17, showing a growth rate of 6.3 per cent. Quarterly GVA at Basic Price at constant (2011-12) prices for Q2 of 2017-18 is estimated at Rs. 29.18 lakh crore, as against Rs. 27.51 lakh crore in Q2 of 2016-17, showing a growth rate of 6.1 per cent over the corresponding quarter of previous year. The economic activities which registered growth of over 6 per cent in Q2 of 2017-18 over Q2 of 2016-17 are 'manufacturing', 'electricity, gas, water supply & other utility services and 'trade, hotels, transport & communication and services related to broadcasting'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'construction' 'financial, insurance, real estate and professional services' and 'Public administration, defence & other services' is estimated to be 1.7 per cent, 5.5 per cent, 2.6 per cent, 5.7 per cent and 6 per cent respectively, during this period.

Industrial Production: Provisional CSO data show that the Index of Industrial Production (IIP) under new series was up by 8.4 per cent yoy in November 2017 and by 3.2 per cent during April-November 2017, encouraged by stable growth in most of the leading sectors except Consumer Durables which reported a decline during the current year so far.

Inflation: The annual rate of inflation, based on monthly WPI, stood at 3.58 per cent (provisional) for the month of December 2017 (over December 2016) as compared to 3.93 per cent (provisional) for the previous month. Build up inflation rate in the financial year so far was 2.21 per cent compared to a build up rate of 3.71 per cent in the corresponding period of the previous year. The all India CPI inflation rate (combined) for December 2017 stood at 5.21 per cent, compared to 4.88 per cent of the previous month.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 6.8 per cent in November 2017 and by 3.9 per cent in April-November 2017 encouraged by growth in most sectors except crude oil, fertilizers and slow growth in sectors like cement.

Trade: Provisional figures from DGCI&S show that during April-December 2017 in dollar terms, overall exports were up by 12.05 per cent while overall imports were up by 21.76 per cent, both on yoy basis. During the same period, oil imports were valued at US\$ 76148.85 million, 24.18 per cent higher yoy while non-oil imports were valued at US\$ 262220.78 million, 21.07 per cent higher yoy. Overall trade deficit for April-December 2017-18 is estimated at US\$ 70063.05 million as compared to US\$ 35626.18 million during April-December 2016-17.

Policy:

- In-principle approval for 19 greenfield airports have been accorded, out of which some are to be developed through the PPP model.
- Government has approved new central scheme to plug infrastructure gaps for the Northeast. The sectors covered are physical infrastructure relating to water supply, power, connectivity and especially projects promoting tourism.
- Government has unveiled Rs 8,450 crore package to revive exports after GST. The government, as part of a foreign trade policy review, has announced a series of steps to revive exports amid disruptions to supply chains arising from GST rollout.
- Government has eased rules for auction of mineral blocks. New mining rules to allow wider participation, ensure auctions are not called off for want of bidders

Prepared by Joint Plant Committee