

# Global Steel Trade Monitor

## Steel Exports Report: Turkey

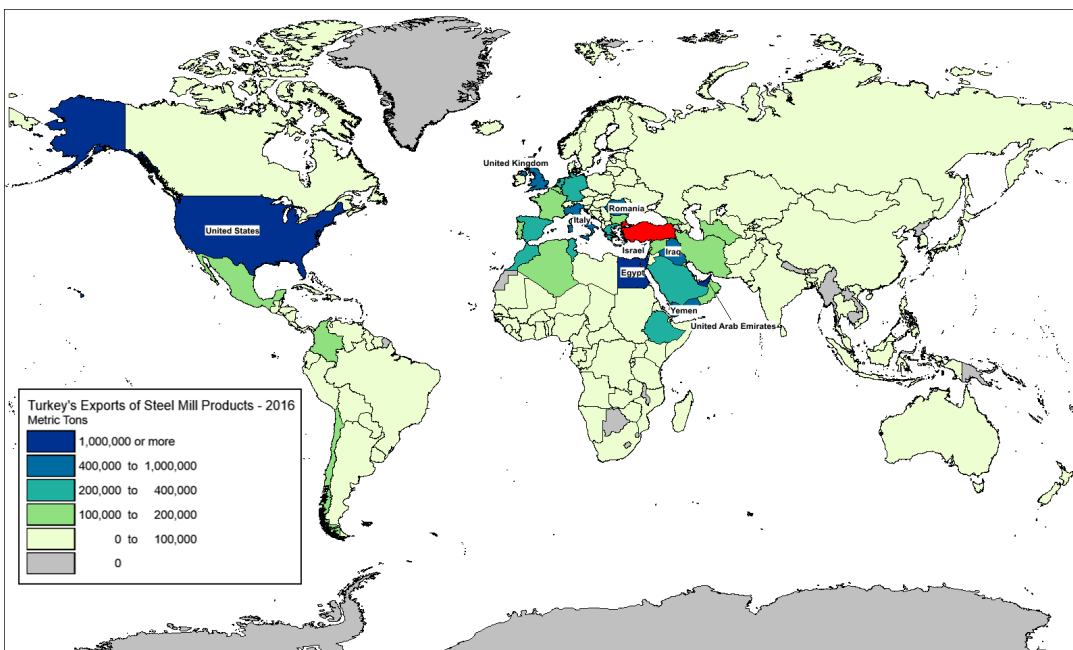
### Background

May 2017

Turkey is the world's ninth-largest steel exporter. In 2016, Turkey exported 15 million metric tons of steel, a 2 percent increase from 14.8 million metric tons in 2015. Turkey's exports represented about 3 percent of all steel exported globally in 2015, based on available data. The volume of Turkey's 2016 steel exports was 1.8 million metric tons less than the eighth-largest exporter, Belgium, and roughly one-seventh the size of the largest exporter, China. In value terms, steel represented just 4.8 percent of the total amount of goods Turkey exported in 2016.

Turkey exports steel to more than 190 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 2016.

**Turkey's Exports of Steel Mill Products - 2016**



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

### Quick Facts:

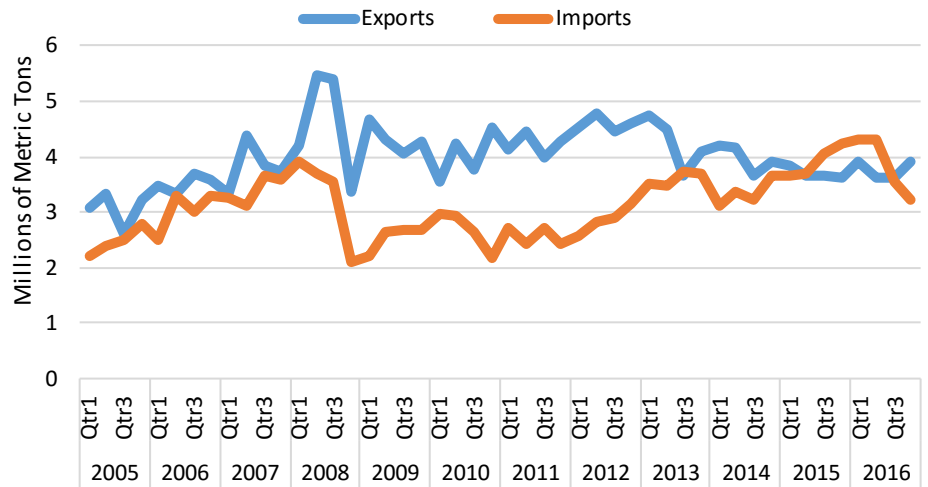
- World's ninth-largest steel exporter: 15 million metric tons (2016)
- 18% decline in steel exports since 2012
- Exports as a share of production down from 46.9% in 2015 to 45.4% in 2016
- Year-on-year export volume up 2% while export value down 9%
- Top three markets: United States, Egypt, United Arab Emirates
- Largest producers: Erdemir Group, İçdaş, Habaş
- 13 trade remedies in effect in 4 countries involving steel mill imports from Turkey

# Steel Exports Report: Turkey

## Steel Trade Balance

Until 2015, Turkey had maintained a nearly continuous trade surplus in steel. In 2013, exports started to decline while imports continued to climb. By mid-2014, steel exports and imports neared equilibrium, but between Q2 2015 and Q2 2016, Turkey's imports outpaced exports, causing the steel trade surplus to become a trade deficit. A drop in imports in the last half of 2016 returned the trade balance to a surplus, though overall in 2016, Turkey had a steel trade deficit of -318 thousand metric tons.

### Turkey's Trade in Steel Mill Products by Quarter



Source: IHS Global Trade Atlas

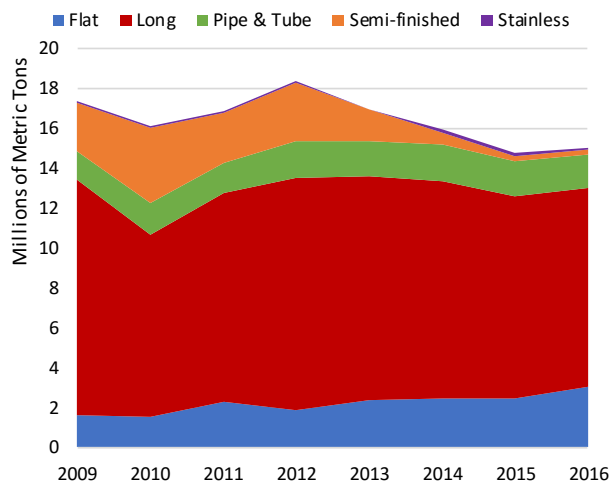
## Export Volume, Value, and Product

Turkey's steel exports recently peaked in 2012, reaching a high of 18.4 million metric tons, an increase of 14 percent from 2010. By 2016, Turkey's steel exports had fallen 18 percent from the 2012 high. Exports increased by 2 percent to 15 million metric tons in 2016 from 14.8 million metric tons in 2015. By contrast, the value of Turkey's 2016 steel exports declined by 9 percent to \$6.9 billion from \$7.6 billion in 2015.

In 2016, long products accounted for a significant share of Turkey's steel exports at 67 percent, or 10 million metric tons. Flat products accounted for 20 percent, or 3 million metric tons, of Turkey's exports, followed by pipe and tube products at 11 percent (1.6 million metric tons), semi-finished steel at 2 percent (270.9 thousand metric tons), and stainless products at 1 percent (127 thousand metric tons).

### Turkey's Exports of Steel Mill Products

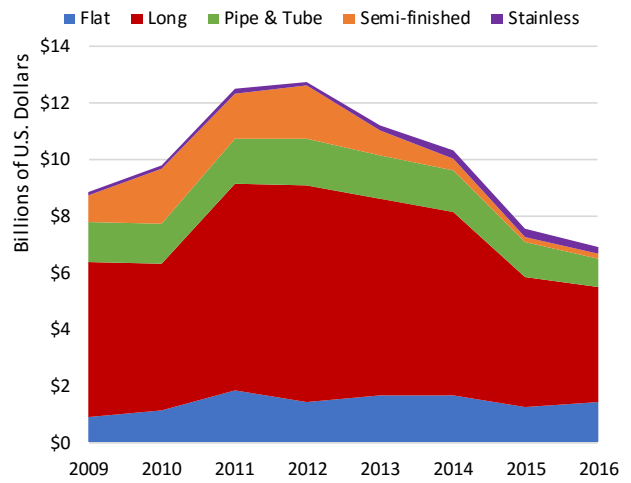
Millions of Metric Tons



Source: IHS Global Trade Atlas

### Turkey's Exports of Steel Mill Products

Billions of U.S. Dollars



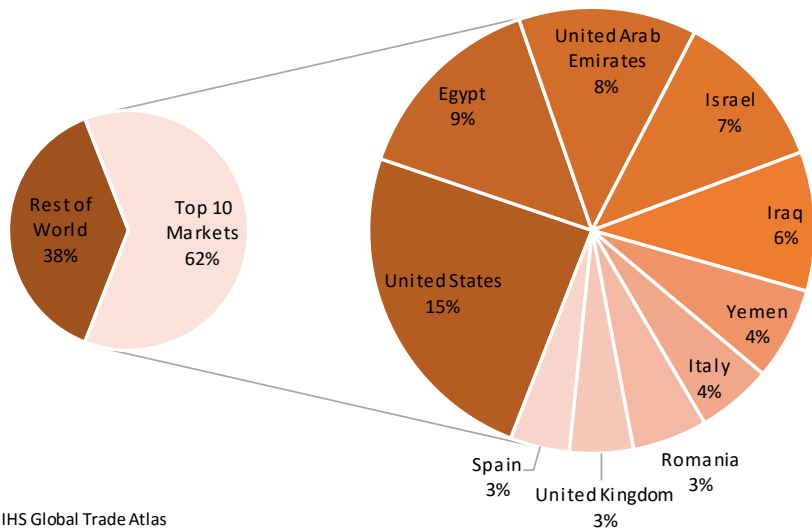
Source: IHS Global Trade Atlas

# Steel Exports Report: Turkey

## Exports by Top Market

Exports to Turkey's top 10 steel markets represented 62 percent of Turkey's steel export volume in 2016 at 9.3 million metric tons (mmt). The United States received the largest share of Turkey's exports with 15 percent (2.3 mmt). Egypt moved up from 4th in 2015 to 2nd in 2016 with 9 percent (1.4 mmt), followed by the United Arab Emirates at 8 percent (1.2 mmt), Israel at 7 percent (1.1 mmt), and Iraq at 6 percent (0.9 mmt).

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



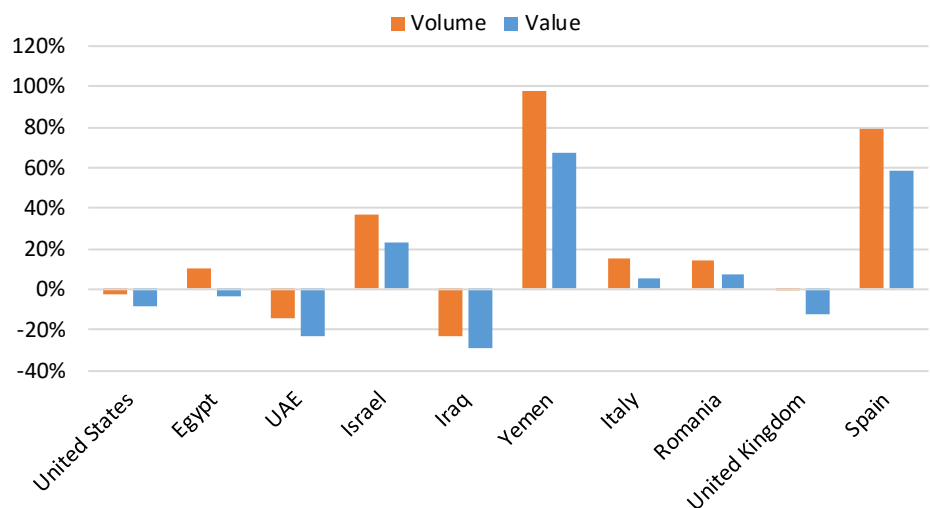
Source: IHS Global Trade Atlas

## Trends in Exports to Top Markets

The volume of Turkey's steel exports increased to six of Turkey's top 10 steel export markets between 2015 and 2016. Exports to Yemen showed the largest increase in volume, up 98.4 percent from 2015, followed by exports to Spain (up 79.5%), Israel (up 37%), and Italy (up 15%). Iraq and the United Arab Emirates saw the largest decreases in Turkey's export volume in 2016, down 23.4 percent and 13.9 percent, respectively.

As with export volume, the largest increases in Turkey's value of steel exports occurred in Yemen, Spain, and Israel. Export value increased by 67.6 percent to Yemen, 59 percent to Spain, and 23.1 percent to Israel. Similarly, export values to Iraq and the United Arab Emirates decreased the most from 2015, down 29.2 percent and 23.2 percent, respectively.

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



Source: IHS Global Trade Atlas

Outside the top 10 markets, other notable changes in Turkey's export volume occurred in exports to 12th-ranked

Tunisia (up 83.2 percent from 2015), 15th-ranked Ethiopia (down 40.6%), 16th-ranked Greece (up 58.2%), and 17th-ranked Netherlands (up 126.6%).

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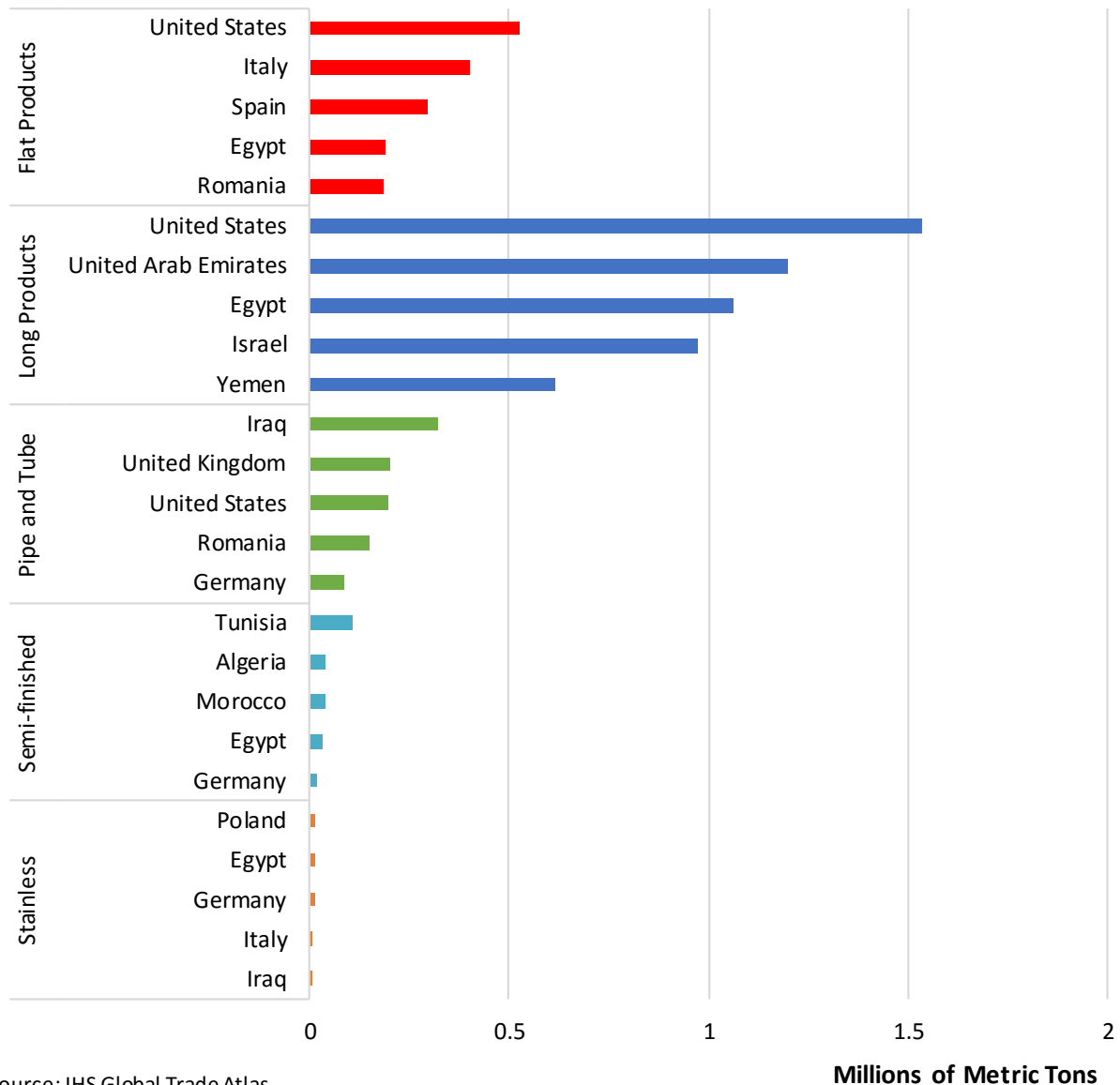
## Top Markets by Steel Product Category

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 products in 2016 at 18 percent (524.1 thousand metric tons) and the largest share of Turkey's exports of long products at 15 percent (1.5 million metric tons).

Iraq received the largest share of pipe and tube exports in 2016 at 20 percent (321.9 thousand metric tons).

Tunisia replaced Morocco as the largest market for Turkey's semi-finished exports, receiving 39 percent of exports (105 thousand metric tons), while Poland received the largest share of stainless exports at 10 percent (13 thousand metric tons).

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



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.

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%).

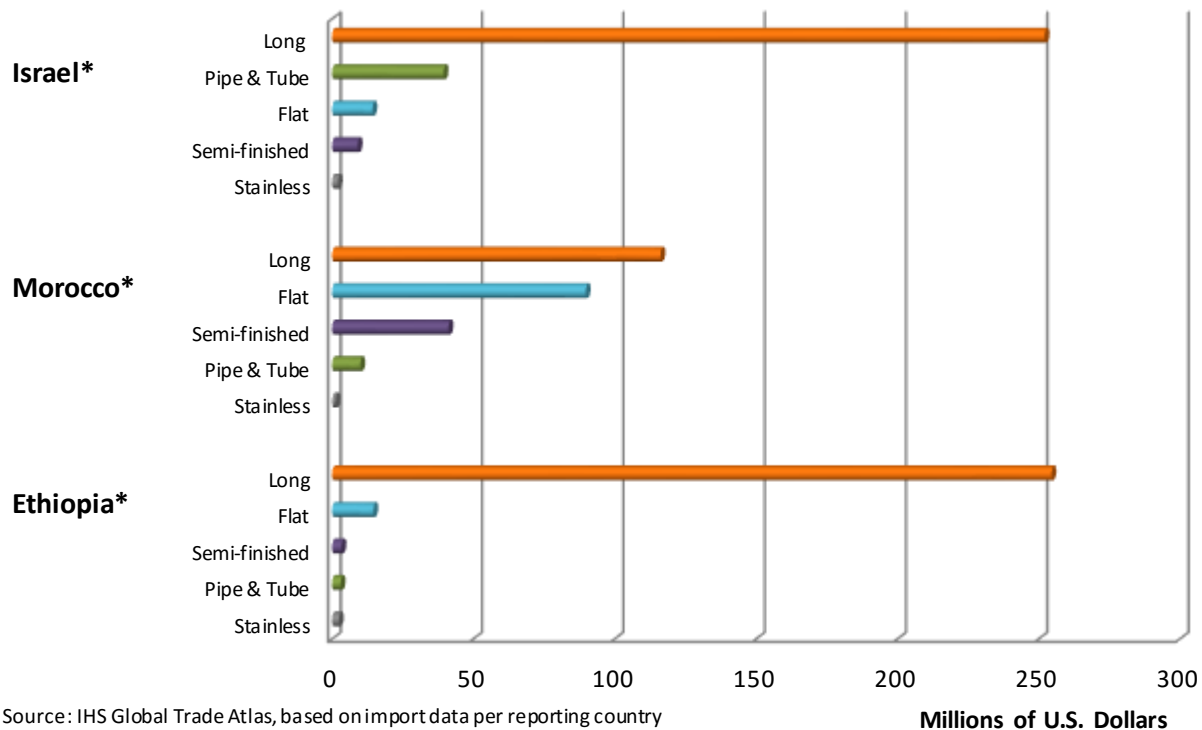
Turkey's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Turkey - 2014	Turkey's Rank in 2014	Share of Imports from Turkey - 2015	Turkey's Rank in 2015
United States	4.9%	8	7.3%	4
United Arab Emirates	19.9%	2	N/A	N/A
Egypt	13.7%	4	1.9%	3
Iraq	N/A	N/A	N/A	N/A
Israel*	33.8%	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



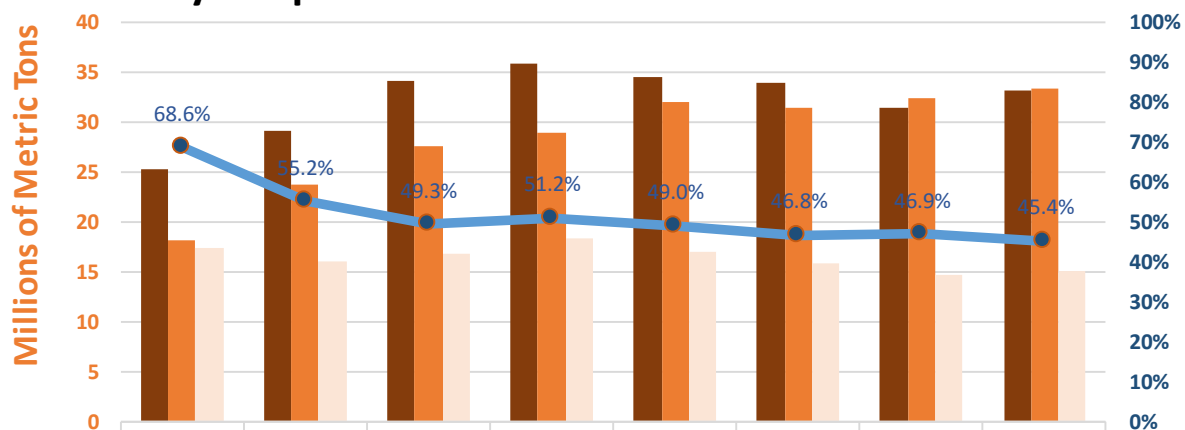
Source: IHS Global Trade Atlas, based on import data per reporting country

\*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	2016
Production	25.3	29.1	34.1	35.9	34.7	34.0	31.5	33.2
Apparent Consumption	18.2	23.8	27.6	29.0	32.1	31.5	32.4	33.5
Exports	17.4	16.1	16.8	18.4	17.0	15.9	14.8	15.0
Export Share of Production	68.6%	55.2%	49.3%	51.2%	49.0%	46.8%	46.9%	45.4%

Sources: World Steel Association; IHS Global Trade Atlas

After increasing steadily between 2009 and 2012, crude steel production in Turkey levelled off at an average of 33.3 million metric tons per year between 2013 and 2016. Turkey's crude steel production increased to 33.2 million metric tons in 2016 from 31.5 million metric tons — an increase of 5 percent. The gap between production and apparent consumption (a measure of steel demand), which stood at 7.1 million metric tons or 28 percent of production in 2009, shrank steadily over the next seven years. By 2016, apparent consumption was nearly on par with production. Exports as a share of production has decreased from its peak of 68.6 percent in 2009 to 45.4 percent in 2016.

### 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.

<b>Steel Mill Trade Remedies in Effect Against Turkey</b>				
<b>Country</b>	<b>AD</b>	<b>CVD</b>	<b>Suspension Agreements and Undertakings</b>	<b>Total</b>
Canada	3			3
Dominican Republic	1			1
Morocco	1			1
United States	4	4		8
<b>TOTAL</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>13</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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