



# Global Steel Trade Monitor

## Steel Exports Report: Iran

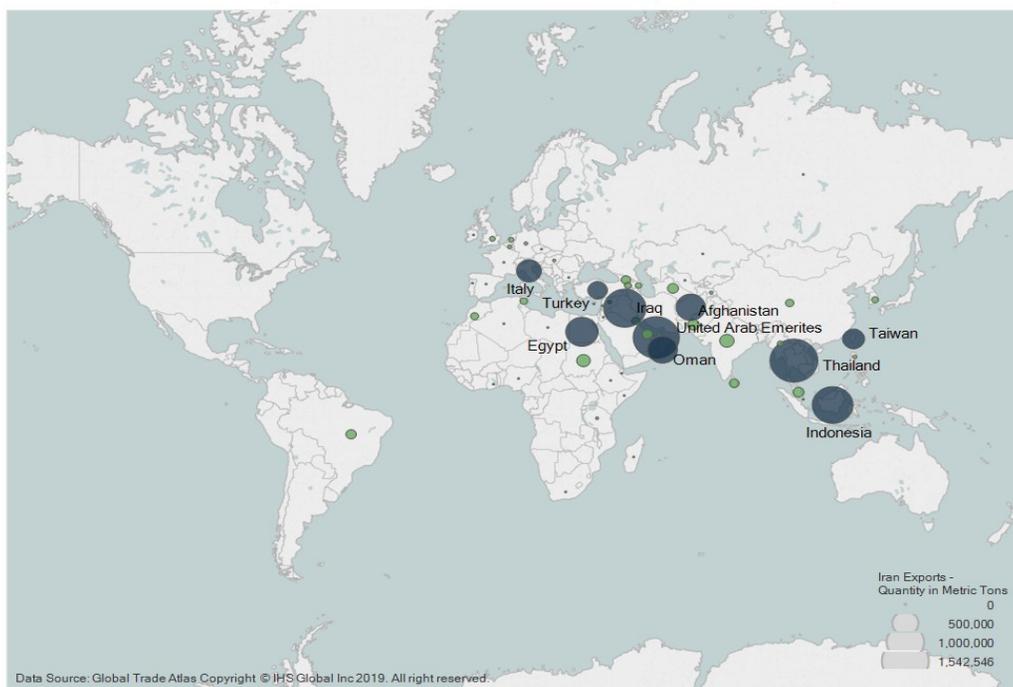
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### Background

Iran was the world's eighteenth-largest steel exporter in 2017. In 2018, Iran exported 9.2 million metric tons of steel, a 24 percent increase from 2017. Iran's exports represented about 2 percent of all steel exported globally in 2017. The volume of Iran's 2018 steel exports was less than 14 percent of that of the world's largest exporter, China. In value terms, steel represented 8.7 percent of the total amount of goods Iran exported in 2018.

Iran exports steel to more than 120 countries and territories. The 10 countries highlighted in the map below represent the top markets for Iran's exports of steel, receiving more than 200 thousand metric tons each and accounting for 88 percent of Iran's total steel exports in 2018.

Iran Exports of Steel Mill Products-2018 (Top Ten in Blue)



### Quick Facts:

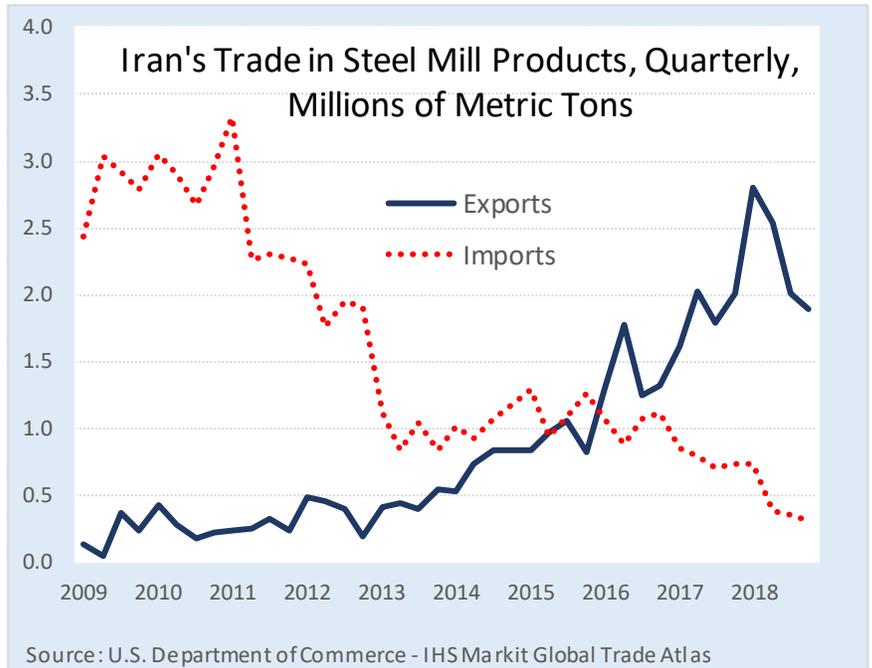
- In 2018, Iran exported 9.24 million metric tons of steel
- 1084% steel export increase since 2009
- Exports as a share of production up from 35% in 2017 to 37% in 2018
- Export volume up 24% while export value up 53%
- Top three markets: Thailand, United Arab Emirates, Iraq
- Top Producers: Mobarakeh Steel, Khouzestan Steel, Esfahan Steel
- 2 trade remedies in effect involving steel mill imports from Iran

# Steel Exports Report: Iran

## Steel Trade Balance

Since 2016, Iran has been a net exporter of steel products. Between 2009 and 2018, exports grew by 1084%, while imports declined by 84%. From 2009 through 2015, Iran maintained a significant trade deficit in steel products. Iran's imports peaked in 2010 and have been steadily declining since.

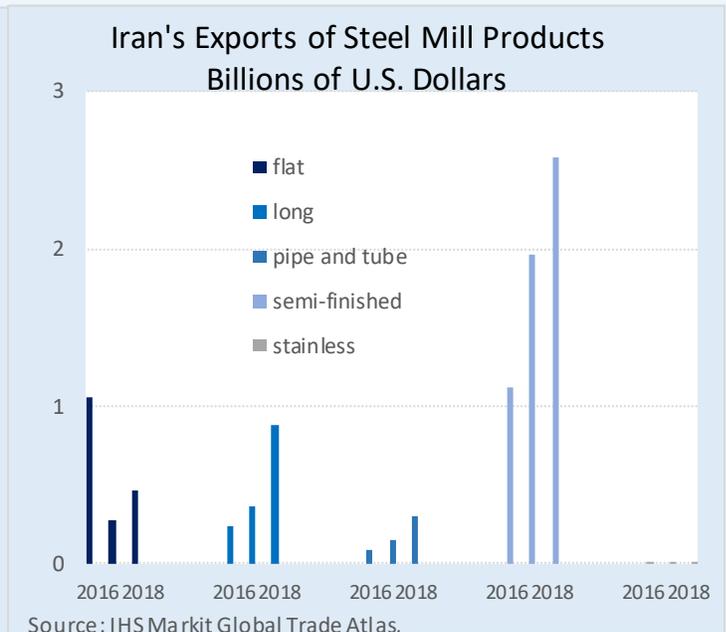
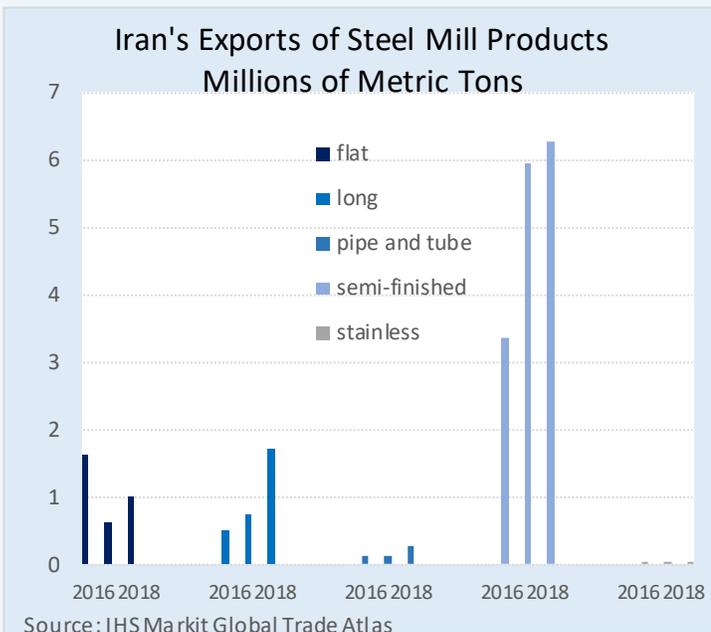
In 2018, Iran's steel trade surplus amounted to 7.5 million metric tons, a 71% increase from 4.4 million metric tons in 2017.



## Export Volume, Value, and Product

In 2018, Iran's steel exports increased by 24 percent from 7.4 million metric tons in 2017 to 9.2 million metric tons. The value of Iran's 2018 steel exports increased by 53 percent to \$4.2 billion from \$2.8 billion in 2017.

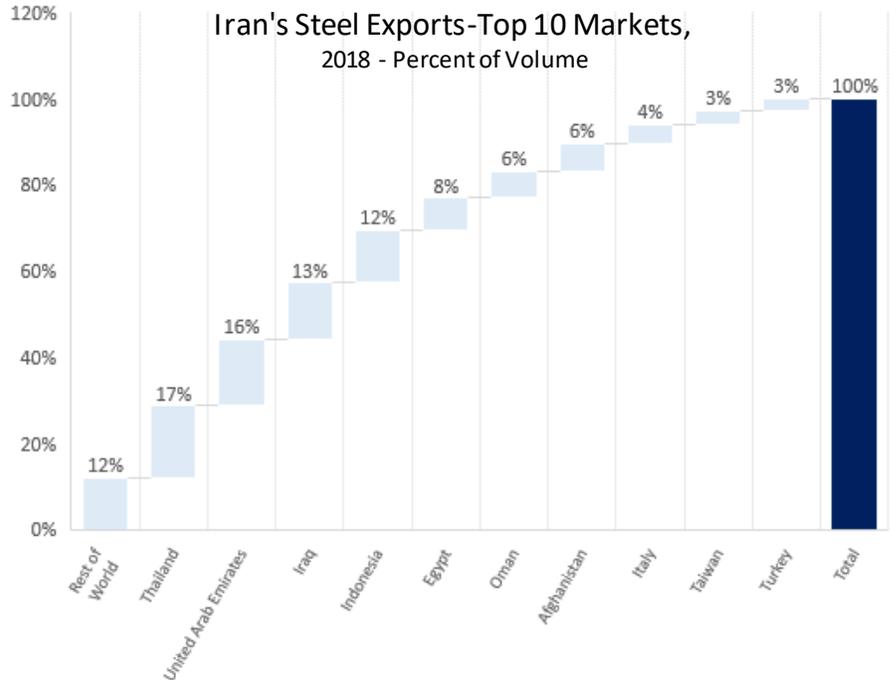
Semi-finished products accounted for the largest share of Iran's steel exports in 2018 at 68 percent (6.3 million metric tons). Long products accounted for 19 percent (1.7 million metric tons) of Iran's steel exports, followed by flat products at 11 percent (990 thousand metric tons), pipe and tube products at 3 percent (252 thousand metric tons), and stainless steel at 0.1 percent (nearly 10 thousand metric tons).



# Steel Exports Report: Iran

## Exports by Top Market

Exports to Iran's top 10 steel markets represented 88 percent of Iran's steel export volume in 2018 at 8.1 million metric tons (mmt). Thailand received the largest share of Iran's exports at 17 percent (1.5 mmt), followed closely by the UAE at 16 percent (1.4 mmt). The next largest export market for Iranian steel was Iraq at 13 percent (1.2 mmt), followed by Indonesia at 12 percent (1.1 mmt).

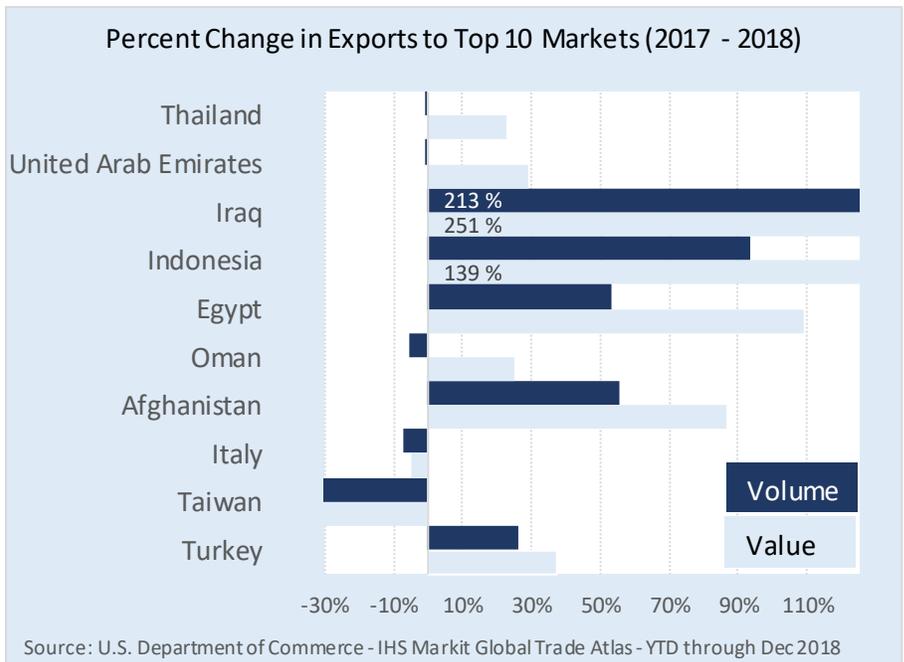


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - 2018

## Trends in Exports to Top Markets

Between 2017 and 2018, the volume of Iran's steel exports increased to 5 of the country's top 10 steel export markets. Exports increased the most to Iraq (213%), followed by Indonesia (93%), Afghanistan (56%), Egypt (53%), and Turkey (26%). Iran's exports decreased or were essentially unchanged to 5 of its top 10 steel export markets. Exports decreased the most to Taiwan (-42%) by volume, followed by Italy (-7%), and Oman (-6%).

Iraq and Indonesia were also among markets for Iran's steel exports to show the largest increase in value between 2017 and 2018 — up 251 percent and 139 percent, respectively. Other markets that saw increased value of exports from Iran include Egypt (109%), Afghanistan (86%), Turkey (38%), UAE (29%), Oman (25%), and Thailand (23%). Exports by value decreased to Taiwan (-37%) and Italy (-5%).

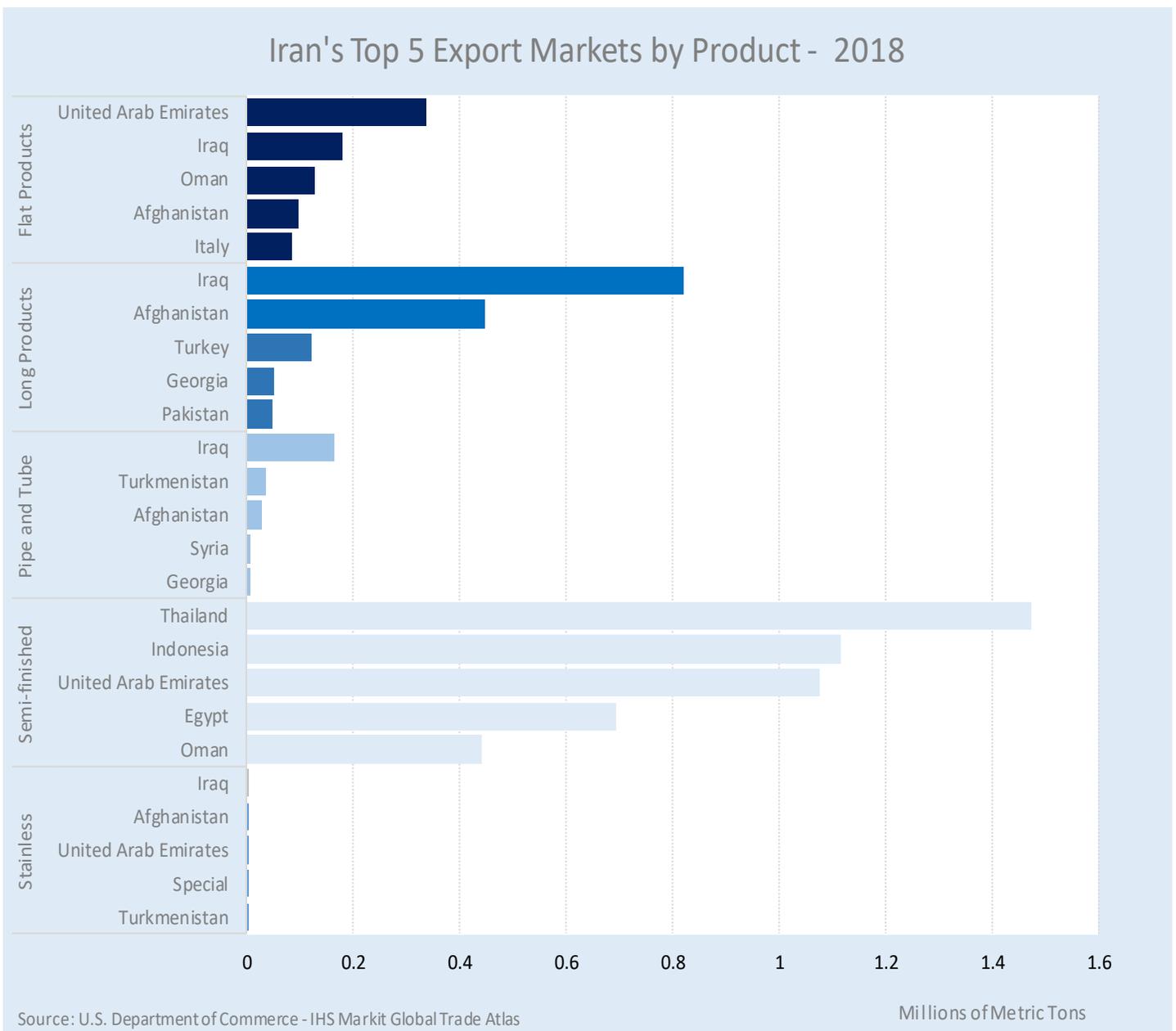


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through Dec 2018

# Steel Exports Report: Iran

## Top Markets by Steel Product Category

Iran's top export markets by volume vary across types of steel products, though Iraq dominates three of the five product categories. The United Arab Emirates received the largest share of Iran's exports of flat products in 2018 at 34 percent (338 thousand metric tons). Iraq held the largest share of Iran's long products at 48 percent (819 thousand metric tons), in addition to pipe and tube products at 65 percent (163 thousand metric tons) and stainless products at 48 percent (nearly 5 thousand metric tons). Thailand received the largest share of Iran's semi-finished products in 2018 at 24 percent (1.5 million metric tons).



# Steel Exports Report: Iran

## Iran's Import Market Share in Top Destinations

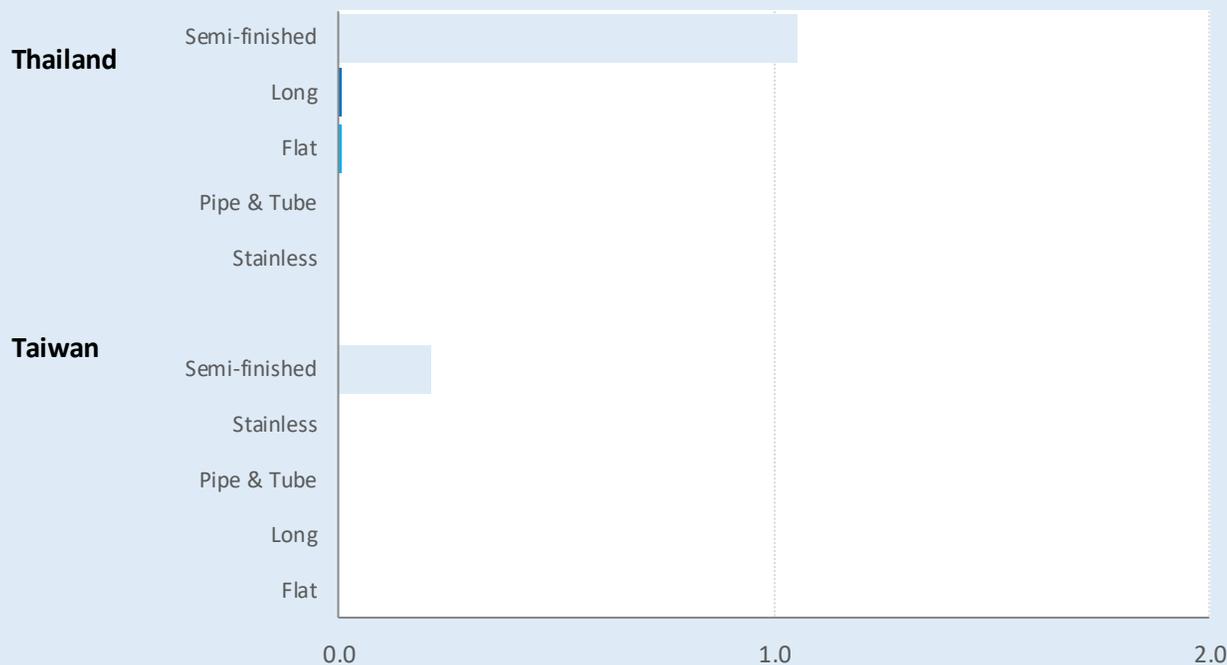
In 2017, the import market share for Iran's steel products increased slightly in three of Iran's top export destinations and decreased in one. Import data for the rest of Iran's top destinations is not available. The share of steel imports from Iran increased in Thailand, up 4.6 percentage points from 2016, followed by Taiwan and Turkey, up 0.8 percentage points each. The share of imports from Iran showed slight a decrease in Italy, down 1.7 percentage points.

Among Iran's top export markets, Thailand and Taiwan received 7.5 and 2.8 percent of their total steel imports from Iran, respectively. In 2017, semi-finished products accounted by far for the largest share of steel imports from Iran in both Thailand (99.5% or 1.1 million metric tons), and Taiwan (100% or 210 thousand metric tons).

| Iran's Steel Import Market Share |                                  |                     |                                   |                     |                 |
|----------------------------------|----------------------------------|---------------------|-----------------------------------|---------------------|-----------------|
| Top 10 Export Markets            | Share of Imports from Iran- 2016 | Iran's Rank in 2016 | Share of Imports from Iran - 2017 | Iran's Rank in 2017 | Change in Share |
| Thailand                         | 2.8%                             | 6                   | 7.5%                              | 4                   | ↑               |
| UAE                              | 7.6%                             | 5                   | N/A                               | N/A                 | N/A             |
| Oman                             | 16.6%                            | 3                   | N/A                               | N/A                 | N/A             |
| Indonesia                        | 0.1%                             | 16                  | 0.1%                              | 0                   | ↓               |
| Taiwan                           | 2.0%                             | 6                   | 2.8%                              | 6                   | ↑               |
| Egypt                            | N/A                              | N/A                 | N/A                               | N/A                 | N/A             |
| Italy                            | 3.7%                             | 9                   | 2.0%                              | 14                  | ↓               |
| Iraq                             | N/A                              | N/A                 | N/A                               | N/A                 | N/A             |
| Afghanistan                      | N/A                              | N/A                 | N/A                               | N/A                 | N/A             |
| Turkey                           | 0.3%                             | 25                  | 1.1%                              | 14                  | ↑               |

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

Steel Import Composition of Top Market-Share Countries-2017

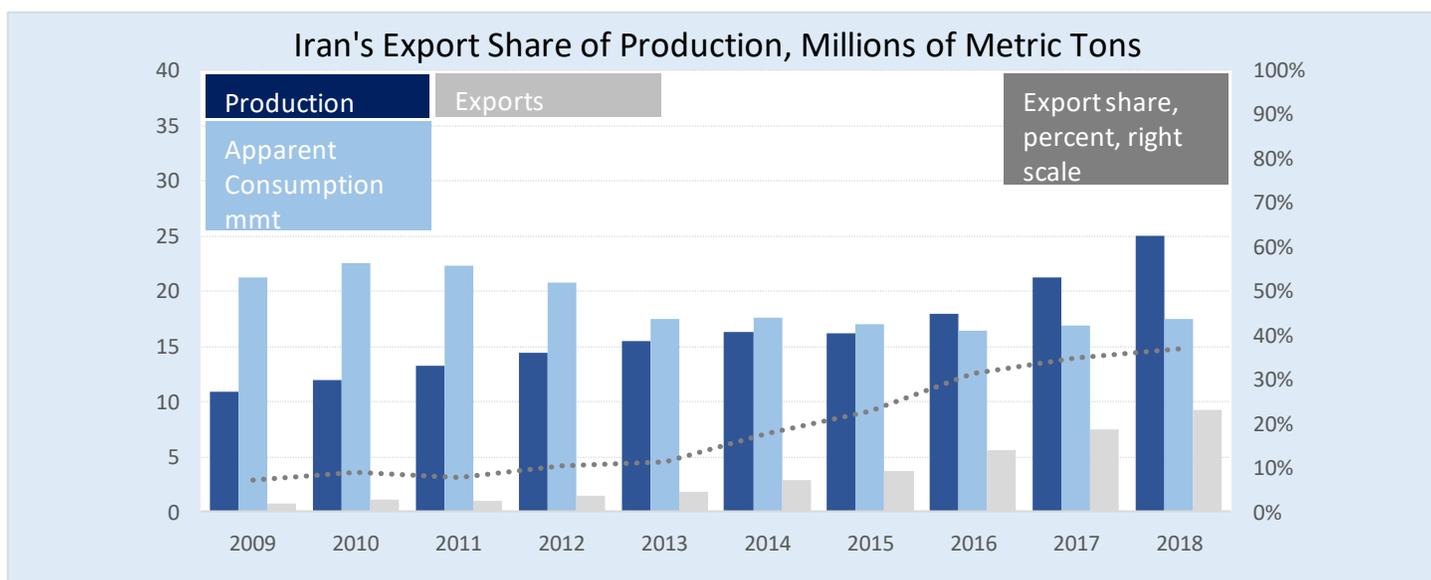


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

# Steel Exports Report: Iran

## Overall Production and Export Share of Production



|                            | 2009 | 2010 | 2011 | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  |
|----------------------------|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| Production                 | 10.9 | 12.0 | 13.2 | 14.5  | 15.4  | 16.3  | 16.1  | 17.9  | 21.2  | 25.0  |
| Apparent Consumption       | 21.3 | 22.5 | 22.3 | 20.8  | 17.5  | 17.6  | 17.0  | 16.4  | 16.9  | 17.5  |
| Exports                    | 0.8  | 1.1  | 1.0  | 1.5   | 1.8   | 2.9   | 3.7   | 5.6   | 7.4   | 9.2   |
| Export Share of Production | 7.2% | 9.0% | 7.9% | 10.4% | 11.4% | 17.8% | 22.8% | 31.4% | 35.0% | 37.0% |

Source: U.S. Department of Commerce, World Steel Association, IHS Markit Global Trade Atlas - YTD through Dec. 2018

Iran's crude steel production was 21.2 million metric tons in 2017. In 2018, steel production increased 18% to 25 million metric tons. From 2009 through 2015, apparent consumption (a measure of steel demand) outpaced production. Since 2009, however, apparent consumption has gradually declined and in 2016 production began to outpace apparent consumption. In 2018, production exceeded apparent consumption by 7.5 million metric tons. Between 2009 and 2018, Iran's steel exports as a share of production increased by 29.8 percentage points as production and exports increased. In 2018, the export share of production was 37 percent, up 2 percentage points from 2017.

### Top Producers

The top three steel producers in Iran are all state-owned companies, and all three are subsidiaries of Iranian Mines & Mining Industries Development & Renovation (IMIDRO). Based on available data, the top three producers, accounted for roughly 64 percent of total production in 2017. In 2016, IMIDRO, and all its subsidiaries produced 14.02 mmt of steel, 78 percent of total production in 2016.

| Iran's Top Steel Producers in 2017 |                           |                  |   |
|------------------------------------|---------------------------|------------------|---|
| Rank                               | Company                   | Production (mmt) | Main Products                                     |
| 1                                  | Mobarakeh Steel Company*  | 7                | Hot-rolled, cold-rolled, galvanized, color coated |
| 2                                  | Khouzestan Steel Company* | 3.6              | Slab, blooms, billets                             |
| 3                                  | Esfahan Steel Company*    | 3                | Beams, Bars                                       |

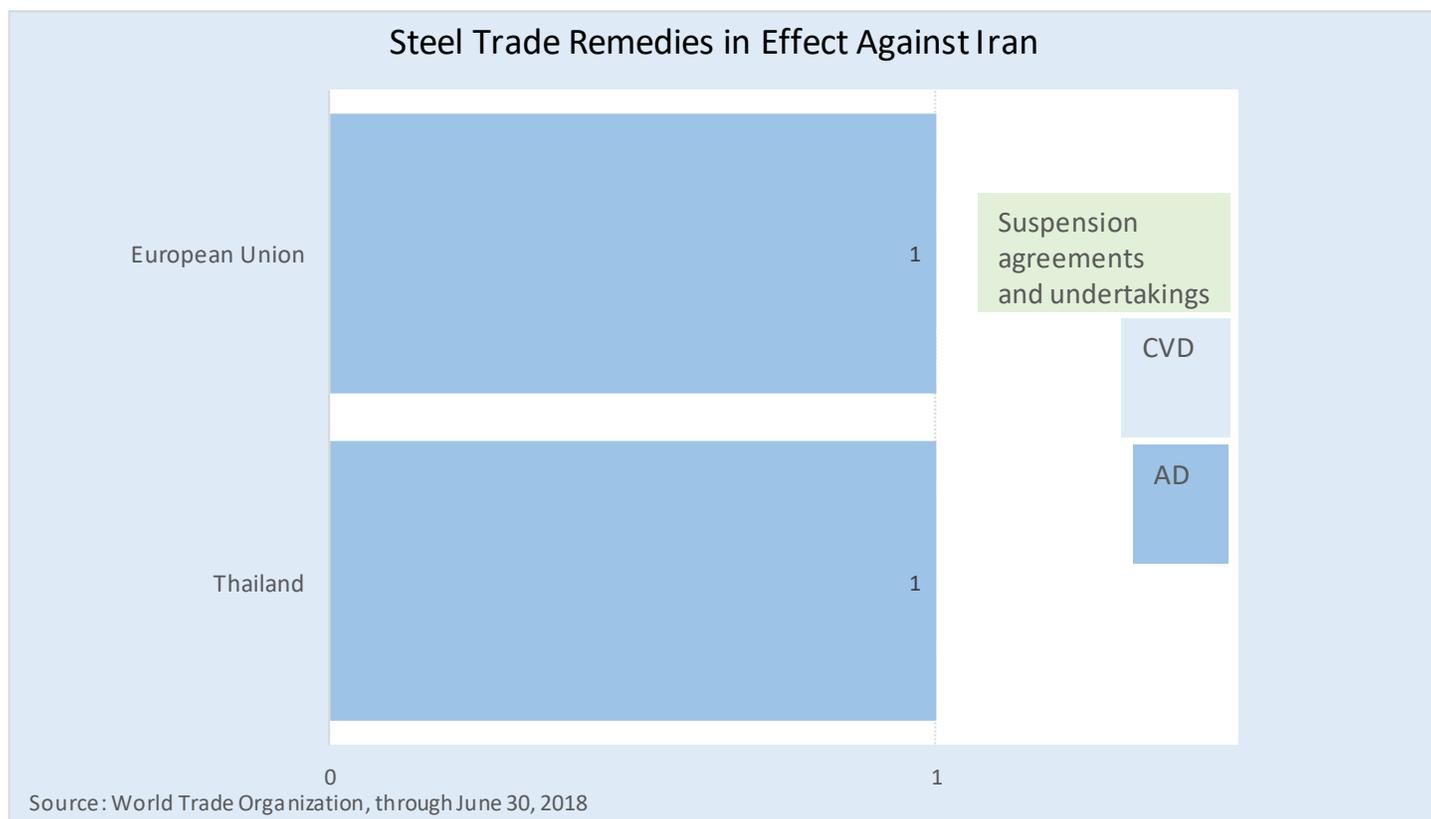
Source: World Steel Association; Hoover's; Bloomberg; Company websites

\*Denotes state-owned subsidiary of IMIDRO (Iranian Mines & Mining Industries Development & Renovation)

# Steel Exports Report: Iran

## 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 Iran.



## Global Steel Mill Safeguards in Effect

| Country                  | Product(s)  |
|--------------------------|---|
| Gulf Cooperation Council | Flat-rolled steel   |
| India                    | Hot-rolled steel flat sheets and plates   |
| Indonesia                | 1) Flat-rolled products of iron or non-alloy steel; 2) I and H sections of other alloy steel  |
| Malaysia                 | 1) Steel concrete reinforcing bar; 2) 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  |
| South Africa             | Hot-rolled steel flat products  |
| 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                  | 1) Semi-finished and certain finished products of alloy and non-alloy steel; 2) Pre-painted galvanized steel sheet and strip  |

Source: World Trade Organization, through September 30, 2018

# Steel Exports Report: Glossary

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**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.

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**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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