



Global Steel Trade Monitor

Steel Imports Report: Japan

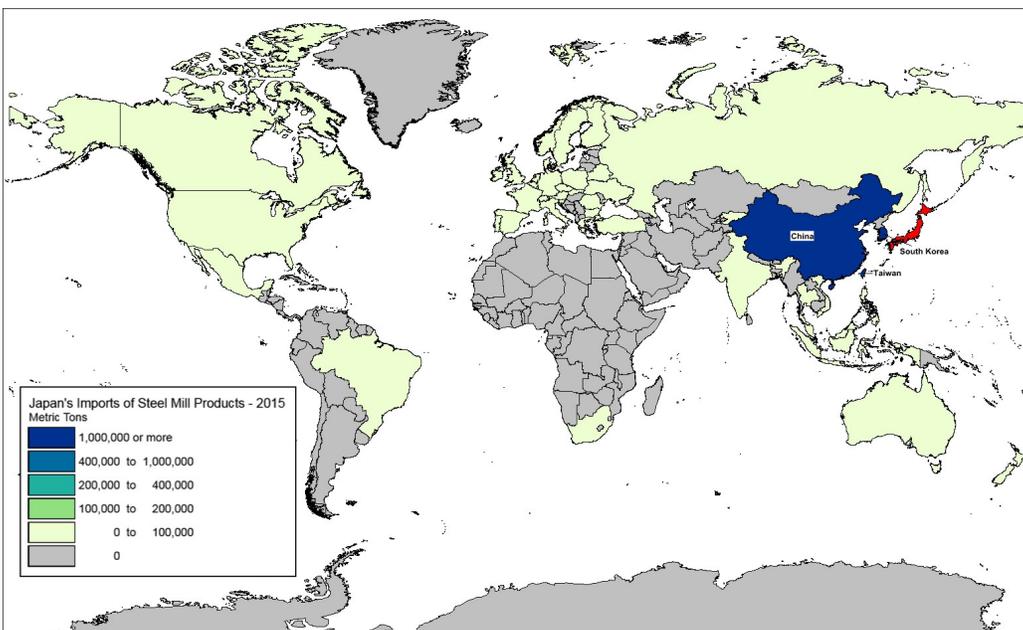
February 2017

Background

Japan was the world's 20th largest steel importer in 2015. In year to date 2016 (through September), further referred to as YTD 2016, Japan imported 4.3 million metric tons of steel, a 2 percent increase from 4.2 million metric tons in YTD 2015. Japan's imports represented about 1.5 percent of all steel imported globally in 2015. The volume of Japan's 2015 steel imports was just 1/6 that of the world's largest importer, the United States. In value terms, steel represented just 0.6 percent of the total goods imported into Japan in 2015.

Japan imports steel from over 60 countries and territories. The three countries labeled in the map below represent the top sources for Japan's imports of steel, with each sending more than one million metric tons to Japan and together accounting for 98 percent of Japan's steel imports in 2015.

Japan's Imports of Steel Mill Products - 2015



Quick Facts:

- World's 20th largest steel importer: 4.3 million metric tons (YTD 2016)
- 142% steel import growth since Q1 2009
- YTD import volume up 2% while import value down 5%
- Import penetration up to 8.3% in YTD 2016 from 8.1% in YTD 2015
- Top three import sources: South Korea, China, Taiwan
- Largest producers: Nippon Steel, JFE Steel Corporation, Kobe Steel, and Nisshin Steel Co.

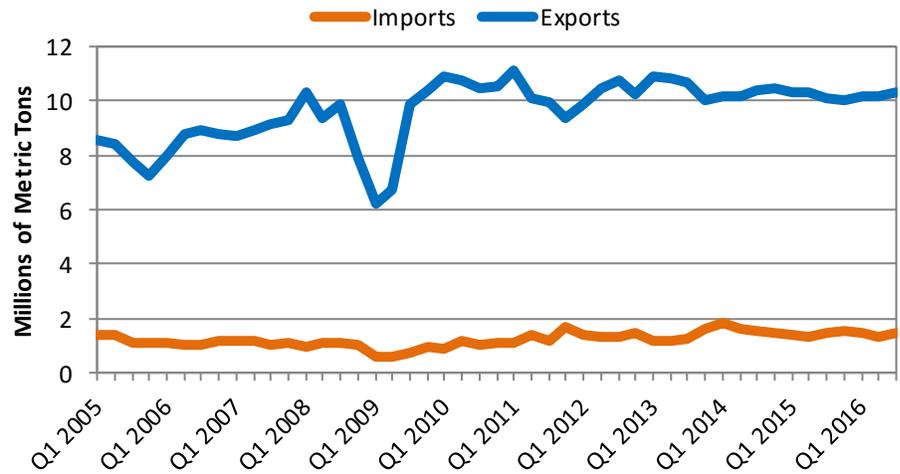
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Steel Trade Balance

Japan has maintained a persistent trade surplus in steel products. Exports dipped in 2009 after the global recession, while imports remained relatively flat in comparison. Since reaching a low point in Q1 2009, imports increased 142 percent by Q3 2016.

In YTD 2016, Japan's steel trade surplus amounted to 26.3 million metric tons, a 0.6 percent decrease from 26.5 million metric tons in YTD 2015.

Japan Trade in Steel Mill Products by Quarter

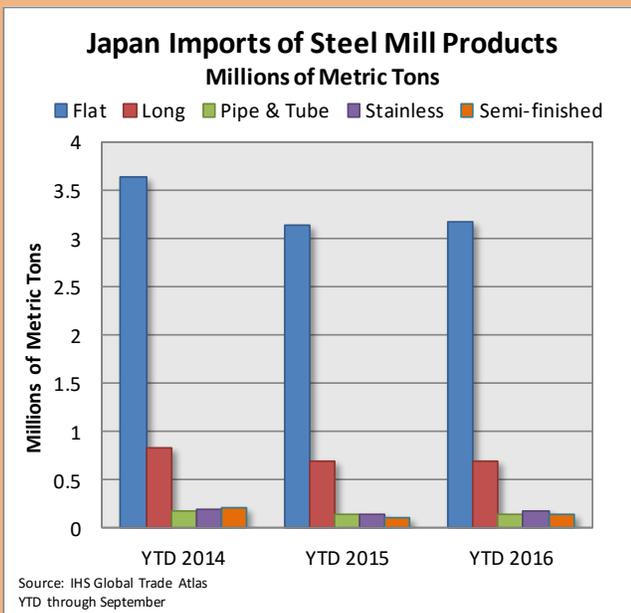


Source: IHS Global Trade Atlas

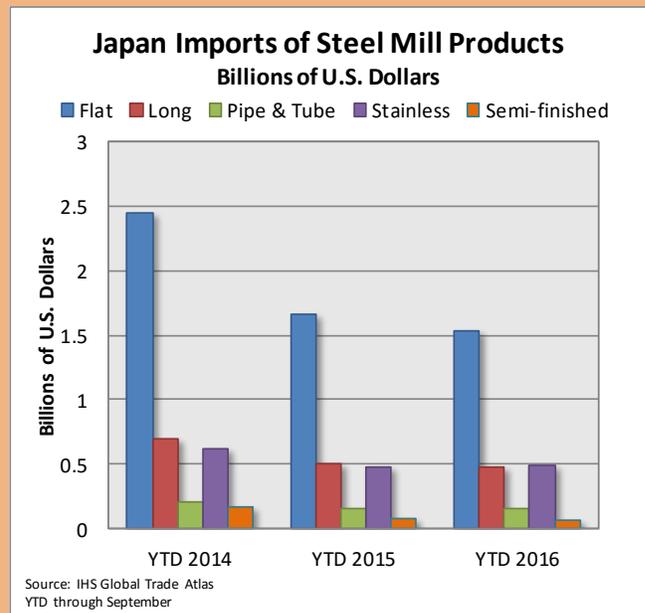
Import Volume, Value, and Product

Since 2011, Japan's imports of steel mill products have averaged 5.7 million metric tons per year. In 2015, the volume of Japan's steel imports totaled 5.8 million metric tons, a decrease of 12 percent from 2014. In YTD 2016, the volume of Japan's steel imports was up 2 percent to 4.3 million metric tons from 4.2 million metric tons in YTD 2015. By contrast, the value of Japan's YTD 2016 steel imports has decreased almost every year since 2011. In YTD 2016, steel import value decreased 5 percent to \$2.7 billion from \$2.9 billion in YTD 2015.

Flat products account for the largest share of Japan's steel imports. In YTD 2016, Japan imported 3.2 million metric tons of flat products — 73 percent of steel imports. Long steel accounted for 16 percent, or 695 thousand metric tons, followed by stainless products (4% or 171 thousand metric tons), semi-finished (3% or 144 thousand metric tons), and pipe and tube (3% or 134 thousand metric tons).



Source: IHS Global Trade Atlas
YTD through September



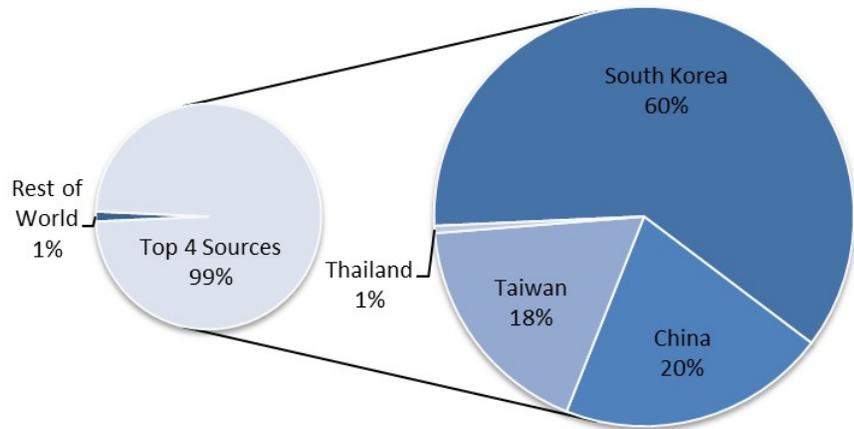
Source: IHS Global Trade Atlas
YTD through September

Steel Imports Report: Japan

Imports by Top Source

The top 4 source countries for Japan's steel imports represented 99 percent of the total steel import volume in YTD 2016 at 4.3 million metric tons (mmt). South Korea accounted for the largest share of Japan's imports by source country at 60 percent (2.6 mmt), followed by China at 20 percent (0.9 mmt), Taiwan at 18 percent (0.8 mmt), and Thailand at 1 percent (0.02 mmt).

Japan Steel Imports - Top 4 Sources
YTD 2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through September

The United States ranked eighth as a source for Japan's steel imports, representing just 0.001 percent of imports (5.7 thousand metric tons) in YTD 2016.

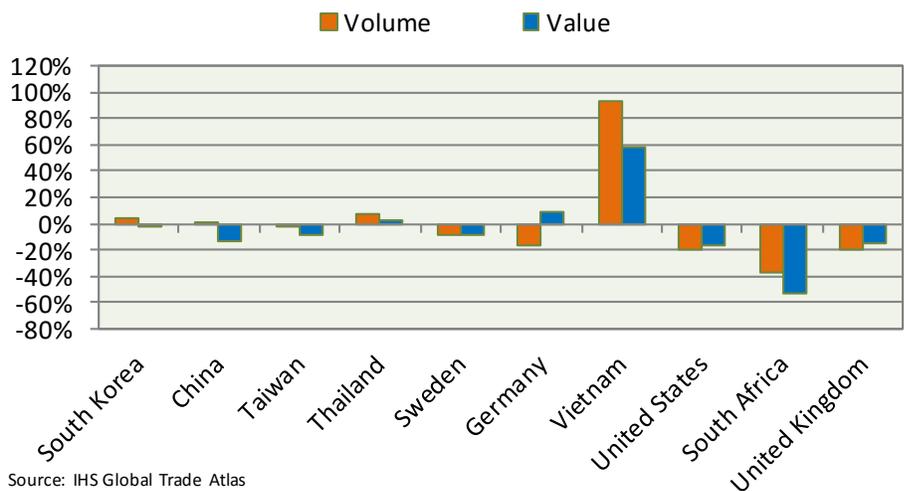
Trends in Imports from Top Sources

Between YTD 2015 and YTD 2016, the volume of imports from four of Japan's top 10 source countries increased. Imports from Vietnam showed the largest volume increase, up 93.5 percent from YTD 2015, followed by Thailand (up 6.6%), South Korea (up 4.1%), and China (up 0.2%). Imports from South Africa decreased the most (down 37.3%), followed by the United States (down 20.3%), the United Kingdom (down 19.2%), and Germany (down 16.9%).

Outside the top 10 sources, other notable volume changes included Japan's imports from France (down 51%) and Czech Republic (up 240%).

The overall value of Japan's imports decreased from seven of its top 10 sources in YTD 2016. Imports from South Africa, the United States, the United Kingdom, and China showed the largest decreases in value in YTD 2016, down 53, 16.9, 15.6, and 13.9 percent, respectively. Only imports from Vietnam increased significantly in value terms, up 57.5 percent.

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



Source: IHS Global Trade Atlas
YTD through September

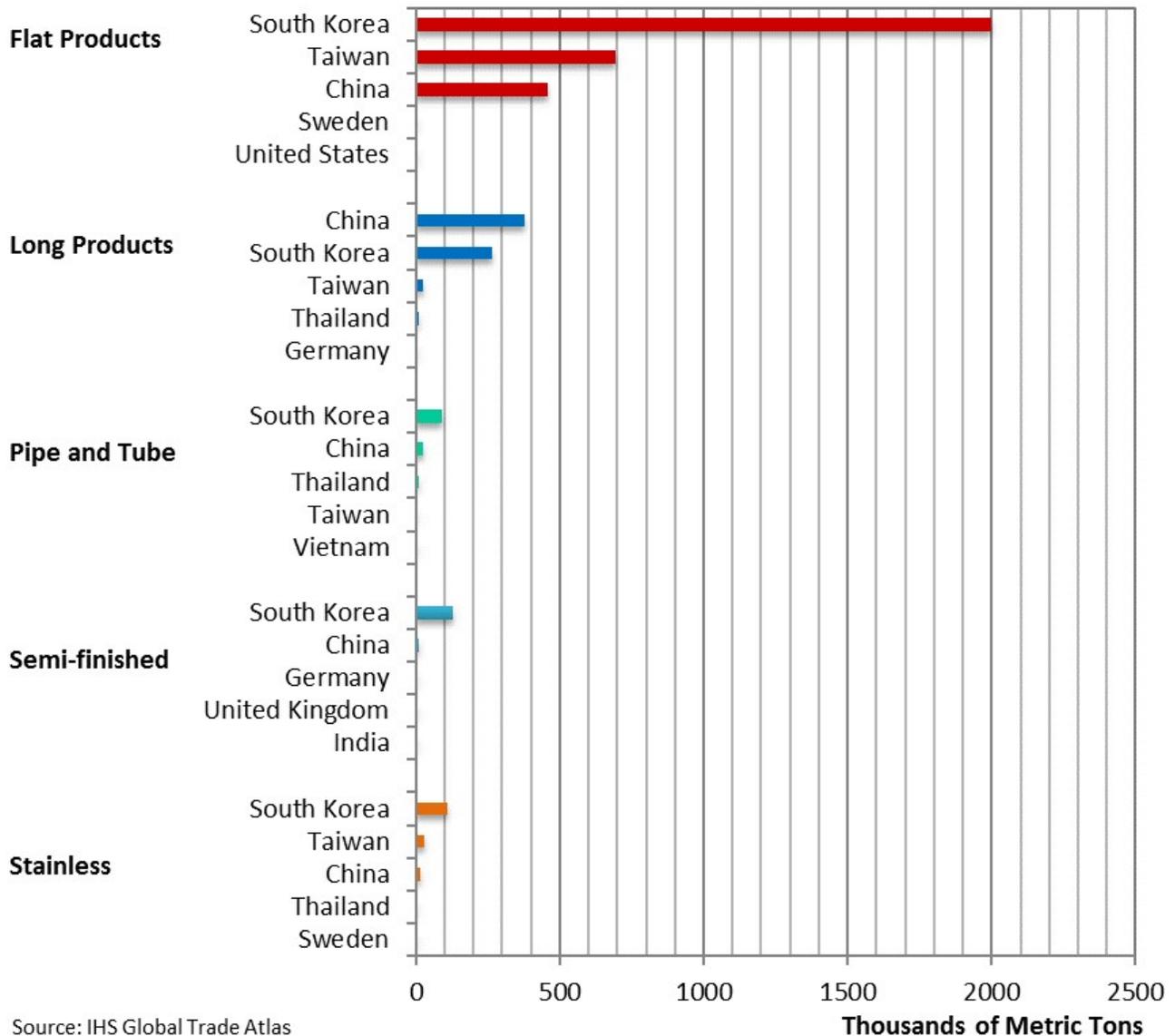
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Top Sources by Steel Product Category

The top source countries for Japan’s imports by volume vary across types of steel products, though South Korea held the top spot in nearly every category. In YTD 2016, South Korea accounted for the largest share of Japan’s imports of flat products at 63 percent (2 million metric tons), pipe and tube products at 67 percent (89.4 thousand metric tons), semi-finished products at 90 percent (130 thousand metric tons), and stainless products at 65 percent (111.3 thousand metric tons). China represented the largest share of Japan’s long product imports at 54 percent (375.6 thousand metric tons), followed by South Korea at 38 percent (263.7 thousand metric tons).

The United States represented the fifth largest share of Japan’s flat product imports at 0.1 percent (3.4 thousand metric tons).

Japan Top 5 Import Sources by Product - YTD 2016



Source: IHS Global Trade Atlas
YTD through September

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Japan's Export Market Share from Top Source Countries

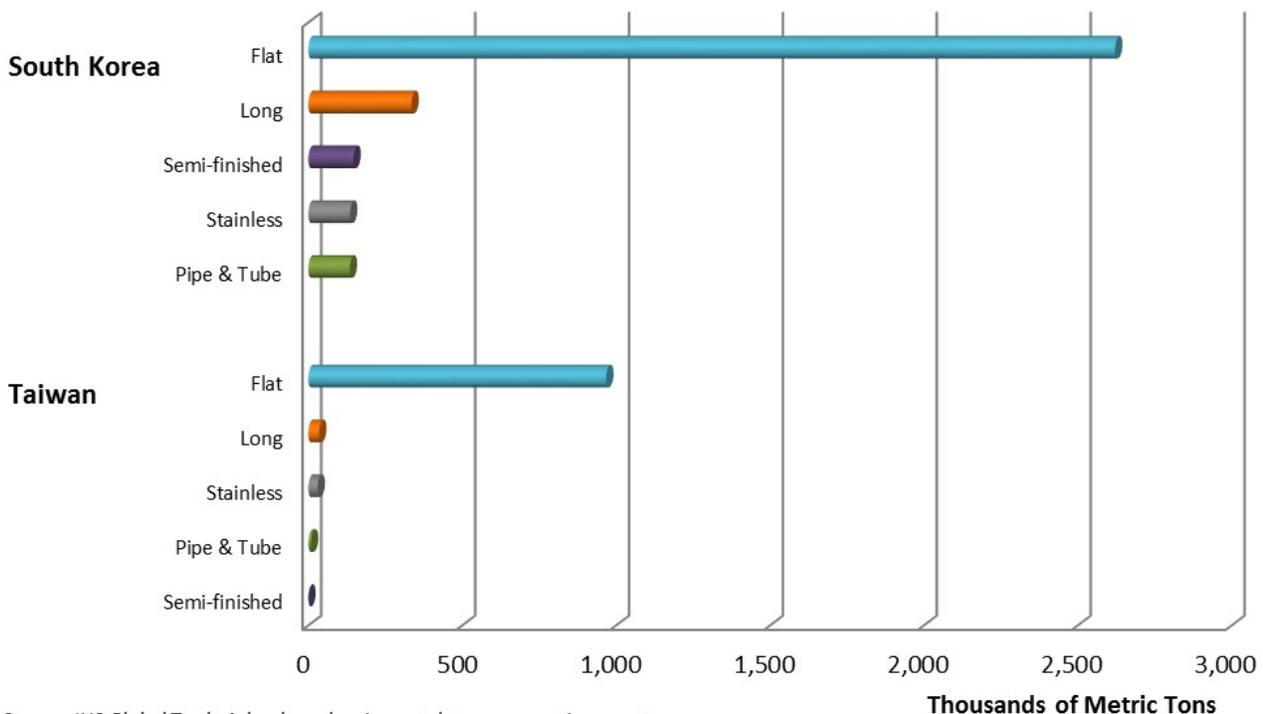
In 2015, the share of steel exports sent to Japan from its top import sources slightly decreased from all of the top 10 sources except Taiwan. In 2015, the share of South Korea's steel exports to Japan showed the largest decrease — down 1 percentage point from 2014. The share of exports to Japan from the other eight top import sources decreased by 0.5 percentage points or less from 2014. In 2015, Taiwan's share of steel exports to Japan increased by 0.3 percentage points from 2014.

Japan Steel Export Market Share				
Top 10 Import Sources (2015)	Share of Exports to Japan - 2014	Japan Rank in 2014	Share of Exports to Japan - 2015	Japan Rank in 2015
South Korea	12.0%	3	10.9%	3
China	1.6%	18	1.1%	24
Taiwan	9.1%	4	9.4%	3
Thailand	1.1%	17	0.9%	18
Sweden	0.5%	29	0.5%	26
Germany	0.1%	57	0.1%	57
United States	0.2%	25	0.2%	24
South Africa	0.3%	40	0.3%	38
Vietnam	0.5%	21	0.4%	23
France	0.0%	66	0.0%	67

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

Among Japan's top import sources, South Korea and Taiwan sent the largest shares of their total steel exports to Japan in 2015. Flat products accounted for the largest share of steel exports to Japan from South Korea at 78 percent (2.6 million metric tons) and Taiwan at 93 percent (968 thousand metric tons). Long products accounted for the second largest share of South Korea's and Taiwan's steel exports to Japan at 10 percent (335 thousand metric tons) and 3 percent (35 thousand metric tons), respectively.

Steel Export Composition of Top Market-Share Countries - 2015

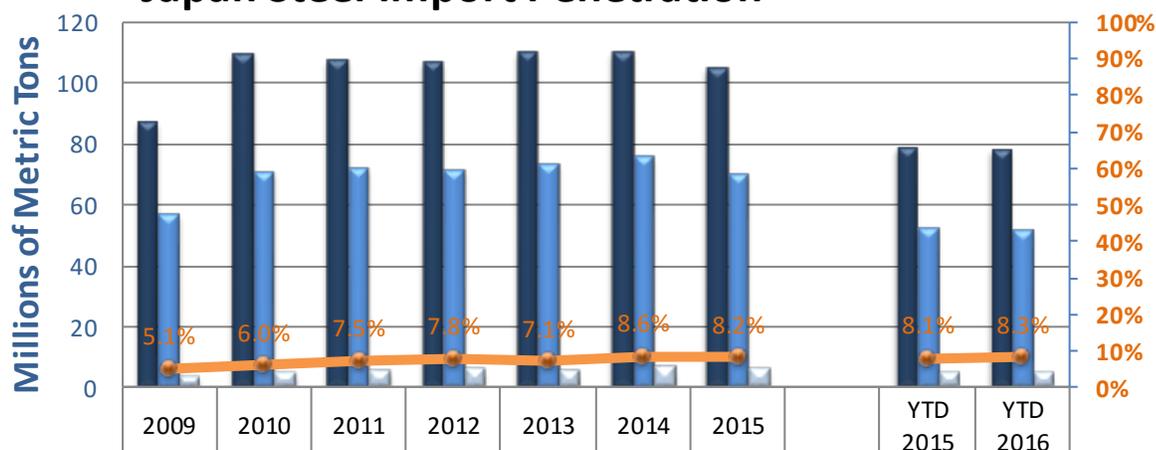


Source: IHS Global Trade Atlas, based on import data per reporting country

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Overall Production and Import Penetration

Japan Steel Import Penetration



	2009	2010	2011	2012	2013	2014	2015	YTD 2015	YTD 2016
Production	87.5	109.6	107.6	107.2	110.6	110.7	105.2	78.8	78.4
Apparent Consumption	57.2	71.3	72.5	71.5	73.5	76.0	70.2	52.3	52.1
Imports	2.9	4.3	5.4	5.6	5.2	6.6	5.8	4.2	4.3
Import Penetration	5.1%	6.0%	7.5%	7.8%	7.1%	8.6%	8.2%	8.1%	8.3%

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

Japan's crude steel production increased by 25 percent between 2009 and 2010 and maintained a steady average of 108.5 million metric tons through 2015. In YTD 2016, production has decreased slightly by 0.5 percent to 78.4 million metric tons from 78.8 million metric tons in YTD 2015. Apparent consumption (a measure of steel demand) has followed a similar growth trend, though it has been consistently and significantly outpaced by production, and the gap between the two stood at 35 million metric tons in 2015. In YTD 2016, apparent consumption has decreased by 0.5 percent. Although relatively low, Japan's level of import penetration has been increasing steadily since 2009. In YTD 2016, Japan's level import penetration stood at 8.3 percent.

Top Producers

Japan's steel production is concentrated among a small number of steel producing companies, with the country's top 4 producers accounting for 87.5 million metric tons, or 83.2 percent of total 2015 production, based on available data.

Japan's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	Nippon Steel and Sumitomo Metal Corporation	46.4	Bars, plates, sheets, pipes, and tubes
2	JFE Steel Corporation	29.8	Sheets, plates, pipes, electrical, stainless, bars, wire rods
3	Kobe Steel, Ltd.	7.5	Wire, rods
4	Nisshin Steel Co., Ltd.	3.8	Coated, cold-rolled, hot-rolled, stainless

Sources: World Steel Association; Hoovers; MarketLine

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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. Currently, Japan has no steel mill trade remedies in effect.

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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