



# Global Steel Trade Monitor

## Steel Imports Report: South Korea

April 2018

### Background

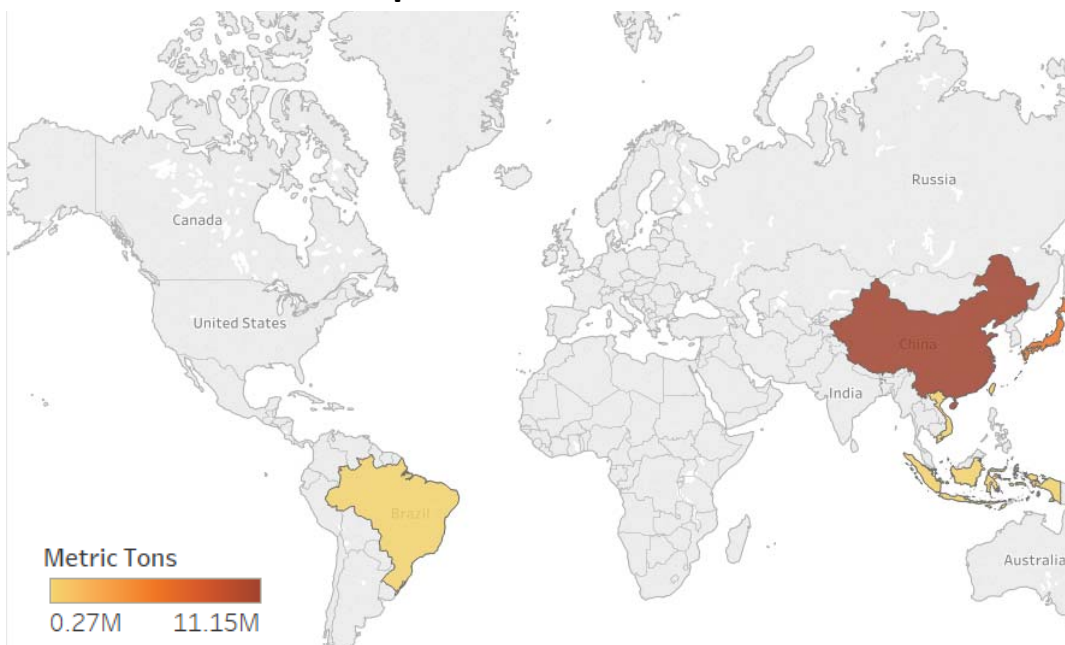
South Korea is the world's fourth-largest steel importer. In 2017, South Korea imported 19.1 million metric tons of steel — a 17 percent decrease from 23.1 million metric tons in 2016. South Korea's imports represented 6 percent of all steel imported globally in 2016, based on available data. South Korea's 2017 steel imports were roughly half the size of the largest steel importer, the United States. In value terms, steel represented just 2.8 percent of the total amount of goods imported into South Korea in 2017.

South Korea imports steel from over 70 countries and territories. The six countries highlighted in the map below represent the top import sources for South Korea's imports of steel, with each sending more than 200 thousand metric tons and together accounting for 97 percent of South Korea's steel imports in 2017.

### Quick Facts:

- World's fourth-largest steel importer: 19.1 million metric tons (2017)
- 5% steel import decline since 2009
- Import penetration down from 41.3% in 2009 to 32.3% in 2017
- Year-on-year import volume down 17% while import value up 10%
- Top three import sources: China, Japan, and Taiwan
- Largest producers: POSCO and Hyundai Steel Co.
- 7 trade remedies in effect against imports of steel mill products

### South Korea's Imports of Steel Mill Products - 2017

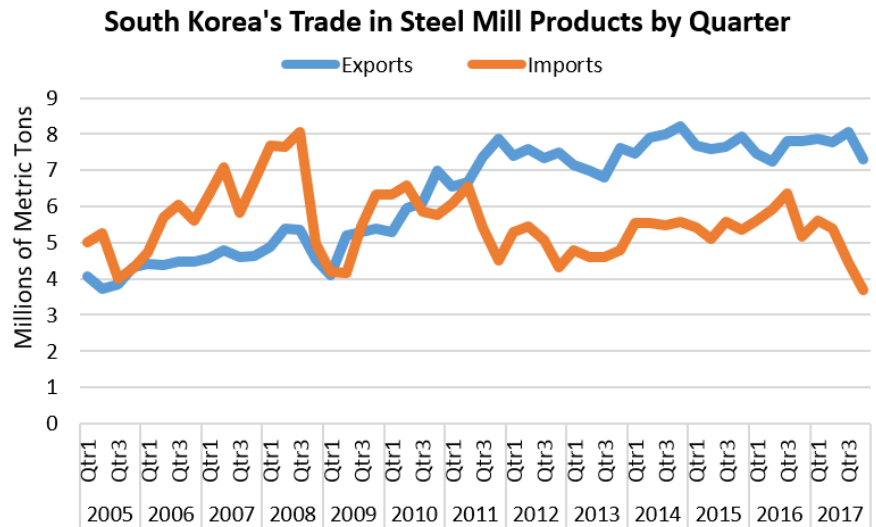


Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2018. All rights reserved.

# Steel Imports Report: South Korea

## Steel Trade Balance

Prior to 2009, South Korea had a trade deficit in steel products. Imports fell in 2009, bringing steel exports and imports into balance. Between 2009 and 2017, South Korea's exports increased 52 percent, significantly outpacing imports which, over the same period, increased by 15 percent. As such, South Korea has posted a steel trade surplus since Q3 2010, amounting to 11.9 million metric tons in 2017.

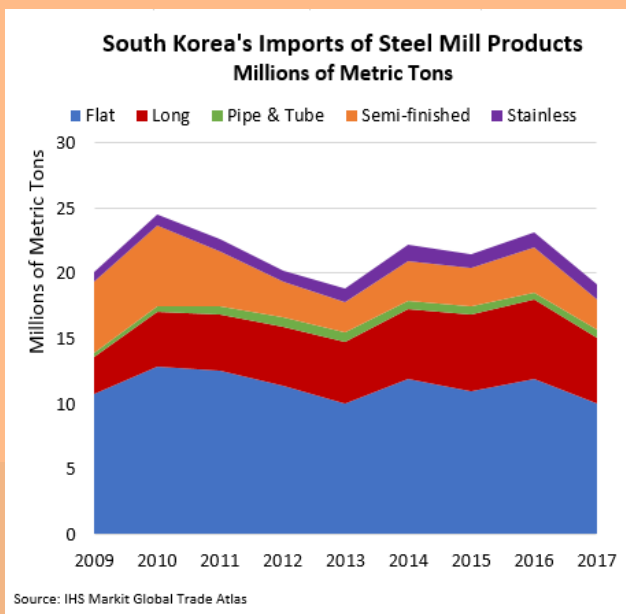


Source: IHS Markit Global Trade Atlas

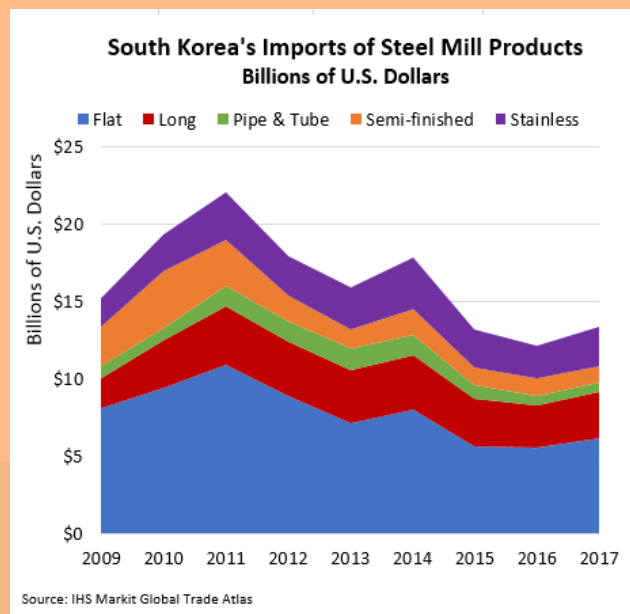
## Import Volume, Value, and Product

The volume of South Korea's steel imports decreased nearly every year between 2010 and 2015. In 2016, however, imports increased to 23.1 million metric tons, but in 2017, imports decreased by 17 percent, down to 19.1 million metric tons. By contrast, the value of South Korea's 2017 imports increased by 10 percent to \$13.3 billion from \$12.1 billion in 2016, which can be attributed to a significant increase in global steel prices.

Flat products account for just over half of South Korea's steel imports. In 2017, South Korea imported 10 million metric tons of flat products — 52 percent of imports. Long products accounted for 26 percent, or 5.1 million metric tons, of South Korea's steel imports in 2017, followed by semi-finished steel (12% or 2.3 million metric tons), stainless steel (6% or 1.2 million metric tons), and pipe and tube products (3% or 542 thousand metric tons).



Source: IHS Markit Global Trade Atlas



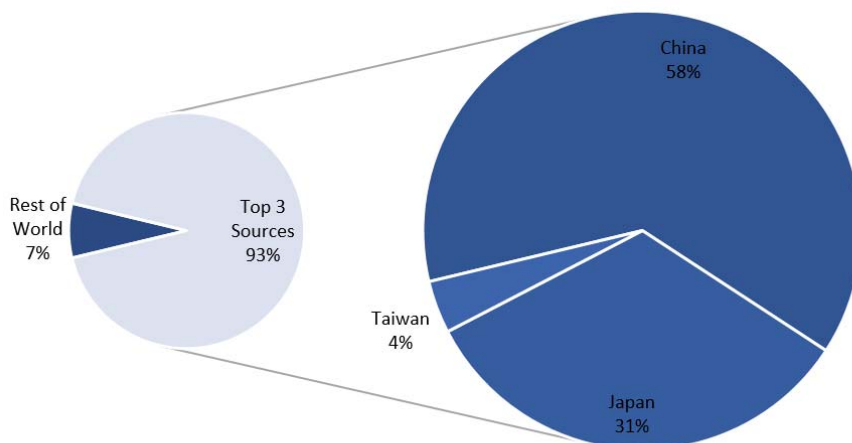
Source: IHS Markit Global Trade Atlas

# Steel Imports Report: South Korea

## Imports by Top Source

The top 3 source countries for South Korea's steel imports represented 93 percent of the total steel import volume in 2017 at 17.7 million metric tons (mmt). China accounted for the largest share of South Korea's imports by source country at 58 percent (11.1 mmt), followed by Japan at 31 percent (5.9 mmt) and Taiwan at 4 percent (0.7 mmt).

South Korea's Steel Imports - Top 3 Sources  
2017 - Percent of Volume



The United States ranked 12th as a source for South Korea's imports in 2017. South Korea imported 37.9 thousand metric tons from the U.S. in 2017 — an 81 percent increase from 20.9 thousand metric tons in 2016.

Source: IHS Markit Global Trade Atlas

## Trends in Imports from Top Sources

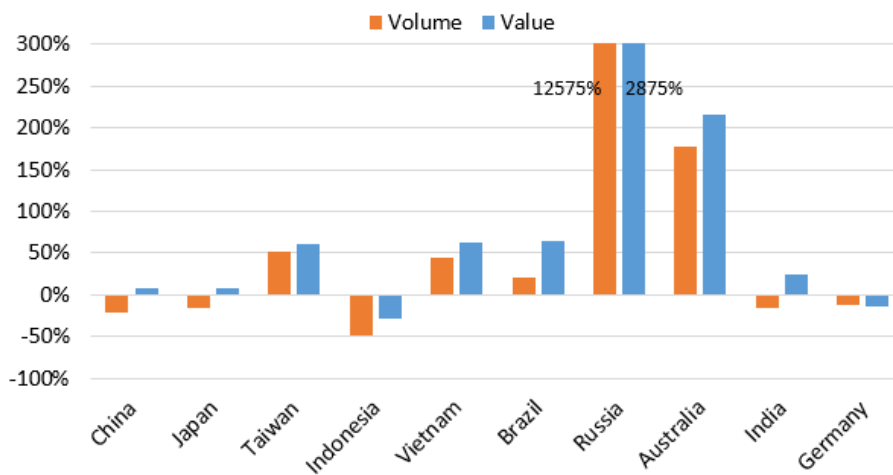
While the volume of South Korea's steel imports increased from five of South Korea's top ten steel import sources between 2016 and 2017, the overall value of South Korea's imports increased from eight of the top ten, reflecting the increase in global steel prices.

Considerable increases in steel value between 2016 and 2017 included South Korea's imports from Russia (up 2875.3%), Australia (up 214.8%), Brazil (up 64.5%), Vietnam (up 62.6%), and Taiwan (up 60.4%). The largest decreases in value during the same period occurred from Indonesia (down 28%), and Germany (down 14.8%).

Imports from Russia and Australia also showed the largest increases in volume, up 12,575.3 percent and 176.7 percent, respectively, followed by imports from Taiwan (up 51.8%).

The largest decreases in the volume of South Korea's imports occurred from Indonesia (down 49.4%), China (down 21.6%), India (down 15.9%), and Japan (down 15.2%).

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



Source: IHS Markit Global Trade Atlas

Outside the top 10 import sources, other significant changes

in South Korea's import volume included imports from 12th-ranked United States (up 81.2%), 15th-ranked Bahrain (up 5489.6%), and 20th-ranked Iran (up 79,032.1%).

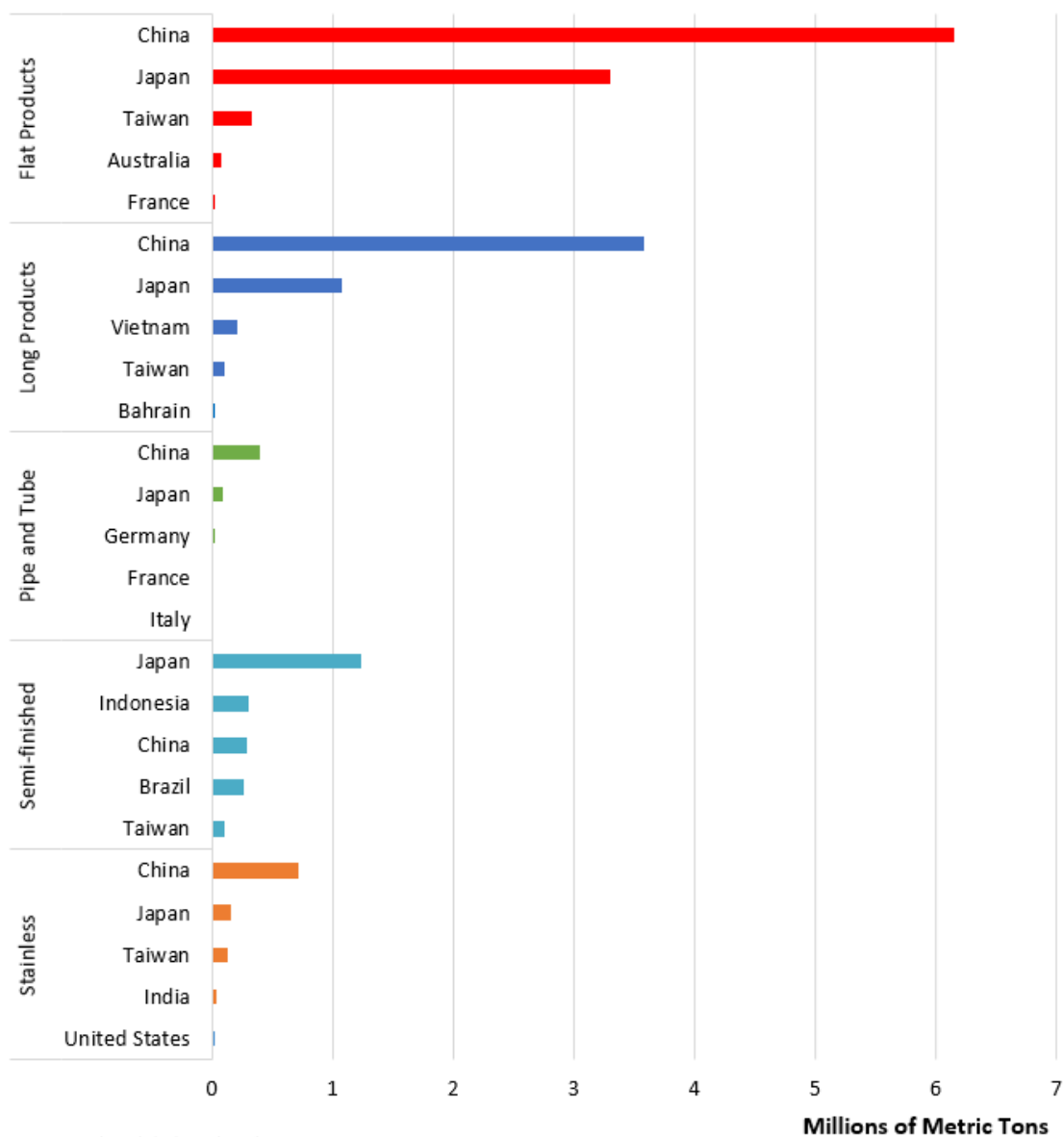
# Steel Imports Report: South Korea

## Top Sources by Steel Product Category

South Korea's top import sources by volume vary across types of steel products, though China or Japan held the first spot for all products. In 2017, China accounted for the largest share of South Korea's imports of flat products at 61 percent (6.2 million metric tons), long products at 71 percent (3.6 million metric tons), pipe and tube products at 72 percent (392 thousand metric tons), and stainless products at 62 percent (721 thousand metric tons).

Japan accounted for the largest share of South Korea's semi-finished imports in 2017 at 53 percent (1.2 million metric tons) and the second-largest share of South Korea's imports of flat products at 33 percent (3.3 million metric tons), long products at 21 percent (1.1 million metric tons), and pipe and tube at 18 percent (96 thousand metric tons). Indonesia accounted for the second-largest share of South Korea's imports of stainless products at 13 percent (301 thousand metric tons).

### South Korea's Top 5 Import Sources by Product - 2017



Source: IHS Markit Global Trade Atlas

# Steel Imports Report: South Korea

## South Korea's Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to South Korea from its top import sources increased or remained about the same in almost all cases for which data was available. In 2017, the share of Australia's steel exports to South Korea increased 4.7 percentage points, while China and Taiwan's increased 2 percentage points. Indonesia was the only country with a notable decrease in its share of steel exports to South Korea (down 10 percentage point from 2016), while Japan, India and Germany saw minor decreases, down 1, 0.5 and .04 percentage points, respectively.

South Korea's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to South Korea - 2016	South Korea's Rank in 2016	Share of Exports to South Korea - 2017	South Korea's Rank in 2017
China	13.3%	1	15.4%	1
Japan	17.1%	1	15.8%	1
Taiwan	3.9%	7	5.8%	6
Indonesia	19.9%	1	10.0%	3
Vietnam*	N/A	N/A	N/A	N/A
Brazil	1.5%	19	2.1%	13
Russia	0.1%	63	0.1%	57
Australia	3.1%	8	7.8%	4
India	0.9%	22	0.4%	34
Germany	0.2%	35	0.2%	36

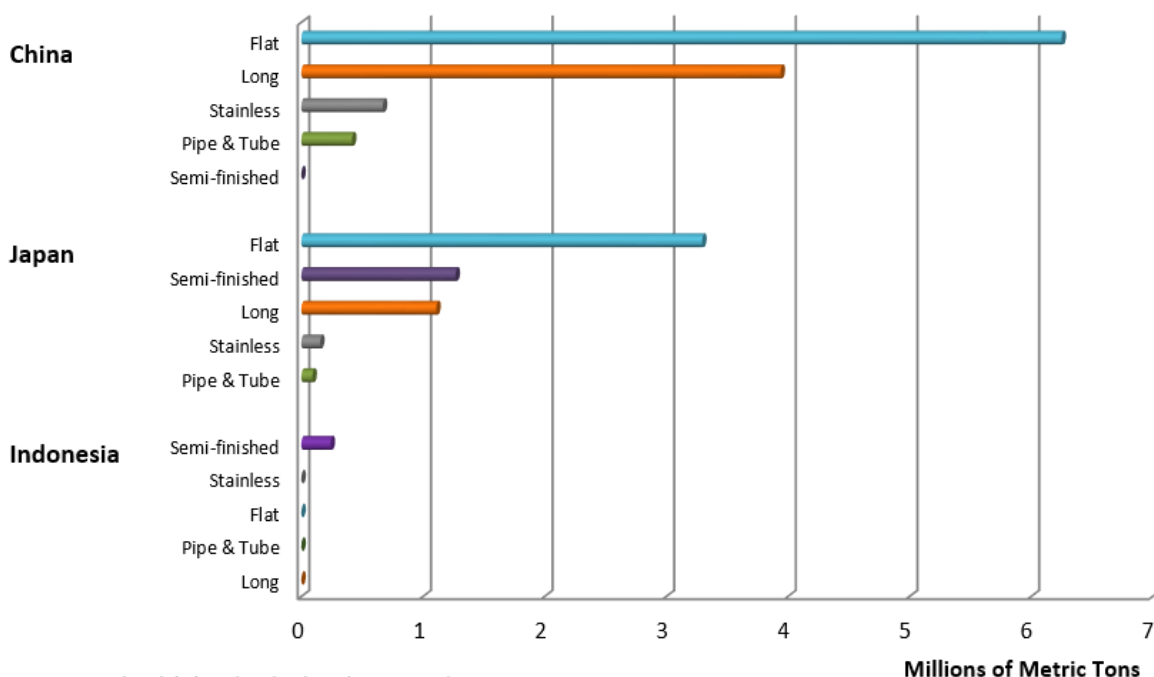
Source: IHS Markit Global Trade Atlas, based on import data per reporting country

\*Vietnam 2016 and 2017 data unavailable

Among South Korea's top import sources, China and Japan, and Indonesia sent the largest shares of their steel exports to South Korea. Flat products accounted for the

largest share of steel exports to South Korea from China and Japan in 2017, at 55 and 56 percent (6.3 million metric tons and 3.3 million metric tons, respectively). Nearly all of Indonesia's exports to South Korea consisted of semi-finished steel in 2017, at 99 percent (242 thousand metric tons).

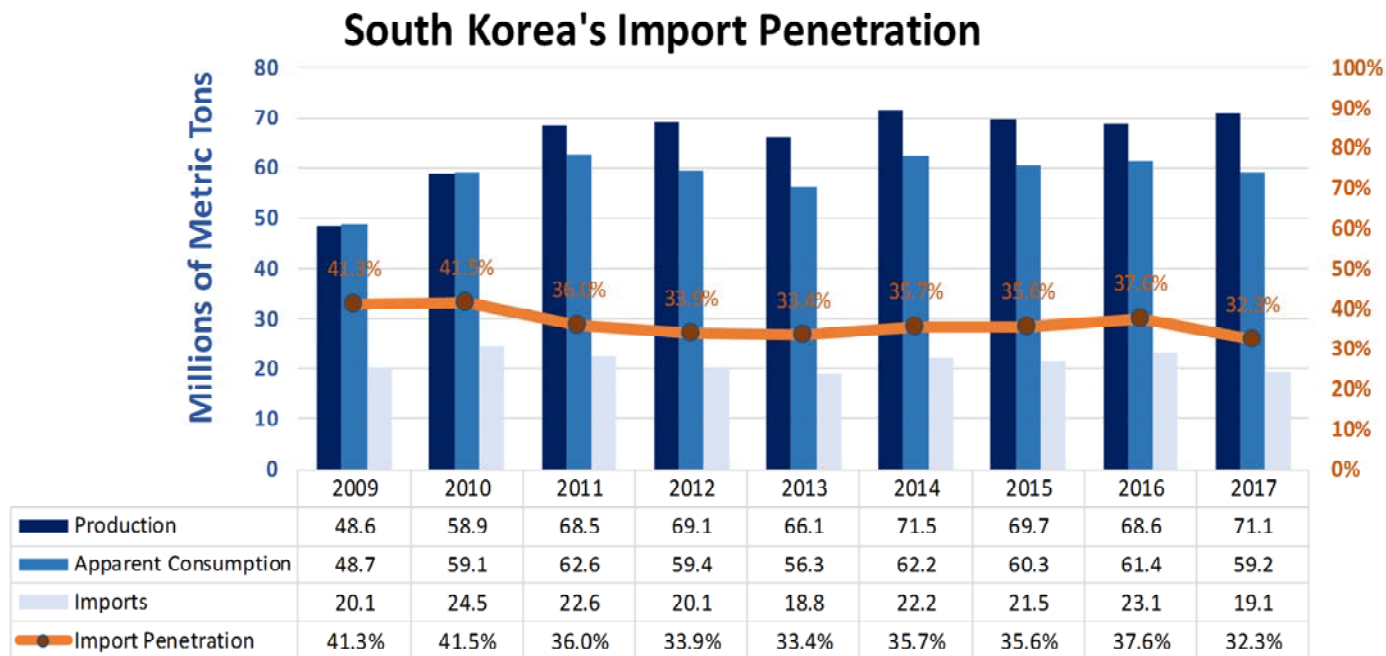
## Steel Export Composition of Top Market-Share Countries - 2017



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

# Steel Imports Report: South Korea

## Overall Production and Import Penetration



Sources: World Steel Association; IHS Markit Global Trade Atlas

Between 2009 and 2012, South Korea's crude steel production grew by 42 percent. Since 2012, South Korea's production fluctuated, but increased overall by 3 percent to 71.1 million metric tons in 2017. 2017 production was up 4 percent from 2016. Apparent consumption (a measure of steel demand) went from being in balance with production in 2009 and 2010 to falling behind production by 11.9 million metric tons in 2017. The gap between production and apparent consumption increased by 4.7 million metric tons between 2016 and 2017. Between 2009 and 2017, South Korea's import penetration decreased 9 percentage points from 41.3 percent to 32.3 percent.

### Top Producers

South Korea's steel production is concentrated among a small number of companies, with the country's top 3 producers accounting for 65.5 million metric tons, or 96 percent, of total 2016 production, based on available data.

<b>South Korea's Top Steel Producers</b>			
Rank	Company	Production (mmt)	Main Products
1	POSCO	41.6	Hot-rolled, cold-rolled, plate, stainless, electrical, wire rods
2	HYUNDAI Steel Company	20	Beams, reinforcing bars, hot-rolled, plates
3	Dongkuk Steel Mill Co, Ltd	3.3	Plates, sections, bars

Source: World Steel Association; Hoovers; MarketLine

# Steel Imports Report: **South Korea**

## 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 the South Korea has against imports of steel mill products from various countries. South Korea has no steel mill safeguards in effect.

<b>South Korea’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>
China	1		1	2
India	1			1
Japan	2		1	3
Spain	1			1
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>7</b>

Source: World Trade Organization, through December 31, 2017

# Steel Imports Report: Glossary

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**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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