

Global Steel Trade Monitor

Steel Exports Report: South Korea

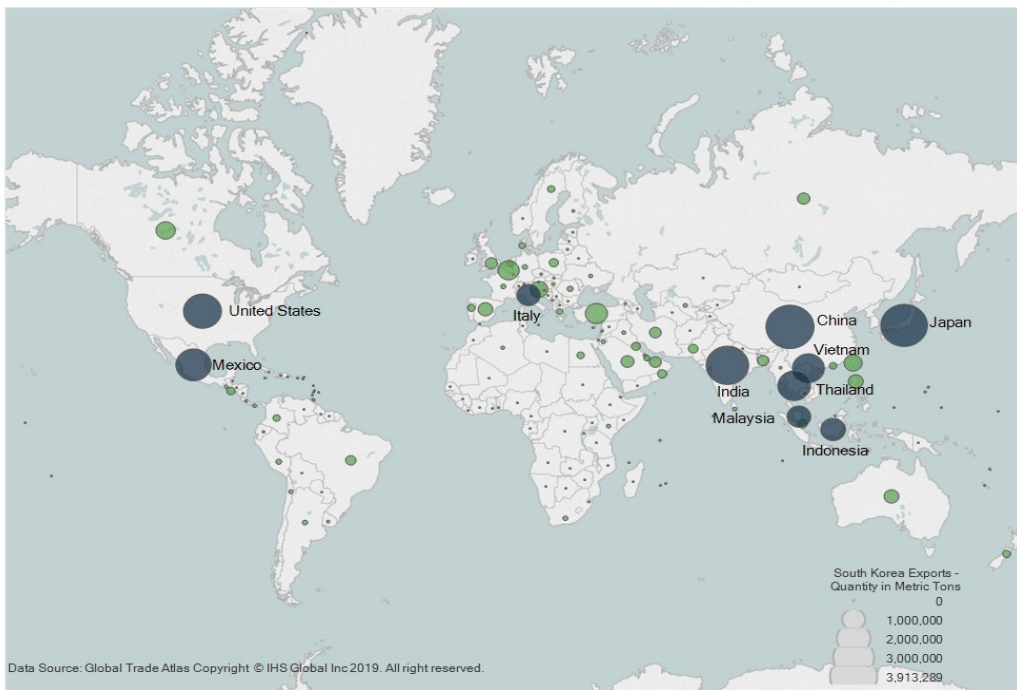
May 2019

Background

South Korea was the world's fourth-largest steel exporter in 2017. In 2018, South Korea exported 29.8 million metric tons of steel – a 4 percent decrease from 31.0 million metric tons in 2017. South Korea's exports represented about 7 percent of all steel exported globally in 2017. The volume of South Korea's 2018 steel exports was less than half of the world's largest exporter, China, and just behind the second-largest exporter, Japan. In value terms, steel represented just 4.3 percent of the total amount of goods South Korea exported in 2018.

South Korea exports steel to more than 150 countries and territories. The ten countries labeled in the map below represent the top destinations for South Korea's exports of steel, accounting for 72 percent of South Korea's steel exports in 2018. The top 10 countries each received more than 900 thousand metric tons of South Korea's steel exports.

South Korea's Exports of Steel Mill Products-2018 (Top Ten in Blue)



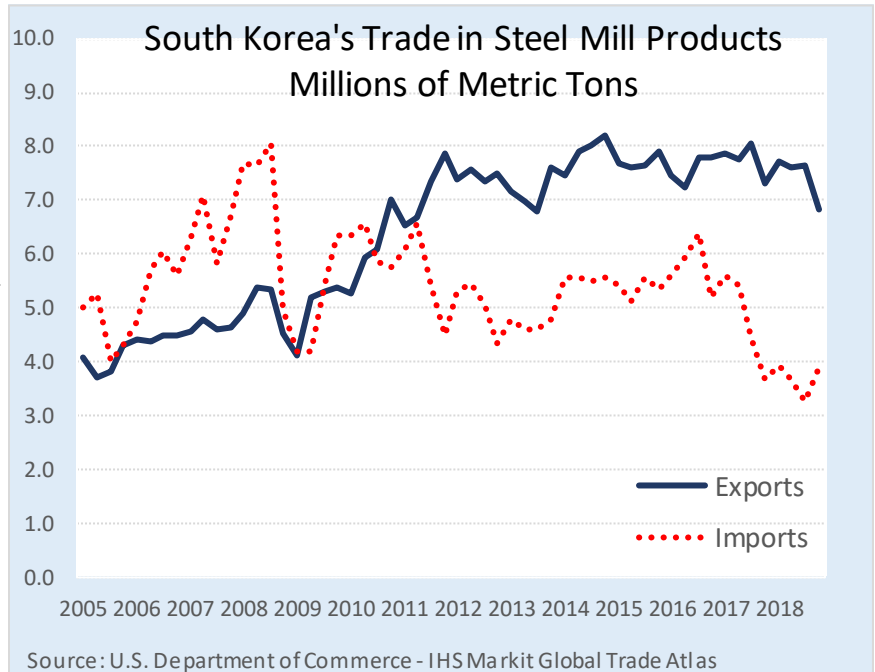
Quick Facts:

- Exported 29.8 million metric tons (2018)
- 49% annual steel export growth since 2009
- Exports as a share of production at 41.1% in 2018
- 2018 export volume down 4%, while export value up 7% from 2017
- Top three export markets: China, Japan, India
- Largest producers: POSCO and Hyundai Steel Co.
- 62 trade remedies in effect involving steel mill imports from South Korea

Steel Exports Report: South Korea

Steel Trade Balance

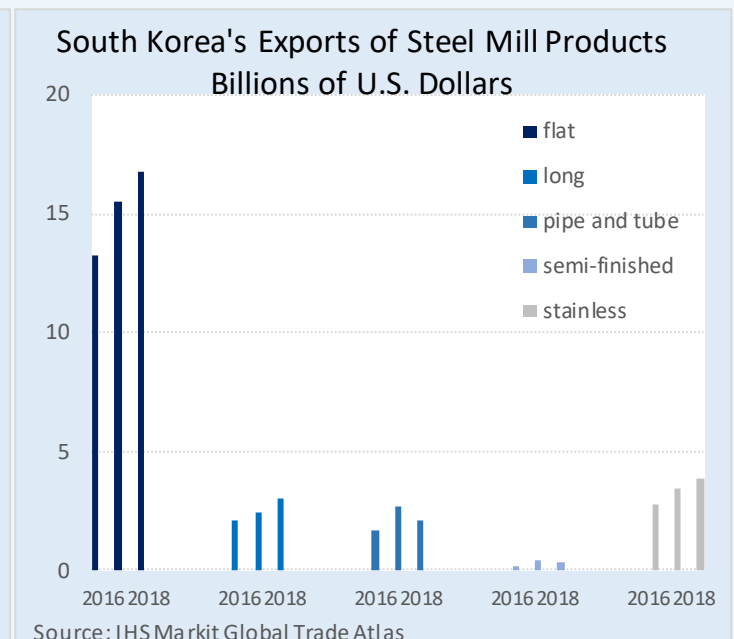
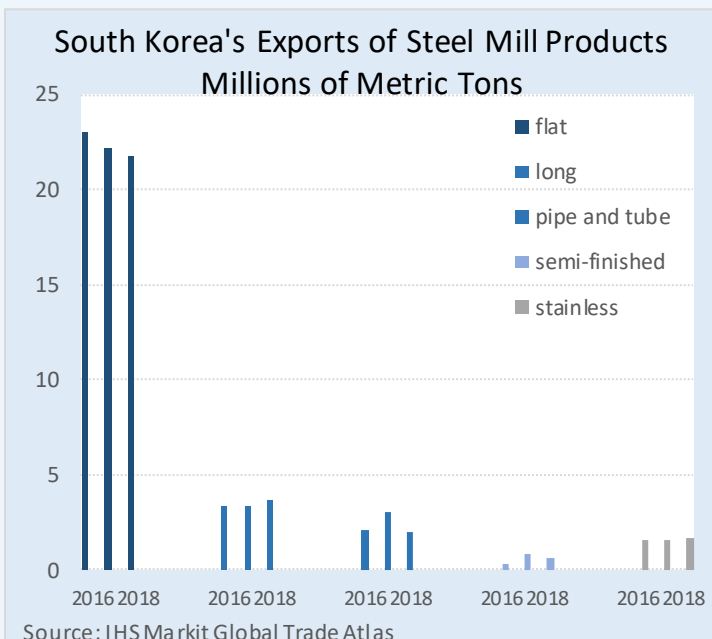
Prior to 2009, South Korea had a trade deficit in steel products. The deficit peaked in 2008 at 8.2 million metric tons. In 2009, imports began to fall and exports began to steadily increase. South Korea subsequently consistently had an annual steel trade surplus since mid 2010, with annual exports rising 49 percent and imports declining by 27 percent between 2009 and 2018. In 2018, South Korea's steel trade surplus reached 15.0 million metric tons, up 26 percent from 11.9 million metric tons in 2017.



Export Volume, Value, and Product

In 2014, South Korea's steel exports reached a record high of 31.6 million metric tons. Since then, exports have fluctuated between 29.8 and 31.6 million metric tons per year. In 2018, South Korea exported 29.8 million metric tons of steel, down 4 percent from 2017. The value of South Korea's 2018 exports increased 7 percent to \$26.1 billion from \$24.4 billion in 2017.

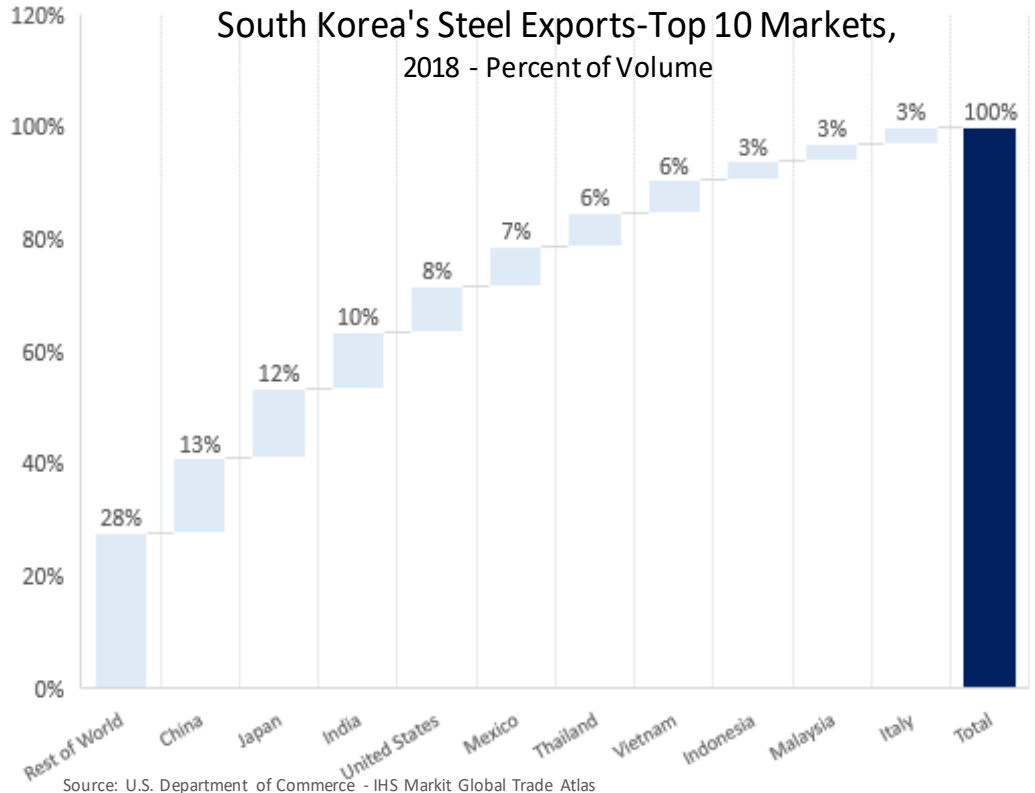
Flat products account for the largest share of South Korea's steel exports. In 2018, 73 percent, or 21.8 million metric tons of South Korea's steel exports consisted of flat products. Long products accounted for 12 percent, or 3.7 million metric tons, followed by pipe & tube products at 7 percent (2.0 million metric tons), stainless products at 6 percent (1.7 million metric tons), and semi-finished steel at 2 percent (669 thousand metric tons).



Steel Exports Report: South Korea

Exports by Top Market

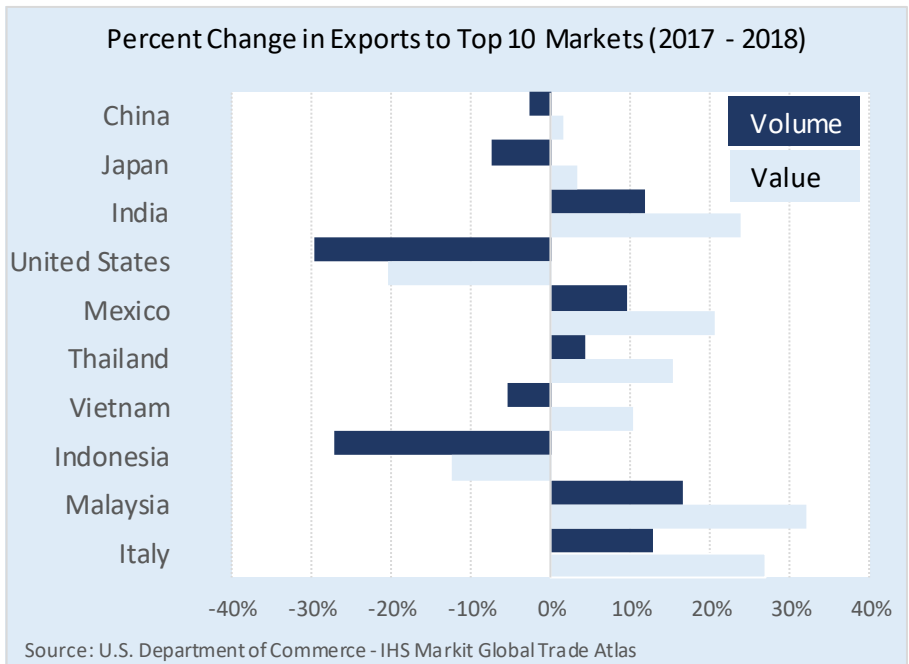
Exports to South Korea's top 10 steel markets represented 72 percent of South Korea's steel export volume in 2018 at 21.5 million metric tons (mmt). China was the largest market for South Korea's exports capturing a 13 percent share (3.9 mmt), followed by Japan at 12 percent (3.7 mmt), India at 10 percent (3.0 mmt), the United States at 8 percent (2.4 mmt), Mexico at 7 percent (2.1 mmt), Thailand at 6 percent (1.8 mmt), and Vietnam at 6 percent (1.7 mmt) in 2018.



Trends in Exports to Top Markets

The volume of South Korea's steel exports increased to 5 of its top 10 markets in 2018. Among the top markets, South Korea's exports increased the most by volume to Malaysia (17%), Italy (13%), India (12%), Mexico (10%), and Thailand (4%). South Korea's exports decreased the most by volume to the United States (-30%), Indonesia (-27%), Japan (-7%), and Vietnam (-5%), and China (-3%).

The overall value of South Korea's steel exports increased to all but 2 of the top 10 markets. Markets that saw an increase in steel value between 2017 and 2018. They increased most to Malaysia (32%), Italy (27%), India (24%), Mexico (20%), Thailand (15%), Vietnam (10%), Japan (3%), and China (2%). South Korea's exports decreased in value to the United States (-21%) and Indonesia (-13%).



Outside the top 10 markets, other notable changes in South Korea's 2018 export volume included exports to 13th-ranked Canada (66%), 23th-ranked Iran (-57%), and 26th-ranked Pakistan (31%).

Steel Exports Report: South Korea

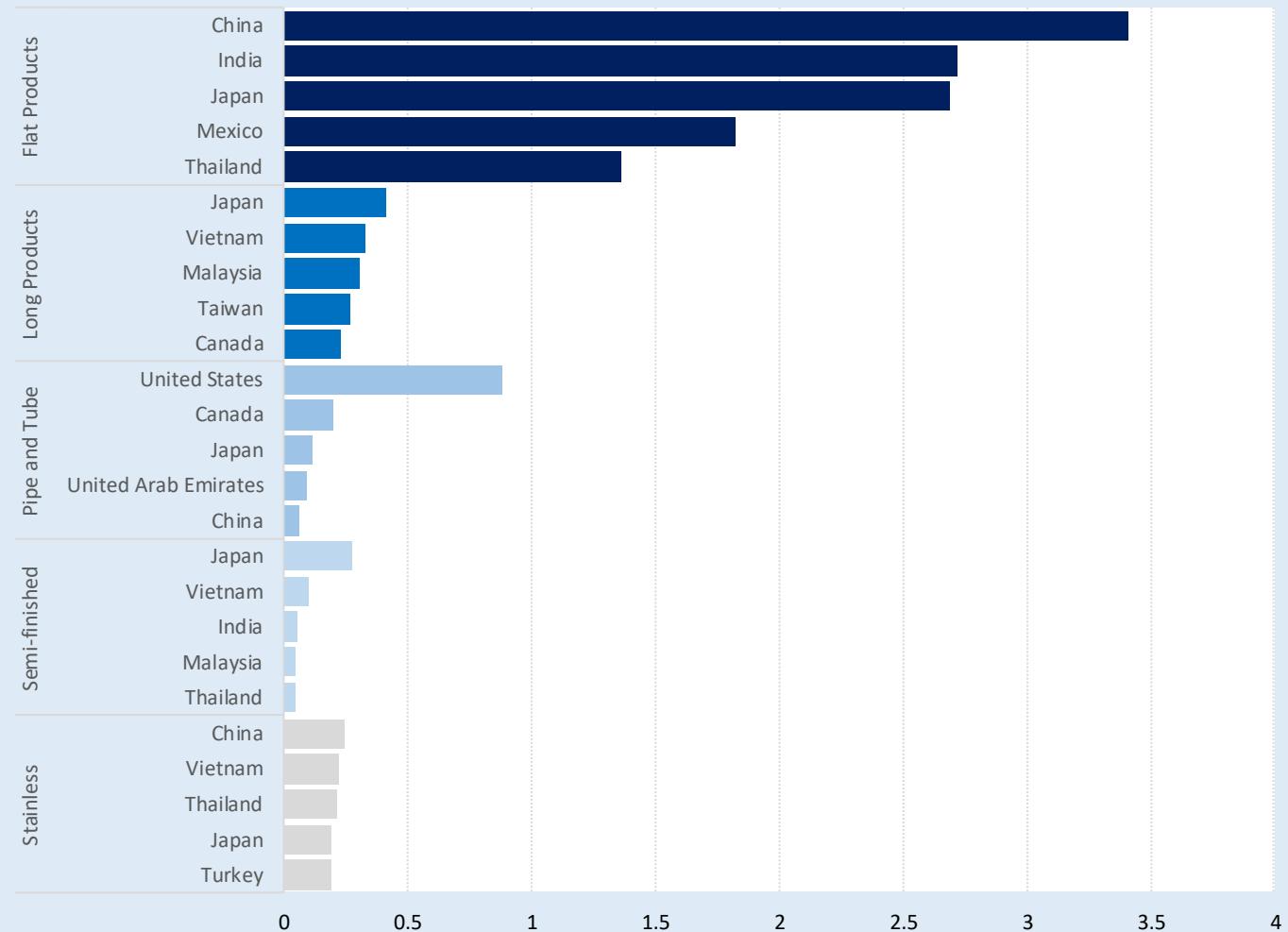
Top Markets by Steel Product Category

South Korea's top export markets by volume vary across types of steel products. China accounted for the largest share of South Korea's exports of flat products at 16 percent (3.4 million metric tons), followed closely by India and Japan, both at 12 percent (2.7 million metric tons each).

Japan was the largest destination for South Korea's long product exports at 11 percent (411 thousand metric tons), followed by Vietnam at 9 percent (329 thousand metric tons). Japan also received the most exports of South Korea's semi-finished products at 41 percent (272 thousand metric tons). China received the largest share of South Korea's stainless exports at 14% (244 thousand metric tons), followed closely by Vietnam at 13% (220 thousand metric tons) and Thailand at 13% (217 thousand metric tons).

The United States accounted for the largest share of South Korea's pipe and tube exports at 45 percent (884 thousand metric tons), while Canada received the second largest share at 10 percent (199 thousand metric tons).

South Korea's Top 5 Export Markets by Product - 2018



Source: U.S. Department of Commerce - IHSMarkit Global Trade Atlas

Millions of Metric Tons

Steel Exports Report: South Korea

South Korea's Import Market Share in Top Destinations

In 2018, the import market share for South Korea's steel products decreased in 6 of South Korea's top export destinations. The share of China's imports from South Korea decreased the most (down 3.3 percentage points, followed by Indonesia (down 2.7 percentage points) Japan (down 2.4 percentage points) and the United States (down 1.7 percentage points). Thailand and Malaysia's share of imports decreased by less than 1.0 percentage points.

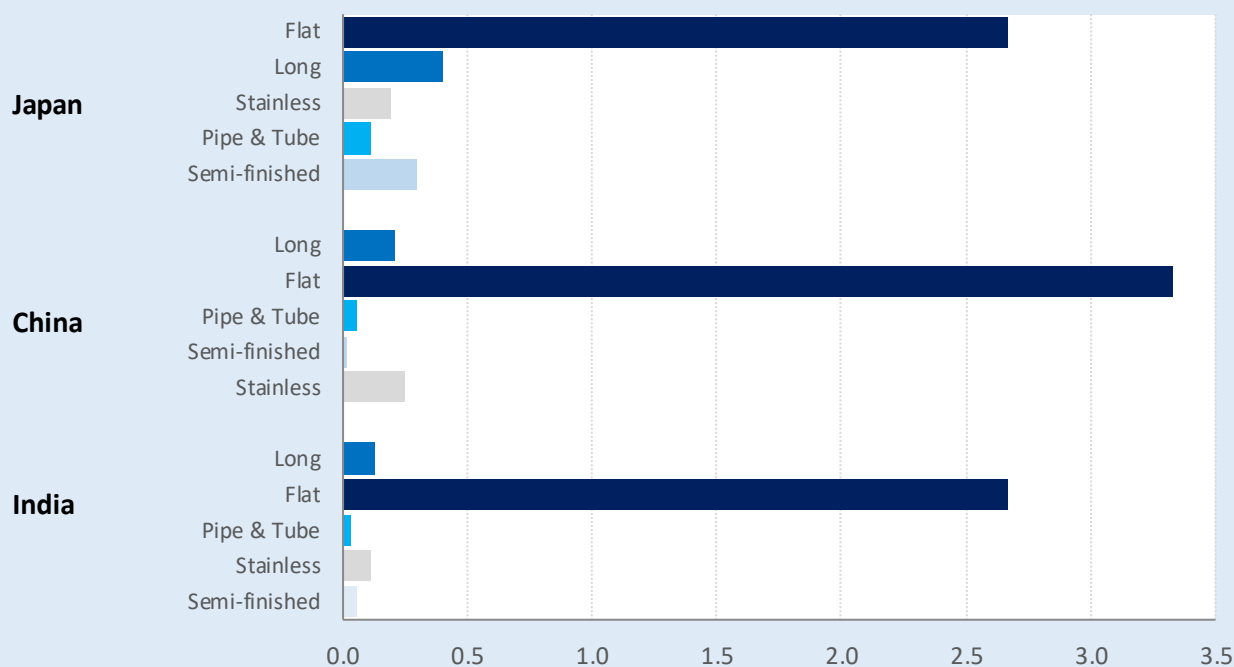
South Korea's Steel Import Market Share					
Top 10 Export Markets	Share of Imports from South Korea - 2017	South Korea's Rank in 2017	Share of Imports from South Korea - 2018	South Korea's Rank in 2018	Change in Share
China	30.4%	2	27.1%	2	↓
Japan	64.6%	1	62.2%	1	↓
India	29.7%	1	33.4%	1	↑
United States	9.9%	3	8.1%	4	↓
Mexico	13.7%	3	14.2%	3	↑
Thailand	12.2%	3	11.8%	3	↓
Vietnam*	N/A	N/A	N/A	N/A	N/A
Indonesia	12.2%	3	9.5%	3	↓
Malaysia	11.9%	4	11.9%	4	↓
Italy	4.2%	9	4.4%	8	↑

Source: IHS Markit Global Trade Atlas, based on import data per reporting country
* Data for Vietnam unavailable

Countries with notable increases in their share of steel imports from South Korea included India (up 3.7 percentage points from 2016), Mexico (up 0.5 percentage points), and Italy (up 0.2 percentage points).

Among South Korea's top export markets, Japan, China, and India received more than 25 percent of their total steel imports from South Korea. In 2018, flat products overwhelmingly accounted for the largest share of steel imports from South Korea in each country. In Japan, flat products accounted for 73% (2.7 mmt) of steel mill products from South Korea, flat products from South Korea amounted to 86% (3.3 mmt) of imports in China, and 89% (2.7 mmt) in India.

Steel Import Composition of Top Market-Share Countries-2018

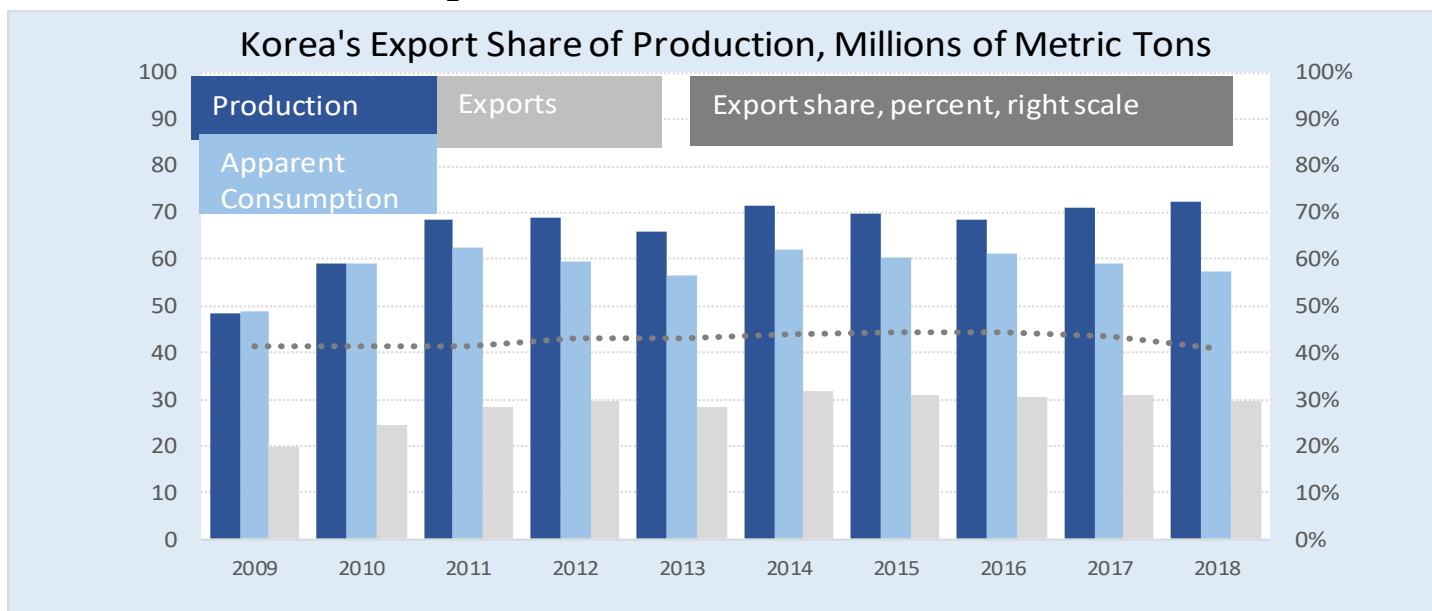


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	48.6	58.9	68.5	69.1	66.1	71.5	69.7	68.6	71.1	72.5
Apparent Consumption	48.7	59.1	62.6	59.4	56.3	62.2	60.3	61.4	59.2	57.5
Exports	20.0	24.3	28.5	29.8	28.5	31.6	30.9	30.3	31.0	29.8
Export Share of Production	41.2%	41.3%	41.5%	43.2%	43.2%	44.1%	44.3%	44.2%	43.6%	41.1%

Source: U.S. Department of Commerce, World Steel Association, IHS Markit Global Trade Atlas

Between 2009 and 2012, South Korea’s crude steel production grew by 42 percent. Since then, production has fluctuated, but averaged about 68.4 million metric tons per year through 2018. In 2018, production totaled 72.5 million metric tons, up 2 percent from 71.1 million metric tons in 2017. Apparent consumption (a measure of steel demand) went from being in balance with production in 2009 and 2010 to falling behind production in 2011. In 2018, apparent consumption decreased 3 percent to 57.5 million metric tons, down from 59.2 million metric tons in 2017. The gap between production and apparent consumption reached its widest point in 2018 when it grew to 15.0 million metric tons, compared with 11.9 million metric tons for 2017. Exports as a share of production gradually increased from 41.2 percent in 2009 to peak of 44.3 percent in 2015 before declining for 3 consecutive years. In 2018, exports as a share of production decreased 2.5 percentage points from 2017, falling to 41.1%.

Top Producers

South Korea’s steel production is concentrated among a small number of companies, with the country’s top 3 producers accounting for 67.15 million metric tons, or 95 percent, of total 2017 production, based on available data.

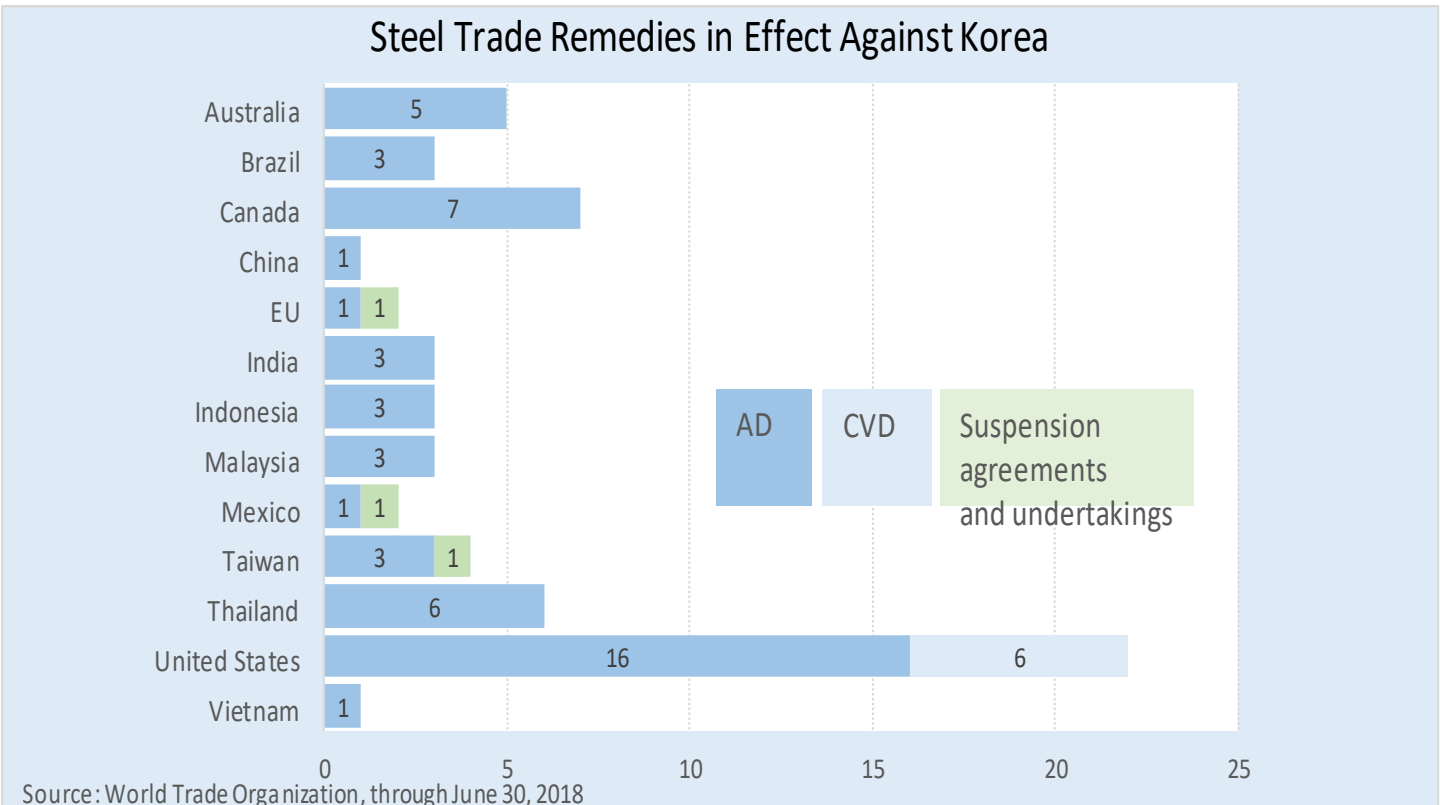
Rank	Company	Production (mmt)	Main Products
1	POSCO	42.19	Hot-rolled, cold-rolled, plate, stainless, electrical, wire rods
2	HYUNDAI Steel Company	21.23	Beams, reinforcing bars, hot-rolled, plates
3	Dongkuk Steel Mill Co, Ltd	3.73	Plates, sections, bars

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

Steel Exports 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 tables below provide statistics on the current number of trade remedies various countries have against steel mill products from South Korea.



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

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/>.



INTERNATIONAL
TRADE
ADMINISTRATION

Steel Import Monitoring and Analysis
1401 Constitution Ave., NW, Room 21006
Washington, D.C. 20230

T 202.482.2105

F 202.501.1377

Email ECCGlobalSteelStats@trade.gov

trade.gov/steel