



# Global Steel Trade Monitor

## Steel Imports Report: Indonesia

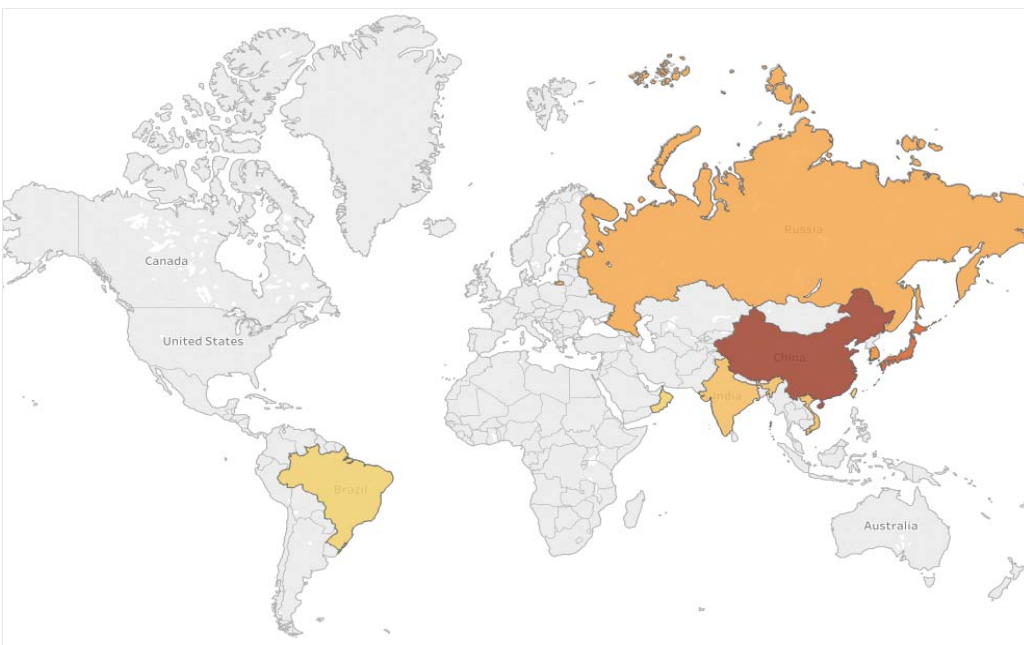
April 2018

### Background

In 2017, Indonesia was the world's tenth-largest steel importer. Indonesia imported 11.4 million metric tons of steel in 2017, a 9 percent decrease from 12.5 million metric tons in 2016. Indonesia's imports represented about 3 percent of all steel imported globally in 2016, based on available data. The volume of Indonesia's 2017 steel imports was slightly more than half the size of the world's fourth-largest and Asia's largest importer, South Korea. In value terms, steel represented 5 percent of the total goods imported into Indonesia in 2017.

Indonesia imports steel from over 60 countries and territories. The nine countries highlighted in the map below represent the top import sources for Indonesia's steel imports, with each sending more than 300 thousand metric tons to Malaysia and together accounting for 87 percent of Indonesia's steel imports in 2017.

### Indonesia's Imports of Steel Mill Products - 2017



Data Source: Global Trade Atlas; Copyright © IHS Global, LTD., 2018. All rights reserved.

### Quick Facts:

- World's 10th-largest steel importer: 11.4 million metric tons (2017)
- 102% growth in steel imports since 2009
- Year-on-year import volume down 9% while import value up 19%
- Import penetration flat at 79.8% in 2015 and 2016
- Top three import sources: China, Japan, South Korea
- Largest producers: Krakatau, Gunung Steel Group, Ispat Indo
- 24 trade remedies in effect against imports of steel mill products, including 3 safeguards

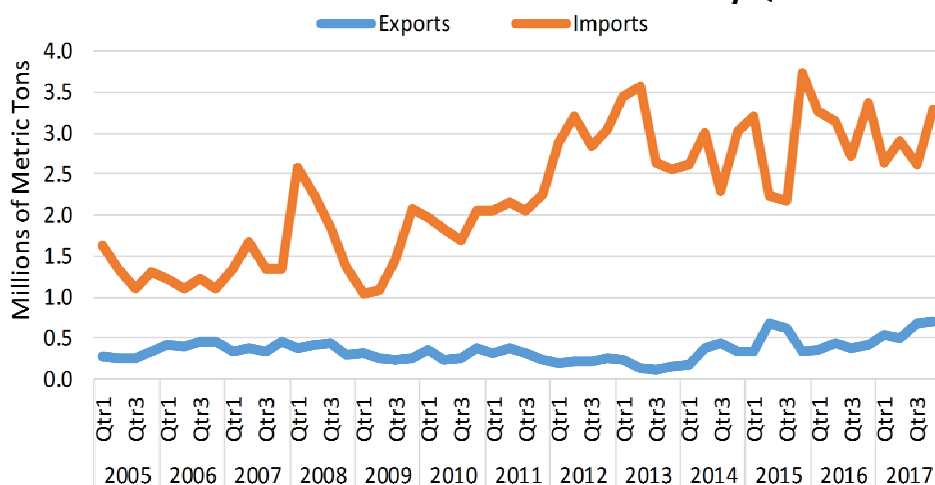
# Steel Imports Report: Indonesia

## Steel Trade Balance

Indonesia is a net importer of steel mill products. Since 2009, Indonesia's level of steel imports has been trending upwards. Between 2009 and 2017, Indonesia's imports increased by 102 percent. Over the same period, Indonesia's steel exports also increased by 125 percent.

Between 2009 and 2017, Indonesia's steel trade deficit widened from -4.2 million metric tons to -9 million metric tons, a 97 percent increase. Between 2016 and 2017, the trade deficit decreased 17 percent.

Indonesia's Trade in Steel Mill Products by Quarter



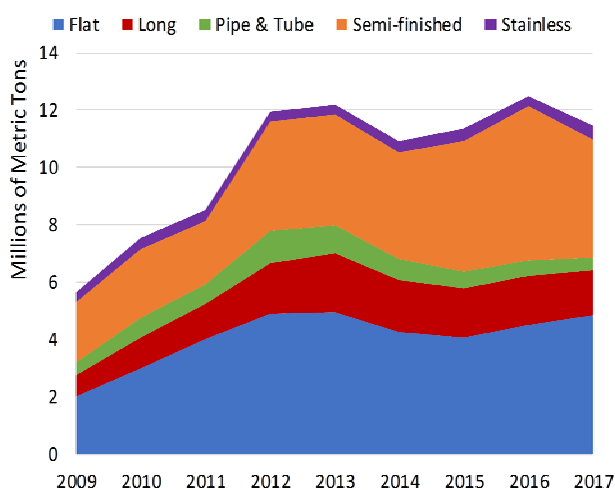
Source: IHS Markit Global Trade Atlas

## Import Volume, Value, and Product

In 2017, the volume of Indonesia's steel imports decreased by 9 percent to 11.4 million metric tons from 12.5 million metric tons in 2016. By contrast, the value of Indonesia's 2017 steel imports increased by 19 percent to \$7.8 billion from \$6.6 billion in 2016, which can be attributed to a significant increase in global steel prices.

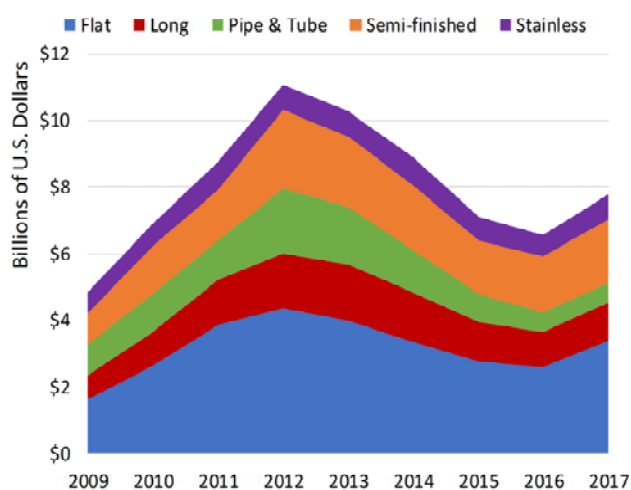
Flat products accounted for 43 percent of Indonesia's steel imports by volume in 2017, with a total of 4.9 million metric tons. Semi-finished steel represented 36 percent of Indonesia's imports, with 4.1 million metric tons. Long products represented 13 percent of Indonesia's imports, with 1.5 million metric tons and lastly pipe and tube steel products represented 4 percent of steel imports (473 thousand metric tons).

Indonesia's Imports of Steel Mill Products  
Millions of Metric Tons



Source: IHS Markit Global Trade Atlas

Indonesia's Imports of Steel Mill Products  
Billions of U.S. Dollars



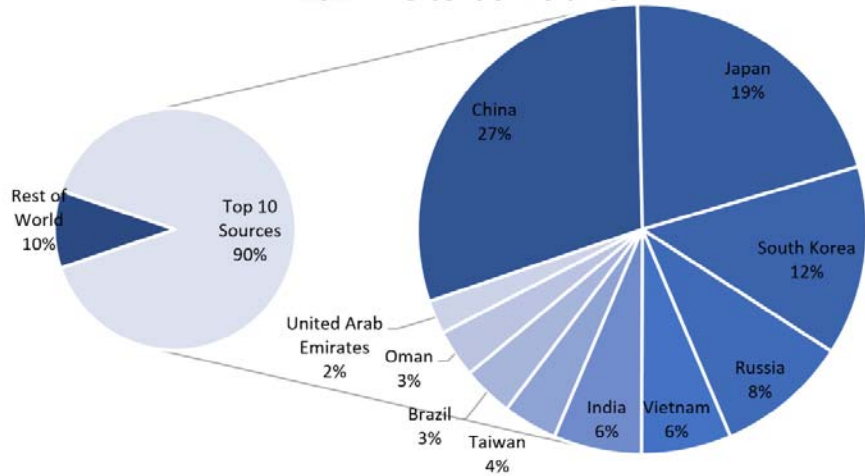
Source: IHS Markit Global Trade Atlas

# Steel Imports Report: Indonesia

## Imports by Top Source

The top 10 source countries for Indonesia's steel imports represented 90 percent of the total steel import volume in 2017 at 10.2 million metric tons (mmt). China accounted for the largest share of Indonesia's imports by source country at 27 percent (3.1 mmt), followed by Japan at 19 percent (2.1 mmt), South Korea at 12 percent (1.4 mmt), and Russia at 8 percent (0.97 mmt).

Indonesia's Steel Imports - Top 10 Sources  
2017 - Percent of Volume



Source: IHS Markit Global Trade Atlas

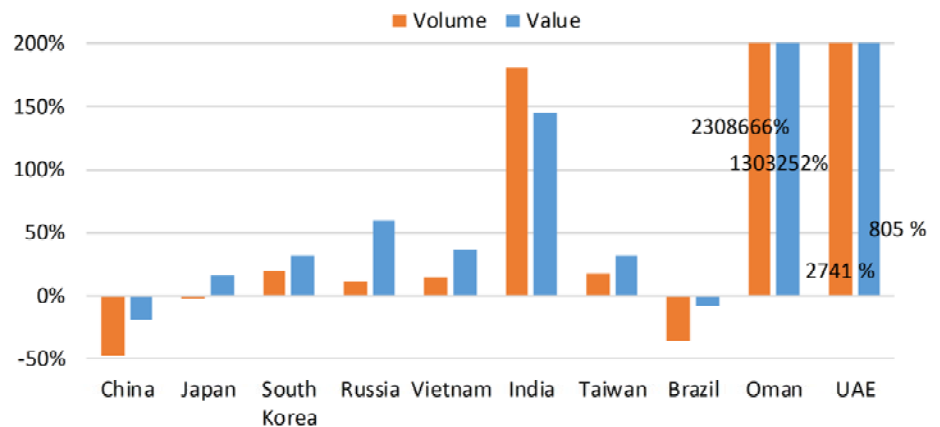
The United States ranked 30th in 2017 as a source for Indonesia's steel imports at 2.5 thousand metric tons, a decline from 7.7 thousand metric tons in 2016.

## Trends in Imports from Top Sources

The volume of Indonesia's steel imports increased from seven of its top 10 steel import sources between 2016 and 2017. The largest increases in import volume were from Oman (up 2,308,666% from 2016), the United Arab Emirates (UAE) (up 2741%), and India (up 180%). Major import decreases occurred from China (down 48%), and Brazil (down 36%).

The overall value of Indonesia's imports increased from eight of the top ten source countries, reflecting the rise in global steel prices. Increases in import value came from Oman, increasing 1303252 percent, the United Arab Emirates (up 805%), followed by India (up 144%), and Russia (up 59%). The only two decreases in Indonesia's steel import value between 2016 and 2017 were those from China (down 19%) and Brazil (down 8%).

Percent Change in Imports from Top 10 Sources (2016 to 2017)



Source: IHS Markit Global Trade Atlas

Outside of the top 10 sources, other significant volume changes included Indonesia's imports from Ukraine (up 576%), Iran (up 389%), and Turkey (up 2763%).

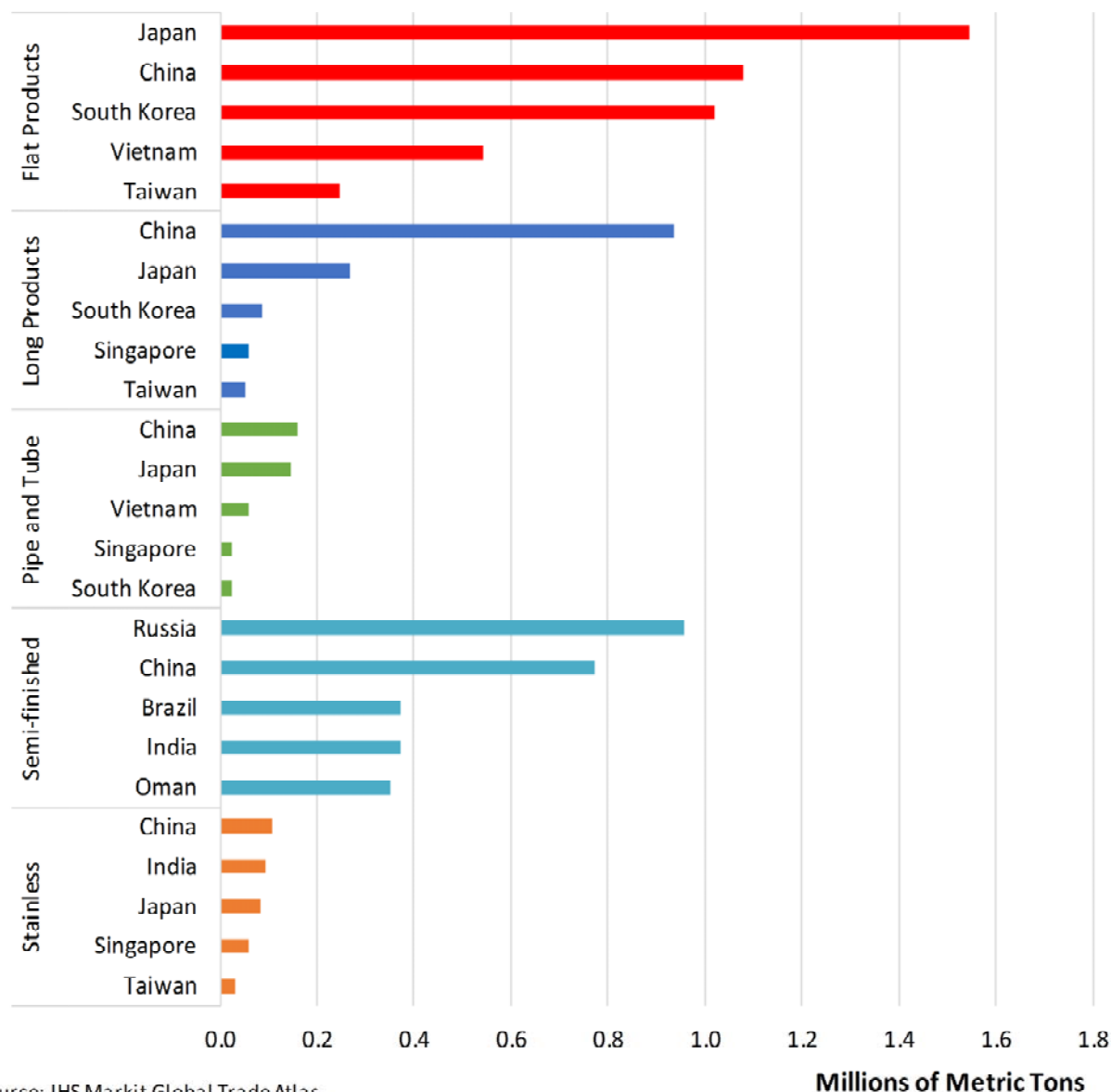
# Steel Imports Report: **Indonesia**

## Top Sources by Steel Product Category

The top source countries for Indonesia’s imports by volume vary across types of steel products, though China was the first or second largest source in each category. In 2017, China accounted for the largest share of long product imports by Indonesia at 61 percent (937 thousand metric tons), pipe and tube products at 34 percent (162 thousand metric tons), and stainless products at 24 percent (107 thousand metric tons).

Japan accounted for the largest share of Indonesia’s imports of flat products in 2017 at 32 percent (1.5 million metric tons) followed by China at 22 percent (1.1 million metric tons). Regarding semi-finished steel products, Indonesia imported the most from Russia at 23 percent (957 thousand metric tons), followed by China at 19 percent (773 thousand metric tons).

### Indonesia's Top 5 Import Sources by Product - 2017



Source: IHS Markit Global Trade Atlas

# Steel Imports Report: Indonesia

## Indonesia's Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to Indonesia from its top import sources increased in five of the top 10 countries, for which data was available. The share of India's steel exports to Indonesia showed the largest increase (up 1.8 percentage points), followed by Russia (up 0.8 percentage points), and South Korea (up 0.7 percentage points). Japan and Taiwan's share of steel exports to Indonesia each increased by 0.5 percentage points. The share of Brazil's and China's steel exports to Indonesia were the only decreases in 2017, down 1.9 percentage points and 1.5 percentage points, respectively.

Among Indonesia's top import sources, Japan, South Korea and India sent the largest shares of their total steel exports to Indonesia in 2017 at

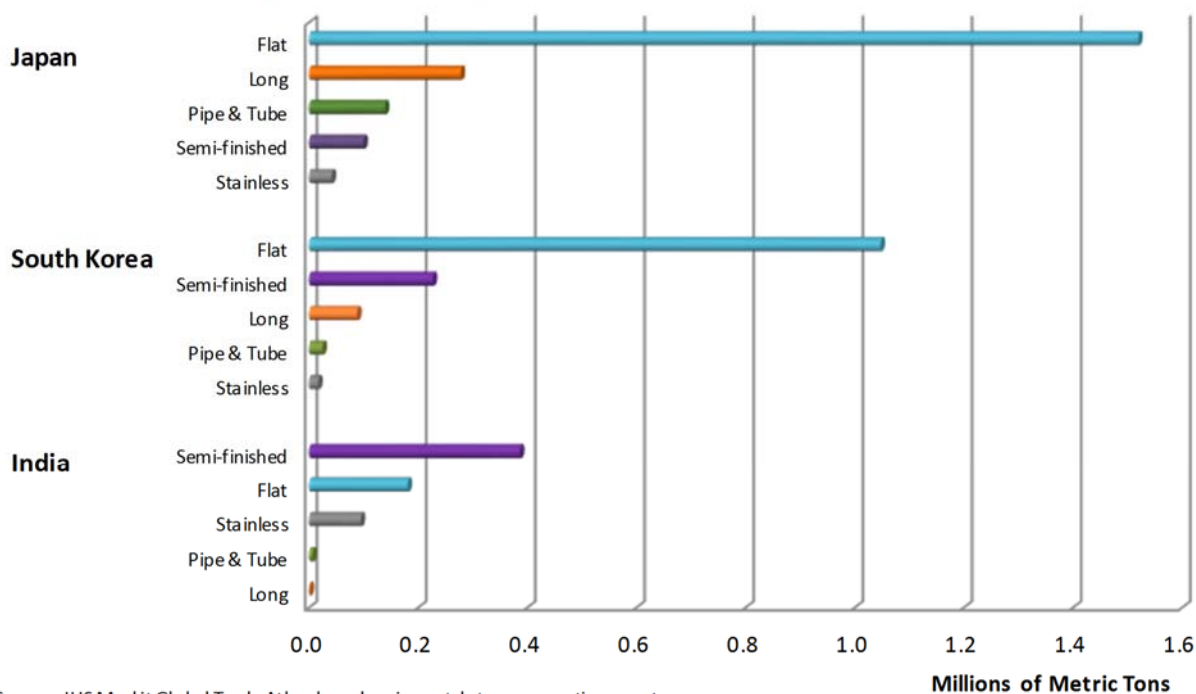
5.6 percent, 4.5 percent, and 4.2 percent, respectively. Flat products accounted for the largest share of steel exports to Indonesia from Japan and South Korea at 73 percent (1.5 million metric tons) and 75 percent (1 million metric tons), respectively, while semi-finished products accounted for the largest share from India at 58 percent (387 thousand metric tons).

Indonesia's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Indonesia - 2016	Indonesia's Rank in 2016	Share of Exports to Indonesia - 2017	Indonesia's Rank in 2017
China	5.4%	5	3.9%	5
<b>Japan</b>	<b>5.1%</b>	<b>6</b>	<b>5.6%</b>	<b>6</b>
South Korea	3.8%	8	4.5%	8
<b>Russia</b>	<b>0.2%</b>	<b>49</b>	<b>1.0%</b>	<b>22</b>
Vietnam*	14.9%	3	N/A	N/A
<b>India</b>	<b>2.4%</b>	<b>11</b>	<b>4.2%</b>	<b>8</b>
Taiwan	2.7%	10	3.2%	10
<b>Brazil</b>	<b>4.1%</b>	<b>5</b>	<b>2.2%</b>	<b>12</b>
Oman*	0.0%	25	N/A	N/A
<b>United Arab Emir</b>	<b>0.1%</b>	<b>50</b>	<b>N/A</b>	<b>N/A</b>

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

\*2017 Data for Vietnam, Oman, and UAE unavailable

### Steel Export Composition of Top Market-Share Countries - 2017

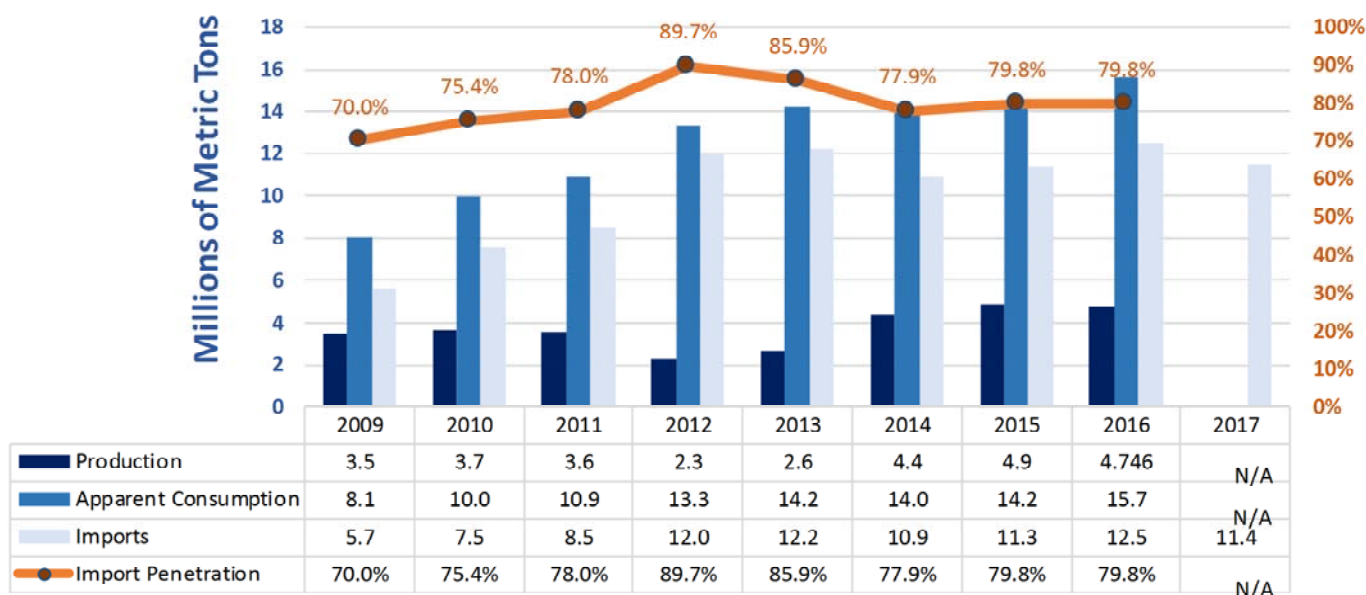


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

# Steel Imports Report: Indonesia

## Overall Production and Import Penetration

### Indonesia's Import Penetration



Sources: World Steel Association; IHS Markit Global Trade Atlas  
2017 Production, apparent consumption, and import penetration are not available

Indonesia's crude steel production by 39 percent between 2009 and 2015. Between 2015 and 2016, production decreased 2 percent to 4.7 million metric tons. Apparent consumption, a measure of steel demand, grew by 76 percent between 2009 and 2015, and between 2015 and 2016, demand grew by 10 percent. With rising import levels, nearly three times as large as Indonesia's production in 2016, imports contribute substantially to steel demand. Import penetration reached a high of 89.7 percent in 2012 from 70 percent in 2009 and has averaged 79.6 percent between 2009 and 2016. In 2016, import penetration remained flat at 29.8 percent from 2015.

### Top Producers

Krakatau Steel is Indonesia's largest steel-making company whose largest shareholder is the Government of Indonesia. The four largest steel-producing companies account for the majority of Indonesia's estimated steelmaking capacity, with Krakatau Steel accounting for more than half of Indonesia's total steelmaking capacity of 8 million metric tons in 2016, based on available data.

Indonesia's Top Steel Producers in 2017			
Rank	Company	Capacity (mmt)	Main Products
	Krakatau Steel	5	Hot-rolled/cold-rolled coils, wire rod
	Gunud Garuda/ Gunung Steel Group	2	Hot-rolled, long, flat, bars
	Ispat Indo	0.7	Wire rod, bar, billets
	Jatim Taman Steel Manufacturing	0.4	Flat, billet

Sources: Indonesian Iron and Steel Association; Company websites

# Steel Imports Report: **Indonesia**

## 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 provide statistics on the current number of trade remedies Indonesia has against imports of steel mill products from various countries. Indonesia has three steel mill safeguards in effect.

<b>Indonesia’s Trade Remedies in Effect Against Steel Mill Imports</b>				
<b>Country</b>	<b>AD</b>	<b>CVD</b>	<b>Suspension Agreements and Undertakings</b>	<b>Total</b>
Belarus	1			1
China	5			5
India	1			1
Japan	1			1
Kazakhstan	1			1
Malaysia	1			1
Russia	1			1
South Korea	3			3
Singapore	1			1
Taiwan	3			3
Thailand	1			1
Ukraine	1			1
Vietnam	1			1
<b>TOTAL</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>21</b>

Source: World Trade Organization, through December 31, 2017

<b>Global Steel Mill Safeguards in Effect</b>	
<b>Country</b>	<b>Product(s)</b>
Indonesia	Flat-rolled products of iron or non-alloy steel
Indonesia	I and H sections of other alloy steel
Indonesia	Bars and rods, hot-rolled, in irregularly wound coils

Source: World Trade Organization, through February 28, 2018

# 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/>.



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

**Steel Import Monitoring and Analysis**  
1401 Constitution Ave., NW, Room 21006  
Washington, D.C. 20230

T 202.482.2105  
F 202.501.1377  
Email [ECCGlobalSteelStats@trade.gov](mailto:ECCGlobalSteelStats@trade.gov)

[trade.gov/steel](http://trade.gov/steel)