Trends ….. April 2019

A strong consumption growth, a modestly-growing indigenous supply side, rising imports and declining exports leading to a net exporter status, stable and recovering prices against the background of a stable economic scenario as reflected in the GDP numbers and positive market sentiments - these summed up the steel scene of the 2nd largest global crude steel producer, at the end of 2018-19.

WORLD ECONOMY AT A GLANCE

- Market Economics reports indicate that the global manufacturing sector remained lacklustre in April 2019 with the J.P.Morgan Global Manufacturing PMI reported at 50.3, down from 50.5 in March 2019 and recorded its lowest reading since June 2016.
- The report highlights that the weakness in the global manufacturing sector was most evident in the intermediate and investment goods sectors, both of which saw production and new orders contract during April 2019. The consumer goods industry was relatively better, with both output and new business reporting growth during April 2019.
- The highest national PMI readings were registered in Greece, Myanmar, the UK, the US and Ireland. Vietnam, the Netherlands, Spain, India and Russia were also among the best performers. The Eurozone PMI signalled contraction for the third straight month, largely driven by a further substantial deterioration in Germany.
- The reports also indicate that the rate of increase in global manufacturing employment was the weakest since September 2016 and while inflationary pressures continued to ease, input costs and selling prices both saw an upturn.

Key Economic Figures			
Country	GDP 2018: %change*	Manufacturing PMI	
		March 2019	April 2019
India	7.3	52.6	51.8
China	6.6	50.8	50.2
Japan	1.9	49.2	49.5
USA	2.9	52.4	52.6
EU 28	1.9	47.5	47.9
Brazil	1.1	52.8	51.5
Russia	2.3	52.8	51.8
South Korea	2.7	48.8	50.2
Germany	1.5	44.1	44.4
Turkey	2.6	47.2	46.8
Italy	0.9	47.4	49.1
Source: GDP: official releases; PMI- Markit Economics, *provisional			

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association data shows that world crude steel production stood at 155.01 million tonnes (mt) in March 2019 up by 4.9% year-on-year (yoy) i.e. over March 2018 and at 444.12 mt in January-March (Q1) 2019, up by 4.5% yoy.

World Crude Steel Production: January-March 2019*			
Rank	**Top 10**	**Qty (mt)**	**% change**
1	China	231.07	9.9
2	India	27.33	-0.3
3	Japan	24.97	-5.4
4	USA	22.23	6.8
5	South Korea	18.11	1.6
6	Russia	16.81	-5.3
7	Germany	10.45	-3.6
8	Brazil	8.39	-2.8
9	Turkey	8.19	-14.5
10	Iran	6.22	7.1
Total:10		**373.77**	**5.2**
World		**444.12**	**4.5**
Source: worldsteel; *prov.			

- China produced 231.07 mt of crude steel during Q1 2019, up by 9.9% yoy. China remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was down by 0.8%. China accounted for 74% of Asian and 52% of world crude steel production during this period.
- With a 6.2% share in total world production and a 0.3% decline in production over same period of 2018, India (27.33 mt) was the 2nd largest producer during Q1 2019.
- Japanese crude steel production (24.97 mt) was down by 5.4% and the country was the 3rd largest crude steel producer in the world during this period.
- USA remained at the 4th largest spot, with production (22.23 mt) notching up a growth of 6.8% while South Korea was the 5th largest, with a 1.6% growth in production.
- Crude steel production in the EU (28) countries during Q1 2019 was at 42.30 mt, down by 2% yoy.
- At 312.86 mt, Asian crude steel production was up by 7% in Q1 2019 and the region accounted for 70% of world crude steel production during this period.
- The top 10 countries accounted for 84.2% of total world crude steel production and saw production go up by 5.2% yoy during this period.
- Brazil (8.39 mt) which had replaced Turkey as the 8th largest crude steel producer last month maintained its new rank during this period as well.

NEWS AROUND THE WORLD

THE AMERICAS

- The American Institute for International Steel (AIIS) has requested that the United States Supreme Court hear its case that the Section 232 tariffs and quotas on imported steel violate the US Constitution.
- The US Commerce Department has decided to revoke anti-dumping duties against imports of certain carbon and alloy steel wire rod from South Korea and the United Kingdom.
- Ahmsa and Posco have signed a long-term agreement in which Posco will galvanize the CRC produced by Ahmsa in its Mexico plant.
- The Canadian International Trade Tribunal has recommended reducing steel safeguard duties previously instituted in response to Section 232 measures implemented by the United States.
- Venezuela's government has signed an agreement with Russia under which the iron, steel, mining and agriculture industries will receive Russian investment and other participation.
- Argentina's government has started to monitor more carefully imports of steel tubes and other inputs for the energy industry, according to the Ministry of Production and Labor. The findings will determine which measures to be applied, safeguard or antidumping duties.

ASIA

- Hebei has set out to reduce the concentration of particulate matter under 2.5 micrometers by over 5% in 2019. As part of the effort, Hebei will withdraw 14 mtpa of steel production capacity from the province this year, while all the steel mills in Tangshan, Handan, Shijiazhuang and Xingtai city must meet ultra-low emission standards by the end of 2019. Hebei has also ordered at least half of the steel mills in other parts of the province to meet ultra-low emission standards within 2019.
- Tangshan has imposed production restrictions -- 50% cap on sintering and pelletizing facilities, BF/ BOF, along with a cap of 80% at select mills - for the whole of May 2019 to reduce emissions.
- Nippon Steel and its 50:50 joint venture with BlueScope Steel in Australia has completed the acquisition of YKGI Holdings' steel manufacturing facilities in Malaysia, strengthening its CRS supply there.
- India has started a probe into alleged dumping of coated flat steel from China, South Korea and Vietnam. The investigation will cover "flat-rolled product of steel, plated or coated with alloy of aluminum and zinc. This alloy of aluminum and zinc may contain one or more additional elements, which in individual or in combination shall not exceed 3% by weight."
- India has informed WTO that it plans to add more stainless steel products under its domestic quality control scheme, having already placed 50 carbon steel and three stainless steel products under its BIS certification scheme.
- South Korea might suspend tariff concessions worth Euro 56.81 million ($63.75 million) on products imported from EU member countries in response to the EU's safeguards.
- Korea Development Bank has selected a KG Group-led consortium as its preferred bidder to take over debt-ridden Dongbu Steel.

- Vietnam's Hoa Phat Steel expects the first of its four 1 mtpa blast furnaces at its Dung Quat steel mill in Quang Ngai to start production over June to July 2019.The mill has a designed crude steel capacity of about 4.8 mtpa, half of which will be used for hot-rolled coil production.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- The World Trade Organization has handed a victory to Russia in a Ukrainian transit dispute in its first ever ruling on a national security exemption, which could have profound implications for pending Section 232 disputes at the WTO and potential automobile tariffs to be imposed by the USA.
- Egypt has imposed a temporary additional duty on imports of rebar and billet, effective from April 15, 2019. The duty is 25% for rebar imports, and between 3%-15% for billet imports.
- The Turkish government has published its official decree to increase customs duties on rebar imports from non-WTO member countries from 10% to 30%, effective April 18, 2019. Turkey is mostly targeting Iran with this decision, as rebar imports from that country increased notably since last year, sources observed.
- Despite the barriers to exporting steel from Iran, the country's largest special steel producer, Iran Alloy Steel Co., is planning to raise its exports in the current Iranian year (starting March 21) to 50,000 tonnes, according to the Iranian Steel Producers' Association.
- The Australian Government Anti-Dumping Commission has announced that dumping and subsidy investigations into imports of rebar from Turkey have been terminated as it found that there has been no dumping by Turkish exporters.

EU AND OTHER EUROPE

- Liberty House Group announced plans to integrate most of its assets into a global entity, after the European Commission approved its acquisition of two integrated ArcelorMittal steel mills and various finishing plants in Europe.
- The European Commission has approved the acquisition of two Italian steel service centers, affiliated with Italian steelmaker Ilva, by ArcelorMittal and Italian company CLN.
- Competition regulators in the European Union have rescheduled their decision in the creation of a 50:50 European flat-steel joint venture between ThyssenKrupp and Tata Steel Europe to June 5 2019.
- Erdemir has awarded Danieli Centro Maskin the turnkey supply contract for an inspection and conditioning plant to be installed at its facility based in Eregli. The plant will process a minimum of 0.3 mtpa of ultra-low, low and medium-carbon and alloy steel slab grades.
- Participants in the long steel market in the European Union were hoping for price stability through April 2019 after recent sluggish demand and cautious buying activity.

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

WORLD STEEL PRICE TRENDS

Q2 2019 opened with global prices on a steady but fluctuating tone across markets, affected more by local developments rather than global ones. Globally, of course, it was the iron ore situation that stole the limelight with growing concerns over assured availability in the short to medium term. Steel production curbs continued in China but analyts gave out cautious warning what with the country's crude steel production reporting a 10% growth during January-March 2019 as reported by worldsteel, showing that the supply side growth momentum remains unabated, thereny raising concerns of a possible global glut in the days ahead.

Long Product

- While April 2019 rebar prices remained overall steady in the USA (despite a minor dip), they remained under pressure from seasonally weak demand, softening in scrap costs and slowed down market activities. Transactions as per Metal Bulletin reports were quoted around $700/t at month-end.
- EU rebar prices moved south in April 2019, given low volume of transactions during the Easter holidays. Transactions as per Metal Bulletin reports were quoted around €500-510/t ($562-573) in Southern Europe and around €535-550/t ($601-618) in Northern Europe.
- China's rebar prices moved north at month-end amidst expectations of fresh supply restrictions following Tangshan's new production cuts of May 2019. Transactions as per Metal Bulletin reports were quoted around 4,090-4,140 yuan/t ($607-615) in Shanghai and around 3,990-4,030 yuan/t in Beijing.
- Weak semis, slow demand made Russian rebar prices move south in April 2019. Transactions as per Metal Bulletin reports were quoted around 39,000-39,200 roubles/t ($611-614) for 12mm A500C rebar in Russia, including 20% VAT.

Flat Product

- Like rebar, April 2019 HRC prices remained overall steady in the USA (despite a minor dip), but were lacklustre, given weak demand/market conditions. Transactions as per Metal Bulletin reports were quoted around $660/t at month-end.
- EU April 2019 HRC prices remained south-bound in view of limited activity and import flow.
- Transactions as per Metal Bulletin reports were quoted around €455-480/t ($514-542) in Southern Europe and around €495-505/t in Northern Europe.
- Like rebar, China's April 2019 HRC prices reflected the 'Tangshan' effect and moved north. Transactions as per Metal Bulletin reports were quoted around 4,050-4,060 yuan/t ($601-603) in Shanghai and around 3,930-3,940 yuan/t in Tianjin.
- Russian HRC prices dipped in April 2019 following low transactions in a slow market.
- Transactions as per Metal Bulletin reports were quoted around 43,000-44,500 roubles/t ($673-697) cpt Moscow including 20% VAT.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

India, Iran drives up global DRI production by 8.1% in March 2019

Global output of direct reduced iron (DRI) increased by 8.1% in March 2019 (p) and by 4.7% during January-March 2019 (p) as per provisional World Steel Association (worldsteel) report. DRI production worldwide rose to 7.55 million tonnes (mt) in March 2019 (p), up by 6% over same period of last year, according to worldsteel, driven by India (production down by 0.9%) and Iran (production up by 25%) during the month.

World DRI Production, Jan.-March 2019 (p)			
Rank	**Country**	**Qty (mt)**	**% change**
1	India	8.20	-1.1
2	Iran	6.91	21.7
3	Egypt	1.65	16.9
4	Mexico	1.40	-9.3
5	Saudi Arabia	1.08	-8.6
	Top 5	**19.24**	**6.2**
	World	**21.78**	**4.7**
	%Share: Top 5	**88**	-

Source: worldsteel

For January-March 2019 (p), provisional worldsteel report indicates that global DRI output (21.78 mt, up by 4.7%) continued to be driven by India (8.2 mt) at the number one spot despite a 1.1% decline in production when compared to same period of last year. The country also accounted for 38% of total global output during this period. For the cumulative period, Iran's DRI output (6.91 mt) saw a growth (22%) and along with India, these two countries accounted for 69% of global DRI output during this period. Together, the top five countries accounted for 88% of the world DRI production during this period and saw their cumulative output rise by 6.2% as compared to same period of last year. Saudi Arabia which earlier replaced UAE as the 5th largest DRI producer in the world continued to remain at the same spot during this period as well.

April 2019 SRO points to sustenance of global steel demand amid slowing economic environment

In its April 2019 Short Range Outlook (SRO), worldsteel has projected global steel demand to reach 1735 million tonnes (mt) in 2019, an increase of 1.3% over 2018 and 1752 mt in 2020, up by 1%. Such moderation in growth rates, as per the SRO, is due largely to a slowing global economy with China's deceleration, increasing uncertainty over global trade environment and volatility in the financial markets adding to the risk factors. In 2018, global steel demand grew by 2.1%. *Some highlights:*

- Chinese steel demand is seen to decelerate continuously in view of the combined effect of economic re-balancing and trade tension. Though mild government stimulus cushioned the economic slowdown in 2018, going ahead in 2019, the government is likely to raise the level of stimulus, which is expected to boost steel demand. In 2020 however, a minor contraction in Chinese steel demand is forecasted as the stimulus effects are expected to subside.

- In 2019, the US growth pattern is expected to slow with the waning effect of fiscal stimulus and a monetary policy normalisation, as per the SRO. The SRO thus points out that both construction and manufacturing growth is expected to moderate and investment in oil and gas exploration is expected to decelerate as well, while a boost in infrastructure spending is not expected.
- Faster growth in the Indian economy in the second half of 2019 is expected to heighten steel demand. While the fiscal deficit might weigh on public investment to an extent, the wide range of continuing infrastructure projects is likely to support growth in steel demand above 7% in both 2019 and 2020 for India, as per the SRO.
- Japan recorded growth in steel demand in 2018, supported by a favourable investment environment and continued construction activities as well as a boost in consumer spending prior to the consumption tax increase. In 2019 and 2020, steel demand is likely to contract slightly due to a moderation of construction activities and decelerating exports despite the support provided by public projects, as per the SRO.
- Steel demand in Korea has been contracting since 2017 due to reduced demand from two major steel using sectors, shipbuilding and automotive. Steel demand is expected to continue declining in 2019 due to toughened real estate market measures and a deteriorating export environment, followed by a mild recovery in 2020, as per the SRO.
- Despite improved oil prices, growth in steel demand in Russia will continue but is expected to be constrained by structural issues. The growth outlook for Ukraine is stable and improving, supported by domestic consumption.
- The Turkish economy is still reacting to the currency crisis of August 2018, which led to contraction in steel demand. This is expected to continue into 2019, with some stabilisation in 2020.

Top 10 Steel Using Countries -worldsteel Short Range Outlook, April 2019						
Region	**ASU (mt)**			**YoY Growth Rate (%)**		
	2018	**2019 (f)**	**2020 (f)**	**2018**	**2019 (f)**	**2020 (f)**
China	835.0	843.3	834.9	7.9	1.0	-1.0
USA	100.2	101.4	101.7	2.5	1.3	0.3
India	96.0	102.8	110.2	8.3	7.1	7.2
Japan	65.4	64.7	64.2	1.6	-1.0	-0.8
South Korea	53.6	53.4	54.1	-4.9	-0.4	1.3
Germany	40.8	40.4	41.0	-0.5	-0.9	1.4
Russia	41.2	41.6	42.2	0.7	1.0	1.5
Turkey	30.6	29.1	31.4	-14.9	-4.9	8.0
Mexico	25.4	25.8	26.1	-3.9	1.6	0.9
Italy	26.4	26.7	27.0	5.2	1.0	1.2
Source: worldsteel; f=forecast						

INDIAN STEEL MARKET ROUND-UP

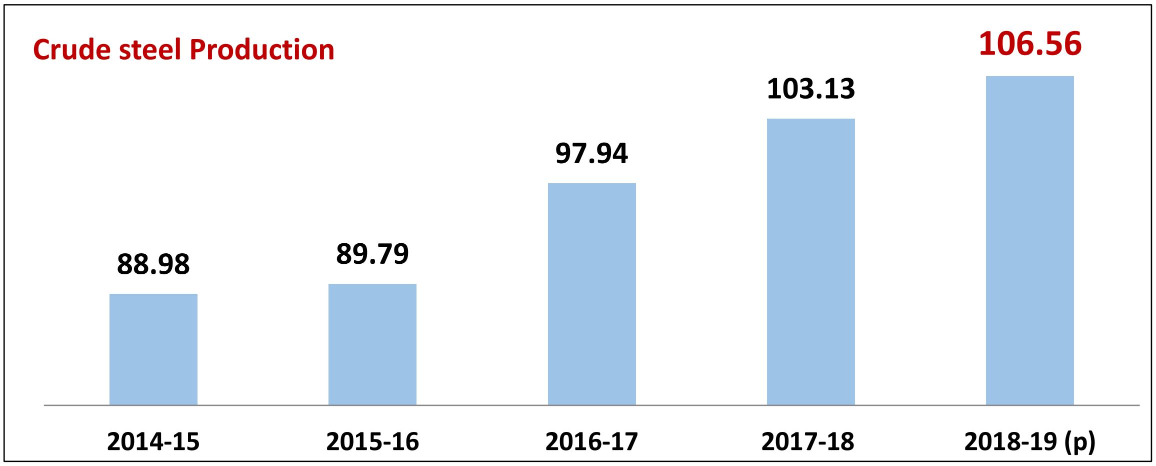
The following is a status report on the performance of Indian steel industry during April – March 2018-19, based on provisional data released by Joint Plant Committee (JPC) in its MIS Report, March 2019. It is to be noted that total finished steel includes both non-alloy and alloy (including stainless steel) and all comparisons are made with regard to same period of last year.

Item	Performance of Indian steel industry		
	April - March 2018-19 (p) (mt)	April – March 2017-18 (mt)	% change (p)
Crude Steel Production	106.56	103.13	3.3
Hot Metal Production	72.63	68.02	6.8
Pig Iron Production	6.06	5.73	5.7
Sponge Iron Production	33.04	30.51	8.3
Total Finished Steel (alloy/stainless + non-alloy)			
Gross Production	131.57	126.86	3.7
Import	7.83	7.48	4.7
Export	6.36	9.62	-33.9
Consumption	97.54	90.71	7.5
Source: JPC MIS Report, March 2019			

Major highlights

- Production of crude steel was at 106.56 million tonnes (mt), a growth of 3.3%.
- At 138 mt, crude steel capacity indicated an utilisation of 77% compared to 75% of last year.
- Hot metal production was 72.63 mt, an increase of 6.8%.
- Pig iron production was 6.06 mt, up by 5.7%.
- Sponge iron production was 33.04 mt, up by 8.3%.
- Total finished steel gross production was 131.57 mt, an increase of 3.7%.
- Export of total finished steel reached 6.36 mt, a decrease of 33.9%.
- Import of total finished steel was 7.83 mt, an increase of 4.7%.
- India was a net importer of total finished steel.
- Consumption of total finished steel was 97.54 mt, an increase of 7.5%.

A. Crude Steel Production



- At 106.56 million tonnes (mt) in 2018-19, India's crude steel production grew by 3.3% over 2017-18 and by 5.5% on a CAGR basis during the last five years ending 2018-19. Given the above production for 2018-19 and with capacity at 138 mt, crude steel capacity utilisation stood at 77% during 2018-19 compared to 75% of last year.
- With 80% share, the Private Sector (85.07 mt, up by 2%) led crude steel production in 2018-19.
- With a 60% share, SAIL, RINL, TSL, Essar Steel, JSWL, JSPL together produced 63.60 mt(up by 7.1%) of crude steel in 2018-19 while the rest 40% was the share of the Other Producers (decline of 1.8%) during this period.
- The shares of the Oxygen (50.08 mt), EAF (27.71 mt) and IF (28.77 mt) Routes stood respectively at 47%, 26% and 27% in 2018-19 as compared to 46%, 26% and 28% of 2017-18.

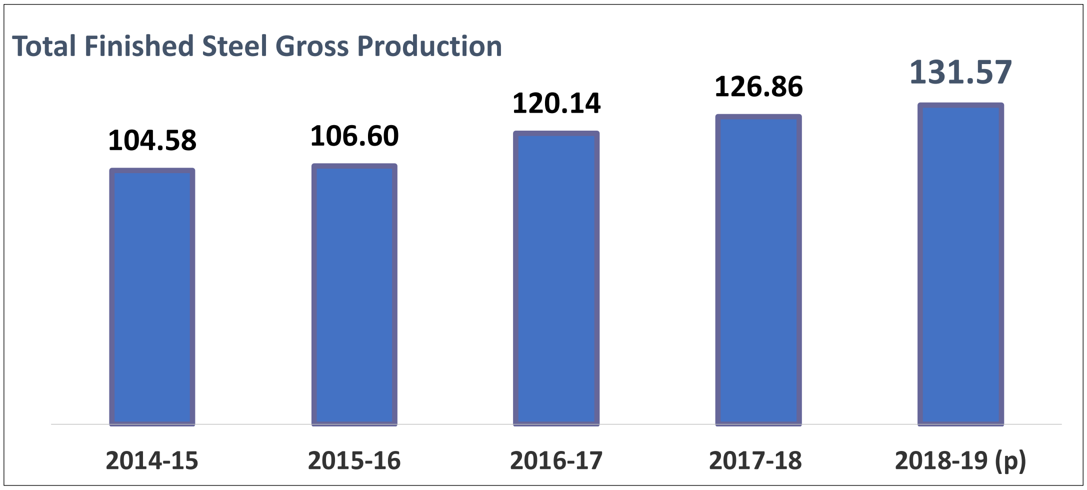
B. Pig Iron Production

- At 6.06 mt in 2018-19, India's pig iron production grew by 5.7% over 2017-18 but recorded a decline of 6.2% on a CAGR basis during the last five years ending 2018-19.
- With 90% share, the Private Sector (5.5 mt, up by 2%) led pig iron production in 2018-19.
- With 84% share, the Other Producers (5.09 mt, up by 1.8%) led pig iron production in 2018-19 while the rest 16% was the share of the SAIL, RINL, TSL, Essar Steel, JSWL, JSPL taken together.

C. Sponge Iron Production

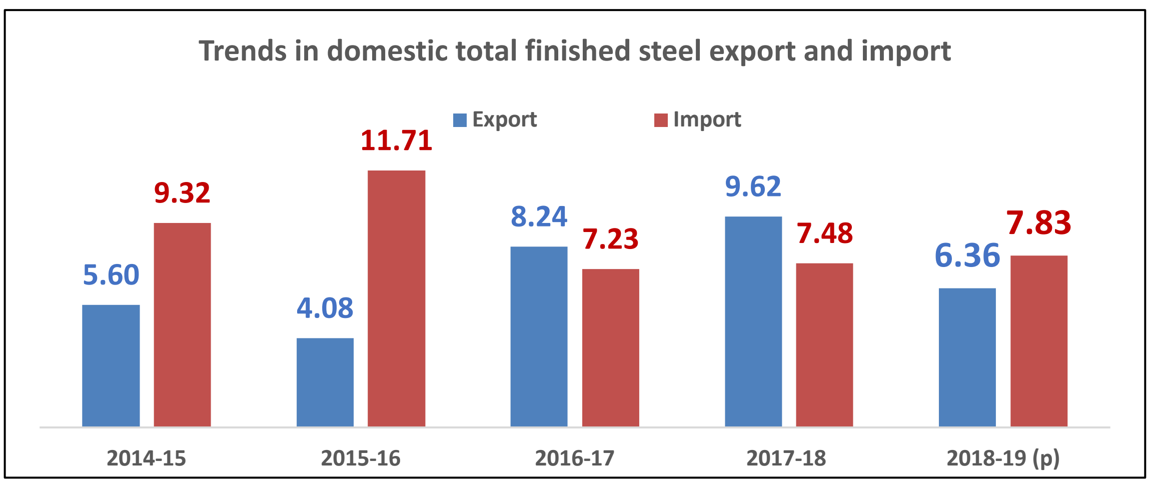
- At 33.04 mt in 2018-19, India's sponge iron production grew by 8.3% over 2017-18 and grew by 7.6% on a CAGR basis during the last five years ending 2018-19.
- With 79% share, the coal based route (26.1 mt, up by 8.5%) led sponge iron production in 2018-19, with the average share of the Sector at 84% in the last five years ending 2018-19.

D. Total Finished Steel –Gross Production



- At 131.57 mt in 2018-19, gross production of total finished steel grew by 3.7% over 2017-18 and was up by 5.8% on a CAGR basis during the last five years ending 2018-19.
- With 86% share, the Private Sector (113 mt, up by 3.8%) led gross production of total finished steel in 2018-19.
- With a 56% share, SAIL, RINL, TSL, Essar Steel, JSWL, JSPL taken together produced 73.42 mt (up by 6.2%) of finished steel in 2018-19 while the rest 44% was the share of the Other Producers (growth of 0.8%) during this period.
- Analyzing by broad divisions, in the total production of finished non-alloy steel during this period, contribution of the non-flat segment stood at 48.134 mt (up by 6.7 per cent) while that of the flat segment stood at 72.445 mt (down by 0.5 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to production of total finished steel was bars & rods (38.057 mt, up by 6.3 per cent) while growth in the non-alloy, flat segment was led by HRC (37.185 mt, down by 2.2 per cent) during this period.

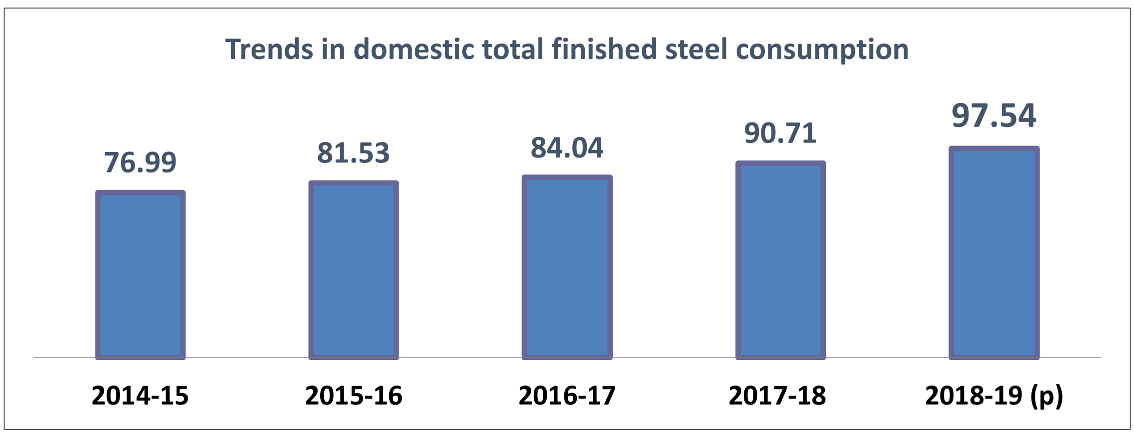
E. Total Finished Steel Trade – Export, Import



- Total finished steel exports stood at 6.36 mt in 2018-19 and declined by 33.9% over 2017-18 while imports stood at 7.83 mt and increased by 4.7% in 2018-19 over 2017-18.

- Such trends implied that India emerged as a net importer of total finished steel in 2018-19 in contrast to its net exporter status of 2017-18.
- For the last five year period ending 2018-19, on a CAGR basis, exports grew by 1.2% while imports grew by 7.5%.
- Analyzing by broad divisions, in the total export of finished non-alloy steel during this period, contribution of the non-flat segment stood at 0.705 mt (down by 68.8 per cent) while that of the flat segment stood at 5.068 mt (down by 22 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (5.09 mt, down by 75 per cent) while non-alloy, flat export was led by HRC (2.608 mt, down by 7.5 per cent) during this period.
- Analyzing by broad divisions, in the total import of finished non-alloy steel during this period, contribution of the non-flat segment stood at 0.462 mt (up by 50 per cent) while that of the flat segment stood at 5.481 mt (up by 2.9 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to import was bars & rods (0.35 mt, up by 44 per cent) while non-alloy, flat import was led by HRC (1.95 mt, up by 11.4 per cent) during this period.

F. Total Finished Steel – Consumption



- Finished steel consumption stood at 97.54 mt in 2018-19 and grew by 7.5% over 2017-18 and by 5.7% on a CAGR basis during the last five-year period ending 2018-19.
- Analyzing by broad divisions, in the total consumption of finished non-alloy steel during this period, contribution of the non-flat segment stood at 45.589 mt (up by 6.5 per cent) while that of the flat segment stood at 41.57 mt (up by 5 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to consumption was bars & rods (35.83 mt, up by 7.3 per cent) while non-alloy, flat consumption was led by HRC (14.94 mt, up by 2.7 per cent) during this period.

III. JPC Market Prices (Retail)

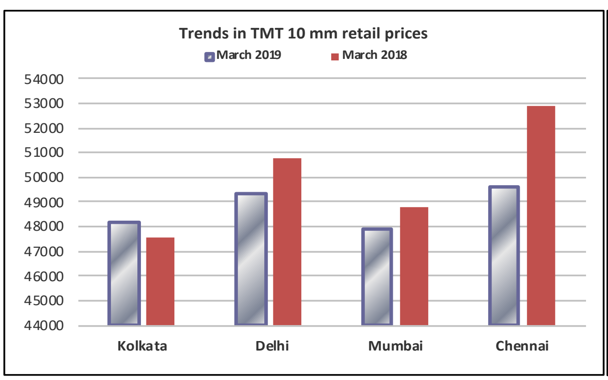
Delhi market prices: Compared to March 2018, average (retail) market prices in Delhi market in March 2019 decreased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions and global influences. The trend was just the same when compared to February 2019 for TMT while prices for HRC showed a mild increase. The situation in March 2019 with regard to March 2018 is shown in the table below for TMT 10 mm and HRC 2.0 mm for retail market prices in the Delhi market.

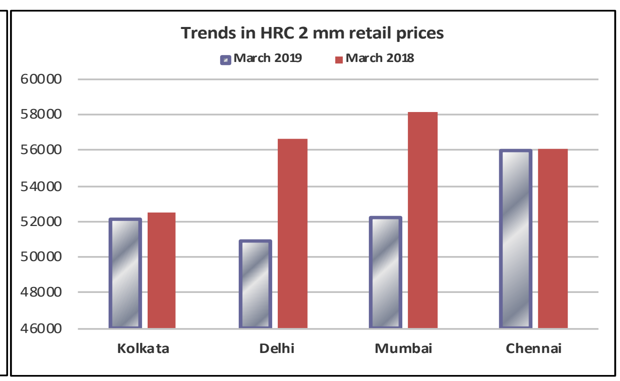
Trends in JPC market price (retail) in Delhi market in March 2019		
Item	**Delhi market prices (Rs/t)**	**%change over March 2018**
TMT, 10 mm	49,350	-2.8
HRC, 2.0 mm	50,942	-10.1
Source: JPC		

All markets: Compared to March 2018, average (retail) market prices in March 2019 decreased for long products (represented by TMT 10 mm) in all the markets excepting Kolkata while for HRC, prices reported a fall across all the markets. However, when March 2019 prices are compared to those in February 2019, prices of TMT reported a rise in all markets except Delhi and those of HRC reported a rise in all markets. The situation in March 2019 with regard to March 2018 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 March 2019 over March 2018				
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**
TMT 10mm	1.4	-2.8	-1.7	-6.2
HR Coils 2.00mm	-0.7	-10.1	-10.2	-0.2
Source: JPC				

TMT prices were highest in the Chennai market (Rs 49,597/t) and lowest in the Mumbai market (Rs. 47,923/t) while HRC prices were highest in the Chennai market (Rs. 55,932/t) and lowest in Delhi market (Rs. 50,942/t) during March 2019.





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 3rd quarter (October-December) Q3, of 2018-19, both at constant (2011-12) and current prices. As per CSO Report, GDP at Constant (2011-12) Prices in Q3 of 2018-19 is estimated at Rs. 35 lakh crore, showing a growth rate of 6.6 per cent. GVA at Basic Prices at Constant (2011-12) Prices in Q3 of 2018-19 is estimated at Rs. 32.31 lakh crore, showing a growth rate of 6.3 per cent. The growth rates in the various sectors are reported as follows: 'Agriculture, Forestry and Fishing' (2.7per cent), 'Mining and Quarrying' (1.3 per cent), 'Manufacturing' (6.7 per cent), 'Electricity, Gas, Water Supply and Other Utility Services' (8.2 per cent) 'Construction' (9.6 per cent), 'Trade, Hotels, Transport, Communication and Services Related to Broadcasting' (6.9 per cent), 'Financial, Real Estate and Professional Services' (7.3 per cent), and 'Public Administration, Defence and Other Services' (7.6 per cent). For the year as a whole, growth in GDP during 2018-19 is estimated at 7 per cent as compared to the growth rate of 7.2 per cent in 2017-18.

Industrial Production: Provisional CSO data show that the growth rate of the Index of Industrial Production (IIP) was up by 4% during April-February 2018-19 (prov.), encouraged by stable growth in Electricity (5.5%), Manufacturing (3.8%) and Mining (3%). The Use-Based scenario of the Index of Industrial Production (IIP) during April-February 2018-19 (prov.) show that excepting a minor decline in Intermediate Goods, all the other sectors recorded a growth with Infrastructure/ Construction Goods (7.7%) reporting the highest and Primary Goods, the lowest (3.6%).

Infrastructure Growth: Provisional data released by the CSO indicate that the growth rate of the Eight Core Infrastructure Industries was up by 4.3% during April-February 2018-19 (prov.), encouraged by growth in most sectors, specially Coal (7.1%) and Cement (13%), Electricity (5.4%) but pulled down by decline in growth rates in case of Crude Oil (4%) and Fertilizers (0.02%).

Inflation: In March 2019 (prov.), the annual rate of inflation, based on monthly WPI, stood at 3.18% while the all India CPI inflation rate (combined) stood at 2.86% and both parameters reported a rise during the month as compared to trends in the preceding month.

Trade: Provisional figures from DGCI&S show that during April-March 2018-19, in dollar terms, overall exports were up by 9.06 per cent while overall imports were up by 8.99 per cent, both on yoy basis. During the same period, oil imports were valued at USD 140.47 billion, which was 29.27 per cent higher yoy while non-oil imports were valued at USD 366.97 billion which was 2.82 per cent higher yoy. The overall trade deficit for April-March 2018-19 is estimated at USD 95.85 billion as compared to USD 86.05 billion in April-March 2017-18.

Prepared by: Joint Plant Committee