Trends ….. September 2016

Half of fiscal 2016-17 is now behind us and the takeaways appear to be limited. Of course, the extension of the MIP and imposition of further trade actions on imports have received a big thumbs-up from the industry. But with major end-use segments like Manufacturing and Capital Goods continuing to be in the red, the expected boost to steel demand continues to be eluded.

WORLD ECONOMY AT A GLANCE

- The J.P.Morgan Global Manufacturing PMI posted 51.0 in September 2016, up slightly from 50.8 in August 2016 and in doing so, signalled a weak rate of expansion. The average reading of the headline PMI over Q3 2016 as a whole (50.9) was the highest since the fourth quarter of 2015, but remained below its long-run survey average (51.3).
- Markit Economics reports indicate that the September 2016 PMI data point to a subdued growth in the US and Asia. While the US PMI dipped to a three-month low, readings for China and Japan moved only slightly back above the stagnation mark of 50.0. Downturns, as the report show, continued in France, South Korea, Turkey, Malaysia, Thailand, Myanmar and Brazil. Faster expansion on the other hand was signalled (on average) in the Euro area, led by significant improvements in Germany, Austria and the Netherlands. The UK saw its rate of expansion rise to a 27-month high, while growth also picked up in the Czech Republic, Poland and Russia.
- The reports also indicate that part of the reason for the ongoing below long-run average expansions in new work and production was the continued lacklustre trend in international trade volumes. September 2016 also saw marginal expansions in global manufacturing employment and input costs.

Key Economic Figures			
Country	GDP Q2 2016: % yoy change*	Manufacturing PMI	
		August 2016	September 2016
India ^	7.1	52.6	52.1
China	6.7	50.0	50.1
Japan	0.7	49.5	50.4
USA	1.2	52.0	51.5
EU 28	1.8	51.7	52.6
Brazil	-3.8	45.7	46.0
Russia	-0.6	50.8	51.1
South Korea	3.3	48.6	47.6
Source: GDP-official estimates; PMI- Markit Economics, *provisional; ^based on new series data			

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association data shows that world crude steel production for September 2016 was 132.91 million tonnes (mt), up by 2 per cent over September 2015 and 1197.23 mt during January–September 2016, down by 0.5 per cent year-on-year (yoy).

World Crude Steel Production: January-September 2016*			
Rank	**Country**	**Qty (mt)**	**% change**
1	China	603.78	0.4
2	Japan	78.38	-0.5
3	India	71.25	6.2
4	United States	59.71	-1.3
5	Russia	52.73	-1.7
6	South Korea	50.95	-1.8
7	Germany	32.01	-1.7
8	Turkey	24.44	4.1
9	Brazil	22.92	-9.3
10	Ukraine	18.28	7.0
	Top 10	**1014.45**	**0.28**
	World	**1197.23**	**-0.5**
Source: worldsteel, JPC; over last year;* provisional			

- China produced 68.17 mt of crude steel in September 2016, up by 3.9 per cent over September 2015 and 603.78 mt during January–September 2016, up by 0.4 per cent yoy and remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was down by 1 per cent.
- China accounted for 73 per cent of Asian and 50 per cent of world crude steel production during this period.
- September 2016 Japanese crude steel production (8.44 mt) was down by 1.5 per cent and production was also down (by 0.5 per cent) in January–September 2016 (78.38 mt). The country remained the second largest crude steel producer in the world in 2016 so far.
- 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 January–September 2016.
- Crude steel production in the EU (28) countries during September 2016 was at 13.26 mt, down by 1.7 per cent yoy and at 121.26 mt in January–September 2016, it was down by 4.8 per cent yoy.
- At 92.58 mt, Asian crude steel production was up by 3.7 per cent yoy in September 2016 and grew by 0.6 per cent in January–September 2016 (826.89 mt). Asia accounted for 69 per cent of world crude steel production during this period.

THE STEEL WORLD LAST MONTH

THE AMERICAS

- The US Department of Commerce has preliminarily found that critical circumstances exist with regard to CTL plate imports from some producers in Austria, Belgium, Brazil, Taiwan and Turkey and provisional retroactive duties will be collected. It has also announced preliminary dumping margins of 63.86% and 76.64% in its anti-dumping investigation of imports of stainless steel sheet and narrow strip from China.
- The US International Trade Commission made affirmative final rulings that the US steel industry was injured by dumped and subsidized imports of HRC from seven countries - South Korea, Japan, Australia, Brazil, Netherlands, Turkey and the UK.
- The US International Trade Commission will extend by five months the timeline of the Section 337 investigation on carbon and alloy steel imports from China to March 2, 2018.
- Nucor has agreed to acquire hollow structural sections producer Independence Tube for $435 million.
- Usiminas has signed a debt renegotiation deal with its main creditors involving 6.30 billion Reais ($1.92 billion), or 92% of its total debts.
- The Canadian Border Services Agency has issued estimated dumping margins of 46.6% for Belarus, 35.4% for Japan, 31.2% for Hong Kong, 13.8% for Portugal, 12.8% for Spain, and 11.6% for Taiwan in its ongoing investigation into rebar dumping allegations.
- Sidor has received approval for its productive recovery plan to produce 4 mt of crude steel by 2018.
- Mexico has extended the validity of the existing 57.69% CVD applicable to all rebar made in Brazil, independent of the import origin, for another five years from August 12, 2015.

ASIA

- Jilin province of China has successfully met its 2016 target for eliminating crude steel capacity, scrapping the equivalent of 1.08 mtpa by early this month.
- Gansu province in western China reached its elimination targets of 1.6 mtpa pig iron and 1.44 mtpa crude steel capacity by end-August.
- Baotou Iron & Steel Group has started dismantling its No. 2 blast furnace - the biggest furnace to be taken apart so far - as part of China's drive to cut overcapacity.
- Hubei province is trebling its target for the volume of crude steel capacity it will cut this year to 6.44 mtpa.
- As part of its integration with Baosteel, Wuhan Iron & Steel Group will relinquish its ownership over Guangxi Iron & Steel Group.
- China exported 9.01 mt of steel in August 2016, down 13% month-on-month (m-o-m) and 7% yoy.
- Hebei Iron & Steel, China's biggest steelmaker, plans to build a 20 mtpa greenfield integrated steel works at Hebei province's Laoting county by 2022.
- China's CBSteel reaffirmed its intention to invest $3 billion in a 3 mtpa steel plant in Brazil's north-eastern Maranhão state.
- JFE Steel started commercial production at its 0.4 mtpa galvanizing line in Indonesia.

- Hebei Xin WuAn Steel Group and China Metallurgical Group Corp have signed a MoU with the Malaysian government to build a steel works in Malaysia's eastern state of Sarawak.
- POSCO has formally dedicated its new 0.45 mt HDG plant in eastern Thailand.
- Nippon Steel & Sumitomo Metal Corp confirmed its 50-50 venture with BlueScope Steel in eastern Thailand will add a new 0.14 mtpa galvanizing line to meet growing construction steel demand in Thailand and adjacent countries.
- India's Tata Steel will no longer pursue its plan to create an integrated steel plant in Chhattisgarh state.
- Hoa Sen Group, a privately-owned steelmaker in Vietnam, is to build a large new steelworks in the central coastal province of Ninh Thuan with maximum capacity reaching 16 mtpa.
- The Vietnam Competition Authority concluded its preliminary investigation of its probe into imports of HDG and aluminum/zinc-coated sheet from China (including Hong Kong) and South Korea, applying penalties ranging between 4% and 38% for imports from China and 12-19% for imports from South Korea.
- Thailand has levied final ADD on welded stainless steel pipe from China (145.31%), South Korea(11.96- 51.53%), Taiwan (2.38-29.04%) and Vietnam (310.74%), for five years effective September 17, 2016.
- Thailand has enforced a new standard for structural sections, which is to come into effect 180 days after September 16, 2016 as per the Thai Industrial Standards Institute.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- Oxin Steel Co, Iran's first producer of wide plate, is to install a $300 million steel plant to produce slab which it currently sources from domestic producers or imports.
- Alfa Acciai, the Italian rebar and wire rod producer, has bought a 70% interest in Tecnofil, one of the country's largest users of rod for wire drawing.
- An Iranian private company, Mobasher Nour Darya, plans to build a new 2 mtpa steelworks in co-operation with Danieli.
- Australia has imposed definitive ADD of up to 66.9% on imports of chrome-plated steel bars from Romania.

EU AND OTHER EUROPE

- The European Commission has re-opened its anti-dumping investigation into imports of seamless tubes from China after the EU Court of Justice ruled in April that duties imposed on one Chinese producer were illegal.
- The Aegis Europe alliance, which represents 25 manufacturing industries throughout Europe, has urged G20 leaders to "urgently tackle" the issue of state-subsidised over-capacity in China.
- Thyssenkrupp's home state North-Rhine Westphalia has ruled out any future state participation in the company.
- The Turkish Competition Authority has begun an investigation against Kardemir and four other long product makers and re-rollers operating in the region, to investigate any possible violation of Act No. 4054 concerning the protection of competition.

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

WORLD STEEL PRICE TRENDS

Global steel prices continued to display mixed trends in September 2016, being determined largely by regional factors. In China, more news of capacity cuts were announced by respective companies and there were also reports of few provinces having met their elimination targets for 2016. These were however marginal in volume and the fact that crude steel production in China continued to show growth in every month of 2016 since the month of March has made market sentiments cautious and less-jubilant about the plethora of curtailment annoucements being made. September 2016 also marked the end of the first half of the year with few noticeble takeaways for global steel in terms of achieveing a supply-demand balance and keeping prices on an even keel thereby.

Long product

- Lower scrap prices and low demand made US merchant bar prices move south at end-September 2016 with transactions quoted at around $490-508/t.
- Euopean rebar prices remained stable (despite limited demand) with prices in the Northern European quoted at around €410-430/t ($461-483) and prices in Southern Europe at around €380-385/t ($425-430) at end-September 2016.
- Poor demand, bearish mood due to the upcoming week-long break for its National Day and wary market sentiments due to rising steel production (despite talks of capacity cuts) kept Chinese rebar prices south-bound. Transactions were quoted at around 2270-2300 yuan/t in Shanghai and at around 2370-2390 yuan/t in Beijing at end-September 2016. All prices are ex-w and includes VAT.
- Strong demand from Moscow pushed up Russian rebar prices in September 2016 with transactions for 12mm A500C rebar quoted at around 30,500-30,550 roubles/t ($477-478) cpt Moscow, including VAT at end-September 2016.

Flat products

- US flat steel prices slipped in September 2016 in view of subdued demand and general uncertainty in market sentiments owing to upcoming Election Day. HRC transactions were quoted at around $505-550/t at end-September 2016.
- ArcelorMittal's move to raise flat steel prices had some impact on European prices, with HRC transactions moving north and quoted at around €430-450/t ($483-505) in Northern Europe and at around €400-430/t ($449-483) in Southern Europe at end-September 2016.
- Flat steel prices in China in September 2016 were affected by the same factors as in case of long products. Transactions for HRC were quoted at around 2720-2740 yuan/t in Shanghai and at around 2750-2760 yuan/t in Tianjin at end of September 2016. All prices are ex-w and includes VAT.
- Russian flat steel prices remained stable in September 2016 with transactions for 4mm HR sheet quoted at around 35,200-35,250 roubles/t ($550-551) cpt Moscow, including VAT.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

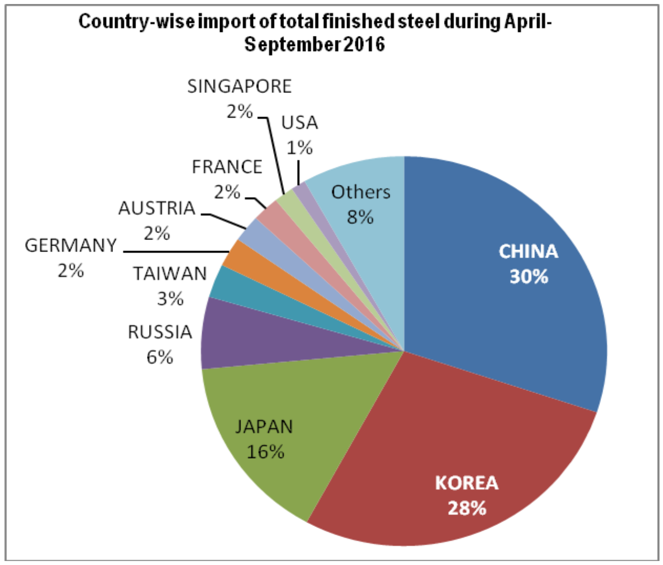
G20 reinforces support for global steel forum

September 2016 saw a historic development with the G20 group of nations participating in a global forum on steel overcapacity, set up by the Organisation for Economic Co-operation & Development (OECD) on September 5 in Hangzhou, China. The G20 leaders called for "increased information sharing and co-operation" through the creation of the forum, which will have the "active participation of G20 members and interested OECD members", according to a official statement. The G20 nations are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK, the EU and the USA. Analysts point out that rising protectionist measures in major steel markets around the world particularly against unfair Chinese trade practices and the growing need to curtail steel capacity globally and specially in China to align steel supply-demand globally, makes this global forum highly relevant in today's context. Support towards this forum was reflected in a joint statement which was released by nine prominent global steel associations viz. the American Iron & Steel Institute (AISI), the Steel Manufacturers Assn (SMA), the Specialty Steel Industry of North America, the Committee on Pipe & Tube Imports, the Canadian Steel Producers Assn, Latin American steel association Alacero, Mexican iron and steel producers' association Canacero, Brazilian steel institute Aço Brasil, and European steel association Eurofer, as per a Metal Bulletin report. The statment issued by these international steel associations emphasized on the need to follow up this important "first step" by "concrete policy actions by governments to reduce excess capacity, end subsidies and government measures that distort markets, and to guarantee a level playing field driven by market forces in the near term,".

Crude Steel Production in G-20 countries: 2015*			
Country	**Qty (mt)**	**Country**	**Qty (mt)**
Argentina	5.0	Italy	22.0
Australia	4.9	Japan	105.2
Brazil	33.3	South Korea	69.7
Canada	12.5	Mexico	18.2
China	803.8	Russia	70.9
EU	166	Saudi Arabia	5.2
France	15.0	South Africa	6.4
Germany	42.7	Turkey	31.5
India	89.4	UK	10.9
Indonesia	4.2	USA	78.8
	G-20 Total (mt)	**1595**	
	World (mt)	**1621**	
	% Share: G-20	**98**	
Source: worldsteel;* provisional			

Trends in finished steel imports

In a relief to the domestic steel industry, the Indian government further extended the Minimum Import Price (MIP) condition on steel imports (for 66 items) for another two months till 4th December 2016 and this renewal is set to ensure that imports are kept firmly in check in the coming days.



In fact, provisional data released by JPC indicates that imports of total finished steel continued to decline during 2016-17 so far, dropping by 37.3 per cent during April-September 2016-17 to 3.597 million tonnes (mt) as compared to same period of last year. Moreover, imports in September 2016 (0.614 mt) were down by 46 per cent over September 2015 but saw a growth of 4.1 per cent over August 2016 (due largely to an indigenous supply side slipping into the red). Further, during April- September 2016-17, imports accounted for only 9 per cent of total domestic consumption of steel, much lower compared to the 15 per cent recorded for the same period of last year. The country-wise import picture indicates that the Chinese share in total finished steel stood at 30 per cent and the country with a total import of 1.082 mt remained the largest import market for India during this period. Also, China, Korea and Japan continued to be the top three markets, accounting for 74 per cent of the country's imports of total finished steel during the fist half of the fiscal.

Indian Steel Industry Performance: April-September 2016-17

The following is a report on the performance of Indian steel industry in terms of total finished steel during April-September 2016-17 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-September 2016-17*(mt)	April-September 2015-16*(mt)	%yoy change
Production for sale	49.262	44.822	9.9
Import	3.597	5.736	-37.3
Export	3.030	2.234	35.6
Consumption	40.980	39.556	3.6

Source: JPC ;* provisional

Production for sale

- During April-September 2016-17, production for sale stood at 49.262 mt, a growth of 9.9 per cent compared to same period of last year, in which contribution of the non-alloy steel segment stood at 44.446 mt (up by 9.9 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel), where production for sale was up by 9.7 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 21.445 mt (up by 5.5 per cent) while that of the flat segment stood at 23.001 mt (up by 14.4 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 17.06 mt (up by 6 per cent), 3.9mt (down by 3 per cent) and 0.5 mt (up by 20 per cent) as compared to same period of last year.
- On the other hand, for the flat segment, with the exception of HR sheets (down by 24 per cent), production for sale was up for all other items like Plates (2.1 mt, up by 4 per cent), HRC (11.35 mt, up by 21 per cent), CRC (3.98 mt, up by 36 per cent) and GP/GC Sheets (3.6 mt; up by 1 per cent)

Export

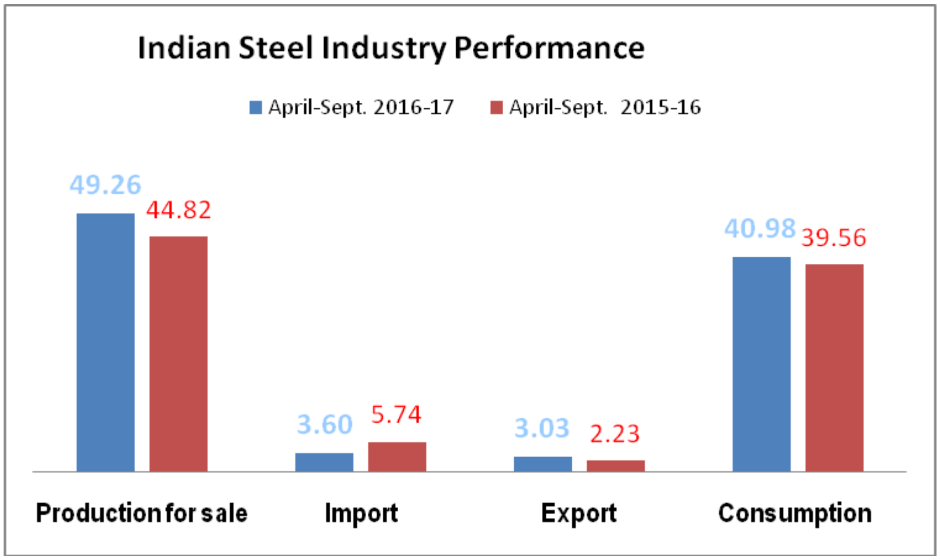
- During April-September 2016-17, export of total finished steel was 3.03 mt, up by 35.6 per cent compared to same period of last year.
- Contribution of the non-alloy steel segment stood at 2.769 mt (up by 42 per cent) while the rest was that of alloy steel (including stainless steel) segment, where exports were down by 7 per cent over last year.
- In the total export of finished non-alloy steel, export of non-flat was at 0.34 mt (up by 59 per cent) and that of flat steel was at 2.43 mt (up by 39.7 per cent).

- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.29 mt, up by 69 per cent) while growth in exports in the non-alloy, flat segment was led by GP/GC sheets (0.84 mt, up by 10.4 per cent).

Import

- Import of total finished steel during April-September 2016-17 was at 3.597 mt, down by 37 per cent compared to same period of last year.
- However, it remained well above exports, with the result that India remained a net importer of total finished steel during April-September 2016-17.
- In total finished steel import, contribution of the non-alloy steel segment was 2.697 mt (38 per cent decline) while the rest was the contribution of alloy steel (including stainless steel) segment, which was down by 34 per cent over same period of last year.
- In the import of total finished non-alloy steel, non-flat imports were at 0.26 mt (down by 26 per cent) and flat imports were at 2.44 mt (down by 39 per cent).

- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.22 mt, down by 32 per cent) while for the flat segment, import was led by HRC (0.95 mt; down by 50 per cent).



Consumption

- During April-September 2016-17, real consumption (or simply consumption) of total finished steel stood at 40.98 mt, a growth of 3.6 per cent compared to same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 20.938 mt, up by 4.7 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 16.235 mt, up by 4.4 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 37.173 mt, up by 4.6 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a decline of 5.3 per cent during this period.

- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (16.61 mt; up by 5 per cent) whereas for the flat segment, consumption was led by HRC (11.45 mt, up by 7.1 per cent).

JPC Market Prices (Retail)

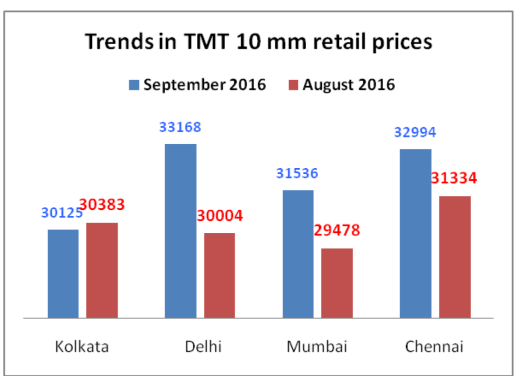
Delhi market prices: Compared to September 2015, average (retail) market prices in Delhi market in September 2016 declined for long products (represented by TMT 10 mm) and was up for flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions. When compared to August 2016, prices moved north for both long products and flat products. The situation in September 2016 with regard to September 2015 is shown in the table below for TMT 10 mm and HRC 2.0 mm.

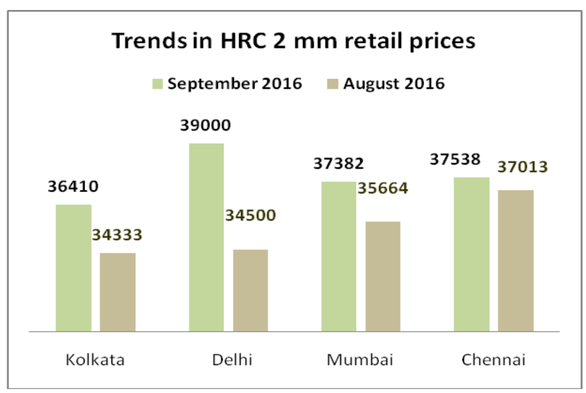
Trends in JPC market price (retail) in Delhi market in September 2016		
Item	**Delhi market prices (Rs/t)**	**% change over September 2015**
TMT, 10 mm	33,168	-14.4
HRC, 2.0 mm	39,000	12.8
Source: JPC		

All markets: Compared to September 2015, average (retail) market prices in all four metro cities (Kolkata, Delhi, Mumbai and Chennai) in September 2016 declined for long products (represented by TMT 10 mm) while for flat products (represented by HRC 2 mm), prices declined only in Kolkata market but saw marginal to modest rises in the other three markets, all, largely in response to domestic demand-supply conditions. The trend was almost opposite when compared to August 2016 in that long products prices increased in all but Kolkata market while flat product prices saw a rise in all the four markets. The situation in September 2016 with regard to September 2015 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 September 2016 over September 2015				
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**
TMT 10mm	-18.6	-14.4	-8.5	-10.2
HR Coils 2.00mm	-1.1	12.8	2.7	2.5
Source: JPC				

TMT prices were highest in the Delhi market (Rs 33,168/t) and lowest in the Kolkata market (Rs 30,125/t) while HRC prices were highest in the Delhi market (Rs 39,000/t) and lowest in the Kolkata market (Rs 36,410/t) during August 2016.





INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

GDP: The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the provisional estimates of national income for the first quarter

(Q1) of the current financial year 2016-17, both at constant (2011-12) and current prices. As per their report, GDP at constant (2011-12) prices in Q1 of 2016-17 is estimated at Rs 29.17 lakh crore, as against Rs 27.24 lakh crore in Q1 of 2015-16, showing a growth rate of 7.1 per cent. Quarterly GVA at Basic Price at constant (2011-2012) prices for Q1 of 2016-17 is estimated at Rs 27.38 lakh crore, as against Rs 25.51 lakh crore in Q1 of 2015-16, showing a growth rate of 7.3 per cent over the corresponding quarter of previous year. The economic activities which registered growth of over 7 per cent in Q1 of 2016-17 over Q1 of 2015-16 are 'manufacturing' (9.1 per cent), 'electricity, gas, water supply & other utility services' (9.4 per cent), 'trade, hotels, transport & communication and services related to broadcasting' (8.1 per cent)', 'financial, insurance, real estate and professional services' (9.4 per cent) and 'public administration, defence and other services' (12.3 per cent). The growth rates in the 'agriculture, forestry and fishing', 'mining and quarrying', and 'construction' are estimated to be 1.8 per cent, (-) 0.4 per cent, and 1.5 per cent respectively during this period.

Industrial Production: Provisional CSO data show that the Index of Industrial Production (IIP) was down by 0.7 per cent in August 2016 and also down (by 0.3 per cent) in April-August 2016-17, depressed by declining growth in sectors like Manufacturing, Capital Goods among others.

Inflation: The annual rate of inflation, based on monthly WPI, stood at 3.57 per cent (provisional) for the month of September 2016 (over September 2015) as compared to 3.74 per cent (provisional) for the previous month. Build up inflation rate in the financial year so far was 4.28 per cent compared to a build up rate of 0.23 per cent in the corresponding period of the previous year. The all India CPI inflation rate (combined) for September 2016 stood at 4.31 per cent as compared to 5.05 per cent of previous month.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 3.2 per cent in August 2016 and by 4.5 per cent in April-August 2016-17, led by the growth rates in all sectors except crude oil and natural gas.

Trade: Provisional figures from DGCI&S show that during April-September 2016 in dollar terms, overall exports were down by 1.74 per cent and imports were also down (by 13.77 per cent), both on yoy basis. During the same period, oil imports were valued at US$ 39297.17 million, which was 18.59 per cent lower yoy while non-oil imports were valued at US$ 135112.45 million which was 12.26 per cent lower yoy. The trade deficit for April-September 2016-17 was estimated at US$ 43009.12 million which was 37.26 per cent lower than the deficit of US$ 68546.38 million during April-September 2015-16.

Policy:

- The Government has brought more steel grades — cold-reduced (CR) low carbon sheets and strips, hard-drawn wire and cold-rolled strips — under the Quality Control (QC) order. The move is expected to check the rampant import of cheap steel products into the country, especially from China, Japan and South Korea. Under the Steel and Steel Products (Quality Control) (Second Amendment) Order, 2016, which amended the Steel and Steel Products (QC) Order, 2015, the Bureau of Indian Standards (BIS) has increased the grades of CR

low-carbon, CR strips and hard-drawn steel wire, a fresh notification said. This is the second amendment. The original notification, which was first published in December 2015, was earlier amended in March 2016.
The Government may soon come up with an ambitious Rs 3-lakh-crore Economic Corridor project to develop 35,000 km of highways for faster movement of freight. This would be the second largest project in the sector after the flagship road building programme of NHDP which saw development of 50,000 km of National Highways network as per global standards including the Golden Quadrilateral project.

- The Government has approved Rs 1,660 crore worth of highway projects in eight states including Uttar Pradesh, Maharashtra and Assam.
- To strengthen risk management framework of the commodities market, the Securities and Exchange Board of India issued norms for early delivery as well as paying facility and penalty on sellers in case of delivery default.
- The President has given his assent to the landmark Constitutional (amendment) Bill that would pave the way for the Goods and Services tax (GST) introduction in the country. Recently, as many as 16 States ratified the Constitution (122 amendment) Bill, paving the way for the Presidential assent to the Bill.
- Norms for appraisal of government projects have been tightened and administrative ministries will have to ensure that the significant outcome of the proposed scheme should not overlap with that of the existing schemes.
- The Union Cabinet has allowed the government to offer deeper concessions on tariffs while trading with APTA countries comprising Bangladesh, China, India, Lao PDR, Republic of Korea, and Sri Lanka. The new round of concessions, which is likely to be ratified by all members in the APTA will lead to preferential access for items from India such as steel, iron ore, textile, chemicals and heavy industry products in the markets of members including China and South Korea. From 570 tariff lines, the number of products on which duty concessions will be given have increased to 3,142. The margin of preference (MoP) has been increased to 33.45 per cent, implying that duties on each of the products will be reduced by a third for the importing countries.

Prepared by Joint Plant Committee