Trends ..... March 2017

A modest consumption growth, an indigenous supply side that bounced back to record levels of growth, plunging-imports-and-rising exports that turned the country into a net exporter, stable and recovering prices, improving financials/bottomline against the background of a stable economic growth as reflected in the GDP numbers - these summed up the domestic steel scene at the end of 2016-17.

WORLD ECONOMY AT A GLANCE

- The headline J.P.Morgan Global Manufacturing PMI stood at 53.0 in March 2017, unchanged from February's 69-month high - and continues to reflect strong expansion in the global manufacturing sector, as per Markit Economics reports. The latter also indicate that the average reading over Q1 2017 stood at 52.9 - the best outcome since Q2 2011.

- With its PMI rising to a near six-year record high, the Euro Area remained a strong contributor to global growth. The Markit Economics reports indicate that solid, though slower, growth was noted in case of the US, Japan, the UK, Russia and to some extent, China. However, contractions were noted in South Korea and Brazil (despite the rate of decline easing sharply in the latter).

- Global manufacturing production and new orders continued to rise in March 2017 with the increase in new business exerting pressure on capacity and manufacturers anticipate that the upturn in the sector will continue. Employment rose in the US, the Euro area, Japan, the UK and India and there was a rise in both input cost inflation and output charges.

Key Economic Figures			
Country	GDP 2016: % yoy change*	Manufacturing PMI	
		February 2017	March 2017
India (e)	7.0	50.7	52.5
China	6.7	51.7	51.2
Japan	1.0	53.3	52.4
USA	1.9	54.2	53.3
EU 28	1.9	55.4	56.2
Brazil	-3.6	46.9	49.6
Russia	-0.2	52.5	52.4
South Korea	2.7	49.2	48.4
Source: GDP-official estimates; PMI- Markit Economics, *provisional; e=estimated			

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association (worldsteel) data shows that world crude steel production for March 2017 was 144.95 million tonnes (mt), up by 4.6 per cent year-on-year (yoy) i.e. over March 2016 and was 410.55 mt during January-March (Q1) 2017, up by 5.7% yoy.

World Crude Steel Production: January - March 2017*			
Rank	**Country**	**Qty (mt)**	**% change over last year**
1	China	201.09	4.6
2	Japan	26.23	1.5
3	India	25.76	10.7
4	United States	20.4	3.8
5	Russia	17.95	4.1
6	South Korea	17.25	4.6
7	Germany	10.98	1.9
8	Turkey	8.78	14.2
9	Brazil	8.25	10.9
10	Italy	6.12	5.5
	Top 10	**342.81**	**5.0**
	World	**410.55**	**5.7**
Source: worldsteel, JPC; * provisional			

- China produced 71.99 mt of crude steel in March 2017, up by 1.8 per cent over March 2016 and production stood at 201.09 mt during Q1 2017, up by 4.6% yoy. China remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was up by 7 per cent. China accounted for 72 per cent of Asian and 49 per cent of world crude steel production during Q1 2017.
- March 2017 Japanese crude steel production (8.88 mt) was up by 1.8 per cent and was at 26.23 mt, during Q1 2017, up by 1.5% yoy. The country remained the second largest crude steel producer in the world during 2017 so far.
- With a 6.3 per cent share in total world production and an 11 per cent rise in production over same period of last year, India remained the third largest crude steel producer in the world in Q1 2017. Moreover, with production at 25.76 mt, India inched closer to Japan (26.23 mt) at the 2nd largest spot during this period.
- Crude steel production in the EU (28) countries during March 2017 was at 15.03 mt, up by 6.7 per cent yoy and was at 42.51 mt, during Q1 2017, up by 3.8% yoy.
- At 99.62 mt, Asian crude steel production was up by 3.4 per cent in March 2017 and at 280.61 mt, during Q1 2017, it was up by 5.4% yoy. Asia accounted for 68 per cent of world crude steel production during this period.
- Also, in Q1 2017, Italy emerged as the tenth largest crude steel producer, replacing Ukraine in the Top Ten list.

THE STEEL WORLD LAST MONTH

THE AMERICAS

- With dumping margins of between 21.64% and 821.40%, US mills have filed a wide-ranging trade petition against imports of carbon and alloy steel wire rod from ten nations - Belarus, Italy, South Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom.
- The US Department of Commerce has slapped a more than 200% preliminary dumping margin on imports of Japanese rebar but set lower rates for Turkey (5.92-6.2%), the largest exporter to the US, and Taiwan (3.48-29.47%).
- Nucor is investing $85 million to upgrade rolling operations at its Marion, Ohio bar mill, which has annual production capacity of more than 400,000 st.
- Gerdau's new 0.26 mtpa EAF in Argentina is expected to start production soon.
- Big River Steel held the official grand opening of its $1.3 billion, 1.6 mtpa Flex Mill in northeast Arkansas.
- Latin America's largest steel company, Ternium, has reached a definitive agreement to buy CSA, the slab plant in Brazil owned by Germany's Thyssenkrupp. The deal values CSA at €1.5 billion. It is also expected to invest $260 million to build a 0.3 mtpa HDG line and a 0.12 mtpa pre-painting line at its Pesqueria, Mexico mill.

ASIA

- China has set targets to eliminate capacity of "about 50 million metric tons/year" for steel and "above 150 million mt/year" for coal in 2017, premier Li Keqiang has announced. The targets in 2016 were 45 million mt/year for steel and 250 million mt/year for coal.
- Tangshan has revised its capacity elimination targets for 2017 to 5.7 mtpa of pig iron and 10.06 mtpa of crude steel from the previous 9.33 mtpa and 8.61 mtpa respectively.
- China's Hebei Iron & Steel (Hegang) has secured official approval from the Hebei provincial Development and Reform Commission for its planned 7.47 mtpa integrated steel works in Hebei province's Laoting county.
- At 5.75 mt, China's finished steel exports fell nearly 30% yoy in February 2017 to a three-year low and by 22.5% over January 2017, according to Chinese customs data. In the first two months of 2017, China exported 13.17 mt of finished steel, down 26% yoy.
- China's ranking of its biggest steelmakers by output saw the emergence of a new leader, with the combined output of Baosteel Group and Wuhan Iron & Steel Group, formerly second and sixth, making the newly merged company making it to the top in 2016.
- Nippon Steel & Sumitomo Metal Corp has completed acquiring the common stock of Nisshin Steel and effective March 13, 2017, Nisshin will become its subsidiary.
- India's Welspun Steel has received governmental approval for its project to construct a 3 mtpa greenfield integrated steelworks at Anjar in the western state of Gujarat.
- A consortium led by JSW Steel is close to taking control of the Ilva plant in southern Italy.
- Posco closes last chapter in Odisha project and offers to return land to government.
- India has resumed an investigation into circumvention of AD duties on CR stainless steel flat products from South Korea, China, the EU, Taiwan, South Africa, the USA and Thailand.

- South Korea's Taewoong Co celebrated the start of commercial production of what it claims to be the world's largest round blooms, cast at its plant outside Busan, a capacity of 0.8 mtpa which the company says will be split 0.4 mtpa of ingots and blooms, equally.
- The Korea Trade Commission under South Korea's Ministry of Industry & Energy has recommended that anti-dumping duties (ADD) of as much as 15.39% will continue to be imposed on stainless steel bar imports from Japan, India and Spain.
- Bangkok has extended the temporary ADD it had imposed on certain imports of HRC (Brazil, Iran and Turkey) and welded pipe (China and South Korea) by another two months till May 2017.
- Taiwan has imposed ADD on galvanized sheet from China and South Korea and on plates from China, South Korea, India, Brazil, Indonesia and Ukraine, according to a press release from the Customs Administration of Taiwan's Ministry of Finance.
- Vietnam has imposed definitive ADD as high as 38.34% on galvanized flat steel products from China and South Korea.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- Russia's MMK is soon to decide whether to restart production at the hot end of its Turkish coil maker MMK Metalurji.
- SSAB is investigating the potential to switch crude steel production at its Oxelösund works to EAF from the current BF-based process, with a decision possible by 2018 at the earliest.
- ArcelorMittal's Kryviy Rih steelworks in Ukraine has started hot testing its new coke oven battery No.6, equipped with a technology of smoke-free stamp charging – the first of its kind in Ukraine. The battery has already made its first trial lot of coke.
- Egypt's biggest steel producer, Ezz Steel, intends to increase its crude steel production to 5 mt in 2017, compared to 3.5 mt in 2016.
- The Australian Anti-Dumping Commission has revived its investigation into imports of hollow structural sections from India and the UAE that had been terminated last year.
- South Africa has imposed first-time import duties of 5% on certain hot and cold rolled stainless steel flat products.

EU AND OTHER EUROPE

- The EU is to require companies importing certain minerals to carry out 'due diligence' checks on their suppliers to ensure they are not funding conflict or human rights violations, under a draft regulation approved in the European Parliament.
- The Algerian ministry of commerce has announced that all products will now be subject to a licensing system if they are imported to be resold in the same state to end-users.
- Saarstahl has completed the 2nd phase of its wire rod mill upgrade in Neunkirchen and can now also finish roll dimensions from 14-27mm.
- Turkey's second-largest alloy bar producer, Bursa-based Cemtas, has completed installation of its new batch annealing furnace and started it up last week following tests.
- ArcelorMittal has invested more than €5 million ($5.38 million) in a new system of electro-filters to reduce emissions at its Gijón steelworks in Spain.

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

WORLD STEEL PRICE TRENDS

Q1 2017 ended on predictable notes with global steel prices largely moving north both for long and flat, being driven more by raw material price hikes and/or trade related issues than any perceptible robust growth in steel demand. In fact, trade actions, while controlling the inflow of foreign materials into local market, is most likely to determine the local supply-demand balance and hence, impact prices in the days to come. China continued to be at the centre of all global action with its new targets for capacity elimination of steel and coal. Markets overall remained optimistic, riding on the hopes of a demand resurgence.

Long product

- Rebar prices in the USA in March 2017 were stable with limited movement though analysts expect a hike soon. Transactions as per Metal Bulletin reports were quoted at around $540/t at month-end.
- With fairly optimistic outlook, March 2017 EU rebar prices edged up over last month's with transactions quoted as per Metal Bulletin at €440-450/t ($477-488) in Southern Europe and at €475-485/t ($515-526) in Northern Europe.
- A northbound futures market propped up Chinese spot rebar prices at the month-end but trading activity slowed down ahead of Tomb-Sweeping Festival and is expected to soften the upturn. Grade III rebar transactions as per Metal Bulletin reports were quoted at around 3580-3610 yuan/t in Shangai and at around 3590-3610 yuan/t in Beijing at month-end. All prices are exw and includes VAT.
- March 2017 Russian rebar prices were stable but southbound in absence of any demand cue from the yet-to-start construction season. Metal Bulletin’s price assessment for Russian 12mm A500C rebar was 30,700-33,000 roubles/t ($535-575) Moscow, including VAT.

Flat products

- US March flat steel prices moved north, riding high on demand from the energy sector and depleting inventories. Market leaders Nucor, SSAB, Gerdau, US Steel and ArcelorMittal USA all raised flat prices by about $30-50/t during the month. HRC transactions, as per Metal Bulletin reports, were quoted at around $630-660/t.
- Steady and northbound, flat steel prices in Europe are currently largely protected by trade cases against cheap imports. Metal Bulletin’s price assessment for HRC in Northern Europe was €560-580/t ($604-626) exw while that in Southern Europe was at €530-540/t ($572-582) exw. Analysts expect the trend to be impacted by the European Commission's move to impose definitive duties on HRC imports from China on April 7, 2017.
- Spot Chinese HRC prices followed a weak and softening futures market with low-key trading amidst weak demand. HRC transactions as per Metal Bulletin reports were quoted at around 3330-3360 yuan/t in Shanghai and at around 3300-3320 yuan/t in Tianjin. All prices are exw and includes VAT.
- High inventories and low demand pulled down Russian flat prices in March 2017 with Metal Bulletin’s assessment for 4mm HR sheet at 38,600-39,600 roubles/t ($673-690) cpt Moscow, including VAT.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

Capacity glut threatens steel's long-term prospects: OECD

OECD has warned of the possibility of worsening of the global glut in steelmaking capacity in the next few years, pointing out that world steelmaking capacity was 2.39 billion tonnes per annum (tpa) at the end of 2016, up by 1.4% from 2.35 billion tpa in 2015 and the resulting gain had emerged as new capacity was added at a faster rate than old capacity was shut. Further, it pointed out that while another 93.6 mtpa capacity are under way or are being planned, about 40 mtpa of that new capacity is being built and is expected to come online between 2017 and 2019. This, as per OECD, shows that excess capacity remains considerable, capacity utilisation rates continue to be very low, and the financial situation is still challenging for most companies. World steel overcapacity is estimated to be around 700 mtpa, much of which is accounted for by excess production in China, it has indicated, adding that another 90-100 mtpa of additional capacity is equivalent of adding a steel industry larger than that of the USA onto existing world output. This, as per OECD, is all the more disturbing given that global GDP grew by about 3% in 2016 while steel demand recovered by only 1% last year after falling by 3% in 2015.

INDIAN STEEL MARKET ROUND-UP

Indian Steel Industry in 2016-17: A Performance Review

A modest consumption growth, an indigenous supply side that bounced back to record levels of growth, plunging-imports-and-rising exports that turned the country into a net exporter, stable and recovering prices, improving financials/bottomline against the background of a stable economic growth as reflected in the GDP numbers - these summed up the domestic steel scene at the end of 2016-17. On hindsight, 2016-17 was a year that once again reiterated that basic, fundamental concept - the need (and that there are no two ways about it) to develop a strong domestic market and adopt measures to sharpen competitiveness in a global market, which time and again, will be wont to pass through upheavals and volatility of unpredictable extent. The following is a status report on the performance of Indian steel industry during April-March 2016-17, based on data released by the 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.

- Production of crude steel was at 97.443 million tonnes (mt), a growth of 8.5 per cent.
- Crude steel capacity reached 126.33 mt, a growth of 4 per cent.
- Crude steel capacity utilization stood at 77 per cent during the year.
- Production for sale of sponge iron was 14.83 mt, up by 2.1 per cent.
- Pig iron production for sale was 9.39 mt, up by 1.8 per cent.
- Total finished steel production for sale was 100.743 mt, an increase of 10.7 per cent.

- Export of total finished steel reached 8.245 mt, an increase of 102.1 per cent.
- Import of total finished steel was 7.227 mt, a decrease of 38.3 per cent.
- India was a net exporter of total finished steel.
- Consumption of total finished steel was 83.652 mt, an increase of 3 per cent
- Per capita total finished steel consumption stood at 64 kg, an increase of 3 per cent.

The following is a report on the performance of Indian steel industry in terms of total finished steel during April-March 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-March 2016-17*(mt)	April-March 2015-16 (mt)	%yoy change*
Production for sale	100.74	90.98	10.7
Import	7.23	11.71	-38.3
Export	8.25	4.08	102.1
Consumption	83.65	81.53	2.6
Source: JPC ;*provisional			

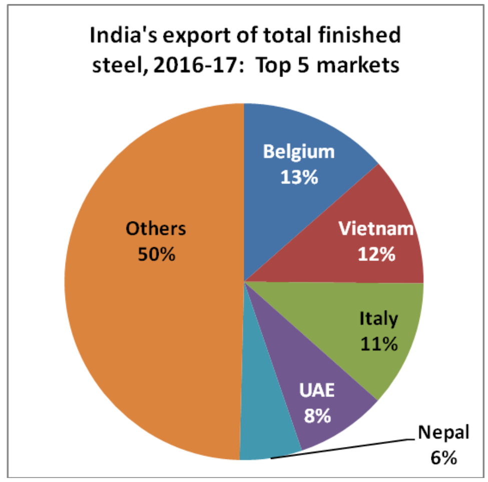
Production for sale

- During April-March 2016-17, production for sale stood at 100.74 mt, a growth of 10.7 per cent compared to same period of last year, in which contribution of the non-alloy steel segment stood at 91.677 mt (up by 11 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 43.836 mt (up by 5 per cent) while that of the flat segment stood at 47.841 mt (up by 17 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 35 mt (up by 4.2 per cent), 7.85 mt (up by 5.2 per cent) and 1.06 mt (up by 13 per cent) as compared to April-March 2015-16.
- On the other hand, for the flat segment, with the exception of HR sheets (down by 28 per cent), production for sale was up for all other leading items like Plates (4.53 mt, up by 9.4 per cent), HRC (24.06 mt, up by 24 per cent), CRC (8.21 mt, up by 40 per cent) and GP/GC Sheets (7.33 mt; up by 2.1 per cent).

Export

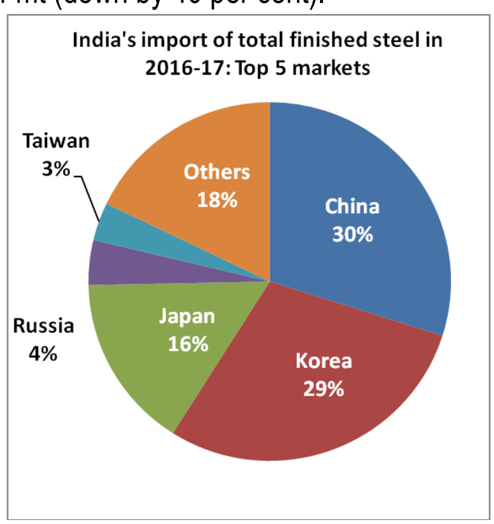
- During April-March 2016-17, export of total finished steel was 8.245 mt, up by 102.1 per cent compared to April-March 2015-16.
- Contribution of the non-alloy steel segment stood at 7.587 mt (up by 118 per cent) while the rest was that of alloy steel (including stainless steel) segment, where exports were up by 9 per cent over last year.

- In the total export of finished non-alloy steel, export of non-flat was at 0.873 mt (up by 94.4 per cent) and that of flat steel was at 6.71 mt (up by 122 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.63 mt, up by 72 per cent) and creating new record, growth in exports in the non-alloy, flat segment was led by HRC (2.88 mt, up by 647 per cent).



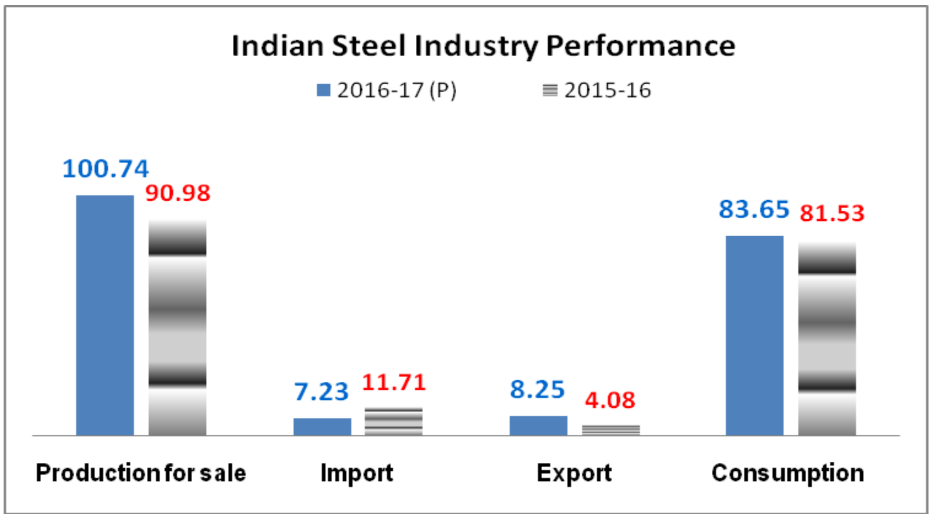
Import

- Import of total finished steel during April-March 2016-17 was at 7.227 mt, down by 38.3 per cent compared to same period of last year.
- However, with exports at 8.245 mt, India emerged as a net exporter of total finished steel during April-March 2016-17, once again after 2013-14, the last time it had been so.
- The status remained same even for March 2017, with exports of total finished steel at 1.622 mt (up by 363 per cent) shooting well past imports at 0.6 mt (40 per cent decline).
- Further, during April-March 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.
- In total finished steel import, contribution of the non-alloy steel segment was 5.366 mt (38 per cent decline) while the rest was the contribution of alloy steel (including stainless steel) segment, which was down by 38 per cent over same period of last year.
- In the import of total finished non-alloy steel, non-flat imports were at 0.522 mt (down by 21 per cent) and flat imports were at 4.844 mt (down by 40 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.42 mt, down by 32 per cent) while for the flat segment, import was led by HRC (1.91 mt; down by 44 per cent).
- The country-wise import picture indicates that the Chinese share in total finished steel stood at 30 per cent and China, with a total import of 2.16 mt, remained the largest import market for India during the year. Also, China, Korea and Japan continued to be the top three markets, accounting for 75 per cent of the country's imports of total finished steel during this period.



Consumption

- During April-March 2016-17, real consumption (or simply consumption) of total finished steel stood at 83.651 mt, a growth of 2.6 per cent over same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 43.371 mt, up by 5.1 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 33.175 mt, up by 3 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 76.546 mt, up by 4.2 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a decline of 12 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (35 mt; up by 5.1 per cent) whereas for the flat segment, consumption was led by HRC (23.38 mt, up by 6.1 per cent).



JPC Market Prices (Retail)

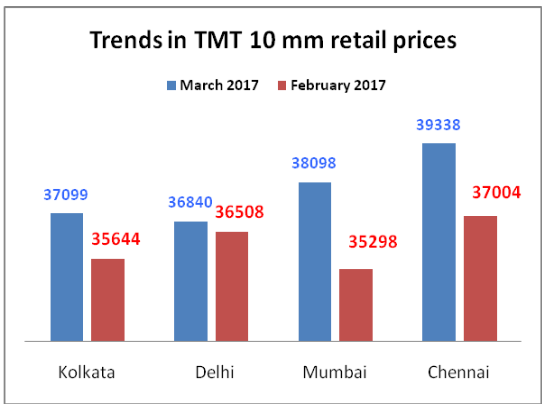
Delhi market prices: Compared to March 2016, average (retail) market prices in Delhi market in March 2017 increased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions and global influences. When compared to February 2017, however, prices moved north for TMT while HRC prices showed a decline. The situation in March 2017 with regard to March 2016 is shown in the table below for TMT 10 mm and HRC 2.0 mm.

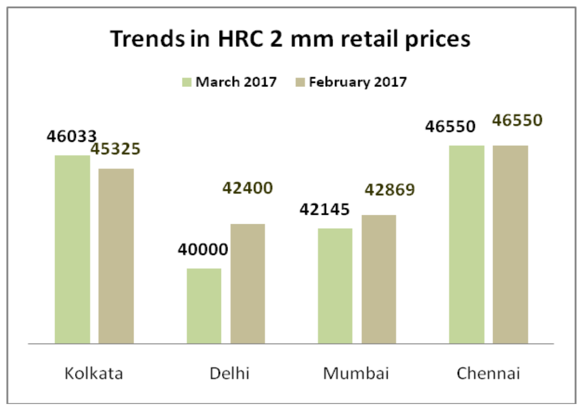
Trends in JPC market price (retail) in Delhi market in March 2017		
Item	**Delhi market prices (Rs/t)**	**% change over March 2016**
TMT, 10 mm	36,840	5.3
HRC, 2.0 mm	40,000	15.9
Source: JPC		

All markets: Compared to March 2016, average (retail) market prices in March 2017 increased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm) in all metro cities, largely in response to domestic demand-supply conditions and global influences. Compared to February 2017, however, the trend was one of straight increase across markets for long products while HRC prices showed fluctuations. The situation in March 2017 with regard to March 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 March 2017 over March 2016				
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**
TMT 10mm	1.4	5.3	8.4	6.8
HR Coils 2.00mm	19.9	15.9	21.5	26.1
Source: JPC				

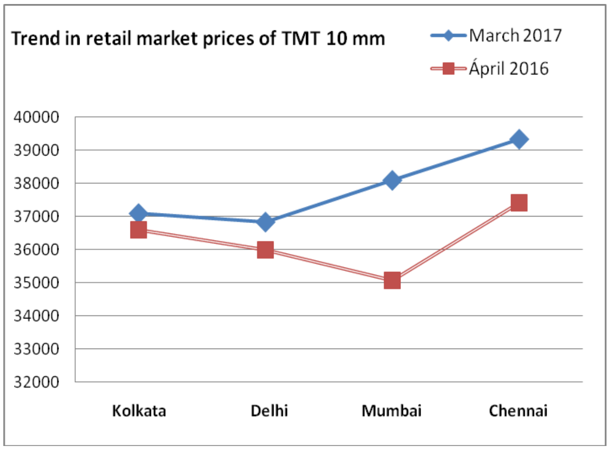
TMT prices were highest in the Chennai market (Rs 39,338/t) and lowest in the Delhi market (Rs 36,840/t) while HRC prices were highest in the Chennai market (Rs 46,550/t) and lowest in the Delhi market (Rs 40,000/t) during March 2017.

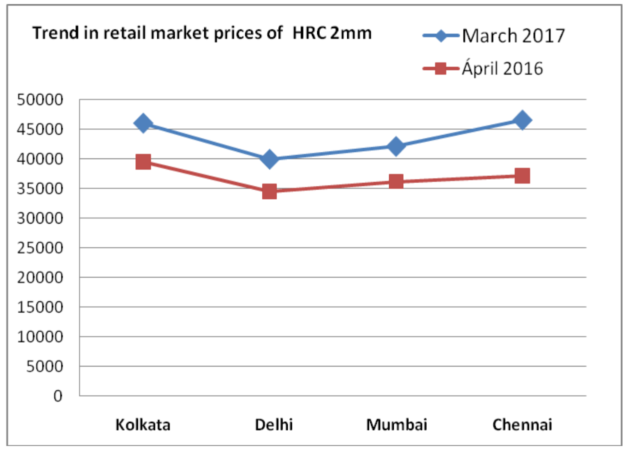




2016-17 trend: 2016-17 saw domestic steel prices recover lost grounds and move north in tune with global recovery despite the fact that domestic demand conditions remained lukewarm (a trend observed globally also) during the period. However, as imports, faced with a barrage of measures, gradually came under control, there was some discernible improvement in domestic supply side and a concomitant rise in exports. Thus, be it pig iron (up by 18%), long products (represented by TMT 10 mm, up by 4.4%) or flat products (represented by HRC 2 mm, up by 18.5%), average retail market prices across markets shot up in March 2017 as compared to April 2016 in response to domestic demand-supply conditions and partly global influence, where steel prices improved courtesy largely bouncing back of prices of iron ore and coking coal.

Trends in JPC (retail) market price: %change in March 2017 over April 2016					
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**	**Avg. change across markets**
Pig Iron	0.7	12.5	17.9	41.4	18.1
TMT 10mm	1.4	2.3	8.6	5.2	4.4
HR Coils 2.00mm	16.4	15.9	16.4	25.4	18.5
Source: JPC					





INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

GDP: The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the 2nd Advance estimates of national income at constant (2011-12) and current prices, for the financial year 2016-17. As per their report, Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2016-17 is likely to attain a level of Rs 121.65 lakh crore, as against the First Revised Estimate of GDP for the year 2015-16 of Rs 113.58 lakh crore. The growth in GDP during 2016-17 is estimated at 7.1 per cent as compared to the growth rate of 7.9 per cent in 2015-16. Real GVA, i.e. GVA at basic constant prices (2011-12) is anticipated to increase from Rs 104.70 lakh crore in 2015-16 to Rs 111.68 lakh crore in 2016-17. Anticipated growth of real GVA at basic prices in 2016-17 is 6.7 percent against 7.8 percent in 2015-16. The sectors which are likely to register growth rate of over 7 per cent are 'public administration, defence and other services', 'manufacturing' and 'trade, hotels, transport, communication and services related to broadcasting'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply and other utility services', 'construction' and 'financial, real estate and professional services' is estimated to be 4.4 per cent, 1.3 per cent, 6.6 per cent, 3.1 per cent and 6.5 per cent respectively.

Industrial Production: Provisional CSO data show that the Index of Industrial Production (IIP) was down by 1.2 per cent in February 2017 but was up by 0.4 per cent in April-February 2016-17, supported by growth in sectors like Electricity, Motor Vehicles, Mining but depressed by declining/subdued growth in sectors like Manufacturing, Capital Goods and Intermediate Goods among others.

Inflation: The annual rate of inflation, based on monthly WPI, stood at 5.7 per cent (provisional) for the month of March 2017 (over March 2016) as compared to 6.55 per cent (provisional) for the previous month. Build up inflation rate in the financial year so far was 5.7% compared to a build up rate of (-) 0.45% in the corresponding period of the previous year. The all India CPI inflation rate (combined) for March 2017 stood at 3.81 per cent as compared to 3.65 per cent of previous month.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 1 per cent in February 2017 depressed by declining growth rates in all sectors except coal, steel and electricity and by 4.4 per cent in April- February 2016-17, led by the growth rates in all sectors except crude oil, natural gas and cement.

Trade: Provisional figures from DGCI&S show that during April-March 2016-17 in dollar terms, overall exports were up by 4.71 per cent while imports were down by 0.17 per cent, both on yoy basis. During the same period, oil imports were valued at US$ 86457.87 million, 4.24 per cent higher yoy while non-oil imports were valued at US$ 293909.78 million, 1.39 per cent lower yoy. The trade deficit for April-March 2016-17 was estimated at US$ 105722.55 million which was 10.95% lower than the deficit of US$ 118716.53 million during April-March 2015-16.

Policy:

- The Cabinet has approved amendments to the Companies Act, 2013, that seek to ease compliance requirements and certain other provisions.
- The government has approved to convert 57,500 km state highways into NHs, thereby augmenting the existing 1.13 lakh km of NHs across the country.
- New building code is on way to hold developers liable for safety. The code is voluntary but states can incorporate them in their building bylaws.
- Centre to develop logistics parks in 35 clusters, cutting transport cost by 10 per cent for industries, allow freight movement on larger trucks & rail.
- The government is looking at more FDI reforms to make further changes in its overseas investment regime, scrapping the need for approvals in sectors where licences are also required, such as defence, telecom and broadcasting, eliminating one layer completely from the process.

Prepared by Joint Plant Committee