



Global Steel Trade Monitor

Steel Exports Report: Turkey

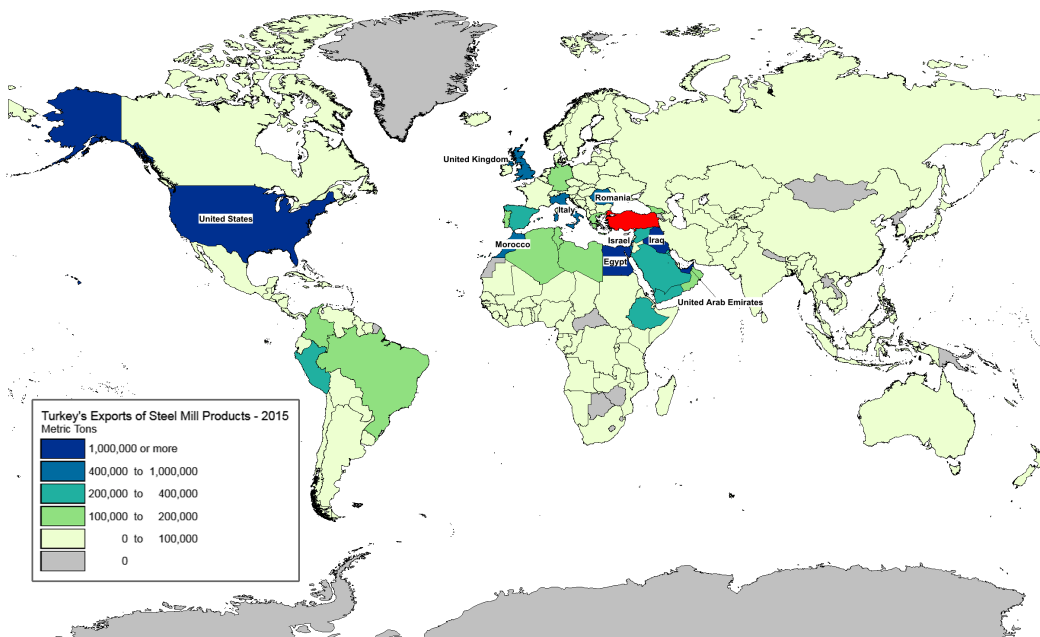
September 2016

Background

Turkey is the world's ninth-largest steel exporter. In year to date 2016 (through June), further referred to as YTD 2016, Turkey exported 7.5 million metric tons of steel, a 0.5 percent increase from 7.49 million metric tons in YTD 2015. Turkey's exports represented about 3.2 percent of all steel exported globally in 2015. The volume of Turkey's 2015 steel exports was roughly equal to that of France or Belgium, and just over one-eighth that of the largest exporter, China. In value terms, steel represented just 5.3 percent of the total amount of goods Turkey exported in 2015.

Turkey exports steel to more than 180 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 2015.

Turkey's Exports of Steel Mill Products - 2015



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2016. All rights reserved.

Quick Facts:

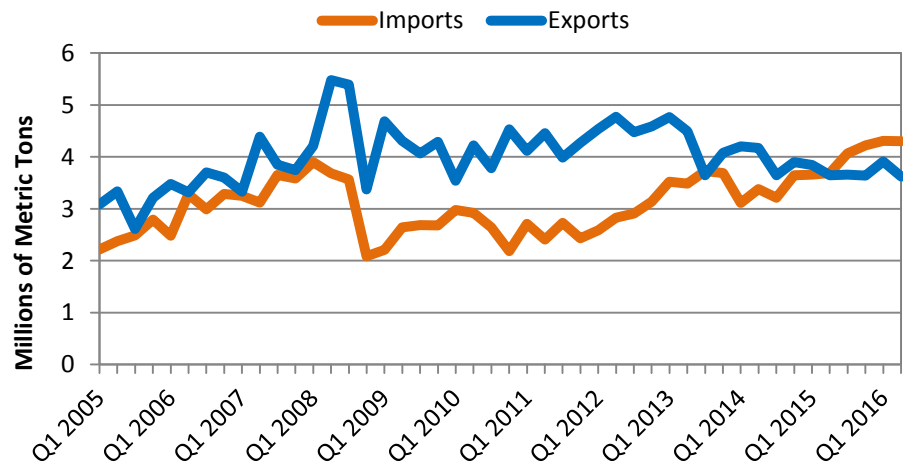
- World's ninth-largest steel exporter: 7.5 million metric tons (YTD 2016)
- 20% decline in steel exports since 2012
- Exports as a share of production volume at 45.7% in YTD 2016 from 46.8% in YTD 2015
- YTD export volume up 0.5% while export value down 20%
- Top three markets: United States, Egypt, 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

Over the past decade, Turkey has, for the most part, maintained a continuous trade surplus in steel. 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 34 percent since Q3 2014, while exports shrank by 1 percent. This change in growth rates between imports and exports has resulted in a record high steel trade deficit, amounting to -1.1 million metric tons in YTD 2016.

Turkey's Trade in Steel Mill Products by Quarter



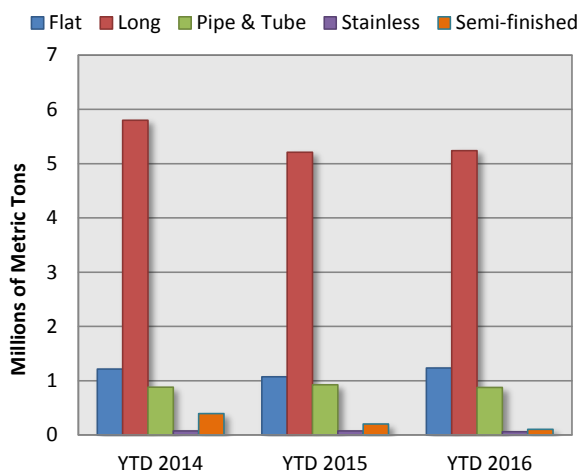
Source: IHS Global Trade Atlas

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 14.3 percent from 2010. By 2015, Turkey's steel exports had fallen 20 percent from the 2012 high to 14.8 million metric tons. In YTD 2016, the volume of Turkey's steel exports increased by 0.5 percent from YTD 2015 to 7.5 million metric tons. By contrast, the value of Turkey's YTD 2016 steel exports declined by 20 percent to \$3.3 billion from \$4.1 billion in YTD 2015, which can be attributed to a significant drop in global steel prices.

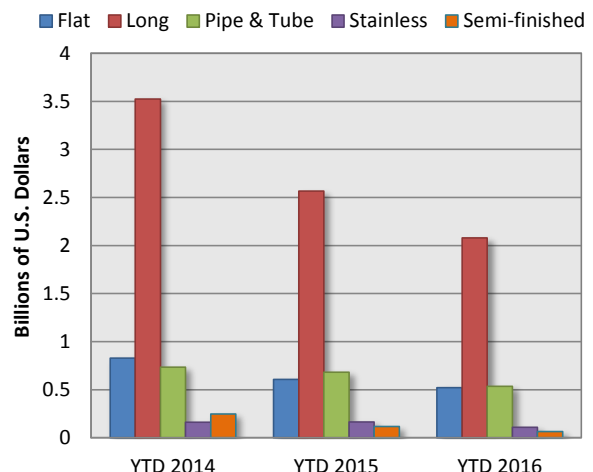
In YTD 2016, long products accounted for the largest share of Turkey's steel exports at 70 percent, or 5.2 million metric tons. Flat products accounted for 16 percent, or 1.2 million metric tons, of Turkey's exports, followed by pipe and tube (12%), semi-finished (1%), and stainless products (1%).

Turkey's Exports of Steel Mill Products
Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through June

Turkey's Exports of Steel Mill Products
Billions of U.S. Dollars



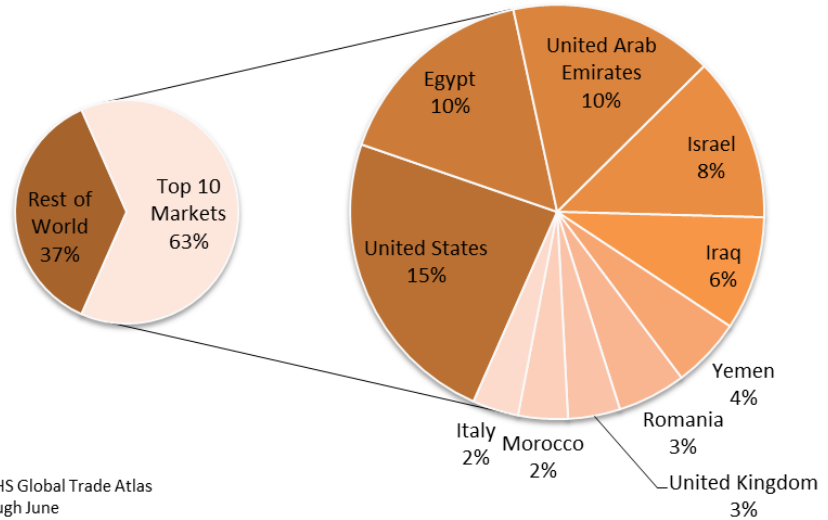
Source: IHS Global Trade Atlas
YTD through June

Steel Exports Report: Turkey

Exports by Top Market

Exports to Turkey's top 10 steel markets represented 63 percent of Turkey's steel export volume in YTD 2016 at 4.8 million metric tons (mmt). The United States received the largest share of Turkey's exports with 15 percent (1.1 mmt), followed by Egypt at 10% (0.8 mmt), the United Arab Emirates at 10% (0.8 mmt), Israel at 8% (0.6mmt), and Iraq at 6% (0.4 mmt).

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



Source: IHS Global Trade Atlas
YTD through June

Trends in Exports to Top Markets

The volume of Turkey's steel exports decreased in five of Turkey's top 10 steel export markets between YTD 2015 and YTD 2016. However, the overall value of Turkey's steel exports decreased in seven of Turkey's top 10 steel export markets, reflecting the decline in global steel prices. Markets that experienced considerable decreases in steel value between YTD 2015 and YTD 2016 included Iraq (down 50%), Morocco (down 27.3%), Italy (down 23.9%), and the United Kingdom (down 23.2%).

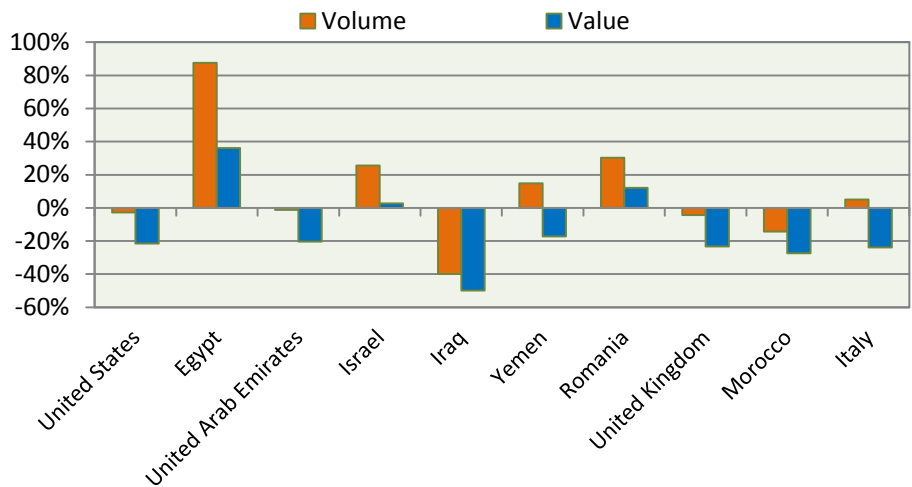
Only Egypt, Romania, and Israel saw increases in export value from Turkey in YTD 2016, up 36.2 percent, 12.2 percent, and 2.7 percent, respectively.

Egypt, Romania, and Israel also experienced the largest increases in Turkey's steel export volume in YTD 2016, with volumes to Egypt up 87.5 percent, volumes to Romania up 30.3 percent, and volumes to Israel up 25.6 percent.

Sizeable decreases in Turkey's steel export volume occurred in

Iraq (down 40% from YTD 2015), Morocco (down 14.3%), and the United Kingdom (down 4.4%).

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



Source: IHS Global Trade Atlas
YTD through June

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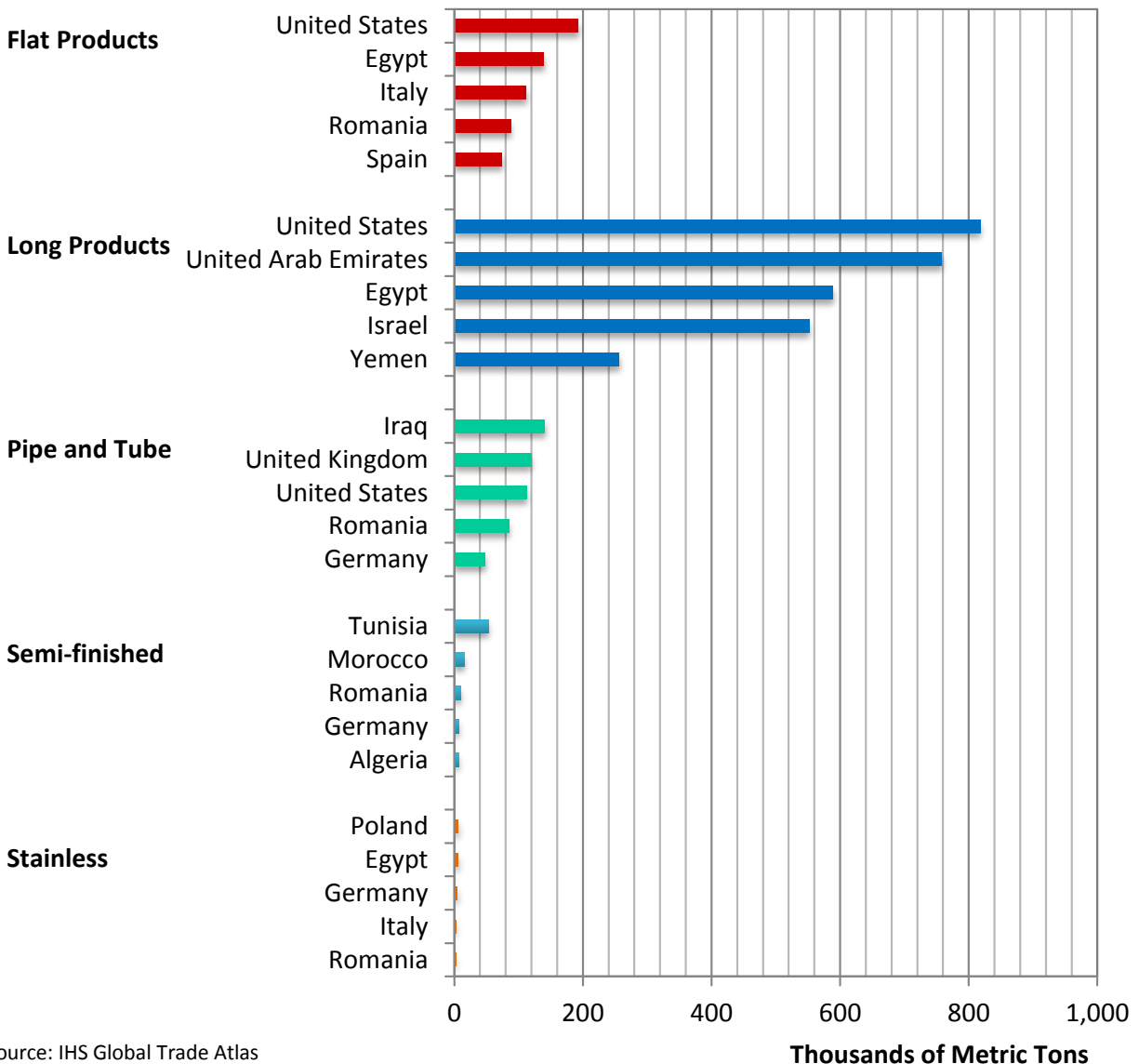
Top Markets by Steel Product Category

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 and long products in YTD 2016, receiving 16 percent (194 thousand metric tons) and 16 percent (819 thousand metric tons), respectively.

Iraq received the largest share of Turkey's pipe and tube exports in YTD 2016 at 16 percent (142 thousand metric tons), with the United Kingdom a close second at 14 percent (120 thousand metric tons). Tunisia received the largest share of semi-finished exports at 49% percent (53 thousand metric tons), and Poland received the largest share of stainless exports at 11 percent (7 thousand metric tons).

The United States was not a top export destination for either semi-finished or stainless products.

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



Source: IHS Global Trade Atlas
YTD through June

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

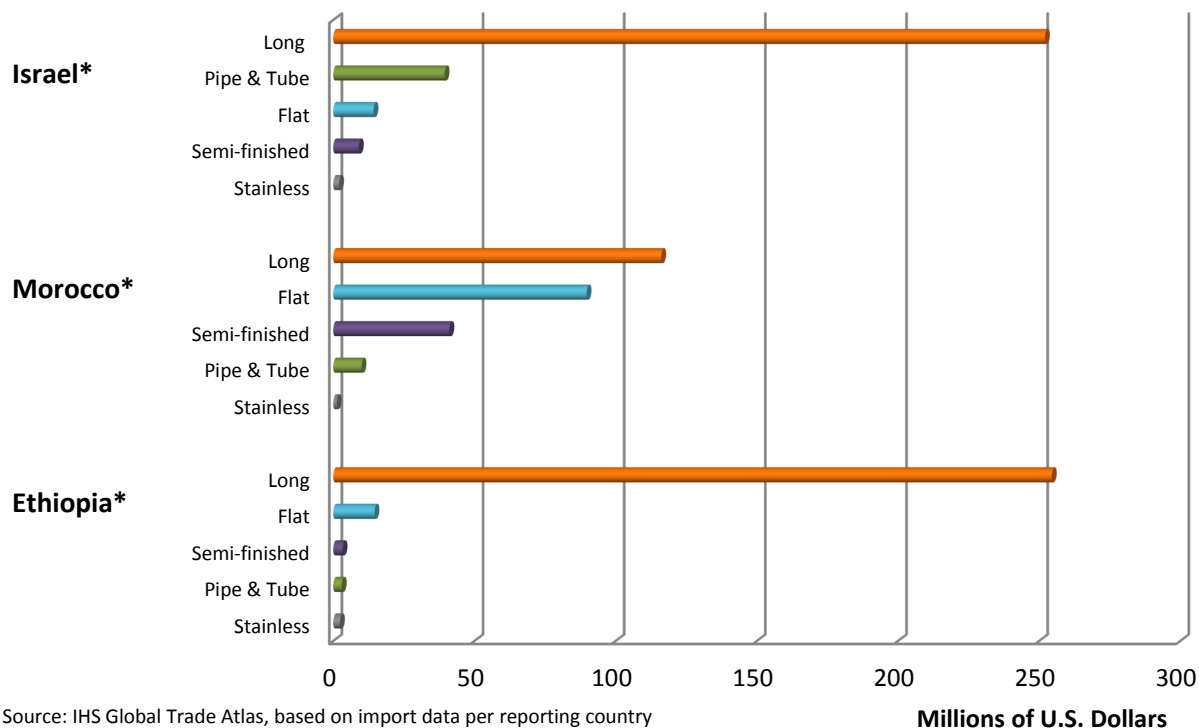
contrast, countries with increases in their share of steel imports from Turkey included the United States (up 2.3 percentage points from 2014) and Romania (up 1.1 percentage points), while Italy's share remained virtually the same.

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

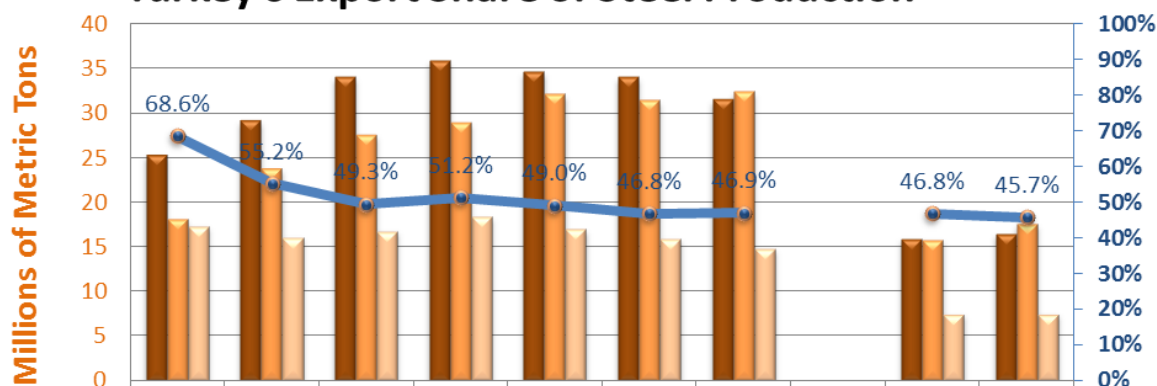


Source: IHS Global Trade Atlas, based on import data per reporting country
 *Data used are value data, so as to be consistent with available data for Israel

Steel Exports Report: Turkey

Overall Production and Export Share of Production

Turkey's Export Share of Steel Production



Production	25.3	29.1	34.1	35.9	34.7	34.0	31.5	16.0	16.5
Apparent Consumption	18.2	23.8	27.6	29.0	32.1	31.5	32.4	15.8	17.6
Exports	17.4	16.1	16.8	18.4	17.0	15.9	14.8	7.5	7.5
Export Share of Production	68.6%	55.2%	49.3%	51.2%	49.0%	46.8%	46.9%	46.8%	45.7%

Source: World Steel Association; IHS Global Trade Atlas
YTD through June

Turkey's crude steel production increased to 16.5 million metric tons in YTD 2016, from YTD 2015's total of 16 million metric tons. 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 YTD 2015 and YTD 2016, crude steel production grew by 3%, while apparent consumption increased by 11 percent, outpacing production by over 1 million metric tons. Increasing production coupled with flat exports levels meant exports as a share of production decreased slightly in YTD 2016 to 45.7 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

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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 table below provides statistics on the current number of trade remedies various countries have against steel mill products from Turkey.

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

Source: World Trade Organization, through June 30, 2016

Global Steel Mill Safeguards in Effect	
Country	Product(s)
Chile	Steel wire rod
India	1) Seamless pipes, tubes and hollow profiles of iron or non-alloy steel (other than cast iron and stainless steel); 2) Hot-rolled steel in coils
Indonesia	1) Articles of finished casing and tubing; 2) Articles of iron or steel wire; 3) Flat-rolled products of iron or non-alloy steel; 4) I and H sections of other alloy steel
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
Ukraine	Casing and pump compressor seamless steel pipes
Vietnam	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through August 22, 2016

Steel Exports 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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