

Global Steel Trade Monitor

Steel Imports Report: Turkey

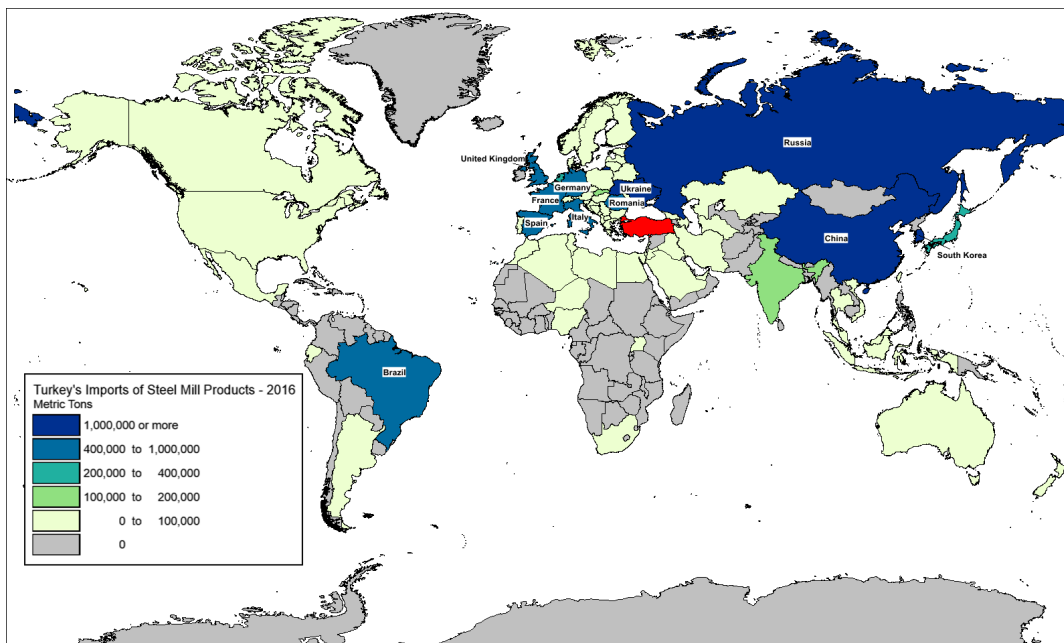
May 2017

Background

Turkey is the world's sixth largest steel importer. In 2016, Turkey imported 15.4 million metric tons of steel, a 2 percent decrease from 15.6 million metric tons in 2015. Turkey's imports represented about 4 percent of all steel imported globally in 2015, based on available data. The volume of Turkey's 2016 steel imports was roughly half that of the world's largest importer, the United States. In value terms, steel represented just 4 percent of the total amount of goods Turkey imported in 2016.

Turkey imports steel from more than 100 countries and territories. The 11 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 85 percent of Turkey's steel imports in 2016.

Turkey's Imports of Steel Mill Products - 2016



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

Quick Facts:

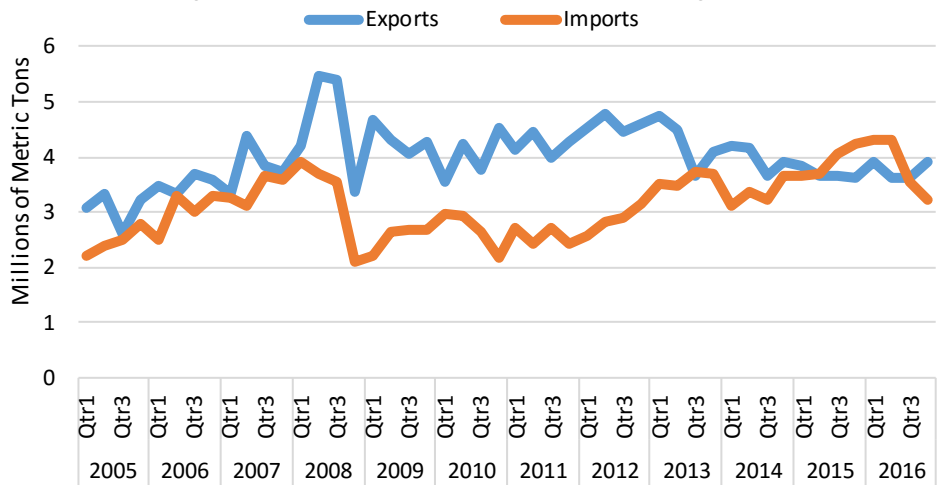
- World's 6th largest steel importer: 15.4 million metric tons (2016)
- 46% steel import growth between 2010 and 2015
- Import penetration down from 56.2% in 2009 to 45.9% in 2016
- Year-on-year import volume down 2% while import value down 13%
- Top three import sources: Russia, China, Ukraine
- Largest producers: Erdemir Group, İçdaş, Habaş
- 6 trade remedies in effect against imports of steel mill products

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Steel Trade Balance

Over the past decade, Turkey has, for the most part, maintained a continuous trade surplus in steel products. In 2012, exports started to decline while imports continued to climb. By mid-2014 steel exports and imports reached equilibrium and until mid-2016, Turkey's imports outpaced exports, growing 46 percent between 2010 and 2015, while exports shrank by 8 percent. In the second half of 2016, Turkey's imports declined significantly, bringing trade deficit down to -318 thousand metric tons in 2016 from -853 thousand metric tons in 2015.

Turkey's Trade in Steel Mill Products by Quarter

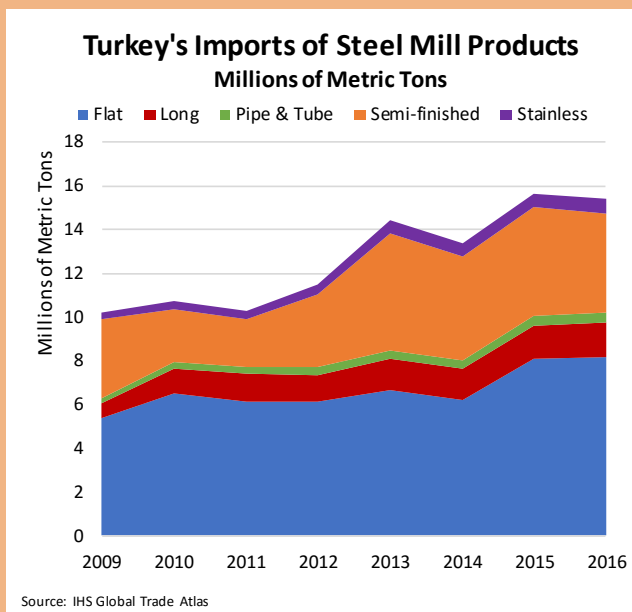


Source: IHS Global Trade Atlas

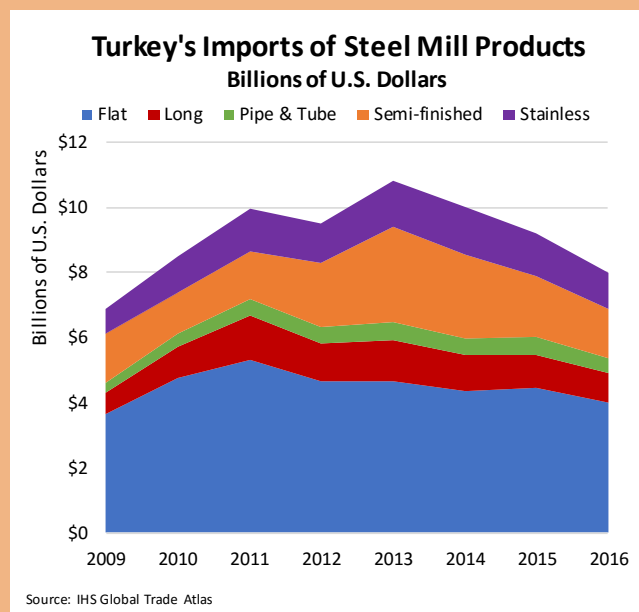
Import Volume, Value, and Product

In 2015, Turkey's steel imports amounted to 15.6 million metric tons, an increase of 17 percent from 2014. In 2016, the volume of Turkey's steel imports decreased by 2 percent to 15.4 million metric tons. By contrast, the value of Turkey's 2016 steel imports declined by 13 percent to \$8 billion from \$9.2 billion in 2015, 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 2016, 53 percent, or 8.1 million metric tons, of Turkey's steel imports were of flat products, an increase from 2015's share of 52 percent. Semi-finished products accounted for 30 percent, or 4.6 million metric tons, of Turkey's imports of steel in 2016, followed by long products (10% or 1.6 million metric tons), stainless products (4% or 610 thousand metric tons), and pipe and tube products (3% or 442 thousand metric tons).



Source: IHS Global Trade Atlas



Source: IHS Global Trade Atlas

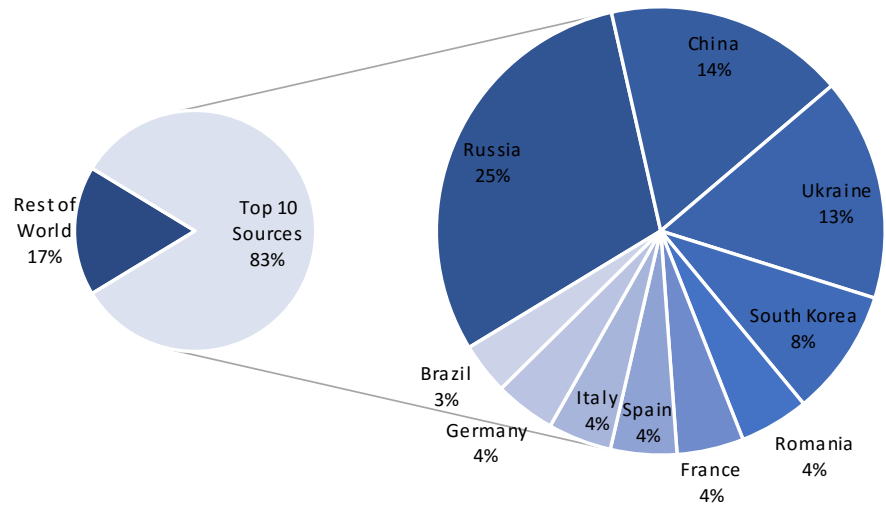
Steel Imports Report: Turkey

Imports by Top Source

The top 10 source countries for Turkey's steel imports represented 83 percent of the total steel import volume in 2016 at 12.7 million metric tons (mmt). Russia accounted for the largest share of Turkey's imports by source country at 25 percent (3.8 mmt), followed by China at 14 percent (2.2 mmt), Ukraine at 13 percent (2 mmt), and South Korea at 8 percent (1.2 mmt).

The United States ranked 40th as a source for Turkey's steel imports in 2016. Turkey imported 7.9 thousand metric tons from the U.S. in 2016 — a 34 percent decline from 11.9 thousand metric tons in 2015.

Turkey's Steel Imports - Top 10 Sources
2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas

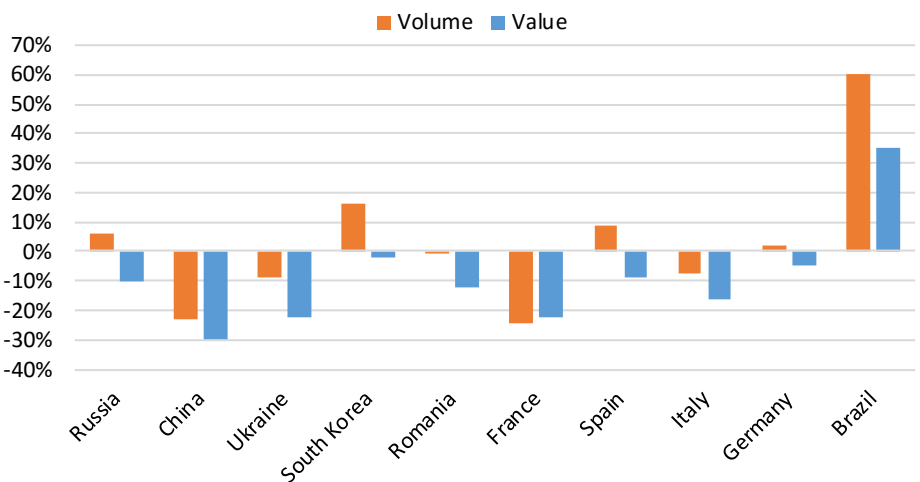
Trends in Imports from Top Sources

While the volume of Turkey's steel imports increased from half of Turkey's top ten steel import sources between 2015 and 2016, the overall value of Turkey's steel imports decreased from nine of the top ten, reflecting the decline in global steel prices.

Considerable decreases in steel value between 2015 and 2016 included Turkey's imports from China (down 29.9%), Ukraine (down 22.5%), and France (down 22.5%). The only increase in steel value came from Turkey's imports from Brazil, up 35.3 percent.

Turkey's imports from France and China also showed the greatest decline in volume between 2015 and 2016, down 24.5 percent and 22.8 percent, respectively. The only sizeable increase in Turkey's steel import volume also occurred from Brazil (up 60.6% from 2015). Other substantial volume increases outside Turkey's top 10 sources included imports from the United Kingdom (up 115.2%) and India (up 137%).

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



Source: IHS Global Trade Atlas

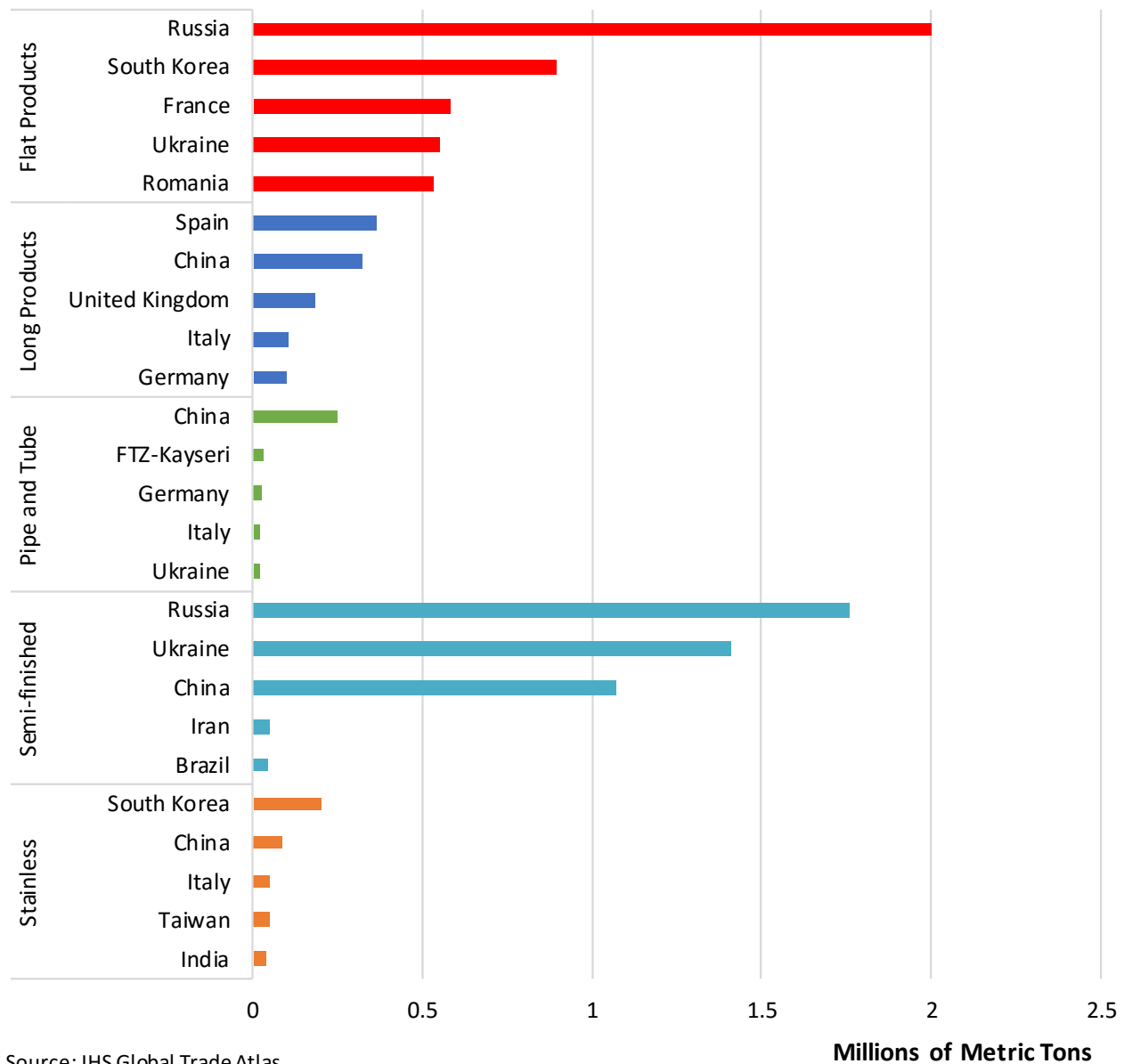
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Top Sources by Steel Product Category

Turkey's top import sources by volume vary across types of steel products. Russia accounted for the largest shares of Turkey's imports of flat products at 25 percent (2 million metric tons) and semi-finished products at 39 percent (1.8 million metric tons).

Spain accounted for the largest share of Turkey's imports of long products at 22 percent (362 thousand metric tons), while South Korea held the largest share of Turkey's imports of stainless products at 33 percent (200 thousand metric tons). China represented the largest share of pipe and tube imports at 57 percent (250.5 thousand metric tons) and the second largest share of Turkey's imports of long products at 20 percent (325 thousand metric tons) and stainless products at 14 percent (86.6 thousand metric tons).

Turkey's Top 5 Import Sources by Product - 2016



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.

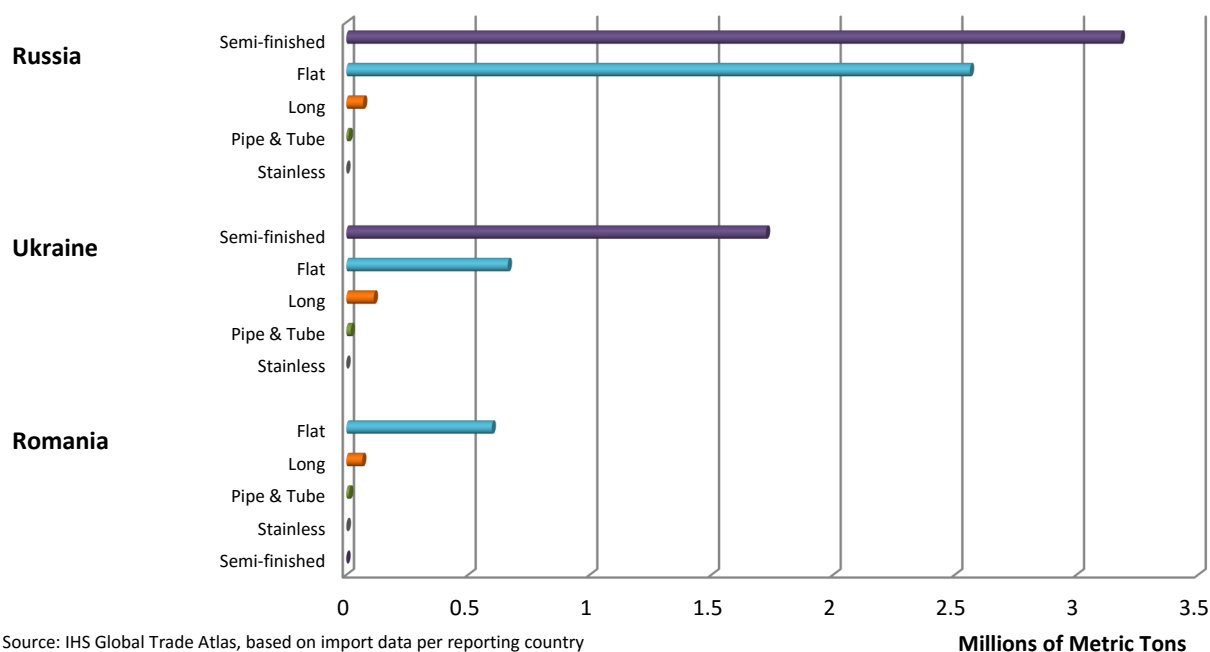
Turkey's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Turkey - 2014	Turkey's Rank in 2014	Share of Exports to Turkey - 2015	Turkey's Rank in 2015
Russia	16.2%	1	19.6%	1
China	1.4%	22	2.8%	9
Ukraine	13.5%	1	14.2%	2
South Korea	1.8%	11	3.4%	9
France	7.4%	5	5.9%	5
Romania	20.4%	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



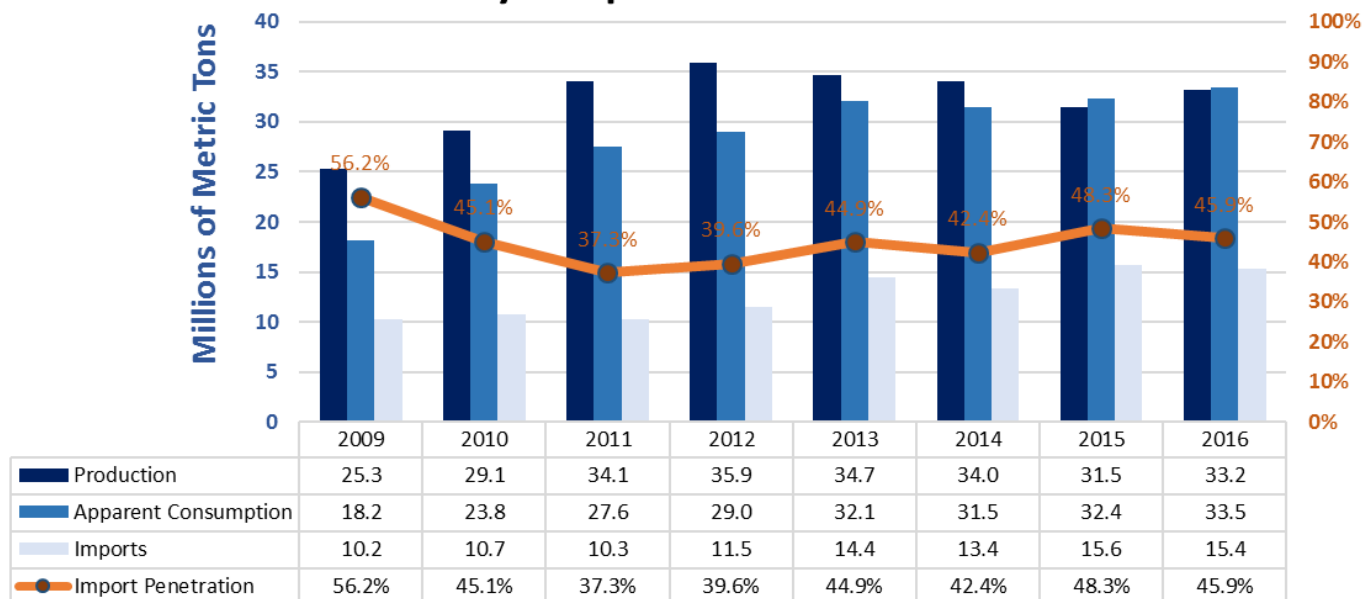
Source: IHS Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

Steel Imports Report: Turkey

Overall Production and Import Penetration

Turkey's Import Penetration



Sources: World Steel Association; IHS Global Trade Atlas

Turkey's crude steel production increased by 42 percent between 2009 and 2012 but has fallen by 8 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 seven years. By 2016, Turkey's consumption had grown to slightly outpace the country's production by 200 thousand metric tons. Between 2009 and 2016, Turkey's steel imports increased by 51 percent from 10.2 million metric tons to 15.4 million metric tons. Over the same period, Turkey's level of import penetration decreased by 10.3 percentage points. Since 2013, import penetration has maintained an average of 45.4 percent and stood at 45.9 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 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	3			3
Malaysia	1			1
Taiwan	1			1
Vietnam	1			1
TOTAL	6	0	0	6

Source: World Trade Organization, through December 1, 2016

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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