



# Global Steel Trade Monitor

## Steel Imports Report: Taiwan

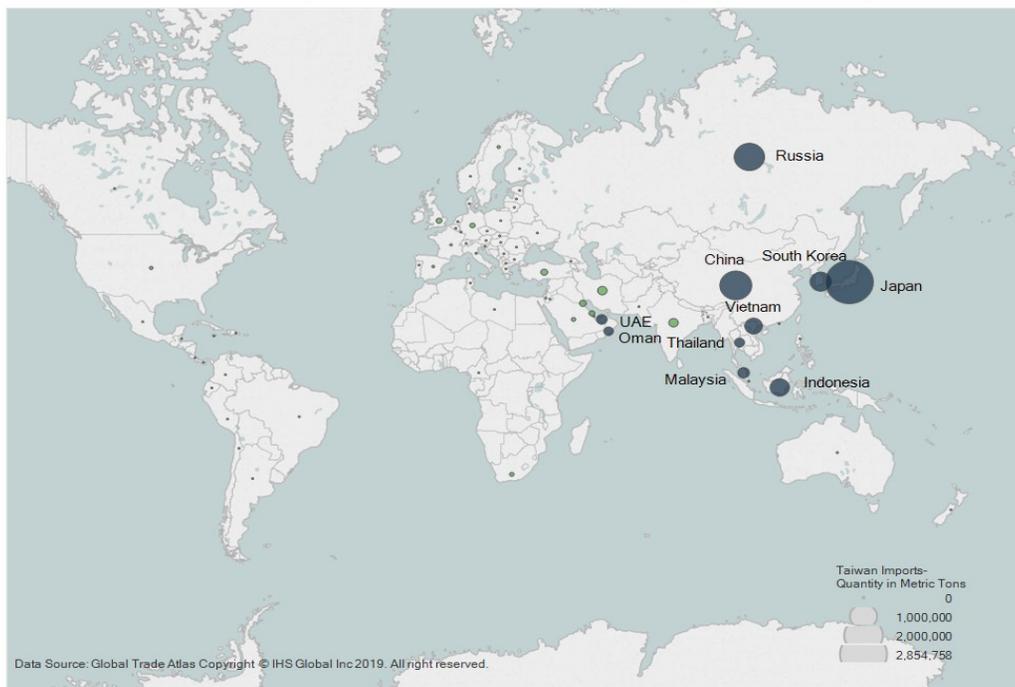
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### Background

Taiwan is the world's nineteen-largest steel importer (2017 ranking). In 2018, Taiwan imported 7.6 million metric tons of steel, a 3 percent increase from 7.4 million metric tons in 2017. Taiwan's imports represented about 2 percent of all steel imported globally in 2016. The volume of Taiwan's 2018 steel imports was roughly one-fourth the size of the world's largest importer, the United States. In value terms, steel represented just 2.3 percent of the total goods imported into Taiwan in 2018.

Taiwan imports steel from over 50 countries and territories. The countries highlighted in the map below represent the top import sources for Taiwan's imports of steel, with each sending more than 100 thousand metric tons to Taiwan and together accounting for 93 percent of Taiwan's steel imports in 2018.

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



### Quick Facts:

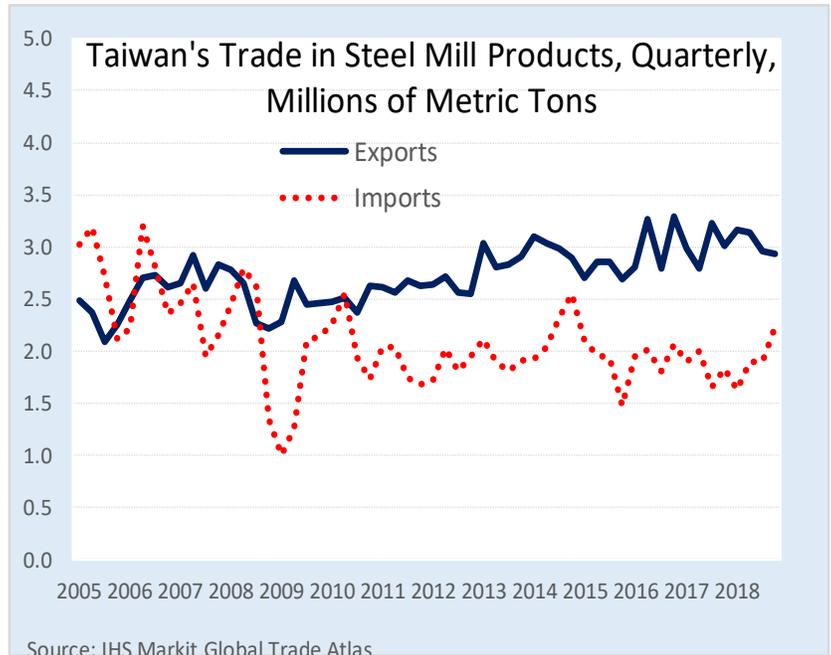
- 7.6 million metric tons (2018)
- 17% steel import growth since 2009
- Import penetration down from 52.3% in 2009 to 41.0% in 2018
- 2018 import volume up 3% while import value up 18% compared to 2017
- Top three import sources: Japan, China and Russia
- Largest producers: China Steel Corp, Dragon Steel Corp, Tung Ho Steel
- Taiwan has 10 trade remedies in effect against imports of steel mill products

# Steel Imports Report: Taiwan

## 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 and hit a low point in 2009. Since 2009, imports have increased 17 percent but were still down 31 percent from 2005 levels. Exports increased 24 percent between 2009 and 2018.

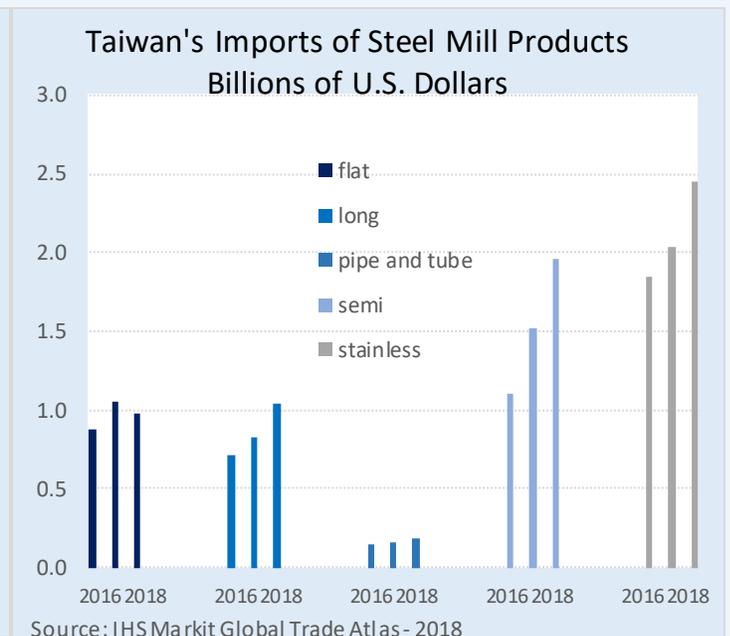
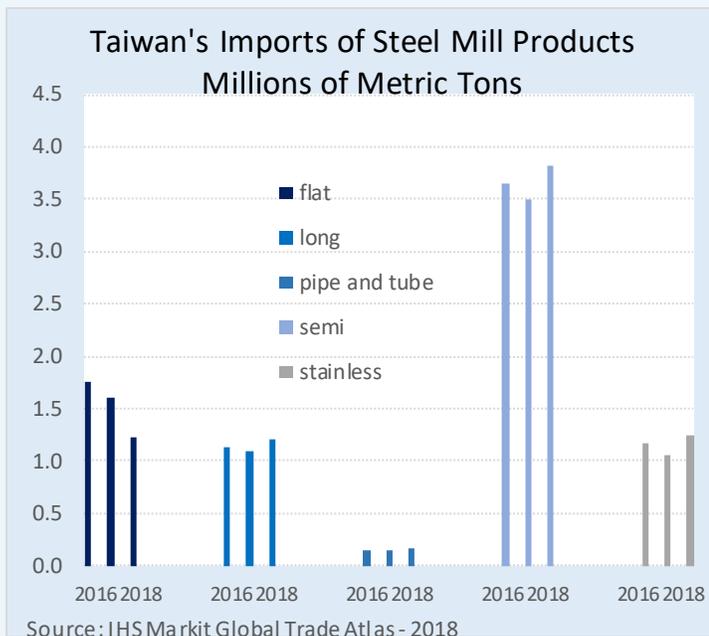
In 2018, Taiwan's steel trade surplus amounted to 4.6 million metric tons, down less than 2 percent from 4.6 million metric tons in 2017.



## Import Volume, Value, and Product

Taiwan has averaged around 7.5 million metric tons of annual steel imports in recent years. In 2017, the volume of Taiwan's steel imports decreased by 6 percent to 7.4 million metric tons from 7.8 million metric tons in 2016. In 2018, imports increased by 3 percent to 7.6 million metric tons between from 2017. By contrast, the value of Taiwan's 2018 steel imports increased by 18 percent between 2017 and 2018, increasing up to \$6.6 billion in 2018 from \$5.6 billion in 2017 due to an increase in global steel prices.

Semi-finished steel accounted for the largest share of Taiwan's steel imports in 2018 at 50 percent or 3.8 million metric tons (mmt). Stainless products accounted for 16 percent (1.23 mmt) of Taiwan's steel imports, followed by flat products at 16 percent (1.2 mmt), long products at 16 percent (1.2 mmt), and pipe and tube at 2 percent (157 thousand metric tons).

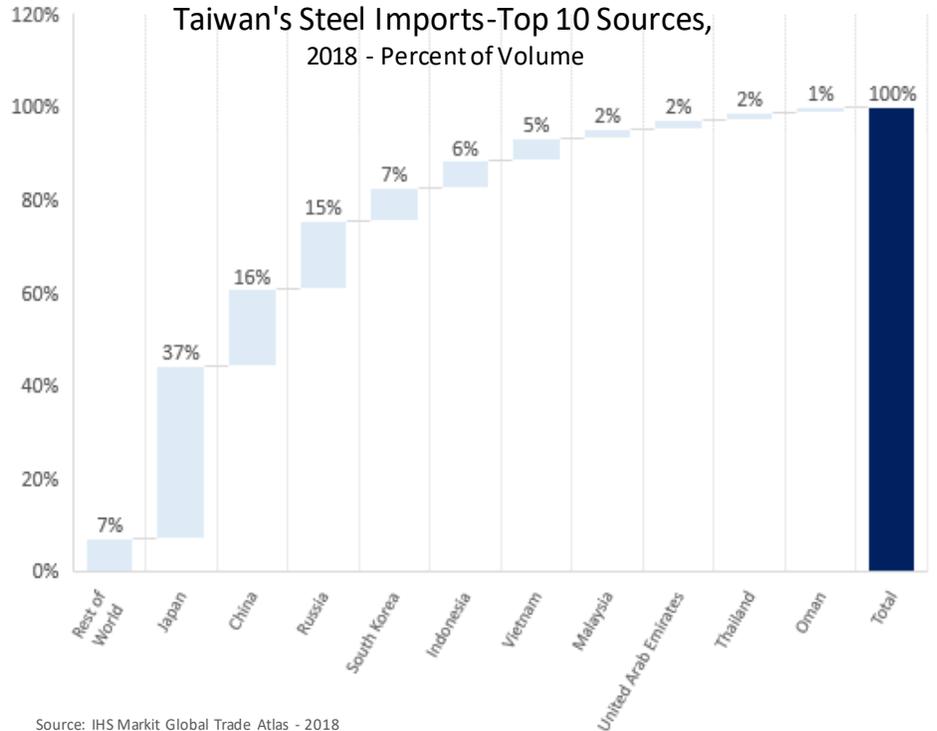


# Steel Imports Report: Taiwan

## Imports by Top Source

The top 10 source countries for Taiwan's steel imports represented 93 percent of the total steel import volume in 2018 at 7.1 million metric tons (mmt). Japan accounted for the largest share of Taiwan's imports by source country at 37 percent (2.9 mmt), followed by China at 16 percent (1.2 mmt), and Russia at 15 percent (1.1 mmt).

The United States ranked 20th as a source for Taiwan's imports in 2018, sending 13.9 thousand metric tons to Taiwan, up 26 percent from 11.0 thousand metric tons in 2017.

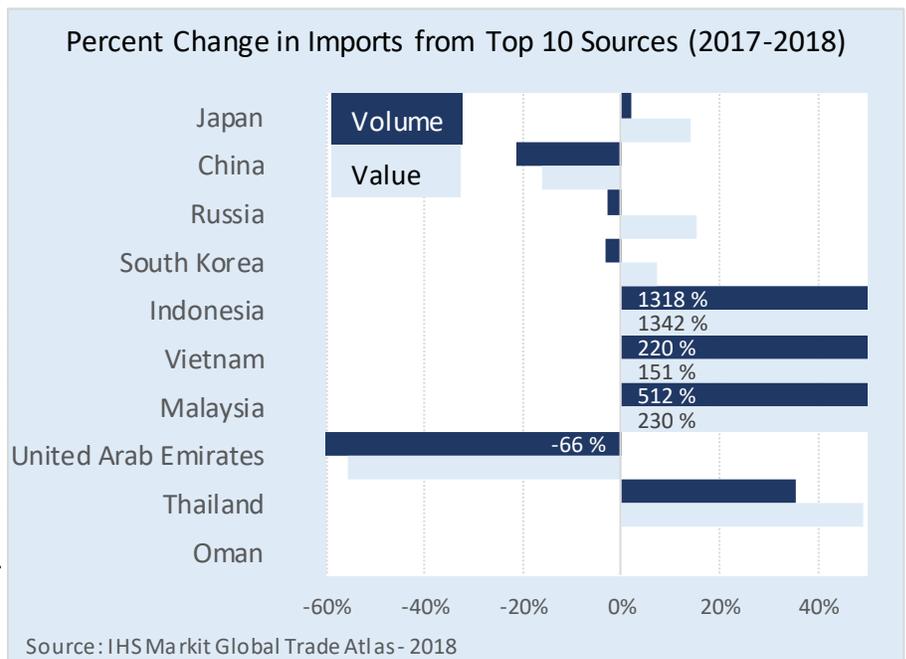


## Trends in Imports from Top Sources

In 2018, the volume of Taiwan's steel imports increased from 5 of the top 9 sources with data available, while the value of imports increased from 7 of the top 9 countries.

Notable 2017 to 2018 increases in the volume of Taiwan's imports include those from Indonesia (1,318%), Malaysia (512%), and Vietnam (220%).

During this period, Taiwanese imports by volume declined the most from the UAE (-66%), followed by China (-22%), Russia (-3%), and South Korea (-3%). Imports increased the most by value from Indonesia (1,342%), Malaysia (230%), Vietnam (151%), Thailand (49%), Russia (15%), Japan (14%), and South Korea (7%). The value of imports only declined from two sources, the UAE (-56%) and China (-16%).



Outside the top 10 sources, other significant changes in Taiwan's import volume included 11th-ranked India (-21%), 12th-ranked Iran (-51%), 13th-ranked Turkey (73%), and 18th-ranked South Africa (146%).

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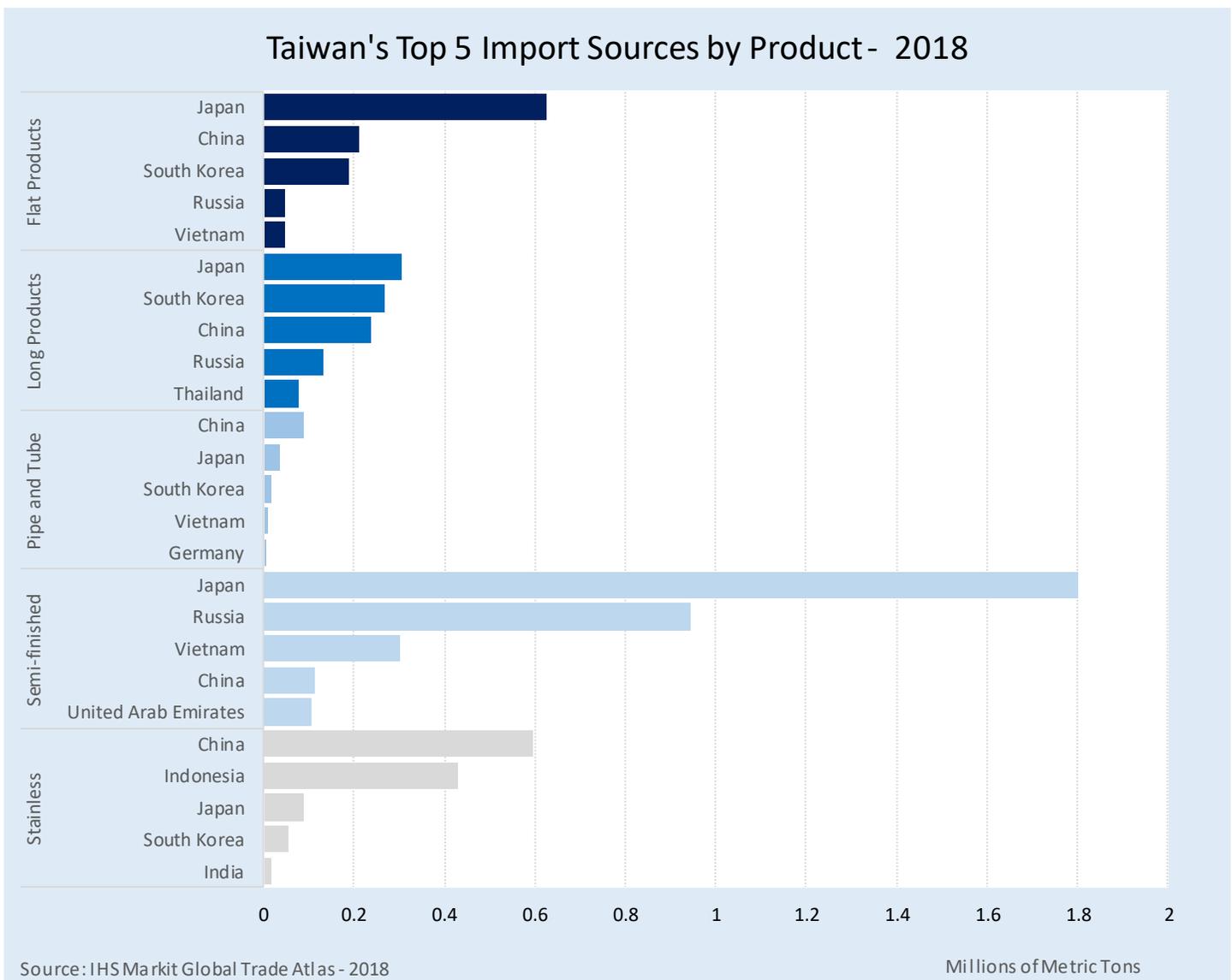
## Top Sources by Steel Product Category

Taiwan's top import sources by volume vary across types of steel products, though China or Japan held the first spot for all categories. In 2018, Japan accounted for the largest share of Taiwan's imports of flat at 51 percent (626 thousand metric tons), long at 25 percent (304 thousand metric tons), and semi finished products at 47 percent (1.8 million metric tons). Japan was also the second largest source of pipe and tube products at 22 percent (35 thousand metric tons).

In 2018, China accounted for the largest share of Taiwan's pipe and tube imports at 55 percent (87 thousand metric tons), and the stainless at 48 percent (595 thousand metric tons). China was also the second largest source of flat at 17 percent (213 thousand metric tons).

South Korea was the second largest source of long products at 22 percent (269 thousand metric tons), while Russia was the second largest source of semi-finished product at 25 percent (944 thousand metric tons), and Indonesia was the second largest source of stainless products at 35 percent (431 thousand metric tons).

In 2018, the United States was not a top-five source for Taiwan's imports of any major steel category.



# Steel Imports Report: Taiwan

## Taiwan's Export Market Share from Top Source Countries

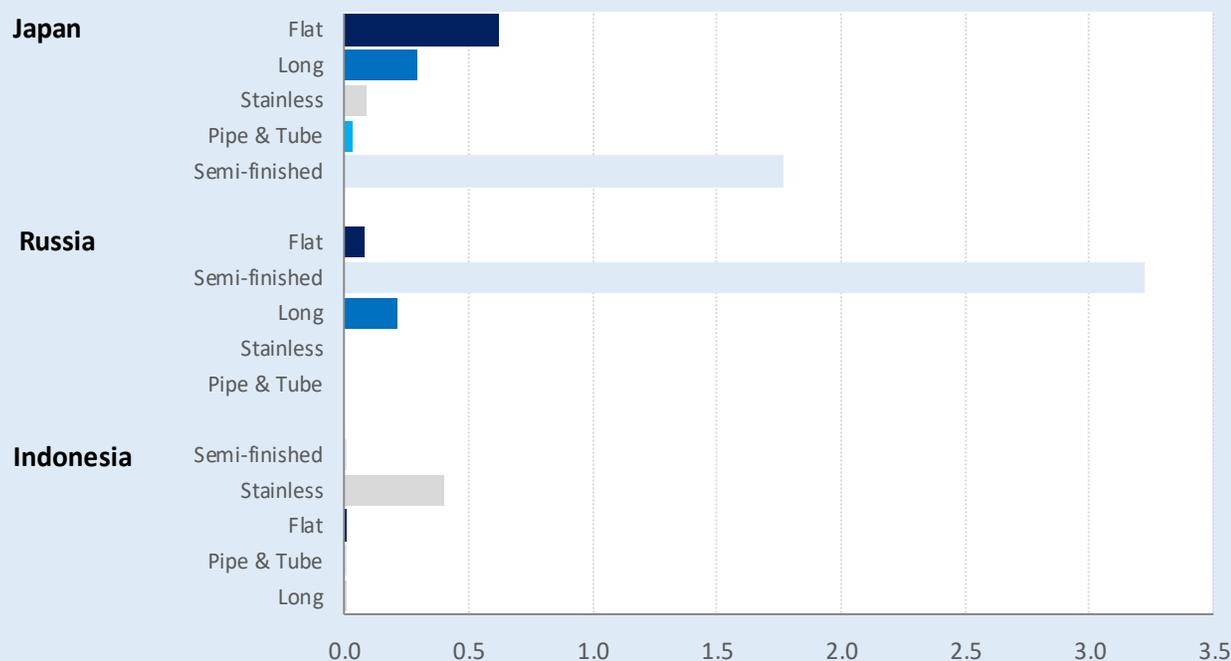
In 2018, the share of steel exports sent to Taiwan from its top import sources increased for 5 of the top ten source countries for which data are available. In 2018 the share of Indonesia's exports to Taiwan increased the most (up 9.4 percentage points), followed by Malaysia (up 5.9 percentage points), then Thailand (up 1.1 percentage points), while Japan and Korea were relatively flat (up less than 0.1 percentage points each). China had the most notable decrease in the share of its steel exports going to Taiwan in 2018 (down 1.1 percentage points from 2017), while Russia's share declined 0.9 percentage points.

Taiwan's Steel Export Market Share					
Top 10 Import Sources	Share of Exports to taiwan - 2017	Taiwan's Rank in 2017	Share of Exports to Taiwan - 2018	Taiwan's Rank in 2018	Change in Share
Japan	7.5%	1	7.8%	4	↑
China	5.1%	11	4.2%	15	↓
Russia	11.5%	2	10.6%	2	↓
South Korea	1.8%	13	1.8%	14	↑
Indonesia	1.9%	13	11.3%	3	↑
Vietnam*	N/A	N/A	N/A	N/A	N/A
Malaysia	1.6%	11	7.5%	5	↑
UAE*	N/A	N/A	N/A	N/A	N/A
Thailand	5.0%	8	6.7%	6	↑
Oman*	N/A	N/A	N/A	N/A	N/A

Source: IHS Global Trade Atlas, based on import data per reporting country  
\*Vietnam, Oman, and UAE 2017 and 2018 data unavailable

Among Taiwan's top import sources, Indonesia, Russia, and Japan sent the largest shares of their steel exports to Taiwan. Stainless products accounted for the largest share of Indonesia's steel exports to Taiwan in 2018, at 94 percent (405 thousand metric tons). Nearly all of Russia's exports to South Korea consisted of semi-finished steel at 92 percent (3.2 million metric tons). Japan sent predominantly semi-finished steel which accounted for 63 percent of Japan's exports to Taiwan (1.8 million metric tons).

Steel Export Composition of Top Market-Share Countries-2018

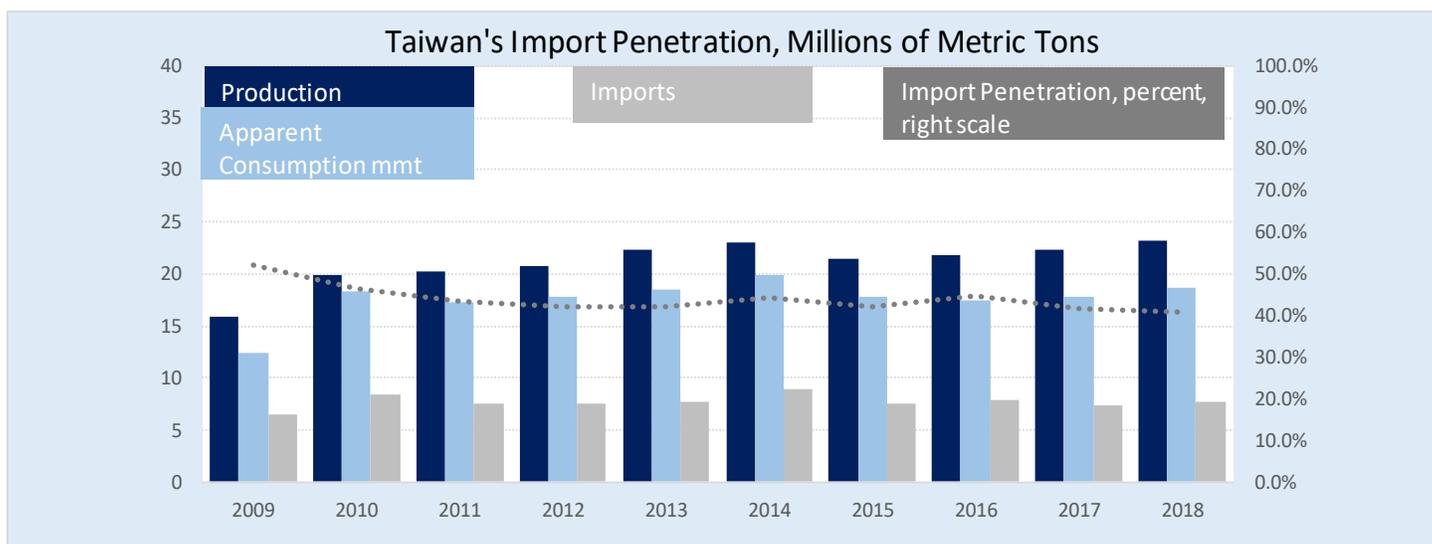


Source: IHSMarkit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

# Steel Imports Report: Taiwan

## Overall Production and Import Penetration



	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	12.4	18.3	17.2	17.7	18.4	19.9	17.8	17.5	17.8	18.6
Imports	6.5	8.5	7.5	7.5	7.7	8.8	7.5	7.8	7.4	7.6
Import Penetration	52.3%	46.3%	43.6%	42.2%	41.9%	44.3%	42.1%	44.8%	41.6%	41.0%

Source: World Steel Association; IHS Markit Global Trade Atlas - 2018

Taiwan's crude steel production increased steadily between 2009 and 2014, growing by a total of 7.3 million metric tons. Following a 7 percent decrease in 2015 to 21.4 million metric, production has since increased 8 percent to reach 23.2 million metric tons in 2018. This production represents a 4 percent increase from 22.4 million metric tons in 2017. Production consistently outpaced apparent consumption (a measure of steel demand) and averaged 21.1 million metric tons between 2009 and 2018. In 2018, the gap between production and demand stood at 4.6 million metric tons. Import penetration levels have been gradually decreasing since 2009, as apparent consumption has grown faster than imports. Import penetration decreased by over 10 percentage points from 52.3 percent in 2009 to 41.0 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 Corporation since 2008.

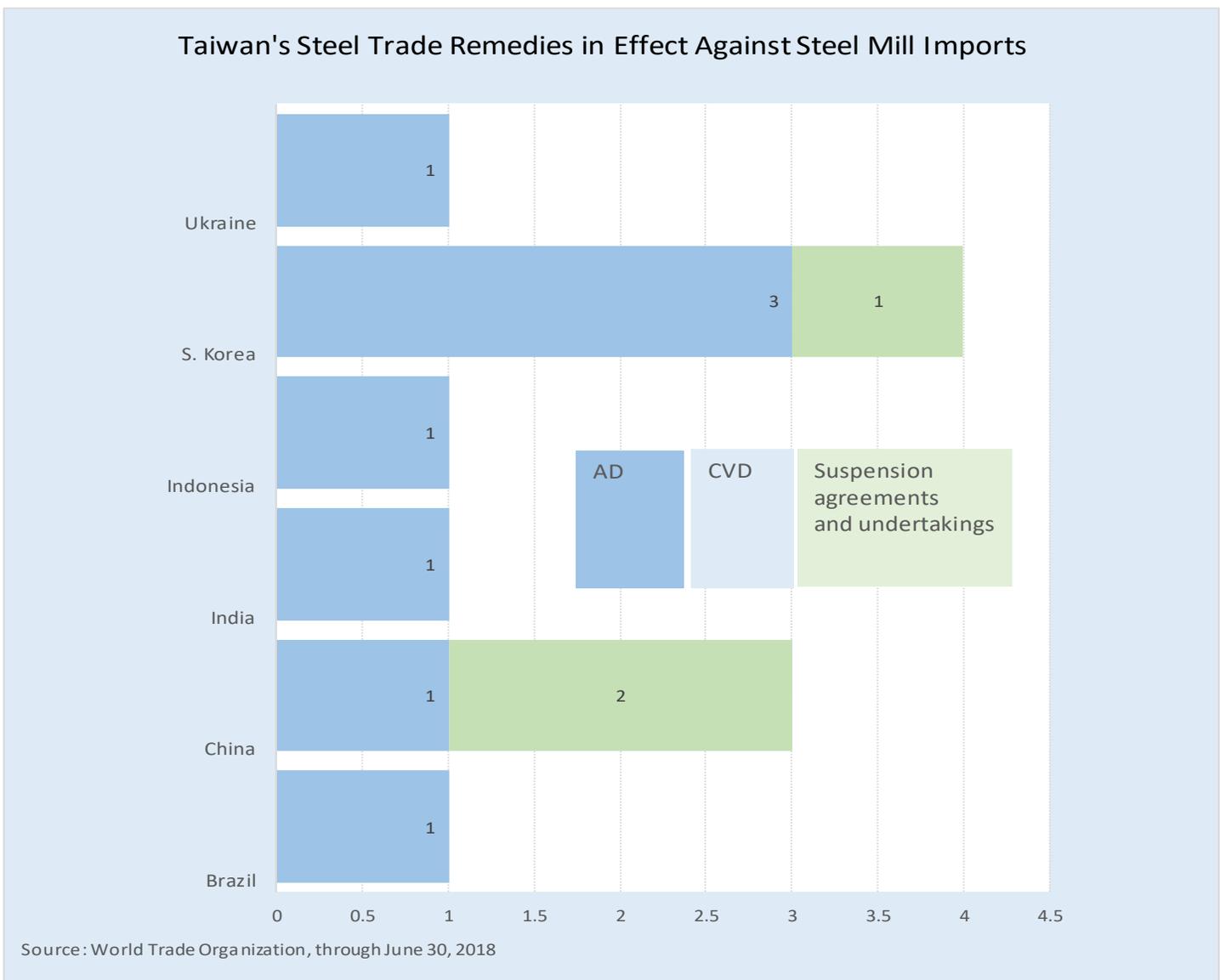
Taiwan's Top Steel Producers 2017			
Rank	Company	Capacity (mmt)	Main Products
		10	
1	China Steel Corp.	(production)	Steel plates, bars, wire rods
2	Dragon Steel Corp.	6	H beams, billets, steel plates
3	Tung Ho Steel Enterprise Corp	2.2	Reinforcing bar, sections, plates
4	Walsin Lihwa Corp	0.7	Billets, slabs, wire rod
5	Tang Eng Iron Works 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 Taiwan has against imports of steel mill products from various countries. Taiwan has no steel mill safeguards in effect.



# Steel Imports 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.

**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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