



# Trends ..... January 2019

Indian steel emerged as the 2<sup>nd</sup> largest crude steel producer globally in 2018, as per official rankings released by the World Steel Association for the year.

## WORLD ECONOMY AT A GLANCE

- Markit Economics reports indicated that global PMI sank to a near two-and-a-half year low at the beginning of 2019 with the index touching 50.7 in January 2019, close to the level of stagnation.
- While the USA remained one of the strongest contributors helped also by India and Brazil, the main cause for the slow growth of the index can be traced to the slowdown in Chinese manufacturing as the Chinese PMI fell to a near three-year low of 48.3. The Euro Area and Japan PMI also were on the border mark while those of Germany, Italy, Turkey slipped below the crucial 50-mark level in January 2019, as per Markit reports.
- The reports also reflected a near-stalling in the rate of growth in new orders and a decline in new export orders during the month which also saw an easing of input cost inflation and a rise in output charges.

Key Economic Figures			
Country	GDP Q3 2018: %change*	Manufacturing PMI	
		2018 (avg.)	January 2019
India	7.1	52.3	53.9
China	6.5	50.7	48.3
Japan	0.3	53.1	50.3
USA	3.0	55.4	54.9
EU 28	1.7	55.0	50.5
Brazil	1.3	51.6	52.7
Russia	1.3	50.5	50.9
South Korea	2.0	49.7	48.3
Germany	1.1	56.1	49.7
Turkey	1.6	48.0	44.2
Italy	0.7	52.4	47.8
Source: GDP: official releases; PMI- Markit Economics, *provisional			

## GLOBAL CRUDE STEEL PRODUCTION

World Steel Association data shows that led by China, world crude steel production stood at 1809 million tonnes (mt) in 2018, up by 4.6% year-on-year (yoy) i.e. over 2017.

World Crude Steel Production				
Rank	Top 10	2018* (mt)	2017 (mt)	% change*
1	China	928.30	871.00	6.6
2	India	106.50	101.5	4.9
3	Japan	104.30	104.7	-0.4
4	USA	86.70	81.60	6.3
5	South Korea	72.50	71.00	2.1
6	Russia	71.70	71.50	0.3
7	Germany	42.40	43.30	-2.1
8	Turkey	37.30	37.50	-0.5
9	Brazil	34.70	34.40	0.9
10	Iran	25.00	21.20	17.9
<b>Total:10</b>		<b>1509.40</b>	<b>1437.70</b>	<b>5.0</b>
<b>World</b>		<b>1808.60</b>	<b>1729.80</b>	<b>4.6</b>
<b>% Top10</b>		<b>83.5</b>	<b>83.1</b>	

Source: worldsteel; \*prov.

- China produced 928.3 mt of crude steel in 2018, up by 6.6% over 2017. China remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was up by 2.5%. China accounted for 73% of Asian and 51% of world crude steel production during 2018, as compared to 72% and 50% recorded for 2017.
- With a 6% share in total world production and a 4.9% rise in production over 2017, Indian crude steel production during 2018 (106.5 mt) edged ahead of Japan, making India the 2<sup>nd</sup> largest producer during 2018.
- 2018 Japanese crude steel production (104.3 mt) was down by 0.4% yoy and the country was the 3<sup>rd</sup> largest crude steel producer in the world in 2018.
- USA remained in the 4<sup>th</sup> largest spot, with a 2018 production (86.7mt) notching up a growth of 6.3% over 2017 while South Korea was the 5<sup>th</sup> largest, with a 2.1% rise in production.
- Crude steel production in the EU (28) countries during 2018 was at 168 mt, down by 0.3% yoy.
- At 1271 mt, Asian crude steel production was up by 6% in 2018 and the region accounted for 70% of world crude steel production during 2018, same as in 2017.
- The top 10 countries accounted for 83.5% of total world crude steel production in 2018 (83.1% in 2017) and saw production go up by 5% yoy during this period.
- Iran (25 mt) replaced Italy (24.5 mt) by a narrow margin as the 10<sup>th</sup> largest crude steel producer in 2018, and recorded a production growth of 17.9% over 2017.

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## NEWS AROUND THE WORLD

### THE AMERICAS

- United States President Donald Trump strengthened the Buy America requirements for infrastructure in an executive order on January 31, 2019 in a potential boost to domestic iron, steel and aluminium industries, among others.
- Lawmakers in the United States have introduced a legislation to limit presidential power to impose tariffs on imports for national security reasons.
- Liberty Steel USA may restart the second electric arc furnace at its Georgetown, South Carolina mill as the company looks to become the largest wire rod producer in the US within the next year.
- The Canadian government and provincial government of Ontario announced financial support of up to C\$150 million (\$113.4 million) for Algoma Steel Inc., the country's second-largest steelmaker, to support capital investments the company is undertaking and employment at the mill.
- Bolivia's Mutun iron ore mine and steelworks project has received approval to begin construction.
- Mexican tube maker TenarisTamsa expects to invest around \$100 million in new facilities in 2019, according to the company's general director Sergio de la Maza. The investment is expected to be directed toward new facilities for tube rolling and maintenance in the Veracruz area.

### ASIA

- Tangshan, the major steelmaking hub in northern China, has ordered local steel mills to suspend their sintering operations over December 20-31, 2018 leaving only minimum sintering capacity running to guarantee resident heat supply. The move was made to reduce pollution.
  - JFE Steel has temporarily banked its No.6 blast furnace in the Chiba section of its East Japan Works, but the company expects a return to normal operating levels by the middle of January 2019. JFE expects the stoppage to result in a loss of 400,000 t of crude steel.
  - India's Vedanta plans to add as much as 5.5 million tonnes of fresh steel production capacity via a new plant and expansion at Bokaro in Jharkhand state.
  - India's JSW Group signed a MoU with the Andhra Pradesh Economic Development Board (APEDB) at the World Economic Forum, Davos. The company has proposed an investment of Rs 4,500 crore for building a jetty at Ramayapatnam Port and also set up an integrated steel complex surrounding coastal areas of Prakasam district in Andhra Pradesh.
  - India's Tata Steel has sold its stakes in NatSteel Holdings and Tata Steel Thailand to China's HBIS Group for about \$327 million. Tata Steel's subsidiary TS Global Holdings will sell the stakes to a company to be set up by HeSteel Group.
  - South Korean steelmakers will get higher quotas on top of their exports to the European Union starting from February 2, 2019 the Ministry of Foreign Affairs said late
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last week. The higher quotas are expected to rise 105% from February 2 to June 30, 2019; to 110% from July 1, 2019 to June 30, 2020; and to 116% from July 1, 2020 until June 30, 2021, the ministry said.

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

- The Gulf Co-operation Council nations (GCC) increased the import duty on rebar to 10% from the previous 5% with effect from January 1, 2019, the Arab Iron & Steel Union (AISU) has announced.

## **EU AND OTHER EUROPE**

- Thyssenkrupp has announced it would switch to carbon-free steelmaking by 2050, but said the success would still be dependent on various factors. The decision comes as the EU wants to cut CO<sub>2</sub> emissions to zero by 2050 for industrial production processes.
- The European Commission has declared the import quota status as “critical” in HDG steel sheet coils, with 105,600 tonnes remaining available for importation in the final 12 days of provisional safeguard measures before a 25% tariff is applicable.
- German mills want changes to the European Commission’s proposed safeguard measures for steel imports, saying they had been “watered down,”. While WV Stahl President Hans Juergen Kerckhoff welcomed definitive measures, he said the proposals were “unsuited” for protecting the regional steel industry from an influx of redirected trade flows resulting from US import restrictions.
- The European Commission has notified the World Trade Organisation that it proposes to introduce definitive tariff-rate quotas on a country-specific basis on the biggest steel-supplying countries, exempting hot-rolled coil imports which would receive a global tariff rate quota under the plan. The safeguard measures are intended to be in place for three years -- including the period of provisional safeguards that started in July 2018 -- expiring July 16, 2021. Once the quota has been reached, a 25% duty would apply.
- The European Commission has restarted its investigation into the proposed merger of Tata and Thyssenkrupp’s steel operations following a suspension of the case in December 2018, setting a new deadline of April 29, 2019.
- The European Commission’s proposal of definitive safeguard measures on steel imports was met with “regret” by the European Automobile Manufacturers’ Association (ACEA), which said the proposal would not consider the needs of the automotive sector.
- Eurofer’s Quality Tracking System project for steel coils “successfully” has drawn to a close after three years of development and close cooperation amongst all stakeholders, the European steel association stated in a press note.

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

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## WORLD STEEL PRICE TRENDS

2019 opened on an optimistic mode with global steel prices in general remaining north-bound. The upcoming Chinese New Year Holidays meant that transactions remained subdued but the underlying tone was one of optimism following sustained policy thrust on environmental controls and tightening of monetary policies. At the same time, tragic accidents at Vale and at Port Abbot implied a possible cut in raw material supplies, iron ore and coal respectively in the coming days. Global iron ore prices already surged above \$80/t after Vale announced production cuts of 40 mtpa. Going ahead, China's streamlining of demand-supply, USA's Buy America Act and impact of on-going trade barriers and recovery of raw material market conditions would be the main influencing factors on global steel prices.

### Long Product

- January 2019 rebar prices remained steady in the USA given lukewarm demand conditions. Transactions, as per Metal Bulletin reports, were quoted around \$710/t at month-end.
- EU January 2019 rebar prices remained stable with limited transactions as market participants awaited the final proposal from the EC on its 2019 safeguarding import quotas. Transactions, as per Metal Bulletin reports, were quoted around €530-550/t (\$606-629) in Northern Europe and around €510-520/t (\$583-594) in Southern Europe at month-end.
- China's domestic rebar prices were almost flat in January 2019 in view of limited activity ahead of the New Year holidays. Transactions, as per Metal Bulletin reports, were quoted around 3710-3750 yuan/t (\$552-558) in Shanghai and around 3700-3740 yuan/t in Beijing at month-end.
- Seasonal low demand led Russian rebar prices move south in January 2019. Transactions, as per Metal Bulletin reports, were quoted around 33,700-33,800 roubles/t (\$510-512) cpt Moscow for 12mm A500C rebar, including 20% VAT.

### Flat Product

- January 2019 HRC prices slipped slightly in the USA given limited transactions and dull demand conditions. Transactions, as per Metal Bulletin reports, were quoted around \$680-690/t at month-end.
- EU January 2019 HRC prices also dipped slightly due to slow trading. Transactions, as per Metal Bulletin reports, were quoted around €510-520/t (\$583-595) in Northern Europe and around €440-490/t in Southern Europe at month-end.
- Chinese HRC prices saw little change in January 2019 in view of limited activities ahead of the New Year holiday. Transactions, as per Metal Bulletin reports, were quoted around 3780-3800 yuan/t (\$563-566) in Shanghai and around 3720-3740 yuan/t in Tianjin at month-end.
- Russian flat steel prices saw limited gains in January 2019 in view of supply shortage. Transactions, as per Metal Bulletin reports, were quoted around 39,200-40,000 roubles for Russia-origin 4mm HR sheet, including 20% VAT.

[Source Credit: Metal Bulletin]

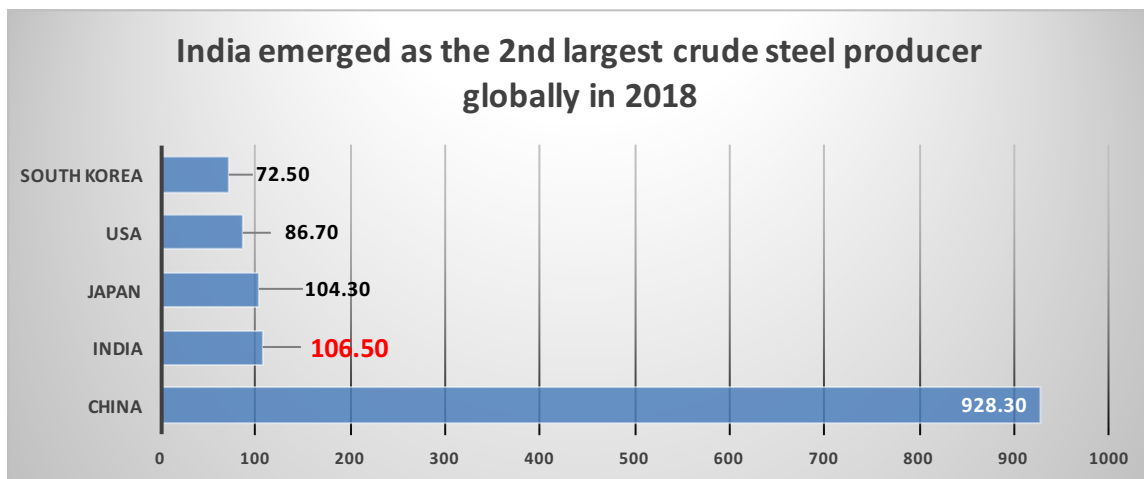
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## SPECIAL FOCUS

### Indian Steel's Milestone Performance in 2018

For the completed calendar year 2018, the Indian steel industry recorded a milestone performance with its rising crude steel production elevating the country to the status of the 2<sup>nd</sup> largest crude steel producer in the world, a feat which the trend of production growth throughout the year had almost indicated. Nonetheless, with rankings being released officially by the World Steel Association on an annual basis only, 2018 establishes India in a new avatar, a status it gained for the first time in its long and eventful journey. It is important to note here that in 2017 also, Indian steel had crossed the avowed 100 million tonne (mt) mark, making the said year an equally eventful one for the country.

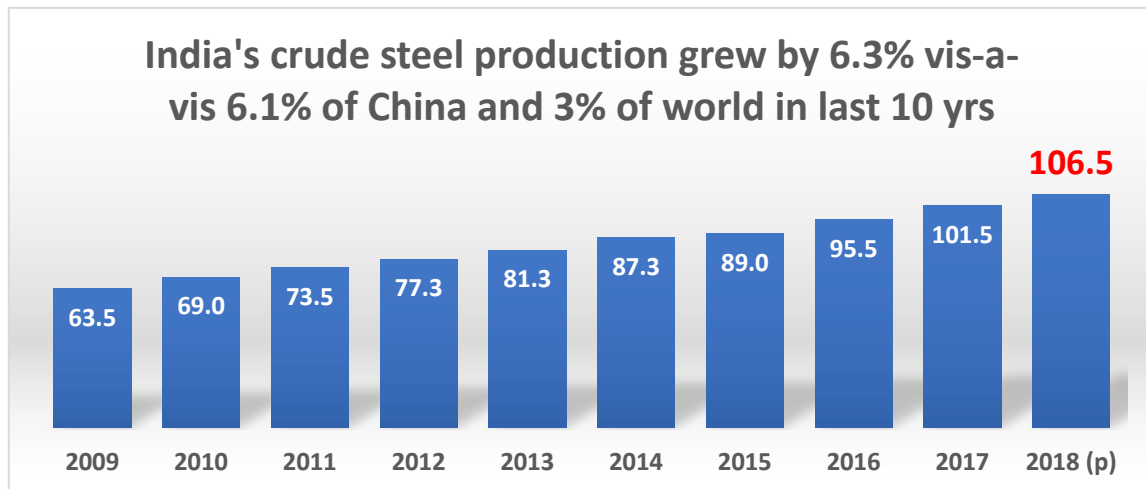
Thus, as per provisional data released by worldsteel, the country's crude steel production stood at 106.5 mt in 2018 (prov), a growth of 4.9% over 2017 (101.5 mt). With its crude steel production remaining well above the 100 mt mark in 2018 also, it implies that India is now an established part of the 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 pivotal role played by 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 (2009-2018) indicates a steady progress in the country's production performance which has helped it improve its global rank from 3<sup>rd</sup> largest global producer in 2009 to being the 2<sup>nd</sup> largest in 2018 (prov.). At the same time, its share in global crude steel production has increased from 5% in 2009 to 6% in 2018 (prov.). The sustained rise in production, from 64 mt in 2009 to 106.5 mt in 2018, has implied a CAGR growth of 6.3% during this ten year period.

The situation is equally encouraging if we look at the last five year's (2014-2018) trend performance that translates into a CAGR growth of 5.5% and indicates a rise in India's share in global crude steel production from 5.2% in 2014 to 6% in 2018 and an improvement in ranking from 4<sup>th</sup> largest in 2014 to 2<sup>nd</sup> largest in 2018.

**Global Comparison:** Interestingly, if we compare the performance of China and world for the same period of last ten years (2009-2018), then analysis indicates a CAGR growth of 6.1% in case of China and 3% in case of world total as far as crude steel production is concerned, confirming India with a production growth 6.3% 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 (2014-2018) trend performance that translates into a CAGR growth of 1.9% rise in case of world production and 2.5% rise in case of Chinese crude steel production, again confirming India with a production growth 5.5% in terms of CAGR as one of the leading drivers of global steel production during this period as well.

<b>Crude Steel Production: % CAGR Growth</b>			
<b>Period</b>	<b>World</b>	<b>India</b>	<b>China</b>
In last 5 yrs	1.9	5.5	2.5
In last 10 yrs	3.0	6.3	6.1
Source: worldsteel			

### **India, Iran drives up global DRI production by 12% in 2018**

Global output of direct reduced iron (DRI) increased by 12% in 2018 as per provisional World Steel Association (worldsteel) report, driven by India (production up by 2.9%) and Iran (production up by 32%) during the year as compared to 2017. Together, the top five countries (details below) accounted for 86% of the world DRI production during this period and saw their cumulative output rise by 12.8% as compared to last year.

World DRI Production				
Rank	Country	2018 *(mt)	2017(mt)	% change*
1	India	30.37	29.51	2.9
2	Iran	25.54	19.40	31.6
3	Mexico	5.99	6.01	-0.3
4	Egypt	5.75	4.67	23.3
5	Saudi Arabia	4.99	4.81	3.7
	<b>Top 5</b>	<b>72.64</b>	<b>64.40</b>	<b>12.8</b>
	<b>World</b>	<b>84.10</b>	<b>75.37</b>	<b>11.6</b>
	<b>%Share : Top 5</b>	<b>86</b>	<b>85</b>	<b>-</b>
Source: worldsteel; *provisional				

Analysed by the regional blocks, it is observed that the major reason for the 2018 DRI output growth was higher steel output in the Middle East-North Africa (Mena) region, where more than 90% of steel is produced in electric-arc furnaces, which consume DRI as a raw material. Worldsteel data shows that more than half of 2018's DRI production of 84.1 mt was produced in the Mena region, where DRI output stood at 43.19 mt, a growth of 21.34% over 2017. While Iran was a key contributor, DRI output in Egypt – the second largest producer in the Mena region and the fourth largest global DRI producer – reached 5.75 mt in 2018, up by 23.3% over 2017.

## INDIAN STEEL MARKET ROUND-UP

### Performance of Indian Steel Industry: April-December 2018

The following is a status report on the performance of Indian steel industry during April - December 2018, based on provisional data released by JPC. 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	Indian steel scene (million tonnes)		
	April - December 2018 (prov)	April - December 2017 (final)	% change (prov)
Crude Steel Production	79.059	75.725	4.4
Hot Metal Production	53.783	50.303	6.9
Pig Iron Production	4.488	4.227	6.2
Sponge Iron Production	22.076	22.219	-0.6
<b>Total Finished Steel (alloy + non-alloy)</b>			
Production	97.598	93.175	4.7
Import	5.910	6.097	-3.1
Export	4.674	7.604	-38.5
Consumption	71.551	66.299	7.9
Source: JPC			



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## **I. Crude Steel:**

- During April - December 2018, crude steel production was 79.059 million tonnes (mt), a growth of 4.4 per cent over same period of last year.
- SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 47.537 mt during April - December 2018 which was a growth of 9 per cent compared to same period of last year. The rest 40 per cent i.e. 31.522 mt came from the Other Producers, which was a decline of 1.8 per cent over same period of last year.
- With a 80 per cent share, the Private Sector (63.23 mt, up by 3.1 per cent) led crude steel production (79.059 mt) during this period.
- Shares of the Oxygen Route (37.3 mt), EAF Route (20.93 mt) and IF Route (20.83 mt) stood at 47 per cent, 27 per cent and 26 per cent respectively in total crude steel production during this period.

## **II. Hot Metal:**

- During April - December 2018, hot metal production was 53.783 million tonnes (mt), a growth of 6.9 per cent over same period of last year.
- SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 45.096 mt during April - December 2018 which was a growth of 8.8 per cent over same period of last year. The rest 16 per cent i.e. 8.687 mt came from the Other Producers, which was a decline of 1.8 per cent over same period of last year.

## **III. Pig Iron:**

- During April - December 2018, pig iron production was 4.488 mt, up by 6.2 per cent over same period of last year.
- SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 0.676 mt during April - December 2018 which was a growth of 22.9 per cent over same period of last year. The rest 85 per cent i.e. 3.812 mt came from the Other Producers, which was a growth of 3.7 per cent over same period of last year.

## **IV. Sponge Iron:**

- During April - December 2018, sponge iron production was 22.076 mt, down by 0.6 per cent over same period of last year.
- The Other Producers (15.603 mt) accounted for 71 per cent of total production, a decline of 4.9 per cent over same period of last year.

## **V. Total Finished Steel**

### **A. Gross Production**

- Gross Production or simply Production of total finished steel was at 97.598 mt, and grew by 4.7 per cent during April - December 2018 over same period of last year.
- SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 54.467 mt during April - December 2018 which was a growth of 6.8 per cent over same period of last year. The rest 44 per cent i.e. 43.131 mt came from the Other Producers, which was a growth of 2.3 per cent over same period of last year.

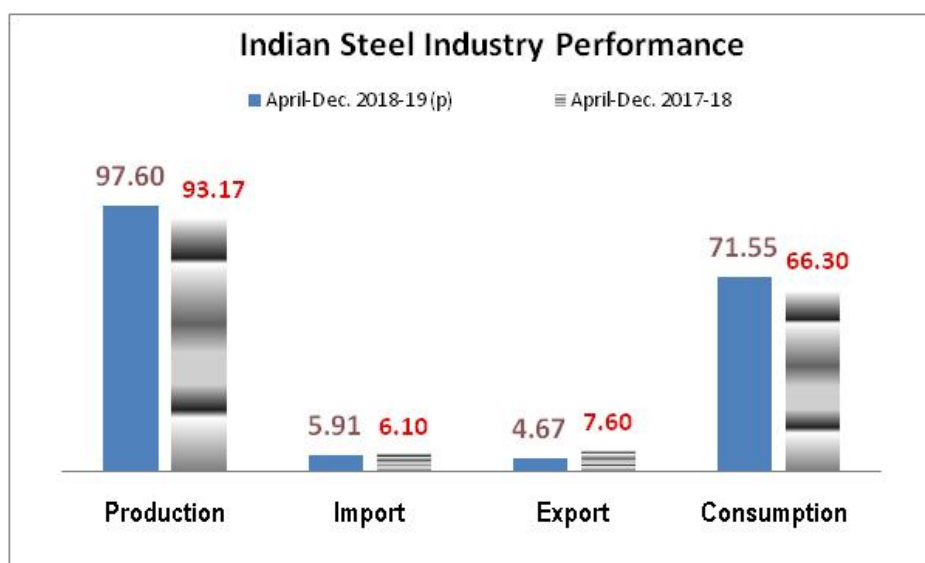
- Analyzing by broad divisions, in the total production of finished non-alloy steel during April-December 2018 (prov.), contribution of the non-flat segment stood at 35.684 mt (up by 9.9 per cent) while that of the flat segment stood at 53.768 mt (down by 0.7 per cent) .
- In the non-alloy, non-flat segment, in volume terms, major contributor to production of total finished steel was bars & rods (28.36 mt, up by 8.9 per cent) while growth in the non-alloy, flat segment was led by HRC (27.63 mt, down by 2.1 per cent) during April-December 2018 (prov.).

## B. Exports

- During April-December 2018 (prov.), export of total finished steel stood at 4.674 mt, a decline of 38.5 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 4.219 mt (down by 38.6 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where export was down by 38 per cent.
- Analyzing by broad divisions, in the total export of finished non-alloy steel during April-December 2018 (prov.), contribution of the non-flat segment stood at 0.509 mt (down by 74 per cent) while that of the flat segment stood at 3.71 mt (down by 25 per cent) .
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.36 mt, down by 80 per cent) while non-alloy, flat export was led by HRC (1.82 mt, down by 16 per cent) during April-December 2018 (prov.).

## C. Imports

- During April-December 2018 (prov.), import of total finished steel stood at 5.91 mt, a decline of 3.1 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 4.468 mt (down by 1.9 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where import was down by 6.6 per cent.
- Analyzing by broad divisions, in the total import of finished non-alloy steel during April-December 2018 (prov.), contribution of the non-flat segment stood at 0.32 mt (up by 24.3 per cent) while that of the flat segment stood at 4.149 mt (down by 3.4 per cent) .
- In the non-alloy, non-flat segment, in volume terms, major contributor to import was bars & rods (0.25 mt, up by 20.2 per cent) while non-alloy, flat import was led by HRC (1.424 mt, down by 0.1 per cent) during April-December 2018 (prov.).
- India was a net importer of total finished steel in April - December 2018 (prov.).



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## D. Consumption

- During April-December 2018 (prov.), consumption of total finished steel stood at 71.551 mt, a growth of 7.9 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 63.872 mt (up by 6.5 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where consumption was up by 22 per cent.
- Analyzing by broad divisions, in the total consumption of finished non-alloy steel during April-December 2018 (prov.), contribution of the non-flat segment stood at 33.629 mt (up by 7 per cent) while that of the flat segment stood at 30.243 mt (up by 6 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to consumption was bars & rods (26.6 mt, up by 8 per cent) while non-alloy, flat consumption was led by HRC (10.6 mt, down by 0.2 per cent) during April-December 2018 (prov.).

### III. JPC Market Prices (Retail)

**Delhi market prices:** Compared to December 2017, average (retail) market prices in Delhi market in December 2018 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. The trend was just the opposite when compared to November 2018 for both HRC and TMT, as prices registered a decline. The situation in December 2018 with regard to December 2017 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 December 2018		
Item	Delhi market prices (Rs/t)	%change over December 2017
TMT, 10 mm	52,817	20.4
HRC, 2.0 mm	52,510	5.3

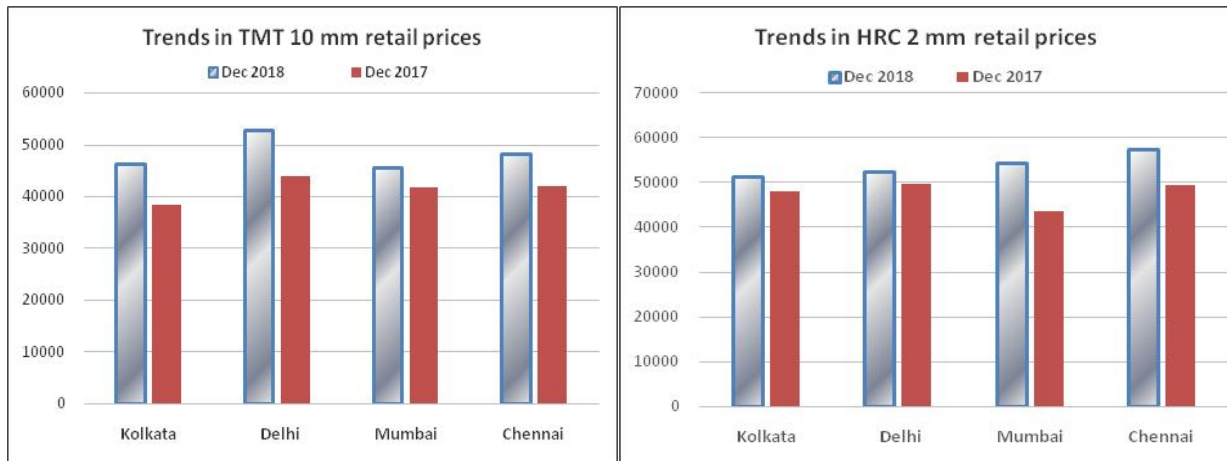
Source: JPC

**All markets:** Compared to December 2017, average (retail) market prices in December 2018 increased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), across markets in response to domestic demand-supply conditions and partly global influence. The trend was, however, the opposite when compared to November 2018 as prices of both TMT and HRC registered declines across markets. The situation in December 2018 with regard to December 2017 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 2018 over December 2017				
Item	Kolkata	Delhi	Mumbai	Chennai
TMT 10mm	21.1	20.4	9.5	15.6
HR Coils 2.00mm	6.9	5.3	24.5	16.3

Source: JPC

TMT prices were highest in the Delhi market (Rs 52,817/t) and lowest in the Mumbai market (Rs 45,595/t) while HRC prices were highest in the Chennai market (Rs. 57,427/t) and lowest in Kolkata market (Rs. 51,350/t) during December 2018.



## 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 2<sup>nd</sup> quarter (July-September) Q2, of 2018-19, both at constant (2011-12) and current prices. As per CSO Report, GDP at Constant (2011-12) Prices in Q2 of 2018-19 is estimated at Rs 33.98 lakh crore, showing a growth rate of 7.1 per cent. Quarterly GVA (Basic Price) at Constant (2011-2012) Prices for Q2 of 2018-19 is estimated at Rs 31.40 lakh crore, showing a growth rate of 6.9 per cent over same quarter of previous year. The Economic Activities which registered growth of over 7 per cent in Q2 of 2018-19 over Q2 of 2017-18 are 'Manufacturing, 'Electricity, Gas, Water Supply & Other Utility Services', 'Construction' and 'Public Administration, Defence and Other Services'. The growth in the 'Agriculture, Forestry and Fishing', 'Mining and Quarrying', 'Trade, Hotels, Transport, Communication and Services related to Broadcasting' and Financial, Real Estate and Professional Services is estimated to be 3.8 per cent, (-) 2.4 per cent, 6.8 per cent, and 6.3 per cent respectively during this period.

**Industrial Production:** Provisional CSO data show that the growth rate of the Index of Industrial Production (IIP) was up by 5 per cent during April-November 2018 (prov.), encouraged by stable growth in Electricity (6.6 per cent), Manufacturing (5 per cent) and Mining (3.7 per cent). The Use-Based scenario of the Index of Industrial Production (IIP) during April-November 2018 (prov.) recorded a growth in all the leading steel-related end-use sectors with Infrastructure/ Construction Goods (8.3 per cent) reporting the highest and Intermediate Goods, the lowest (0.7 per cent).

**Infrastructure Growth:** Provisional data released by the CSO indicate that the growth rate of the Eight Core Infrastructure Industries was up by 5.1 per cent during April-November 2018 (prov.), encouraged by growth in most sectors, specially Coal (9 per cent) and Cement (14.2 per cent), Electricity (6.7 per cent) but pulled down by decline in growth rates in case of Crude Oil (- 3.6 per cent), Natural Gas (-0.7 per cent) and Fertilizers (-1.3 per cent).

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**Inflation:** The annual rate of inflation, based on monthly WPI, stood at 3.8 per cent in December 2018 (prov.) while the all India CPI inflation rate (combined) stood at 2.19 per cent in December 2018 (prov.), and both parameters reported a softening during the month as compared to trends in the preceding month

**Trade:** Provisional figures from DGCI&S show that during April-December 2018, in dollar terms, overall exports were up by 10.18 per cent while overall imports were up by 12.61 per cent, both on yoy basis. During the same period, oil imports were valued at USD 108.10 billion, which was 43 per cent higher yoy while non-oil imports were valued at USD 278.54 billion which was 4.1 per cent higher yoy. The overall trade deficit for April-December 2018-19 is estimated at USD \$82.72 billion as compared to US\$ 69.63 billion of same period of last year.

**Prepared by: Joint Plant Committee**