

# Global Steel Trade Monitor

## Steel Imports Report: Thailand

June 2016

### Background

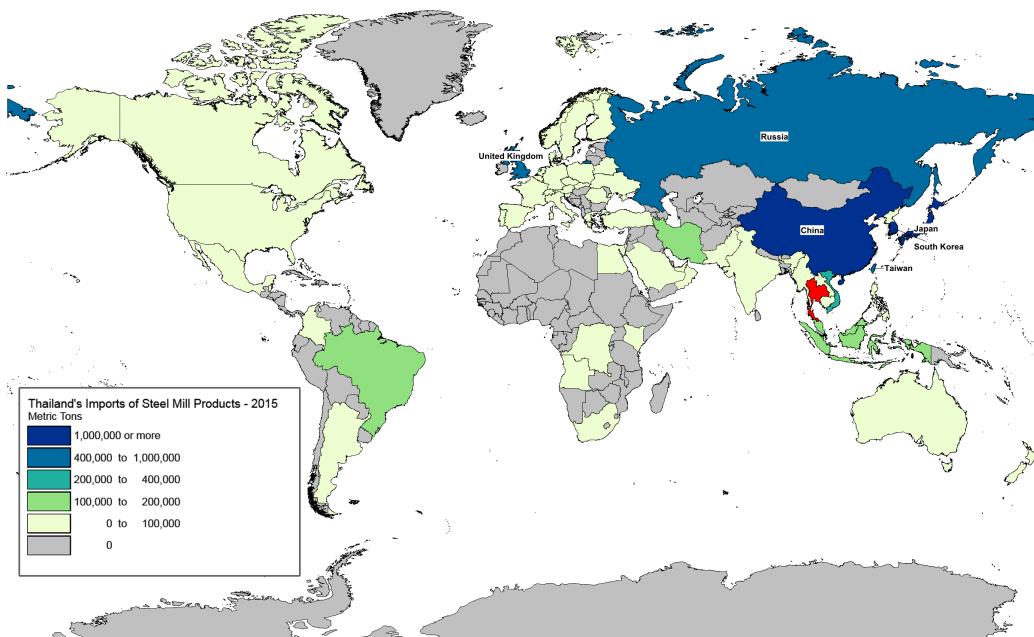
Thailand is the world's sixth largest steel importer. In 2015, Thailand imported 14.6 million metric tons of steel, a 3 percent decrease from 15 million metric tons in 2014. Thailand's imports represented about 4 percent of all steel imported globally. The volume of Thailand's 2015 steel imports was less than half that of the world's largest importer, the United States. In value terms, steel represented just 5 percent of the total goods imported into Thailand in 2015.

Thailand imports steel from over 110 countries and territories. The six countries labeled in the map below represent the top sources for Thailand's imports of steel, with each sending more than 400 thousand metric tons to Thailand and together accounting for 91 percent of Thailand's steel imports in 2015.

### Quick Facts:

- World's sixth largest steel importer: 14.6 million metric tons (2015)
- 62% steel import growth since 2009
- Year-on-year import volume down 3% while import value down 19%
- Import penetration up from 81% in 2009 to 86.8% in 2015
- Top three import sources: Japan, China, South Korea
- Major producers: G Steel, Tata Steel Thailand
- 34 trade remedies in effect against imports of steel mill products

### Thailand's Imports of Steel Mill Products - 2015



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

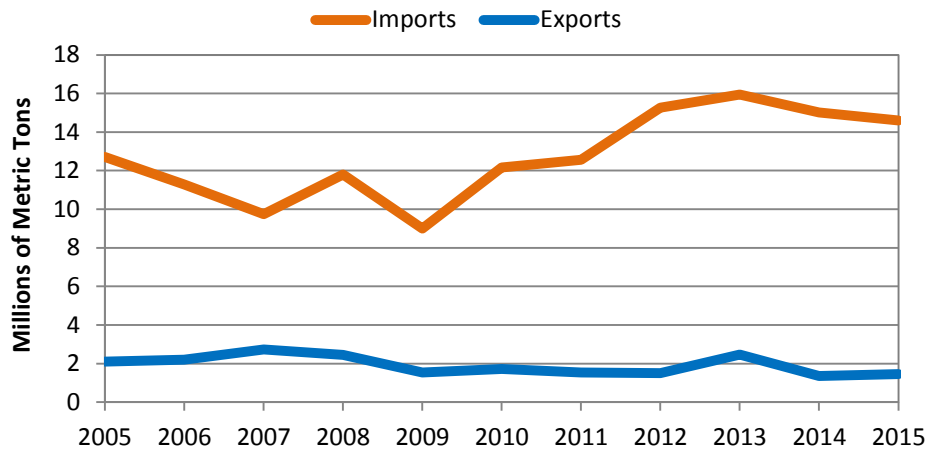
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## Steel Trade Balance

Thailand is a net importer of steel mill products. After imports dipped in 2007 and 2009, they have grown by 62 percent between 2009 and 2015. Over the same period, Thailand's steel exports gradually declined by 6 percent.

Since 2009, Thailand's steel trade deficit has increased by 76 percent, amounting to -13.2 million metric tons in 2015 and down slightly from its peak of -13.8 million metric tons in 2012.

### Thailand's Trade in Steel Mill Products

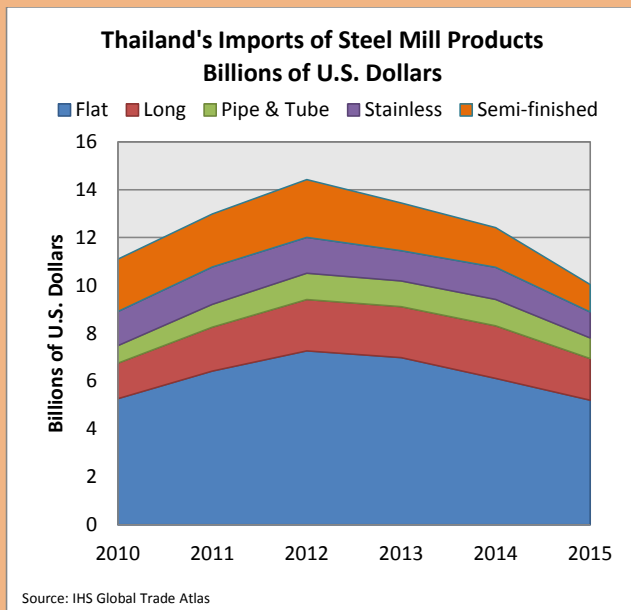


Source: IHS Global Trade Atlas

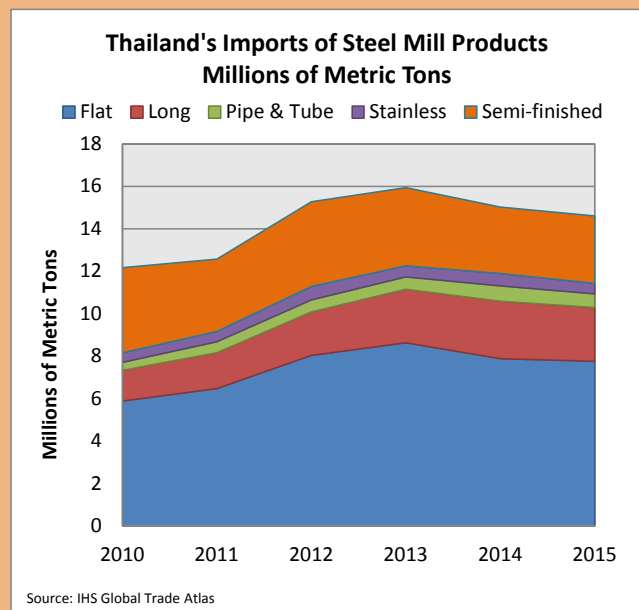
## Import Volume, Value, and Product

In 2013, the volume of Thailand's imports of steel mill products reached a peak of 15.9 million metric tons before beginning to decline. In 2014, Thailand's steel imports decreased by 6 percent to 15 million metric tons and decreased by 3 percent to 14.6 million metric tons in 2015. By contrast, the value of Thailand's steel imports has decreased faster, down by 8 percent to \$12.4 billion in 2014 and down by 19 percent to \$10 billion in 2015. This decrease in value can be attributed to a significant drop in global steel prices.

Flat products account for the largest share of Thailand's steel imports. In 2015, Thailand imported 7.8 million metric tons of flat products — 53 percent of steel imports. Semi-finished steel accounted for 22 percent (3.2 million metric tons), followed by long products (17% or 2.5 million metric tons), pipe and tube (4% or 638 thousand metric tons), and stainless products (3% or 497 thousand metric tons).



Source: IHS Global Trade Atlas



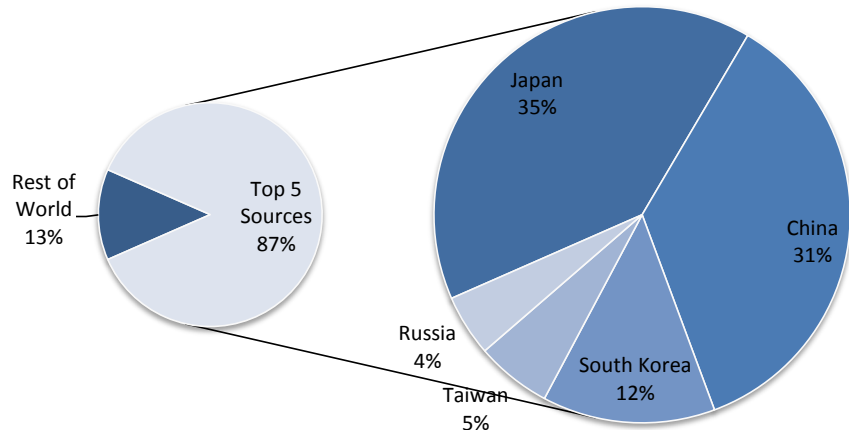
Source: IHS Global Trade Atlas

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## Imports by Top Source

The top 5 source countries for Thailand's steel imports represented 87 percent of the total steel import volume in 2015 at 12.7 million metric tons (mmt). Japan accounted for the largest share of Thailand's imports by source country with 35 percent (5.1 mmt), followed by China at 31 percent (4.5 mmt), South Korea at 12 percent (1.7 mmt), Taiwan at 5 percent (0.7 mmt), and Russia at 4 percent (0.6 mmt).

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



Source: IHS Global Trade Atlas

The United States ranked 22nd as a source for Thailand's steel imports, representing just 0.06 percent of imports (9 thousand metric tons) in 2015.

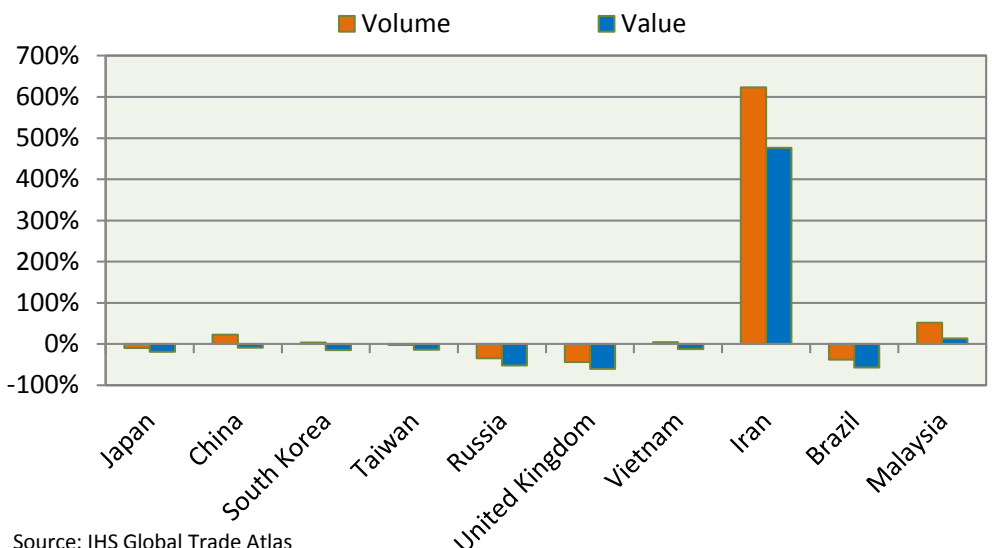
## Trends in Imports from Top Sources

While the volume of Thailand's steel imports decreased from half of Thailand's top 10 steel import sources between 2014 and 2015, the overall value of Thailand's imports decreased from eight of the top ten, reflecting the decline in global steel prices.

Considerable decreases in Thailand's steel import value between 2014 and 2015 included Thailand's imports from the United Kingdom (down 60.4%), Brazil (down 57%), and Russia (down 51.9%). The largest decreases in import volume also occurred from the United Kingdom, Brazil, and Russia, down 44.2, 38.3, and 34.7 percent, respectively.

Thailand's imports from Iran were a noticeable exception, as both volume and value showed significant increases in 2015, with volume up 623.4 percent and value up 476.4 percent. Imports from Malaysia were the only other top source country to post a value increase, up 13.1 percent with a 51.2 percent increase in volume.

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



Source: IHS Global Trade Atlas

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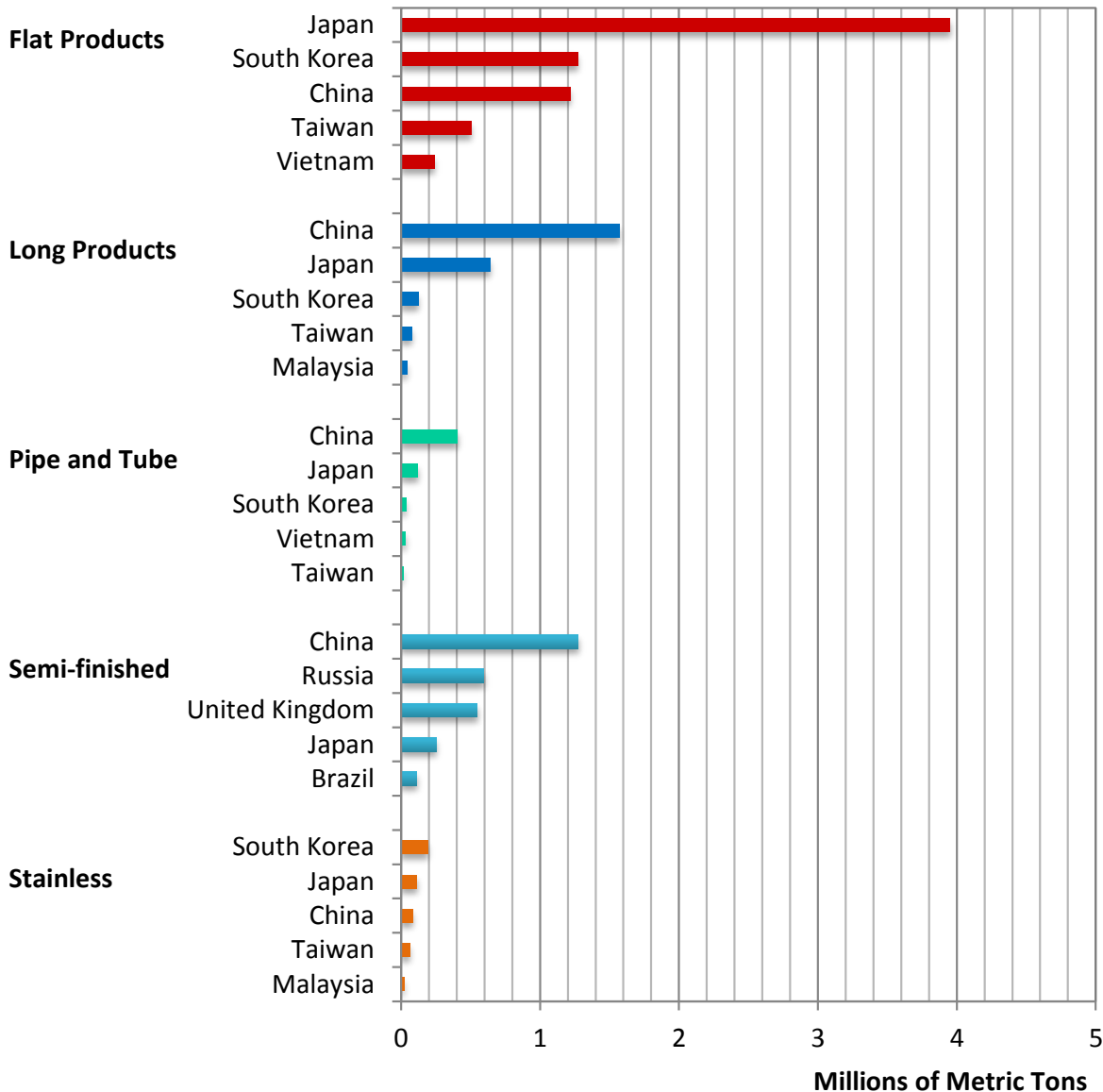
## Top Sources by Steel Product Category

The top source countries for Thailand's imports by volume vary across types of steel products. Thailand imported just over half of its flat products from Japan in 2015 at 51 percent (4 million metric tons).

In 2015, China represented the largest share of Thailand's long product imports (62% or 1.6 million metric tons), its pipe and tube imports (64% or 406 thousand metric tons), and its semi-finished steel imports (40% or 1.3 million metric tons). Thailand received the largest share of its stainless steel imports from South Korea in 2015 at 39 percent (192 thousand metric tons).

The United States was not a top import source for any product category.

## Thailand's Top 5 Import Sources by Product - 2015



Source: IHS Global Trade Atlas

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## Thailand's Export Market Share from Top Source Countries

In 2015, the share of steel exports sent to Thailand from its top import sources decreased from half of the top 10 sources for which data are available. In 2015, the share of the United Kingdom's steel exports to Thailand showed the largest decrease (down 3.7 percentage points from 2014), followed by Brazil (down 0.9 percentage points), and Japan (down 0.7 percentage points).

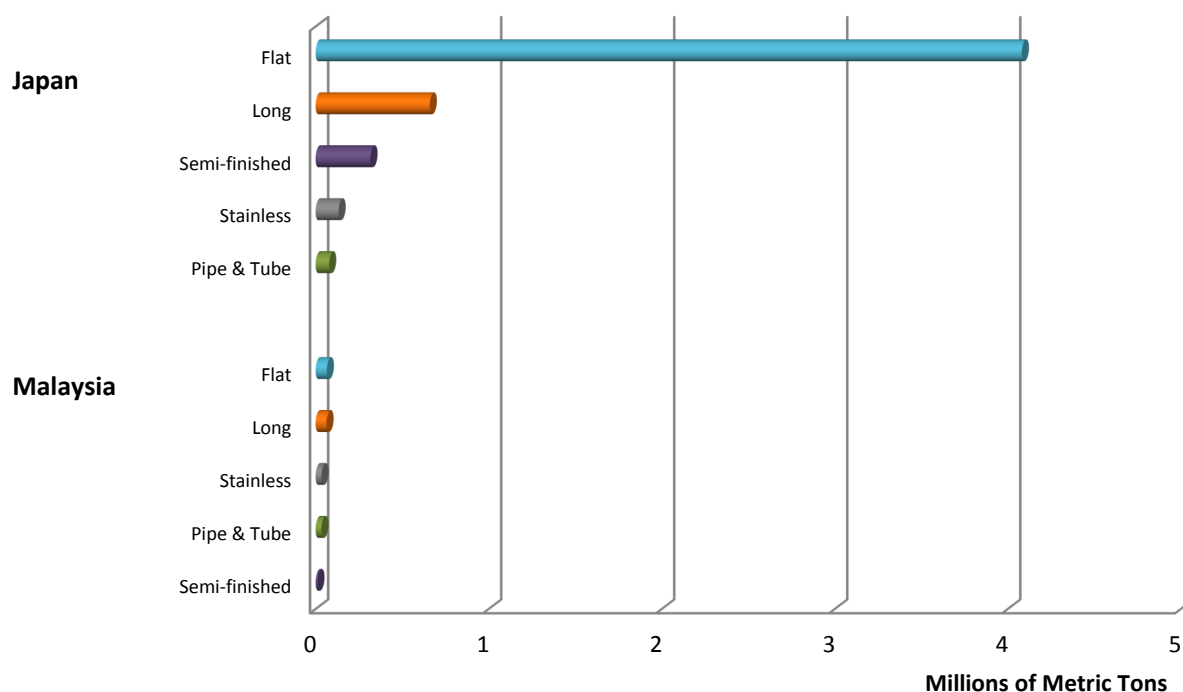
In 2015, the share of steel exports to Thailand in China, South Korea, Taiwan, and Malaysia all showed slight increases (up less than half of one percentage point).

Thailand's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Thailand - 2014	Thailand's Rank in 2014	Share of Exports to Thailand - 2015	Thailand's Rank in 2015
Japan	13.3%	3	12.6%	3
China	4.0%	5	4.3%	6
South Korea	5.1%	5	5.2%	7
Taiwan	6.3%	6	6.6%	6
Russia	1.1%	21	1.0%	22
United Kingdom	11.3%	3	7.6%	5
Vietnam	11.5%	3	N/A	N/A
Iran	N/A	N/A	N/A	N/A
Brazil	2.4%	8	1.5%	17
Malaysia	9.7%	5	9.7%	4

Source: IHS Global Trade Atlas, based on import data per reporting country  
 NOTE: 2015 data for Vietnam and 2014/2015 data for Iran not available

Among Thailand's top import sources, Japan and Malaysia sent the largest shares of their total steel exports to Thailand in 2015. Flat products accounted for the largest share of steel exports to Thailand from both Japan at 77 percent (4.1 million metric tons) and Malaysia at 32 percent (65 thousand metric tons).

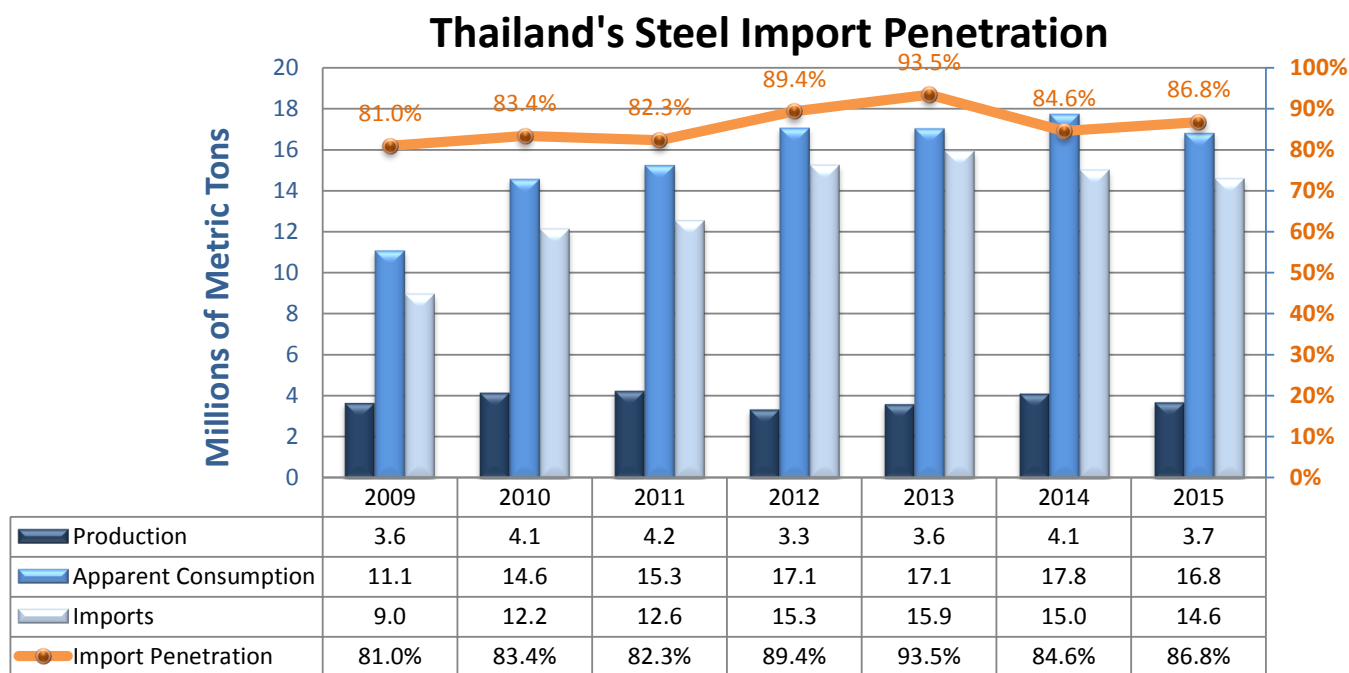
### Steel Export Composition of Top Market-Share Countries - 2015



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

# Steel Imports Report: Thailand

## Overall Production and Import Penetration



Source: World Steel Association; IHS Global Trade Atlas

Thailand's crude steel production increased by 16 percent between 2009 and 2011 to 4.2 million metric tons but by 2015 had declined by 13 percent to 3.7 million metric tons. Over the same period, apparent consumption (a measure of steel demand) grew by 52 percent, and demand significantly outpaced production. With import levels nearly four times larger than Thailand's production in 2015, imports contribute substantially to steel demand. Import penetration has increased nearly every year since 2009 and amounted to 86.8 percent in 2015.

## Top Producers

According to the Iron and Steel Institute of Thailand, steel production in Thailand is dominated by rolling mills, many of which rely heavily on imports of semi-finished and finished steel products for their manufacturing inputs. There are roughly 20 crude steel-making facilities in Thailand, nearly all of which use electric arc furnace technology to produce steel. In comparison, over 150 hot-rolling, cold-rolling, cold-drawing, and coating mills are in operation in Thailand.

Major Steel Producers in Thailand		
Company	Production Capacity (mmt)	Main Products
G Steel Public Company	1.8	Hot-rolled coil, slab
Tata Steel Thailand*	1.7	Reinforcing bars, wire rods, sections
G J Steel Public Company (subsidiary of G Steel)	1.5	Hot-rolled coil
Siam Yamato Steel Co.	1.1	Hot-rolled structural sections
Sahaviriya Steel Industries (rolling mill)	4	Hot-rolled coil

Sources: Iron and Steel Institute of Thailand; Company websites  
 \*Denotes foreign-owned

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## 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 tables below provide statistics on the current number of trade remedies Thailand has against imports of steel mill products from various countries.

<b>Thailand’s Trade Remedies in Effect Against Steel Mill Imports</b>				
<b>Country</b>	<b>AD</b>	<b>CVD</b>	<b>Suspension Agreements and Undertakings</b>	<b>Total</b>
Algeria	1			1
Argentina	1			1
China	8			8
India	1			1
Indonesia	1			1
Japan	2			2
Kazakhstan	1			1
Malaysia	1			1
Romania	1			1
Russia	1			1
Slovakia	1			1
South Africa	1			1
South Korea	4			4
Taiwan	5			5
Ukraine	1			1
Venezuela	1			1
Vietnam	1			1
<b>TOTAL</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>32</b>

Source: World Trade Organization, through June 30, 2015

<b>Steel Mill Safeguards in Effect</b>	
<b>Country</b>	<b>Product</b>
Thailand	Hot-rolled steel flat products with certain amounts of alloying elements
Thailand	Unalloyed hot-rolled steel flat products in coils and not in coils

Source: World Trade Organization, through March 1, 2016



# Steel Imports Report: Glossary

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**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](mailto:ECCGlobalSteelStats@trade.gov)

[trade.gov/steel](http://trade.gov/steel)