



Global Steel Trade Monitor

Steel Imports Report: Turkey

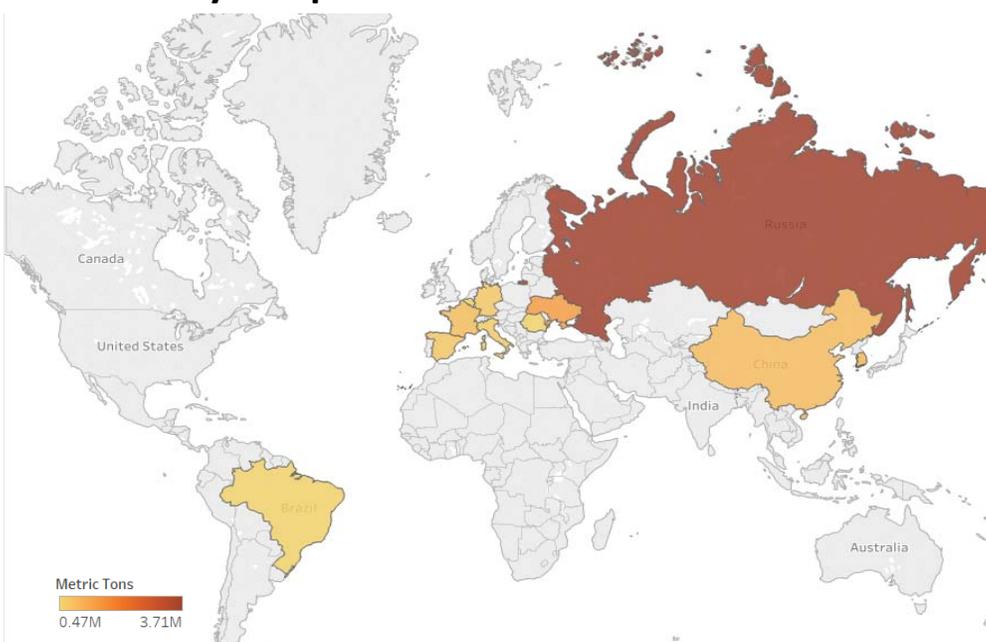
March 2018

Background

Turkey is the world's ninth largest steel importer. In 2017, Turkey imported 13.4 million metric tons of steel, a 13 percent decrease from 15.4 million metric tons in 2016. Turkey's imports represented about 4 percent of all steel imported globally in 2016, based on available data. The volume of Turkey's 2017 steel imports was less than half that of the world's largest importer, the United States. In value terms, steel represented just 3.9 percent of the total amount of goods Turkey imported in 2017.

Turkey imports steel from more than 100 countries and territories. The 10 countries labeled in the map below represent the top import sources for Turkey's imports of steel, with each sending more than 400 thousand metric tons and together accounting for 79 percent of Turkey's steel imports in 2017.

Turkey's Imports of Steel Mill Products - 2017



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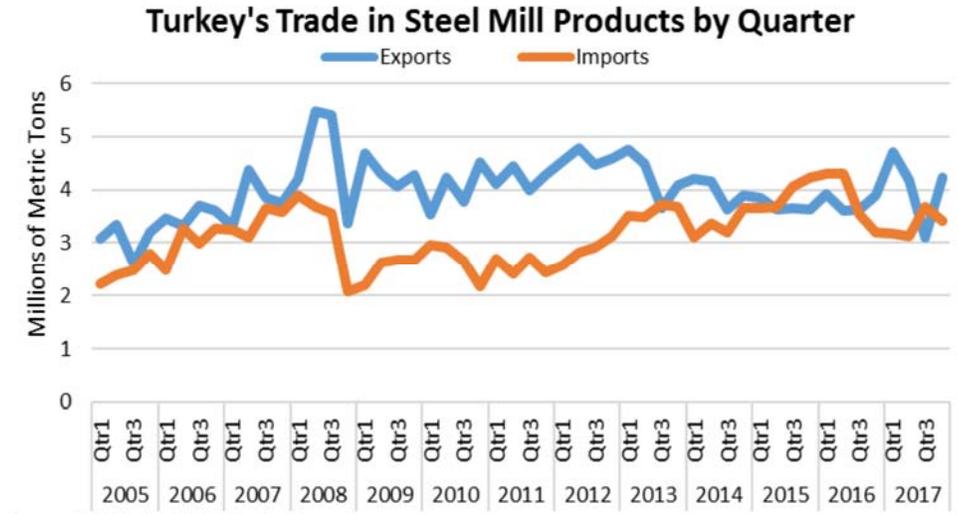
Quick Facts:

- World's 9th largest steel importer: 13.4 million metric tons (2017)
- 31% steel import growth since 2009
- Import penetration down from 56.2% in 2009 to 38.6% in 2017
- Year-on-year import volume down 13% while import value up 13%
- Top three import sources: Russia, Ukraine, Korea
- Largest producers: Erdemir Group, İçdaş, Habaş
- 6 trade remedies in effect against imports of steel mill products

Steel Imports Report: Turkey

Steel Trade Balance

Over the past decade, Turkey has, for the most part, maintained a continuous trade surplus in steel products. In 2012, exports started to decline while imports continued to climb. By mid-2014 steel exports and imports reached equilibrium and until mid-2016, Turkey's imports outpaced exports. Since then, Turkey's exports have generally outpaced imports



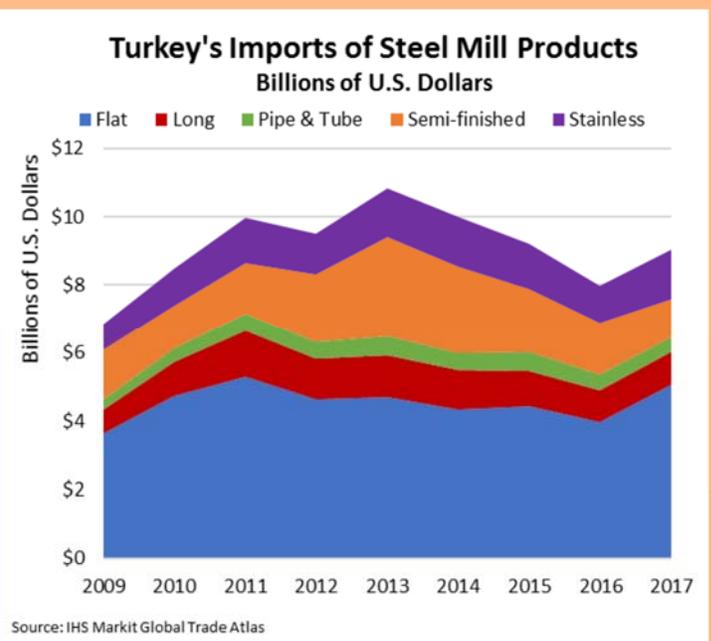
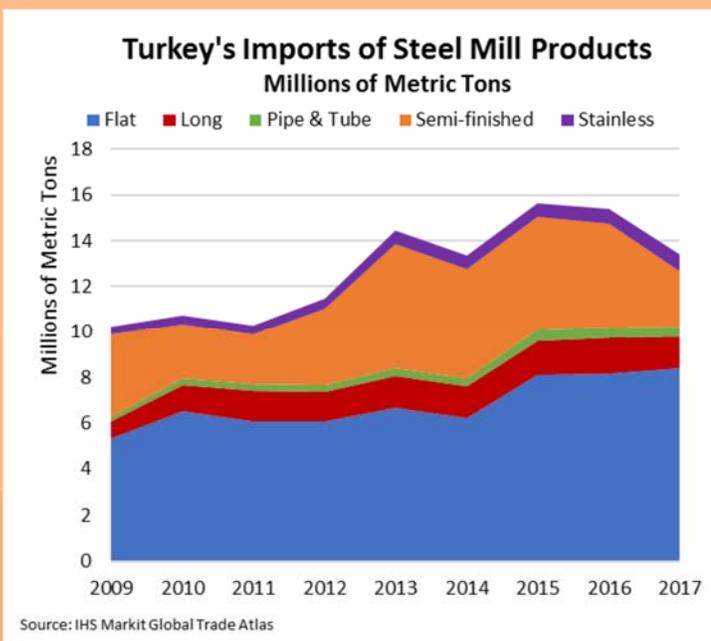
Source: IHS Markit Global Trade Atlas

with a surplus of 2.9 million metric tons in 2017 up from a deficit of 333 thousand metric tons in 2016.

Import Volume, Value, and Product

In 2017, Turkey's steel imports amounted to 13.4 million metric tons, a decrease of 13 percent from 2016. By contrast, the value of Turkey's 2017 steel imports increased by 13 percent to \$9 billion from \$8 billion in 2016.

Flat products account for the largest share of Turkey's steel imports. In 2017, 63 percent, or 8.4 million metric tons, of Turkey's steel imports were of flat products, an increase from 2016's share of 53 percent. Semi-finished products accounted for 18 percent, or 2.5 million metric tons, of Turkey's imports of steel in 2017, followed by long products (10% or 1.4 million metric tons), stainless products (5% or 710 thousand metric tons), and pipe and tube products (3% or 447 thousand metric tons).

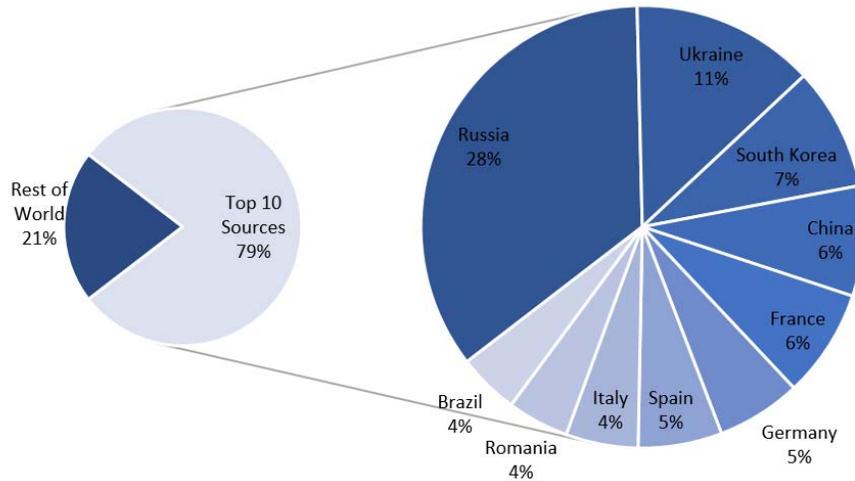


Steel Imports Report: Turkey

Imports by Top Source

The top 10 source countries for Turkey's steel imports represented 79 percent of the total steel import volume in 2017 at 10.6 million metric tons (mmt). Russia accounted for the largest share of Turkey's imports by source country at 28 percent (3.7 mmt), followed by Ukraine at 11 percent (1.4 mmt), Korea at 7 percent (951 thousand metric tons), and China at 6% (853 thousand metric tons).

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



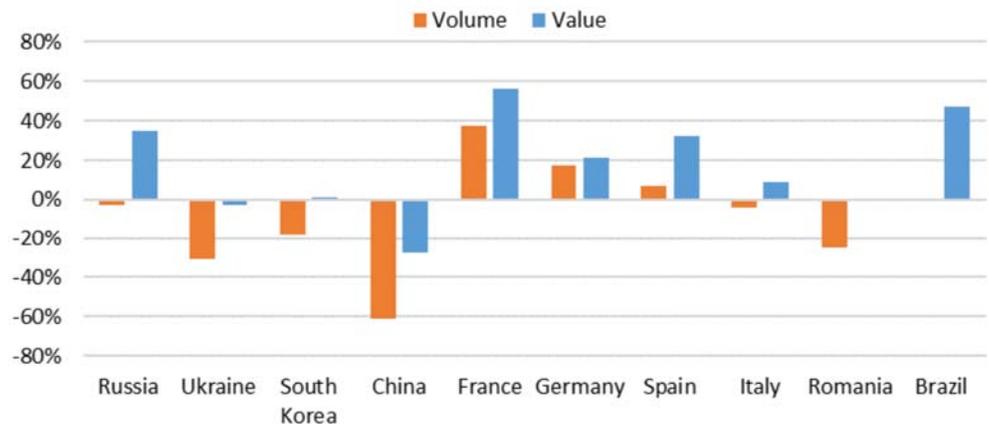
Source: IHS Markit Global Trade Atlas

The United States ranked 40th as a source for Turkey's steel imports in 2017. Turkey imported 10.4 thousand metric tons from the U.S. in 2017 — a 33 percent increase from 7.8 thousand metric tons in 2016.

Trends in Imports from Top Sources

While the volume of Turkey's steel imports decreased from six of its top ten steel import sources between 2016 and 2017, the overall value of Turkey's steel imports increased from eight of the top ten.

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



Source: IHS Markit Global Trade Atlas

Considerable increases in steel value between 2016 and 2017 included Turkey's imports from France (up 56%), Brazil (up 47%), Russia (up 35%), and Spain (up 33%).

The only significant decrease in steel value came from Turkey's imports from China, down 27 percent.

Only Turkey's imports from France and Germany showed the a significant increase in volume between 2016 and 2017, up 37 percent and 18 percent, respectively. Significant decreases in Turkey's steel import volume occurred between 2016 and 2017 from China (down 61%), Ukraine (down 30%), Romania (down 25%), and Korea (down 18%).

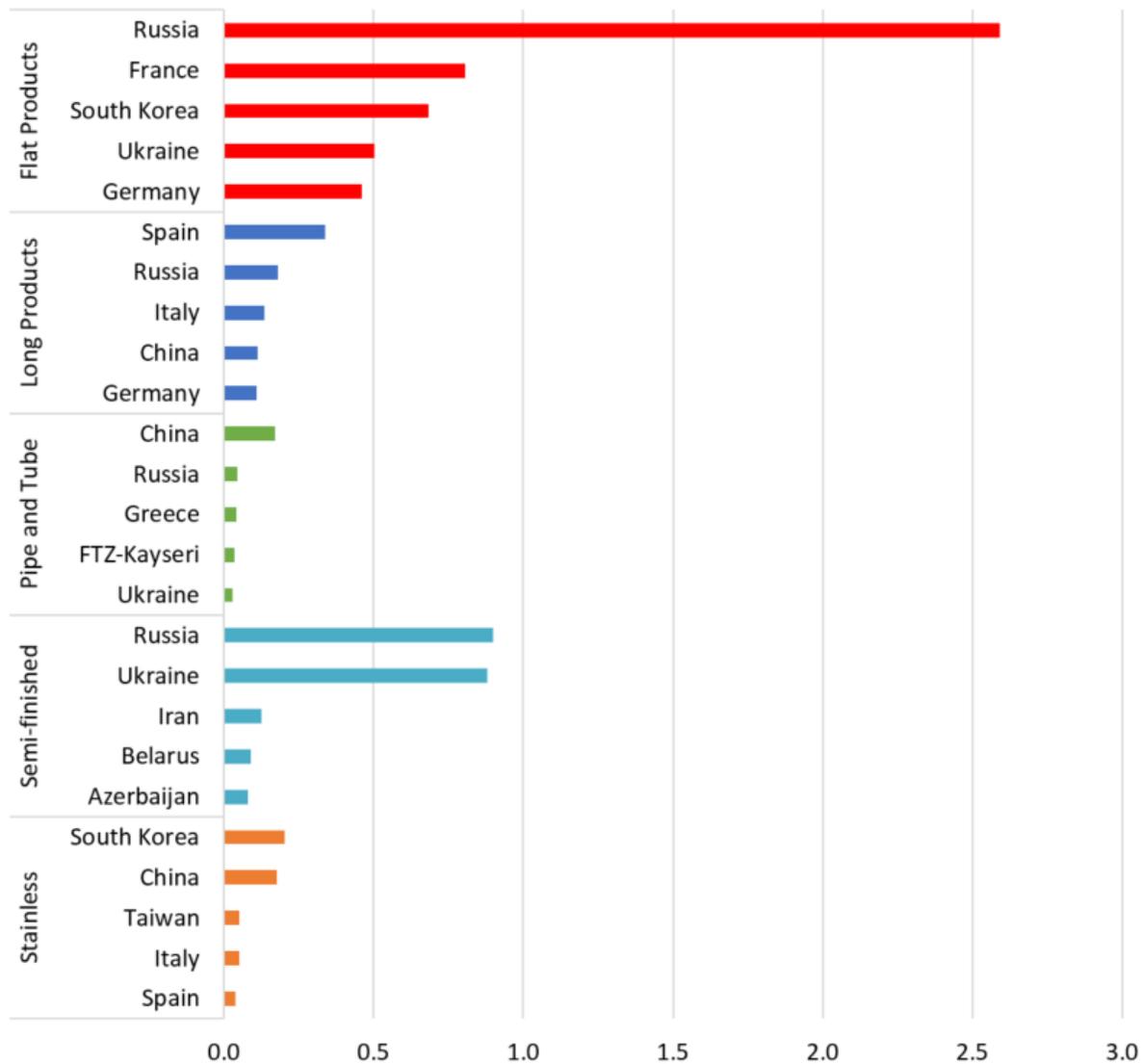
Steel Imports Report: **Turkey**

Top Sources by Steel Product Category

Turkey's top import sources by volume vary across types of steel products. In 2017, Russia accounted for the largest shares of Turkey's imports of flat products at 31 percent (2.6 million metric tons) and semi-finished products at 37 percent (899 thousand metric tons).

Spain accounted for the largest share of Turkey's imports of long products at 24 percent (339 thousand metric tons), while Korea held the largest share of Turkey's imports of stainless products at 28 percent (202 thousand metric tons). China represented the largest share of pipe and tube imports at 38 percent (169 thousand metric tons) and the second largest share of stainless products at 25 percent (178 thousand metric tons).

Turkey's Top 5 Import Sources by Product - 2017



Source: IHS Markit Global Trade Atlas

Millions of Metric Tons

Steel Imports Report: Turkey

Turkey's Export Market Share from Top Source Countries

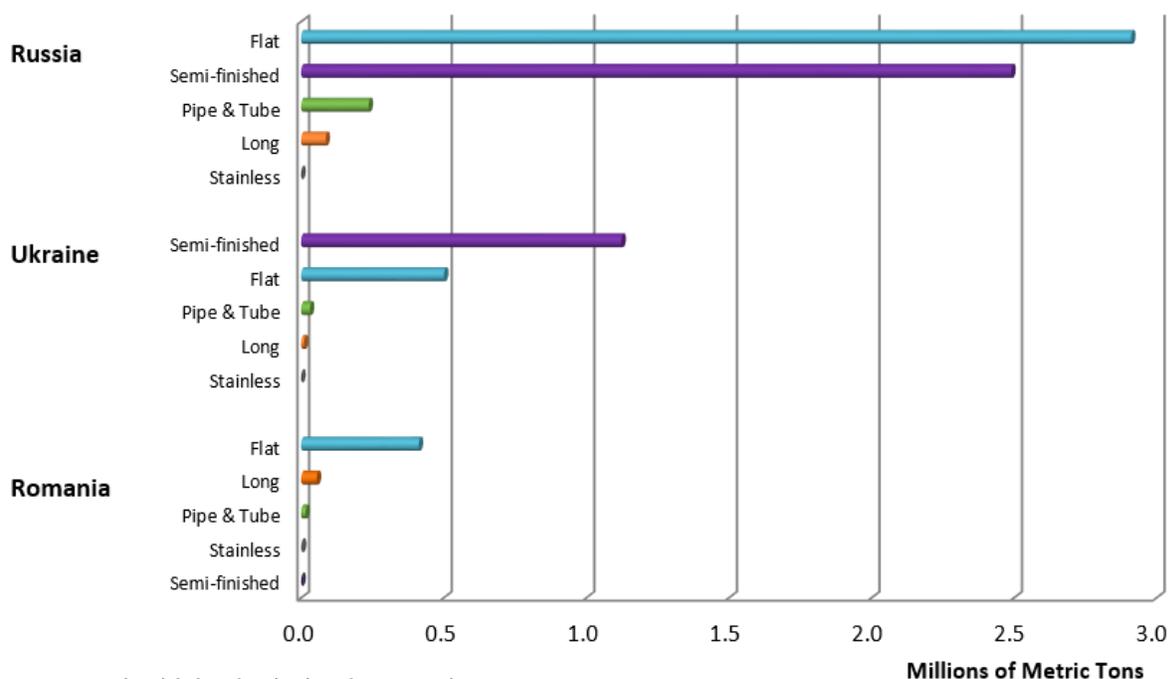
In 2017, the share of steel exports sent to Turkey from its top import sources decreased in six of Turkey's top 10 import source countries. In tonnage terms Ukraine's steel exports to Turkey showed the largest decrease (down 1.2 percentage points), followed by Brazil (down 2.4 percentage points) and China (down 0.7 percentage points). Turkey had been China's 14th largest destination for steel in 2016 and Turkey became China's 21st largest in 2017, by far the largest shift for Turkey.

Turkey's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Turkey - 2016	Turkeys's Rank in 2016	Share of Exports to Turkey - 2017	Turkey's Rank in 2017
Russia	18.8%	1	18.4%	1
China	2.0%	14	1.2%	21
Ukraine	12.1%	2	11.0%	2
South Korea	3.7%	9	3.0%	9
Romania	24.6%	1	17.7%	1
France	4.6%	5	5.9%	5
Spain	6.5%	6	7.8%	4
Italy	3.5%	8	3.5%	8
Germany	2.1%	14	2.6%	14
Brazil	9.3%	2	6.9%	4

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

Among Turkey's top sources, Russia, Ukraine, and Romania sent the largest shares of their total steel exports to Turkey in 2017. Russian steel shipments were by far the largest. Flat products accounted for the 51 percent of Russian exports to Turkey (2.9 million metric tons) and semi-finished products represented 68 percent of Ukraine's exports to Turkey (1.1 million metric tons, respectively). Flat products ranked first in Romania's exports to Turkey at 85 percent, but with much lower tonnage (412 thousand metric tons). The second largest product exported from Russia was Semi-finished at almost 2.5 million metric tons).

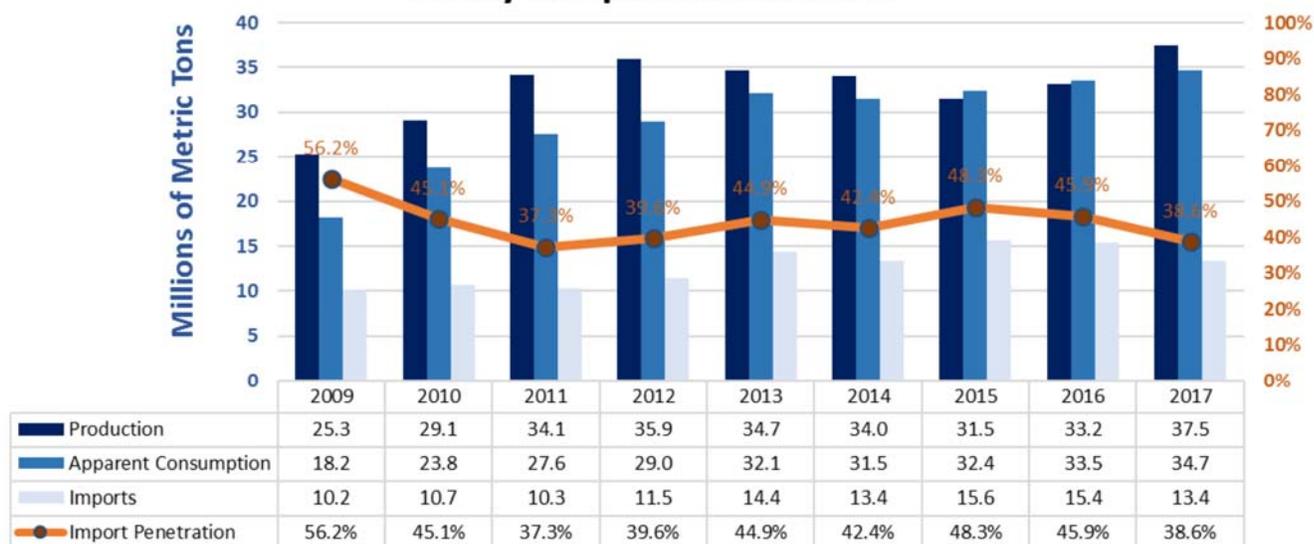
Steel Export Composition of Top Market-Share Countries - 2017



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

Steel Imports Report: Turkey

Turkey's Import Penetration



Sources: World Steel Association; IHS Markit Global Trade Atlas

Overall Production and Import Penetration

Turkey's crude steel production increased by 13 percent between 2016 and 2017 to 37.5 million metric tons. The gap between production and apparent consumption (a measure of steel demand), which stood at 7.1 million metric tons or 28% of production in 2009, shrank steadily over the next seven years. By 2016, Turkey's consumption had grown to slightly outpace the country's production by 200 thousand metric tons. 2017 saw growth in both production and apparent consumption with the former outpacing the latter by 2.9 million metric tons. Between 2009 and 2017, Turkey's steel imports increased by 31 percent from 10.2 million metric tons to 13.4 million metric tons. Over the same period, Turkey's level of import penetration decreased by 17.6 percentage points. In 2017, import penetration stood at 38.6 percent.

Top Producers

Though steel production in Turkey began with the emergence of state-owned companies in the 1930s, steel works were all privatized by 2002. The majority of Turkey's crude steel production uses electric arc furnace technology, and long products make up the majority of Turkey's finished steel production.

Turkey's Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	Erdemir Group	8.6	Flat products, wire rod, pipe
2	İçdaş	3.7 (2014)	Billets, reinforcing bars, wire rod
3	Habaş	2.5 (capacity)	Carbon, stainless, hot-rolled
4	İsdemir (owned by Erdemir)	N/A	Hot-rolled flat, billets, reinforcing bars, profiles, structural steel
5	Çolakoğlu Metalurji	N/A	Billets, slabs, hot-rolled coil, hot-rolled sheet, reinforcing bars
6	Kardemir	N/A	Billets, profiles, reinforcing bars

Sources: World Steel Association; Turkish Steel Producers Association; Hoover's; Company websites

Steel Imports Report: **Turkey**

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 Turkey has against imports of steel mill products from various countries. Turkey has no steel mill safeguards in effect.

Turkey’s Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	3			3
Malaysia	1			1
Taiwan	1			1
Vietnam	1			1
TOTAL	6	0	0	6

Source: World Trade Organization, through June 1, 2017

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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