

Global Steel Trade Monitor

Steel Imports Report: **Turkey**

June 2016

Background

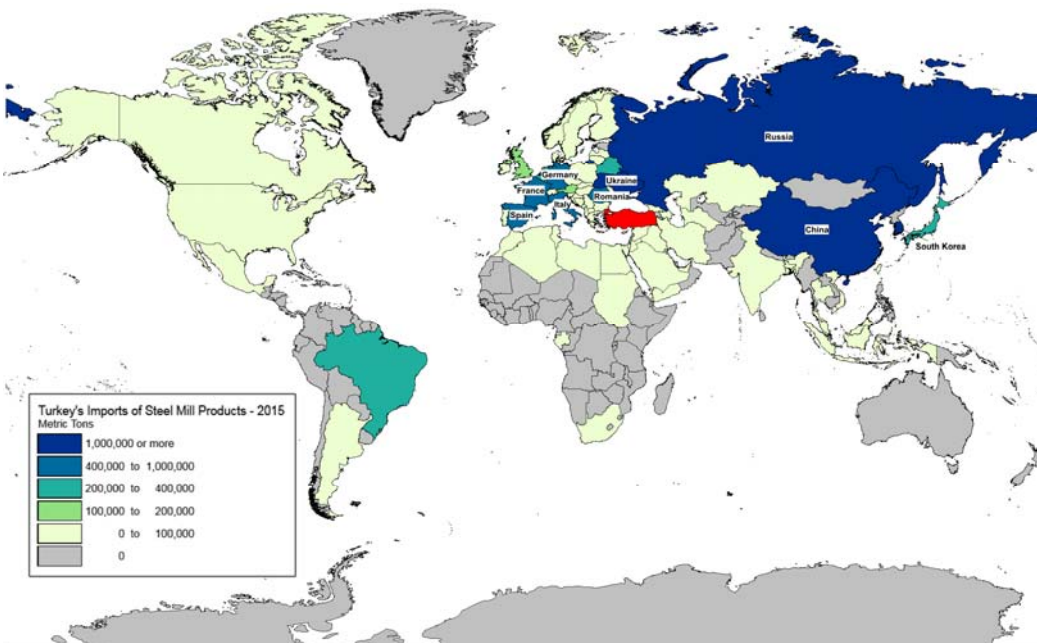
Turkey is the world's seventh largest steel importer. In 2015, Turkey imported 15.6 million metric tons of steel, a 17.1 percent increase from 13.4 million metric tons in 2014. Turkey's imports represented about 4 percent of all steel imported globally. In value terms, steel represented just 4.4 percent of the total amount of goods Turkey imported in 2015.

Turkey imports steel from more than 100 countries and territories. The 9 countries labeled in the map below represent the top import sources for Turkey's imports of steel, with each sending more than 400 thousand metric tons and together accounting for 82 percent of Turkey's steel imports in 2015.

Quick Facts:

- World's 7th largest steel importer: 15.6 million metric tons (2015)
- 46% steel import growth since 2010
- Import penetration down from 56.2% in 2009 to 48.3% in 2015
- Year-on-year import volume up 17.1% while import value down 8.1%
- Top three import sources: Russia, China, Ukraine
- Largest producers: Erdemir Group, İçdaş, Habaş
- 3 trade remedies in effect against imports of steel mill products

Turkey's Imports of Steel Mill Products - 2015



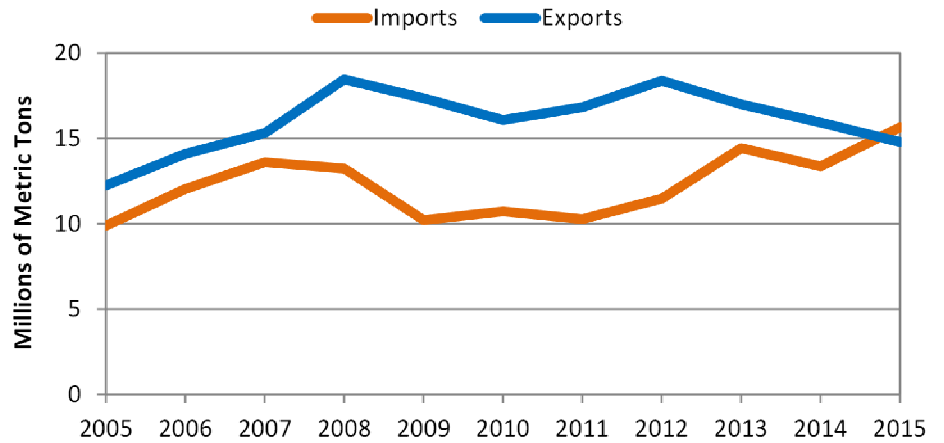
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Steel Imports Report: Turkey

Steel Trade Balance

Over the past decade, Turkey has, for the most part, maintained a continuous trade surplus. In 2012, exports started to decline while imports continued to climb. By mid-2014 steel exports and imports reached equilibrium and since then, Turkey's imports have outpaced exports, growing 46 percent between 2010 and 2015, while exports shrank by 8 percent. As such, Turkey now has a trade deficit in steel products, amounting to -851 thousand metric tons in 2015.

Turkey's Trade in Steel Mill Products

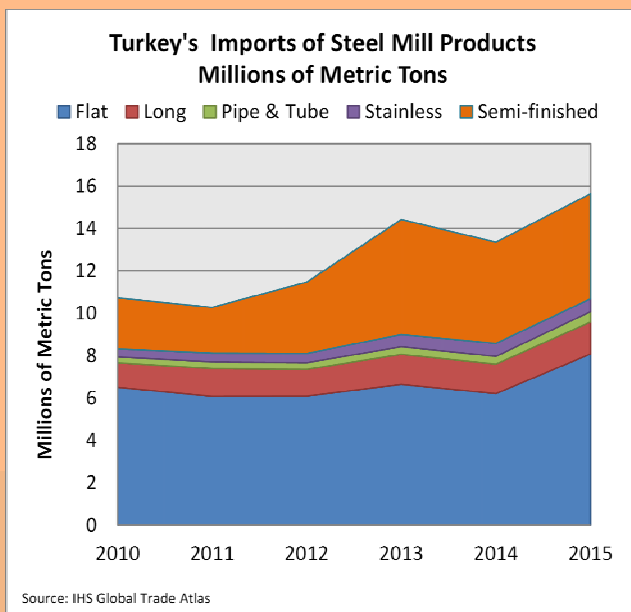


Source: IHS Global Trade Atlas

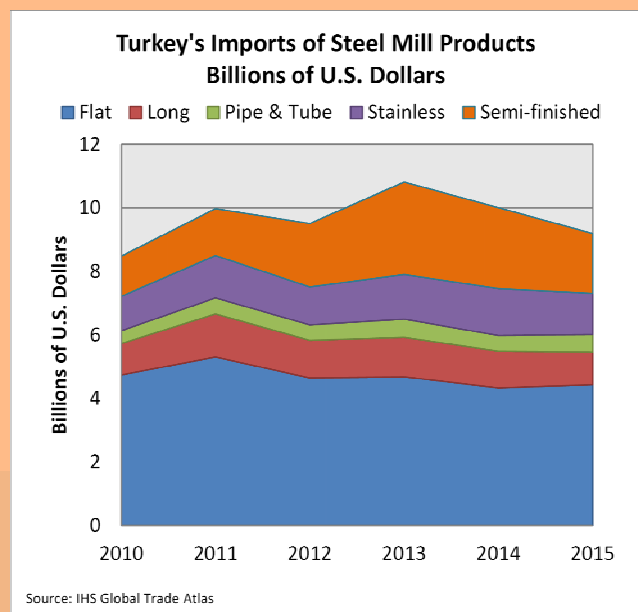
Import Volume, Value, and Product

In 2014, Turkey's steel imports amounted to 13.4 million metric tons, a decrease of 7.4 percent from 2013. In 2015, the volume of Turkey's steel imports increased by 17.1 percent to 15.6 million metric tons. By contrast, the value of Turkey's 2015 steel imports declined by 8.1 percent to \$9.2 billion from \$10 billion in 2014, which can be attributed to a significant drop in global steel prices.

Flat products account for the largest share of Turkey's steel imports. In 2015, 52 percent, or 8.1 million metric tons, of Turkey's steel imports were of flat products, an increase from 2014's share of 47 percent. Semi-finished products accounted for 32 percent, or 5 million metric tons, of Turkey's imports of steel in 2015, followed by long products (10%), stainless products (4%), and pipe and tube products (3%).



Source: IHS Global Trade Atlas



Source: IHS Global Trade Atlas

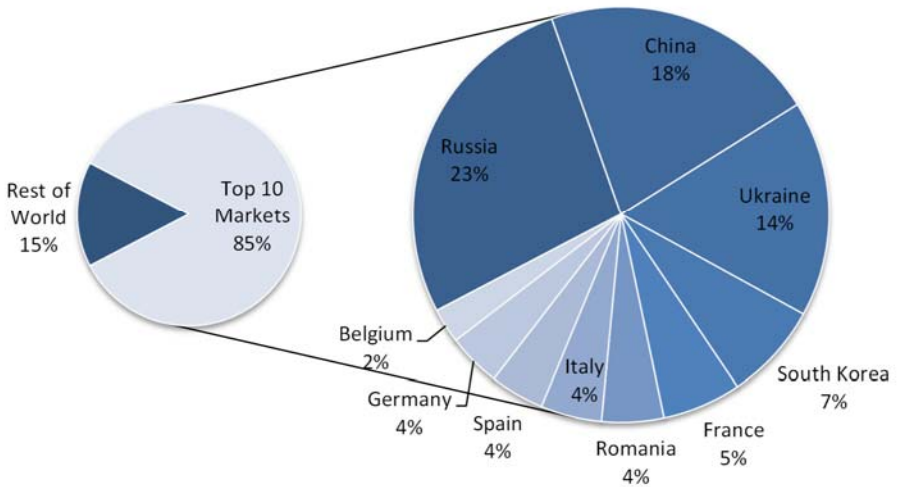
Steel Imports Report: Turkey

Imports by Top Source

The top 10 source countries for Turkey's steel imports represented 85 percent of the total steel import volume in 2015 at 13.2 million metric tons (mmt). Russia accounted for the largest share of Turkey's imports by source country at 23 percent (3.6 mmt), followed by China at 18 percent (2.8 mmt) and Ukraine at 14 percent (2.2 mmt).

The United States ranked 38th as a source for Turkey's steel imports in 2015. Turkey imported 11.9 thousand metric tons from the U.S. in 2015 — a 12 percent decline from 13.5 thousand metric tons in 2014.

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



Source: IHS Global Trade Atlas

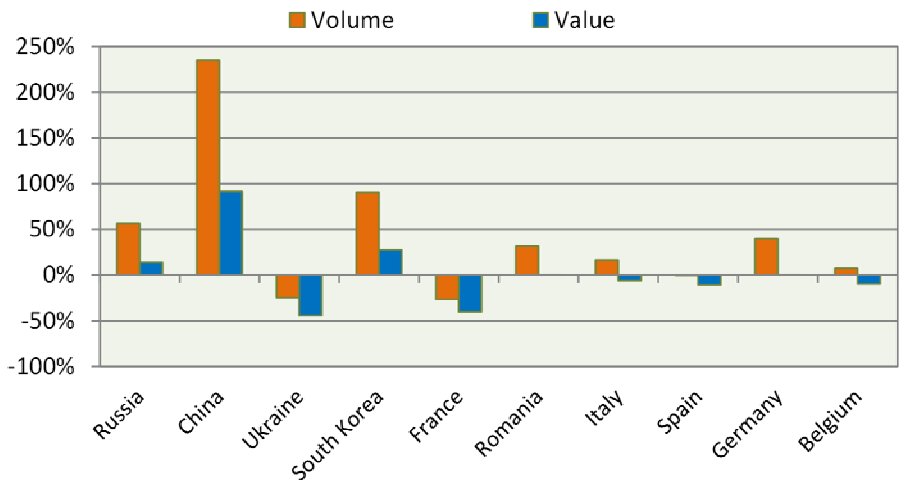
Trends in Imports from Top Sources

While the volume of Turkey's steel imports increased from seven of Turkey's top ten steel import sources between 2014 and 2015, the overall value of Turkey's steel imports decreased from five of the top ten, reflecting the decline in global steel prices.

Considerable decreases in steel value between 2014 and 2015 included Turkey's imports from Ukraine (down 44.4%) and France (down 40%). Turkey's imports from China and South Korea showed the largest increases in value, up 91.2 percent and 27.8 percent, respectively.

Turkey's imports from Ukraine and France also showed the greatest decline in volume between 2014 and 2015, down 24.3% and 26.5%, respectively. Sizeable increases in Turkey's steel import volume also occurred from China (up 234.9% from 2014) and South Korea (up 90.6%). Other substantial volume increases from Turkey's top 10 sources included imports from Russia (up 56.3%), Germany (up 40%), and Romania (up 31.6%).

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



Source: IHS Global Trade Atlas

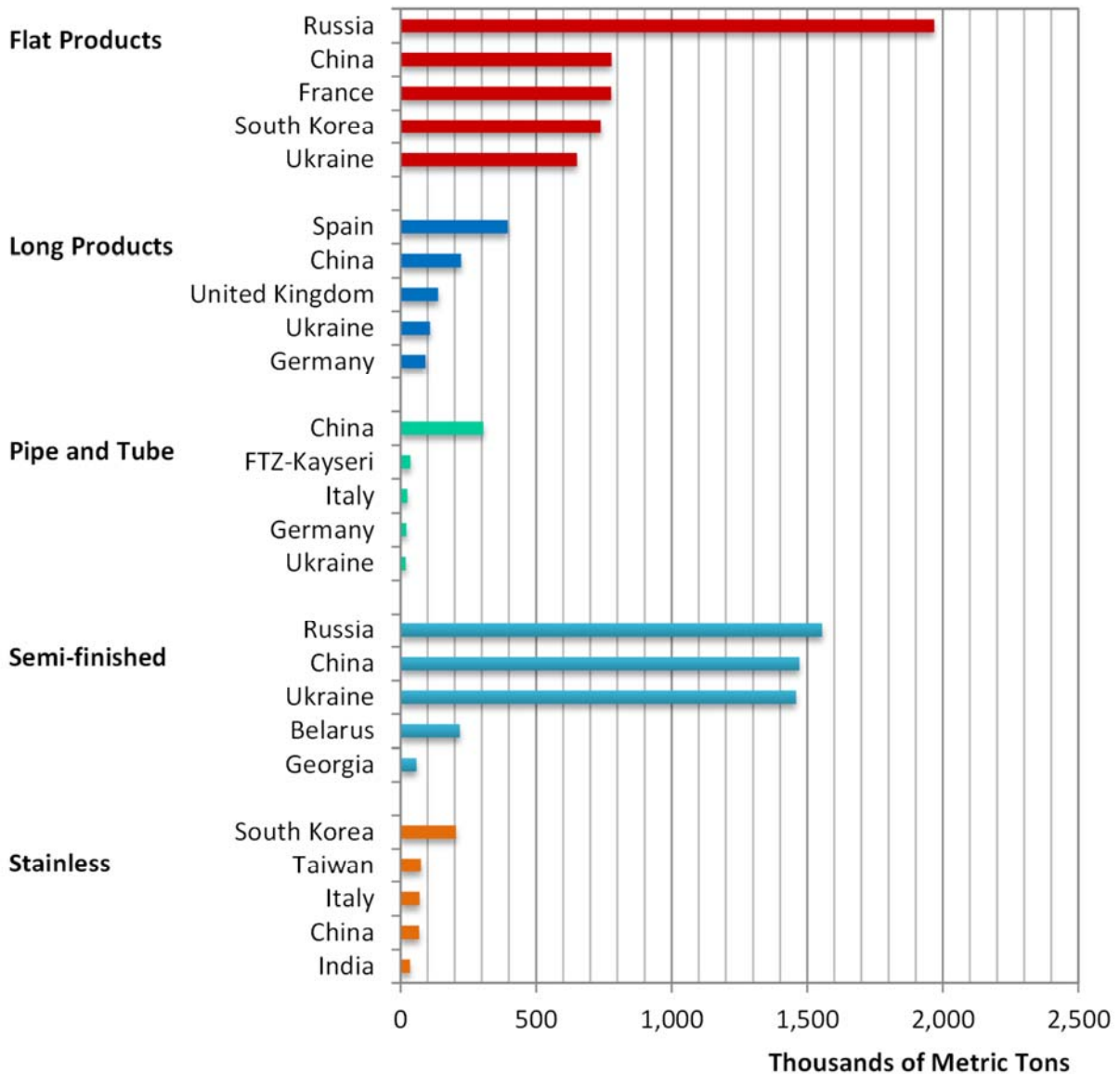
Steel Imports Report: **Turkey**

Top Sources by Steel Product Category

Turkey's top import sources by volume vary across types of steel products. Russia accounted for the largest share of Turkey's imports of flat products at 24 percent (2 million metric tons) and semi-finished products at 31 percent (1.6 million metric tons).

Spain accounted for the largest share of Turkey's imports of long products at 26 percent (395 thousand metric tons), while South Korea held the largest share of Turkey's imports of stainless products at 34 percent (205 thousand metric tons). China represented the largest share of pipe and tube imports at 63 percent (306 thousand metric tons) and the second largest share of Turkey's imports of flat products at 10 percent (778 thousand metric tons), long products at 15 percent (223 thousand metric tons) and semi-finished products at 30 percent (1.5 million metric tons).

Turkey's Top 5 Import Sources by Product - 2015



Source: IHS Global Trade Atlas

Steel Imports Report: Turkey

Turkey's Export Market Share from Top Source Countries

In 2015, the share of steel exports sent to Turkey from its top import sources increased in all of Turkey's import source countries except France and Belgium. In 2015, the share of France's steel exports to Turkey decreased 1.5 percentage points from 2014 while Belgium's decreased by 0.2 percentage points.

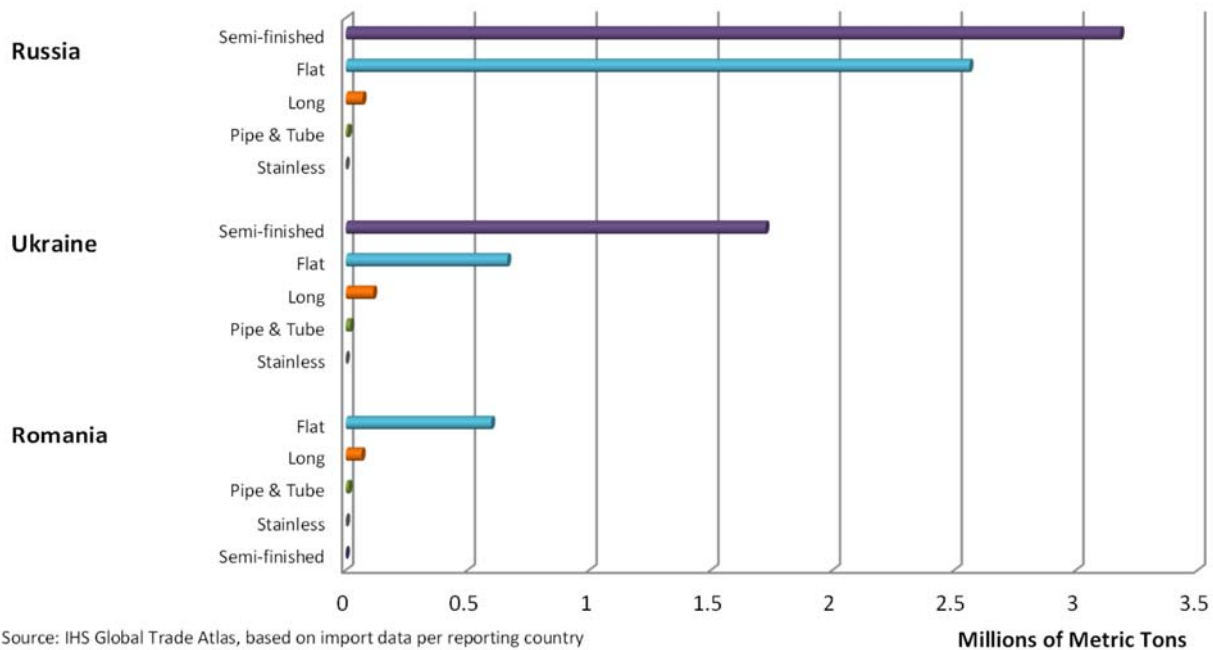
Turkey's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Turkey - 2014	Turkey's Rank in 2014	Share of Exports to Turkey - 2015	Turkey's Rank in 2015
Russia	16.2%	1	19.6%	1
China	1.4%	22	2.8%	9
Ukraine	13.5%	1	14.2%	2
South Korea	1.8%	11	3.4%	9
France	7.4%	5	5.9%	5
Romania	20.4%	1	26.5%	1
Italy	3.3%	9	4.0%	6
Spain	5.5%	7	6.1%	7
Germany	1.4%	17	2.1%	13
Belgium	2.7%	5	2.5%	6

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

Romania and Russia had the largest increases in their shares of exports to Turkey in 2015, up 6.1 and 3.4 percentage points, respectively.

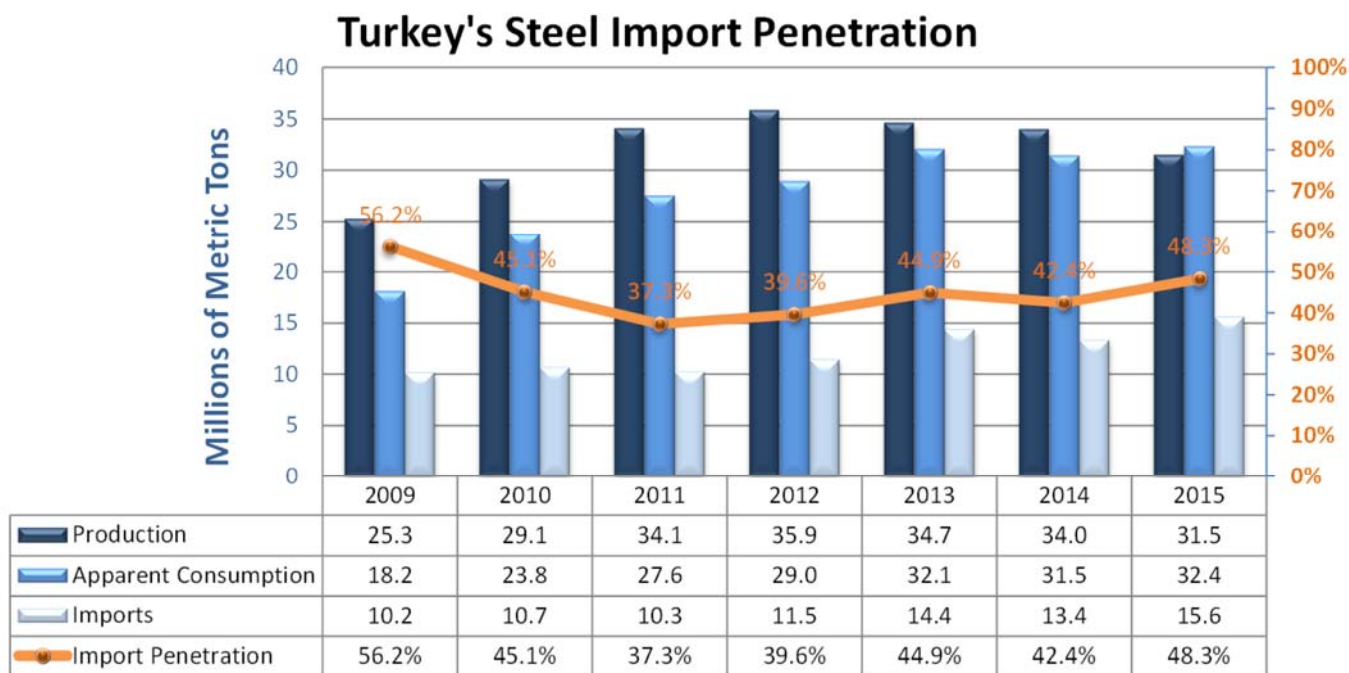
Among Turkey's top sources, Russia, Ukraine, and Romania each sent the largest shares of their total steel exports to Turkey. Semi-finished products accounted for the largest share of steel exports to Turkey from Russia and Ukraine in 2015, at 55 percent (3.2 million metric tons) and 68 percent (1.7 million metric tons), respectively. Flat products ranked first in Romania's exports to Turkey at 88 percent (597 thousand metric tons), and second in both Russia's and Ukraine's exports to Turkey at 44 percent (2.6 million metric tons) and 26 percent (663 thousand metric tons), respectively.

Steel Export Composition of Top Market-Share Countries - 2015



Steel Imports Report: Turkey

Overall Production and Import Penetration



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 or 28% of production in 2009, shrank steadily over the next six years. By 2015, Turkey's consumption outpaced the country's production by over 800 thousand metric tons. Between 2009 and 2015, Turkey's steel imports increased by 53 percent from 10.2 million metric tons to 15.6 million metric tons. Over the same period, Turkey's import penetration decreased 7.9 percentage points. Since 2013, import penetration has maintained an average of 45 percent.

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

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

Source: World Trade Organization, through June 30, 2015

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/>.



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