

Global Steel Trade Monitor

Steel Exports Report: India

August 2017

Background

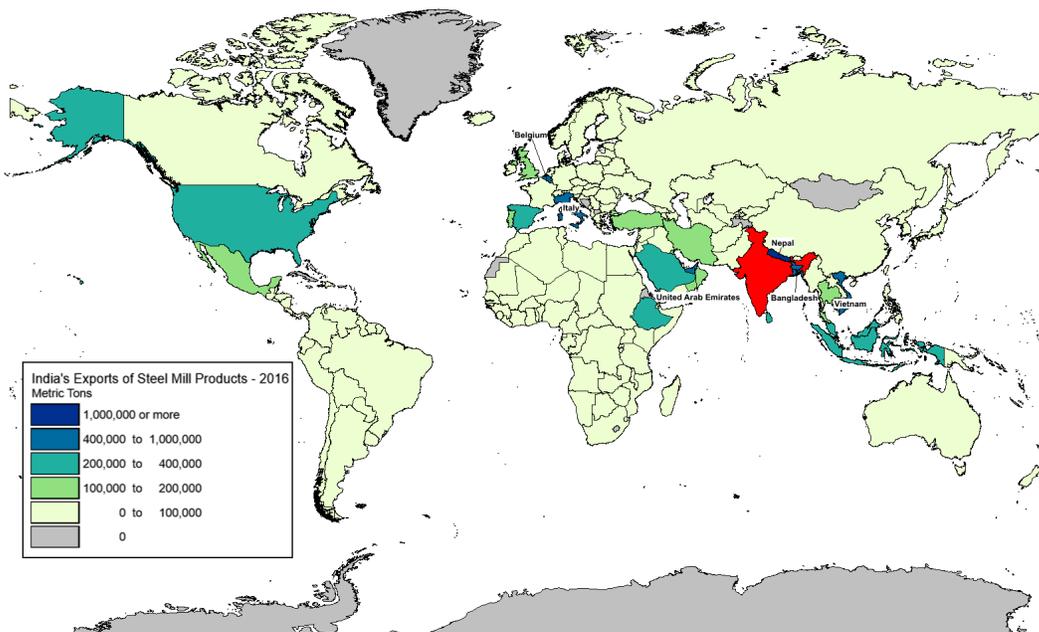
India is the world's fourteenth-largest steel exporter. In year-to-date 2017 (through June), further referred to as YTD 2017, India exported 8 million metric tons of steel, a 96 percent increase from 4.1 million metric tons in YTD 2016. India's exports represented about 2 percent of all steel exported globally in 2016. The volume of India's 2016 steel exports was less than one-tenth the size of the largest exporter, China. In value terms, steel represented just 2.4 percent of the total amount of goods India exported in 2016.

India exports steel to more than 200 countries and territories. The six countries labeled in the map below represent the top markets for India's exports of steel, each receiving more than 400 thousand metric tons and accounting for 52 percent of India's steel exports in 2016.

Quick Facts:

- World's 14th-largest steel exporter: 8 million metric tons (YTD 2017)
- 71% steel export growth since Q1 2005
- YTD export volume up 96% while export value up 95%
- Exports as a share of production up to 16.1% in YTD 2017 from 8.7% in YTD 2016.
- Top three markets: Italy, Vietnam, Nepal
- Largest producers: TATA Steel Group, JSW Steel Limited, Steel Authority of India Ltd. (SAIL)
- 27 trade remedies in effect in 7 countries involving steel mill imports from India

India's Exports of Steel Mill Products - 2016



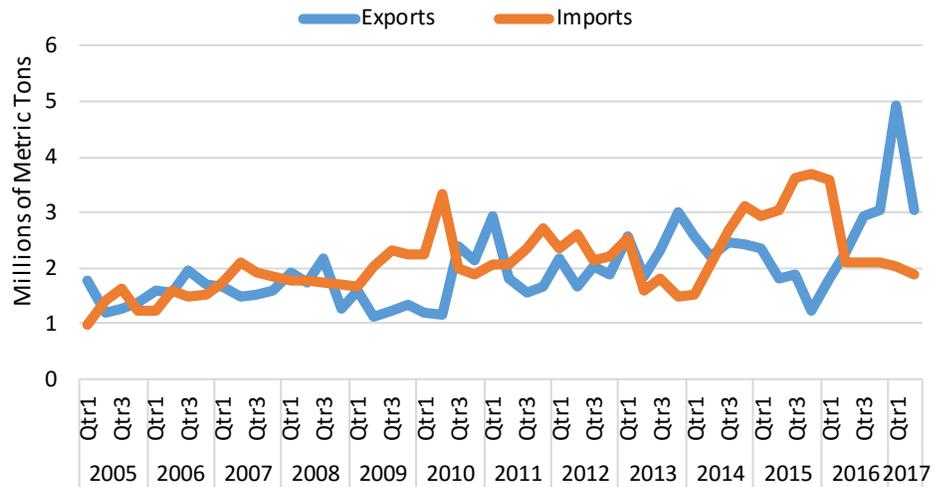
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Steel Exports Report: India

Steel Trade Balance

Over the past decade, India has alternated between being a net steel importer and a net steel exporter. Imports and exports have displayed a roughly inverse relationship, as imports declined sharply in tandem with export growth. Since Q1 2005, exports have increased by 71 percent, and imports have increased 55 percent. Despite a trade deficit of 1.6 million metric tons in YTD 2016, in YTD 2017, a sharp increase in exports meant India had a trade surplus of 4 million metric tons.

India's Trade in Steel Mill Products by Quarter



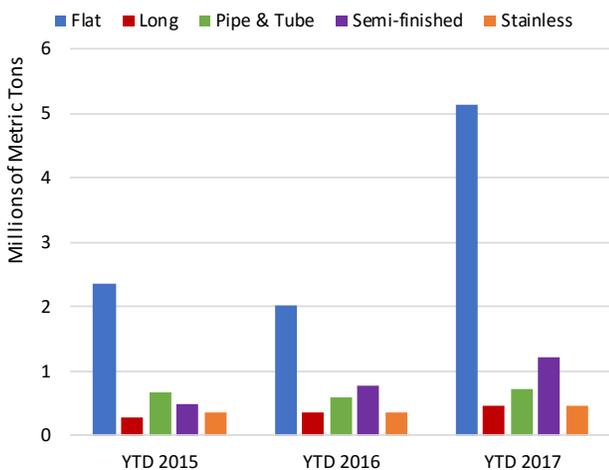
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

After an 83 percent rise in export volume from 2009 to 2014, India's steel exports fell by 25 percent in 2015 to 7.3 million metric tons. Imports in 2016 rebounded to 10 million metric tons. India's YTD 2017 steel exports have increased by 96 percent to 8 million metric tons over YTD 2016. Similarly, the value of India's YTD 2017 steel exports have increased by 95 percent to \$5.3 billion from \$2.7 billion in YTD 2016.

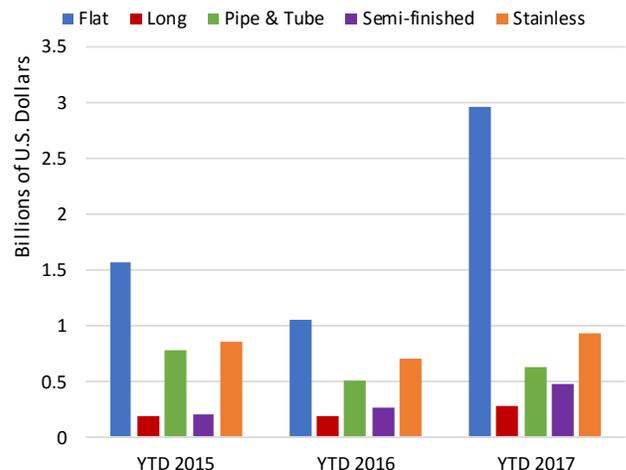
Flat products accounted for 64 percent of India's steel exports by volume at 5.1 million metric tons in YTD 2017, followed by semi-finished steel at 15 percent of exports (1.2 million metric tons), pipe and tube products at 9 percent (728 thousand metric tons), stainless steel at 6 percent (448 thousand metric tons), and long products at 6 percent (446 thousand metric tons).

India's Exports of Steel Mill Products
Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through June 2017

India's Exports of Steel Mill Products
Billions of U.S. Dollars



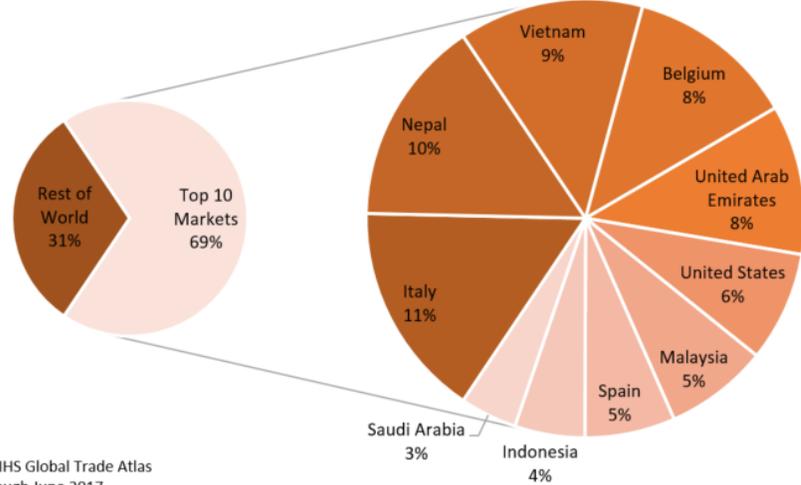
Source: IHS Global Trade Atlas
YTD through June 2017

Steel Exports Report: India

Exports by Top Market

Exports to India's top 10 steel markets represented 69 percent of India's steel export volume in YTD 2017 at 5.5 million metric tons (mmt). Italy was the largest market for India's exports with 11 percent (0.9 mmt), followed by Nepal at 10 percent (0.8 mmt), Vietnam at 9 percent (0.7 mmt), Belgium at 9 percent (0.7 mmt), and the United Arab Emirates at 8 percent (0.6 mmt).

India's Steel Exports - Top 10 Markets
YTD 2017 - Percent of Volume



Source: IHS Global Trade Atlas
YTD through June 2017

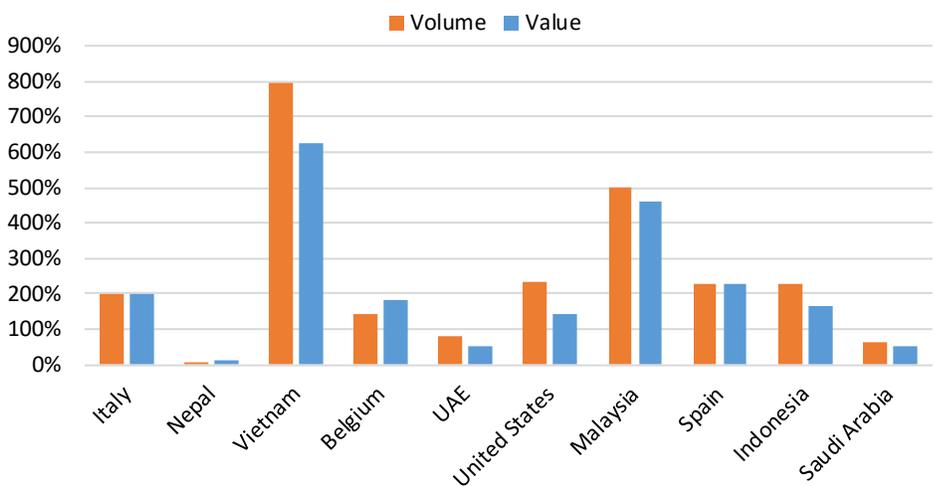
The United States ranked sixth as a destination for India's steel exports, accounting just 6 percent of exports (445 thousand metric tons) in YTD 2017 — compared to 3 percent in YTD 2016 (135 thousand metric tons).

Trends in Exports to Top Markets

Between YTD 2016 and YTD 2017, the volume of India's steel exports increased to all of the country's top 10 steel export markets. Exports increased significantly to Vietnam, up 795 percent by volume from YTD 2016 and Malaysia, up 501 percent. Other notable increases in YTD 2017 included exports to the United States (up 230%), Spain (up 229%), Indonesia (up 229%), Italy (up 257%), and Belgium (up 144%).

India's exports also increased in value to all of its top 10 markets in YTD 2017, and those markets with the largest volume increases also saw the largest value increases. Exports to Vietnam increased the most in YTD 2017, up 627 percent by value, followed by Malaysia (up 461%), Spain (up 228%), Italy (up 200%), Belgium (up 180%), Indonesia (up 164%), and the United States (up 145%).

Percent Change in Exports to Top 10 Markets (YTD 2016 to YTD 2017)



Source: IHS Global Trade Atlas
YTD through June

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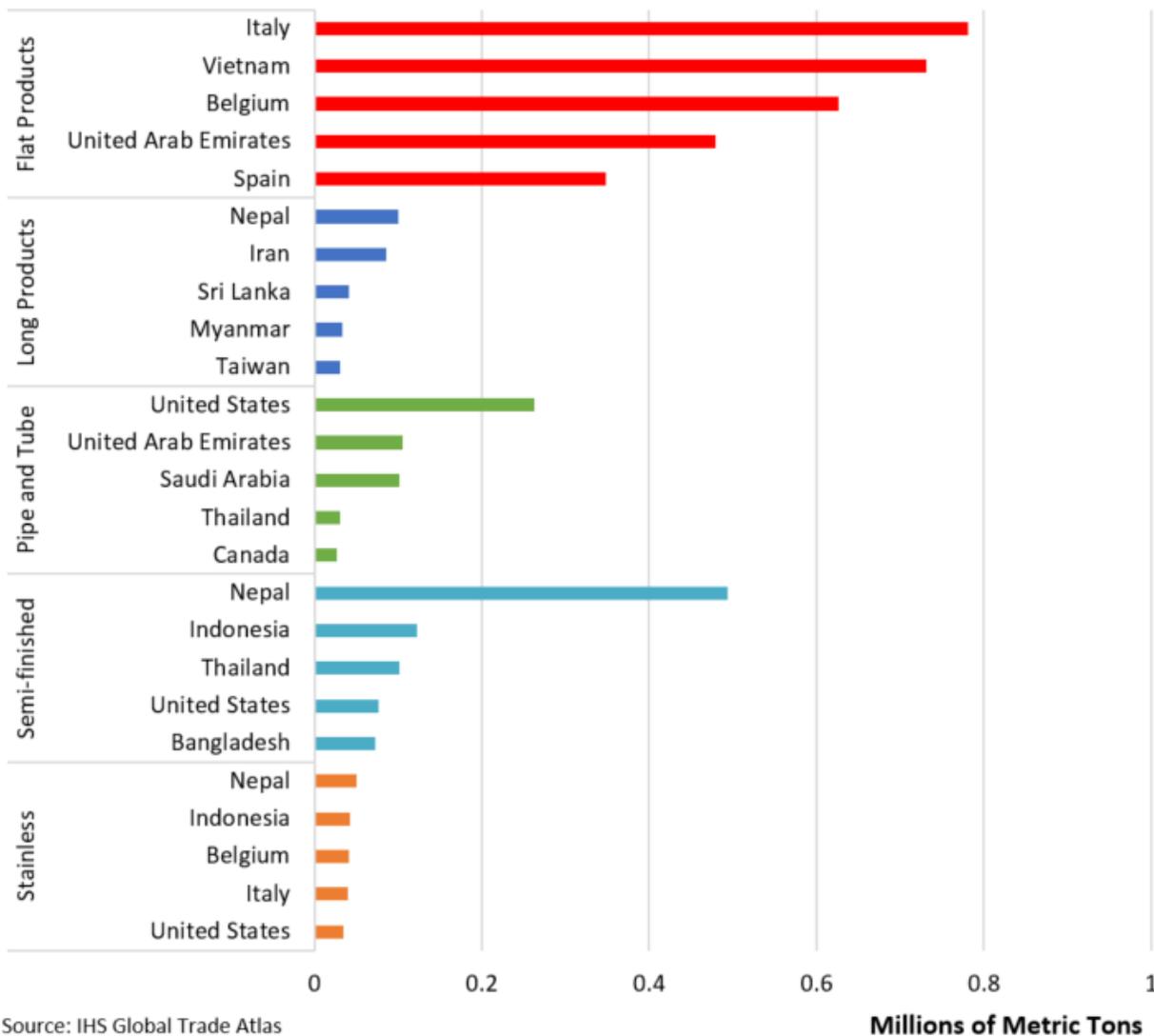
Top Markets by Steel Product Category

India's top export markets by volume vary across types of steel products. In flat products, India's largest export category, Italy accounted for the largest share of exports in YTD 2017 at 15 percent (780 thousand metric tons), followed closely by Vietnam at 14 percent (732 thousand metric tons).

India exported slightly less than one-quarter of long products (101 thousand metric tons) to Nepal in YTD 2017. The United States accounted for 36 percent (263 thousand metric tons) of India's pipe and tube exports. Nepal also accounted for 40 percent (494 thousand metric tons) of India's exports of semi-finished steel in YTD 2017, as well as 11 percent (50 thousand metric tons) of stainless exports.

The United States was a top-five export destination for pipe and tube, semi-finished steel and stainless steel in YTD 2017.

India's Top 5 Export Markets by Product - YTD 2017



Source: IHS Global Trade Atlas
YTD through June 2017

Steel Exports Report: India

India's Import Market Share in Top Destinations

In 2016, the import market share for India's steel products increased in the majority of India's top export destinations for which data are available. The share of steel imports from India in Belgium and Malaysia showed the largest increases, each up 2.8 percentage points from 2015, followed by the United Arab Emirates (up 1.7 percentage points), Spain (up 1.6 percentage points), and Italy (up 0.7 percentage points).

India's Steel Import Market Share				
Top 10 Export Markets	Share of Imports from India - 2015	India's Rank in 2015	Share of Imports from India - 2016	India's Rank in 2016
Nepal	89.7%	1	N/A	N/A
Belgium	2.6%	8	5.4%	6
Bangladesh	3.2%	7	N/A	N/A
UAE	7.3%	4	9.0%	4
Italy	2.6%	11	3.4%	10
Vietnam	0.5%	5	N/A	N/A
Spain	2.1%	11	3.7%	8
United States	2.2%	11	1.1%	16
Malaysia	1.2%	8	4.0%	5
Saudi Arabia	2.2%	11	N/A	N/A

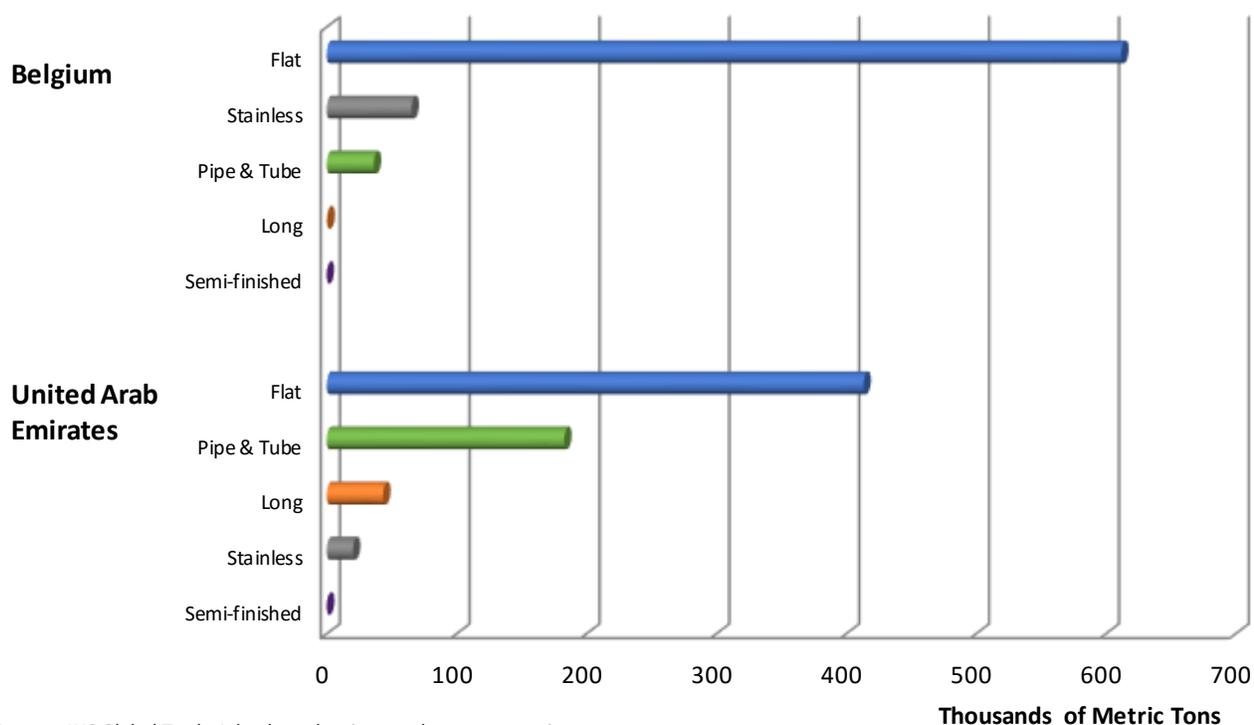
Source: IHS Global Trade Atlas, based on import data per reporting country

Note: 2016 data for Nepal, Bangladesh, Vietnam, and Saudi Arabia not available

The share of imports from India in the United States showed the only decrease – down 1.1 percentage points in 2016.

Among India's top ten export markets for which data are available, Belgium and the United Arab Emirates received the largest shares of their total imports from India in 2016. Flat products accounted for the majority of both Belgium's steel imports from India at 86 percent (612 thousand metric tons) and the United Arab Emirates' imports at 63 percent (413 thousand metric tons).

Steel Import Composition of Top Market-Share Countries - 2016

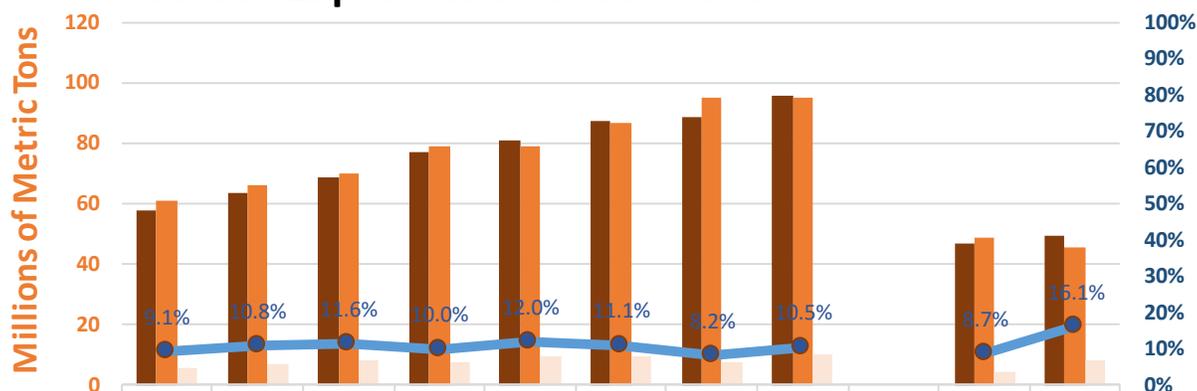


Source: IHS Global Trade Atlas, based on import data per reporting country

Steel Exports Report: India

Overall Production and Export Share of Production

India's Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016	YTD 2016	YTD 2017
Production	57.8	63.5	69.0	77.3	81.3	87.3	89.0	95.6	47.0	49.5
Apparent Consumption	60.8	66.1	70.2	78.9	79.0	87.0	95.0	95.4	48.6	45.4
Exports	5.3	6.9	8.0	7.7	9.7	9.7	7.3	10.0	4.1	8.0
Export Share of Production	9.1%	10.8%	11.6%	10.0%	12.0%	11.1%	8.2%	10.5%	8.7%	16.1%

Sources: World Steel Association; IHS Global Trade Atlas
YTD through June 2017

India's crude steel production increased every year since 2009. Between 2009 and 2016, production grew by 65 percent — an increase of 37.8 million metric tons. Production in YTD 2017 increased by 5 percent to 49.5 million metric tons from 47 million metric tons in YTD 2016. Apparent consumption (a measure of steel demand) had tracked relatively closely to production, pulling almost even in 2014, before outpacing production by 6 million metric tons in 2015. By the end of 2016, the gap between demand and production narrowed to just 200 thousand metric tons. In YTD 2017, production has outpaced apparent consumption by approximately 4 million metric tons. India's share of exports relative to production stood at 10.5 percent at the end of 2016, up 2.3 percentage points from 2015. However, India's steel exports as a share of production has increased to 16 percent in YTD 2017 as compared to 8.7 percent in YTD 2016.

Top Producers

Before economic reforms in 1991, steel production in India was concentrated among state-owned companies. Private companies now dominate crude steel production in India. The top 6 producers accounted for 68.6 million metric tons, or 72 percent of total 2016 production, based on available data.

India's Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	TATA Steel Group	24.5	Hot-rolled/cold-rolled coils and sheets, galvanized, tube
2	JSW Steel Limited	14.9	Hot-rolled coils, plates, sheets, galvanized
3	Steel Authority of India Ltd. (SAIL)	14.4	Flat, structural, rails, tubular
4	Essar Steel Group	7.5	Plates, pipes, cold-rolled, galvanized
5	Rashtriya Ispat Nigam Ltd (VIZAG Steel)	3.8	Specialty, wire rod, rebar, structural, rounds
6	Jindal Steel and Power Ltd (JSPL)	3.5	Rails, beams, coils, wire rod

Sources: World Steel Association; Hoovers; MarketLine

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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 table below provides statistics on the current number of trade remedies various countries have against steel mill products from India.

Steel Mill Trade Remedies in Effect Against India				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Canada	2	2		4
European Union	1	2		3
Indonesia	1			1
Mexico	1			1
South Korea	1			1
Thailand	1			1
United States	10	6		16
TOTAL	17	10	0	27

Source: World Trade Organization, through June 1, 2017

Global Steel Mill Safeguards in Effect	
Country	Product(s)
Egypt	Steel rebar
India	1) Hot-rolled steel in coils; 2) Hot-rolled steel flat sheets and plates
Indonesia	1) Articles of finished casing and tubing; 2) Flat-rolled products of iron or non-alloy steel; 3) I and H sections of other alloy steel; 4) Bars and rods, hot-rolled, in irregularly wound coils
Malaysia	1) Hot-rolled steel plate; 2) Steel concrete reinforcing bar; 3) Steel wire rod and deformed bar-in-coil
Morocco	1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods
Philippines	Steel angle bars
Thailand	1) Hot-rolled steel flat products with certain amounts of alloying elements; 2) Unalloyed hot-rolled steel flat products in coils and not in coils; 3) Structural hot-rolled H-beams with alloy
Vietnam	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through May 22, 2017

Steel Exports 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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