

Global Steel Trade Monitor

Steel Imports Report: India

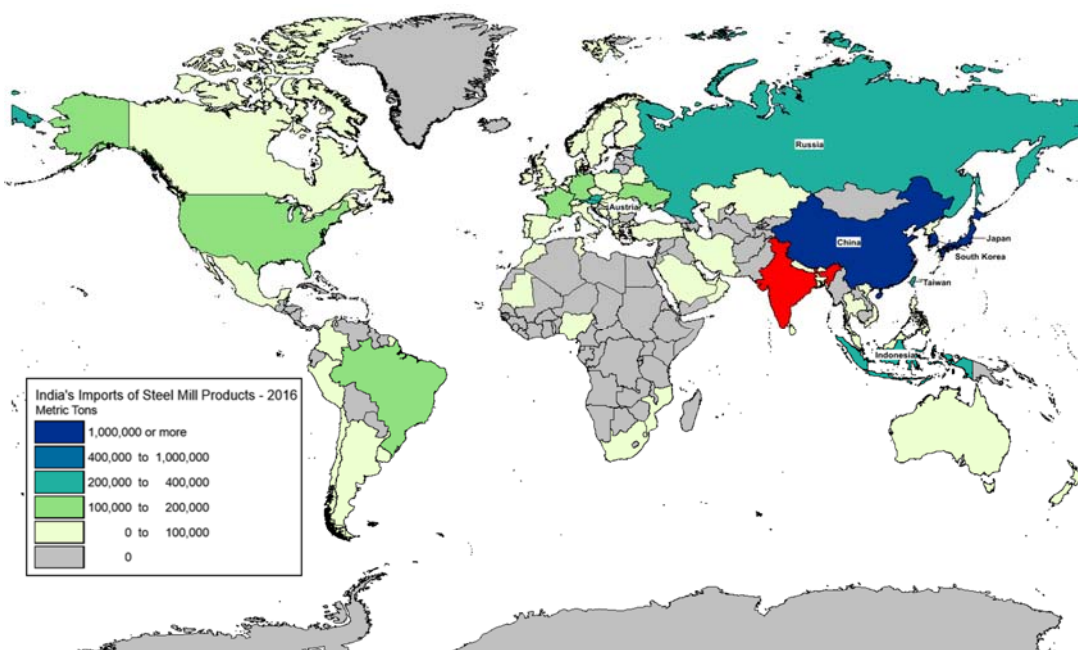
December 2017

Background

India is the world's eleventh-largest steel importer. In year-to-date 2017 (through September), further referred to as YTD 2017, India imported 6.8 million metric tons of steel, a 12 percent decrease from 7.8 million metric tons in YTD 2016. India's steel imports represented 3 percent of all steel imported globally in 2016. The volume of India's 2016 steel imports was just under a third the size of the world's largest importer, the United States. In value terms, steel represented just 1.9 percent of the total amount of goods imported into India in 2016.

India imports steel from over 80 countries and territories. The 7 countries labeled in the map below represent the top import sources for India's imports of steel, with each sending more than 200 thousand metric tons and together accounting for 85 percent of India's steel imports in 2016.

India's Imports of Steel Mill Products - 2016



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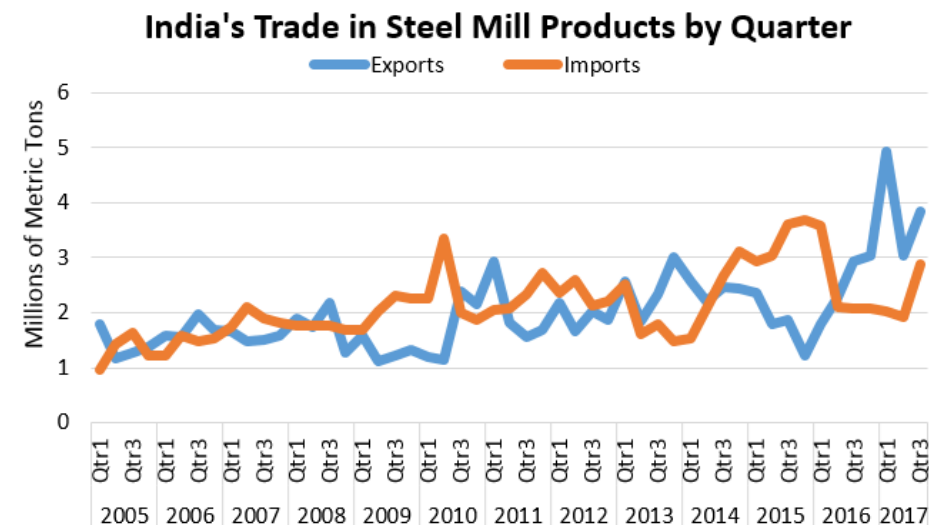
Quick Facts:

- World's eleventh-largest steel importer: 6.8 million metric tons (YTD 2017)
- 22% steel import decrease since Q4 2015
- YTD import volume down 12% and value up 7%
- Import penetration at 9.7% in YTD 2017
- Top three import sources: South Korea, China, Japan
- Largest producers: TATA Steel Group, JSW Steel Limited, Steel Authority of India Ltd. (SAIL)
- 24 trade remedies in effect against imports of steel mill products

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Steel Trade Balance

Since 2005, 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 their most recent high point in Q4 2015, India's imports have decreased 22 percent. In contrast to having a steel trade deficit in YTD 2016, India posted a steel trade surplus of 5 million metric tons in YTD 2017 due to a jump in exports.

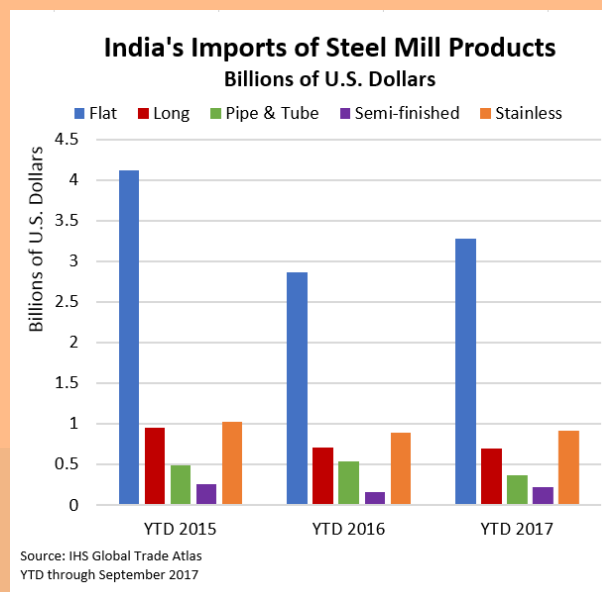
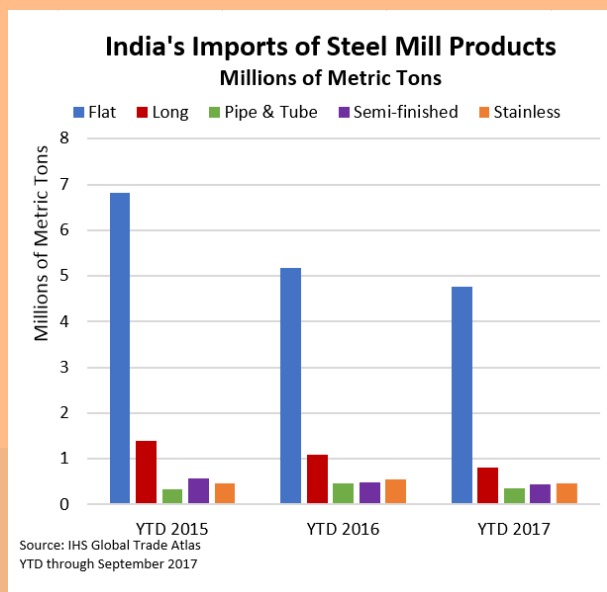


Source: IHS Global Trade Atlas

Import Volume, Value, and Product

India's volume of steel imports hit a peak in 2015 at 13.3 million metric tons — a jump of 41 percent from 9.4 million metric tons in 2014. Imports in 2016 decreased back down to 2014 levels, down 26 percent to 9.8 million metric tons. India's YTD 2017 imports have decreased by 924 thousand metric tons over YTD 2016. The value of India's YTD 2017 steel imports have increased by 7 percent to \$5.5 billion from \$5.2 billion in YTD 2016.

Flat products accounted for 70 percent of India's steel imports by volume at 4.8 million metric tons in YTD 2017, down from 5.2 million metric tons in YTD 2016. Long products accounted for 12 percent, or 814 thousand metric tons, followed by stainless steel at 7 percent (460 thousand metric tons), semi-finished products at 7 percent (448 thousand metric tons), and pipe and tube at 5 percent (353 thousand metric tons).



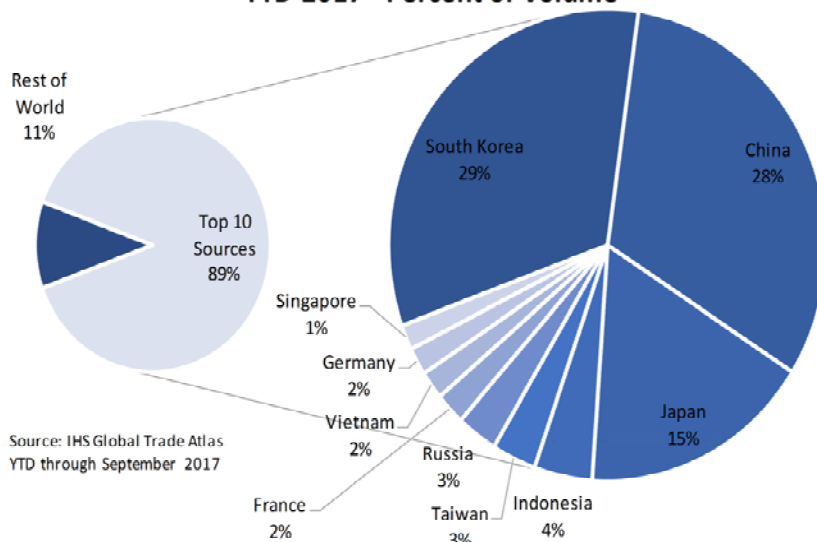
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Imports by Top Source

The top 10 source countries for India's steel imports represented 89 percent of the total steel import volume in YTD 2017 at 6.1 million metric tons (mmt). South Korea accounted for the largest share of India's imports by source country at 29 percent (2 mmt), followed by China at 28 percent (1.9 mmt), Japan at 15 percent (1 mmt), and Indonesia at 4 percent (0.3 mmt).

The United States ranked 12th as a source for India's steel imports, accounting for just 79 thousand metric tons in YTD 2017. The United States accounted for 80 thousand metric tons of India's steel imports in YTD 2016.

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

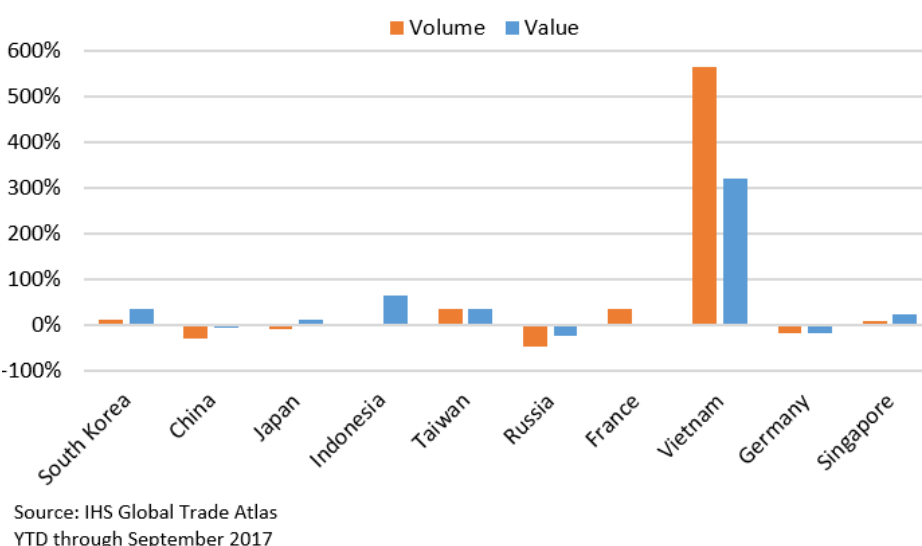


Trends in Imports from Top Sources

Between YTD 2016 and YTD 2017, the volume of India's steel imports decreased from five of India's top 10 steel import sources. India's imports from Russia showed the greatest decrease in volume, down 47 percent by volume from YTD 2017, followed by China (down 29%), Germany (down 19%), Japan (down 11%), and Indonesia (down 1%). India's imports from Vietnam showed a significant increase in volume between YTD 2016 and YTD 2017, rising 565 percent.

The overall value of India's imports decreased from three of its top ten sources. The decreases in steel value between YTD 2016 and YTD 2017 included India's imports from Russia (down 24%), Germany (down 18%), and China (down 6%). Imports from the rest of India's top 10 steel import sources increased in value in YTD 2017 from YTD 2016 led by Vietnam (up 320%), Indonesia (up 64%), Taiwan (up 35%), South Korea (up 34%), Singapore (up 21%), Japan (up 11%), and France (up 1%).

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



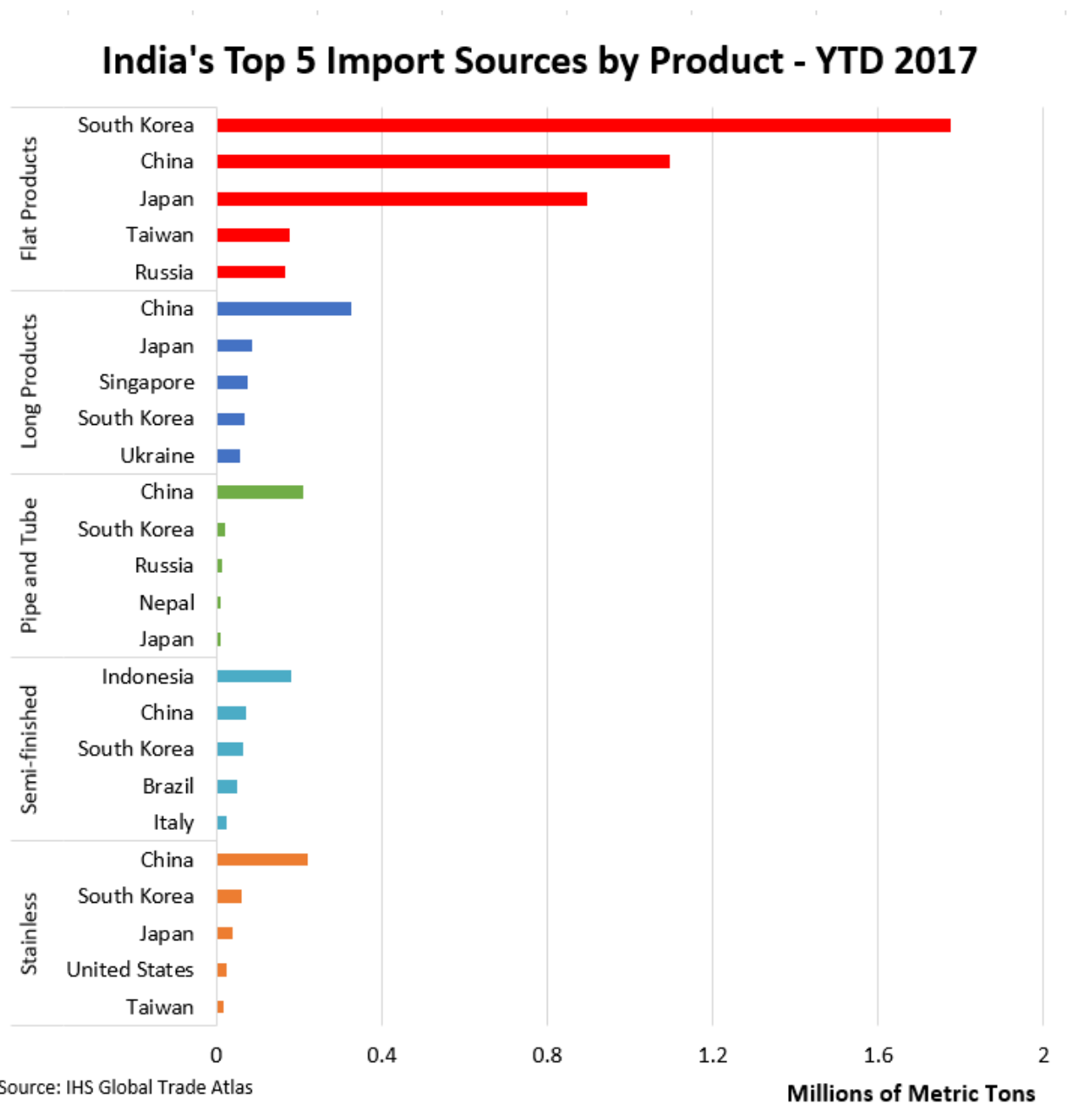
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Top Sources by Steel Product Category

India's top import sources by volume vary across types of steel products. India imported the largest share of its flat products from South Korea at 37 percent (1.8 million metric tons) in YTD 2017, followed by China at 23 percent (1.1 thousand metric tons).

China accounted for the largest share of each of India's imports of long products at 40 percent (328 thousand metric tons), pipe and tube products at 60 percent (212 thousand metric tons), and stainless products at 48 percent (220 thousand metric tons). Indonesia held the largest share of India's semi-finished imports at 41 percent (183 thousand metric tons).

Stainless was the only product category for which the United States was a top 5 import source in YTD 2017, accounting for 5 percent of India's stainless imports (24 thousand metric tons).



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India's Export Market Share from Top Source Countries

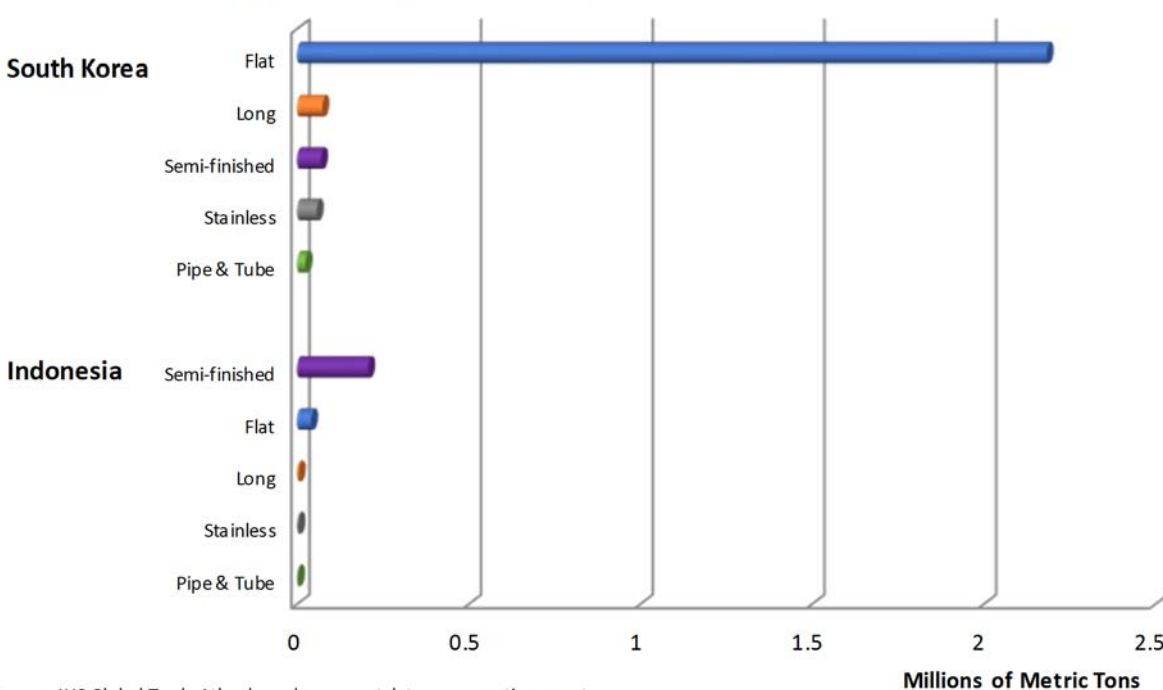
In 2016, the share of steel exports sent to India from its top import sources decreased in seven of India's top 10 sources. Countries with notable decreases in their shares of steel exports to India in 2016 included Japan (down 2.8 percentage points from 2015), South Korea and Brazil (each down 1.9 percentage points), and China (down 1.2 percentage points). The share of exports to India from Russia, Taiwan, and Germany each decreased by less than one percentage point. Export shares to India only increased in Indonesia (up 1.8 percentage points), Austria (up 1.2 percentage points), and France (up 0.7 percentage points).

India's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to India - 2015	India's Rank in 2015	Share of Exports to India - 2016	India's Rank in 2016
China	4.3%	5	3.1%	6
South Korea	9.8%	4	7.9%	4
Japan	6.0%	6	3.2%	10
Russia	1.2%	19	0.9%	23
Indonesia	14.7%	3	16.5%	3
Austria	1.9%	13	3.0%	7
Taiwan	1.9%	15	1.7%	14
Germany	0.9%	19	0.7%	22
Brazil	2.1%	9	0.2%	38
France	0.6%	20	1.3%	13

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

Among India's top import sources, South Korea and Indonesia sent the largest shares of their total steel exports to India in 2016, at 7.9 percent and 16.5 percent respectively. Flat products accounted for nearly all of South Korea's exports to India at 91 percent (2.2 million metric tons), while semi-finished steel accounted for a significant share of Indonesia's exports to India at 80 percent (207 thousand metric tons).

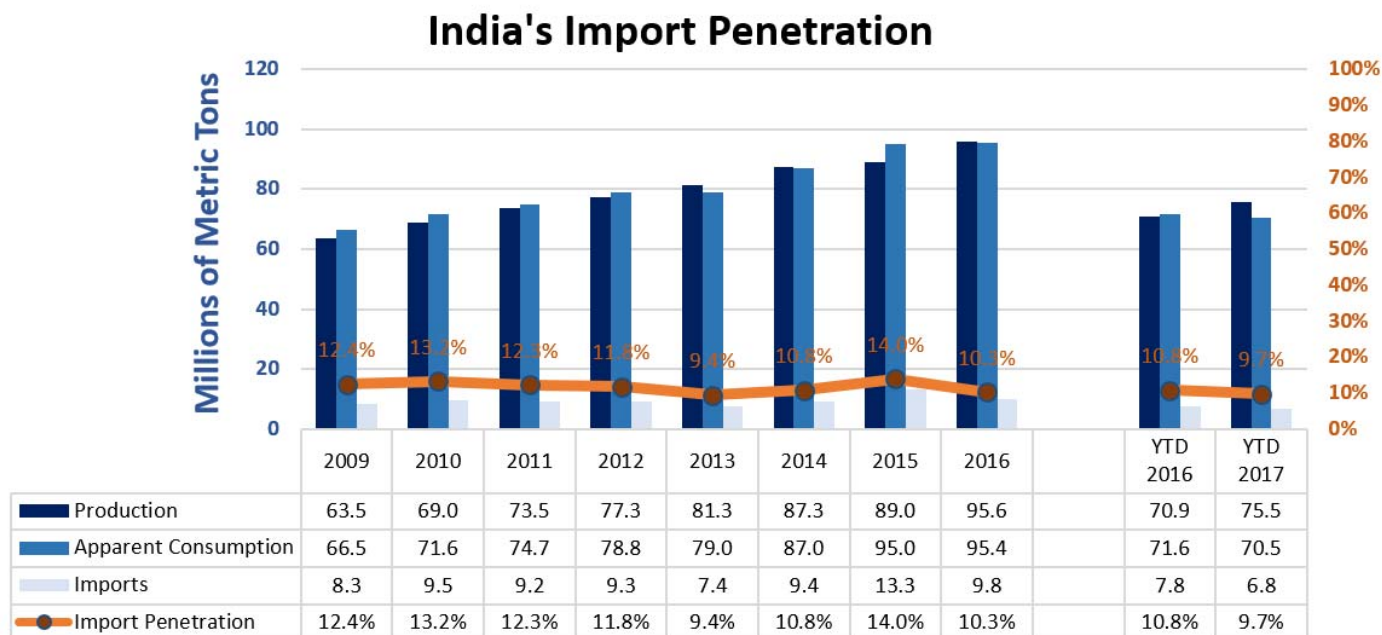
Steel Export Composition of Top Market-Share Countries - 2016



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

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Overall Production and Import Penetration



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

India's crude steel production has increased every year since 2009, growing 51 percent between 2009 and 2016. Production in YTD 2017 was up 7 percent to 75.5 million metric tons from 70.9 million metric tons in YTD 2016. Apparent consumption (a measure of steel demand) has tracked relatively closely with production over the period but slightly outpaced production in the majority of years. 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 5 million metric tons. Import penetration decreased 1.1 percentage points from 10.8 percent in YTD 2016 to 9.7 percent in YTD 2017.

Top Producers

Before economic reforms in 1991, steel production in India was concentrated among state-owned companies. Currently, private companies 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 tables below provides statistics on the current number of trade remedies India has against imports of steel mill products from various countries.

India's Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Brazil	1			1
China	5			5
European Union	2			2
Indonesia	1			1
Japan	2			2
Malaysia	1			1
Russia	1			1
South Africa	1			1
South Korea	5			5
Taiwan	1			1
Thailand	1			1
Ukraine	1			1
United States	2			2
TOTAL	24	0	0	24
Source: World Trade Organization, through June 30, 2017				

Steel Mill Safeguards in Effect	
Country	Product
India	Hot-rolled steel in coils
India	Hot-rolled steel flat sheets and plates
Source: World Trade Organization, through September 15, 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/>.

