

Global Steel Trade Monitor

Steel Exports Report: Turkey

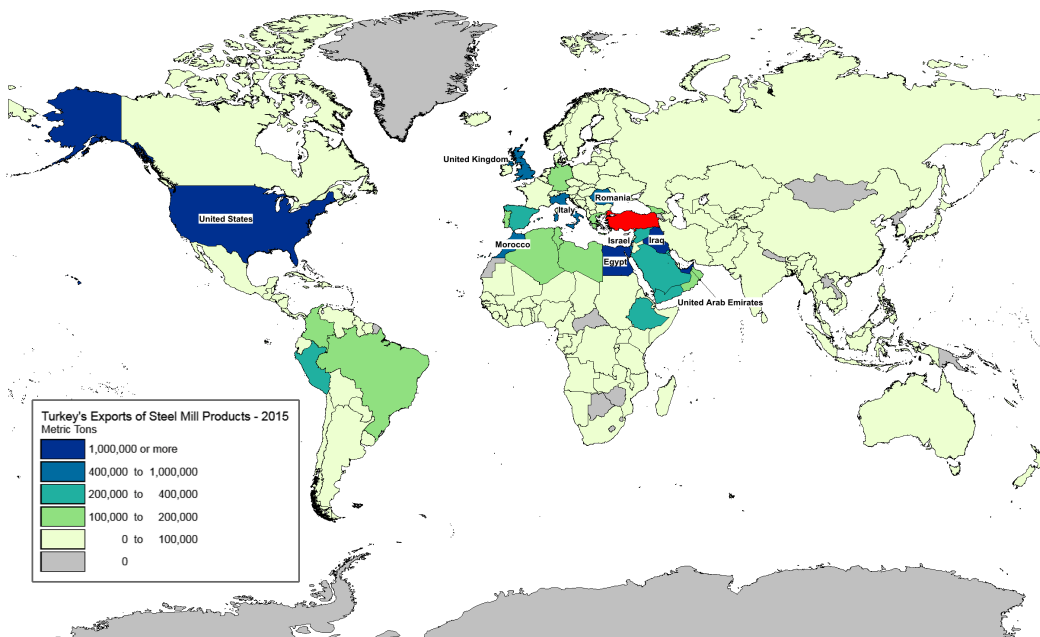
June 2016

Background

Turkey is the world's ninth-largest steel exporter. In 2015, Turkey exported 14.8 million metric tons of steel, a 7.1 percent decrease from 15.9 million metric tons in 2014. Turkey's exports represented about 3.2 percent of all steel exported globally. The volume of Turkey's 2015 steel exports was roughly equal to that of France or Belgium, and just over one-eighth that of the largest exporter, China. In value terms, steel represented just 5.3 percent of the total amount of goods Turkey exported in 2015.

Turkey exports steel to more than 180 countries and territories. The nine countries labeled in the map below represent the top markets for Turkey's exports of steel, receiving more than 400 thousand metric tons each and accounting for 59 percent of Turkey's steel exports in 2015.

Turkey's Exports of Steel Mill Products - 2015



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2016. All rights reserved.

Quick Facts:

- World's ninth-largest steel exporter: 14.8 million metric tons (2015)
- 20% decline in steel exports since 2012
- Exports as a share of production down from 68.6% in 2009 to 46.9% in 2015
- Year-on-year export volume down 7.1% while export value down 26.9%
- Top three markets: United States, United Arab Emirates, Iraq
- Largest producers: Erdemir Group, İçdaş, Habaş
- 11 trade remedies in effect in 4 countries involving steel mill imports from Turkey

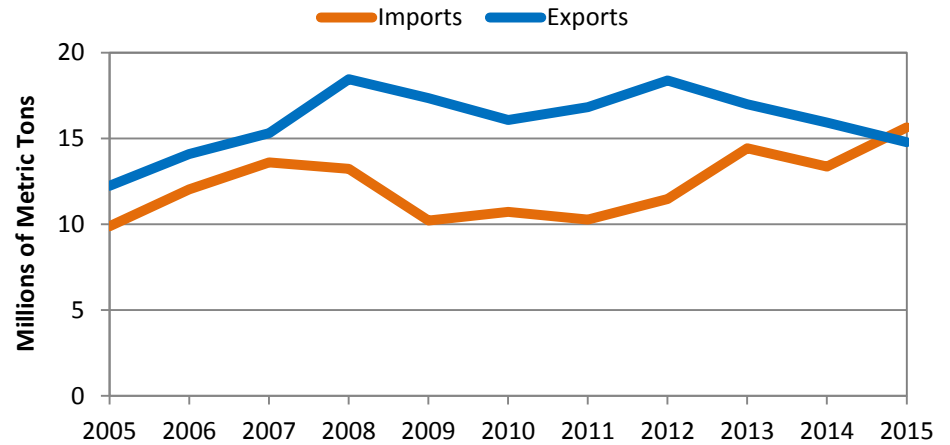
Steel Exports Report: Turkey

Steel Trade Balance

With the exception of 2015, Turkey over the last decade saw a steel trade surplus ranging from roughly two to seven million metric tons per year. The surplus was largest between 2009 and 2012, when it averaged 6.5 million metric tons.

After 2012, the gap narrowed, with exports falling 20 percent and imports rising 36 percent over the next three years. In 2015, Turkey posted a steel trade deficit of -851 thousand metric tons.

Turkey's Trade in Steel Mill Products



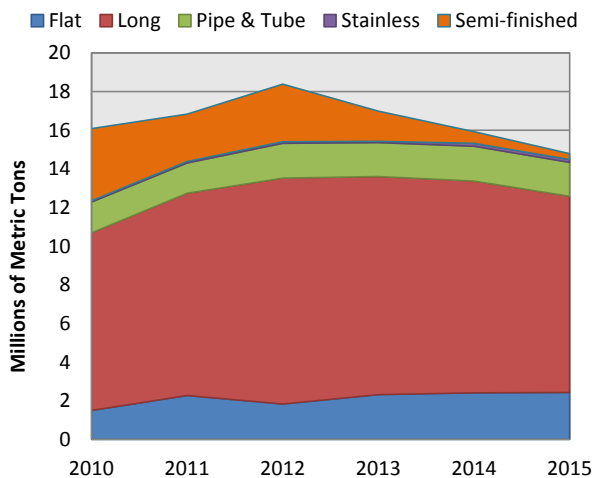
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

Turkey's steel exports recently peaked in 2012, reaching a high of 18.4 million metric tons, an increase of 14.3 percent from 2010. By 2015, Turkey's steel exports had fallen 20 percent from the 2012 high to 14.8 million metric tons. In value terms, Turkey's steel exports reached a high of \$12.8 billion in 2012, a 29.9 increase from \$9.8 billion in 2010. Turkey's steel export value fell 40.7 percent over the next three years, totaling \$7.6 billion in 2015. Between 2014 and 2015 alone, the export value fell by 26.9 percent

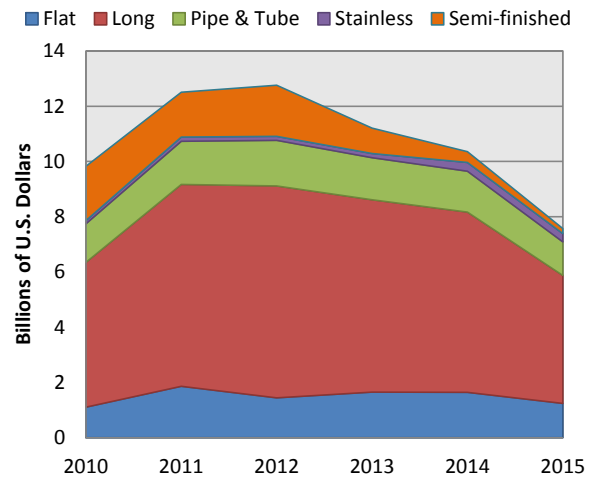
Long products accounted for the largest volume share of Turkey's steel exports at 69 percent, or 10.2 million metric tons, in 2015. Flat products accounted for 16 percent, or 2.4 million metric tons, of exports in 2015, followed by pipe and tube products (12%), semi-finished steel (2%), and stainless products (1%). Notably, exports of semi-finished products have fallen by 92 percent since 2010.

Turkey's Exports of Steel Mill Products Millions of Metric Tons



Source: IHS Global Trade Atlas

Turkey's Exports of Steel Mill Products Billions of U.S. Dollars



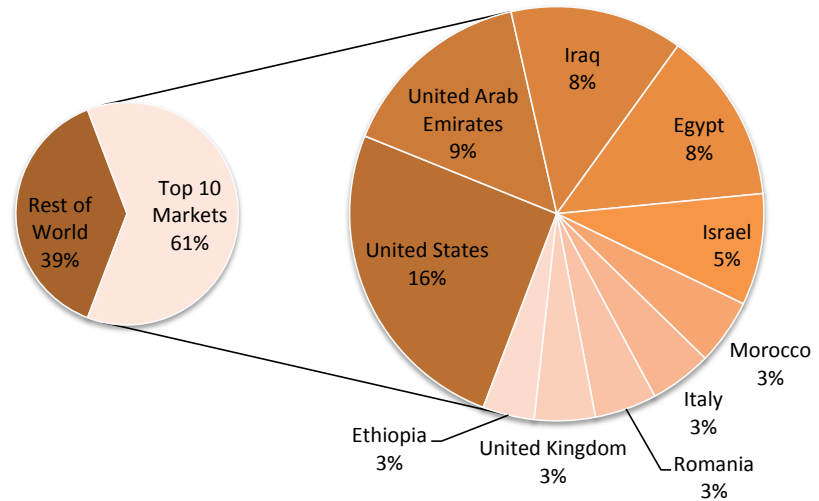
Source: IHS Global Trade Atlas

Steel Exports Report: Turkey

Exports by Top Market

Exports to Turkey's top 10 steel markets represented 61 percent of Turkey's steel export volume in 2015 at 9.1 million metric tons (mmt). The United States received the largest share of Turkey's exports with 16 percent (2.3 mmt), followed by the United Arab Emirates at 9 percent (1.4 mmt), and Iraq and Egypt at 8 percent (1.2 mmt) each.

**Turkey's Steel Exports - Top 10 Markets
2015 - Millions of Metric Tons**



Source: IHS Global Trade Atlas

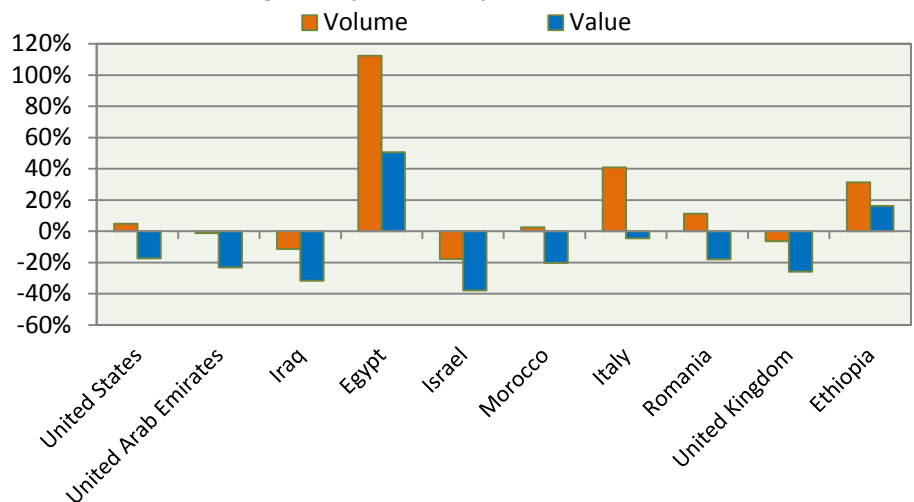
Trends in Exports to Top Markets

Between 2014 and 2015, exports to Turkey's top 10 markets displayed mixed trends in volume terms, with the majority of the top 10 seeing increases. Exports increased the most to Egypt (up 112.3% from 2014), Italy (up 41%), and Ethiopia (up 31.3%). Turkey's exports showed the largest decreases by volume to Israel (down 17.7%), Iraq (down 11.3%), and the United Kingdom (down 6.3%).

Exports to the United States have risen considerably since 2010, at which point the U.S. market received only the eighth-largest share of Turkey's steel exports. 2015's total of 2.3 million metric tons represented a 284 percent increase from the 2010 total of 601 thousand metric tons. The volume trend was relatively flat from 2014 to 2015, with an increase of 105 thousand metric tons (4.8%).

The overall value of Turkey's exports decreased in nearly all of its top 10 markets, reflecting the decline in global steel prices. Markets that experienced considerable decreases in steel value between 2014 and 2015 included Israel (down 37.9%), Iraq (down 31.6%), and the United Kingdom (down 25.9%). Only Egypt and Ethiopia saw value increases, up 50.7 percent and 16.3 percent, respectively.

Percent Change in Exports to Top 10 Markets (2014 to 2015)



Source: IHS Global Trade Atlas

Steel Exports Report: Turkey

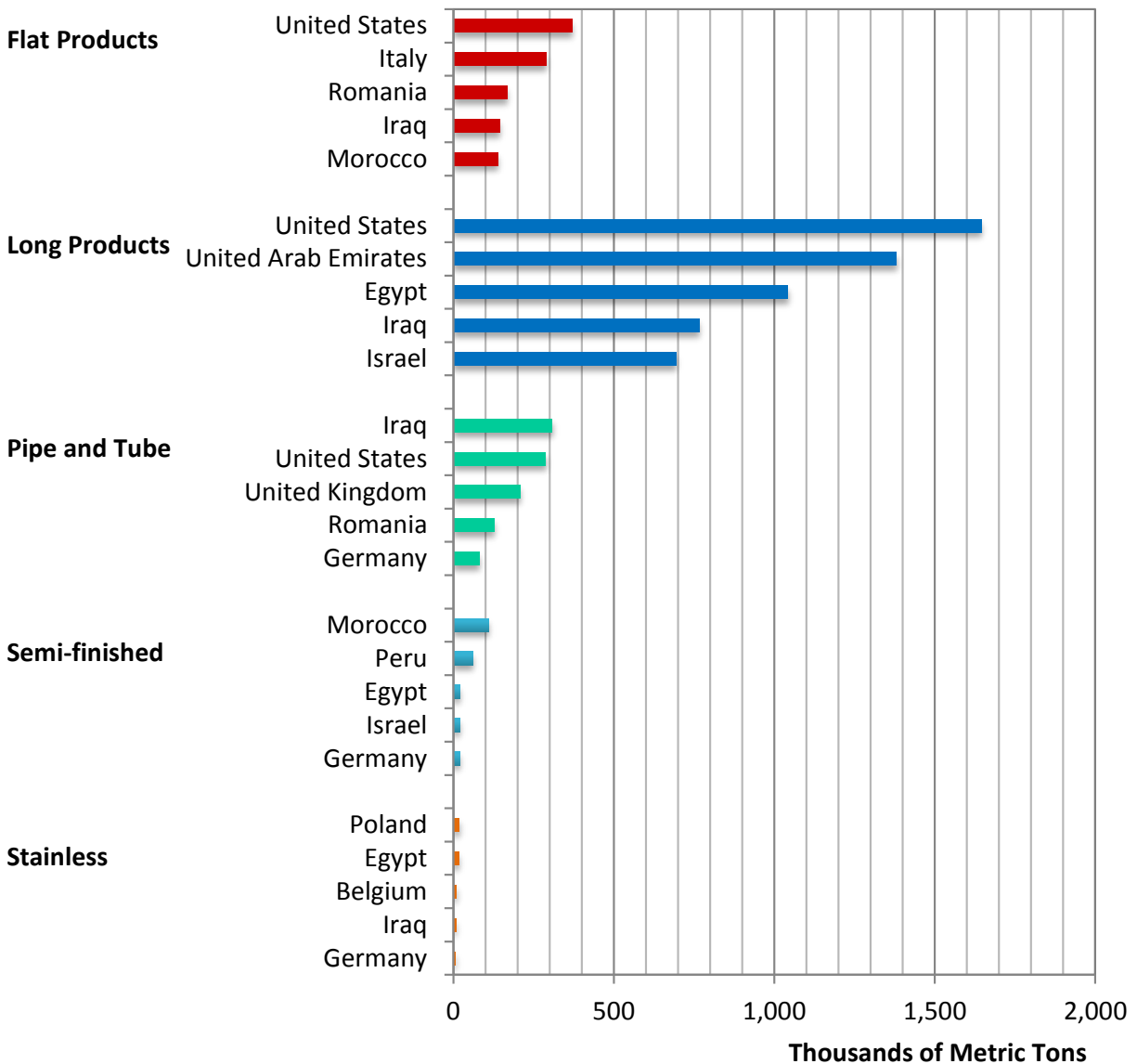
Top Markets by Steel Product Category

Turkey's top export markets by volume vary across types of steel products. The United States accounted for the largest share of Turkey's exports of flat and long products in 2015, receiving 15 percent (317 thousand metric tons) and 16 percent (1.6 million metric tons), respectively.

Iraq received the largest share of Turkey's pipe and tube exports in 2015 at 18 percent (309 thousand metric tons), with the United States a close second at 16 percent (288 thousand metric tons). Morocco received the largest share of semi-finished exports at 36 percent (110 thousand metric tons), and Poland received the largest share of stainless exports at 13 percent (19 thousand metric tons).

The United States was not a top export destination for either semi-finished or stainless products.

Turkey's Top 5 Export Markets by Product - 2015



Source: IHS Global Trade Atlas

Steel Exports Report: Turkey

Turkey's Import Market Share in Top Destinations

Among Turkey's top export destinations for which 2015 data are available, the import market share for Turkey's steel products decreased in the majority of destinations. The share of imports from Turkey saw the largest decreases in Egypt, Israel, and Morocco, down 11.8, 11.4, and 8.1 percentage points, respectively. In contrast, countries with increases in their share of steel imports from Turkey included the United States (up 2.3 percentage points from 2014) and Romania (up 1.1 percentage points), while Italy's share remained virtually the same.

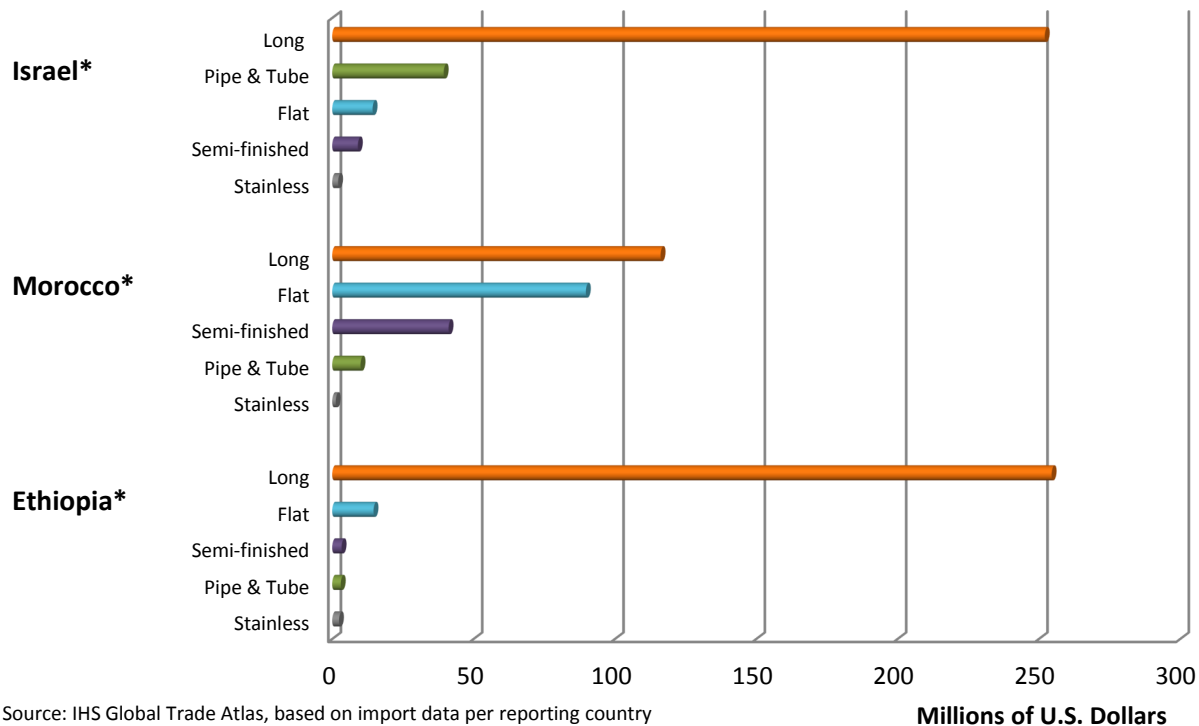
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Among Turkey's top export markets, Israel, Morocco, and Ethiopia received the largest shares of their total steel imports from Turkey. In 2015, long products accounted for the largest share of steel import value from Turkey in each Israel (80%), Morocco (45%), and Ethiopia (92%).

Turkey's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Turkey - 2014	Turkey's Rank in 2014	Share of Imports from Turkey - 2015	Turkey's Rank in 2015
United States	4.9%	8	7.3%	4
United Arab Emirates	19.9%	2	N/A	N/A
Egypt	13.7%	4	1.9%	3
Iraq	N/A	N/A	N/A	N/A
Israel*	33.8%	1	22.4%	2
Morocco	28.1%	1	20.0%	1
Italy	2.1%	12	2.1%	13
Romania	12.0%	1	13.1%	1
United Kingdom	7.0%	6	5.9%	7
Ethiopia	26.2%	1	22.9%	2

Source: IHS Global Trade Atlas, based on import data per reporting country
 *Israel data based on value; 2014/2015 quantity data not available
 Note: Import data for Iraq and 2015 data for United Arab Emirates not available

Steel Import Composition of Top Market-Share Countries - 2015

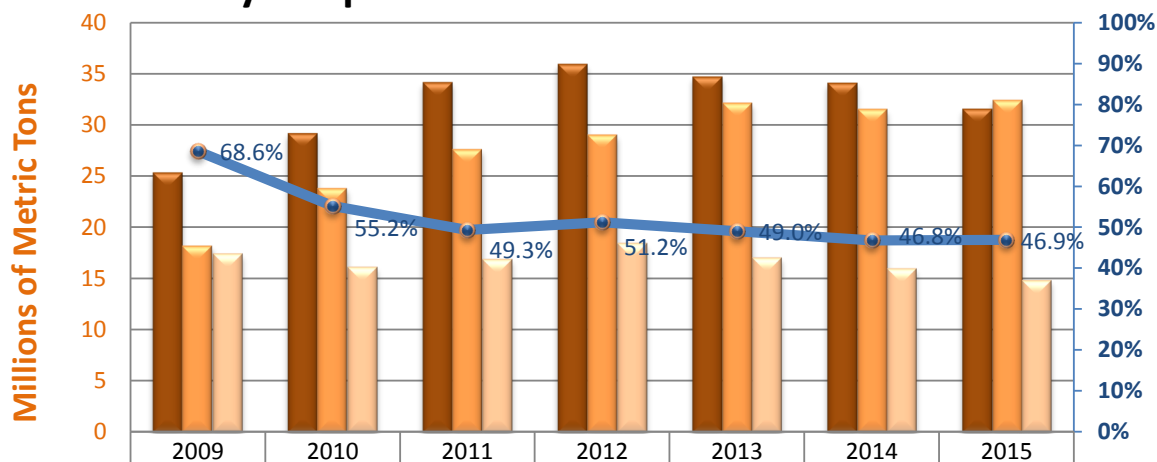


Source: IHS Global Trade Atlas, based on import data per reporting country
 *Data used are value data, so as to be consistent with available data for Israel

Steel Exports Report: Turkey

Overall Production and Export Share of Production

Turkey's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015
Production	25.3	29.1	34.1	35.9	34.7	34.0	31.5
Apparent Consumption	18.2	23.8	27.6	29.0	32.1	31.5	32.4
Exports	17.4	16.1	16.8	18.4	17.0	15.9	14.8
Export Share of Production	68.6%	55.2%	49.3%	51.2%	49.0%	46.8%	46.9%

Source: World Steel Association; IHS Global Trade Atlas

Turkey's crude steel production increased by 42 percent between 2009 and 2012 but has fallen by 12 percent since then. The gap between production and apparent consumption (a measure of steel demand), which stood at 7.1 million metric tons in 2009, shrank steadily over the next six years. By 2015, Turkey's consumption had outpaced the country's production by 850 thousand metric tons.

Between 2009 and 2011, Turkey's steel exports as a share of production shrank by more than 19 percentage points as total exports remained roughly flat while production increased by 8.8 million metric tons. Exports as a share of production have held relatively steady since 2011, comprising 46.9 percent of production in 2015.

Top Producers

Though steel production in Turkey began with the emergence of state-owned companies in the 1930s, steel works were all privatized by 2002. The majority of Turkey's crude steel production uses electric arc furnace technology, and long products make up the majority of Turkey's finished steel production.

Turkey's Top Steel Producers in 2015

Rank	Company	Production (mmt)	Main Products
1	Erdemir Group	8.9	Flat products, wire rod, pipe
2	İçdaş	3.7 (2014)	Billets, reinforcing bars, wire rod
3	Habaş	3	Carbon, stainless, hot-rolled
4	İsdemir (owned by Erdemir)	N/A	Hot-rolled flat, billets, reinforcing bars, profiles, structural steel
5	Çolakoğlu Metalurji	N/A	Billets, slabs, hot-rolled coil, hot-rolled sheet, reinforcing bars
6	Kardemir	N/A	Billets, profiles, reinforcing bars

Sources: World Steel Association; Turkish Steel Producers Association; Hoover's; Company websites

Steel Exports Report: Turkey

Trade Remedies in the Steel Sector

Antidumping duties (AD), countervailing duties (CVD), associated suspension agreements, and safeguards are often referred to collectively as trade remedies. These are internationally agreed upon mechanisms to address the market-distorting effects of unfair trade, or serious injury or threat of serious injury caused by a surge in imports. Unlike anti-dumping and countervailing measures, safeguards do not require a finding of an “unfair” practice. Before applying these duties or measures, countries investigate allegations and can remedy or provide relief for the injury caused to a domestic industry. The table below provides statistics on the current number of trade remedies various countries have against steel mill products from Turkey.

Steel Mill Trade Remedies in Effect Against Turkey				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Canada	3			3
Dominican Republic	1			1
Morocco	1			1
United States	3	3		6
TOTAL	8	3	0	11

Source: World Trade Organization, through June 30, 2015

Global Steel Mill Safeguards in Effect	
Country	Product(s)
India	Seamless pipes, tubes and hollow profiles of iron or non-alloy steel (other than cast iron and stainless steel)
Indonesia	1) Articles of finished casing and tubing; 2) Articles of iron or steel wire; 3) Bars and rods, hot-rolled, in irregularity wound coils; 4) Flat-rolled products of iron or non-alloy steel; 5) I and H sections of other alloy steel
Malaysia	Hot-rolled steel plate
Morocco	1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods
Philippines	Steel angle bars
Thailand	1) Hot-rolled steel flat products with certain amounts of alloying elements; 2) Unalloyed hot-rolled steel flat products in coils and not in coils
Ukraine	Casing and pump compressor seamless steel pipes

Source: World Trade Organization, through March 1, 2016

Steel Exports Report: Glossary

Apparent Consumption: Domestic crude steel production plus steel imports minus steel exports. Shipment data are not available for all countries, therefore crude steel production is used as a proxy.

Export Market: Destination of a country's exports.

Flat Products: Produced by rolling semi-finished steel through varying sets of rolls. Includes sheets, strips, and plates. Used most often in the automotive, tubing, appliance, and machinery manufacturing sectors.

Import Penetration: Ratio of imports to apparent consumption.

Import Source: Source of a country's imports.

Long Products: Steel products that fall outside the flat products category. Includes bars, rails, rods, and beams. Used in many sectors but most commonly in construction.

Pipe and Tube Products: Either seamless or welded pipe and tube products. Used in many sectors but most commonly in construction and energy sectors.

Semi-finished Products: The initial, intermediate solid forms of molten steel, to be re-heated and further forged, rolled, shaped, or otherwise worked into finished steel products. Includes blooms, billets, slabs, ingots, and steel for castings.

Stainless Products: Steel products containing at minimum 10.5% chromium (Cr) offering better corrosion resistance than regular steel.

Steel Mill Products: Carbon, alloy, or stainless steel produced by either a basic oxygen furnace or an electric arc furnace. Includes semi-finished steel products and finished steel products. For trade data purposes, steel mill products are defined at the Harmonized System (HS) 6-digit level as: 720610 through 721650, 721699 through 730110, 730210, 730240 through 730290, and 730410 through 730690. The following discontinued HS codes have been included for purposes of reporting historical data (prior to 2007): 722520, 722693, 722694, 722910, 730410, 730421, 730610, 730620, and 730660.

Global Steel Trade Monitor: The monitor provides global import and export trends for the top countries trading in steel products. The current reports expand upon the early release information already provided by the Steel Import Monitoring and Analysis (SIMA) system that collects and publishes data on U.S. imports of steel mill products. Complementing the SIMA data, these reports provide objective and current global steel industry information about the top countries that play an essential role in the global steel trade. Information in these reports includes global exports and import trends, production and consumption data and, where available, information regarding trade remedy actions taken on steel products. The reports will be updated quarterly.

Steel Import Monitoring and Analysis (SIMA) System: The Department of Commerce uses a steel import licensing program to collect and publish aggregate data on near real-time steel mill imports into the United States. SIMA incorporates information collected from steel license applications with publicly released data from the U.S. Census Bureau. By design, this information provides stakeholders with valuable information on the steel trade with the United States. For more information about SIMA, please go to <http://enforcement.trade.gov/steel/license/>.



INTERNATIONAL
TRADE
ADMINISTRATION

Steel Import Monitoring and Analysis
1401 Constitution Ave., NW, Room 21006
Washington, D.C. 20230

T 202.482.2105

F 202.501.1377

Email ECCGlobalSteelStats@trade.gov

trade.gov/steel