

Global Steel Trade Monitor

Steel Imports Report: Thailand

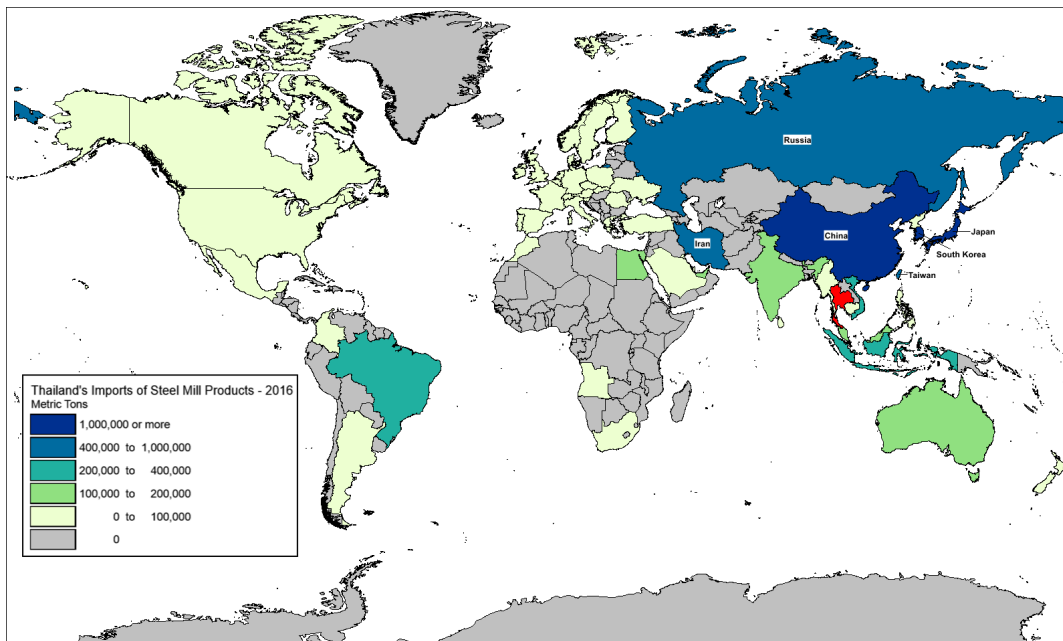
June 2017

Background

Thailand is the world's fifth-largest steel importer. In year-to-date 2017 (through March), further referred to as YTD 2017, Thailand imported 3.7 million metric tons of steel, a 6 percent decrease from 3.9 million metric tons in YTD 2016. Thailand's imports represented about 5 percent of all steel imported globally in 2016. The volume of Thailand's 2016 steel imports was just over half the size of the world's largest importer, the United States. In value terms, steel represented just 5 percent of the total goods imported into Thailand in 2016.

Thailand imports steel from over 110 countries and territories. The six countries labeled in the map below represent the top sources for Thailand's imports of steel, with each sending more than 400 thousand metric tons to Thailand and together accounting for 89 percent of Thailand's steel imports in 2016.

Thailand's Imports of Steel Mill Products - 2016



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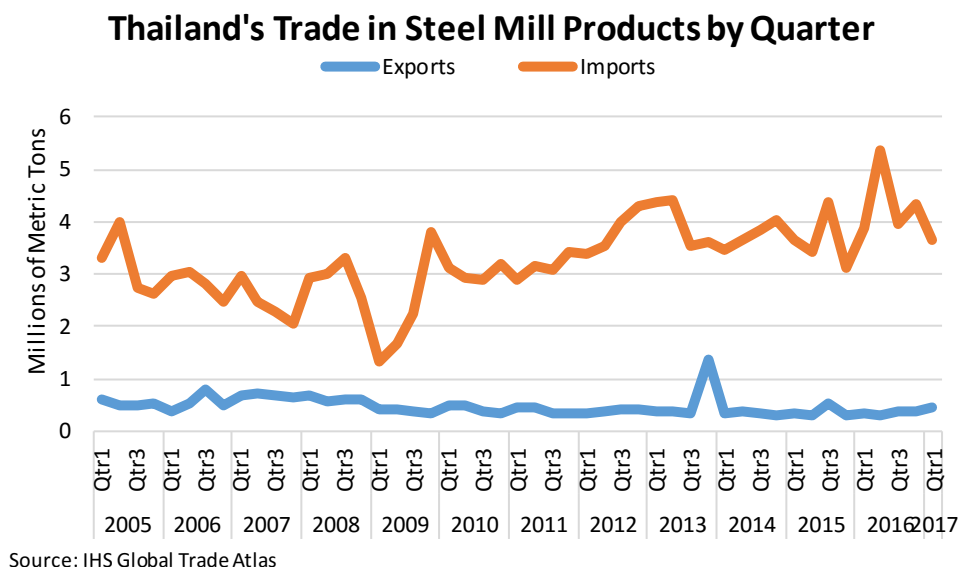
Quick Facts:

- World's fifth-largest steel importer: 3.7 million metric tons (YTD 2017)
- 177% steel import growth since Q1 2009
- YTD import volume down 6% while import value up 19%
- Import penetration down to 85.2% in YTD 2017 from 86.4% in YTD 2016
- Top three import sources: Japan, China, South Korea
- Largest producers: G Steel, Tata Steel Thailand
- 40 trade remedies, including 3 safeguards, in effect against imports of steel mill products

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Steel Trade Balance

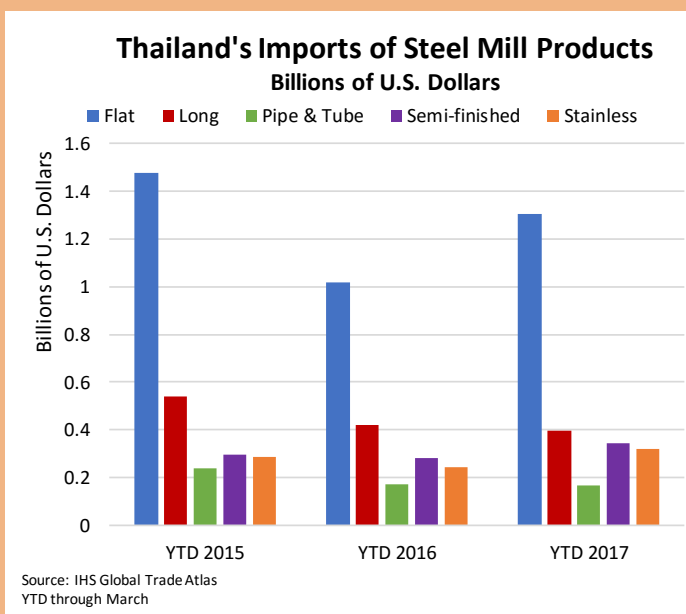
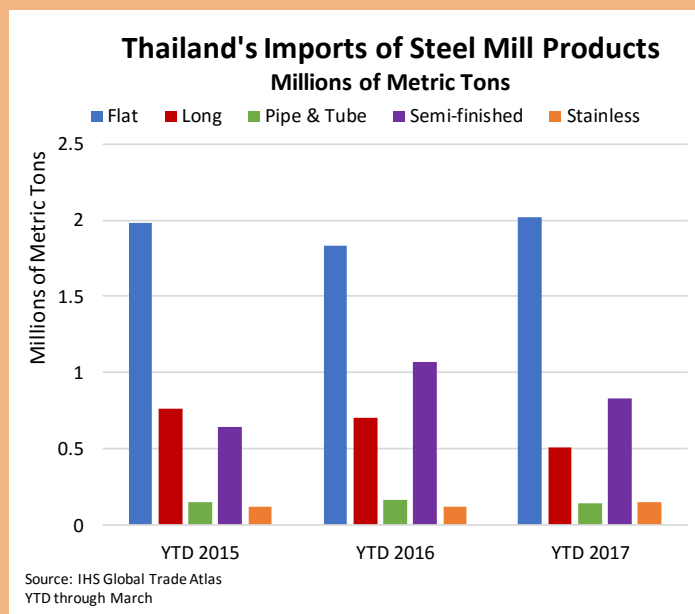
Thailand is a net importer of steel mill products. After a decline in imports between 2005 and early 2009, imports grew by 177 percent between Q1 2009 and Q1 2017. Over the same period, Thailand's steel exports increased by 16 percent. In YTD 2017, Thailand's steel trade deficit narrowed by 10 percent from -3.6 million metric tons in 2015 to -3.2 million metric tons in YTD 2016.



Import Volume, Value, and Product

Between 2015 and 2016, Thailand's volume of steel imports grew by 20 percent. In YTD 2017, however, Thailand's imports of steel mill products declined by 6 percent to 3.7 million metric tons from 3.9 million metric tons in YTD 2016. By contrast, the value of Thailand's steel imports decreased every year since 2012. In YTD 2017, however, despite a decrease in the volume of imports, import value increased by 19 percent to \$2.5 billion from \$2.1 billion in YTD 2016.

In YTD 2017, flat products accounted for the largest share of Thailand's steel imports at 55 percent (2 million metric tons). Semi-finished steel accounted for 23 percent, or 833.9 thousand metric tons, of Thailand's imports, followed by long products at 14 percent (507.3 thousand metric tons), stainless products at 4 percent (149.6 thousand metric tons), and pipe and tube products at 4 percent (146.4 thousand metric tons).

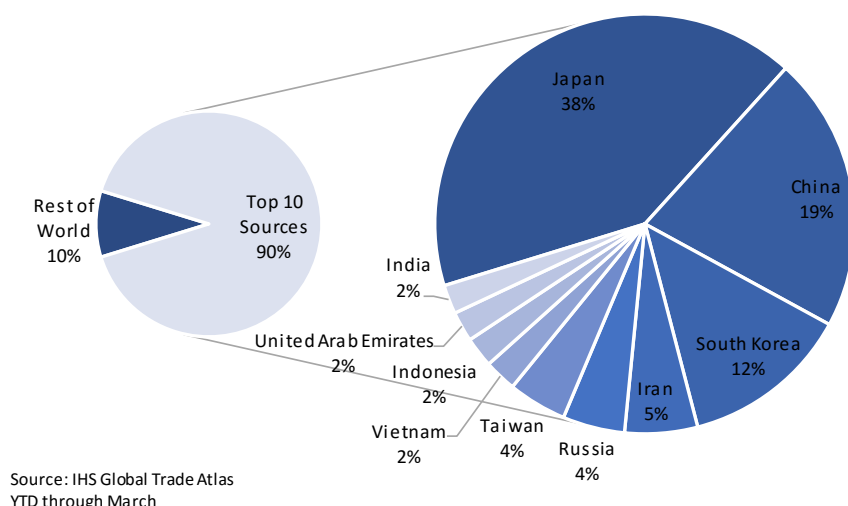


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Imports by Top Source

The top 10 source countries for Thailand's steel imports represented 90 percent of the total steel import volume in YTD 2017 at 3.3 million metric tons (mmt). Japan accounted for the largest share of Thailand's imports by source country at 38 percent (1.4 mmt). China ranked second in YTD 2017 with 19 percent (0.7 mmt), followed by South Korea at 12 percent (0.4 mmt), Iran at 5 percent (0.2 mmt), and Russia at 4 percent (0.2 mmt).

Thailand's Steel Imports - Top 10 Sources
YTD 2017 - Millions of Metric Tons



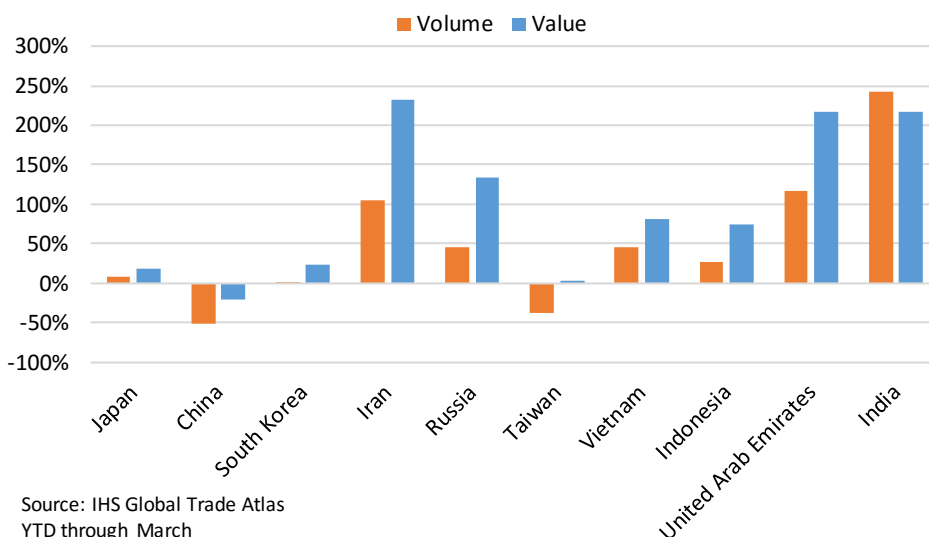
The United States ranked 26th as a source for Thailand's steel imports, representing just 0.06 percent of imports (2.2 thousand metric tons) in YTD 2017.

Trends in Imports from Top Sources

Between YTD 2016 and YTD 2017, the volume of Thailand's steel imports increased from eight of its top 10 steel import sources, and the overall value of Thailand's imports increased from nine of the top 10.

The largest increase in import volume occurred from India, up 242 percent from YTD 2016, followed by the United Arab Emirates (up 117%), Iran (up 104%), and Russia (up 46%). Only imports from China and Taiwan decreased in volume in YTD 2017, down 52 percent and 37 percent, respectively.

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



Thailand's imports from Iran, India, and the United Arab Emirates also increased the most in value terms between YTD 2016 and 2017, up 233 percent, 218 percent, and 218 percent, respectively. Among Thailand's top 10 import sources, only imports from China decreased in value terms, down 21 percent from YTD 2016.

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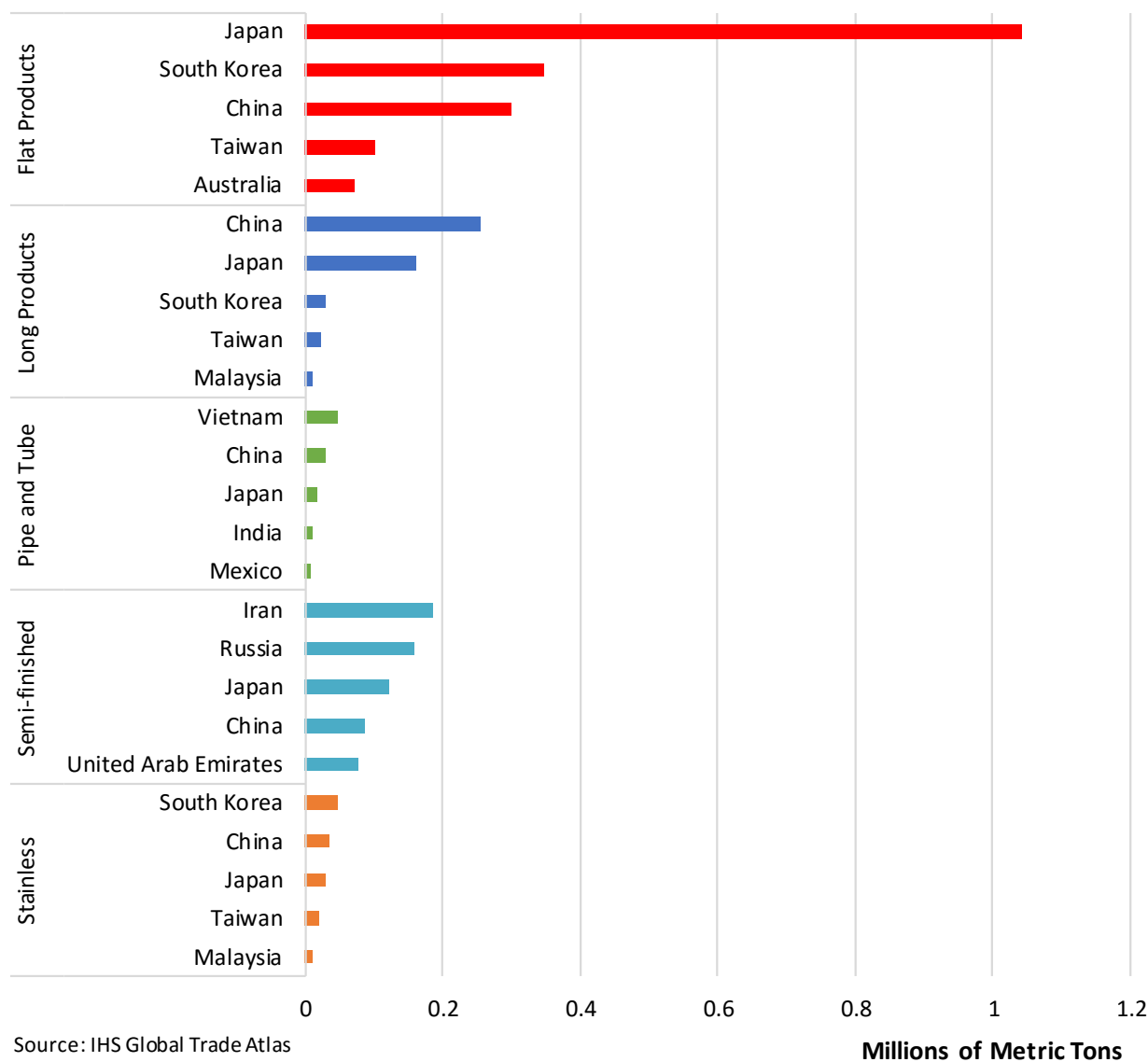
Top Sources by Steel Product Category

The top source countries for Thailand's imports by volume vary across types of steel products. Japan accounted for the largest share of Thailand's imports of flat products in YTD 2017 at 52 percent (1 million metric tons).

In YTD 2017, China represented the largest source for Thailand's long product imports at 50 percent (253.7 thousand metric tons). Thailand received the largest share of pipe and tube imports from Vietnam at 32 percent (46.2 thousand metric tons), semi-finished products from Iran at 22 percent (185.4 thousand metric tons), and stainless products from South Korea at 31 percent (45.8 thousand metric tons).

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

Thailand's Top 5 Import Sources by Product - YTD 2017



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Thailand's Export Market Share from Top Source Countries

In 2016, the share of steel exports sent to Thailand from its top import sources increased from six of the top 10 sources for which data are available. In 2016, the share of the Indonesia's steel exports to Thailand showed the largest increase (up 10.4 percentage points from 2015), followed by Taiwan (up 1.6 percentage points), China (up 1.5 percentage points), and Japan (up 1.5 percentage points).

Thailand's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Thailand - 2015	Thailand's Rank in 2015	Share of Exports to Thailand - 2016	Thailand's Rank in 2016
China	4.3%	6	5.8%	4
Japan	12.6%	3	14.1%	2
South Korea	5.2%	7	5.9%	5
Taiwan	6.6%	6	8.3%	5
Russia	1.0%	22	0.4%	34
Iran*	N/A	N/A	N/A	N/A
Vietnam**	10.0%	N/A	N/A	N/A
Indonesia	6.7%	4	17.1%	2
Brazil	1.5%	17	1.9%	14
United Arab Emirates**	0.0%	52	N/A	N/A

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

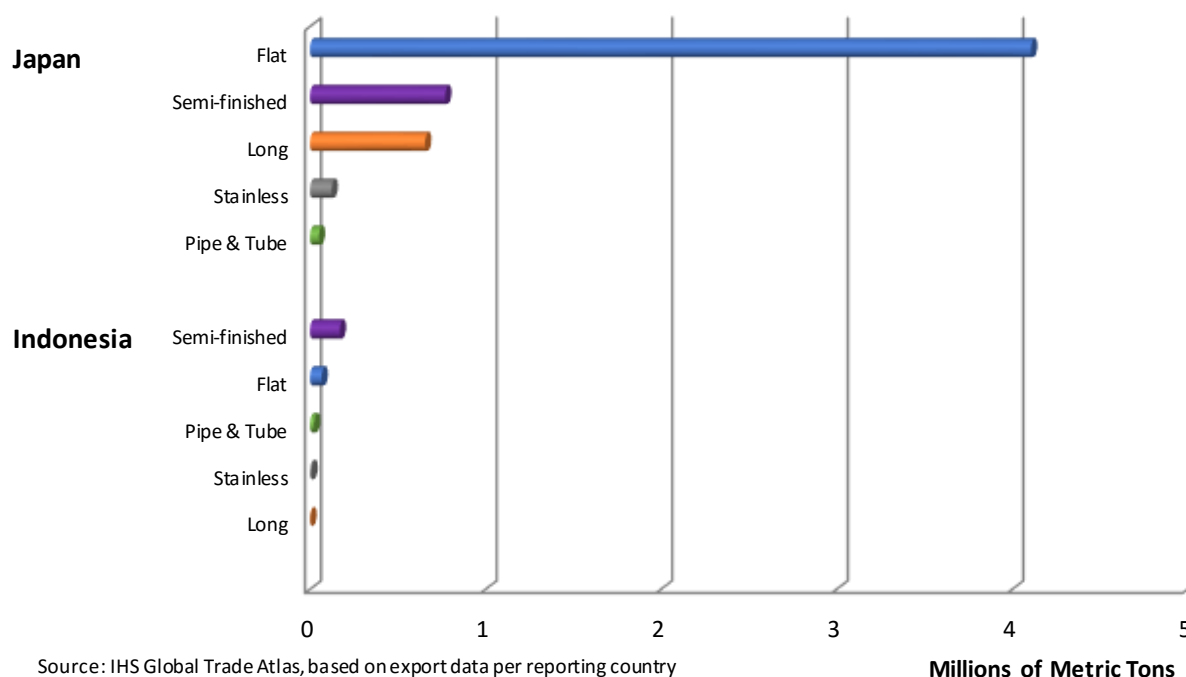
*2015 and 2016 data for Iran not available

**2016 data for Vietnam and UAE not available

In 2016, the share of steel exports to Thailand from Russia showed a slight decrease (down 0.6 percentage points).

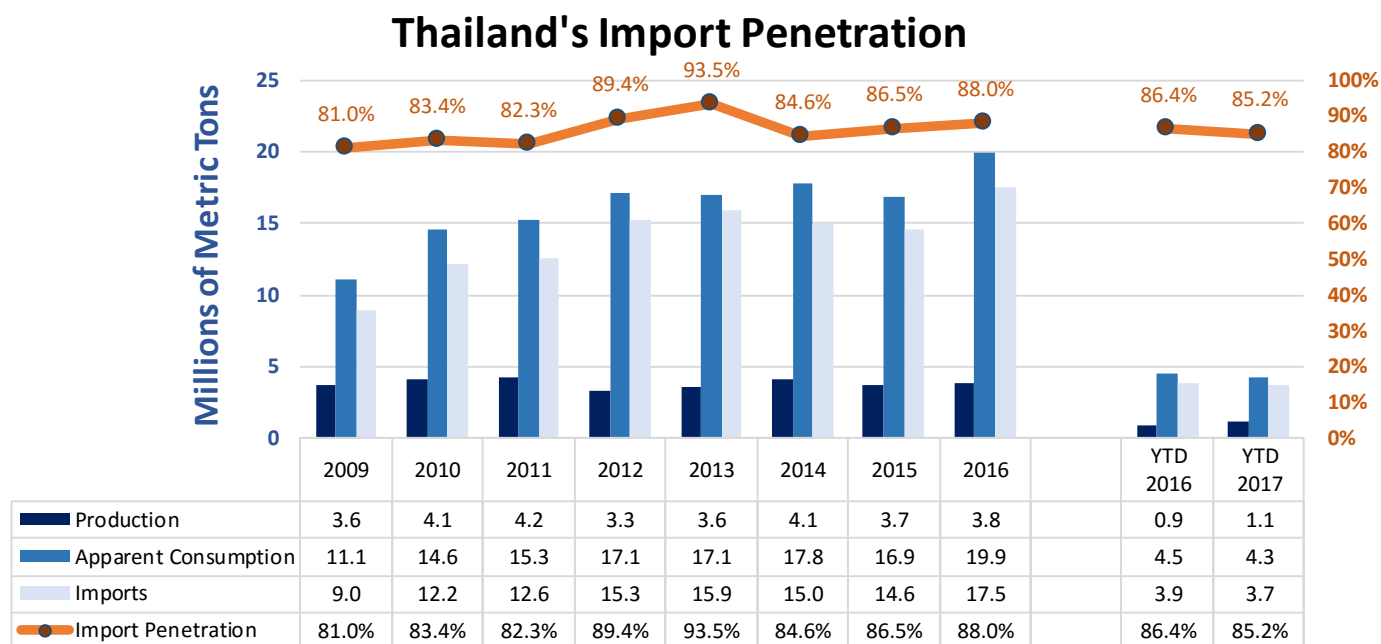
Among Thailand's top import sources, Japan and Indonesia sent the largest shares of their total steel exports to Thailand in 2016. Flat products accounted for the largest share of steel exports to Thailand from Japan at 72 percent (4.1 million metric tons), and semi-finished products accounted for the largest share of exports from Indonesia at 63 percent (170 thousand metric tons).

Steel Export Composition of Top Market-Share Countries - 2016



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Overall Production and Import Penetration



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

Steel production in Thailand averaged 3.8 million metric tons per year since 2009. Thailand's crude steel production increased slightly to 1.1 million metric tons in YTD 2017, from 0.9 million metric tons in YTD 2016. Apparent consumption (a measure of steel demand), which has significantly outpaced production, declined by 5 percent in YTD 2017 to 4.3 million metric tons. With import levels over three times larger than Thailand's production in YTD 2017, imports contributed substantially to steel demand. Import penetration amounted to 85.2 percent in YTD 2017.

Top Producers

According to the Iron and Steel Institute of Thailand, steel production in Thailand is dominated by rolling mills, many of which rely heavily on imports of semi-finished and finished steel products for their manufacturing inputs. There are roughly 20 crude steel-making facilities in Thailand, nearly all of which use electric arc furnace technology to produce steel. In comparison, over 150 hot-rolling, cold-rolling, cold-drawing, and coating mills are in operation in Thailand.

Major Steel Producers in Thailand		
Company	Production Capacity (mmt)	Main Products
G Steel Public Company	1.8	Hot-rolled coil, slab
Tata Steel Thailand*	1.7	Reinforcing bars, wire rods, sections
G J Steel Public Company (subsidiary of G Steel)	1.5	Hot-rolled coil
Siam Yamato Steel Co.	1.1	Hot-rolled structural sections
Sahaviriya Steel Industries (rolling mill)	4	Hot-rolled coil

Sources: Iron and Steel Institute of Thailand; Company websites
*Denotes foreign-owned

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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 Thailand has against imports of steel mill products from various countries.

Thailand's Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Algeria	1			1
Argentina	1			1
China	10			10
India	1			1
Indonesia	1			1
Japan	2			2
Kazakhstan	1			1
Malaysia	1			1
Romania	1			1
Russia	1			1
Slovakia	1			1
South Africa	1			1
South Korea	5			5
Taiwan	6			6
Ukraine	1			1
Venezuela	1			1
Vietnam	2			2
TOTAL	37	0	0	37
Source: World Trade Organization, through June 1, 2017				

Steel Mill Safeguards in Effect	
Country	Product
Thailand	Hot-rolled steel flat products with certain amounts of alloying elements
Thailand	Unalloyed hot-rolled steel flat products in coils and not in coils
Thailand	Structural hot-rolled H-beams with alloy
Source: World Trade Organization, through May 22, 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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