

Global Steel Trade Monitor

Steel Exports Report: India

February 2017

Background

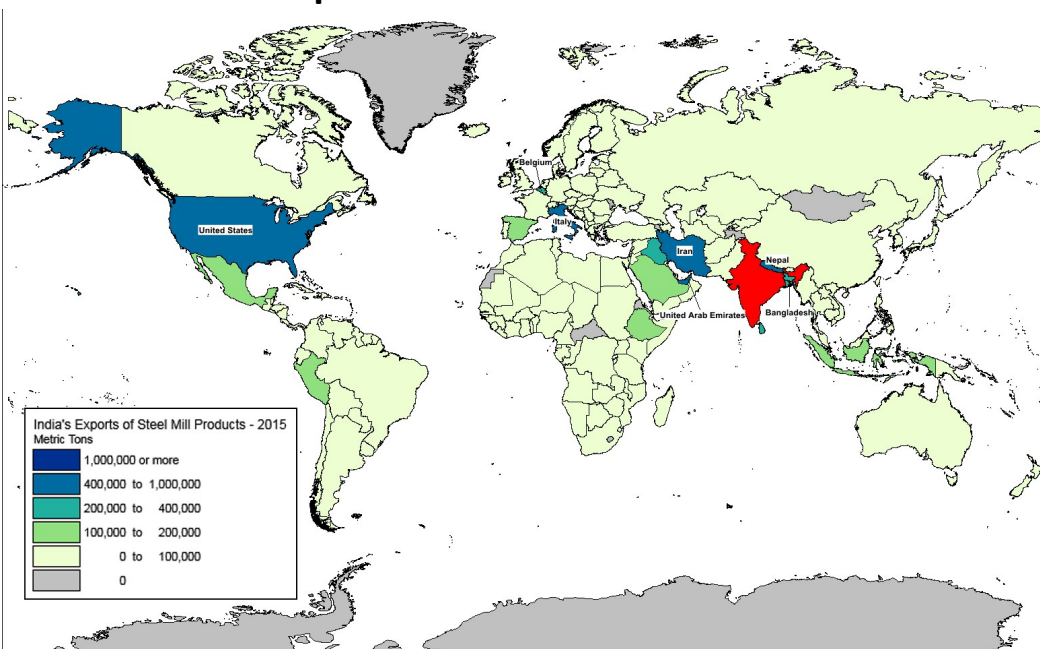
India was the world's seventeenth-largest steel exporter in 2015. In year-to-date 2016 (through September), further referred to as YTD 2016, India exported 7 million metric tons of steel, a 16.1 increase from 6 million metric tons in YTD 2015. India's exports represented about 2 percent of all steel exported globally in 2015. The volume of India's 2015 steel exports was roughly one-sixteenth the size of the largest exporter, China. In value terms, steel represented just 2.3 percent of the total amount of goods India exported in 2015.

India exports steel to more than 190 countries and territories. The seven countries labeled in the map below represent the top markets for India's exports of steel, receiving more than 300 thousand metric tons each and accounting for 53 percent of India's steel exports in 2015.

Quick Facts:

- World's 17th-largest steel exporter: 7 million metric tons (YTD 2016)
- 2% steel export decline since Q4 2013
- Exports as a share of production up from 9% in YTD 2015 to 9.9% in YTD 2016
- YTD export volume up 16.1% while export value down 13.9%
- Top three markets: Nepal, Bangladesh, United Arab Emirates
- Largest producers: TATA Steel Group, Steel Authority of India Ltd. (SAIL), JSW Steel Limited
- 21 trade remedies in effect in 7 countries involving steel mill imports from India

India's Exports of Steel Mill Products - 2015



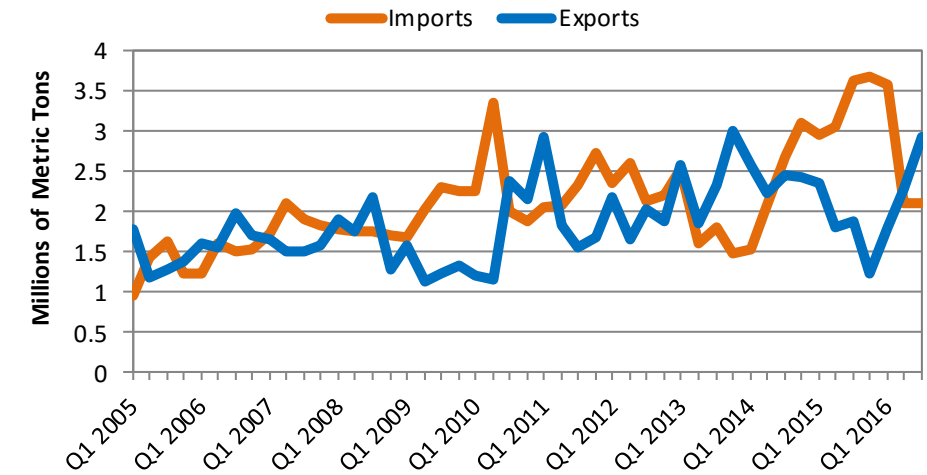
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Steel Exports Report: India

Steel Trade Balance

Over the past decade, India has alternated between being a net steel importer and a net steel exporter. Imports and exports have displayed a roughly inverse relationship, as imports declined sharply in tandem with export growth. Since their most recent low point in Q4 2013, India's imports have grown 40 percent overall, while exports hit a peak in Q4 2013 only to hit a low point and surge back up again to just 2 percent less of where they stood in Q4 2013. Despite trade surpluses in the most recent two quarters, India has an overall trade deficit of -754 thousand metric tons in YTD 2016.

India's Trade in Steel Mill Products by Quarter

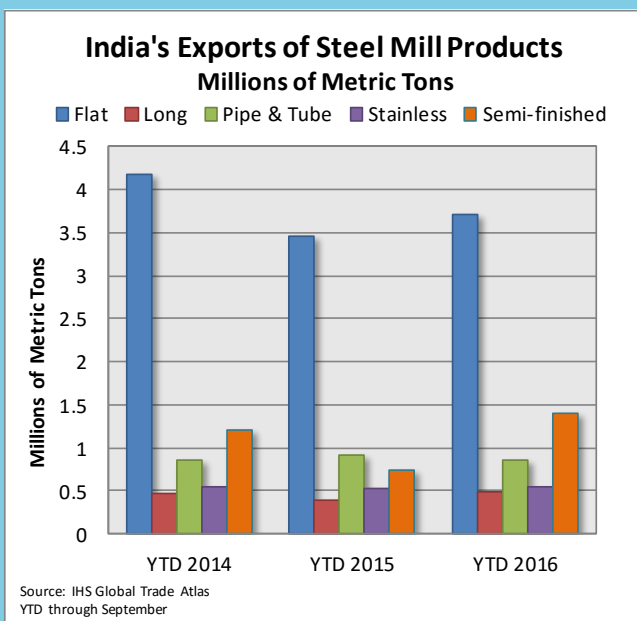


Source: IHS Global Trade Atlas

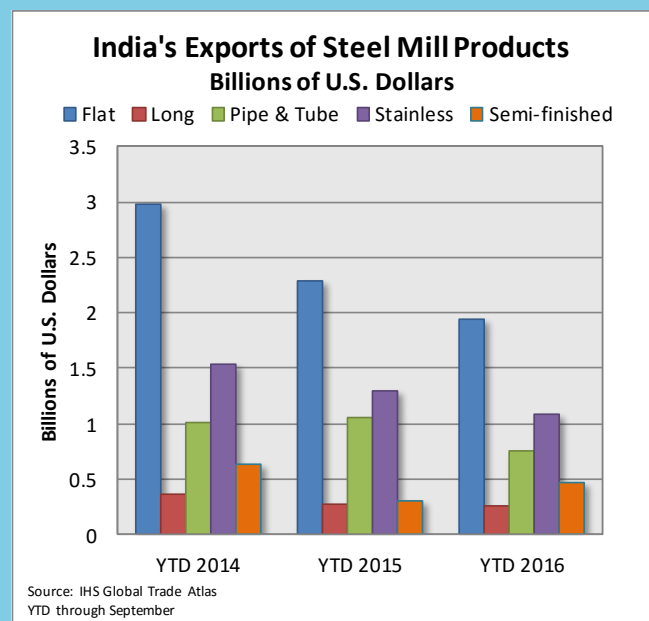
Export Volume, Value, and Product

After rising export volumes in 2013 and 2014, India's steel exports fell by 24.9 percent in 2015 to 7.3 million metric tons from 9.7 million metric tons in 2014. Thus far in 2016, exports have increased 16.1 percent to 7 million metric tons from 6 million metric tons in YTD 2015. By contrast, the value of India's YTD 2016 steel exports has declined by 13.9 percent to \$4.5 billion from \$5.2 billion in YTD 2015.

Flat products accounted for 53 percent of India's steel exports by volume at 3.7 million metric tons in YTD 2016, down from 57 percent in YTD 2015. Semi-finished steel accounted for 20 percent of exports (1.4 million metric tons), followed by pipe and tube products at 12 percent (858.4 thousand metric tons), stainless steel at 8 percent (551.8 thousand metric tons), and long products at 7 percent (487.2 thousand metric tons).



Source: IHS Global Trade Atlas
YTD through September



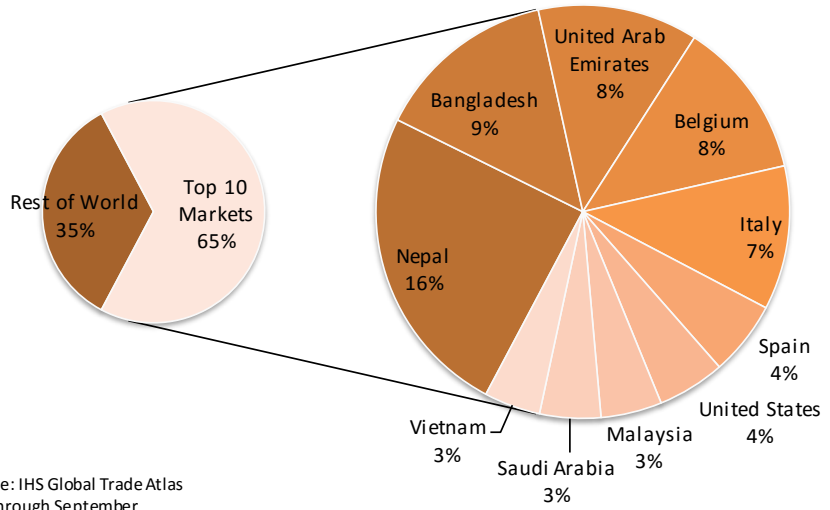
Source: IHS Global Trade Atlas
YTD through September

Steel Exports Report: India

Exports by Top Market

Exports to India's top 10 steel markets represented 65 percent of India's steel export volume in YTD 2016 at 4.6 million metric tons (mmt). Nepal received the largest share of India's exports with 16 percent (1.1 mmt), followed by Bangladesh at 9 percent (0.7 mmt), the United Arab Emirates at 8 percent (0.6 mmt), Belgium at 8 percent (0.6 mmt), and Italy at 7 percent (0.5 mmt).

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



Source: IHS Global Trade Atlas
YTD through September

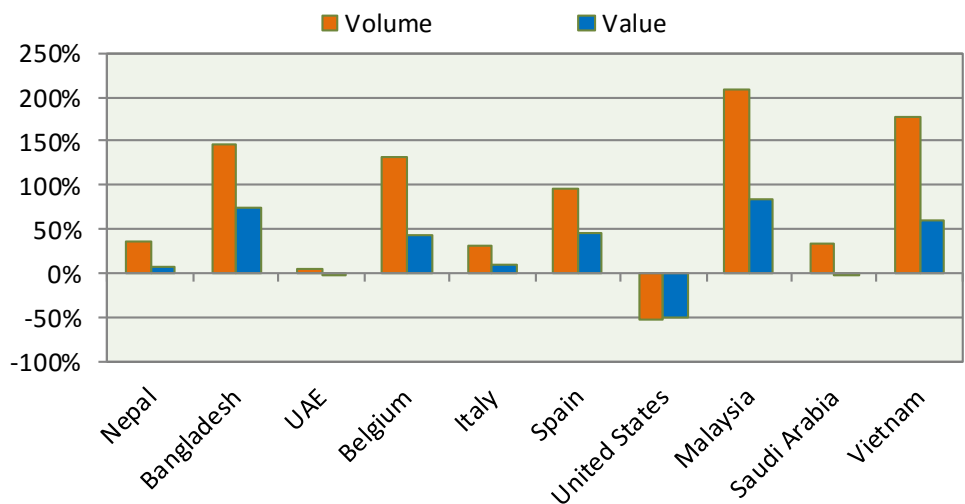
The United States ranked seventh as a destination for India's steel exports, receiving just 3 percent of exports (243.1 thousand metric tons) in YTD 2016 — compared to ranking third in YTD 2015 with 8 percent of exports (502.4 thousand metric tons).

Trends in Exports to Top Markets

Between YTD 2015 and YTD 2016, the volume of India's steel exports increased to nearly all of the country's top 10 steel export markets. Exports increased significantly to Malaysia (up 208% by volume from YTD 2015), Vietnam (up 178.1%), Bangladesh (up 145.8%), Belgium (up 130.9%), and Spain (up 95%). Only exports to the United States decreased in volume in YTD 2016, down 51.6 percent.

India's exports increased in value to seven of its top 10 markets in YTD 2016, and those markets with the largest volume increases also saw the largest value increases. Exports to Malaysia increased the most in YTD 2016, up 83.6 percent by value, followed by Bangladesh (up 74.6%), Vietnam (up 61.1%), Spain (up 45.3%), and Belgium (up 42.4%).

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



Source: IHS Global Trade Atlas
YTD through September

The United States saw the largest decrease in India's export value (down 50.3%), followed by Saudi Arabia (down 3.2%) and the United Arab Emirates (down 1.6%).

Steel Exports Report: **India**

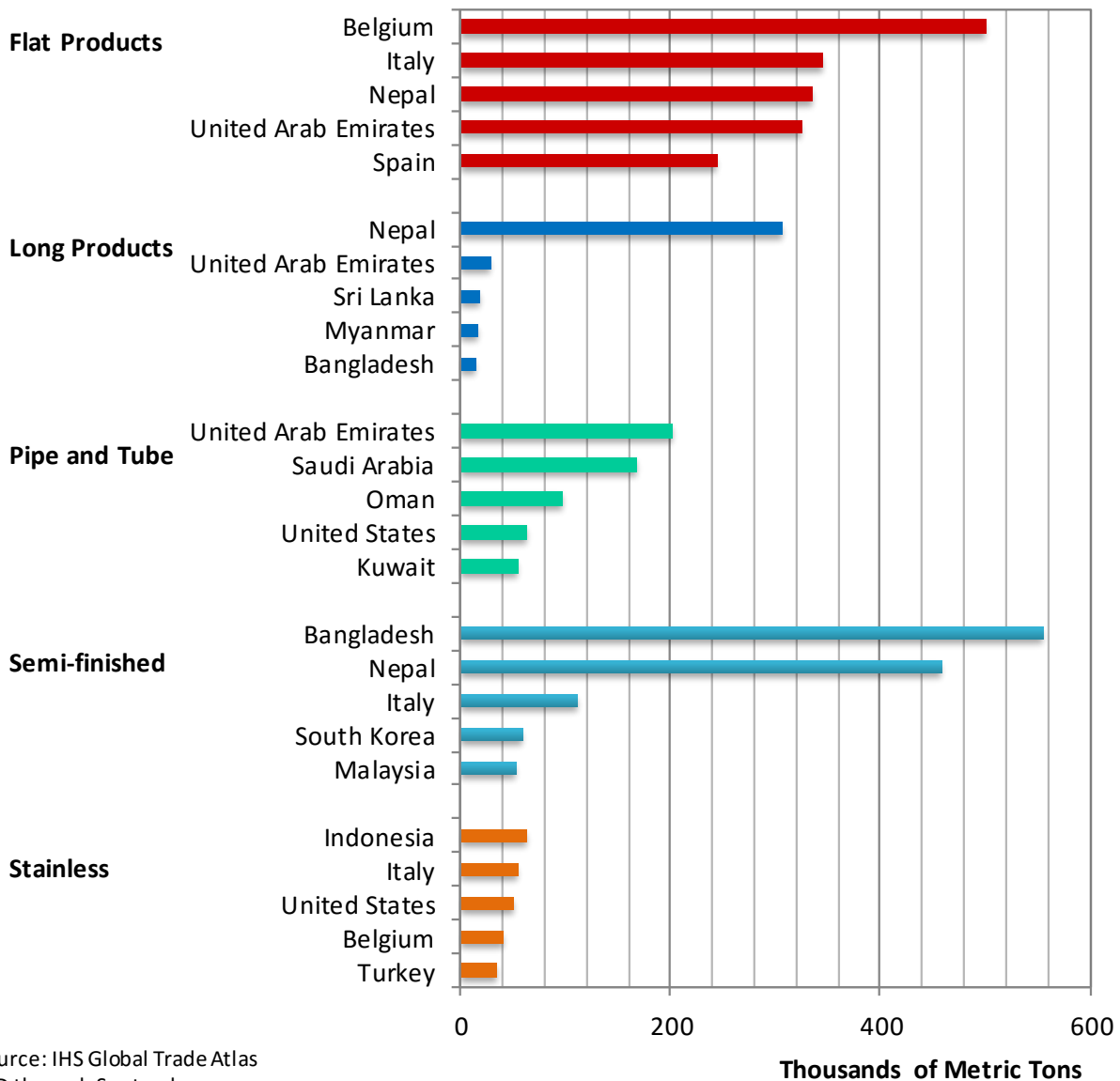
Top Markets by Steel Product Category

India's top export markets by volume vary across types of steel products. In flat products, India's largest export category, Belgium accounted for the largest share of exports in YTD 2016 at 13 percent (500.2 thousand metric tons), followed by Italy at 9 percent (344.9 thousand metric tons).

India exported a significant share of long products to Nepal in YTD 2016 at 63 percent (307.4 thousand metric tons). The United Arab Emirates received 24 percent (202.1 thousand metric tons) of India's pipe and tube exports. Bangladesh received 40 percent (555.4 thousand metric tons) of India's exports of semi-finished steel in YTD 2016, and Indonesia received 11 percent (62.1 thousand metric tons) of stainless exports.

Pipe and tube and stainless were the only product categories in which the United States was a top-five export destination in YTD 2016

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



Source: IHS Global Trade Atlas
YTD through September

Steel Exports Report: India

India's Import Market Share in Top Destinations

In 2015, the import market share for India's steel products decreased in all of India's top export destinations for which data are available. In 2015, the share of steel imports from India in Sri Lanka showed the largest decrease, down 12.6 percentage points from 2014, followed by Nepal (down 3.2 percentage points), the United Arab Emirates (down 2.3 percentage points), and Italy (down 1 percentage point).

The share of imports from India in the United States and Belgium each decreased by less than one percentage point.

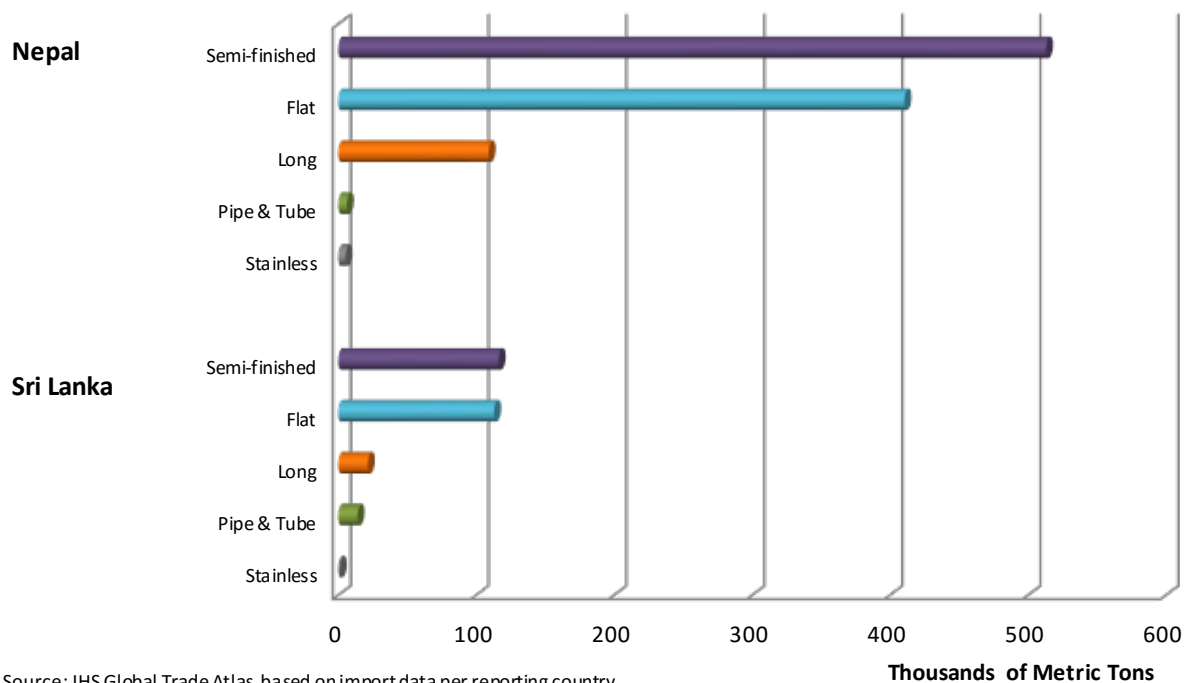
Among India's top ten export markets, Nepal and Sri Lanka received the largest shares of their total steel imports from India in 2015 at 89.7 percent and 22 percent, respectively. Semi-finished steel accounted for nearly half of steel imports from India in both Nepal at 49 percent (513.1 thousand metric tons) and Sri Lanka at 44 percent (116 thousand metric tons).

India's Steel Import Market Share				
Top 10 Export Destinations (2015)	Share of Imports from India - 2014	India's Rank in 2014	Share of Imports from India - 2015	India's Rank in 2015
Nepal	93.0%	1	89.7%	1
United Arab Emirates	9.6%	3	7.3%	4
United States	2.5%	12	2.2%	11
Iran	N/A	N/A	N/A	N/A
Italy	3.6%	9	2.6%	11
Bangladesh	N/A	N/A	N/A	N/A
Belgium	3.4%	7	2.6%	8
Sri Lanka	34.7%	1	22.0%	2
Iraq	N/A	N/A	N/A	N/A
Saudi Arabia	N/A	N/A	2.2%	11

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

Note: 2014/2015 data for Iran, Bangladesh, and Iraq, and 2014 data for Saudi Arabia not available

Steel Import Composition of Top Market-Share Countries - 2015

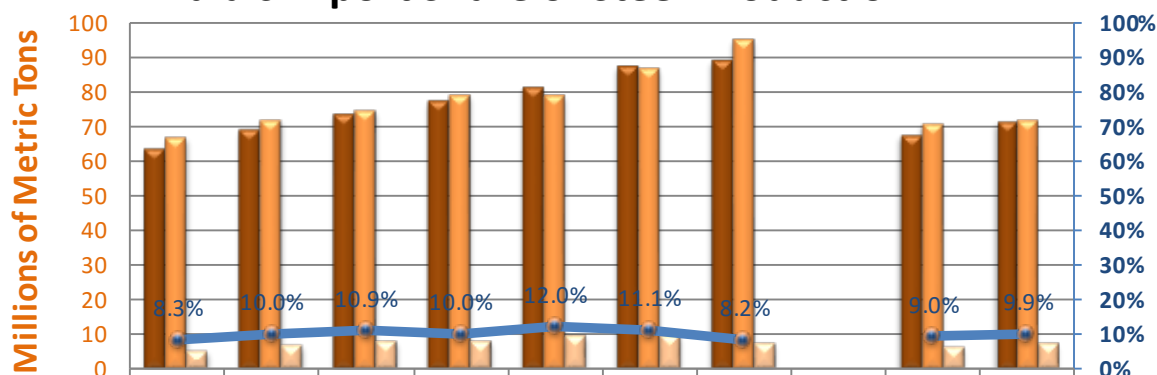


Source: IHS Global Trade Atlas, based on import data per reporting country

Steel Exports Report: India

Overall Production and Export Share of Production

India's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015		YTD 2015	YTD 2016
Production	63.5	69.0	73.5	77.3	81.3	87.3	89.0		67.1	71.1
Apparent Consumption	66.5	71.6	74.7	78.8	79.0	87.0	95.0		70.7	71.8
Exports	5.3	6.9	8.0	7.7	9.7	9.7	7.3		6.0	7.0
Export Share of Production	8.3%	10.0%	10.9%	10.0%	12.0%	11.1%	8.2%		9.0%	9.9%

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

India's crude steel production has increased every year since 2009. Between 2009 and 2015, production grew by 40 percent – an increase of 25.5 million metric tons. Production in YTD 2016 was up 6 percent to 71.1 million metric tons from 67.1 million metric tons in YTD 2015. Apparent consumption (a measure of steel demand) had tracked relatively closely to production, pulling almost even in 2014, before outpacing production by 6 million metric tons in 2015. The gap between demand and production has narrowed to 750 thousand metric tons in YTD 2016 from 3.6 million metric tons in YTD 2015. India's steel exports as a share of production peaked at 12 percent in 2013 before declining to 8.2 percent by 2015 – a result of production increases coupled with export decreases. The share of exports relative to production stood at 9.9 percent in YTD 2016, up from 9 percent in YTD 2015.

Top Producers

Before economic reforms in 1991, steel production in India was concentrated among state-owned companies. Currently, private companies dominate crude steel production in India. The top 6 producers accounted for 65.4 million metric tons, or 73 percent of total 2015 production, based on available data.

India's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	TATA Steel Group	26.3	Hot-rolled/cold-rolled coils and sheets, galvanized, tube
2	Steel Authority of India Ltd. (SAIL)	14.3	Flat, structural, rails, tubular
3	JSW Steel Limited	12.4	Hot-rolled coils, plates, sheets, galvanized
4	Essar Steel Group	5.7	Plates, pipes, cold-rolled, galvanized
5	Rashtriya Ispat Nigam Ltd (VIZAG Steel)	3.6	Specialty, wire rod, rebar, structural, rounds
6	Jindal Steel and Power Ltd (JSPL)	3.1	Rails, beams, coils, wire rod

Sources: World Steel Association; Hoovers; MarketLine

Steel Exports Report: **India**

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 India.

Steel Mill Trade Remedies in Effect Against India				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Canada	3	2		5
European Union	1	2		3
Indonesia	1			1
Mexico	1			1
South Korea	1			1
Thailand	1			1
United States	6	3		9
TOTAL	14	7		21

Source: World Trade Organization, through December 1, 2016

Global Steel Mill Safeguards in Effect	
Country	Product(s)
Chile	Steel wire rod
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 November 25, 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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