

Global Steel Trade Monitor

Steel Imports Report: Thailand

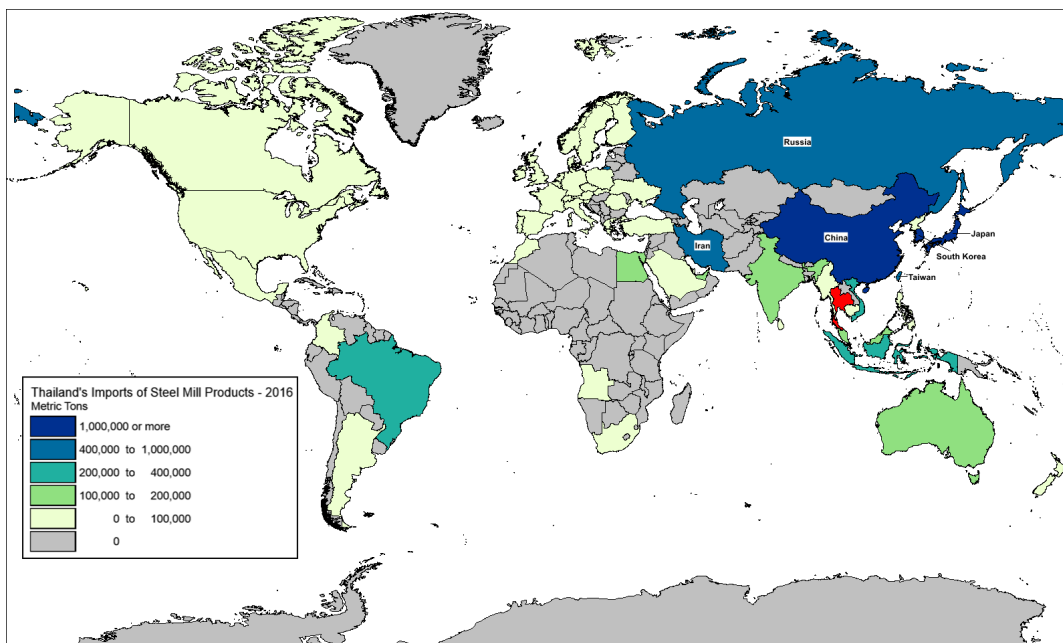
May 2017

Background

Thailand is the world's fifth-largest steel importer. In 2016, Thailand imported 17.5 million metric tons of steel, a 20 percent increase from 14.6 million metric tons in 2015. Thailand's imports represented about 4 percent of all steel imported globally in 2015, based on available data. The volume of Thailand's 2016 steel imports was just over half the size 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 2016.

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 89 percent of Thailand's steel imports in 2016.

Thailand's Imports of Steel Mill Products - 2016



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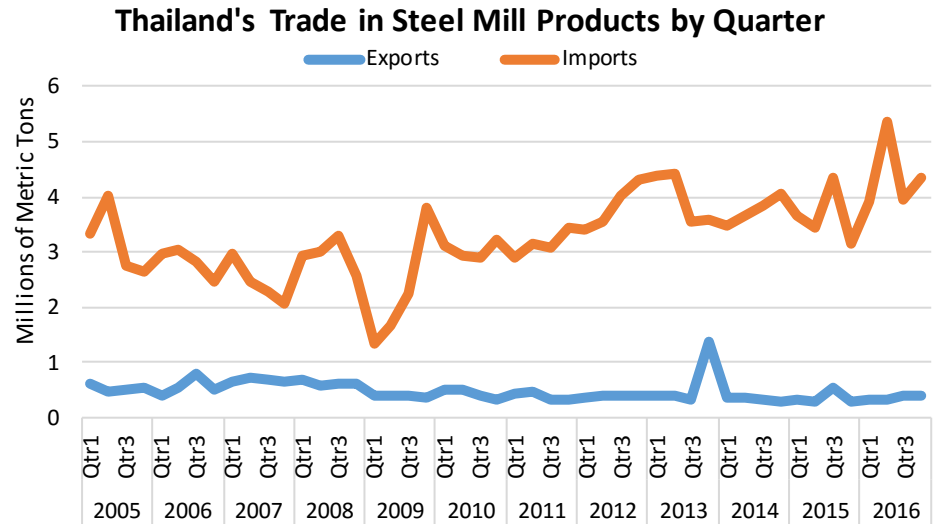
Quick Facts:

- World's fifth-largest steel importer: 17.5 million metric tons (2016)
- 95% steel import growth since 2009
- Year-on-year import volume up 20% while import value down 2%
- Import penetration up to 88% in 2016 from 86.5% in 2015
- Top three import sources: China, Japan, South Korea
- Largest producers: G Steel, Tata Steel Thailand
- 36 trade remedies, including 3 safeguards, in effect against imports of steel mill products

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Steel Trade Balance

Thailand is a net importer of steel mill products. After a decline in imports between 2005 and early 2009, imports grew by 95 percent between 2009 and 2016. Over the same period, Thailand's steel exports gradually declined by 8 percent. Thailand's steel trade deficit reached an eleven-year high in 2016, increasing by 23 percent from -13.2 million metric tons in 2015 to -16.1 million metric tons in 2016.

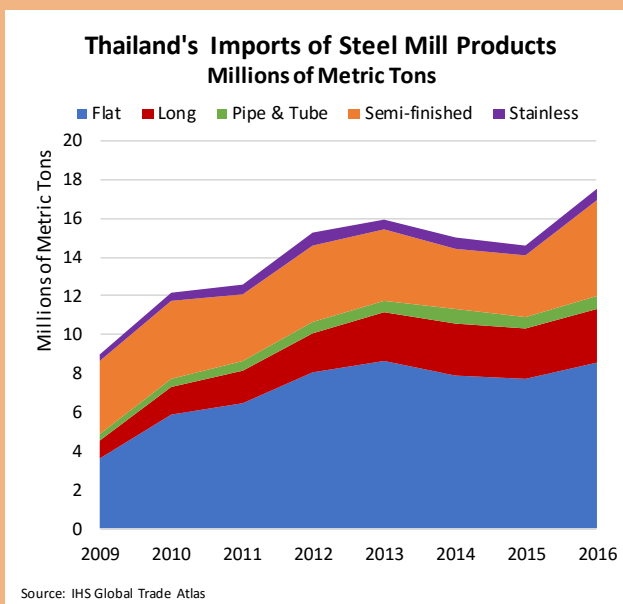


Source: IHS Global Trade Atlas

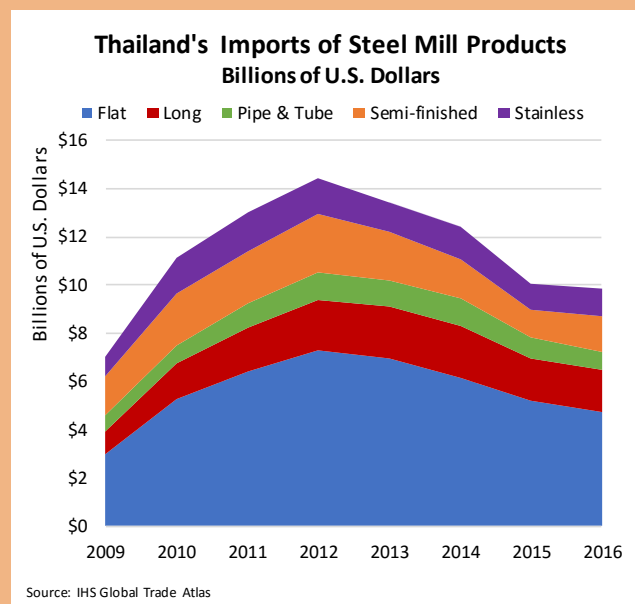
Import Volume, Value, and Product

Between 2013 and 2014, Thailand's volume of steel imports declined by 8 percent. In 2016, however, Thailand's imports of steel mill products reached a peak of 17.5 million metric tons — a 20 percent increase from 14.6 million metric tons in 2015. By contrast, the value of Thailand's steel imports has decreased every year since 2012. In 2016, despite a jump in the volume of imports, import value decreased by 2 percent to \$9.8 billion from \$10 billion in 2015.

In 2016, flat products accounted for the largest share of Thailand's steel imports at 49 percent (8.5 million metric tons), down from a 53 percent share in 2015. Semi-finished steel accounted for 28 percent, or 4.9 million metric tons, of Thailand's imports, followed by long products at 16 percent (2.8 million metric tons), pipe and tube products at 4 percent (713.7 thousand metric tons), and stainless products at 3 percent (566.2 thousand metric tons).



Source: IHS Global Trade Atlas



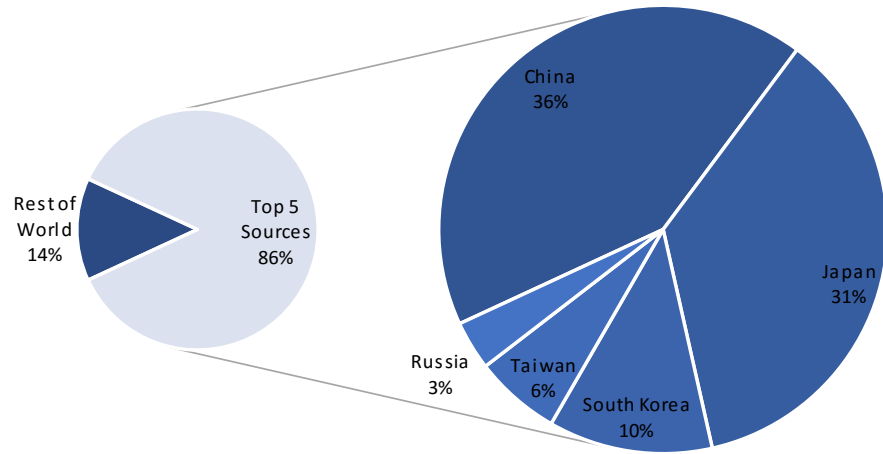
Source: IHS Global Trade Atlas

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Imports by Top Source

The top 5 source countries for Thailand's steel imports represented 86 percent of the total steel import volume in 2016 at 15.1 million metric tons (mmt). China accounted for the largest share of Thailand's imports by source country at 36 percent (6.4 mmt). Japan, which had historically ranked as the top source for Thailand's imports, fell to second in 2016 with 31 percent (5.5 mmt), followed by South Korea at 10 percent (1.8 mmt), Taiwan at 6 percent (0.9 mmt), and Russia at 3 percent (0.5 mmt).

Thailand's Steel Imports - Top 5 Sources
2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas

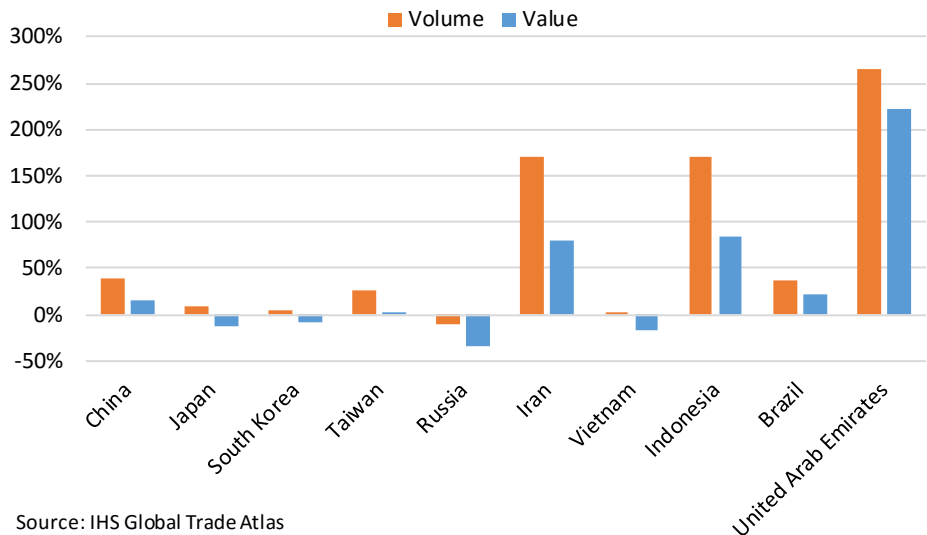
The United States ranked 26th as a source for Thailand's steel imports, representing just 0.05 percent of imports (8.9 thousand metric tons) in 2016.

Trends in Imports from Top Sources

Between 2015 and 2016, the volume of Thailand's steel imports increased from nine of its top 10 steel import sources, while the overall value of Thailand's imports increased from only six of the top 10, reflecting the decline in global steel prices.

The largest increase in import volume occurred from the United Arab Emirates, up 264.8 percent from 2015, followed by Iran (up 171.5%), Indonesia (up 169.7%), and China (up 39.8%). Only imports from Russia decreased in volume in 2016, down 11.5 percent.

Percent Change in Imports from Top 10 Sources (2015 to 2016)



Source: IHS Global Trade Atlas

Thailand's imports from Russia also decreased the most in value terms between 2015 and 2016, down 33.9 percent, followed by imports from Vietnam (down 16.9%) and Japan (down 12.1%). Among Thailand's top 10 import sources, the largest increases in import value occurred from the United Arab Emirates (up 221.6%), Indonesia (up 84.2%), and Iran (up 79.5%).

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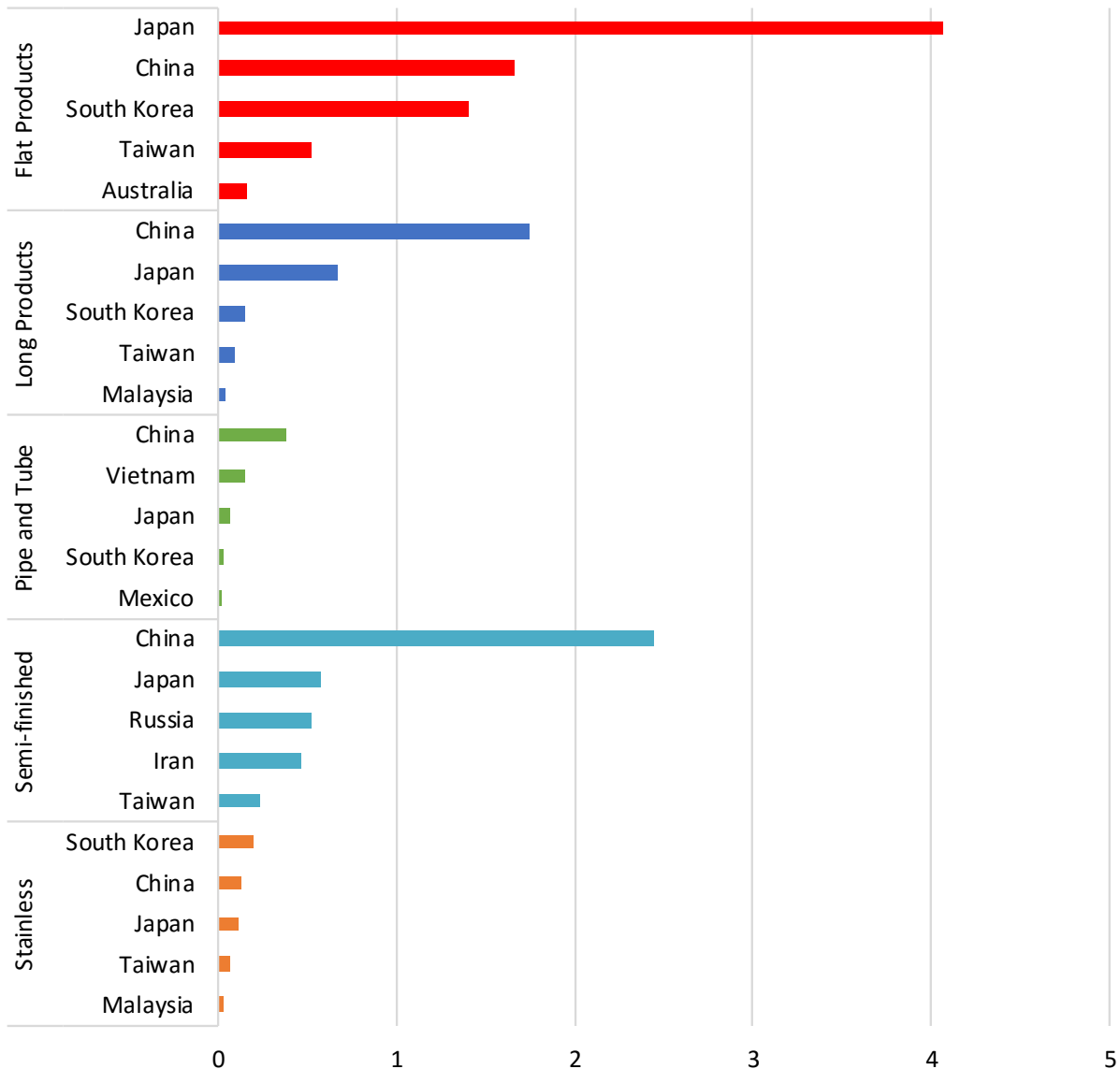
Top Sources by Steel Product Category

The top source countries for Thailand's imports by volume vary across types of steel products. Japan accounted for the largest share of Thailand's imports of flat products in 2016 at 48 percent (4.1 million metric tons).

In 2016, China represented the largest source for Thailand's long product imports at 63 percent (1.8 million metric tons), pipe and tube imports at 53 percent (378.5 thousand metric tons), and semi-finished steel imports at 50 percent (2.4 million metric tons). Thailand received the largest share of stainless steel imports from South Korea in 2016 at 35 percent (200 thousand metric tons).

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

Thailand's Top 5 Import Sources by Product - 2016



Source: IHS Global Trade Atlas

Millions of Metric Tons

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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).

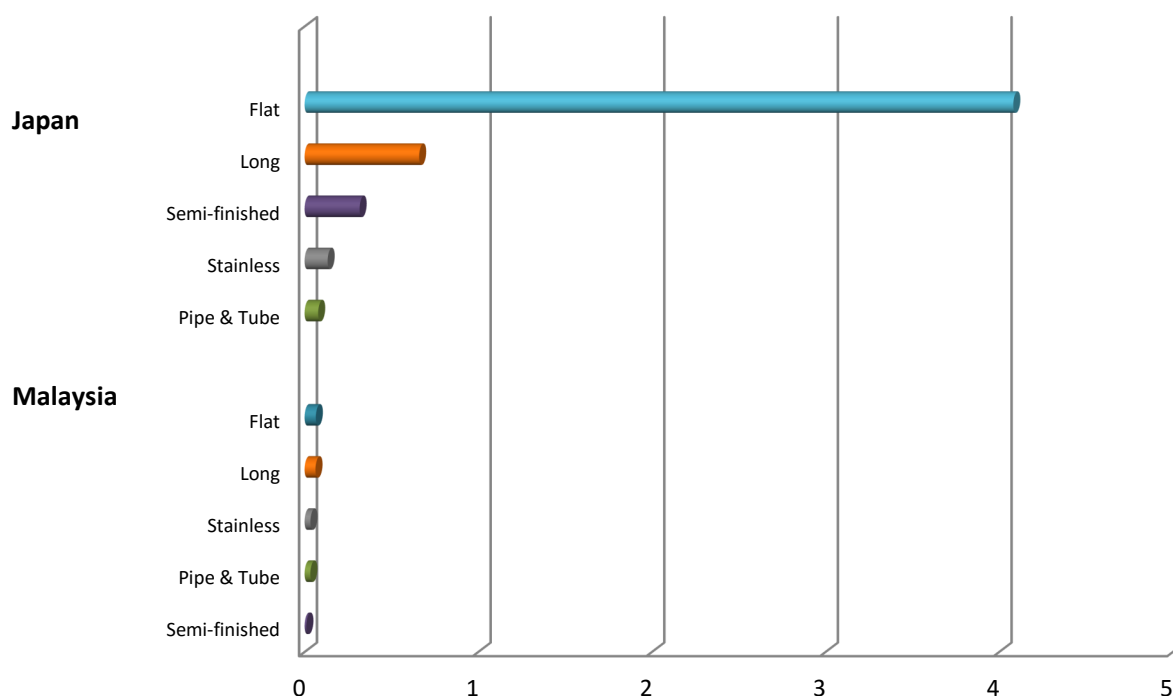
In 2015, the share of steel exports to Thailand in China, South Korea, Taiwan, and Malaysia all showed slight increases (up less than half of one percentage point).

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

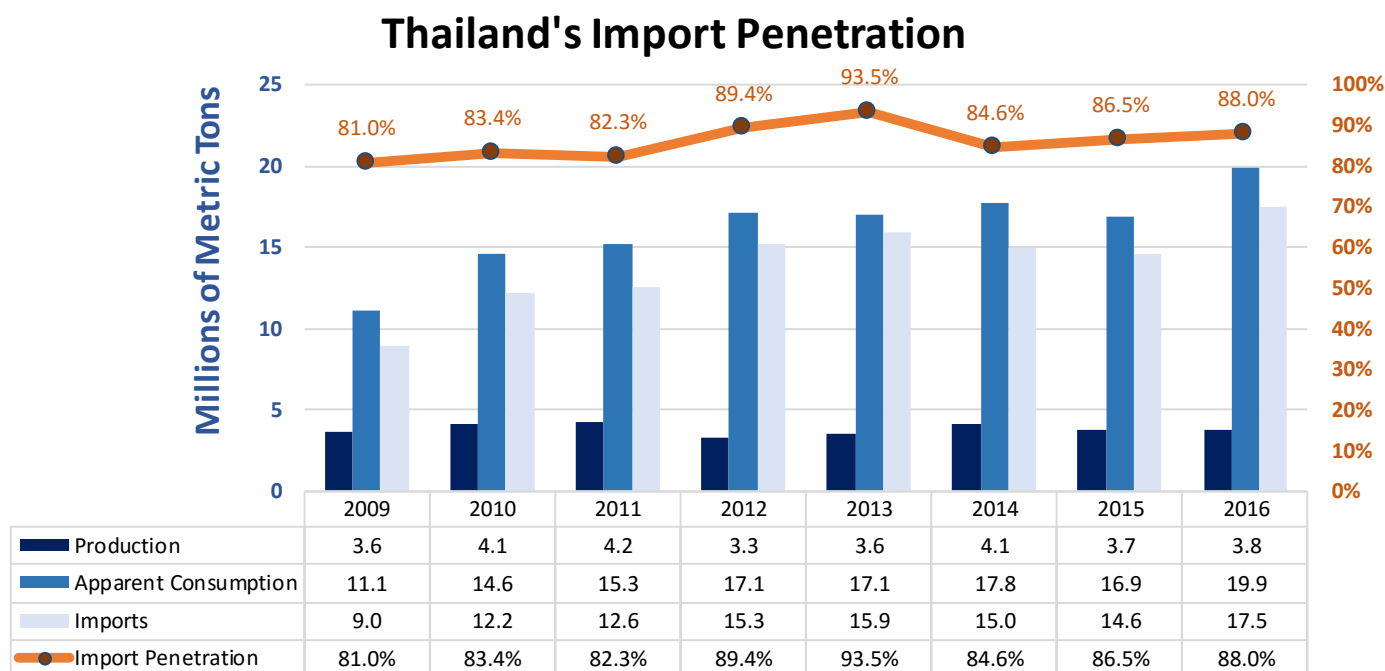


Source: IHS Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Import Penetration



Sources: World Steel Association; IHS Global Trade Atlas

Thailand's crude steel production decreased slightly to 3.8 million metric tons in 2016, from 3.7 million metric tons in 2015. Apparent consumption (a measure of steel demand), which has significantly outpaced production, grew by 18 percent in 2016 to a peak of 19.9 million metric tons. With import levels over four and a half times larger than Thailand's production in 2016, imports contributed substantially to steel demand. Import penetration has trended upwards since 2009 and amounted to 88 percent in 2016.

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.

Thailand's Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Algeria	1			1
Argentina	1			1
China	9			9
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
TOTAL	33	0	0	33

Source: World Trade Organization, through December 1, 2016

Steel Mill Safeguards in Effect	
Country	Product
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
Thailand	Structural hot-rolled H-beams with alloy

Source: World Trade Organization, through February 24, 2017

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