

Global Steel Trade Monitor

Steel Exports Report: Taiwan

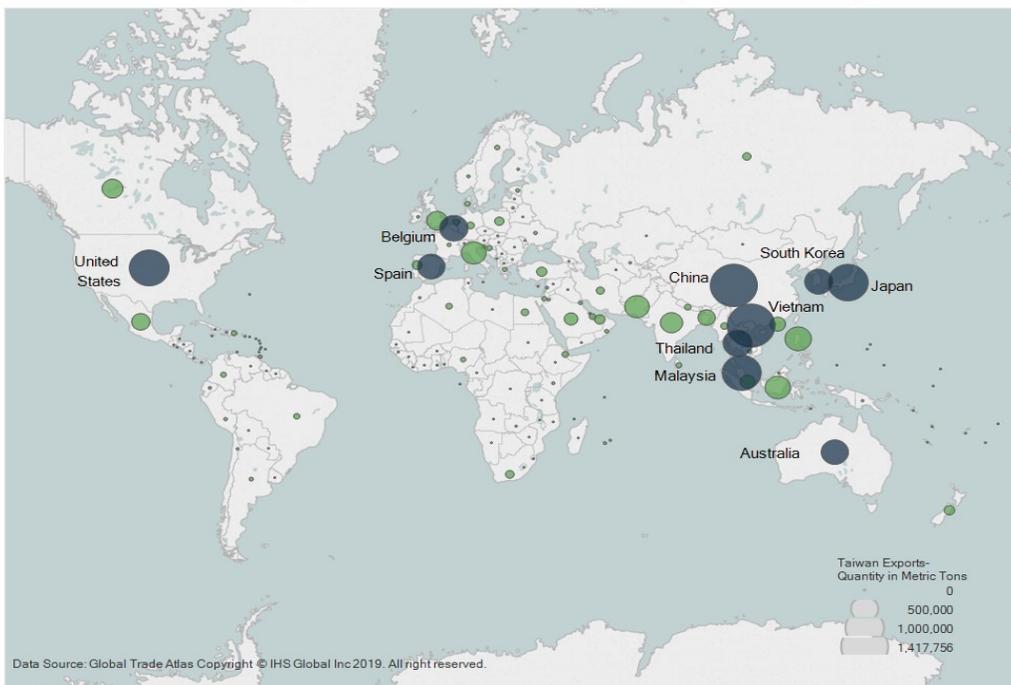
May 2019

Background

Taiwan, as of 2017, is the world's thirteenth-largest steel exporter. In 2018, Taiwan exported 12.2 million metric tons of steel, a one percent increase from 12.0 million metric tons in 2017. Taiwan's exports represented about 3 percent of all steel exported globally in 2017, based on available data. The volume of Taiwan's 2018 steel exports was one-sixth that of the world's largest exporter, China, and nearly one-third that of the second-largest exporter, Japan. In value terms, steel represented just 3.6 percent of the total amount of goods Taiwan exported in 2018.

Taiwan exports steel to more than 130 countries and territories. The ten countries highlighted in the map below represent the top markets for Taiwan's exports of steel, receiving more than 450 thousand metric tons each and accounting for 67 percent of Taiwan's steel exports in 2018.

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



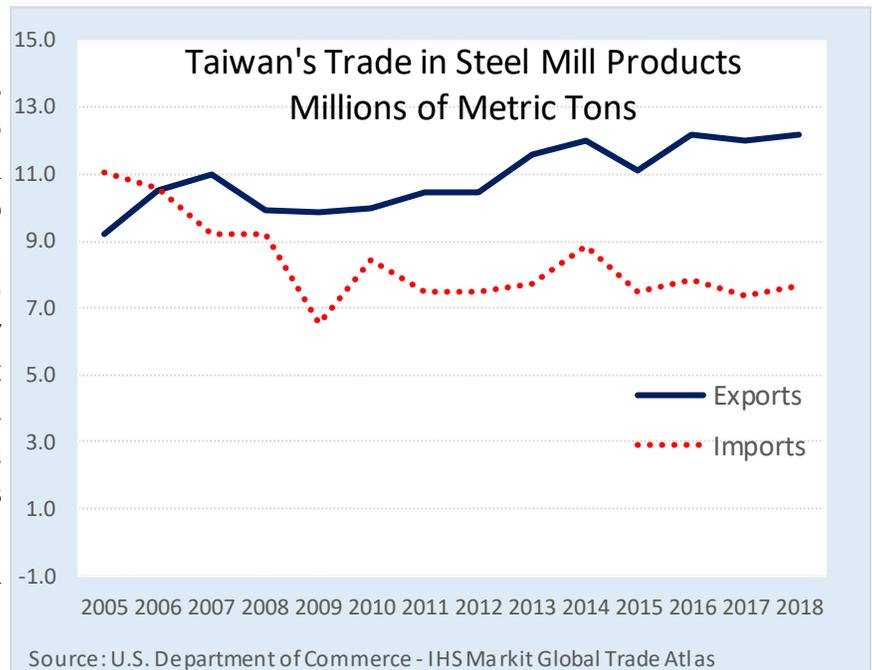
Quick Facts:

- Exported 12.2 million metric tons in 2018
- 24% steel export growth since 2009
- 2018 export volume up 1% and export value up 9% since 2017
- Exports as a share of production down from 53.6% in 2017 to 52.6% in 2018
- Top three markets: Vietnam, China, Japan
- Top Producers: China Steel Corp, Dragon Steel Corp, Tung Ho Steel
- 41 trade remedies in effect involving steel mill imports from Taiwan

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Steel Trade Balance

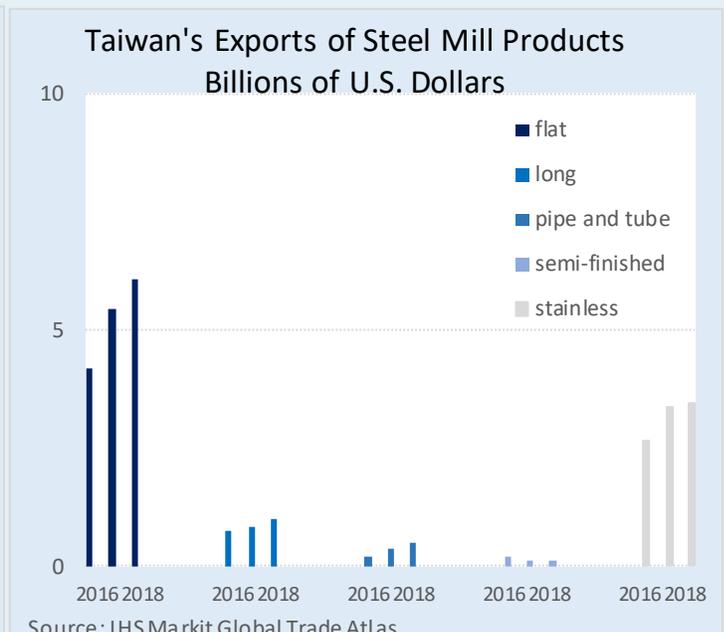
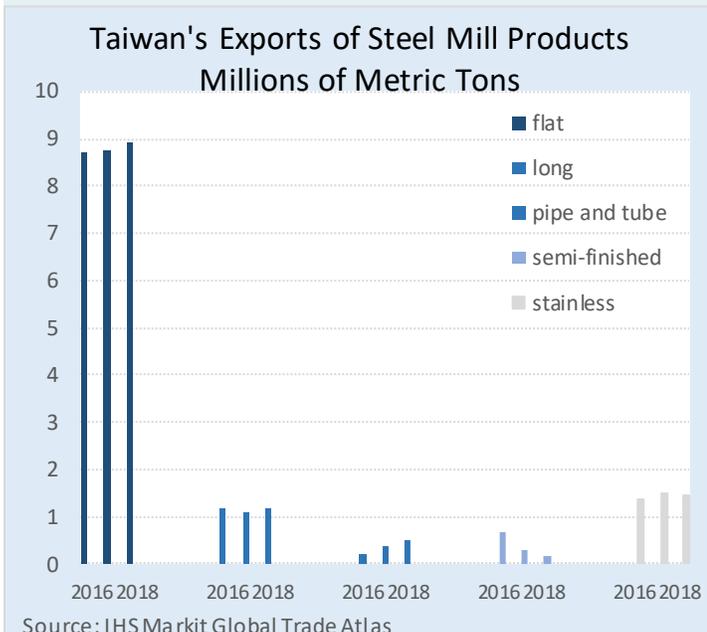
Rising exports and falling imports caused Taiwan's steel trade deficit to become a steel trade surplus between 2006 and 2007. Imports continued to fall in the wake of the global recession, hitting a low point in 2009. From 2009 to 2018, imports have increased 17 percent but were still down 31 percent from 2005 levels. Exports increased 24 percent between 2009 and 2018. In 2018, Taiwan's steel trade surplus amounted to 4.55 million metric tons, down 2 percent from 4.63 million metric tons in 2017.



Export Volume, Value, and Product

Between 2009 and 2018, Taiwan's exports of steel mill products increased by 24 percent, from 10 million metric tons in 2009 to 12.2 million metric tons in 2018. Between 2017 and 2018, Taiwan's Steel export volume increased 1 percent from 12.0 million metric tons to 12.2 million metric tons. The value of Taiwan's 2018 steel exports increased by 9 percent to \$11.1 billion from \$10.2 billion in 2017. This increase can be attributed to an increase in global steel prices.

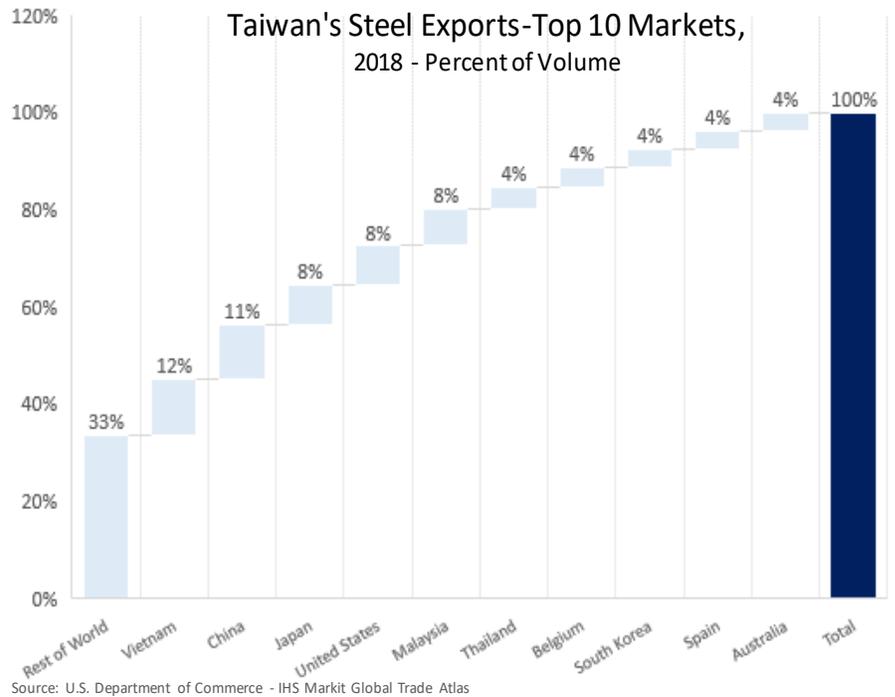
Flat products accounted for the majority of Taiwan's steel exports in 2018 at 73 percent or 8.9 million metric tons. Stainless products accounted for 12 percent, or 1.4 million metric tons of Taiwan's exports of steel in 2018, followed by long products at 10 percent (1.2 million metric tons), pipe and tube products at 4 percent (483 thousand metric tons), and semi-finished products at 1 percent (178 thousand metric tons).



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Exports by Top Market

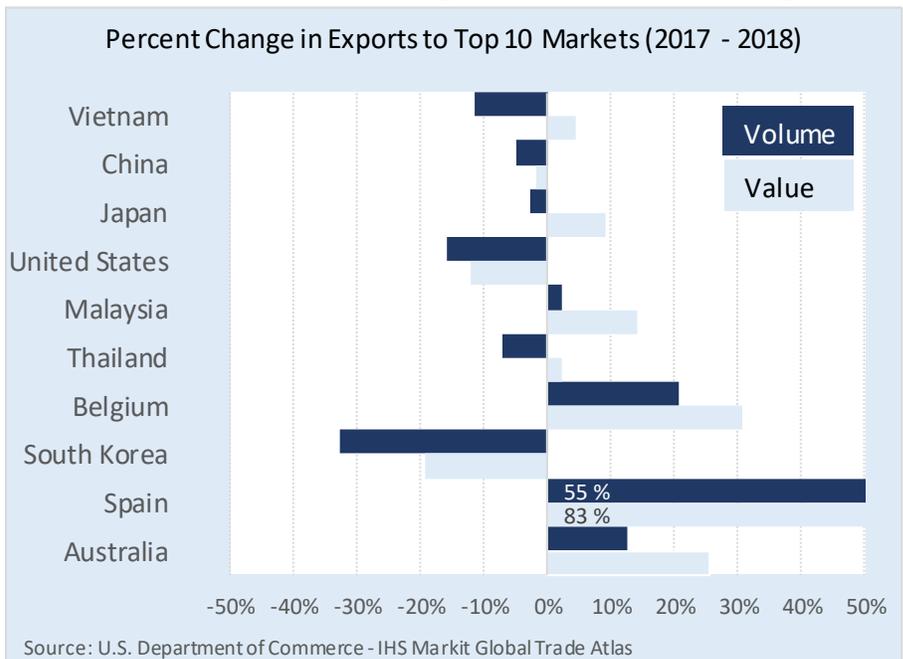
Exports to Taiwan's top 10 steel markets represented 67 percent of Taiwan's steel export volume in 2018 at 8.1 million metric tons (mmt). Vietnam was the largest market for Taiwan's exports at 12 percent (1.4 mmt), followed by China at 11 percent (1.4 mmt), the Japan at 8 percent (1.0 mmt), the United States at 8 percent (970 thousand metric tons), Malaysia at 8 percent (941 thousand metric tons), and Thailand, Belgium, South Korea, Spain and Australia all at 4 percent (540 thousand metric tons, 490 thousand metric tons, 471 thousand metric tons, 459 thousand metric tons and 451 thousand metric tons, respectively).



Trends in Exports to Top Markets

Between 2017 and 2018, the volume of Taiwan's steel exports decreased to 6 of the country's top 10 steel export markets. Exports decreased the most to South Korea (-33%), followed by the United States (-16%), Vietnam (-11%), Thailand (-7%), China (-5%), and Japan (-3%). Taiwan's exports to Spain showed the largest increase in volume in 2018, up 55 percent from 2017, followed by Belgium (21%), Australia (13%), and Malaysia (2%).

7 out of the top 10 markets for Taiwan's steel exports showed an increase in value between 2017 and 2018. The value exports to Spain increased the most (83%), followed by Belgium (31%), Australia (26%), Malaysia (14%), Japan (9%), Vietnam (4%), and Thailand (2%). The value of Taiwan's exports to South Korea (-19%), the United States (-12%), and China (-2%), decreased between 2017 and 2018.



Outside of the top 10 markets, other substantial volume changes included Taiwan's exports to 11th-ranked Philippines (35%), 13th-ranked Italy (37%), 14th-ranked Pakistan (99%), 16th-ranked Canada (70%), and 19th-ranked Bangladesh (53%).

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Top Markets by Steel Product Category

Taiwan's top export markets by volume vary across types of steel products. Vietnam received the largest share of flat product exports, at 14 percent (1.3 million metric tons), followed by China at 13 percent (1.2 million metric tons).

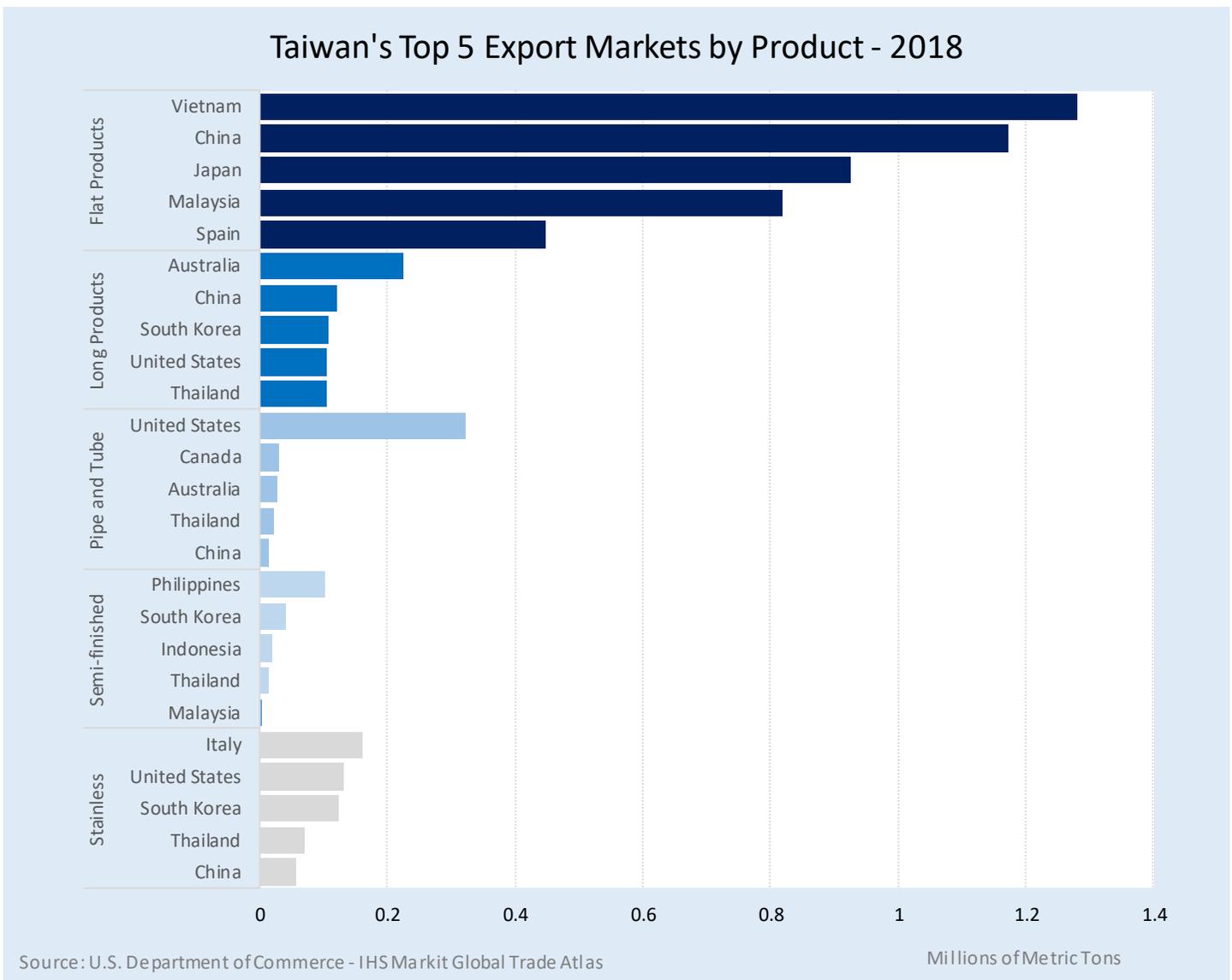
Australia received the largest share of Taiwan's long product exports, at 19 percent (225 thousand metric tons), followed by China at 10 percent (121 thousand metric tons).

The United States received the largest share of Taiwan's pipe and tube exports at 66 percent (321 thousand metric tons), followed by Canada at 6 percent (30 thousand metric tons).

Taiwan sent the largest share of its semi-finished steel exports to the Philippines at 57 percent (102 thousand metric tons), followed by South Korea at 22 percent (39 thousand metric tons).

Italy received the largest share of Taiwan's stainless steel exports at 11 percent (159 thousand metric tons), followed by the United States at 9 percent (132 thousand metric tons).

The U.S. was a top export market for Taiwan's Pipe and Tube, long products, and stainless steel.



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Taiwan's Import Market Share in Top Destinations

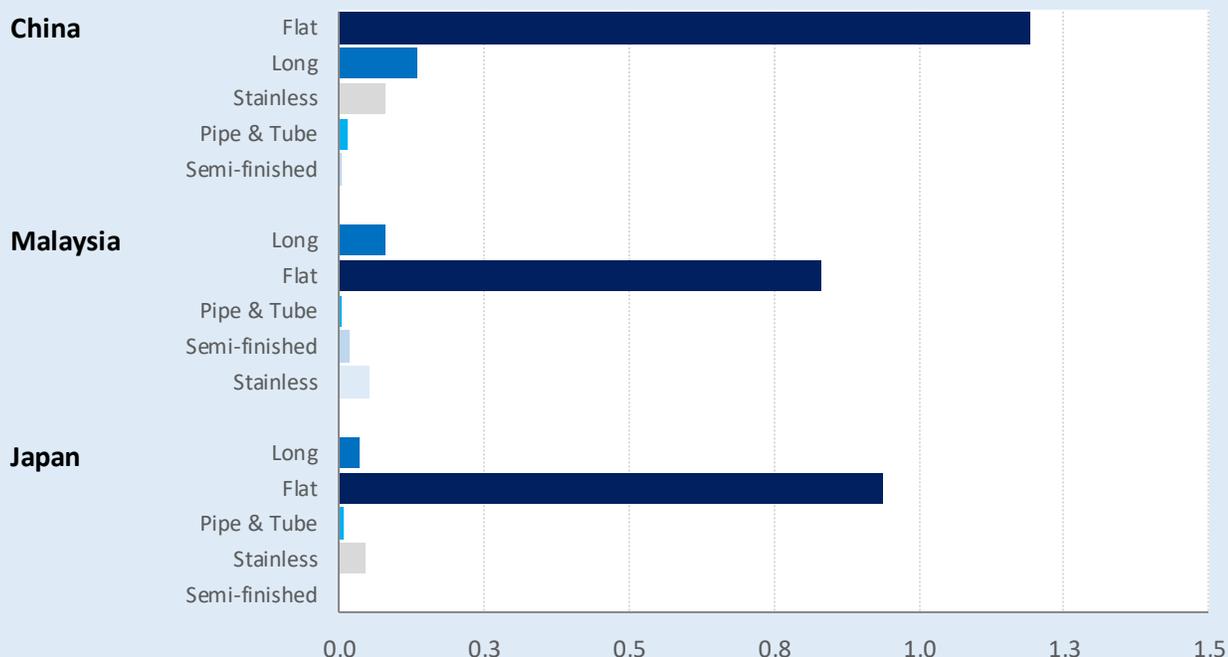
In 2018, the import market share for Taiwan's steel products increased in four of Taiwan's top export destinations for which data are available. The share of steel imports from Taiwan increased the most in Spain, up 1.8 percentage points from 2017, followed by Japan (up 0.5 percentage points) and Malaysia and Belgium (each up 0.4 percentage points). The share of imports from Taiwan showed the largest decrease in Australia (down 2.4 percentage points), while the shares in China decreased by 1.1 percentage points. Taiwan's import share in the United States, Thailand, and South Korea decreased by less than one percentage point in 2018.

Taiwan's Steel Import Market Share					
Top 10 Export Markets	Share of Imports from Taiwan - 2017	Taiwan's Rank in 2017	Share of Imports from Taiwan - 2018	Taiwan's Rank in 2018	Change in Share
Vietnam	N/A	N/A	N/A	N/A	N/A
China	11.1%	3	10.0%	3	↓
Japan	16.9%	2	17.4%	2	↑
United States	3.3%	9	3.1%	10	↓
Malaysia	12.1%	3	12.5%	3	↑
Thailand	4.1%	5	3.5%	6	↓
Belgium	2.8%	9	3.2%	9	↑
South Korea	3.6%	3	3.2%	4	↓
Spain	2.6%	12	4.4%	8	↑
Australia	7.3%	3	5.9%	3	↓

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

Among Taiwan's top export markets, China, Japan, and Malaysia received more than 10 percent of their total steel imports from Taiwan. In 2018, flat products accounted for the largest share of steel imports from Taiwan in each. For China flat products were 84% (or 1.2 million metric tons) of steel imports from Taiwan, while Japan got 91% (939 thousand metric tons), and Malaysia 84% (831 thousand metric tons) of flat steel from Taiwan.

Steel Import Composition of Top Market-Share Countries-2018

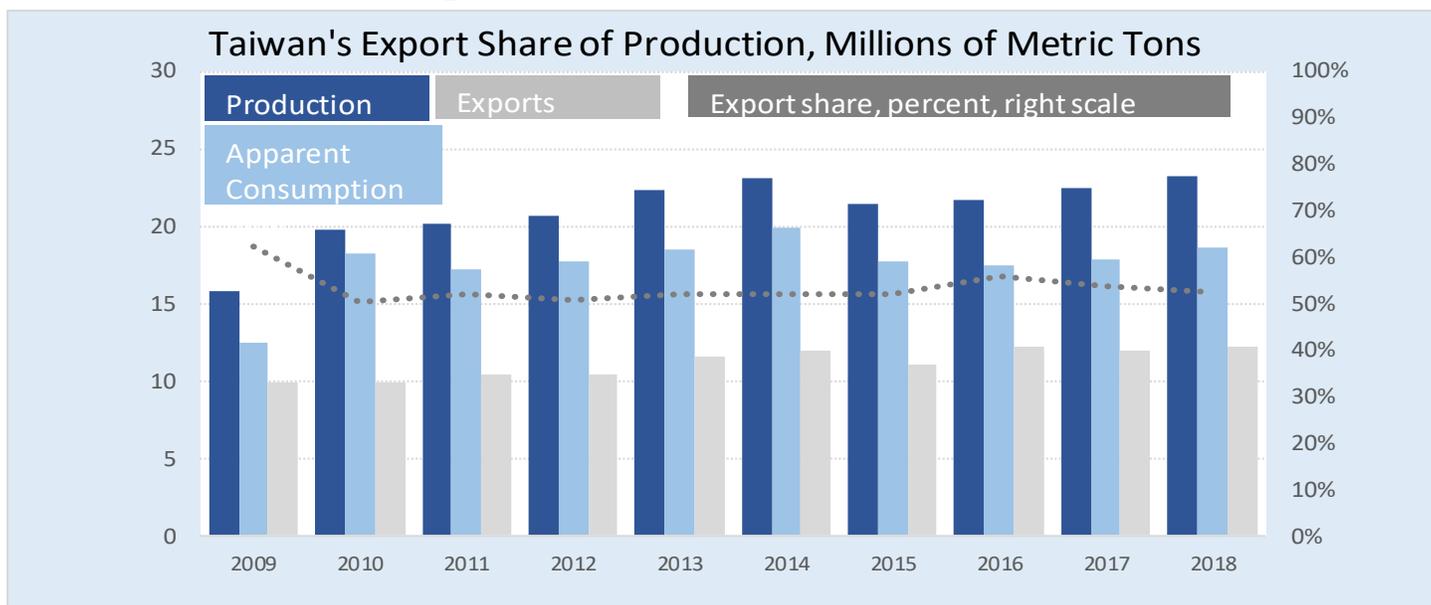


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

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	15.8	19.8	20.2	20.7	22.3	23.1	21.4	21.8	22.4	23.2
Apparent Consumption	12.5	18.2	17.2	17.7	18.4	19.9	17.8	17.4	17.8	18.6
Exports	9.9	10.0	10.5	10.5	11.6	12.0	11.1	12.2	12.0	12.2
Export Share of Production	62.4%	50.5%	51.9%	50.6%	52.0%	51.9%	51.9%	55.9%	53.6%	52.6%

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

Taiwan’s crude steel production increased steadily between 2009 and 2014, growing by a total of 7.3 million metric tons. In 2015, production decreased by 7 percent to 21.4 million metric tons from 23.2 million metric tons in 2014. From 2017 to 2018, production increased 3 percent from 22.4 million metric tons to 23.2 million metric tons. Production has consistently outpaced apparent consumption (a measure of steel demand) by an average of 2 million metric tons between 2009 and 2016. In 2017, the gap between production and demand widened to a peak of 4.6 million metric tons, and held steady in 2018. Between 2009 and 2010, Taiwan’s steel exports as a share of production fell by nearly 12 percentage points as production increased while exports held steady. Since then, the export share has remained above 50 percent and fell to 52.6 percent in 2018.

Top Producers

Taiwan has several steel producers, a mix of public, state-owned, and foreign-owned companies. The largest producer, China Steel Corp, accounts for 10 mmt of steel, or about half of total steel production in 2017. The second largest steel producer, Dragon Steel, has been a wholly owned subsidiary of China Steel

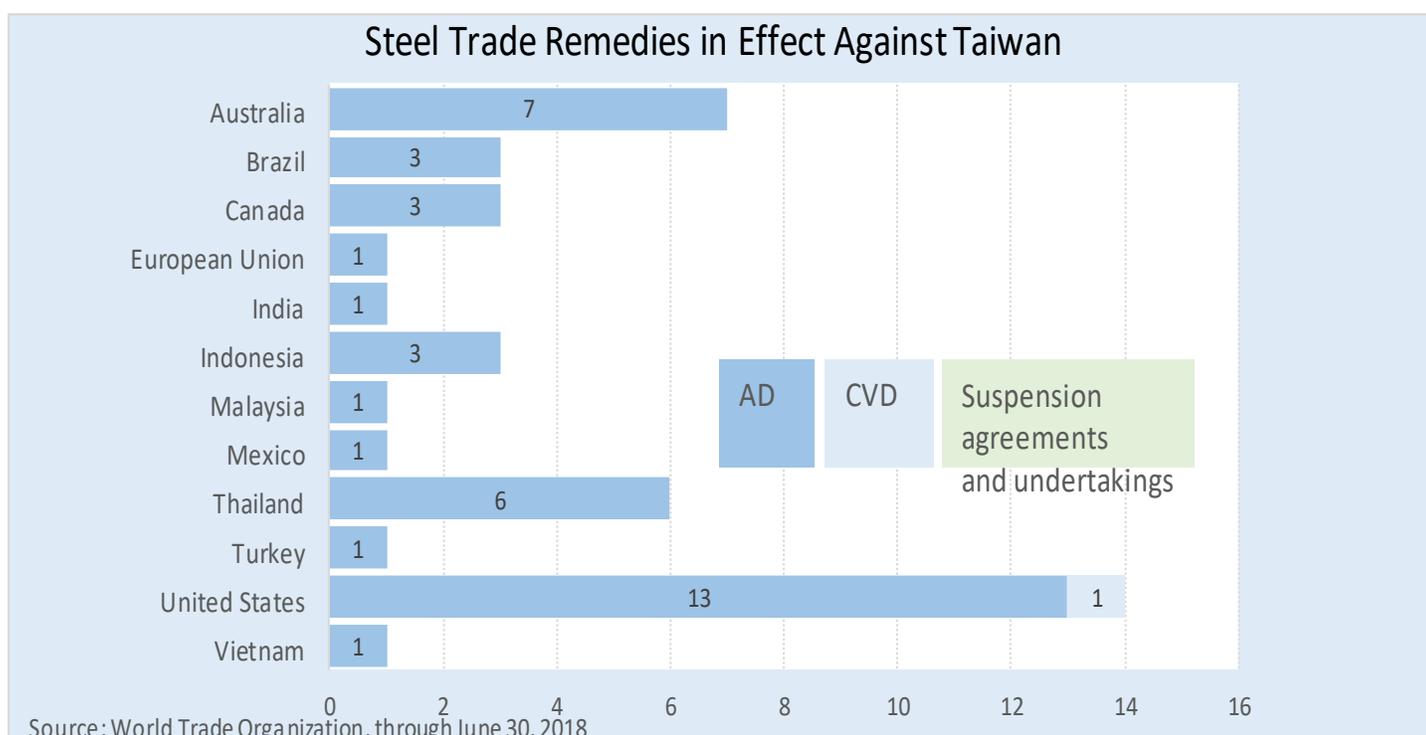
Taiwan’s Top Steel Producers			
Rank	Company	Capacity (mmt)	Main Products
		10	
1	China Steel Corp.	(production)	Steel plates, bars, wire rods
2	Dragon Steel Corp.	6	H beams, billets, steel plates
	Tung Ho Steel		
3	Enterprise Corp	2.2	Reinforcing bar, sections, plates
4	Walsin Lihwa Corp	0.7	Billets, slabs, wire rod
	Tang Eng Iron Works		
5	Co Ltd	0.3	Billets, hot- and cold- rolled coil

Sources: Metal Bulletin, Iron and Steelworks of the World Directory 2017; Company Websites

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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 Taiwan.



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/>.



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