

Global Steel Trade Monitor

Steel Imports Report: India

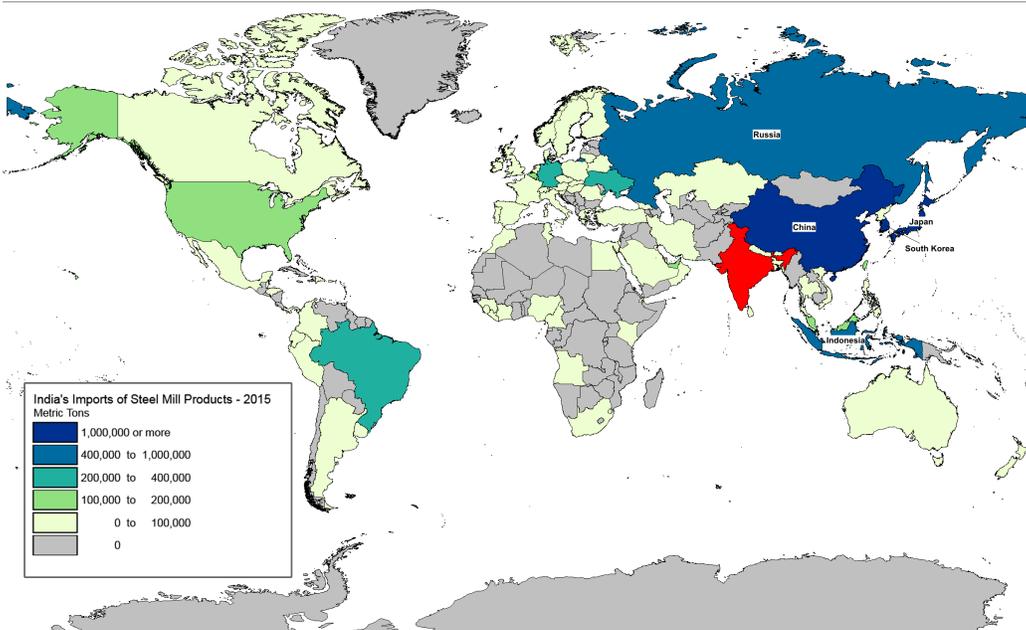
December 2016

Background

India was the world's eighth largest steel importer in 2015. In year to date 2016 (through September), India imported 7.8 million metric tons of steel, a 19.1 percent decrease from 9.6 million metric tons in YTD 2015. India's steel imports represented 4 percent of all steel imported globally in 2015. The volume of India's 2015 steel imports was less than half that of the world's largest importer, the United States. In value terms, steel represented just 2.3 percent of the total amount of goods imported into India in 2015.

India imports steel from over 140 countries and territories. The 5 countries labeled in the map below represent the top import sources for India's imports of steel, with each sending more than 400 thousand metric tons and together accounting for 81 percent of India's steel imports in 2015.

India's Imports of Steel Mill Products - 2015



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

Quick Facts:

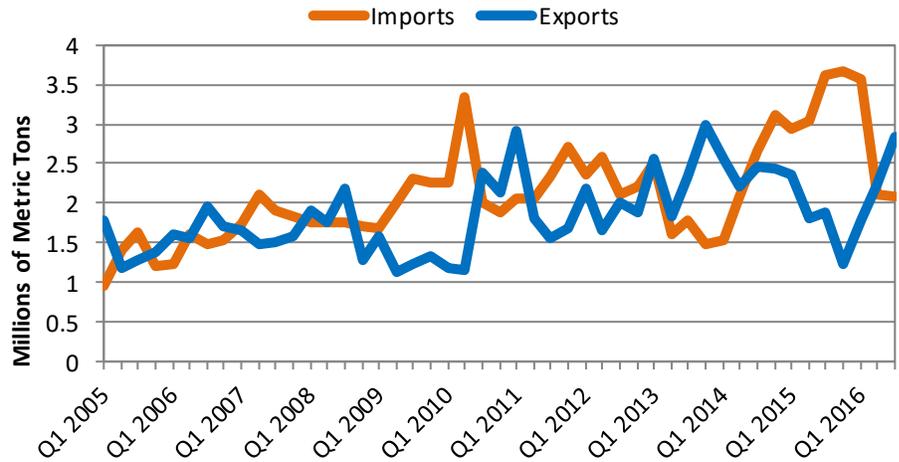
- World's eighth-largest steel importer: 7.8 million metric tons (YTD 2016)
- 40% steel import growth since Q4 2013
- YTD import volume down 19.1% while import value down 24.8%
- Import penetration at 10.8% in YTD 2016
- Top three import sources: China, South Korea, Japan
- Largest producers: TATA Steel Group, Steel Authority of India Ltd. (SAIL), JSW Steel Limited
- 20 trade remedies in effect against imports of steel mill products

Steel Imports 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, while exports hit a peak in Q4 2013 only to decline by 5 percent. India's steel trade deficit has decreased by 77 percent from -3.6 million metric tons in YTD 2015 to -836 thousand metric tons in YTD 2016.

India's Trade in Steel Mill Products by Quarter

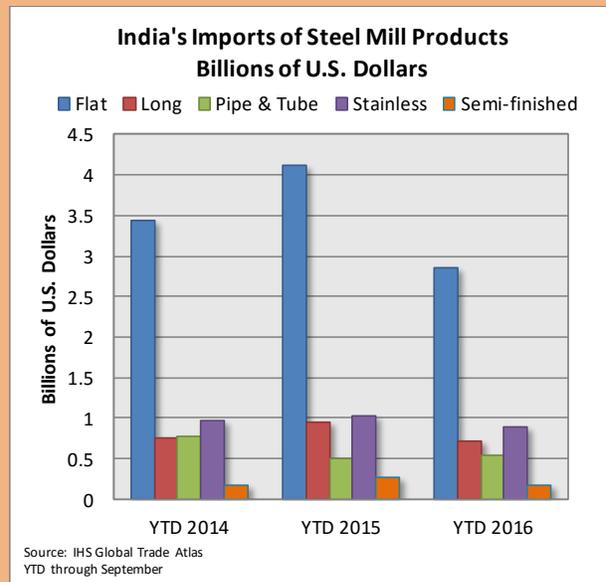
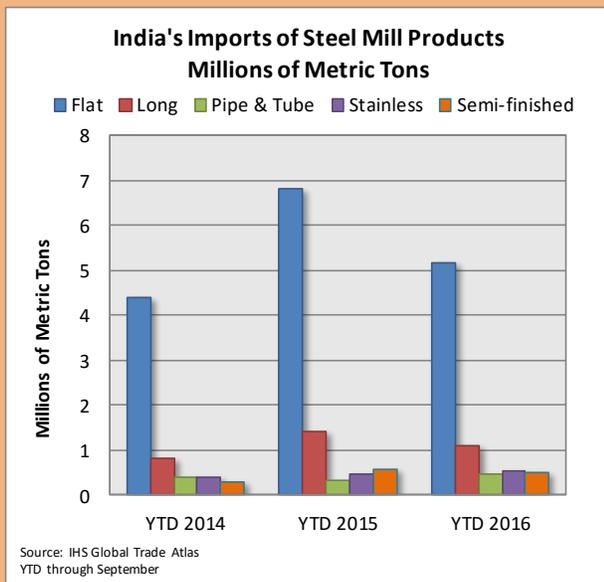


Source: IHS Global Trade Atlas
YTD through September 2016

Import Volume, Value, and Product

After rising by over 40 percent in 2015, India's imports of steel mill products have been declining. Imports in YTD 2016 were down 19.1 percent to 7.8 million metric tons from 9.6 million metric tons in YTD 2015. The value of India's YTD 2016 imports was \$5.2 billion, a 24.8 percent decrease from the \$6.9 billion in YTD 2015.

Flat products account for the largest share of India's steel imports. In YTD 2016, 67 percent, or 5.2 million metric tons, of India's steel imports were of flat products. Long products accounted for 14 percent, or 1.1 million metric tons, followed by stainless (7% or 548 thousand metric tons), semi-finished (6% or 494 thousand metric tons), and pipe and tube products (6% or 455 thousand metric tons).

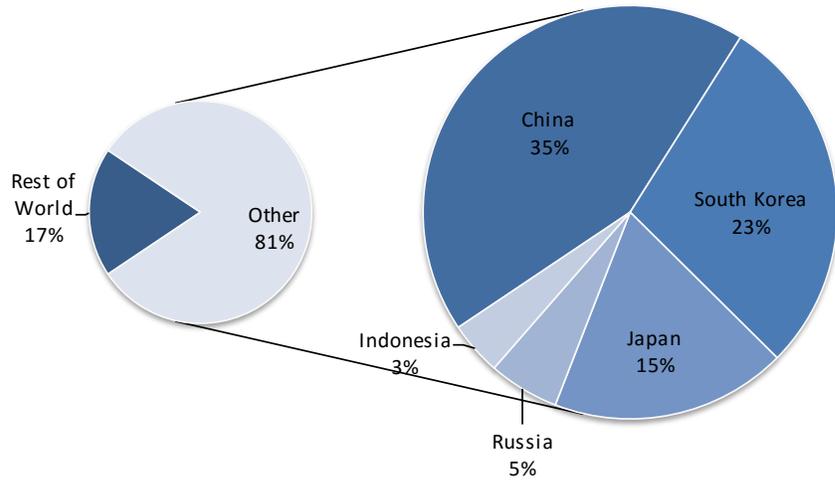


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Imports by Top Source

The top 5 source countries for India's steel imports represented 81 percent of the total steel import volume in YTD 2016 at 6.3 million metric tons (mmt). China accounted for the largest share of India's imports by source country at 35 percent (2.7 mmt), followed by South Korea at 23 percent (1.8 mmt), Japan at 15 percent (1.2 mmt), and Russia at 5 percent (0.3 mmt).

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



Source: IHS Global Trade Atlas
YTD through September 2016

The United States ranked 13th as a source for India's steel imports. India imported 79.7 thousand metric tons from the U.S. in YTD 2016 — a 2 percent increase from 78.5 thousand metric tons in YTD 2015.

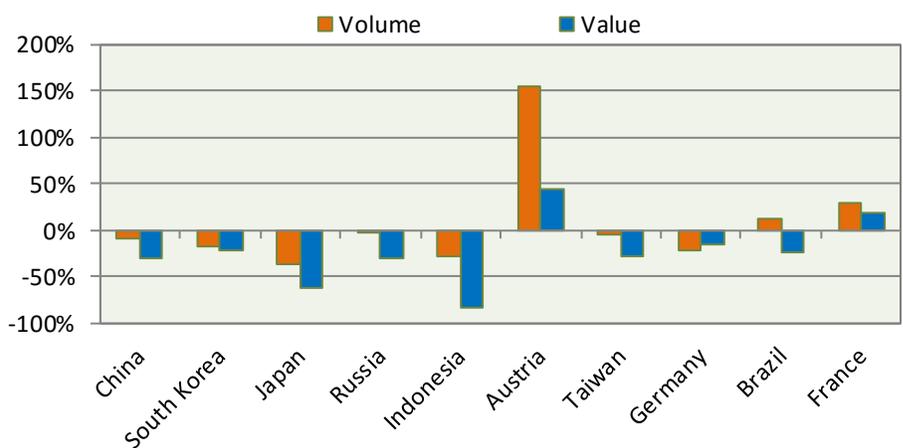
Trends in Imports from Top Sources

The volume of India's steel imports decreased in seven of India's top 10 steel import sources between YTD 2015 and YTD 2016, while the overall value of India's imports decreased in eight of the top ten.

Considerable decreases in steel value between YTD 2015 and YTD 2016 included India's imports from Indonesia (down 83.9%), Japan (down 61.8%), China (30.7%), and Russia (29.7%). Only imports from Austria and France increased in value in YTD 2016, up 44 percent and 18.5 percent, respectively.

Only India's imports from Austria, France, and Brazil showed increases in volume between YTD 2015 and YTD 2016, up 155 percent, 29 percent, and 10.9 percent, respectively. India's imports from Japan showed the greatest decrease in volume, down 37.7 percent by volume from YTD 2015, followed by Indonesia (down 27.9%) and Germany (down 21.9%).

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



Source: IHS Global Trade Atlas
YTD through September

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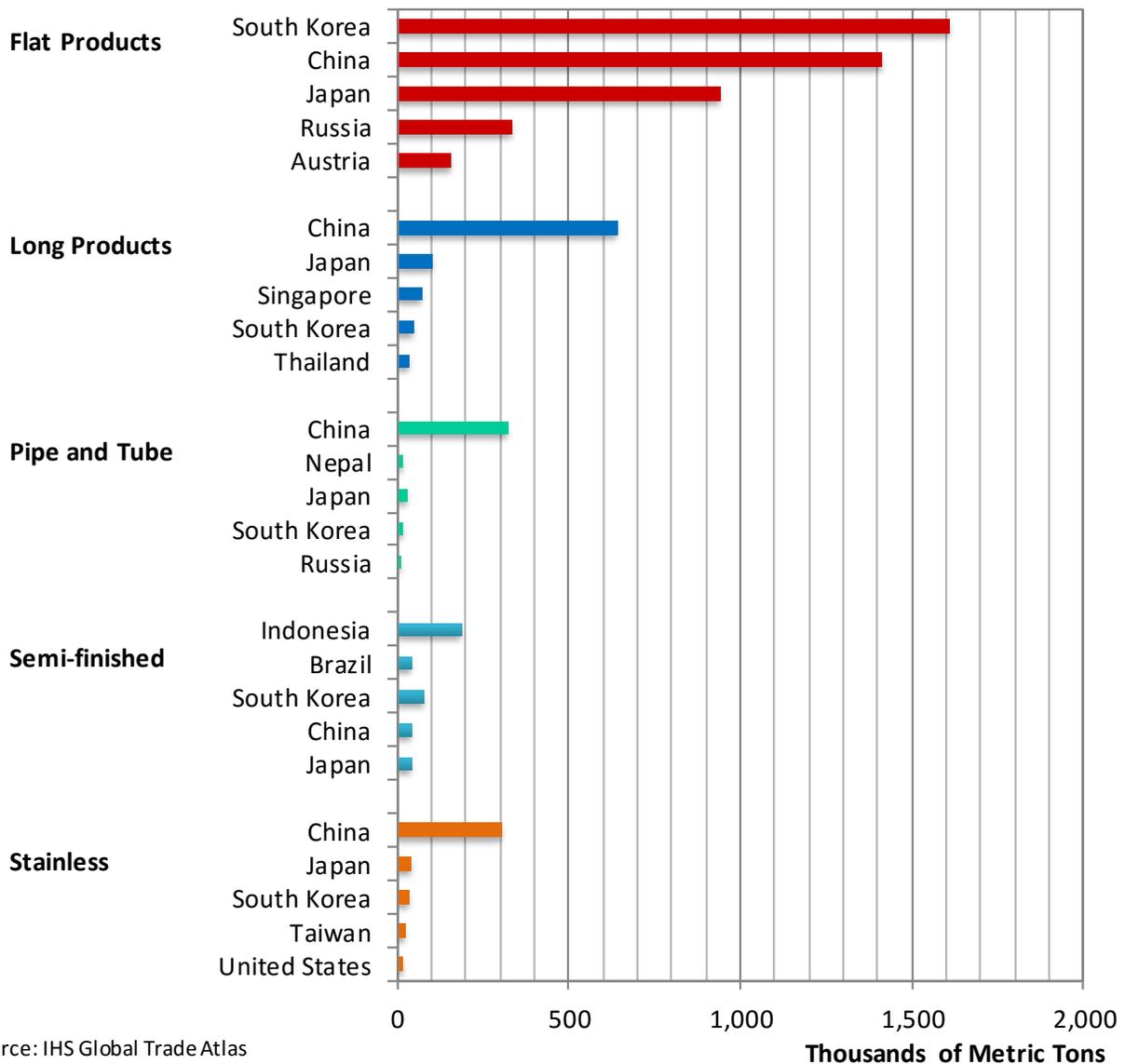
Top Sources by Steel Product Category

India's top import sources by volume vary across types of steel products. India imported the largest share of its flat products from South Korea at 31 percent (1.6 million metric tons) in YTD 2016, followed closely by China at 27 percent (1.4 million metric tons).

China accounted for the largest share of each of India's imports of long products at 60 percent (645 thousand metric tons), pipe and tube products at 71 percent (322 thousand metric tons), and stainless products at 55 percent (303 thousand metric tons). Indonesia held the largest share of India's semi-finished imports at 38 percent (190 thousand metric tons).

Stainless was the only product category for which the United States was a top 5 import source in YTD 2016.

India's Top 5 Import Sources by Product - YTD 2016



Source: IHS Global Trade Atlas
YTD through September 2016

Steel Imports Report: **India**

India's Export Market Share from Top Source Countries

In 2015, the share of steel exports sent to India from its top import sources increased in all of India's top sources except Ukraine. In 2015, the share of Ukraine's steel exports to India decreased 0.1 percentage points from 2014. Countries with notable increases in their shares of steel exports to India in 2015 included Indonesia (up 3.3 percentage points from 2014), South Korea (up 2.7 percentage points), and Japan (up 2.2 percentage points).

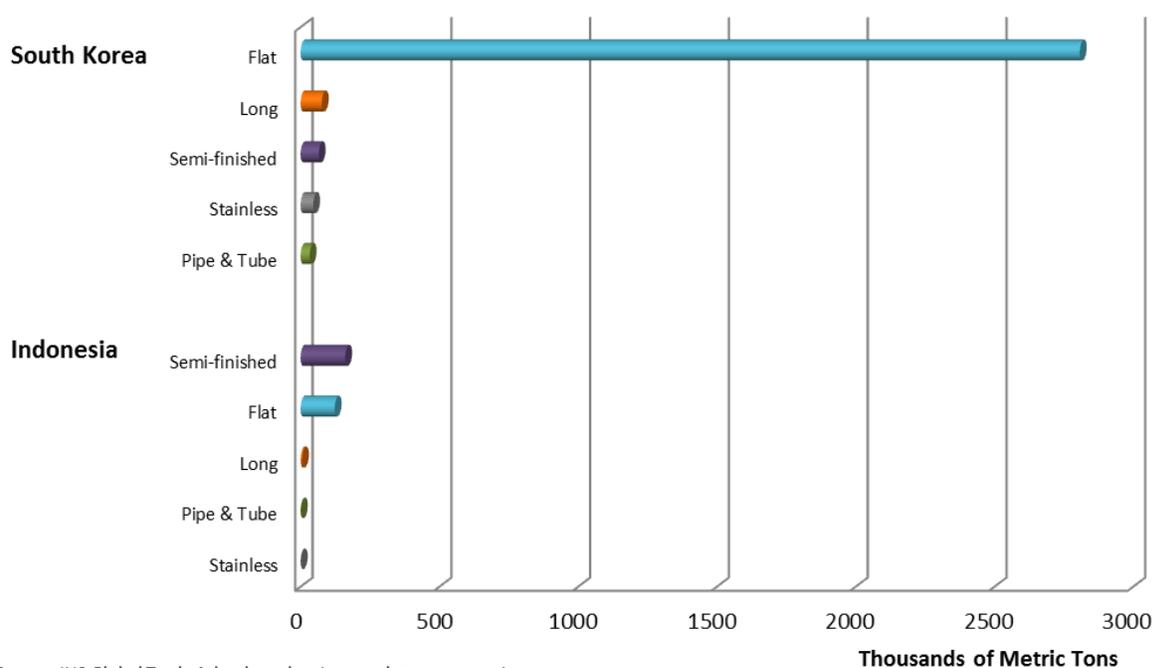
Among India's top import sources, Indonesia and South Korea sent the largest shares of their total steel exports to India in 2015, at 14.7 percent and 9.8 percent respectively. In 2015, flat products accounted for the largest share of steel exports to India from South Korea at 93 percent (2.8 million metric tons) and the second largest share of steel exports from Indonesia at 42 percent (123 thousand metric tons). Semi-finished products accounted for the largest share of Indonesia's steel exports to India at 55 percent (161 thousand metric tons) in 2015.

India's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to India - 2014	India's Rank in 2014	Share of Exports to India - 2015	India's Rank in 2015
China	4.1%	4	4.3%	5
South Korea	7.1%	4	9.8%	4
Japan	3.8%	9	6.0%	6
Russia	0.5%	32	1.2%	19
Indonesia	11.4%	2	14.7%	3
Ukraine	1.6%	11	1.5%	11
Brazil	1.7%	10	2.1%	9
Germany	0.6%	25	0.9%	19
Taiwan	1.6%	17	1.9%	15
United Arab Emirates*	2.5%	8	N/A	N/A

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

* UAE export data for 2015 are not available

Steel Export Composition of Top Market-Share Countries - 2015



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

Steel Imports Report: India

Overall Production and Import Penetration



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

India's crude steel production has increased every year since 2009, growing 40 percent to 89.6 million metric tons in 2015. 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) followed a similar growth trend over the period but was slightly outpaced by production by an average of 1.7 million metric tons. In YTD 2016, apparent consumption was ahead of production by 800 thousand metric tons. Import penetration decreased 2.8 percentage points from 13.6 percent in YTD 2015 to 10.8 percent in YTD 2016 due to a decrease in imports as demand grew.

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 Imports 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 tables below provides statistics on the current number of trade remedies India has against imports of steel mill products from various countries.

India’s Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	2			2
European Union	3			3
Malaysia	1			1
South Africa	2			2
South Korea	3			3
Taiwan	2			2
Thailand	1			1
United States	3			3
TOTAL	17	0	0	17

Source: World Trade Organization, through December 1, 2016

Steel Mill Safeguards in Effect	
Country	Product
India	Seamless pipes, tubes and hollow profiles of iron or non-alloy steel (other than cast iron and stainless steel)
India	Hot-rolled steel in coils
India	Hot-rolled steel flat sheets and plates

Source: World Trade Organization, through November 25, 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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