

Global Steel Trade Monitor

Steel Imports Report: Malaysia

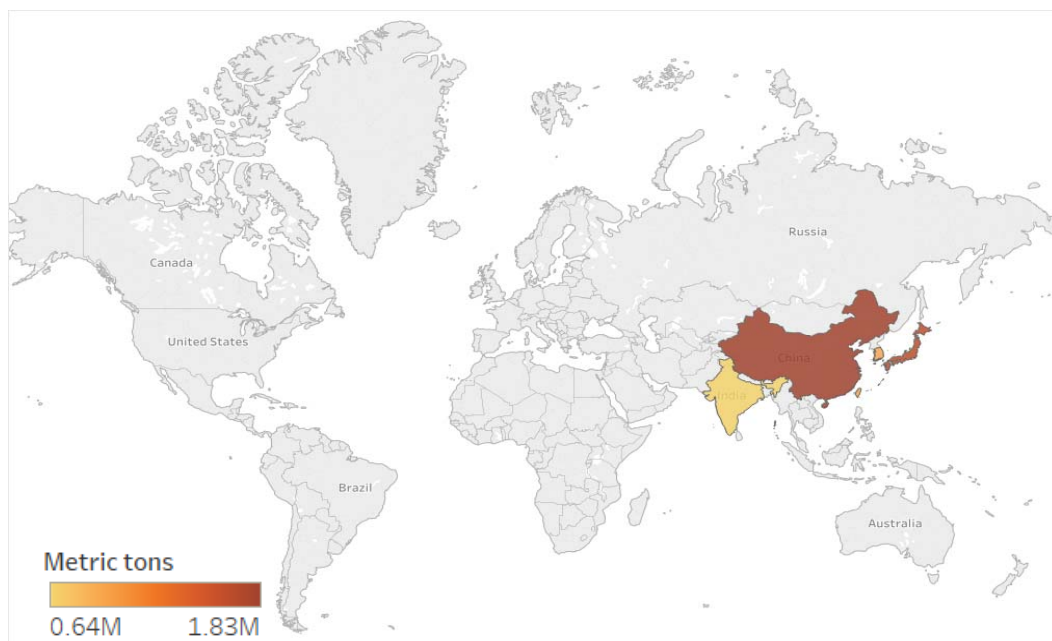
April 2018

Background

In 2017, Malaysia was the world's eighteenth-largest steel importer. Malaysia imported 7.6 million metric tons of steel in 2017, a 15 percent decrease from 8.9 million metric tons in 2016. Malaysia's imports represented about 2 percent of all steel imported globally in 2016, based on available data. The volume of Malaysia's 2017 steel imports was more than a third the size of the world's fourth-largest and Asia's largest importer, South Korea. In value terms, steel represented just 2.8 percent of the total goods imported into Malaysia in 2017.

Malaysia imports steel from over 60 countries and territories. The five countries highlighted in the map below represent the top import sources for Malaysia's steel imports, with each sending more than 600 thousand metric tons to Malaysia and together accounting for 78 percent of Malaysia's steel imports in 2017.

Malaysia's Imports of Steel Mill Products - 2017



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

Quick Facts:

- World's 18th-largest steel importer: 7.6 million metric tons (2017)
- 99% growth in steel imports since 2009
- Year-on-year import volume down 15% while import value up 12%
- Import penetration up from 79.2% in 2015 to 86.5% in 2016
- Top three import sources: China, Japan, Taiwan
- Largest producers: Megasteel, Amsteel Mills, Ann Joo Steel
- 15 trade remedies in effect against imports of steel mill products, including 3 safeguards

Steel Imports Report: Malaysia

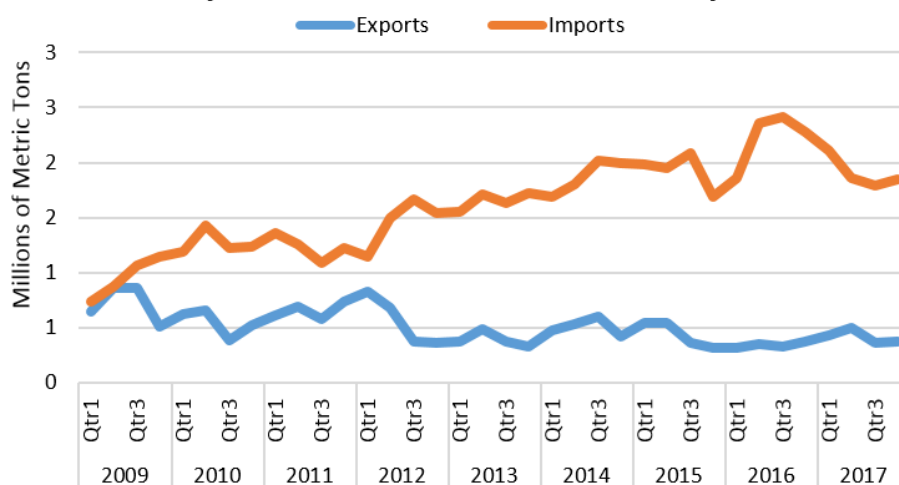
Steel Trade Balance

Malaysia is a net importer of steel mill products. Since 2009, Malaysia's level of steel imports has been trending upwards. Between 2009 and 2017, Malaysia's imports increased by 99 percent. Over the same period, Malaysia's steel exports gradually declined by 42 percent.

Between 2009 and 2017, Malaysia's steel trade deficit widened from -944 thousand metric tons to -5.9 million metric tons, a 530 percent increase.

Between 2016 and 2017, the trade deficit decreased 21 percent.

Malaysia's Trade in Steel Mill Products by Quarter



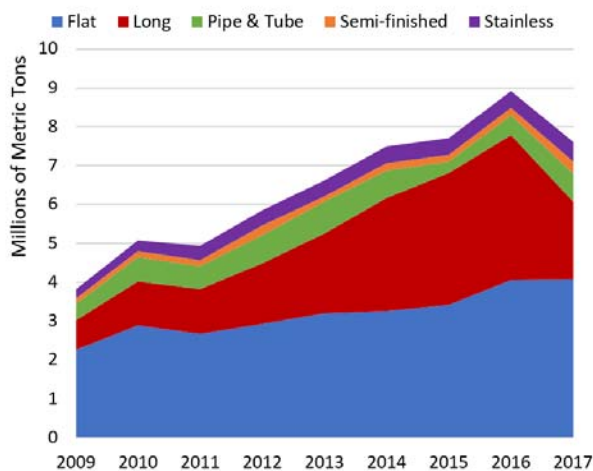
Source: IHS Markit Global Trade Atlas

Import Volume, Value, and Product

In 2017, the volume of Malaysia's steel imports decreased by 15 percent to 7.6 million metric tons from 8.9 million metric tons in 2016. By contrast, the value of Malaysia's 2017 steel imports increased by 12 percent to \$5.6 billion from \$5 billion in 2016, which can be attributed to a significant increase in global steel prices.

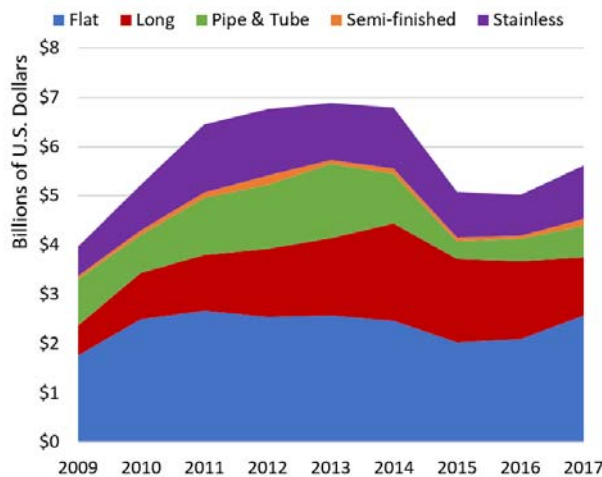
Flat products accounted for 54 percent of Malaysia's steel imports by volume in 2017, with a total of 4.1 million metric tons. Long products represented 26 percent of Malaysia's imports, with 2 million metric tons. Pipe and tube steel products moved up to the third position at 9 percent of the total import share (722 thousand metric tons), followed by stainless steel products at 7 percent of Malaysia's imports (515 thousand metric tons) and lastly semi-finished steel at 4 percent of steel imports (300 thousand metric tons).

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



Source: IHS Markit Global Trade Atlas

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



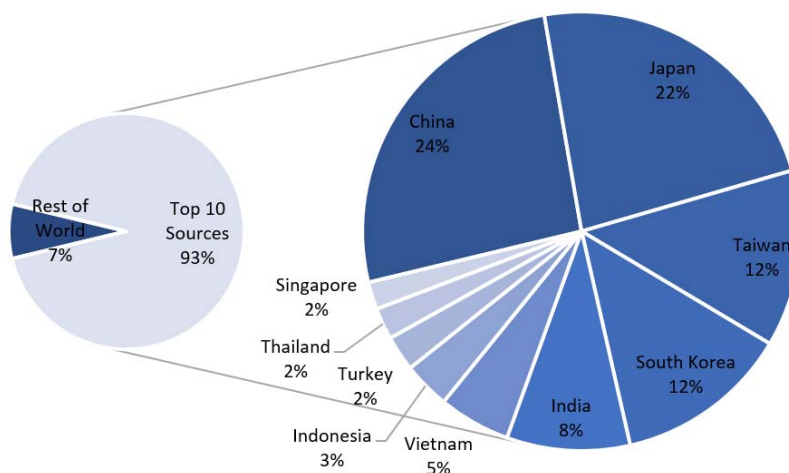
Source: IHS Markit Global Trade Atlas

Steel Imports Report: Malaysia

Imports by Top Source

The top 10 source countries for Malaysia's steel imports represented 93 percent of the total steel import volume in 2017 at 7 million metric tons (mmt). China accounted for the largest share of Malaysia's imports by source country at 24 percent (1.8 mmt), followed by Japan at 22 percent (1.6 mmt), Taiwan at 12 percent (0.92 mmt), South Korea at 12 percent (0.91 mmt), and India at 8 percent (0.6 mmt).

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



Source: IHS Markit Global Trade Atlas

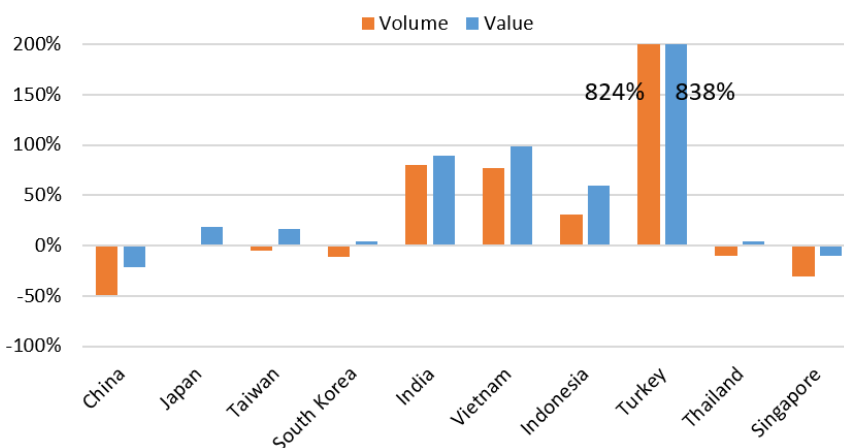
The United States ranked 16th in 2017 as a source of Malaysia's steel imports at 25 thousand metric tons. In 2016, the United States ranked 23rd with 6.5 thousand metric tons.

Trends in Imports from Top Sources

The volume of Malaysia's steel imports decreased from six of its top 10 steel import sources between 2016 and 2017. The largest declines in import volume were from China (down 50% from 2016), Singapore (down 31%), and South Korea (down 11%). Major import increases occurred from Turkey (up 824%), India (up 81%), Vietnam (up 77%), and Indonesia (up 31%).

The overall value of Malaysia's imports increased from eight of the top ten source countries, reflecting the rise in global steel prices. Increases in import value came from Turkey, dramatically increasing 838 percent, Vietnam (up 99%), India (up 90%), and Indonesia (up 60%). The only two decreases in Malaysia's steel import value between 2016 and 2017 were those from China (down 21%) and Singapore (down 10%).

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 Malaysia's imports from Qatar (up 82,936%), the United States (up 291%), and South Africa (up 146%).

Steel Imports Report: **Malaysia**

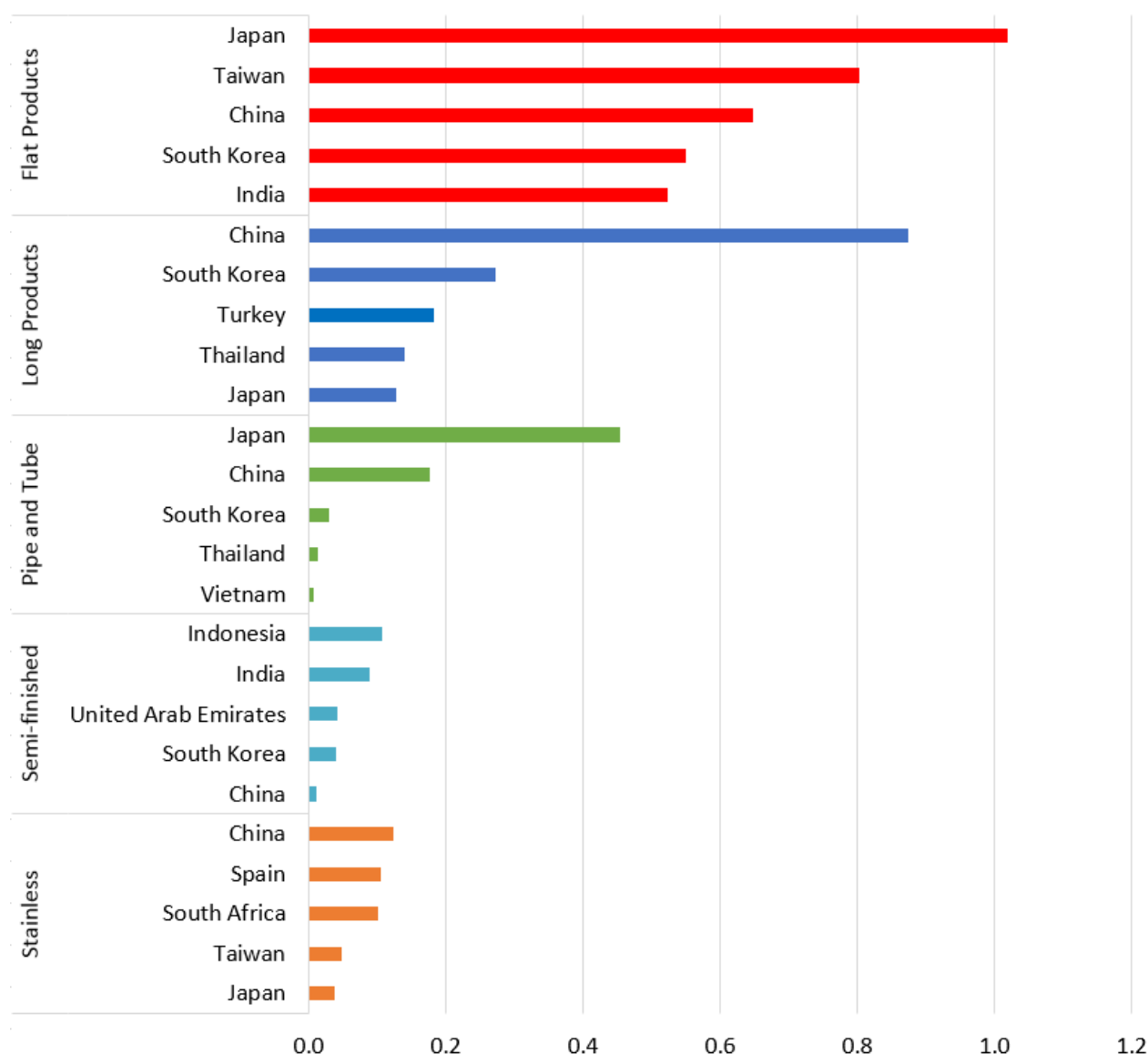
Top Sources by Steel Product Category

The top source countries for Malaysia's imports by volume vary across types of steel products. In 2017, Japan accounted for the largest share of flat and pipe and tube product imported by Malaysia at 25 percent (1 million metric tons), and 63 percent (453 thousand metric tons), respectively.

China accounted for the largest share of Malaysia's imports of long and stainless steel products in 2017 at 44 percent (874 thousand metric tons) and 24 percent (124 thousand metric tons), respectively. Regarding semi-finished steel products, Malaysia imported the most from Indonesia at 36 percent (107 thousand metric tons)

The United States was not a top import source in any product category in 2017.

Malaysia's Top 5 Import Sources by Product - 2017



Source: IHS Markit Global Trade Atlas

Steel Imports Report: Malaysia

Malaysia's Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to Malaysia from its top import sources increased in three of the top 10 countries, in which data was available. The share of India's steel exports to Malaysia showed the largest increase (up 1.1 percentage points), followed by Turkey (up 0.9 percentage points), and Japan (up 0.2 percentage points). The share of Singapore's steel exports to Malaysia showed the largest decrease (down 8.7 percentage points), followed by Thailand (down 3.5 percentage points). Export shares to Malaysia in China, South Korea, and Taiwan decreased by less than 1 percentage point, each.

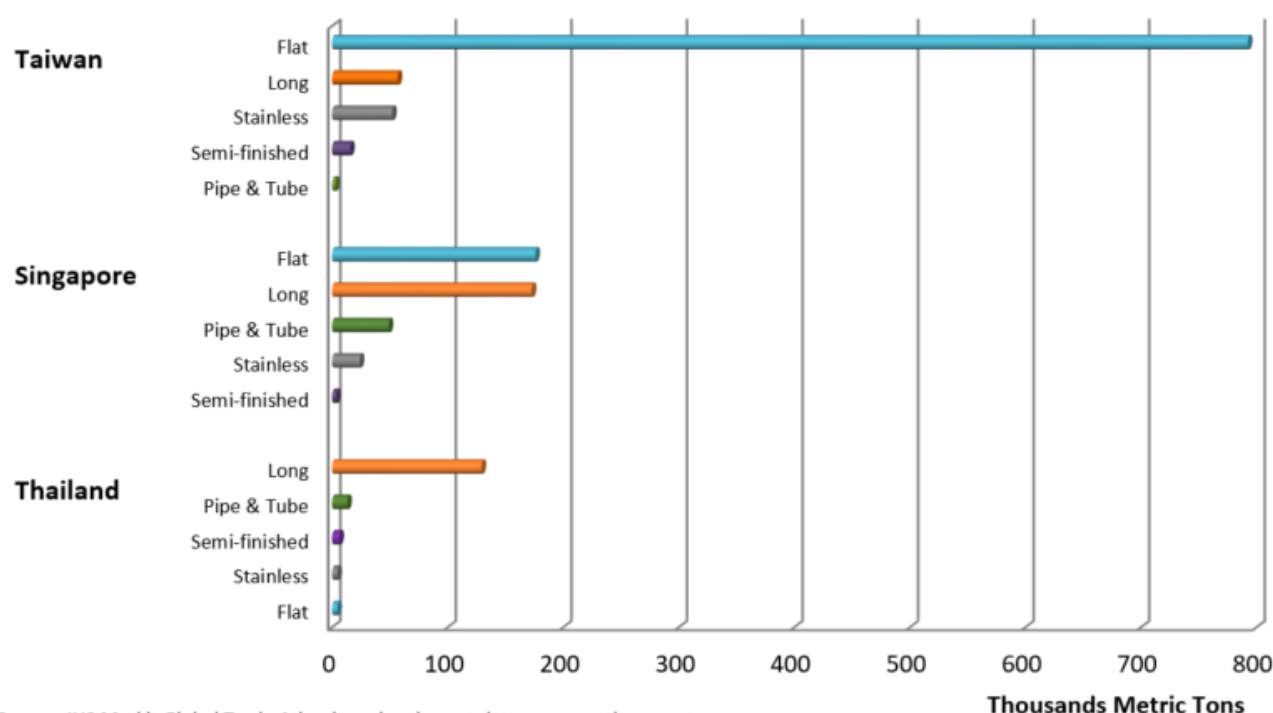
Malaysia's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Malaysia - 2016	Malaysia's Rank in 2016	Share of Exports to Malaysia - 2017	Malaysia's Rank in 2017
China	3.1%	7	2.4%	8
Japan	3.8%	9	4.0%	9
Taiwan	7.7%	6	7.7%	5
South Korea	2.8%	11	2.6%	11
India	3.1%	9	4.2%	7
Vietnam*	5.7%	6	N/A	N/A
Indonesia*	9.3%	4	N/A	N/A
Turkey	0.1%	60	1.1%	25
Thailand	12.0%	2	8.6%	3
Singapore	39.8%	1	31.1%	2

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

*2017 data unavailable for Vietnam and Indonesia

Among Malaysia's top import sources, Singapore, Thailand, and Taiwan sent the largest shares of their total steel exports to Malaysia in 2017 at 31.1 percent, 8.6 percent, and 7.7 percent, respectively. Flat products accounted for the largest share of steel exports to Malaysia from Taiwan and Singapore at 86 percent (793 thousand metric tons) and 41 percent (176 thousand metric tons), respectively, while long products accounted for the largest share from Thailand at 82 percent (129 thousand metric tons), respectively.

Steel Export Composition of Top Market-Share Countries - 2017

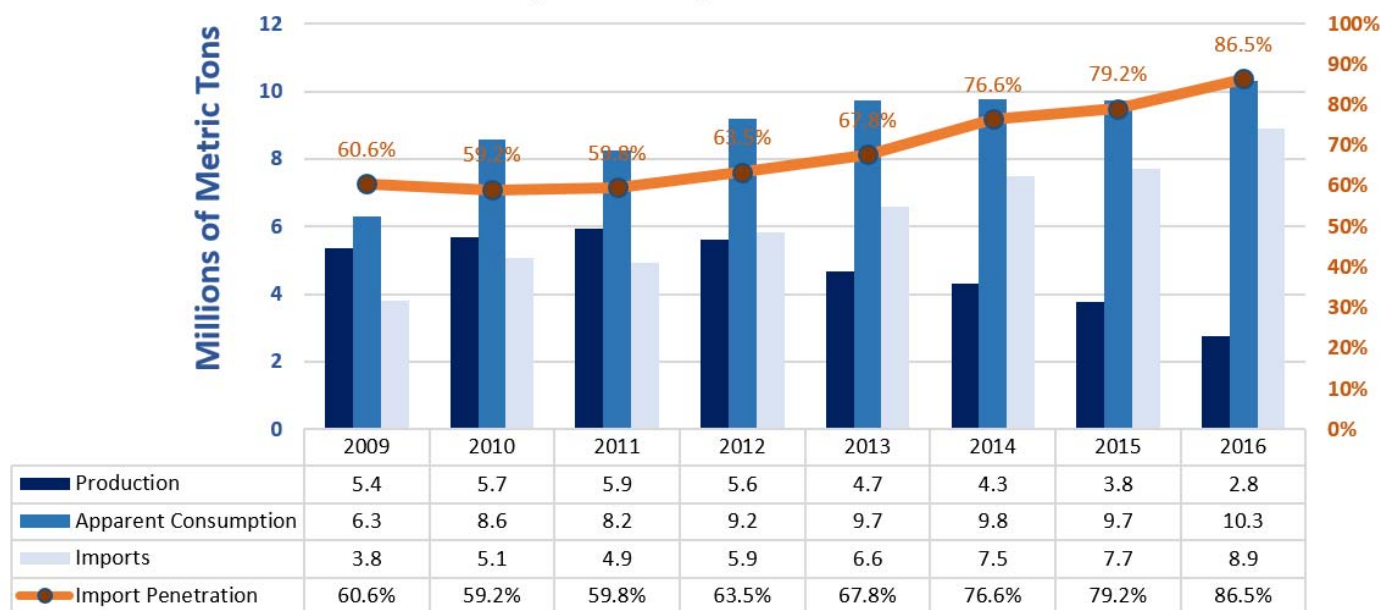


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Steel Imports Report: Malaysia

Overall Production and Import Penetration

Malaysia's Import Penetration



Sources: World Steel Association; IHS Markit Global Trade Atlas

Malaysia's crude steel production decreased by 45 percent between 2009 and 2016. Between 2015 and 2016, production decreased 27 percent to 2.8 million metric tons. Demand grew by 64 percent between 2009 and 2016, and between 2015 and 2016, demand grew by 6 percent. With rising import levels, over three times as large as Malaysia's production in 2016, imports contribute substantially to steel demand. Import penetration increased nearly every year since 2009, peaking at 86.5 percent in 2016. In 2016, import penetration increased 7.3 percentage points from 79.2 percent in 2015.

Top Producers

According to the Malaysian Iron and Steel Industry Federation, Malaysia has over 100 steel manufacturing and processing facilities. The five largest steel-producing companies account for the majority of Malaysia's estimated steelmaking capacity, with members of The Lion Group alone accounting for more than half of Malaysia's total steelmaking capacity of 10.7 million metric tons in 2016, based on available data.

Malaysia's Top Steel Producers in 2017

Rank	Company	Capacity (mmt)	Main Products
	Megasteel (The Lion Group)	4.7	Hot-rolled/cold-rolled coils
	Amsteel Mills (The Lion Group)	2	Bars, wire rod
	Ann Joo Steel	1.3	Billets, bars, wire rod
	Southern Steel	1.2	Billets, bar, wire rod, pipe & tube
	Antara Steel Mills (The Lion Group)	1.1	Bars, Sections

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; Malaysia Steel Institute; Company websites

Steel Imports Report: **Malaysia**

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 Malaysia has against imports of steel mill products from various countries. Malaysia has one steel mill safeguard in effect.

Malaysia's Trade Remedies in Effect Against Steel Mill Imports

Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	5			5
Indonesia	2			2
South Korea	2			2
Taiwan	1			1
Vietnam	2			2
TOTAL	12	0	0	12

Source: World Trade Organization, through December 31, 2017

Global Steel Mill Safeguards in Effect

Country	Product(s)
Malaysia	Hot-rolled steel plate
Malaysia	Steel wire rod and deformed bar-in-coil
Malaysia	Steel concrete reinforcing bars

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/>.

