

Global Steel Trade Monitor

Steel Imports Report: Malaysia

Background

June 2019

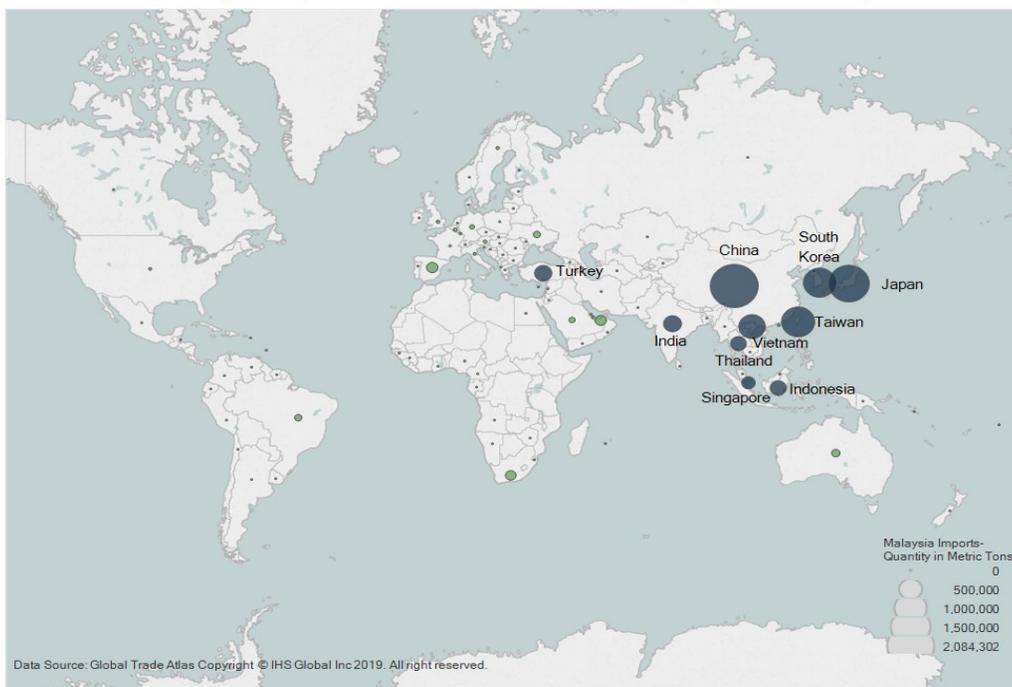
Malaysia was the world's 18th-largest steel importer in 2017. In 2018, Malaysia imported 7.9 million metric tons of steel, an 4 percent increase from 7.6 million metric tons in 2017. Malaysia's imports in 2017 represented about 2 percent of all steel imported globally, based on available data. The volume of Malaysia's steel imports in 2018 was a little more than a third the size of the world's fourth-largest and Asia's largest importer, South Korea. In value terms, steel represented just 3.1 percent of the total goods imported into Malaysia in 2018.

Malaysia imported steel from more than 65 countries and territories in 2018. The 10 countries highlighted in the map below represent the top sources for Malaysia's imports of steel, with Malaysia receiving more than 150 thousand metric tons from each and together accounting for 92 percent of Malaysia's steel imports in 2018.

Quick Facts:

- Imported 7.9 million metric tons in 2018
- 107% steel import growth since 2009
- 2018 import volume up 4% while import value up 20% from 2017
- Import penetration down from 86.5% in 2016 to 83.2% in 2017
- Top three import sources: China, Japan and Taiwan
- Largest producers: Megasteel, Amsteel Mills, Ann Joo Steel
- 13 trade remedies in effect against imports of steel mill products, including 2 safeguards

Malaysia Imports of Steel Mill Products-2018 (Top Ten in Blue)

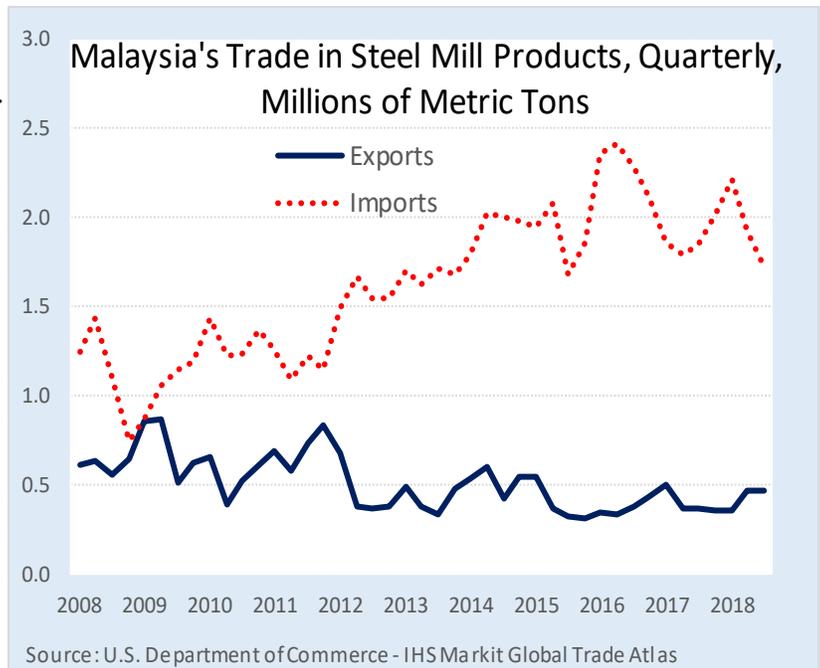


Steel Imports Report: Malaysia

Steel Trade Balance

Malaysia is a net importer of steel mill products. Since 2009, Malaysia's level of steel imports has been trending upwards. Between 2009 and 2018, Malaysia's imports increased by 107 percent. Over the same period, Malaysia's steel exports gradually declined by 43 percent.

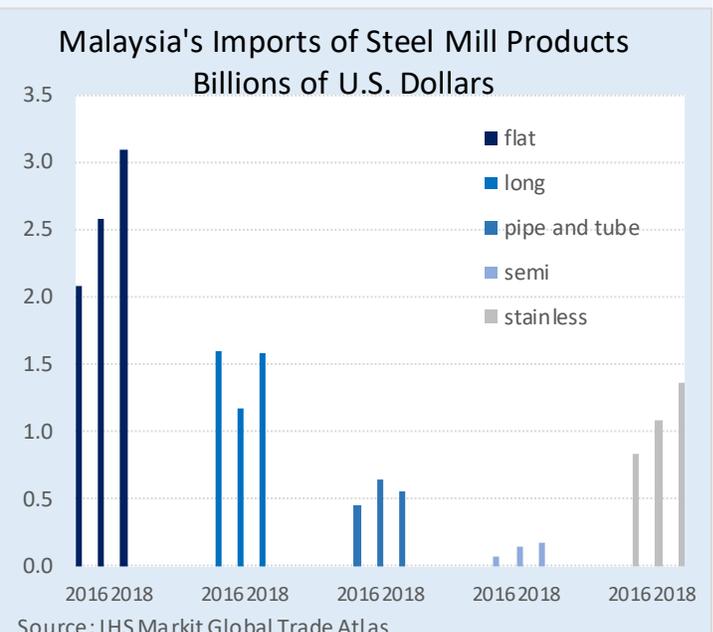
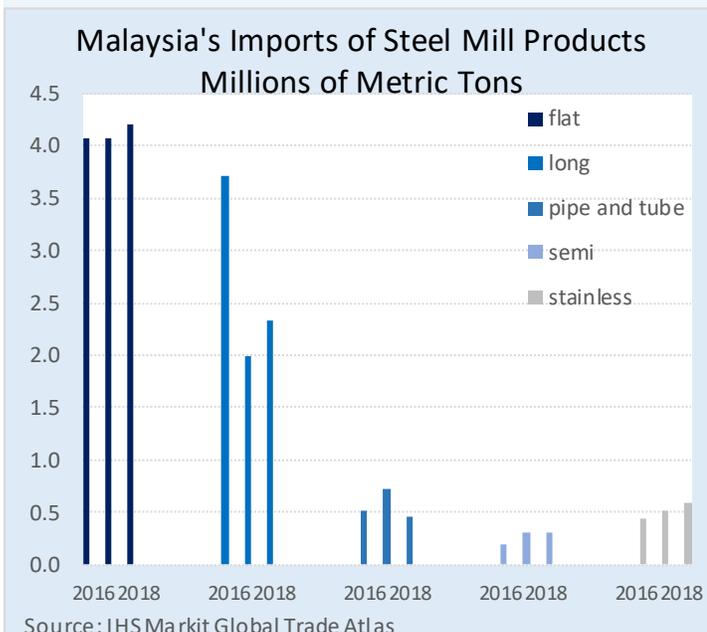
Between 2009 and 2018, Malaysia's steel trade deficit grew from -944 thousand metric tons to -6.2 million metric tons. Between 2017 and 2018 alone, Malaysia's steel trade deficit grew 5 percent, from -5.9 million metric tons to -6.2 million metric tons.



Import Volume, Value, and Product

In 2018, the volume of Malaysia's steel imports increased by 4 percent to 7.9 million metric tons from 7.6 million metric tons in 2017. During the same period, the value of Malaysia's steel imports increased by 20 percent, growing from \$5.6 billion in 2017 to \$6.8 billion in 2018, due to a significant increase in global steel prices.

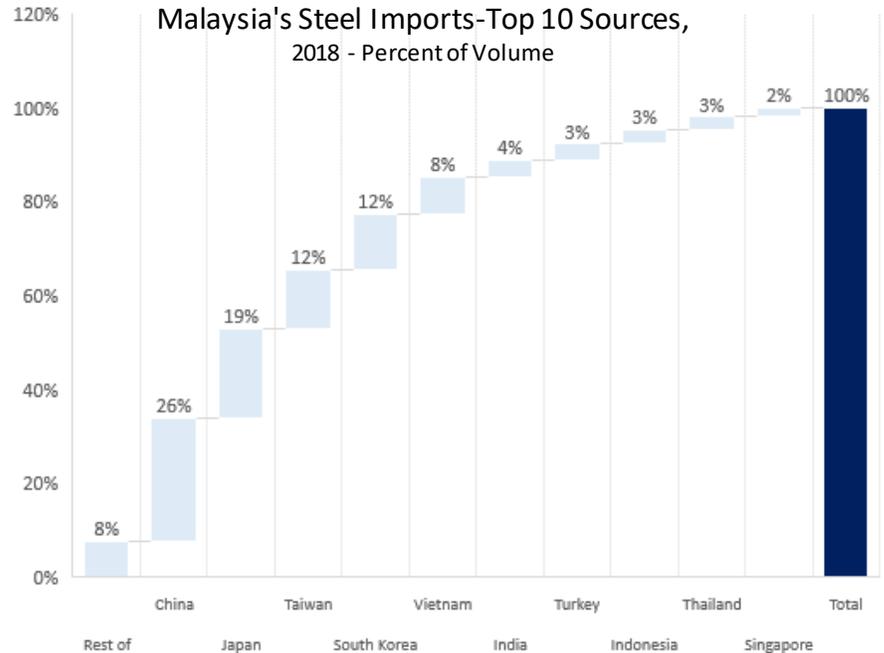
Flat products accounted for 53 percent of Malaysia's steel imports by volume in 2018, with a total of 4.2 million metric tons. Long products represented 30 percent of Malaysia's imports, with 2.3 million metric tons. Stainless steel products were the 3rd biggest product category in 2018, at 7 percent of the total import share (581 thousand metric tons), followed by pipe and tube products at 6 percent of Malaysia's imports (459 thousand metric tons) and semi-finished steel at 4 percent of steel imports (308 thousand metric tons).



Steel Imports Report: Malaysia

Imports by Top Source

The top 10 source countries for Malaysia's steel imports accounted for 92 percent of Malaysia's total steel import volume in 2018 at 7.3 million metric tons (mmt). China accounted for the largest share of Malaysia's imports at 26 percent (2.1 mmt), followed by Japan at 19 percent (1.5 mmt), Taiwan at 12 percent (985 thousand metric tons), South Korea at 12 percent (935 thousand metric tons), and Vietnam at 8 percent (626 thousand metric tons).



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

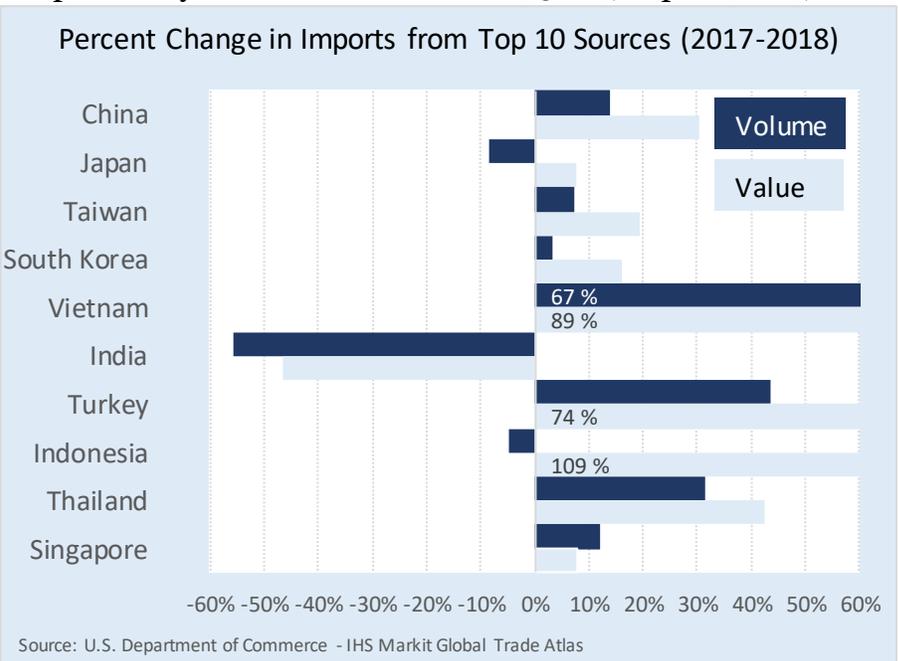
The United States was the 25th-largest source for Malaysia's steel imports in 2018, sending just 7,190 metric tons, a 72 percent decline from 25,265 metric tons in 2017.

Trends in Imports from Top Sources

From 2017 to 2018, the volume of Malaysia's steel imports increased from 7 of the Malaysia's top 10 import sources. Imports from Vietnam (67%), showed the largest volume increase in 2018, followed by Turkey (43%), Thailand (32%), China (14%), Singapore (12%), Taiwan (7%), and South Korea (3%). The volume of Malaysia's imports only decreased from India (-56%), Japan (-8%), and Indonesia (-5%).

The overall value of Malaysia's imports increased from 9 of the top 10 sources. The value of imports from Indonesia increased the most in 2018 (109%), followed by Vietnam (89%), Turkey (74%), Thailand (42%), China (30%), Taiwan (19%), South Korea (16%), Singapore (8%), and Japan (8%). Only the value of imports from India (-46%) declined in 2018.

Outside the top 10 sources, other notable volume changes included Malaysia's imports from 15th-ranked Brazil (50%), 16th-ranked Ukraine (1,161%), 17th-ranked Saudi Arabia (31,143%), 19th-ranked Belgium (54%), 20th-ranked Austria (213%), and 21st-ranked United Kingdom (46%).



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

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Top Sources by Steel Product Category

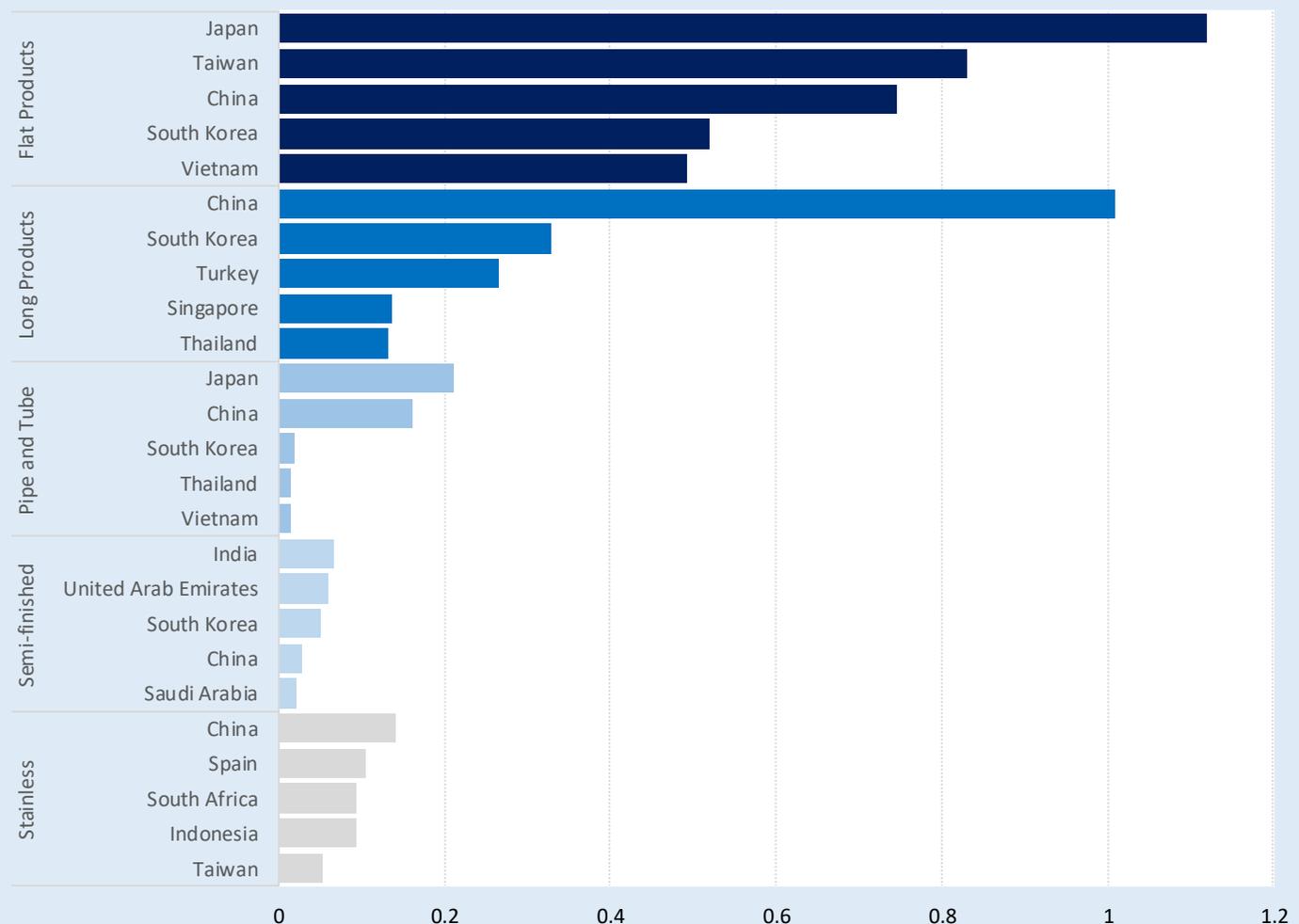
The top source countries for Malaysia's imports by volume vary across types of steel products, though China is among the top 4 sources for each product type. Malaysia imported the largest share of flat products from Japan in 2018 at 27 percent (1.1 million metric tons), followed by Taiwan at 20 percent (831 thousand metric tons), and China at 18 percent (745 thousand metric tons). China was also the largest source for long product imports at 43 percent (1.0 million metric tons), while South Korea sent the second largest share of long products at 14 percent (327 thousand metric tons).

Malaysia imported 46 percent of its pipe and tube imports from Japan (211 thousand metric tons), followed by China at 35 percent (162 thousand metric tons). India was the largest source for Malaysia's semi-finished steel imports in 2018, at 21 percent (66 thousand metric tons), followed by the United Arab Emirates at 19 percent (59 thousand metric tons).

China was the largest source of imported stainless products at 24 percent (141 thousand metric tons), followed by Spain at 18 percent (106 thousand metric tons).

The United States was not a top-5 source or any category of Malaysia's steel imports in 2018.

Malaysia's Top 5 Import Sources by Product - 2018



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

Millions of Metric Tons

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Malaysia's Export Market Share from Top Source Countries

In 2018, the share of steel exports sent to Malaysia from its top import sources increased in 5 of the top 10 countries for which data was available. The share of Thailand's steel exports to Malaysia showed the largest increase (up 2.4 percentage points), followed by China (up 0.7 percentage points). The share of India's steel exports to Malaysia showed the largest decrease (down 8.7 percentage points), followed by Thailand (down 3.5 percentage points). Export shares to Malaysia in China, South Korea, and Taiwan decreased by less than 1 percentage point, each.

Malaysia's Steel Export Market Share						
Top 10 Import Sources	Share of Exports to Malaysia - 2017	Malaysia's Rank in 2017	Share of Exports to Malaysia - 2018	Malaysia's Rank in 2018	Change in Share	
China	2.4%	8	3.0%	7	↑	
Japan	4.0%	9	3.8%	9	↓	
Taiwan	7.7%	5	7.7%	5	↑	
South Korea	2.6%	11	3.1%	9	↑	
Vietnam	N/A	N/A	N/A	N/A	N/A	
India	4.2%	7	2.7%	9	↓	
Turkey	1.1%	25	1.3%	21	↑	
Indonesia	9.1%	5	7.3%	5	↓	
Thailand	8.6%	3	10.9%	3	↑	
Singapore	31.1%	2	30.2%	2	↓	

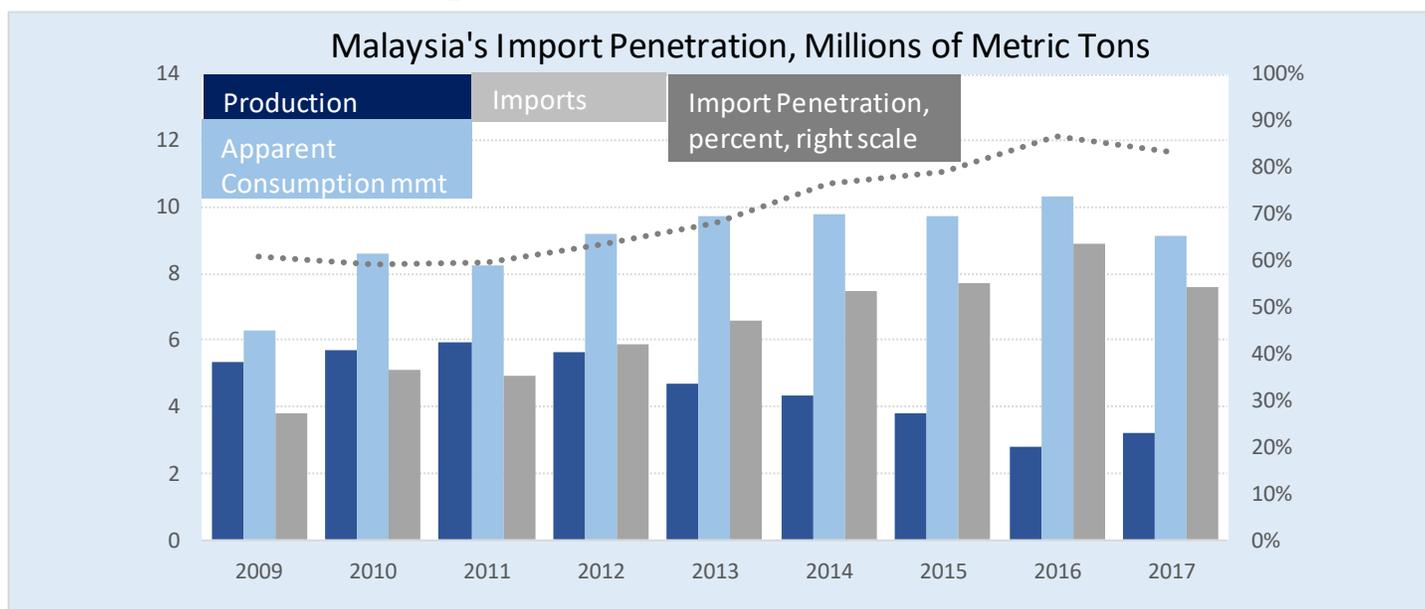
Source: IHS Markit Global Trade Atlas, based on export data per reporting country

Among Malaysia's top import sources, Singapore, Thailand, and Taiwan sent the largest shares of their total steel exports to Malaysia in 2018 at 30.2 percent, 10.9 percent, and 7.7 percent, respectively. Flat products accounted for the largest share of steel exports to Malaysia from Taiwan at 87 percent (819 thousand metric tons), while long products accounted for the largest share from Thailand at 62 percent (127 thousand metric tons) and Singapore at 48 percent (227 thousand metric tons).



Steel Imports Report: Malaysia

Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	5.4	5.7	5.9	5.6	4.7	4.3	3.8	2.8	3.2	N/A
Apparent Consumption	6.3	8.6	8.2	9.2	9.7	9.8	9.7	10.3	9.1	N/A
Imports	3.8	5.1	4.9	5.9	6.6	7.5	7.7	8.9	7.6	7.9
Import Penetration	60.6%	59.2%	59.8%	63.5%	67.8%	76.6%	79.2%	86.5%	83.2%	N/A

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

Malaysia’s crude steel production decreased by 40 percent between 2009 and 2017. Between 2016 and 2017, production increased 16 percent to 3.2 million metric tons. Apparent Consumption, a measure of demand, grew by 45 percent between 2009 and 2017, but declined 11 percent between 2016 and 2017. Malaysia’s steel imported more than doubled between 2009 and 2017, increasing from 3.8 million metric tons in 2009 to 7.6 million metric tons in 2017. Malaysia’s steel production declined from 5.4 million metric tons in 2009 to 3.2 million metric tons in 2017. Import penetration increased every year 2010 and 2016 and peaked at 86.5 percent in 2016. In 2017, import penetration decreased 3.3 percentage points from 86.5 percent in 2016 to 83.2 percent in 2017. 2018 production data are unavailable.

Top Producers

According to the Malaysian Iron and Steel Industry Federation, Malaysia has over 100 steel manufacturing and processing facilities. The five largest steel-producing companies account for the majority of Malaysia’s estimated steelmaking capacity, with members of The Lion Group accounted for over half of Malaysia’s total steelmaking capacity of 10.7 million metric tons in 2017, based on available data.

Malaysia’s Top Steel Producers in 2017			
Rank	Company	Capacity (mmt)	Main Products
1	Megasteel (The Lion Group)	4.7	Hot-rolled/cold-rolled coils
2	Amsteel Mills (The Lion Group)	2	Bars, wire rod
3	Ann Joo Steel	1.3	Billets, bars, wire rod
4	Southern Steel	1.20	Billets, bar, wire rod, pipe & tube
5	Antara Steel Mills (The Lion Group)	1.1	Bars, Sections

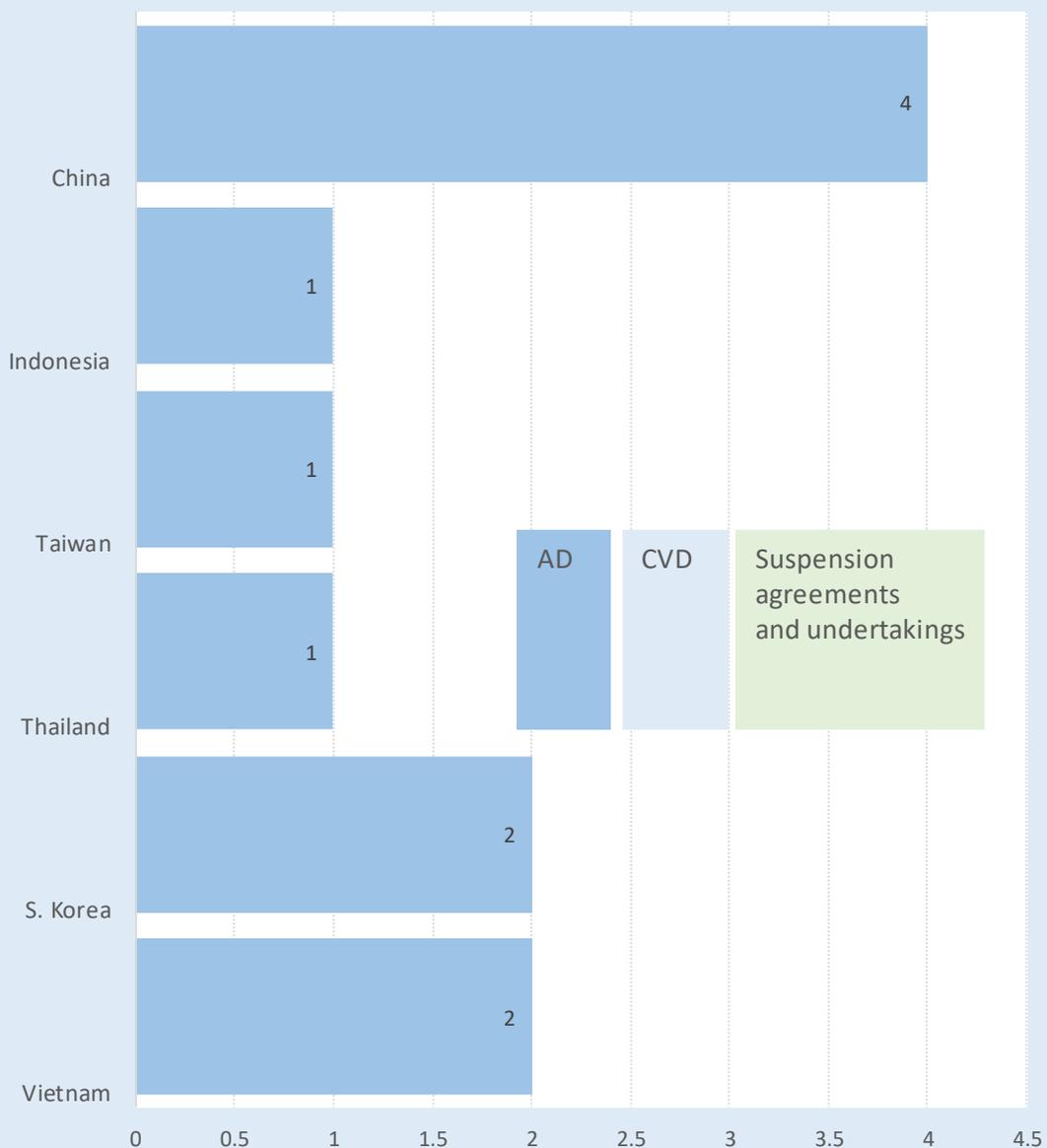
Sources: Metal Bulletin, Iron and Steelworks of the World Directory 2017; Malaysia Steel Institute; Company websites

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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 domestic industry. The tables below provide statistics on the current number of trade remedies Malaysia has against imports of steel mill products from various countries. Malaysia has two steel mill safeguards.

Malaysia's Steel Trade Remedies in Effect Against Steel Mill Imports



Source: World Trade Organization, through June 30, 2018

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.

Special Note on U.S. Import Data: Import data for the United States used in this report are general imports, rather than imports for consumption, so as to be consistent across countries. Therefore, U.S. import data in this report may not match similar data used in our other U.S. import data products.

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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