Trends ..... October 2017

October 2017 saw major trade actions on steel announced by India with anti-dumping duty coming to the fore in two separate cases. With finished steel imports growing by 19% during April-October 2017, such moves received a big thumbs-up from the industry. The second round of cheer followed the release of worldsteel's Short Range Outlook (SRO) during the month which indicated India as a major driver of global steel demand growth in the coming years.

WORLD ECONOMY AT A GLANCE

- The J.P.Morgan Global Manufacturing PMI reached 53.5 in October 2017, up from September's 53.3 and signaled an overall improvement in the global manufacturing sector, as per reports from Markit Economics.
- The report indicates that on an average, it was the developed nations which continued to record relatively stronger rates of improvement than emerging markets in October 2017. The Euro area PMI rose to an 80-month high, led by strong performance of Germany, the Netherlands and Austria while manufacturing conditions improved in the USA since January 2017. Steady growth was also noted for the UK, Italy, Spain and Australia. The report points out that among the larger emerging markets, the China PMI held steady at 51.0 while expansions slowed in India and Russia.
- As per the report, a strong increase in new export orders and new work intakes drove sentiments in October 2017 and while global manufacturing employment increased, price pressures too continued to build, with the rate of input cost inflation rising to a nine-month high.

Key Economic Figures			
Country	**GDP Q2 2017: % yoy change***	**Manufacturing PMI**	
		September 2017	**October 2017**
India	5.7	51.2	50.3
China	6.9	51.0	51.0
Japan	2.0	52.9	52.8
USA	2.2	53.1	54.6
EU 28	2.2	58.1	58.5
Brazil	0.3	50.9	51.2
Russia	2.5	51.9	51.1
South Korea	2.7	50.6	50.2
Germany	2.1	60.6	60.6
Turkey	5.1	53.5	52.8
Italy	1.5	56.3	57.8
Source: GDP:IMF ; PMI- Markit Economics, *provisional			

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association (worldsteel) data shows that world crude steel production for October 2017 was 145.25 million tonnes (mt), up by 5.9 per cent year-on-year (yoy) and was 1410.53 mt during January-October 2017, up by 5.6 per cent yoy.

World Crude Steel Production: January - October 2017*			
Rank	**Country**	**Qty (mt)**	**% change over last year**
1	China	709.5	6.1
2	Japan	87.24	-0.2
3	India	84.12	6.4
4	United States	68.36	3.9
5	Russia	60.42	3.0
6	South Korea	59.14	3.7
7	Germany	36.47	2.7
8	Turkey	31.05	13.3
9	Brazil	28.51	8.5
10	Italy	20.07	3.0
	Top 10	**1184.88**	**5.3**
	World	**1410.53**	**5.6**
Source: worldsteel, JPC; * provisional			

- At 72.36 mt, Chinese crude steel production grew by 6.1 per cent during October 2017 and also reported a marginal growth over September 2017, thereby reversing the decline noted in month-on-month growth rate noted earlier. Production stood at 709.50 mt during January-October 2017, up by 6.1 per cent yoy. China remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was up by 5.1 per cent. China accounted for 73 per cent of Asian and 50.3 per cent of world crude steel production during this period.
- October 2017 Japanese crude steel production (8.97 mt) was down by 1 per cent while production at 87.24 mt during January-October 2017 saw a decline (by 0.2 per cent). The country remained the second largest crude steel producer in the world during 2017 so far.
- With a 6 per cent share in total world production and a 6.4 per cent rise in production over same period of last year, India remained the third largest crude steel producer in the world in January-October 2017.
- Crude steel production in the EU (28) countries during October 2017 was at 14.75 mt, up by 3.4 per cent yoy and was at 140.76 mt, during January-October 2017, up by 3.7 per cent yoy.
- At 99.82 mt, Asian crude steel production was up by 5.7 per cent in October 2017 and at 975.16 mt, during January-October 2017, it was up by 6 per cent yoy. Asia accounted for 69 per cent of world crude steel production during this period.
- The top ten countries accounted for 84 per cent of world crude steel production and recorded a yoy production growth of 5.3 per cent during this period, with Russia maintaining its position as the 5th largest crude steel producer with South Korea at the 6th largest spot.

NEWS AROUND THE WORLD

THE AMERICAS

- The US Commerce Department set preliminary antidumping duties (ADD) on carbon and alloy steel wire rod imports from Italy, South Korea, South Africa, Spain, Turkey, Ukraine and the UK.
- The United States Commerce Department has affirmed preliminary determinations in its AD investigations of carbon and alloy steel wire rod imports from Italy, South Korea, South Africa, Spain, Turkey, Ukraine and the United Kingdom.
- AK Steel implemented a graphite electrode surcharge of $13.20/t for all stainless product shipments effective October 29, the company said in astatement.
- Ahmsa restarted its CRM No. 2 in Monclova, Coahuila, after a fire hit the unit in early September.
- Kobe Steel and US Steel have decided to build a new CGL at Ohio to meet growing demand for UHSS sheet for North American automakers.
- Canada has revoked ADD on exports of carbon steel welded pipe made by two Taiwanese steel companies and lowered duties on other Taiwanese exporters, bringing an end to a five-year battle between Taipei and Ottawa.
- The Mexican government has extended, for the fourth time, a 15% tariff imposed on imports of slab, HRC, heavy plate, CRC and wire rod to protect the domestic steel sector.
- Simec is in talks to acquire Gerdau's Tultitlan mill in Mexico City.
- ArcelorMittal will invest $1 billion in its Mexican operations to construct a new HSM at its Lazaro Cardenas unit.

ASIA

- The Tangshan government has started the process of shutting steel mills which have not switched their production feedstocks from coal. Only production units which had satisfied the technical requirements and installed automatic monitoring systems, remained in operation.
- China's steel PMI was at 52.3 in October 2017, down 1.4 points over September 2017, according to data released by the China Federation of Logistics & Purchasing.
- Hebei-based Xinji Aosen Iron & Steel plans to start up 1.4 mtpa worth of wire rod production capacity in the middle of next year.
- Two major mills in Tangshan, the biggest steelmaking city in northern China's Hebei province, have informed clients their steel deliveries next month will decrease due to local government orders to curb winter output.
- Steel Authority of India's IISCO steel plant (ISP) is on track to start up its wire rod mill soon.
- Kobe Steel's falsification of inspection certificates scandal intensified with the company announcing that a subsidiary (Shinko Kohan Kako Ltd) had falsified shipment data during November 2015 to September 2016. Earlier, the company, had admitted falsifying inspection certificates for aluminum and copper products supplied to around 200 companies.
- Vietnam has exported its first-ever shipment of HRC which is expected to have a potentially significant impact on the Southeast Asian steel market. The only HRC producer in Vietnam is Formosa Ha Tinh Steel, with a capacity of 3.5 mtpa which it plans to ramp up to 5 mtpa by 2018.
- Indonesia expects to increase its steel consumption to as much as 21.4 mtpa in eight years' time, according to estimates published by the Indonesia Iron & Steel Industry Association.

- Pakistan's National Tariff Commission has imposed a 19.15% ADD on rebar imported from China, with immediate effect.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- Ukraine has requested the WTO to arrange consultations with Kazakhstan on AD measures applied by it on certain types of Ukrainian steel pipes.
- Egypt has extended temporary ADD on rebar imports from Turkey, China and Ukraine for a further two months.
- Mobarakeh Steel Co. has raised its capacity at Saba Steel to 1.5 mtpa from 0.75 mtpa.
- Algerian Qatari Steel Integrated Steel Plant, the largest steel complex in Algeria, rolled its first rebar in October 2017.
- Kazakhstan's ArcelorMittal Temirtau has targetted 5 mtpa capacity and production by 2020.
- The Eurasian Economic Commission -- the regulatory authority of the customs union between Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan -- has re-initiated an investigation into imports of graphite electrodes from India. The current anti-dumping duties expire in January 2018.

EU AND OTHER EUROPE

- The European Union confirmed definitive ADD on HRC imports from Brazil, Iran, Russia and Ukraine while exempting Serbia. Average duty is calculated at €56.70/t; Severstal received the lowest at €17.60/t and MMK the highest at €96.50/t.
- Ternium plans to build a new 0.52 mtpa steel reinforcing bar manufacturing facility in northern Colombia, to be completed by the second half of 2019. It also plans to install a new 3.7 mtpa HRM at its Pesqueria industrial center in Mexico, expected to be operational by the second half of 2020.
- The European Court has annulled a European Union fine on a large number of north Italian rebar producers for an alleged price-fixing cartel in the market for rebars between 1989 and 2000, cancelling the judgments of the General Court of 9 December 2014 as well as the Commission decision of 30 September 2009.
- Italian steelmaker Arvedi will start its new 1 mtpa pickling line in March 2018.
- The European Union has reached an agreement for a new 'nonstandard' anti-dumping duties methodology in a bid to prevent dumping from countries "significantly distorting" their domestic markets.

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

WORLD STEEL PRICE TRENDS

October 2017 displayed a mixed picture as far as trends in global price movements is concerned, which were affected by a variety of factors. Like always, China remained in the limelight with the authorities taking stringent action to curb pollution and major mills have already announced curtailment in deliveries in the coming months, which has the potential to impact global supply-demand in a major way. The latter, of course, depends upon the extent in which such production cuts are finally realized.

Long Product

- US rebar prices slowed at end-October, impacted by falling scrap prices and slowed pace of construction activities. Transactions, as per Metal Bulletin reports were quoted around $560-580/t at month-end.
- October 2017 European rebar prices, despite slipping over previous month, remained fairly steady, given stable home market conditions. Transactions, as per Metal Bulletin reports were quoted around €545-580/t ($642-683) in Northern Europe and around €510-525/t in Southern Europe.
- China's October 2017 rebar prices moved south in comparison to last month with transactions quoted at 3,880-3,920 yuan/t ($583-590) in Shanghai and around 3,740-3,760 yuan/t in Beijing, as per Metal Bulletin reports.
- Russian rebar prices softened in October 2017 as construction activities entered its traditional slow phase with winter setting in. Metal Bulletin's price assessment for Russian 12mm A500C rebar was 30,100-32,000 roubles/t ($517-549) cpt Moscow, including VAT at end-October.

Flat Product

- US HRC prices remained steady in October 2017 with price hikes announced by some mills. AMM's HRC index stood at $593.80/t at month-end as per Metal Bulletin reports.
- European HRC prices remained stable in October 2017 and also reported some northward move over last month. Transactions, as per Metal Bulletin reports, were quoted around €530-540/t ($623-635) in Northern Europe and around €510-520/t in Southern Europe.
- Chinese domestic HRC prices moved south in October 2017, given the persistent weakness in the futures market. Transactions, as per Metal Bulletin reports, were quoted around 3,940-3,980 yuan/t ($592-598) in Shanghai and around 3,970-3,990 yuan/t in Tianjin.
- Russian HRC prices remained stable in October 2017 and also reported a growth over last month. Metal Bulletin's price assessment for Russia-origin 4mm HR sheet was 41,500-43,000 roubles/t ($721-747) cpt Moscow, including VAT at month-end.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

worldsteel Short Range Outlook October 2017 indicates global steel demand to report moderate but continued growth

The World Steel Association (worldsteel) has released its October 2017 Short Range Outlook (SRO) wherein it has forecast that global steel demand will reach 1,622.1 million tonnes (mt) in 2017 and 1,648.1 mt in 2018, reporting year-on-year growth rates of 7% and 1.6% respectively. In 2016, global steel demand stood at 1515.9 mt, growing by 1% over 2015. Some salient highlights of the SRO are indicated below.

- Both advanced and developing economies are observed to be exhibiting stronger economic momentum this year. Confidence and investment sentiments are improving in a large part of the world despite some financial market volatility and growing concern of stock market overvaluation. Also on a positive note, global trade is gaining momentum despite worries about rising protectionism and talks of rearranging existing free trade agreements.

- The risks to the global economy which were perceived earlier (in April 2017 SRO) and included for example, rising populism/protectionism, US policy shifts, EU election uncertainties and China deceleration remains but they are observed to have abated to quite an extent. Nonetheless, the present SRO points out that rising geopolitical tension in the Korean peninsula, China's debt problem and growing protectionism in many locations continue to remain risk factors in the days ahead.

- 2018 growth rate is expected to be moderate for global steel demand as per the SRO but this, as it points out, is largely due to slower growth in China, while in the rest of the world, steel demand is expected to continue to maintain its current momentum.

- The US economy continues to exhibit robust fundamentals supported by strong consumer spending and rising business confidence. Concern about tensions within the EU particularly over migration policies is receding and the EU economic recovery is broadening. Japanese steel demand is showing better than expected performance benefitting from the government stimulus package, improving exports and preparations for the 2020 Olympic games. South Korea's steel demand is suffering from high consumer debts, weakening construction and a depressed shipbuilding sector, while escalated tension around the North Korean nuclear weapons threat poses a serious and highly unpredictable risk.With these generally favourable developments steel demand in the developed economies is expected to increase by 2.3% in 2017 and 0.9% in 2018.

- The Chinese economy, which has been gradually decelerating, is increasingly supported by consumption while investment continues to decelerate. However, government stimuli, particularly a moderate boost to the construction programme, contributed to increased GDP growth in 2017.China's steel demand is expected to increase by 3.0% in 2017, an upward revision over the previous forecast. The recent closure of induction furnaces will lead to a one-off jump in measured steel use in 2017 to 12.4% The outlook for China's steel demand in 2018 remains subdued, showing no growth over 2017 as the government resumes and strengthens its efforts on economic rebalancing and environmental protection.

- Developing countries benefit from a strengthening global economy. The reform agendas in many developing countries such as Egypt, Brazil, Argentina, Mexico and India are expected to enhance their growth potential over time.

- India had a slowdown in economic activity in 2017, but accelerating government reforms are expected to bring about a better investment environment leading to growth in the coming years. Investment activities are still driven by government initiatives and private sector investment is still restrained due to leveraged corporate balance sheets.

- ASEAN remains a high growth region, especially Vietnam and the Philippines, while more mature economies such as Thailand and Malaysia are showing slower growth. In the CIS steel demand is expected to strengthen in 2017-2018 and specifically Russia is likely to maintain its slow recovery.Turkish steel demand is expected to resume growth momentum in 2018.

- The MENA region's outlook has suffered from low oil prices, geopolitical strife and high inflation. The region would benefit from reconstruction efforts once the major conflicts are ended. GCC countries continue to struggle with the low oil price environment.

- Countries in South America have been slow so far to benefit from the recovery in the global economy. In Brazil continuing depressed construction activity has held demand recovery back in 2017 but a stronger recovery is expected in 2018.

- Steel demand in the developing economies excluding China is expected to grow by 2.8% in 2017 and 4.9 % in 2018.

- Amongst the major end-use sectors, the construction and machinery sectors are considered likely to benefit from improving investment sentiments while the automotive sector might moderate.

The overall view of the SRO is that world steel demand is recovering well, driven largely by cyclical factors rather than structural. However, it points out that the absnce of a strong growth engine to replace China and a long term decline in steel intensity due to technological and environmental factors are the main issues that will impact steel demand in the future.

Worldsteel Short Range Outlook, October 2017						
Region	**ASU (mt)**			***Growth Rate (%)***		
	2016	**2017(f)**	**2018(f)**	***2016***	***2017(f)***	***2018(f)***
EU28	158.2	162.1	164.3	*2.8*	2.5	1.4
Other Europe	40.5	40.1	42.2	*1.2*	*-1.0*	*5.2*
CIS	49.4	51.1	53.0	*-2.7*	*3.6*	*3.8*
NAFTA	132.2	138.7	140.4	*-1.5*	*4.9*	*1.2*
Central/South America	39.4	40.4	42.3	*-13.5*	*2.5*	*4.7*
Africa	37.6	37.0	38.2	*-2.7*	*-1.6*	*3.3*
Middle East	53.1	53.9	56.5	*-1.4*	*1.5*	*4.8*
Asia and Oceania	1005.4	1098.8	1111.1	*2.2*	*9.3*	*1.1*
World	**1515.9**	**1622.1**	**1648.1**	***1.0***	***7.0***	***1.6***
World excl. China	834.8	856.4	882.4	*0.8*	*2.6*	*3.0*
Developed Economies	398.8	408.1	412.0	*0.0*	*2.3*	*0.9*
China	681	765.7	765.7	1.3	12.0	0.0
Emerging and Developing Economies excl China	436	448.2	470.4	*1.5*	*2.8*	*4.9*
Source: worldsteel; f=forecast						

INDIAN STEEL MARKET ROUND-UP

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

Item	Performance Highlights		
	April-October 2017* (mt)	April-October 2016 (mt)	%yoy change*
Crude steel production	58.395	55.805	4.6
Total Finished Steel (alloy + non-alloy)			
Production for sale	61.262	58.381	4.9
Import	4.920	4.134	19.0
Export	5.627	3.568	57.7
Consumption	50.378	48.192	4.5
Source: JPC ;*provisional			

Crude Steel

- Production of crude steel during April - October 2017 was at 58.395 million tonnes (mt), a growth of 4.6 per cent compared to April - October 2016.
- SAIL, RINL, TSL, ESSAR, JSWL & JSPL produced 33.494 mt during this period, which was a growth of 6.7 per cent compared to last year. The rest i.e. 24.901 mt was the contribution of the Other Producers, which was a growth of 2 per cent compared to last year.
- Overall crude steel production in October 2017 (8.629 mt) was up by 5.3 per cent over October 2016 and by 2.7 per cent over September 2017.

Production for sale

- During April-October 2017, production for sale stood at 61.262 mt, a growth of 4.9 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 55.538 mt (up by 4 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel) where production for sale was up by 14.9 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 25.686 mt (up by 2 per cent) while that of the flat segment stood at 29.852 mt (up by 5.8 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 20.26 mt (up by 1.8 per cent), 4.73 mt (up by 0.2 per cent) and 0.7 mt (up by 24 per cent).
- On the other hand, for the flat segment, production for sale was up for items like Plates (2.92 mt, up by 13 per cent) and HRC (14.77 mt, up by 9 per cent) but was down for CRC (4.84 mt, down by 4 per cent) and GP/GC Sheets (4.4 mt; down by 2.1 per cent).
- Production for sale stood at 9.24 mt in October 2017, up by 4.8 per cent over October 2016 and by 5.6 per cent over September 2017.

Export

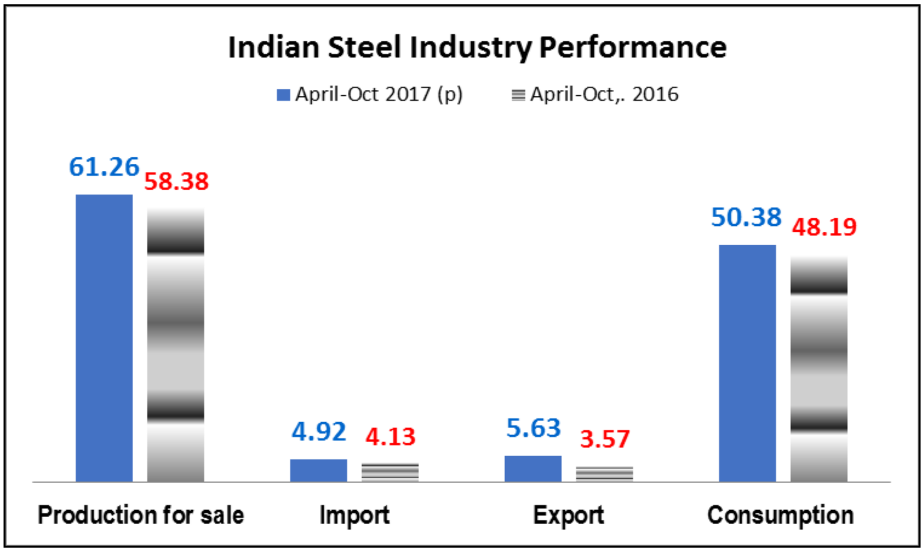
- Exports stood at 5.627 mt during April-October 2017, a growth of 57.7 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 5.058 mt (growth of 55 per cent), while the rest was the share of the alloy steel segment (including stainless steel) where exports were up by 83 per cent.
- In the total export of finished non-alloy steel, export of non-flat was at 1.586 mt (up by 286 per cent) and that of flat steel was at 3.472 mt (up by 22 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (1.45 mt, up by 308 per cent) while growth in exports in the non-alloy, flat segment was led by HRC (1.332 mt, up by 43 per cent).
- Exports stood at 0.779 mt in October 2017, up by 45 per cent over October 2016 but was down by 30 per cent over September 2017.

Import

- Imports stood at 4.92 mt during April-October 2017, a growth of 19 per cent compared to last year, in which contribution of the non-alloy steel segment stood at 3.66 mt (growth of 18.9 per cent), while the rest was the share of the alloy steel segment (including stainless steel) where imports were up by 19.3 per cent.
- In the import of total finished non-alloy steel, non-flat imports were at 0.21 mt (down by 29 per cent) and flat imports were at 3.45 mt (up by 24 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.18 mt, down by 28.5 per cent) while for the flat segment, import was led by HRC (1.19 mt; up by 12 per cent).
- Imports stood at 0.604 mt in October 2017, up by 12.3 per cent over October 2016 but was down by 25.2 per cent over September 2017.
- Such trends in export-import implied that for total finished steel, India was a net exporter in both October 2017 as well as April-October 2017.

Consumption

- During April-October 2017, real consumption (or simply consumption) of total finished steel stood at 50.378 mt, a growth of 4.5 per cent over same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 24.278 mt, up by 1.1 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 21.566 mt, up by 7.8 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 45.844 mt, up by 4.2 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a growth of 8.4 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (19.13 mt; up by 1.4 per cent) whereas for the flat segment, consumption was led by HRC (14.56 mt, up by 6.1 per cent).
- Consumption stood at 7.525 mt in October 2017, up by 6.1 per cent over October 2016 and by 1.5 per cent over September 2017.



JPC Market Prices (Retail)

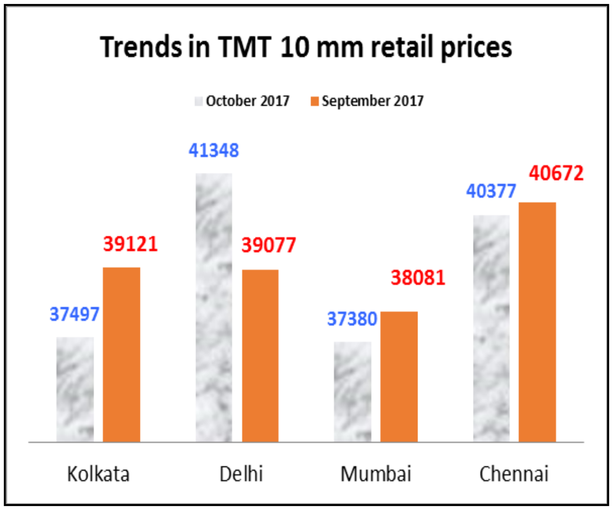
Delhi market prices: Compared to October 2016, average (retail) market prices in Delhi market in October 2017 increased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions and global influences. When compared to September 2017, the trend was the same as above for prices of TMT while prices of HR showed a marginal decline in October 2017. The situation in October 2017 with regard to October 2016 is shown in the table below for TMT 10 mm and HRC 2.0 mm.

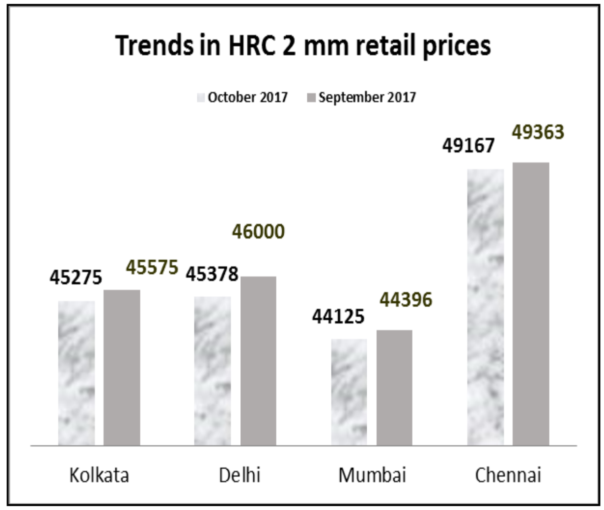
Trends in JPC market price (retail) in Delhi market in October 2017		
Item	**Delhi market prices (Rs/t)**	**% change over October 2016**
TMT, 10 mm	41,348	14.9
HRC, 2.0 mm	45,378	16.4
Source: JPC		

All markets: Compared to October 2016, average (retail) market prices in October 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. When compared to September 2017, however, while TMT prices declined in all the markets except Delhi where it registered a rise, HRC prices in contrast declined in all the markets in October 2017. The situation in October 2017 with regard to October 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 October 2017 over October 2016				
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**
TMT 10mm	19.8	14.9	15.2	19.8
HR Coils 2.00mm	14.9	16.4	16.7	20.8
Source: JPC				

TMT prices were highest in the Delhi market (Rs 41,348/t) and lowest in the Mumbai market (Rs 37,380/t) while HRC prices were highest in the Chennai market (Rs 49,167/t) and lowest in the Mumbai market (Rs 44,125/t) during October 2017.





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) April-June 2017-18 both at constant (2011-12) and current prices. GDP at constant (2011-12) prices in Q1 of 2017-18 is estimated at Rs 31.1 lakh crore, a growth rate of 5.7 per cent while GVA is estimated at Rs 29.04 lakh crore, a growth rate of 5.6 per cent, both over the corresponding quarter of previous year. The economic activities which registered growth of over 7 per cent in Q1 of 2017-18 over Q1 of 2016-17 are 'trade, hotels, transport & communication and services related to broadcasting', 'public administration, defence and other services' and 'electricity, gas, water supply & other utility services'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'manufacturing', 'construction' and financial, insurance, real estate and professional services is estimated to be 2.3 per cent, (-) 0.7 per cent, 1.2 per cent, 2 per cent and 6.4 per cent respectively during this period. At current prices, GDP for the above period is estimated at Rs 38.84 lakh crore, a growth rate of 9.3 per cent while for GVA, the respective values are Rs 35.77 lakh crore and 7.9 per cent.

Industrial Production: Provisional CSO data show that the Index of Industrial Production (IIP) under new series was up by 3.8 per cent yoy in September 2017 and by 2.5 per cent during April-September 2017, depressed by slow growth in sectors like Manufacturing, Infrastructure/Construction Goods, Intermediate Goods and declining growth rates in sectors like Capital Goods and Consumer Durables.

Inflation: The annual rate of inflation, based on monthly WPI, stood at 3.59 per cent (provisional) for the month of October 2017 (over October 2016) as compared to 2.6 per cent (provisional) for the previous month. Build up inflation rate in the financial year so far was 2.03 per cent compared to a build up rate of 3.53 per cent in the corresponding period of the previous year. The all India

CPI inflation rate (combined) for October 2017 stood at 3.28 cent, at same level as in the previous month.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 5.2 per cent in September 2017 and by 3.3 per cent in April-September 2017 encouraged by growth in most sectors except crude oil, fertilizers and cement.

Trade: Provisional figures from DGCI&S show that during April-October 2017 in dollar terms, overall exports were up by 9.62 per cent while overall imports were up by 22.21 per cent, both on yoy basis. During the same period, oil imports were valued at US$ 56252 million, 20.23 per cent higher yoy while non-oil imports were valued at US$ 200182.20 million, 22.78 per cent higher yoy. Overall trade deficit for April-October 2017-18 is estimated at US$ 52550.66 million as compared to US$ 22132.58 million during April-October 2016-17.

Policy:

- The government is planning to undertake highway projects worth about Rs1.45 lakh crore in next two to three years. Further, 28 ring roads around big cities, 45 bypasses, 34 projects of expanding lanes and flyovers will be taken up in the next one-and half years to end traffic choke points in urban areas. The cities that will benefit from these projects include Delhi, Mumbai, Bengaluru, Varanasi, Lucknow, Amritsar, Jalandhar, Pune, Nagpur and Amaravati.
- The Bureau of Indian Standards (BIS) Act has come into effect from October 12 with a provision to bring more services and products like jewellery under the mandatory standard regime.
- Government has proposed new guidelines on groundwater usage by industries that includes a new water conservation fee based on quantum of groundwater extracted.

Prepared by Joint Plant Committee