



Global Steel Trade Monitor

Steel Imports Report: South Korea

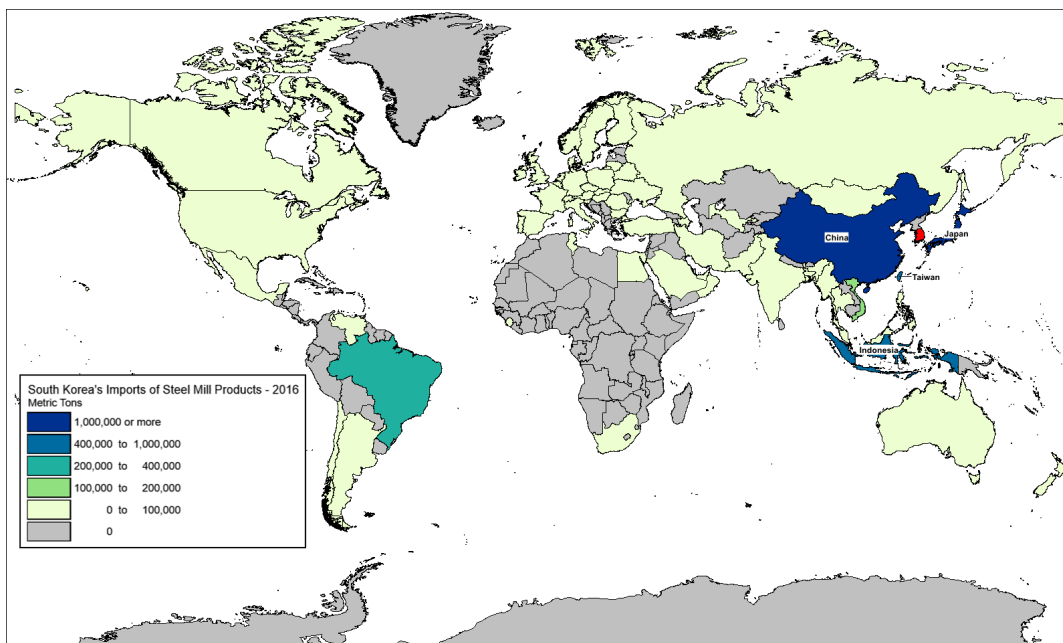
June 2017

Background

South Korea is the world's third-largest steel importer. In year-to-date 2017 (through March), further referred to as YTD 2017, South Korea imported 5.615 million metric tons of steel — an 0.2 percent increase from 5.606 million metric tons in YTD 2016. South Korea's imports represented 6 percent of all steel imported globally in 2016. South Korea's 2016 steel imports were roughly 75 percent the size of the largest steel importer, the United States. In value terms, steel represented just 3 percent of the total amount of goods imported into South Korea in 2016.

South Korea imports steel from over 75 countries and territories. The four countries labeled in the map below represent the top import sources for South Korea's imports of steel, with each sending more than 400 thousand metric tons and together accounting for 96 percent of South Korea's steel imports in 2016.

South Korea's Imports of Steel Mill Products - 2016



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2017. All rights reserved.

Quick Facts:

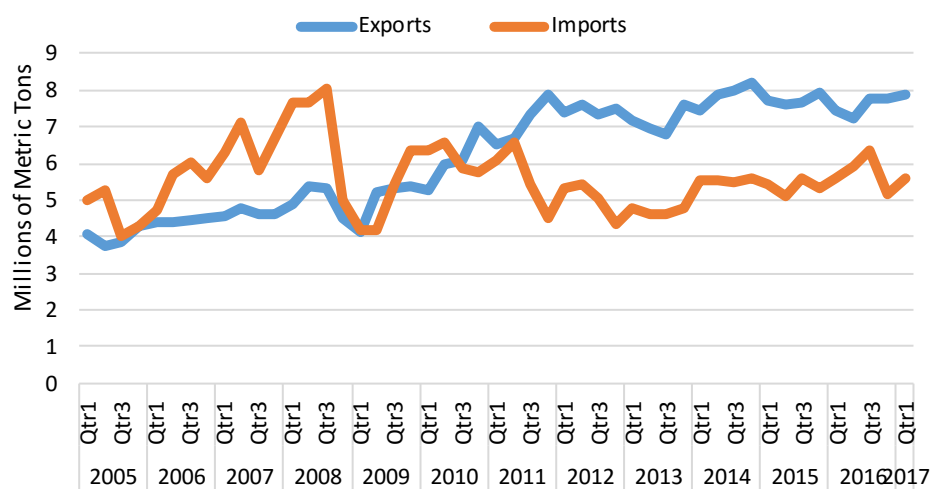
- World's third-largest steel importer: 5.6 million metric tons (YTD 2017)
- 11% steel import decline since Q1 2010
- YTD import volume up 0.2% while import value up 39%
- Top three import sources: China, Japan, Taiwan
- Import penetration down from 38.3% in YTD 2016 to 37.4% in YTD 2017
- Largest producers: POSCO and Hyundai Steel Co.
- 7 trade remedies in effect against imports of steel mill products

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 closer into balance. In 2010, South Korea's exports began to outpace imports and grew 49 percent between Q1 2010 and Q1 2017. Over the same period, imports decreased by 11 percent. As such, South Korea has posted a steel trade surplus since mid-2010. In YTD 2017, the surplus amounted to 2.3 million metric tons — a 22 percent increase from 1.9 million metric tons in YTD 2016.

South Korea's Trade in Steel Mill Products by Quarter

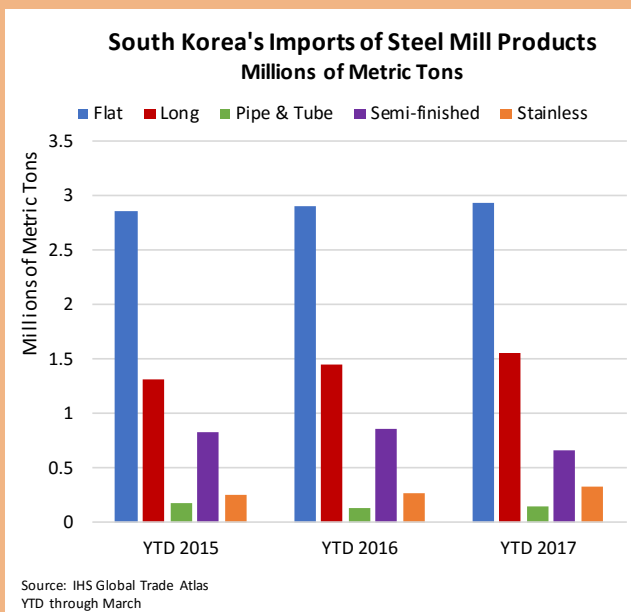


Source: IHS Global Trade Atlas

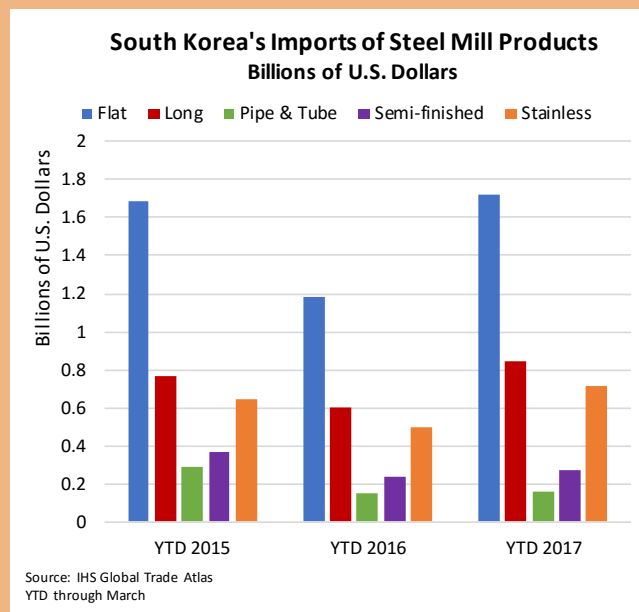
Import Volume, Value, and Product

The volume of South Korea's steel imports decreased nearly every year between 2010 and 2015. In 2016, however, imports increased by 8 percent to 23.1 million metric tons from 21.5 million metric tons in 2015. In YTD 2017 South Korea's imports increased by 0.2 percent to 5.615 million metric tons from 5.606 million metric tons in YTD 2016. The value of South Korea's YTD 2017 imports increased by 39 percent to \$3.7 billion from \$2.7 billion in YTD 2016.

Flat products account for just over half of South Korea's steel imports. In YTD 2017, South Korea imported 2.9 million metric tons of flat products — 52 percent of imports. Long products accounted for 28 percent, or 1.5 million metric tons, of South Korea's steel imports, followed by semi-finished steel at 12 percent (659 thousand metric tons), stainless steel at 6 percent (327 thousand metric tons), and pipe and tube products at 3 percent (151 thousand metric tons).



Source: IHS Global Trade Atlas
YTD through March



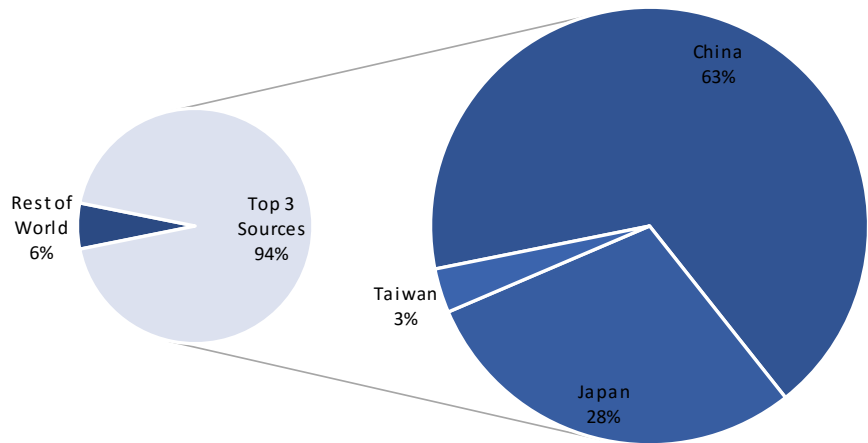
Source: IHS Global Trade Atlas
YTD through March

Steel Imports Report: South Korea

Imports by Top Source

The top 3 source countries for South Korea's steel imports represented 94 percent of the total steel import volume in YTD 2017 at 5.3 million metric tons (mmt). China accounted for the largest share of South Korea's imports by source country at 63 percent (3.6 mmt), followed by Japan at 28 percent (1.5 mmt) and Taiwan at 3 percent (172 thousand metric tons).

South Korea's Steel Imports - Top 3 Sources
YTD 2017 - Millions of Metric Tons



The United States ranked 13th as a source for South Korea's steel imports in YTD 2017 with 0.2 percent of imports (8.6 thousand metric tons).

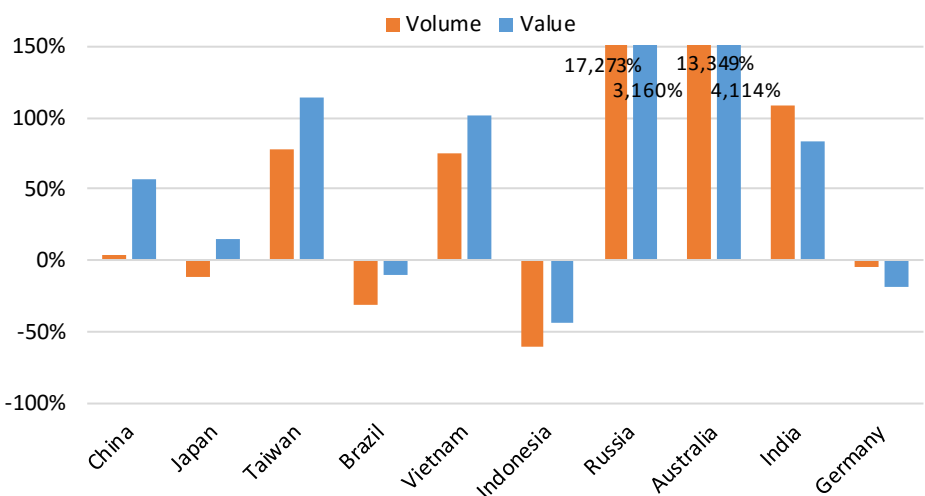
Source: IHS Global Trade Atlas
YTD through March

Trends in Imports from Top Sources

The volume of South Korea's steel imports increased from six of South Korea's top ten steel import sources between YTD 2016 and YTD 2017. South Korea's imports from Russia and Australia increased significantly in YTD 2017 – up 17,273 percent and 13,349 percent, respectively. Imports from India increased 109 percent by volume, followed by Taiwan (up 78%) and Vietnam (up 76%). Import volumes from Indonesia showed the largest decrease in YTD 2017, down 61 percent, followed by Brazil (down 32%) and Japan (down 11%).

The overall value of South Korea's steel imports increased from seven of the top 10 sources. As with import volume, values from Russia and Australia showed significant increases, up 3,160 percent and 4,114 percent, respectively, followed by imports from Taiwan (up 114%), Vietnam (up 102%), India (up 83%), and China (up 57%). Only imports from Indonesia, Germany, and Brazil decreased in value in YTD 2017 – down 44 percent, 18 percent, and 10 percent, respectively.

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



Source: IHS Global Trade Atlas
YTD through March

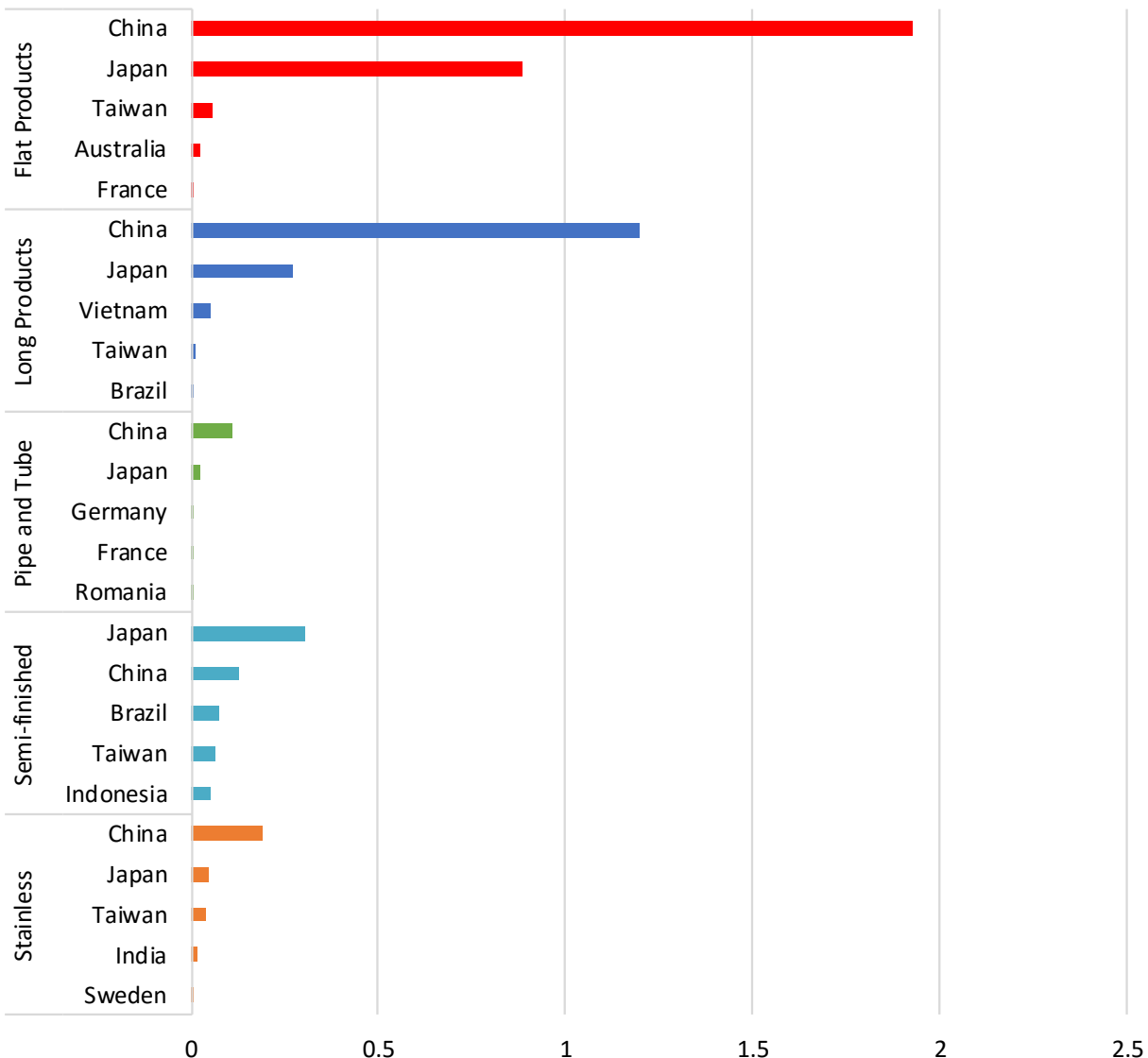
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Top Sources by Steel Product Category

South Korea's top import sources by volume vary across types of steel products, though China and Japan hold the first and second spots for all products. In YTD 2017, China accounted for the largest share of South Korea's imports of flat products at 66 percent (1.9 million metric tons), long products at 77 percent (1.2 million metric tons), pipe and tube products at 71 percent (107 thousand metric tons), and stainless products at 58 percent (191 thousand metric tons).

Japan accounted for the largest share of South Korea's semi-finished imports in YTD 2017 at 47 percent (307 thousand metric tons) and the second-largest share of South Korea's imports of flat products at 30 percent (888 thousand metric tons), long products at 18 percent (272 thousand metric tons), pipe and tube at 16 percent (24 thousand metric tons), and stainless products at 14 percent (46 thousand metric tons).

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



Source: IHS Global Trade Atlas
YTD through March

Millions of Metric Tons

Steel Imports Report: South Korea

South Korea's Export Market Share from Top Source Countries

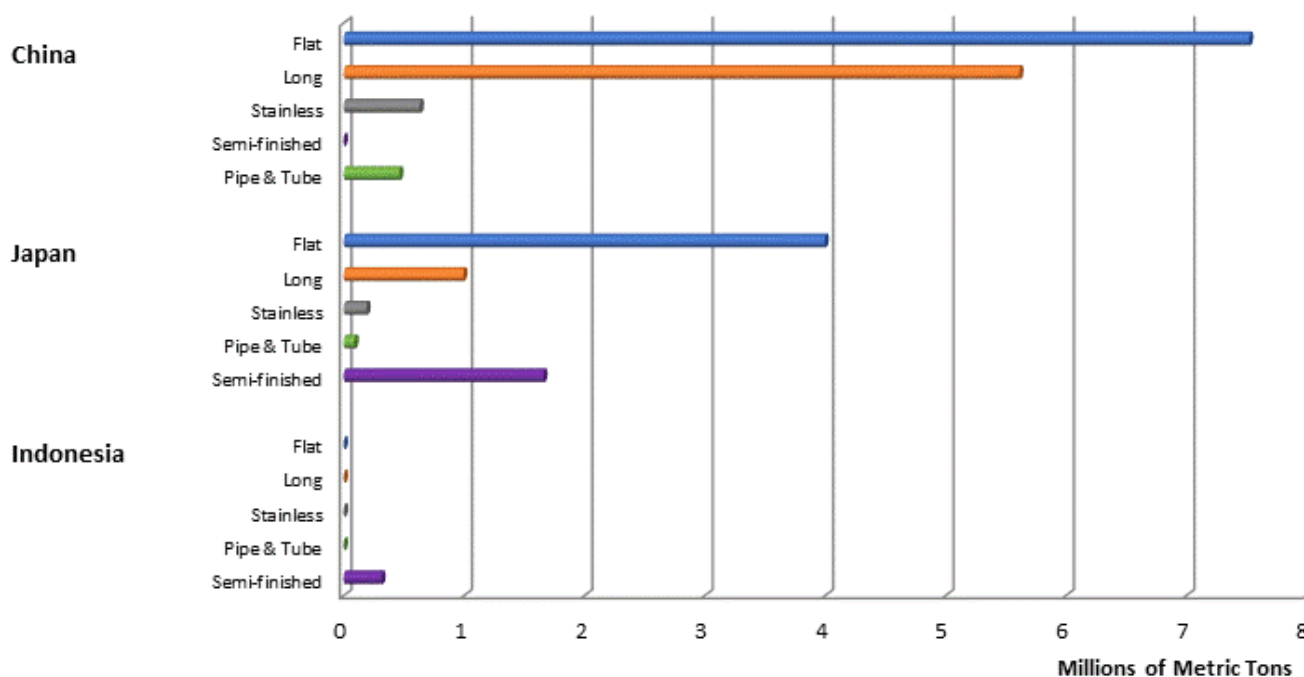
In 2016, the share of steel exports sent to South Korea from its top 10 import sources increased in seven of the top 10. In 2016, the share of China's steel exports to South Korea showed the largest increase (up 1.2 percentage points, followed by Japan (up 1 percentage point). Export shares in Indonesia, Taiwan, India, Sweden, and Ukraine all increased by less than one percentage point. Germany's and Brazil's share of steel exports to South Korea both decreased by less than one percentage point.

South Korea's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to S. Korea - 2015	S. Korea's Rank in 2015	Share of Exports to S. Korea - 2016	S. Korea's Rank in 2016
China	12.1%	1	13.3%	1
Japan	16.1%	1	17.1%	1
Indonesia	19.3%	2	19.9%	1
Taiwan	3.3%	9	3.9%	7
Brazil	2.0%	11	1.5%	19
Vietnam	2.7%	7	N/A	N/A
India	0.4%	41	0.9%	22
Germany	0.3%	34	0.2%	35
Sweden	0.9%	18	1.2%	18
Ukraine	0.0%	82	0.2%	46

Source: IHS Global Trade Atlas, based on export data per reporting country
 Note: 2016 data for Vietnam not available

Among South Korea's top import sources, China, Japan, and Indonesia sent the largest shares of their steel exports to South Korea in 2016. Flat products accounted for the largest share of steel exports to South Korea from China and Japan at 53 percent (7.5 million metric tons) and 58 percent (4 million metric tons), respectively. Nearly all of Indonesia's exports to South Korea consisted of semi-finished steel in 2016, at 99 percent (312 thousand metric tons).

Steel Export Composition of Top Market-Share Countries - 2016

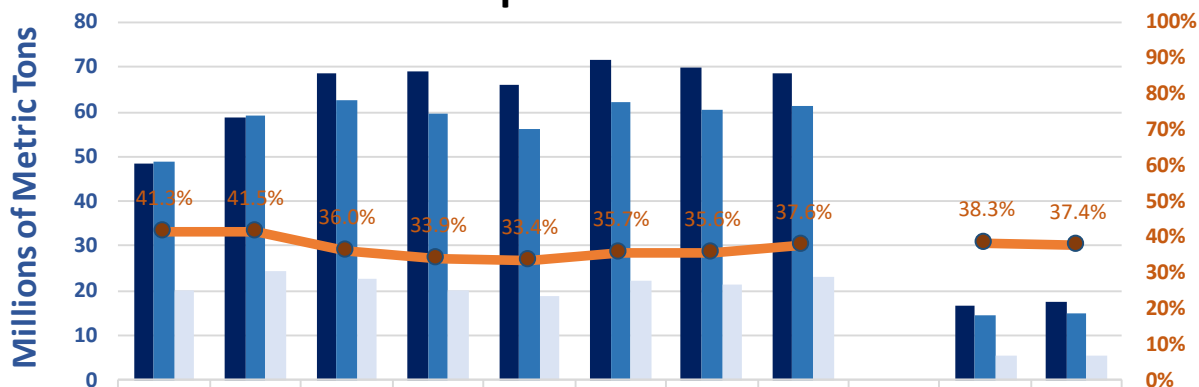


Source: IHS Global Trade Atlas, based on export data per reporting country

Steel Imports Report: South Korea

Overall Production and Import Penetration

South Korea's Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	YTD 2016	YTD 2017
Production	48.6	58.9	68.5	69.1	66.1	71.5	69.7	68.6	16.5	17.3
Apparent Consumption	48.7	59.1	62.6	59.4	56.3	62.2	60.3	61.3	14.6	15.0
Imports	20.1	24.5	22.6	20.1	18.8	22.2	21.5	23.1	5.6	5.6
Import Penetration	41.3%	41.5%	36.0%	33.9%	33.4%	35.7%	35.6%	37.6%	38.3%	37.4%

Sources: World Steel Association; IHS Global Trade Atlas
YTD through March

Between 2009 and 2012, South Korea's crude steel production grew by 42 percent. Production fluctuated after that and average 69 million metric tons per year through 2016. In YTD 2017, production totaled 17.3 million metric tons — up 5 percent from 16.5 million metric tons in YTD 2016. Apparent consumption (a measure of steel demand) went from being in balance with production in 2009 and 2010 to falling behind production by 94 million metric tons in 2015. The gap between production and apparent consumption narrowed to 7.2 million metric tons in 2016 and has increased slightly in YTD 2017. Between 2009 and 2016, import penetration averaged 36.9 percent. In YTD 2017, South Korea's import penetration decreased 0.9 percentage points to 37.4 percent from 38.3 percent in YTD 2016.

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.

South Korea's Top Steel Producers in 2016

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.

South Korea’s Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	1		1	2
India	1			1
Japan	2		1	3
Spain	1			1
TOTAL	5	0	2	7

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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