

Global Steel Trade Monitor

Steel Exports Report: Turkey

Background

August 2019

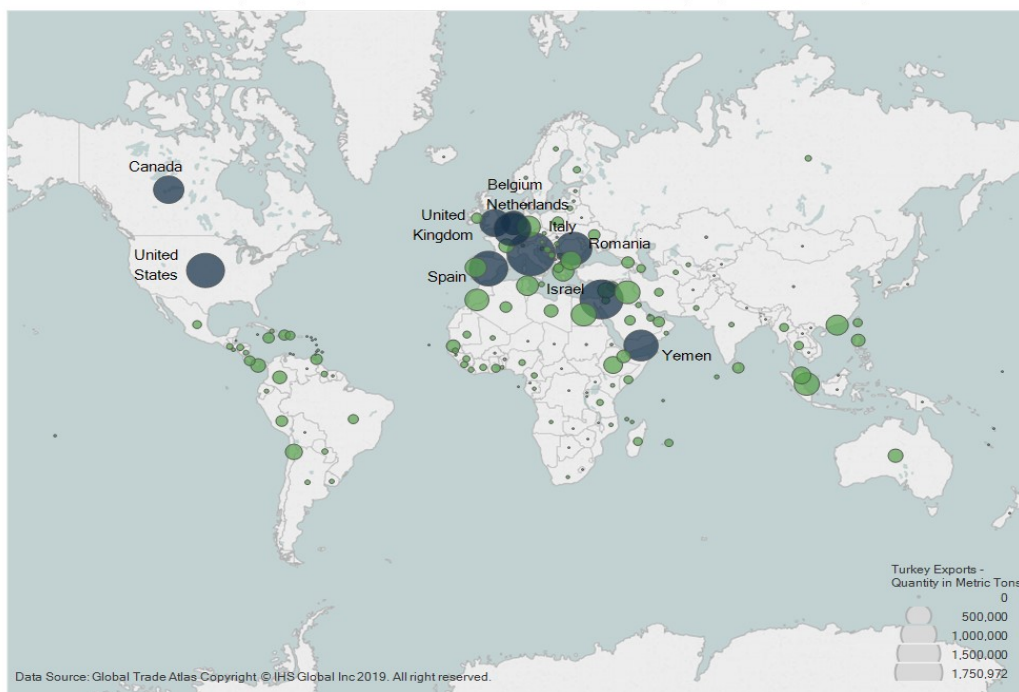
Turkey was the world's eighth-largest steel exporter in 2018. Turkey exported 19.8 million metric tons of steel, a 22 percent increase from 16.2 million metric tons in 2017. Turkey's exports represented about 4 percent of all steel exported globally in 2017 based on available data. The volume of Turkey's 2018 steel exports was about one-fifth that of the world's largest exporter, China. In value terms, steel represented just 7.6 percent of the total amount of goods Turkey exported in 2018.

Turkey exports steel to more than 200 countries and territories. The ten countries labeled in the map below represent the top markets for Turkey's exports of steel, receiving more than 500 thousand metric tons each and collectively accounting for 51 percent of Turkey's steel exports in 2018.

Quick Facts:

- In 2018, Turkey exported 19.8 million metric tons of steel
- 22% increase in steel exports between 2017 and 2018
- Export volume up 22% while export value up 40% from 2017 to 2018
- Top three markets: Italy, Israel, and Spain
- Exports as a share of production up from 43.3% in 2017 to 53.0% in 2018
- Largest producers: Erdemir Group, İçdaş, Tosyali Holding
- 23 trade remedies in effect in 6 countries involving steel mill imports from Turkey

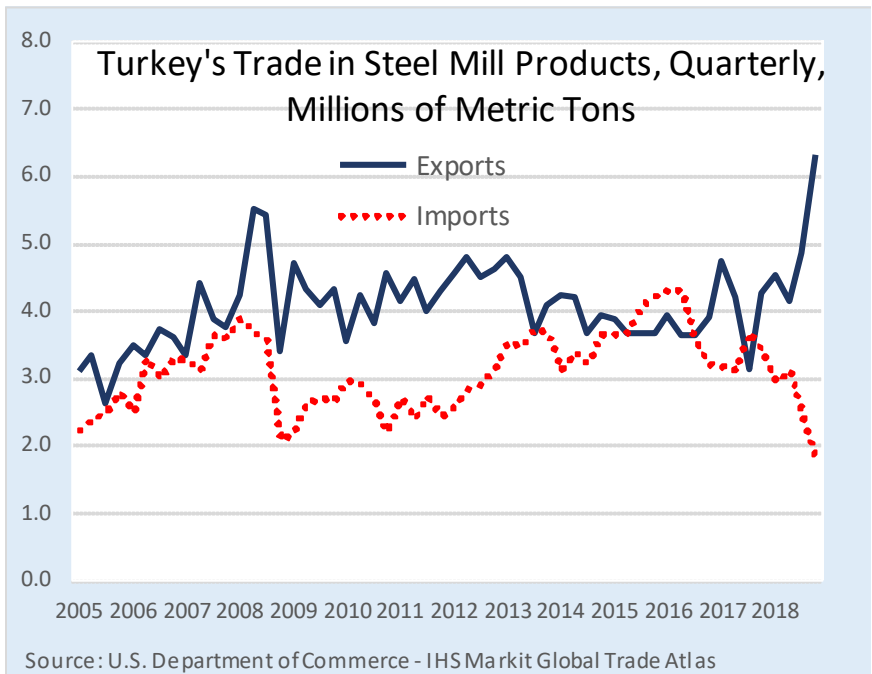
Turkey's Exports of Steel Mill Products-2018 (Top Ten in Blue)



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Steel Trade Balance

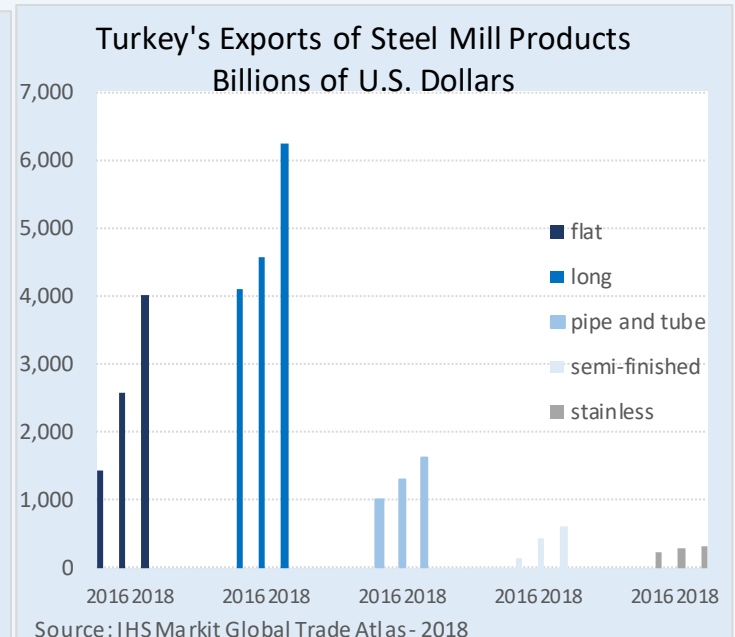
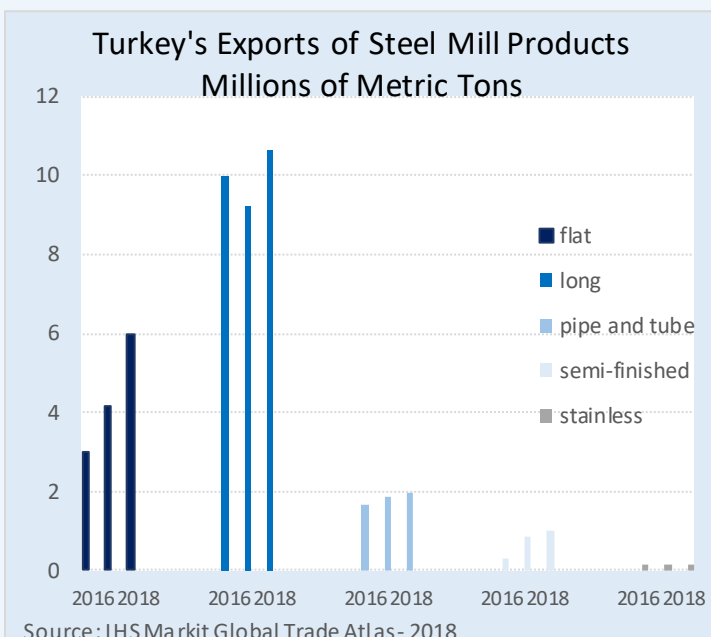
Turkey maintained a nearly continuous trade surplus in steel from 2005 through early 2015. In 2015, exports started to decline while imports began to climb, causing brief steel trade deficits between Q2 2015 and Q2 2016 and during Q3 2017. Since the recession year of 2009, Turkish exports have grown 13.8 percent, while imports have been flat, with some volatility. In 2018, Turkey's steel trade surplus has totaled 9.5 million metric tons, increasing 6.6 million metric tons or 231 percent from 2017.



Export Volume, Value, and Product

Turkey's steel exports previously peaked in 2012, reaching a high of 18.4 million metric tons. By 2017, Turkey's steel exports had recovered from the lows of 14.8 and 15 million metric tons in 2015 and 2016. In 2018, the volume of Turkey's steel exports increased 22 percent to 19.8 million metric tons from 16.2 million metric tons in 2017. Similarly the value of Turkey's 2018 steel exports increased by 40 percent to \$12.8 billion from \$9.1 billion in 2017.

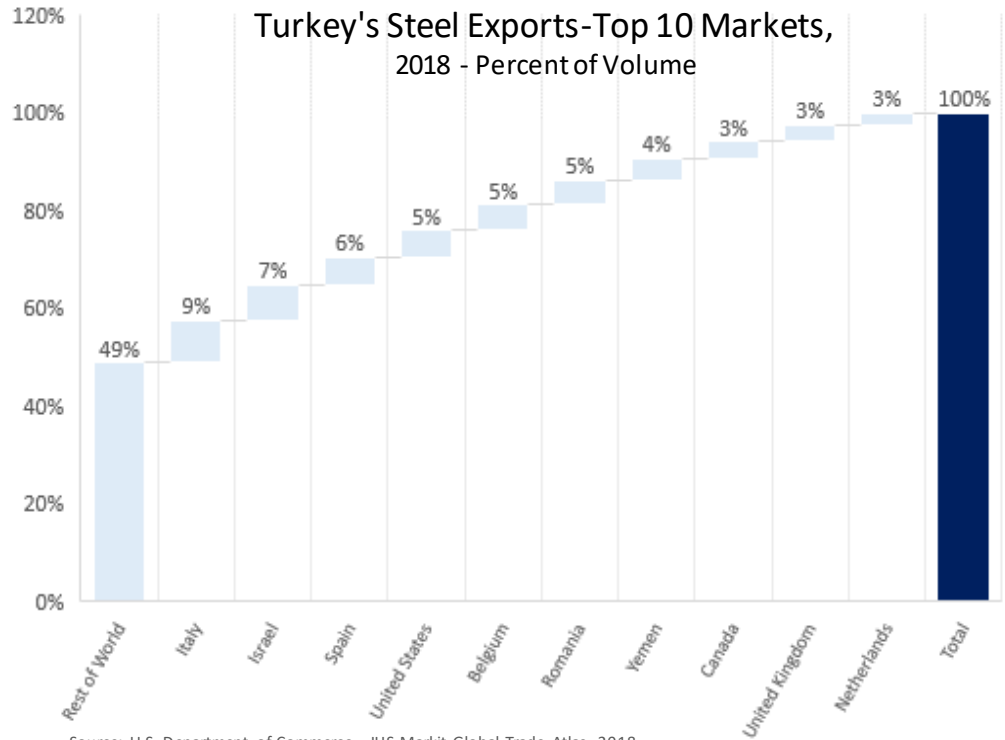
In 2018, long products accounted for more than half of Turkey's steel exports at 54 percent, or 10.7 million metric tons. Flat products accounted for 30 percent, or 6.0 million metric tons of Turkey's exports, followed by pipe and tube at 10 percent (2.0 million metric tons), semi-finished at 5 percent (1.0 million metric tons), and stainless products at 1 percent (132 thousand metric tons).



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Exports by Top Market

Exports to Turkey's top 10 steel markets represented 51 percent of Turkey's steel export volume in 2018 at 10.1 million metric tons (mmt). Italy was the largest market for Turkey's exports with 9 percent (1.8 mmt), followed by Israel ranked second at 7 percent (1.4 mmt), Spain at 6 percent (1.1 mmt), the United States at 5 percent (1.1 mmt), Belgium at 5 percent (1.1 mmt), and Romania at 5 percent (1.0 mmt).

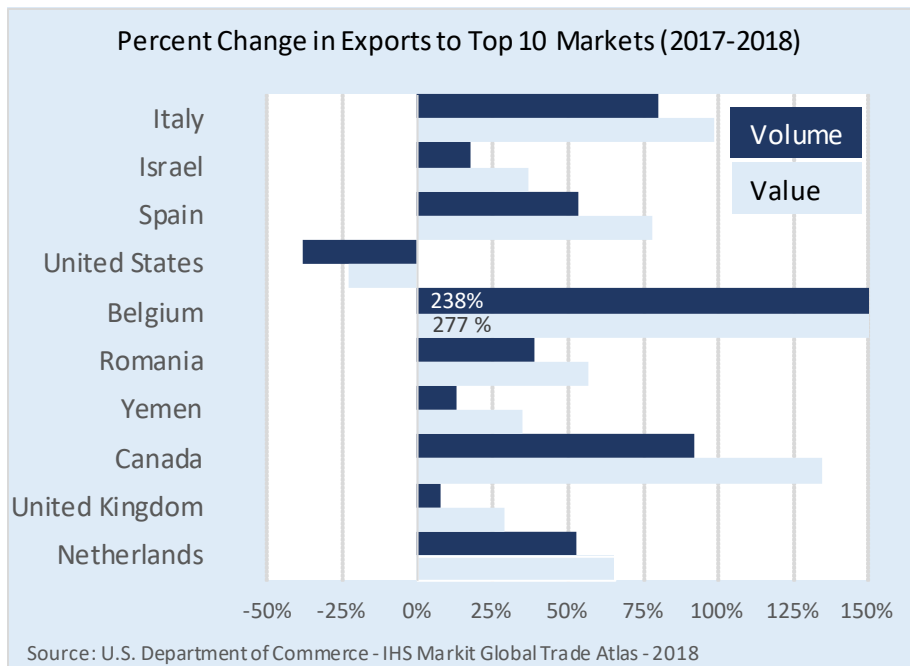


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas, 2018

Trends in Exports to Top Markets

The volume of Turkey's steel exports increased to 9 of Turkey's top 10 steel export markets between 2017 and 2018. Exports to the United States decreased in volume in 2018 — down 38 percent from 2017. Notably, Turkey's exports to Belgium increased by over 238 percent. Other significant volume increases included exports to Canada (92%), Italy (80%), Spain (54%), the Netherlands (53%) and Romania (39%).

Export values in 2018 also increased to 9 of Turkey's top 10 exports markets. As in volume, exports to the United States decreased in value in 2018 by 23 percent from 2017. Exports to Belgium showed the largest increase in value, up 277 percent from 2017. Other significant value increases included exports to Canada (135%), Italy (99%), Spain (78%), the Netherlands (66%) and Romania (57%).



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

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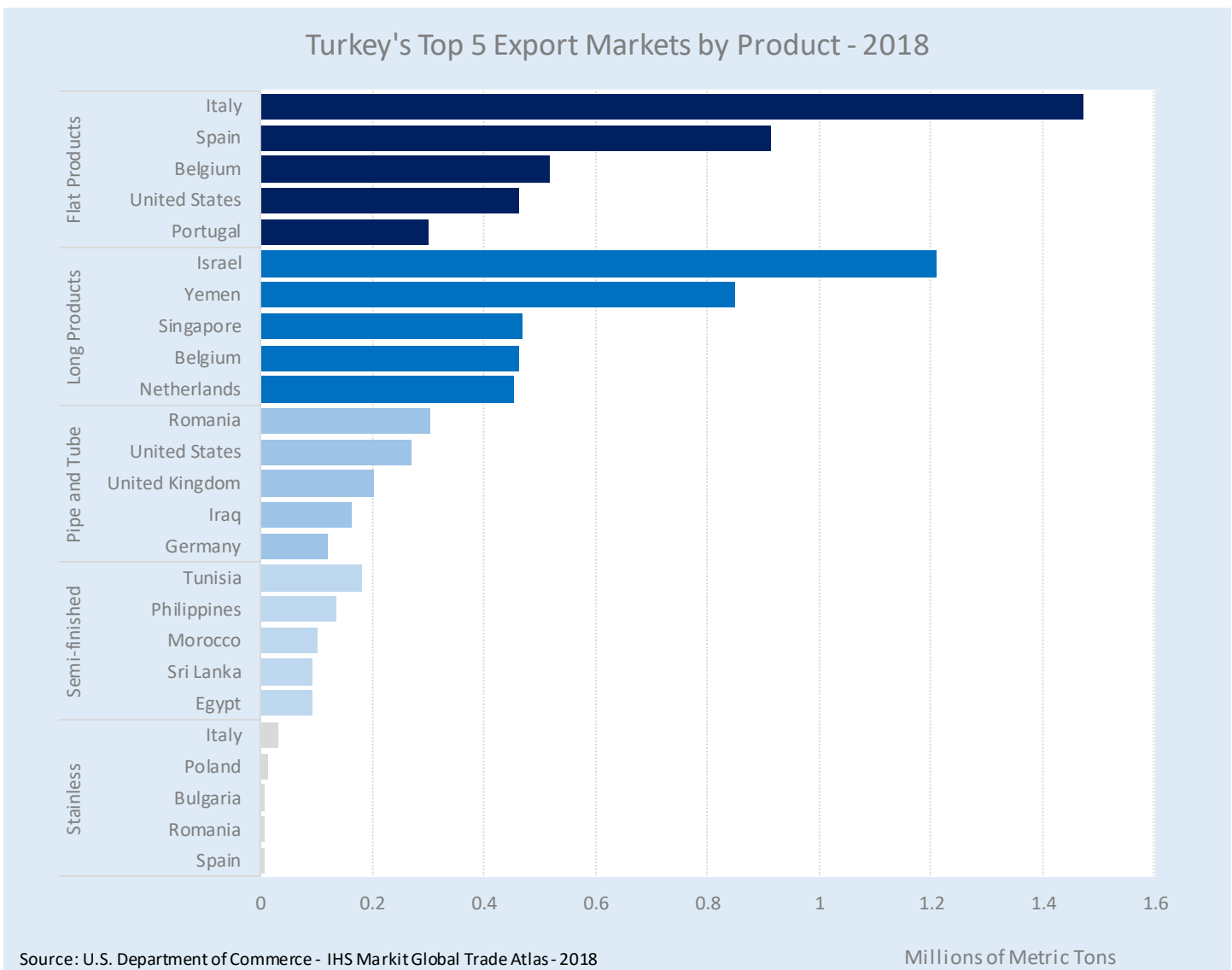
Top Markets by Steel Product Category

Turkey's top export markets by volume vary across types of steel products. Turkey exported the largest share of flat products to Italy in 2018 at 25 percent (1.5 million metric tons), followed by Spain at 15 percent (915 thousand metric tons), and Belgium at 9 percent (516 thousand metric tons). Israel accounted for the largest share of Turkey's exports of long products at 11 percent (1.2 million metric tons),.

Romania was the largest market for Turkey's pipe and tube exports in 2018 at 16 percent (304 thousand metric tons), followed closely by the United States at 14 percent (271 thousand metric tons) and the United Kingdom at 10 percent (204 thousand metric tons).

Tunisia accounted for the largest share of semi-finished exports at 18 percent (181 thousand metric tons) followed by the Philippines at 13 percent (135 thousand metric tons), while Italy was the largest destination for stainless exports at 23 percent (30 thousand metric tons).

The United States was the 4th largest export market for flat products at 8 percent (460 thousand metric tons) and the 2nd largest export market for pipe and tube products at 14 percent (271 thousand metric tons).



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Turkey's Import Market Share in Top Destinations

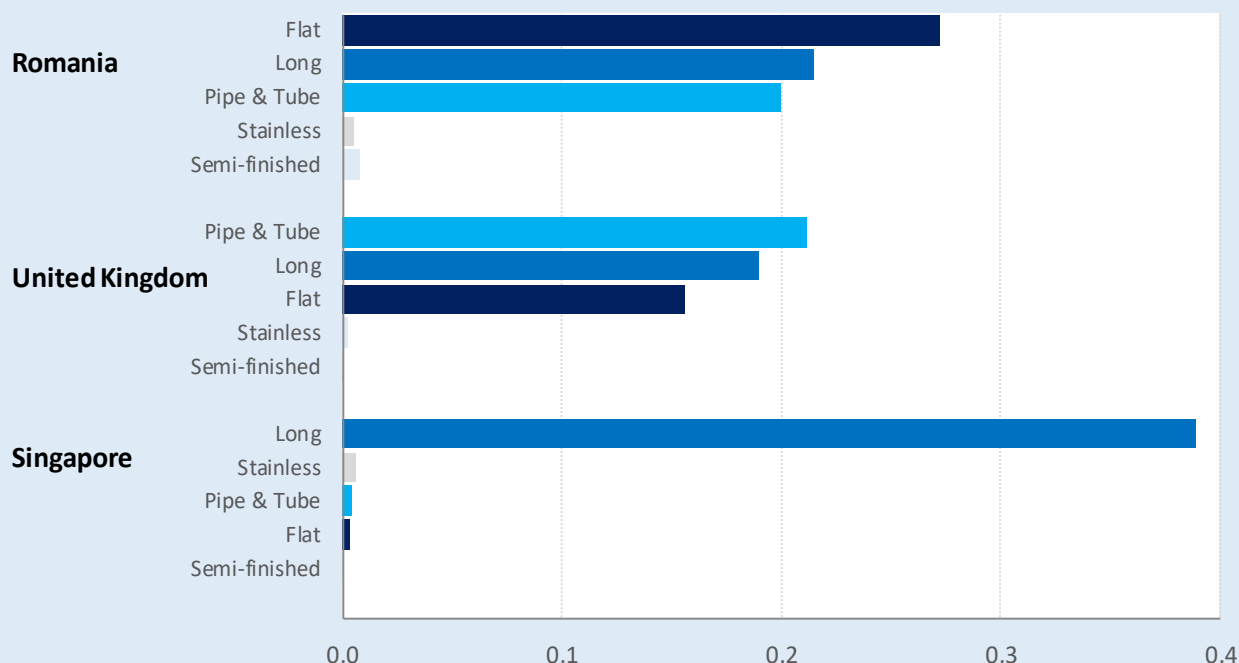
In 2017, the import market share for Turkey's steel products increased or remained the same in five out of Turkey's top 10 export markets for which data are available. The share of imports from Turkey in Singapore saw the largest increase in 2017, up 11.1 percentage points, followed by Romania (up 4.4 percentage points), Spain (up 3.1 percentage points), Italy (up 2.4 percentage points), and the United Kingdom (up 1.7 percentage points). Import shares from Turkey in 2017 decreased in Egypt (down 5.1 percentage points) and the United States (down 1.6 percentage points)

Turkey's Steel Import Market Share					
Top 10 Export Markets	Share of Imports from Turkey-2016	Turkey's Rank in 2016	Share of Imports from Turkey-2017	Turkey's Rank in 2017	Change in Share
United States	7.3%	5	5.7%	6	↓
Israel*	N/A	N/A	N/A	N/A	N/A
Italy	2.5%	12	4.9%	7	↑
Yemen*	N/A	N/A	N/A	N/A	N/A
Iraq*	N/A	N/A	N/A	N/A	N/A
Spain	3.9%	7	7.0%	5	↑
Romania	14.2%	1	18.6%	1	↑
United Kingdom	6.5%	6	8.2%	4	↑
Singapore	0.2%	18	11.3%	2	↑
Egypt*	8.8%	4	3.7%	6	↓

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

Among Turkey's top export markets, Romania, Singapore and the United Kingdom received the largest shares of their total steel imports from Turkey in 2017 at 18.6 percent, 11.3 percent, and 8.2 percent, respectively. Flat products accounted for a significant share of Romania's imports from Turkey at 39 percent (272 thousand metric tons). Long products accounted for 97 percent of Singapore's imports from Turkey (389 thousand metric tons), and pipe and tube products accounted for 38 percent of the United Kingdom's imports from Turkey (211 thousand metric tons).

Steel Import Composition of Top Market-Share Countries-2017

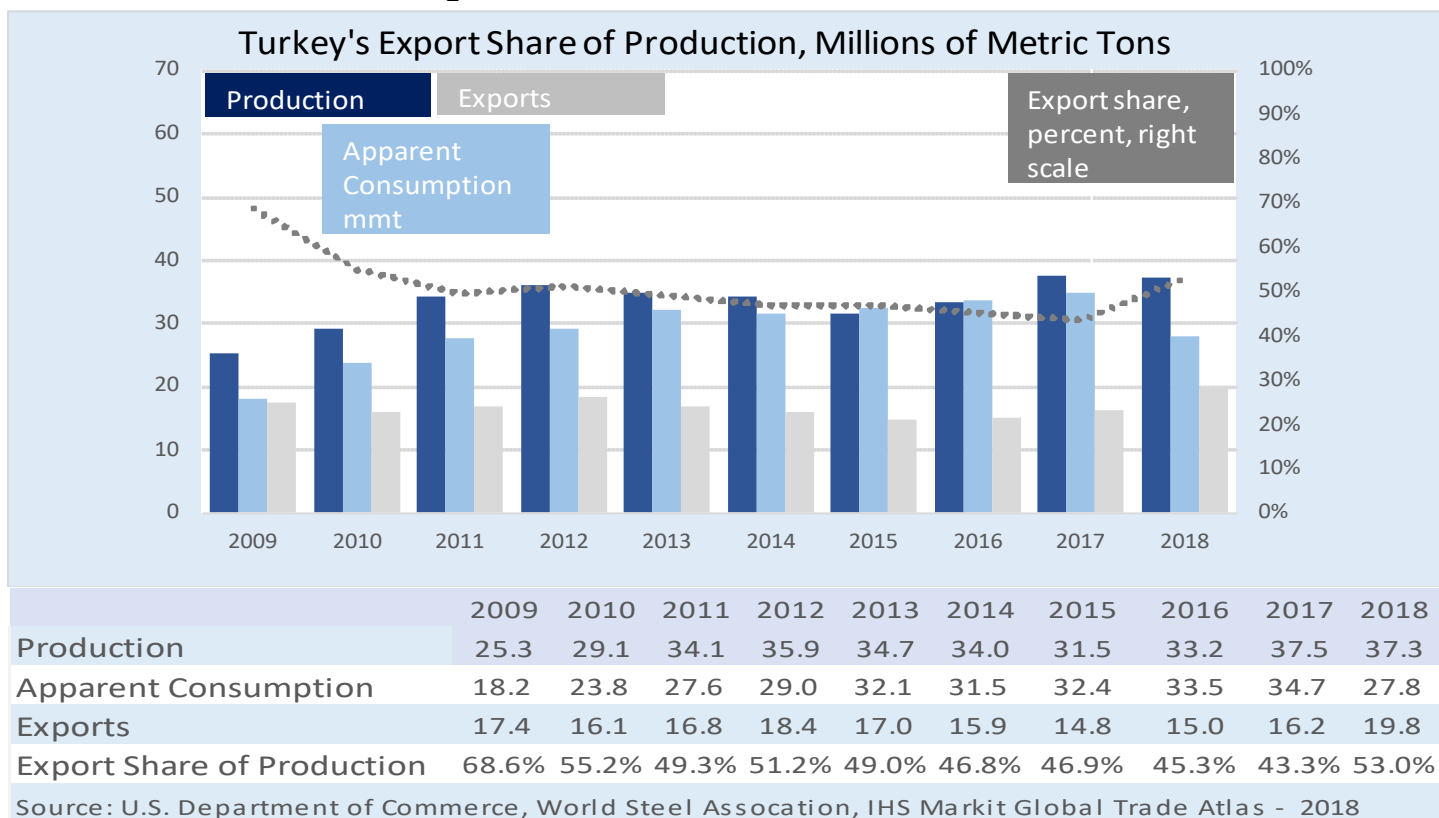


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

Steel Exports Report: Turkey

Overall Production and Export Share of Production



After increasing steadily between 2009 and 2012, crude steel production in Turkey levelled off at an average of 34.2 million metric tons per year between 2013 and 2017. Turkey's crude steel production decreased slightly to 37.3 million metric tons in 2018, from 2017's total of 37.5 million metric tons. The gap between production and apparent consumption (a measure of steel demand), which stood at 7.1 million metric tons or 28 percent of production in 2009, shrank steadily over the next eight years. By 2017, Turkey's production outpaced demand by 2.9 million metric tons. In 2018, production has outpaced apparent consumption by 9.5 million metric tons. Exports as a share of production increased to 53 percent in 2018 from 43.3 percent in 2017.

Top Producers

Though steel production in Turkey began with the emergence of state-owned companies in the 1930s, steel works were all privatized by 2002. The majority of Turkey's crude steel production uses electric arc furnace technology, and long products make up the majority of Turkey's finished steel production.

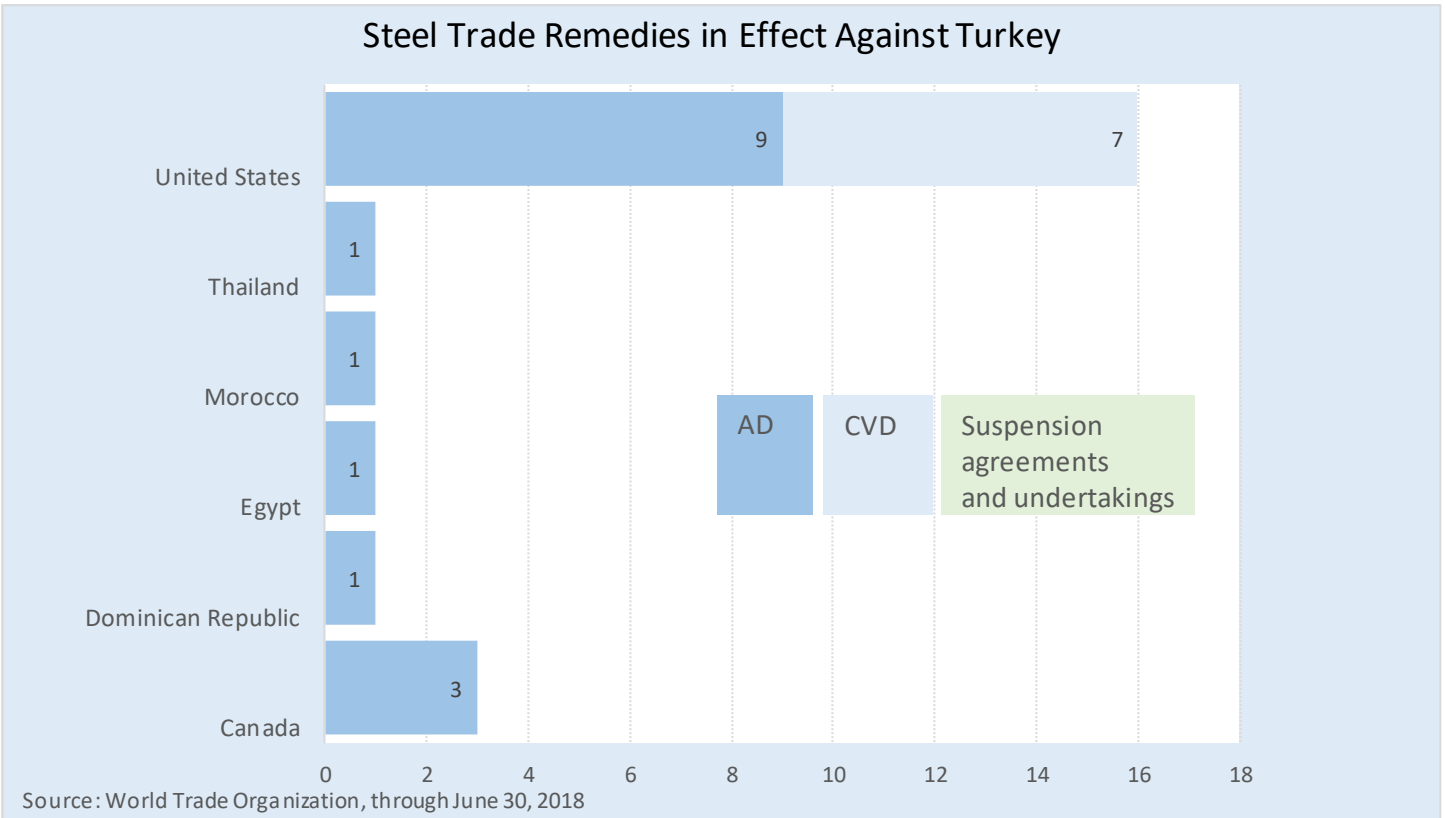
Turkey's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	Erdemir Group	9.20	Bars, beams, sheets, plate
2	İçdaş	3.70	Hot-rolled, cold-rolled, plate, coated products, rails
3	Tosyali Holding	3.00	Hot-rolled, cold-rolled, coated sheets, tubular products
4	Habaş	3 (capacity)	Beams, pilings, billets, rebar, wire rod
5	İsdemir (owned by Erdemir)	N/A	Flat-rolled, structural, bars, rails
6	Çolakoğlu Metalurji	N/A	Hot-rolled, cold-rolled, galvanized, stainless, electrical
7	Kardemir	N/A	Rebar, bars, sections, billets

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



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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