

Global Steel Trade Monitor

Steel Imports Report: Taiwan

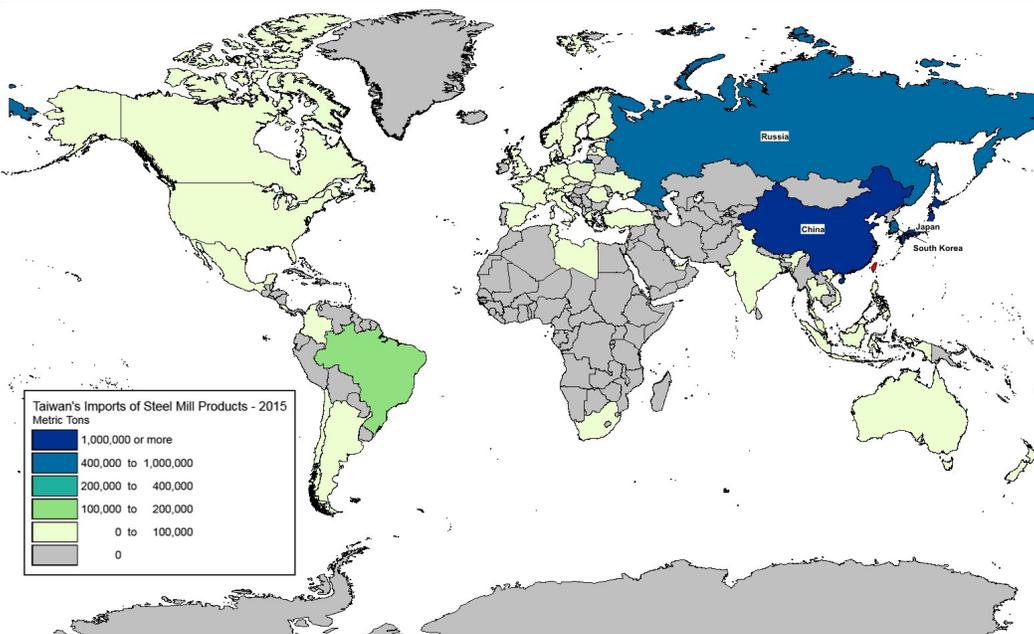
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Background

Taiwan was the world's sixteenth-largest steel importer in 2015. In 2015, Taiwan imported 7.5 million metric tons of steel, a 15 percent decrease from 8.8 million metric tons in 2014. Taiwan's imports represented about 2 percent of all steel imported globally in 2015. The volume of Taiwan's 2015 steel imports was roughly one-fifth the size of the world's largest importer, the United States. In value terms, steel represented just 2.3 percent of the total goods imported into Taiwan in 2015.

Taiwan imports steel from over 80 countries and territories. The four countries labeled in the map below represent the top import sources for Taiwan's imports of steel, with each sending more than 400 thousand metric tons to Taiwan and together accounting for 93 percent of Taiwan's steel imports in 2015.

Taiwan's Imports of Steel Mill Products - 2015



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

Quick Facts:

- World's 16th-largest steel importer: 7.5 million metric tons (2015)
- 15% steel import growth since 2009
- Year-on-year import volume down 15% while import value down 30%
- Import penetration down from 52.2% in 2009 to 42.1% in 2015
- Top three import sources: Japan, China, Russia
- Largest producers: China Steel Corp, Dragon Steel Corp, Tung Ho Steel
- 3 trade remedies in effect against imports of steel mill products

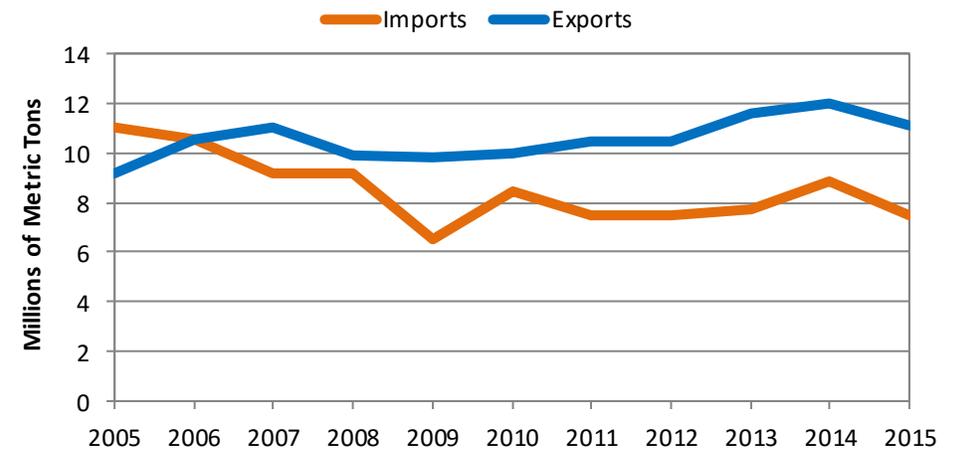
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Steel Trade Balance

Rising exports and falling imports caused Taiwan's steel trade deficit to become a steel trade surplus between 2006 and 2007. Imports continued to fall and hit a low point in 2009. Since then, imports have increased 15 percent but were still down 32 percent from 2005 levels. Exports increased 13 percent between 2009 and 2015.

In 2015, Taiwan's steel trade surplus amounted to 3.6 million metric tons, up from 3.2 million metric tons in 2014.

Taiwan's Trade in Steel Mill Products

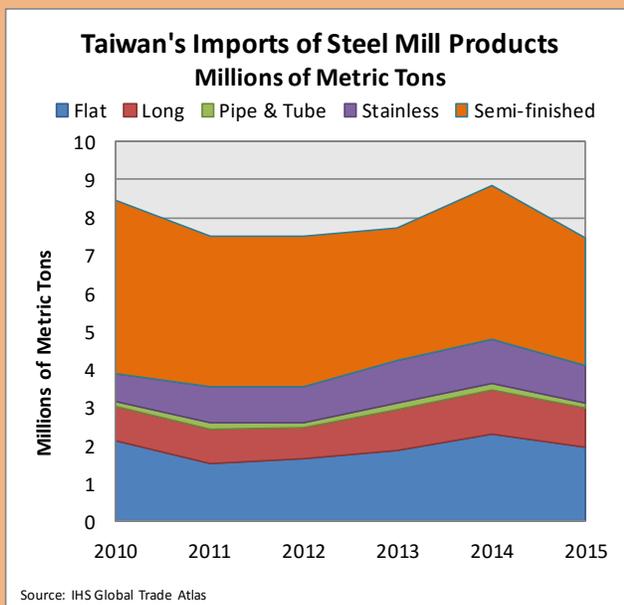


Source: IHS Global Trade Atlas

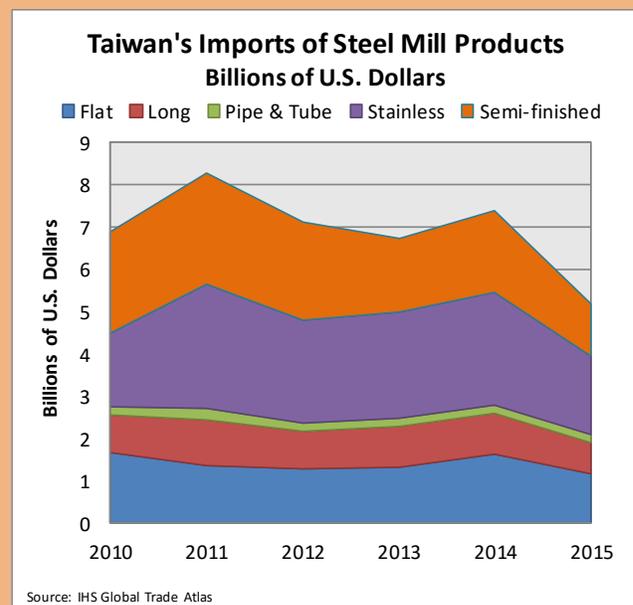
Import Volume, Value, and Product

Taiwan has averaged 7.9 million metric tons of annual steel imports in recent years. In 2014, the volume of Taiwan's steel imports increased by 14 percent to 8.8 million metric tons from 2013 before decreasing by 15 percent to 7.5 million metric tons between 2014 and 2015. By contrast, the value of Taiwan's 2015 steel imports declined by 30 percent between 2014 and 2015 — down to \$5.2 billion from \$7.4 billion in 2014 — which can be attributed to a significant drop in global steel prices.

Semi-finished steel accounted for the largest share of Taiwan's steel imports in 2015 at 45 percent or 3.4 million metric tons. Flat products accounted for 26 percent, or 1.9 million metric tons, of Taiwan's steel imports, followed by long products at 14 percent (1 million metric tons), stainless steel at 13 percent (964 thousand metric tons), and pipe and tube at 2 percent (152.9 thousand metric tons).



Source: IHS Global Trade Atlas



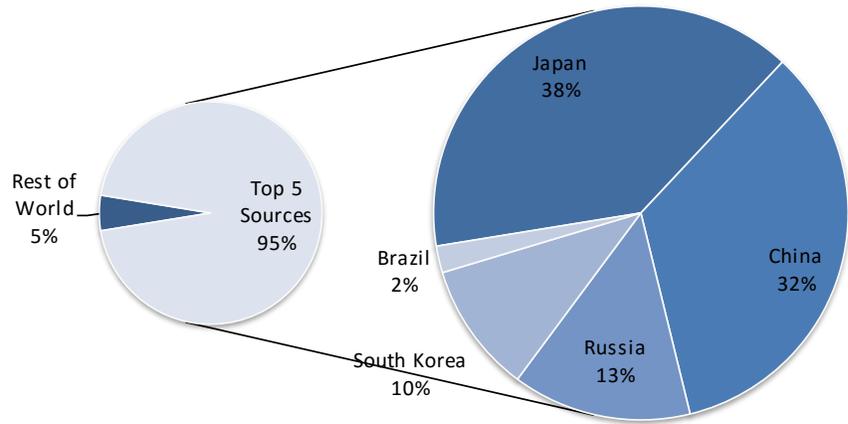
Source: IHS Global Trade Atlas

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Imports by Top Source

The top 5 source countries for Taiwan's imports of steel products represented 95 percent of the total steel import volume in 2015 at 7.1 million metric tons (mmt). Japan accounted for the largest share of Taiwan's imports by source country at 38 percent (2.8 mmt), followed by China at 32 percent (2.4 mmt), Russia at 13 percent (1 mmt), South Korea at 10 percent (0.7 mmt), and Brazil at 2 percent (0.1 mmt).

Taiwan's Steel Imports - Top 5 Sources
2015 - Millions of Metric Tons



The United States ranked 15th as a source for Taiwan's steel imports in 2015. Taiwan imported 11.2 thousand metric tons from the United States in 2015 — a 32 percent decline from 16.5 thousand metric tons in 2014.

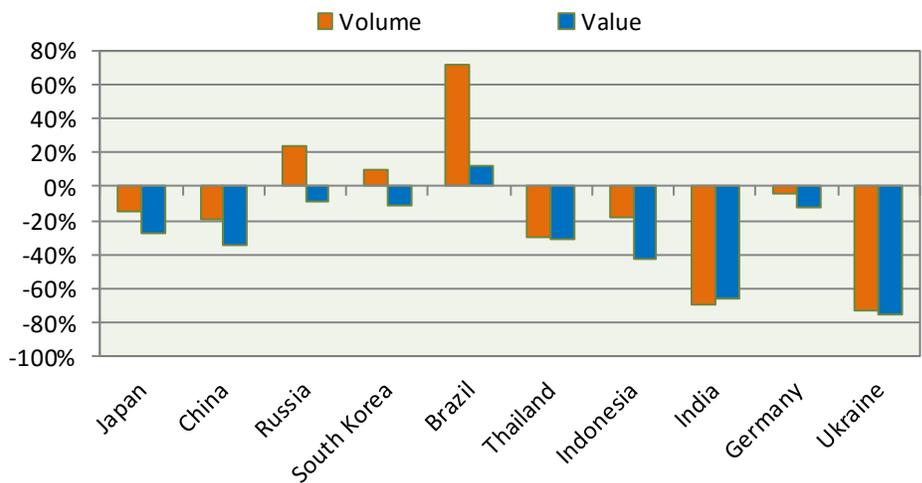
Source: IHS Global Trade Atlas

Trends in Imports from Top Sources

Between 2014 and 2015, the volume of Taiwan's steel imports decreased from seven of its top 10 steel import sources. Imports from Ukraine showed the greatest decrease in volume, down 73.5 percent in 2015, followed by imports from India (down 69.9%), Thailand (down 30.4%), and China (down 19.1%). Only imports from Brazil, Russia, and South Korea increased in volume in 2015, up 71.5 percent, 24.4 percent, and 9.4 percent, respectively.

In value terms, only Taiwan's imports from Brazil increased between 2014 and 2015 — up 12.3 percent. Imports from the remaining top 10 sources all decreased in value in 2015. As with volume decreases, import values from Ukraine and India showed the largest decreases in value — down 75.2 percent and 65.4 percent, respectively — followed by import values from Indonesia (down 42.1% from 2014), China (down 34.4%), Thailand (down 30.7%), and Japan (down 27.7%).

Percent Change in Imports from Top 10 Sources (2014 to 2015)



Source: IHS Global Trade Atlas

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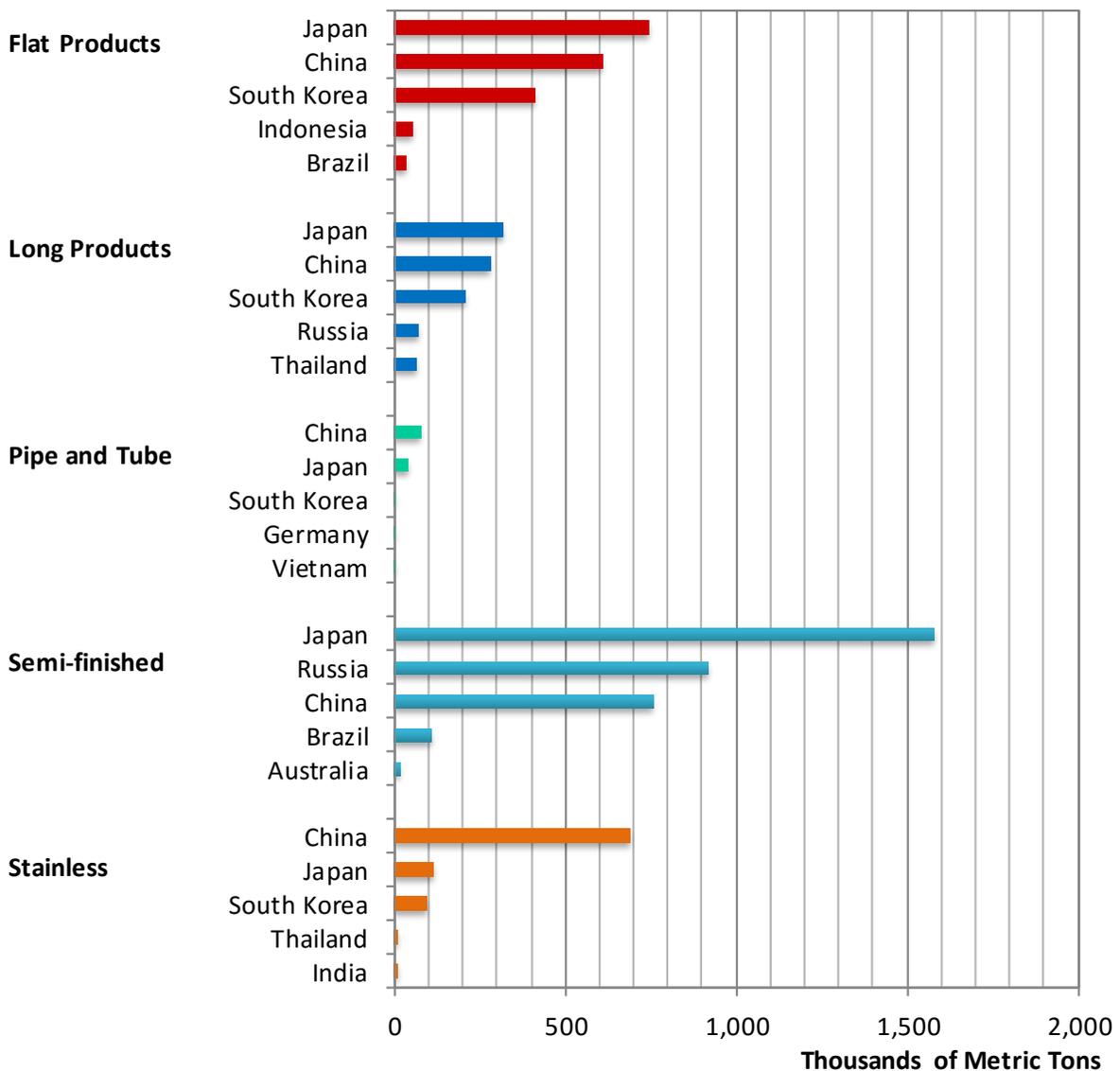
Top Sources by Steel Product Category

The top source countries for Taiwan's imports by volume vary across types of steel products, though Japan and China help the top two spots for nearly every product category. Taiwan imported the largest share of flat products from Japan in 2015 at 38 percent (747.3 thousand metric tons), followed by China at 32 percent (612.7 thousand metric tons). Japan also accounted for the largest shares of Taiwan's imports of long products at 31 percent (317.6 thousand metric tons) and semi-finished steel at 47 percent (1.6 million metric tons).

In 2015, Taiwan imported just over half of its pipe and tube products from China at 52 percent (79.6 thousand metric tons) and just under three-fourths of stainless steel from China at 72 percent (692 thousand metric tons).

The United States was not a top-five import source in any product category.

Taiwan's Top 5 Import Sources by Product - 2015



Source: IHS Global Trade Atlas

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Taiwan's Export Market Share from Top Source Countries

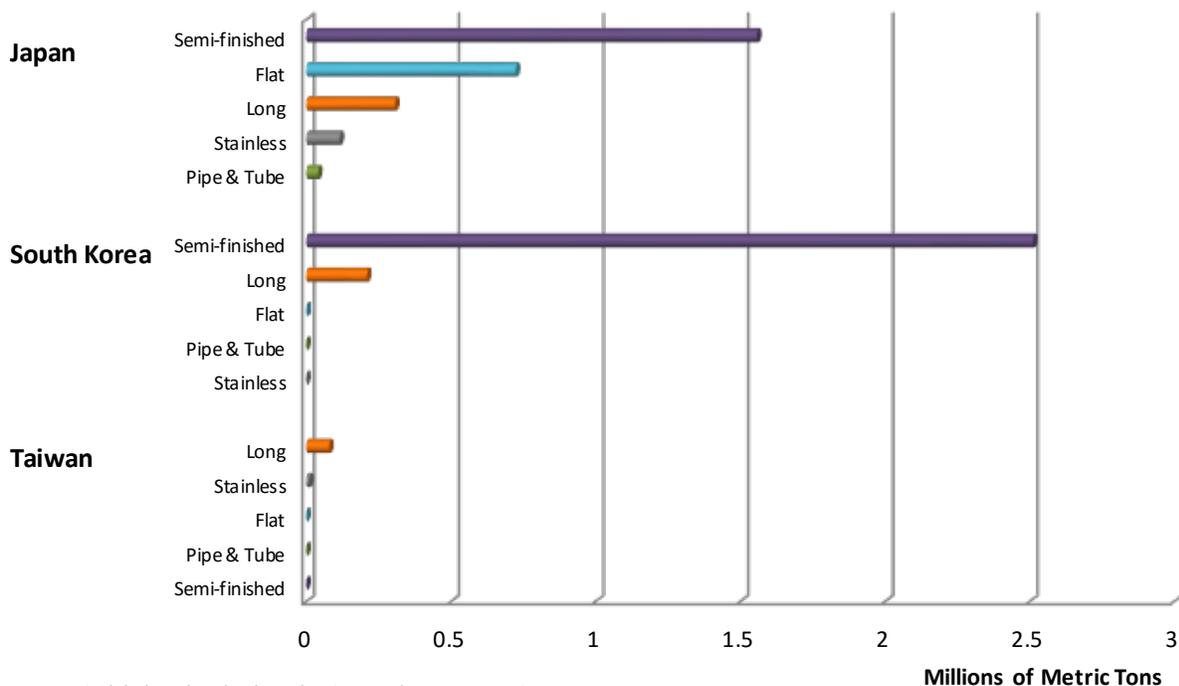
In 2015, the share of steel exports sent to Taiwan from its top import sources decreased in the majority of top sources. The share of Indonesia's steel exports to Taiwan showed the largest decrease (down 3.1 percentage points from 2014), followed by Japan (down 1.3 percentage points) and Taiwan (down 1.2 percentage points). Exports to Taiwan from China, Russia, Thailand, and Ukraine all decreased by less than one percentage point. Only South Korea, Brazil, and Germany increased their share of steel exports to Taiwan in 2015, as shares from all three increased by less than half of a percentage point.

Taiwan's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Taiwan - 2014	Taiwan's Rank in 2014	Share of Exports to Taiwan - 2015	Taiwan's Rank in 2015
Japan	8.1%	4	6.7%	4
China	3.0%	9	2.2%	14
Russia	10.0%	2	9.2%	2
South Korea	2.1%	10	2.3%	13
Brazil	0.9%	17	1.1%	22
Thailand	6.7%	4	6.3%	4
Indonesia	5.5%	7	2.4%	7
India	1.7%	16	0.5%	36
Germany	0.1%	43	0.2%	40
Ukraine	0.4%	37	0.1%	53

Source: IHS Global Trade Atlas, based on import data per reporting country

Among Taiwan's top import sources, Japan, Russia, and Thailand sent the largest shares of their total steel exports to Taiwan at 6.7 percent, 9.2 percent, and 6.3 percent, respectively. In 2015, semi-finished steel accounted for the largest share of steel exports to Taiwan from Japan at 57 percent (1.6 million metric tons) and Russia at 92 percent (2.5 million metric tons), while most of Thailand's exports to Taiwan were made up of long products (87% or 79.2 thousand metric tons).

Steel Export Composition of Top Market-Share Countries - 2015

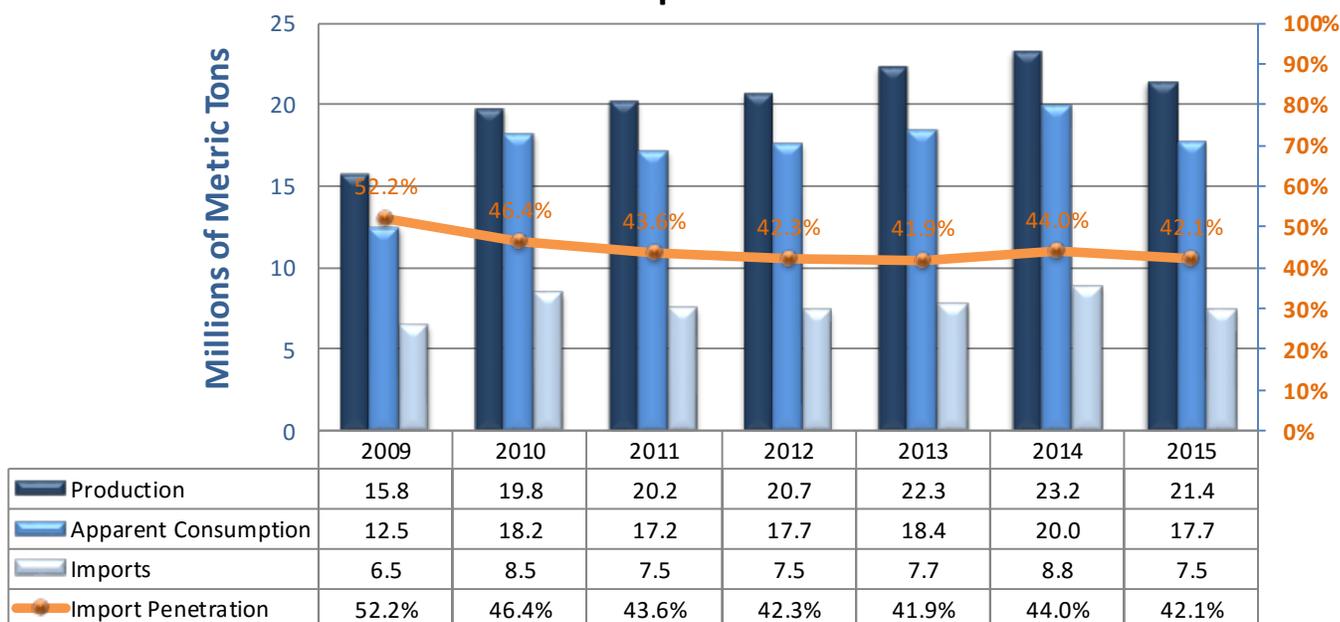


Source: IHS Global Trade Atlas, based on import data per reporting country

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Overall Production and Import Penetration

Taiwan's Steel Import Penetration



Source: World Steel Association; IHS Global Trade Atlas

Taiwan's crude steel production increased every year between 2009 and 2014 for a total increase of 7.4 million metric tons. Production in 2015 declined, however, by 8 percent to 21.4 million metric tons from 23.2 million metric tons in 2014. Apparent consumption (a measure of steel demand) has consistently been outpaced by production over the period by an average of 3.1 million metric tons. Import penetration levels have been gradually decreasing since 2009, as apparent consumption has grown faster than imports. Import penetration decreased by just over 10 percentage points from 52.2 percent in 2009 to 42.1 percent in 2015.

Top Producers

Taiwan has several steel producers that are a mix of public, state-owned, and foreign-owned companies. The largest producer, China Steel Corporation, alone accounts for 10 million metric tons of steel production, or nearly half of Taiwan's total steel production in 2015. The second largest steel producer, Dragon Steel, has been a wholly owned subsidiary of China Steel Corporation since 2008.

Taiwan's Top Steel Producers			
Rank	Company	Capacity (mmt) (production)	Main Products
1	China Steel Corp.	10	Steel plates, bars, wire rods
2	Dragon Steel Corp.	6	H beams, billets, steel plates
3	Tung Ho Steel Enterprise Corp	2.2	Reinforcing bar, sections, plates
4	Walsin Lihwa Corp	0.7	Billets, slabs, wire rod
5	Tang Eng Iron Works Co Ltd	0.3	Billets, hot- and cold- rolled coil
6	Feng Hsin Steel Co Ltd.	N/A	Billets, bars, reinforcing bar

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; Company websites

Steel Imports Report: **Taiwan**

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 Taiwan has against imports of steel mill products from various countries. Taiwan has no steel mill safeguards in effect.

Taiwan’s Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	1		1	2
South Korea	1			1
TOTAL	2	0	1	3

Source: World Trade Organization, through December 1, 2016

Steel Imports 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