Trends ….. October 2016

The PMI numbers at the start of the 3rd quarter of the current fiscal continue to be robust and the index of eight core industries too fared modestly. But the IIP numbers continued to disappoint with leading sectors like Capital Goods and Manufacturing in the red. Steel imports predictably remained south-bound while steel consumption recorded a modest growth, courtesy a rise in indigenous supply side.

WORLD ECONOMY AT A GLANCE

- Led by robust growth in output and new orders, the J.P.Morgan Global Manufacturing PMI rose to 52.0 in October 2016 and signalled improvement in the global manufacturing sector at the start of the fourth quarter of the year, as per latest Markit Economics report.

- National PMI readings signalled a broad-based expansion, with 22 out of the 31 nations for which October 2016 data were surveyed registering improved operating conditions, as per the report. Nine nations reported contractions and the majority of these were Asian ones (South Korea, Indonesia, Malaysia, Thailand, Singapore and Myanmar) besides Brazil, Turkey and Greece.

- The Markit Economics report also indicated that global manufacturing employment increased for the second straight month in October 2016 and that price pressures continued to build in the global manufacturing sector at the start of the fourth quarter.

Key Economic Figures			
Country	**GDP Q2 2016: % yoy change***	**Manufacturing PMI**	
		September 2016	**October 2016**
India	7.1	52.1	54.4
China	6.7	50.1	51.2
Japan	0.7	50.4	51.4
USA	1.2	51.5	53.4
EU 28	1.8	52.6	53.5
Brazil	-3.8	46.0	46.3
Russia	-0.6	51.1	52.4
South Korea	3.3	47.6	48.0
Source: GDP-official estimates; PMI- Markit Economics, *provisional			

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association data shows that world crude steel production for October 2016 was 136.52 million tonnes (mt), up by 3.3 per cent over October 2015 and 1333.5 mt during January–October 2016, down by 0.1 per cent year-on-year (yoy).

World Crude Steel Production: January-October 2016*			
Rank	**Country**	**Qty (mt)**	**% change**
1	China	672.96	0.7
2	Japan	87.45	-0.4
3	India	79.52	6.8
4	United States	65.97	-1.6
5	Russia	58.59	-1.5
6	South Korea	57.01	-1.6
7	Germany	35.52	-1.9
8	Turkey	27.41	4.6
9	Brazil	25.64	-9.2
10	Ukraine	20.19	5.4
	Top 10	**1130.26**	**0.5**
	World	**1333.00**	**-0.1**
Source: worldsteel, JPC; over last year;* provisional			

- China produced 68.51 mt of crude steel in October 2016, up by 4 per cent over October 2015 and 672.96 mt during January–October 2016, up by 0.7 per cent yoy and remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was down by 1 per cent.
- China accounted for 73 per cent of Asian and 50 per cent of world crude steel production during this period.
- October 2016 Japanese crude steel production (9.1 mt) was up by 0.6 per cent but production was down (by 0.4 per cent) in January–October 2016 (87.45 mt). The country remained the second largest crude steel producer in the world in 2016 so far.
- With a 6 per cent share in total world production and a 6.8 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 2016.
- Crude steel production in the EU (28) countries during October 2016 was at 14 mt, up by 0.3 per cent yoy and at 135.41 mt in January–October 2016, it was down by 4.2 per cent yoy.
- At 94.3 mt, Asian crude steel production was up by 4.2 per cent yoy in October 2016 and grew by 1 per cent in January–October 2016 (921.14 mt). Asia accounted for 69 per cent of world crude steel production during this period.

THE STEEL WORLD LAST MONTH

- ArcelorMittal Brazil has acquired 40% of the shares of Brazilian welded tubemaker Tuper. Tuper has three plants in Brazil with production capacity of 0.8 mtpa of steel pipes.
- Sidor reactivated 50,000 t/month HRC operations, but CRC operations remained offline.
- Seven US stainless bar producers have filed a request for a changed-circumstances review asking that Viraj Profiles and Venus Wire Industries be immediately reinstated under an existing anti-dumping duty order on stainless bar from India.
- Gerdau is idling its Denver, Colorado rebar fabrication facility but will complete existing projects before exiting the market completely within the next year.
- The US Department of Commerce will begin an AD investigation on rebar imports from Japan, Taiwan and Turkey and a CVD investigation on rebar imports from Turkey. Expected dumping margins are 204.91-209.46% for Japan, 84.66% for Taiwan and 66.55% for Turkey.
- The Canadian International Trade Tribunal has found injury from imports of welded large diameter carbon and alloy steel line pipe dumped by China, Japan and subsidized by China.

ASIA

- Over the first seven months of the year, China has claimed to have eliminated 21.26 million tonnes (mt) or 47% of its 2016 target of 45 mt of crude steel capacity.
- As part of its integration with Shanghai-based Baosteel, central China's Wuhan Iron & Steel Group will relinquish its ownership over Guangxi Iron & Steel Group, Wugang stated in its draft proposal for the merger.
- Dongbei Special Steel, the north-eastern Chinese steelmaker that has defaulted on several of its debt repayments, has formally entered bankruptcy restructuring.
- China's steel exports in September 2016 fell 22% yoy to 8.8 mt, preliminary data released by the country's General Administration of Customs showed. In January-September 2016, Chinese exports totalled 85.38 mt, an increase of 2.7% yoy.
- JFE Steel unveiled plans to merge the wholly-owned subsidiaries JFE Welded Pipe Manufacturing, located in Chiba, and Kawasaki Kokan in Kanagawa, both near Tokyo, creating a 0.2 mtpa entity.
- Nippon Steel & Sumitomo Metal Corp (NSSMC) has received all international approvals it needs to take a controlling stake in Nisshin Steel and is just awaiting the approval of Japan's Fair Trade Commission (FTC).
- Kobe Steel and its trading arm, Shinsho Corp, have started commercial production at their plant in Mexico making cold heading quality (CHQ) wire.
- Kobe Steel will be relininging the No.3 blast furnace at its Kakogawa works in western Japan, expanding it to 4,844 cubic meters from 4,500 cu meters.
- India has extended the minimum import price (MIP) condtion on import of 66 steel items for two more months effective from October 4, 2016.
- ArcelorMittal is set to finalise a 50:50 JV agreement with Steel Authority of India for setting up a Rs. 5,000-crore facility at Rourkela, Odisha to produce high-end products for the country's growing automotive sector.

- Thailand's Ministry of Commerce has proposed that final AD duties of 6.20-40.49% be imposed on aluminum-zinc alloy coated sheet from Vietnam.
- Nam Kim Steel of Vietnam is to add 0.2 mtpa of cold rolled coil production capacity with the installation of a third CR rolling mill by the second quarter of 2017.
- Vietnam's Hoa Sen steel group is further expanding its flat product operations with the installation of a new 0.4 mtpa CSM at its works in Vinh city.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- NLMK restarted its blast furnace No. 6 at its flagship Novolipetsk iron and steel works in Lipetsk, west Russia increasing its maximum output by 7% from 2.9 mt to 3.1 mt.
- Iran's Esfahan Steel Company has launched its new rolling mill to produce rail and wide flange beams in Esfahan.
- Egypt has opened an AD investigation into imports of cold reduced coils from China, Russia and Belgium.
- Australia has opened new AD investigation against imports of hot-dip galvanized sheet/coil from India, Malaysia and Vietnam and has undertaken a review of AD measures applied to imports of rebar from Spain.

EU AND OTHER EUROPE

- Feralpi, the Italian rebar and wire rod producer, is in talks to buy 50% of rod transformer Unifer.
- Outokumpu has completed the closure of its CRM in Düsseldorf-Benrath, Germany and has transferred production to its Krefeld site.
- A commercial court in Strasbourg, France has started the process to put Sotralentz Construction - at 30,000 t/month, one of Europe's biggest independent reinforcement mesh producers - into receivership.
- The European Commission is set to announce a long-mooted antidumping investigation into imports of HDG coils from China.
- Turkey has opened a dispute at the World Trade Organisation against Morocco for imposing AD duties on imports of hot rolled coil.
- Turkish sheet producers have filed new anti-dumping and countervailing duty petitions against HRC imports from three countries – China, Russia and Ukraine.
- Turkish cold roller and galvanizer Tezcan plans to begin commercial production at its new 350,000 tpa line dedicated to aluminium/zinc-coated strip production, in its Kocaeli works in north-western Turkey.

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

WORLD STEEL PRICE TRENDS

Global steel prices continued to display mixed trends in October 2016. While steel demand remained subdued in view of the ending of the construction season in most regions, October 2016 saw a strong rally in coking coal prices that pushed up steel prices while iron ore prices too saw a rebound that was more or less maintained. Further, data published by the World Steel Asssociation indicated that Chinese crude steel production have now shown a growth in every month of 2016 on an year-on-year basis since the month of March 2016 - a fact which has made markets cautious about the impact of the plethora of capacity cut annoucements being made.

Long product

- Cuts by merchant mills, slow demand and weak imports made US merchant bar prices move south at end of October 2016, with transactions quoted at around $470-490/t as per Metal Bulletin reports.
- EU steel demand is on the decline following the seasonal slowdown but prices remained steady with Metal Bulletin's domestic price assessment for rebar in Northern Europe placed at around €405-410/t ($442-448) and that for Southern European rebar placed at around €340-345/t ($371-376) at end-October.
- It was more a tight supply (as demand remained slow) that pushed up China's spot rebar prices in October 2016 with transactions as per Metal Bulletin reports quoted at around 2520-2560 yuan/t in Shanghai and at around 2450-2500 yuan/t in Beijing for grade III rebar. All prices are ex-warehouse and includes VAT.
- Rebar prices in the Russian market remained stable in October 2016 though demand was weak. Metal Bulletin's assessment for 12mm A500C rebar in the Russian domestic market was unchanged at 30,500-30,550 roubles/t ($489-490) cpt Moscow (including VAT).

Flat products

- US hot rolled coil prices slipped below the $500/t mark in October 2016 in view of weak demand with transactions quoted at around $470-490/t as per Metal Bulletin reports.
- ArcelorMittal announced an increase in its European flat steel prices of €20/t ($22) and though demand in general remained slow, prices showed an overall steadiness. Metal Bulletin's domestic price assessment for HRC in Southern Europe was quoted at around €430-440/t ($469-480) while that for Northern Europe was quoted at around €440-460/t ($480-502), both ex-works at end-October 2016.
- As in case of rebars, for HRC also, China's spot prices moved north in October, prompted by a stringent supply side though demand didn't show any marked jump. HRC transactions as per Metal Bulletin reports were quoted at around 3030-3060 yuan/t in Shanghai and at around 2890-2930 yuan/t in Tianjin. All prices are ex-warehouse and includes VAT.
- Russian domestic flat prices rose in October 2016 following higher export prices and planned maintenance works impacting supply. Transactions, as per Metal Bulletin reports, for 4mm HR sheet in Russia were placed at around 34,900-34,950 roubles/t ($560-561) cpt Moscow, including VAT at end-October 2016.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

Global steel demand forecast to grow by 0.2% in 2016

The World Steel Association (worldsteel) has released its Short Range Outlook (SRO) for 2016 and 2017 as per which global steel demand will increase by 0.2% to 1,501 million tonnes (mt) in 2016, following a decline of 3% in 2015. Further, in 2017, worldsteel forecasts that global steel demand will grow by 0.5% and will reach 1,510 mt. This is in contrast to their April 2016 outlook wherein they had forecast that 2016 will witness a decline in global steel demand (by 0.8%). However, the return to growth territory in their recent outlook is driven by higher-than expected use of steel in China and the CIS, though challenges to growth, as per the SRO, continue to remain in the form of weak recovery in developed markets, weakness in global investements including impact of Brexit on EU investment in particular, high corporate debt, real estate market situation in China and uncertainties due to geo-political situations in certain parts of the world.

Some highlights:

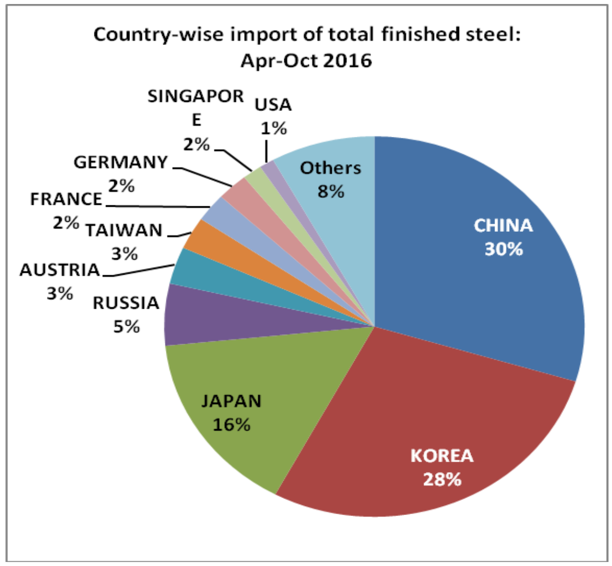
- As per the SRO, Chinese GDP growth in 2016 will be at its lowest level since 1990, though expected with a higher contribution from services and consumption. This, therefore is expected to have an impact and as a result, steel demand is forecast to decline in 2016 though the same will be less severe than the worldsteel April 2016 forecast, owing to measures announced by the government to prop up sectors like auto. But, the rebound in the real estate market is limited and not sustainable as inventory levels remain very high and apartments are increasingly unaffordable to most residents. The construction sector, as per the SRO, will therefore continue to negatively impact steel demand and the same is thus projected to decline by 1% in 2016 and by 2% in 2017.
- In 2016 some low performing emerging economies are showing signs of stabilisation as per the SRO, which indicated that steel demand in Brazil will start a moderate recovery in 2017, growing by 3.8% during the year, in sharp contrast to the decline of 14.4% projected for 2016.
- The minor rebound in oil prices helped to stabilise the decline in Russia and prevent further deterioration of the Mexican, South American and GCC economies. However, lower and unstable oil prices and geopolitical instability are continuing to undermine the outlook for the MENA region. Russian apparent steel use is forecast to grow by 0.9% in 2017 compared to the decline of 3.6% in 2016 as per the SRO.
- Indian steel demand is expected to report solid growth in 2016-2017 backed by consumption-boosting reforms and infrastructure investment, but its sustainability is under question as key levels of investment are being provided by the government while private investment remains weak. The SRO has forecast Indian steel demand to grow by 5.4% in 2016 and grow further by 5.7% in 2017.
- In the ASEAN countries, benefiting from stable macroeconomic policies, construction will continue to drive strong steel demand growth while steel demand in emerging and

developing (excluding China) economies is expected to expand by 2% in 2016 and 4% in 2017, as per the SRO.

- The SRO has pointed out that EU steel demand recovery remains on track backed by strong/stable consumption and a mild recovery in construction despite uncertainties following the UK referendum on Brexit. The refugee crisis also poses challenges to the EU, but the immediate impact on steel demand appears to be minor. Overall, EU steel demand is projected to grow by 0.8% in 2016 and grow further in 2017 (by 1.4%).
- While the US economy continues to show strength, steel demand in the US, as per the SRO, is struggling to grow due to the strong dollar, which hurts the manufacturing sector, and the collapse in shale related investments. US steel demand is expected to decline by 1.2% in 2016 but move into the positive territory in 2017, with a projected growth of 3%, as per the SRO.
- Likewise, Japan's steel demand growth is subdued due to structural issues and is negatively affected by the appreciation of the yen after the UK referendum. As in the case of the US, Japanese steel demand is projected to decline in 2016 (by 0.4%) but expected to grow in 2017 (by 1.4%).
- Steel demand in developed economies is projected to increase by 0.2% in 2016 and by 1.1% in 2017.

Top 10 Steel Using Countries:worldsteel Short Range Outlook, October 2016						
Region	**ASU (mt)**			**Y-o-Y Growth Rate (%)**		
	2015	**2016 (f)**	**2017 (f)**	**2015**	**2016 (f)**	**2017 (f)**
China	672.3	665.6	652.3	-5.4	-1.0	-2.0
USA	96.1	95.0	97.8	-10.1	-1.2	3.0
India	80.1	84.4	89.1	5.3	5.4	5.7
Japan	63.0	62.7	63.6	-7.0	-0.4	1.4
South Korea	55.8	56.4	54.6	0.5	1.0	-3.1
Russia	39.4	38.0	38.4	-8.3	-3.6	0.9
Germany	39.2	40.0	40.4	-1.2	2.0	1.0
Turkey	34.4	36.0	37.5	11.7	4.8	4.2
Mexico	24.2	24.6	25.4	5.8	1.6	3.2
Brazil	21.3	18.2	18.9	-16.9	-14.4	3.8
Total:10	1126	1121	1118	-4.6	-0.4	-0.3
World	**1498.7**	**1501.3**	**1509.6**	**-3.0**	**0.2**	**0.5**
Source: worldsteel; f=forecast						

Trends in finished steel imports



Provisional data released by JPC indicates that imports of total finished steel continued to decline during 2016-17 so far, dropping by 40.3 per cent during April-October 2016-17 to 4.13 million tonnes (mt) as compared to same period of last year. Moreover, imports in October 2016 (0.535 mt) were down by 55 per cent over October 2015 and dropped by 13 per cent over September 2016. Further, during April- October 2016-17, imports accounted for only 9 per cent of total domestic consumption of steel, much lower compared to the 15 per cent recorded for the same period of last year. The country-wise import picture indicates that the Chinese share in total finished steel stood at 30 per cent and China, with a total import of 1.23 mt, remained the largest import market for India during this period. Also, China, Korea and Japan continued to be the top three markets, accounting for 73 per cent of the country's imports of total finished steel during the first half of the fiscal.

Indian Steel Industry Performance: April-October 2016-17

The following is a report on the performance of Indian steel industry in terms of total finished steel during April-October 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-October 2016-17*(mt)	April-October 2015-16*(mt)	%yoy change
Production for sale	57.748	52.083	10.9
Import	4.132	6.918	-40.3
Export	3.567	2.508	42.2
Consumption	48.122	46.770	2.9
Source: JPC ;* provisional			

Production for sale

- During April-October 2016-17, production for sale stood at 57.748 mt, a growth of 10.9 per cent compared to same period of last year, in which contribution of the non-alloy steel segment stood at 52.236 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 25.121 mt (up by 5.2 per cent) while that of the flat segment stood at 27.115 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 20 mt (up by 6 per cent), 4.5 mt (up by 2 per cent) and 0.5 mt (up by 16 per cent) as compared to same period of last year.
- On the other hand, for the flat segment, with the exception of HR sheets (down by 27 per cent), production for sale was up for all other items like Plates (2.5 mt, up by 5 per cent), HRC (13.5 mt, up by 25 per cent), CRC (4.7 mt, up by 38 per cent) and GP/GC Sheets (4.2 mt; up by 2.4 per cent)

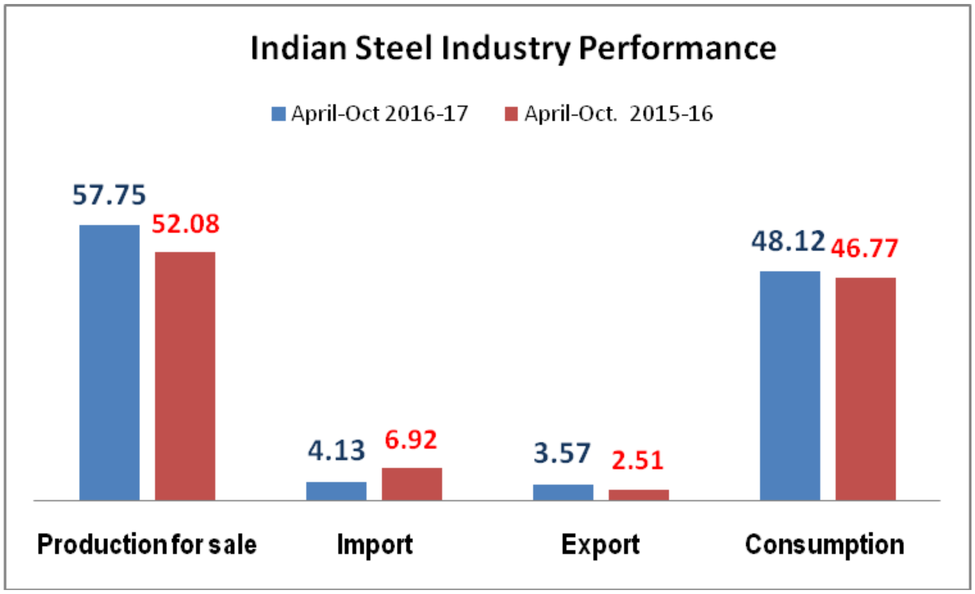
Export

- During April-October 2016-17, export of total finished steel was 3.567 mt, up by 42.2 per cent compared to same period of last year.
- Contribution of the non-alloy steel segment stood at 3.256 mt (up by 49 per cent) while the rest was that of alloy steel (including stainless steel) segment, where exports were down by 3.4 per cent over last year.
- In the total export of finished non-alloy steel, export of non-flat was at 0.41 mt (up by 63 per cent) and that of flat steel was at 2.846 mt (up by 47 per cent).

- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.36 mt, up by 72 per cent) while growth in exports in the non-alloy, flat segment was led by GP/GC sheets (0.96 mt, up by 11 per cent).

Import

- Import of total finished steel during April-October 2016-17 was at 4.132 mt, down by 40.3 per cent compared to same period of last year.
- However, it remained well above exports, with the result that India remained a net importer of total finished steel during April-October 2016-17.
- In total finished steel import, contribution of the non-alloy steel segment was 3.076 mt (41 per cent decline) while the rest was the contribution of alloy steel (including stainless steel) segment, which was down by 39 per cent over same period of last year.
- In the import of total finished non-alloy steel, non-flat imports were at 0.29 mt (down by 31 per cent) and flat imports were at 2.78 mt (down by 42 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.25 mt, down by 37 per cent) while for the flat segment, import was led by HRC (1.06 mt; down by 51 per cent).



Consumption

- During April-October 2016-17, real consumption (or simply consumption) of total finished steel stood at 48.122 mt, a growth of 2.9 per cent compared to same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 24.664 mt, up by 6.1 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 19.119 mt, up by 2 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 43.783 mt, up by 4.2 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a decline of 9 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (19.65 mt; up by 7 per cent) whereas for the flat segment, consumption was led by HRC (13.56 mt, up by 5.4 per cent).

JPC Market Prices (Retail)

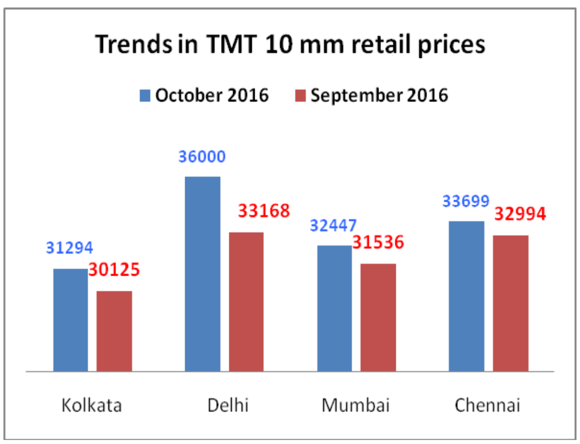
Delhi market prices: Compared to October 2015, average (retail) market prices in Delhi market in October 2016 increased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions and global influences. When compared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

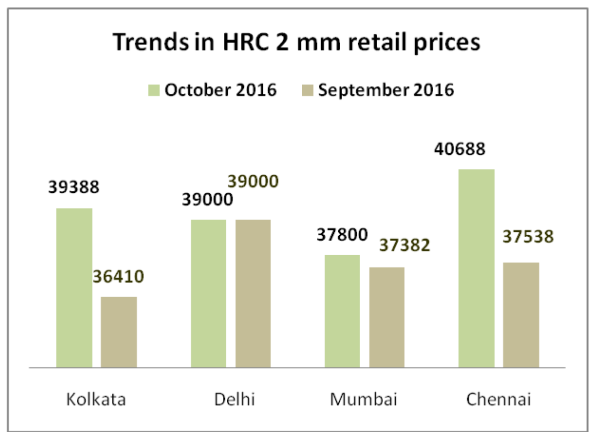
Trends in JPC market price (retail) in Delhi market in October 2016		
Item	**Delhi market prices (Rs/t)**	**% change over October 2015**
TMT, 10 mm	36,000	1.1
HRC, 2.0 mm	39,000	9.3
Source: JPC		

All markets: Compared to October 2015, average (retail) market prices in October 2016, declined for long products (represented by TMT 10 mm) in all metro cities except Delhi while for flat products (represented by HRC 2 mm), prices increased in all the four metro cities, largely in response to domestic demand-supply conditions. The October 2016 trend was opposite for long products whose prices increased in all four metro cities when compared to September 2016 while flat product prices saw a rise in all the four markets except Delhi where HRC prices remained largely static. The situation in October 2016 with regard to October 2015 is shown in the table below for TMT 10 mm and HRC 2.0 mm for all the four markets.

Trends in JPC (retail) market price: %change in October 2016 over October 2015				
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**
TMT 10mm	-14.8	1.1	-4.2	-5.4
HR Coils 2.00mm	10.6	9.3	6.5	11.1
Source: JPC				

TMT prices were highest in the Delhi market (Rs 36,000/t) and lowest in the Kolkata market (Rs 31,294/t) while HRC prices were highest in the Chennai market (Rs 40,688/t) and lowest in the Mumbai market (Rs 37,800/t) during September 2016.





INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

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

Industrial Production: Provisional CSO data show that the Index of Industrial Production (IIP) was down by 0.1 per cent in September 2016 but was up by 0.7 per cent) in April-September 2016-17, depressed by declining growth in sectors like Manufacturing, Capital Goods among others.

Inflation: The annual rate of inflation, based on monthly WPI, stood at 3.39 per cent (provisional) for the month of October 2016 (over October 2015) as compared to 3.57 per cent (provisional) for the previous month. Build up inflation rate in the financial year so far was 4.34 per cent compared to a build up rate of 0.45 per cent in the corresponding period of the previous year. The all India CPI inflation rate (combined) for October 2016 stood at 4.2 per cent as compared to 4.39 per cent of previous month.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 5 per cent in September 2016 and by 4.6 per cent in April-September 2016-17, led by the growth rates in all sectors except crude oil and natural gas.

Trade: Provisional figures from DGCI&S show that during April-October 2016 in dollar terms, overall exports were down by 0.17 per cent and imports were also down (by 10.85 per cent), both on yoy basis. During the same period, oil imports were valued at US$ 46438.65 million, 15.78 per cent lower yoy while non-oil imports were valued at US$ 161644.50 million, 9.33 per cent lower yoy. The trade deficit for April-October 2016-17 was estimated at US$ 53169.95 million which was 32.04% lower than the deficit of US$ 78238.60 million during April-October 2015-16.

Policy:

- In order to check inflation, the government has amended the metrology rules which would allow it to fix retail prices of essential commodities like pulses and sugar in extra-ordinary situations. Under the present system, retail prices are fixed by market forces, leaving very little room for the government to check undue spike in prices.
- The government has doubled the limit of excise duty evasion for arrest and prosecution of accused to Rs 2 crore and also asked officials not to resort to penal provision in cases of technical nature. Arrest and prosecution of a person henceforth can be resorted only if the offence relating to evasion of central excise duty or misuse of CENVAT credit is equal to or more than Rs 2 crore, CBEC said.
- The Government has come out with another set of draft rules, including for liquidation of insolvent corporate persons, under the Insolvency and Bankruptcy Code. As part of implementing the code, the government has already constituted the Insolvency and

Bankruptcy Board of India (IBBI), while the draft norms will be finalised after taking into consideration views of the stakeholders.

- Any sea port to be designated for import of un-shredded metallic scrap will have to install radiation portal monitors and container scanner with adequate security, as per the commerce ministry. Listing the conditions governing clearance of imports of the scrap by sea ports, the DGFT has indicated the existing 14 designated ports, including JNPT, Kandla, Paradip and Mumbai, will be allowed to import these till March 31, 2017. By this time, they are required to install and operationalise radiation portal monitors and container scanner. Sea ports which fail to meet the deadline will be de-recognised for the purpose of import of un-shredded metallic scrap with effect from April 1, 2017.
- The government for the second time has extended the MIP condition on 66 steel products for two more months effective 4th October 2016.
- RBI lowered the repo rate, at which it lends to banks, by 25 basis points to 6.25 per cent and maintained that it would continue with an accommodative monetary stance.

Prepared by Joint Plant Committee