

# Global Steel Trade Monitor

## Steel Exports Report: Taiwan

May 2017

### Background

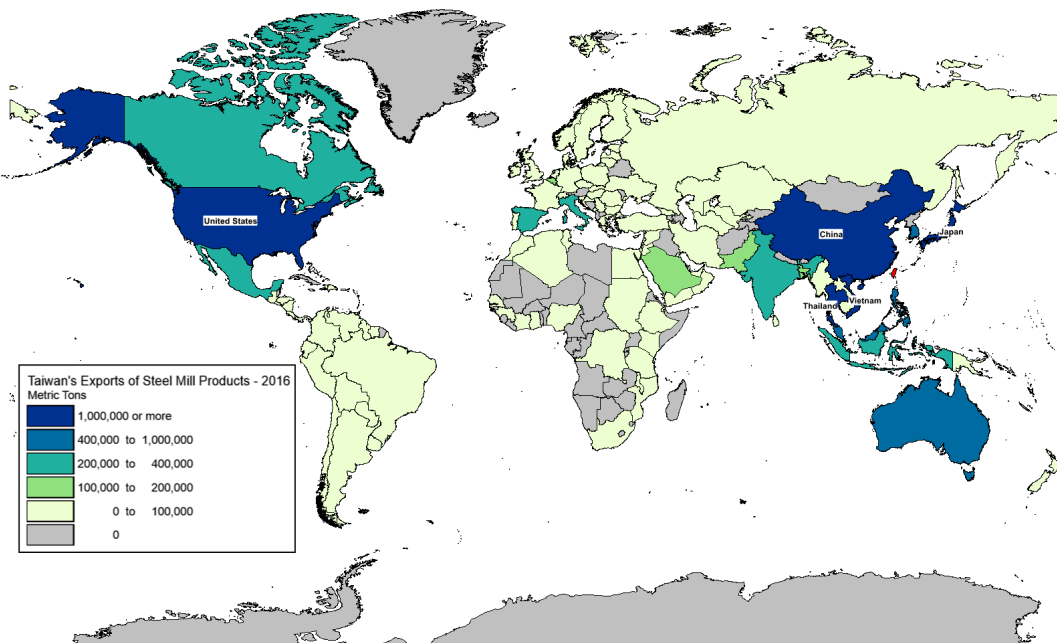
Taiwan is the world's twelfth-largest steel exporter. In 2016, Taiwan exported 12.2 million metric tons of steel, a decrease from 11.1 million metric tons in 2015. Taiwan's exports represented about 2 percent of all steel exported globally in 2015, based on available data. The volume of Taiwan's 2016 steel exports was 1/9th that of the world's largest exporter, China, and just over 1/4th that of the second-largest exporter, Japan. In value terms, steel represented just 3 percent of the total amount of goods Taiwan exported in 2016.

Taiwan exports steel to more than 190 countries and territories. The five countries labeled in the map below represent the top markets for Taiwan's exports of steel, receiving more than 1 million metric tons each and accounting for 52 percent of Taiwan's steel exports in 2016.

### Quick Facts:

- World's twelfth-largest steel exporter: 12.2 million metric tons (2016)
- 23% steel export growth since 2009
- Exports as a share of production up from 51.9% in 2015 to 55.9% in 2016
- Year-on-year export volume up 9% while export value down 6%.
- Top three markets: Vietnam, China, United States
- Top Producers: China Steel Corp, Dragon Steel Corp, Tung Ho Steel
- 37 trade remedies in effect in 10 countries and the European Union involving steel mill imports from Taiwan

Taiwan's Exports of Steel Mill Products - 2016



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2017. All rights reserved.

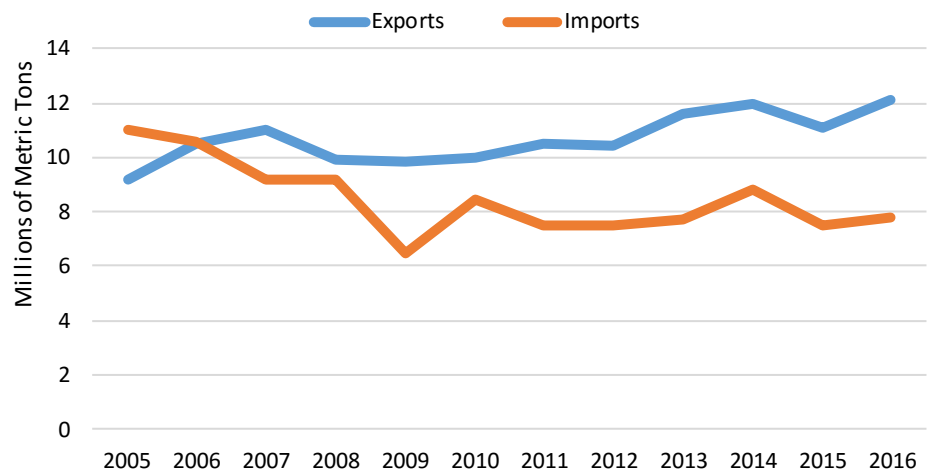
# Steel Exports Report: Taiwan

## 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 in the wake of the global recession, hitting a low point in 2009. Since then, imports have increased 20 percent but were still down 29 percent from 2005 levels. Exports increased 23 percent between 2009 and 2016.

In 2016, Taiwan's steel trade surplus amounted to 4.3 million metric tons, up from 3.6 million metric tons in 2015.

Taiwan's Trade in Steel Mill Products



Source: IHS Global Trade Atlas

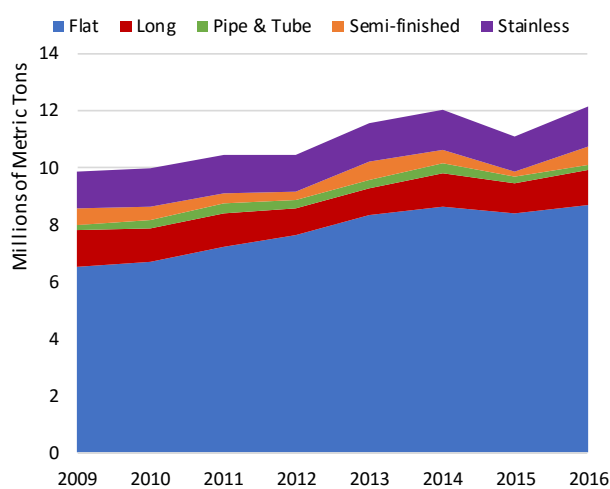
## Export Volume, Value, and Product

Between 2009 and 2015, Taiwan's exports of steel mill products increased by 12.6 percent, from 10 million metric tons in 2009 to 11.1 million metric tons in 2015. In 2016, Taiwan's steel exports increased by 9 percent to 12.2 million metric tons. The value of Taiwan's 2016 steel exports declined by 6 percent to \$8 billion from \$8.5 billion in 2015, which can be attributed to a significant drop in global steel prices.

Flat products accounted for a significant share of Taiwan's steel exports in 2016 at 72 percent or 8.7 million metric tons. Stainless products accounted for 11 percent, or 1.4 million metric tons, of Taiwan's exports of steel in 2016, followed by long products at 10 percent (1.2 million metric tons), semi-finished products at 5 percent (657 thousand metric tons), and pipe and tube products at 2 percent (221 thousand metric tons).

Taiwan's Exports of Steel Mill Products

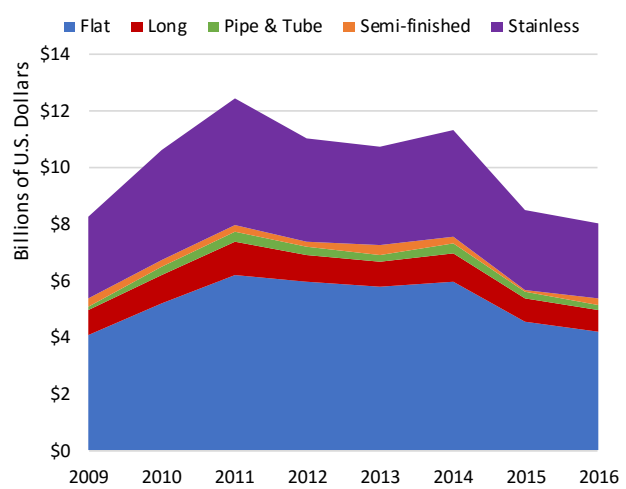
Millions of Metric Tons



Source: IHS Global Trade Atlas

Taiwan's Exports of Steel Mill Products

Billions of U.S. Dollars



Source: IHS Global Trade Atlas

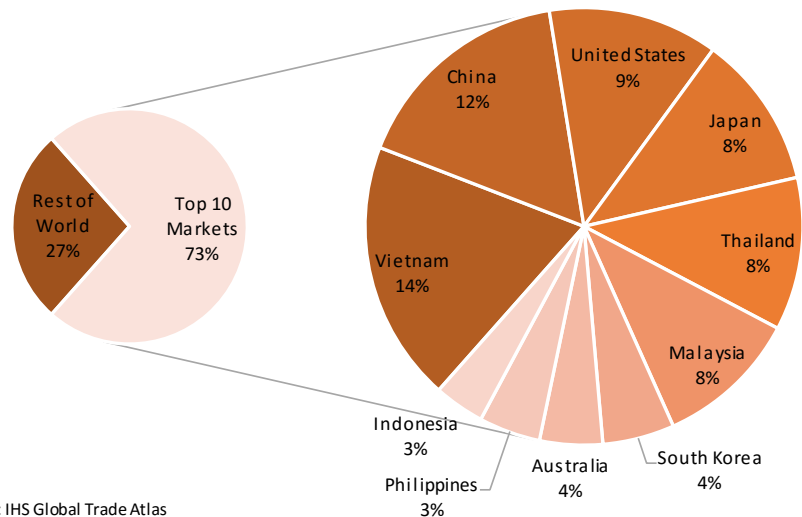
# Steel Exports Report: Taiwan

## Exports by Top Market

Exports to Taiwan's top 10 steel markets represented 73 percent of Taiwan's steel export volume in 2016 at 8.9 million metric tons (mmt). Vietnam moved ahead of China in 2016 to account for the largest share of Taiwan's exports with 14 percent (1.7 mmt), followed by China at 12 percent (1.5 mmt), the United States at 9 percent (1.1 mmt), Japan at 8 percent (1 mmt), and Thailand at 8 percent (1 mmt).

The United States has ranked among the top destinations for Taiwan's steel exports for most of the last decade.

**Taiwan's Steel Exports - Top 10 Markets**  
2016 - Millions of Metric Tons



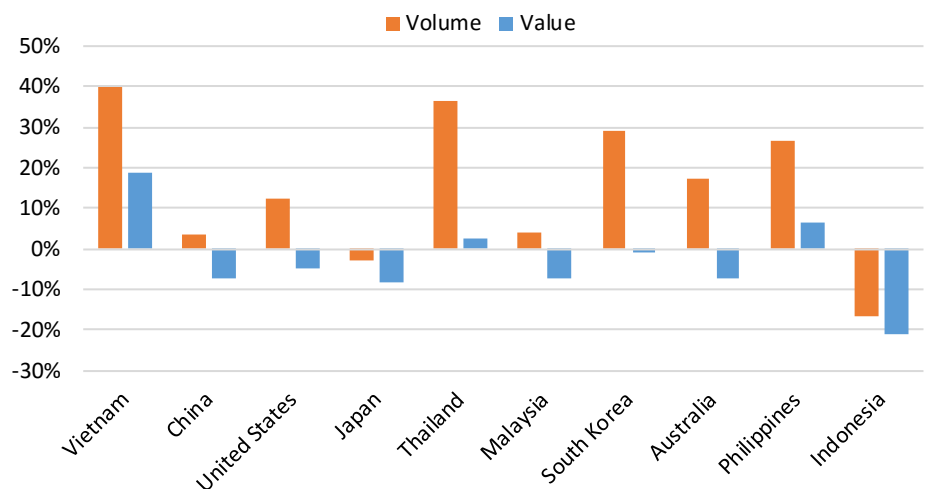
Source: IHS Global Trade Atlas

## Trends in Exports to Top Markets

Between 2015 and 2016, the volume of Taiwan's steel exports increased to eight of the country's top 10 steel export markets. Exports increased the most to Vietnam (up 40% from 2015), followed by Thailand (up 36.4%), South Korea (up 29%), and the Philippines (up 26.7%). Only Taiwan's exports to Japan and Indonesia decreased in volume in 2016, down 3.1 percent and 16.6 percent, respectively.

Vietnam, Thailand, and the Philippines were the only markets for Taiwan's steel exports to show an increase in value between 2015 and 2016 — up 18.9 percent, 2.7 percent, and 6.6 percent, respectively. The other top markets all saw value decreases from Taiwan, with the largest decrease occurring in Indonesia (down 21.1%), followed by Japan (down 8.3%), Malaysia (down 7.5%), and China (down 7.4%).

**Percent Change in Exports to Top 10 Markets (2015 to 2016)**



Source: IHS Global Trade Atlas

Outside of the top 10 markets, other substantial volume changes included Taiwan's exports to 11th-ranked Italy (up 50.7%), 13th-ranked Mexico (down 27.2%), and 15th-ranked Spain (up 92.4%).

# Steel Exports Report: Taiwan

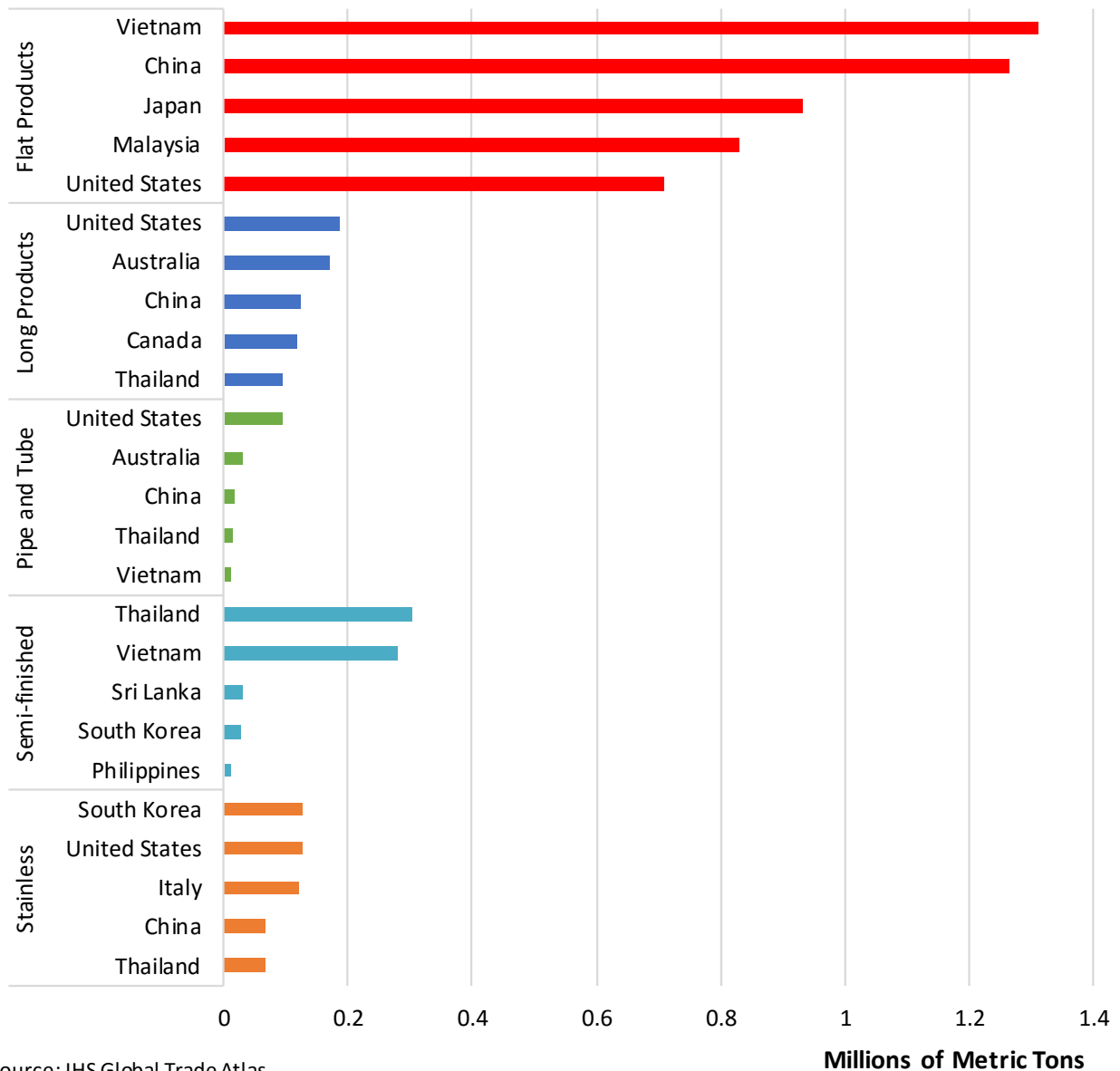
## Top Markets by Steel Product Category

Taiwan's top export markets by volume vary across types of steel products. Vietnam accounted for the largest share of Taiwan's exports of flat products in 2016 at 15 percent (1.3 million metric tons), followed closely by China at 14.5 percent (1.26 million metric tons) and Japan at 11 percent (932 thousand metric tons).

The United States was the largest market for both Taiwan's long exports in 2016 at 16 percent (188 thousand metric tons) and pipe and tube exports at 42 percent (93.5 thousand metric tons).

Thailand was the largest market for semi-finished exports at 46 percent (302 thousand metric tons), while South Korea accounted the largest share of stainless exports at 9 percent (127 thousand metric tons).

### Taiwan's Top 5 Export Markets by Product - 2016



Source: IHS Global Trade Atlas

# Steel Exports Report: Taiwan

## Taiwan's Import Market Share in Top Destinations

In 2016, the import market share for Taiwan's steel products decreased in half of Taiwan's top export destinations for which data are available. The share of steel imports from Taiwan decreased the most in the Philippines, down 1.6 percentage points from 2015, followed by Malaysia and Indonesia (both down 0.9 percentage points), Japan (down 0.7 percentage points) and China (down 0.5 percentage points). The share of imports from Taiwan showed

Taiwan's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Taiwan - 2015	Taiwan's Rank in 2015	Share of Imports from Taiwan - 2016	Taiwan's Rank in 2016
Vietnam	N/A	N/A	N/A	N/A
China	12.2%	3	11.7%	3
United States	3.1%	10	3.3%	9
Japan	18.0%	3	17.3%	3
Thailand	5.1%	4	5.4%	4
Malaysia	11.7%	4	10.8%	4
South Korea	1.6%	4	2.0%	4
Australia	4.5%	4	6.2%	4
Philippines	6.4%	3	4.8%	3
Indonesia	3.6%	7	2.7%	7

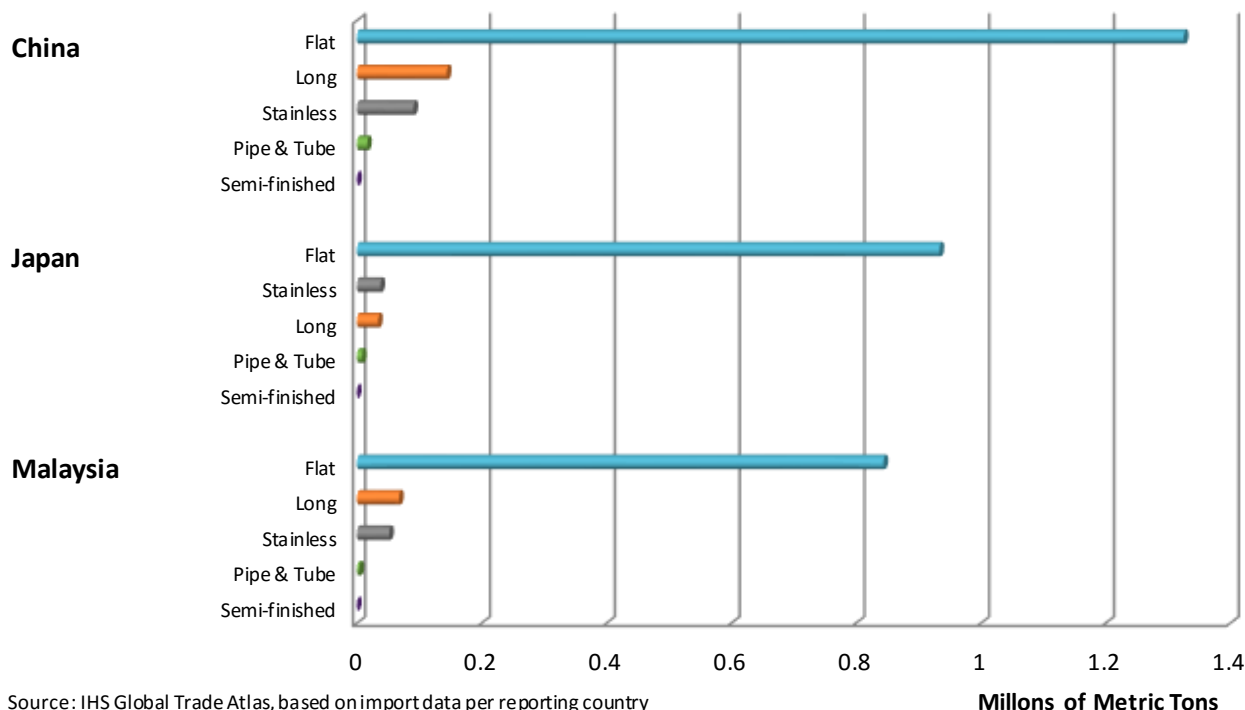
Source: IHS Global Trade Atlas, based on import data per reporting country

Note: Vietnam not reporting import data for Taiwan

the largest increase in Australia (up 1.7 percentage points), while the shares in the United States, Thailand, and South Korea increased by less than half of one percentage point in 2016.

Among Taiwan's top export markets, China, Japan, and Malaysia received more than 10 percent of their total steel imports from Taiwan. In 2016, flat products accounted by far for the largest share of steel imports from Taiwan in each China (84% or 1.3 million metric tons), Japan (92% or 934 thousand metric tons), and Malaysia (87% or 844 thousand metric tons).

## Steel Import Composition of Top Market-Share Countries - 2016



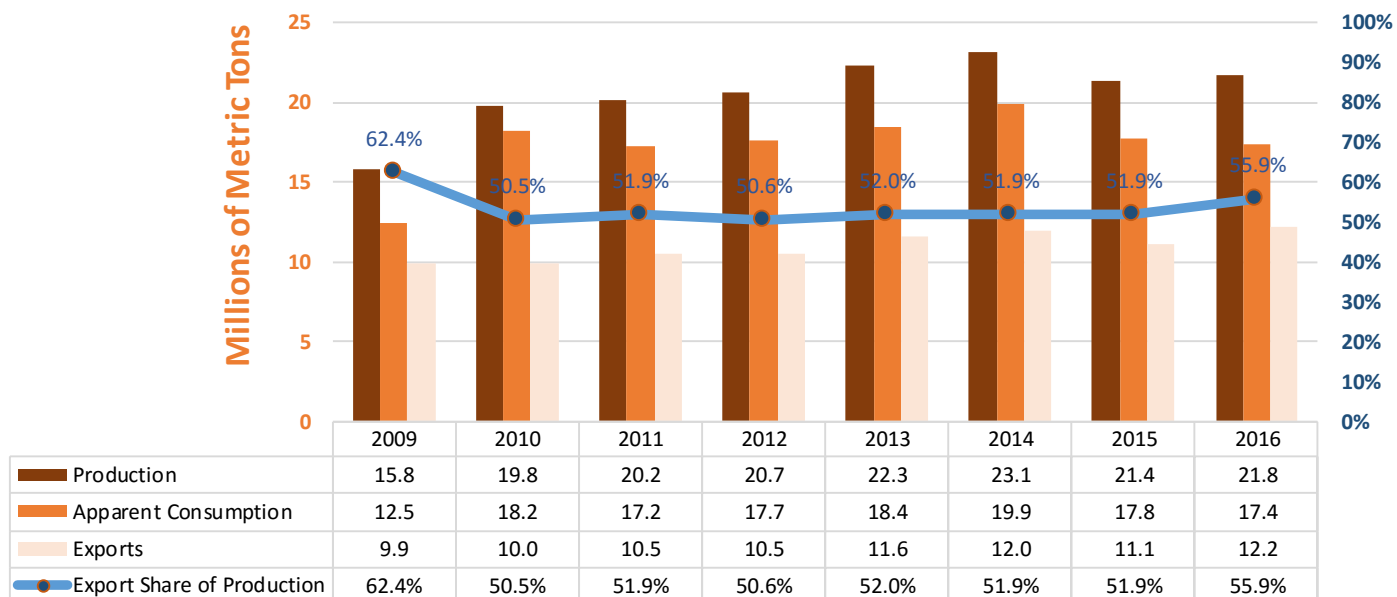
Source: IHS Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

# Steel Exports Report: Taiwan

## Overall Production and Export Share of Production

### Taiwan's Export Share of Steel Production



Sources: World Steel Association; IHS Global Trade Atlas

Taiwan's crude steel production increased steadily between 2009 and 2014, growing by a total of 7.3 million metric tons. In 2015, production decreased by 7 percent to 21.4 million metric tons from 23.2 million metric tons in 2014 and increased slightly to 21.8 million metric tons in 2016. Production consistently outpaced apparent consumption (a measure of steel demand) and averaged 17.4 million metric tons during the period. In 2016, the gap between production and demand widened to a peak of 4.3 million metric tons. Between 2009 and 2010, Taiwan's steel exports as a share of production fell by nearly 12 percentage points as production increased while exports held steady. Since then, the export share has remained above 50 percent and reached 55.9 percent in 2016.

### Top Producers

Taiwan has several steel producers and are a mix of public, state-owned, and foreign-owned companies. The largest producer, China Steel Corp, accounts for 10 mmt of steel, or nearly half of 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 Exports 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 various countries have against steel mill products from Taiwan.

<b>Steel Mill Trade Remedies in Effect Against Taiwan</b>				
<b>Country</b>	<b>AD</b>	<b>CVD</b>	<b>Suspension Agreements and Undertakings</b>	<b>Total</b>
Australia	6			6
Brazil	3			3
Canada	3			3
European Union	1			1
India	2			2
Indonesia	3			3
Malaysia	1			1
Thailand	5			5
Turkey	1			1
United States	10	1		11
Vietnam	1			1
<b>TOTAL</b>	<b>36</b>	<b>1</b>	<b>0</b>	<b>37</b>

Source: World Trade Organization, through December 1, 2016

<b>Global Steel Mill Safeguards in Effect</b>	
<b>Country</b>	<b>Product(s)</b>
Egypt	Steel rebar
India	1) Hot-rolled steel in coils; 2) Hot-rolled steel flat sheets and plates
Indonesia	1) Articles of finished casing and tubing; 2) Flat-rolled products of iron or non-alloy steel; 3) I and H sections of other alloy steel; 4) Bars and rods, hot-rolled, in irregularly wound coils
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; 3) Structural hot-rolled H-beams with alloy
Vietnam	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through February 24, 2017



# Steel Exports 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/>.



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