

Global Steel Trade Monitor

Steel Imports Report: Thailand

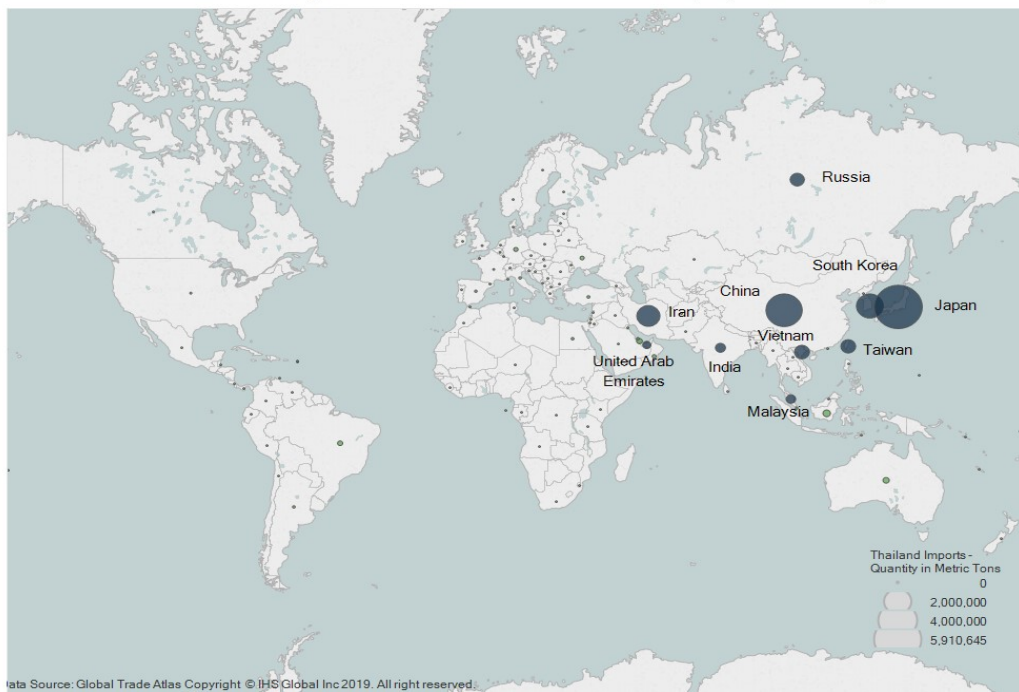
March 2019

Background

Thailand was the world's seventh-largest steel importer in 2017. In 2018, Thailand imported 15.2 million metric tons of steel, an 8 percent increase from 14.2 million metric tons in 2017. Thailand's imports represented about 4 percent of all steel imported globally in 2017. The volume of Thailand's 2018 steel imports was about 45 percent the size of the world's largest importer, the United States. In value terms, steel represented 5 percent of the total goods imported into Thailand in 2018.

Thailand imports steel from over 75 countries and territories. The ten countries highlighted in the map below represent the top sources for Thailand's imports of steel, with each sending more than 150 thousand metric tons to Thailand and together accounting for 96 percent of Thailand's steel imports in 2018.

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



Quick Facts:

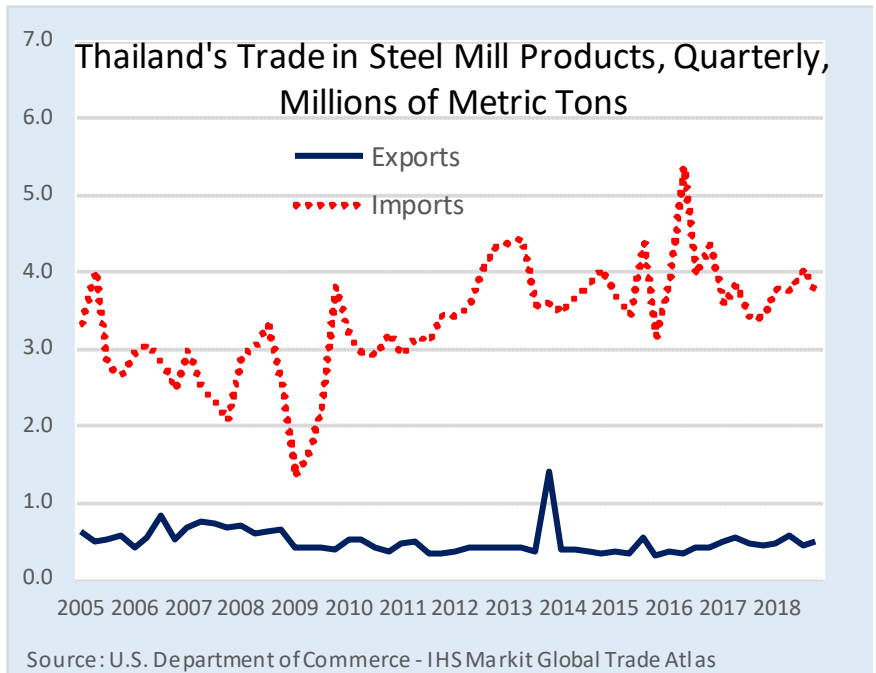
- In 2018, Thailand imported 15.2 million metric tons of steel
- 70% steel import growth since 2009
- 2018 import volume up 8% while import value up 20%
- Import penetration up to 86.1% in 2018 from 84.4% in 2017
- Top three import sources: Japan, China, South Korea
- Largest producers: G Steel, Tata Steel Thailand
- 44 trade remedies, not including 3 safeguards, in effect against imports of steel mill products

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Steel Trade Balance

Thailand is a net importer of steel mill products. After a decline in imports between 2005 and early 2009, imports grew by 70 percent between 2009 and 2018. Over the same period, Thailand's steel exports increased by 21 percent.

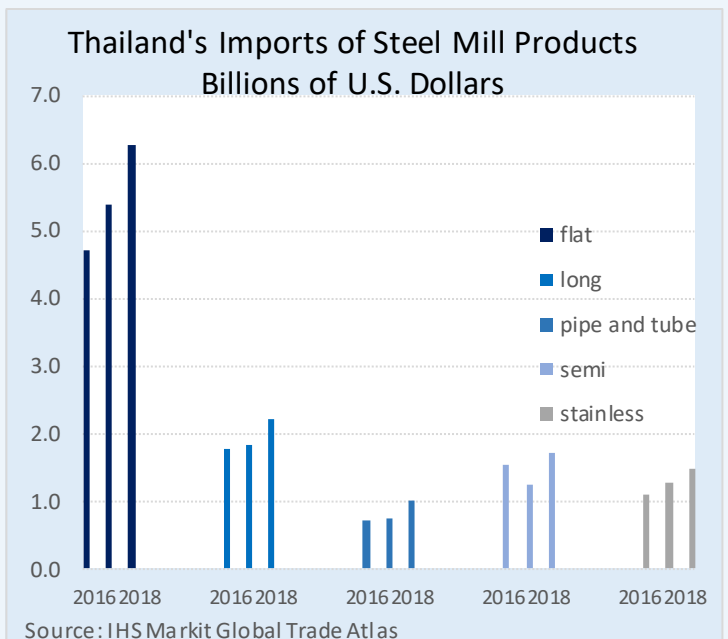
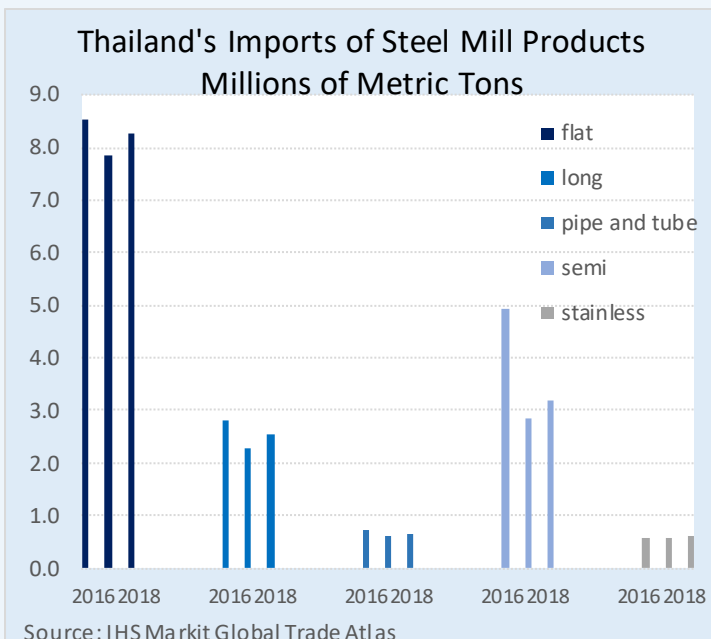
Since 2005, Thailand has had a trade deficit in steel. Thailand's steel trade deficit grew by 9 percent from -12.3 million metric tons in 2017 to -13.4 million metric tons in 2018.



Import Volume, Value, and Product

Between 2016 and 2017, Thailand's volume of steel imports declined by 19 percent. In 2018, however, Thailand's imports of steel mill products increased by 8 percent to 15.2 million metric tons from 14.2 million metric tons in 2017. Between 2012 and 2016, the value of Thailand's steel imports decreased every year. In 2017, however, import values increased by 7 percent. In 2018, import values increased by 20 percent to \$12.7 billion from \$10.5 billion in 2017.

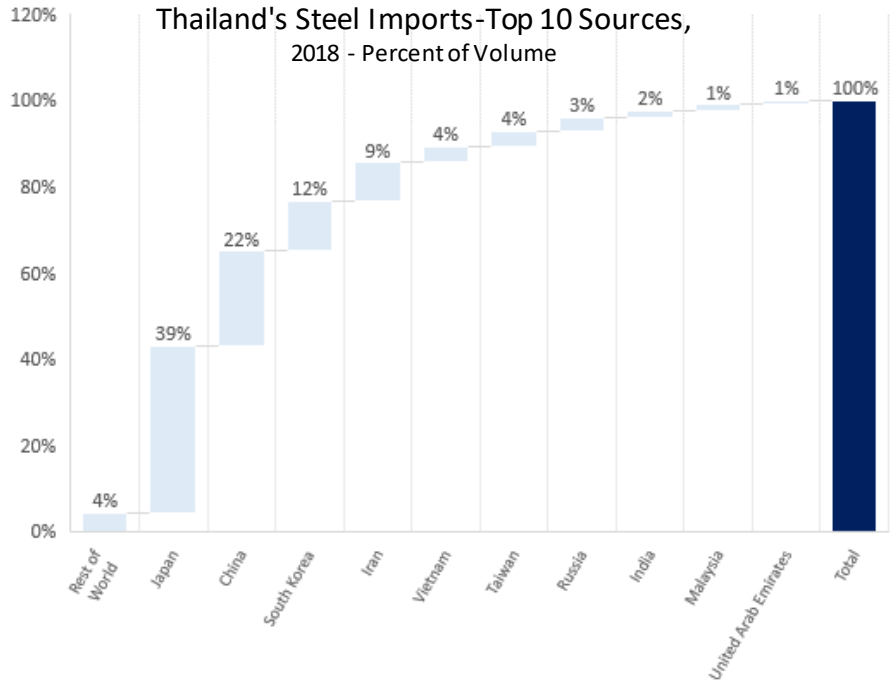
Flat products accounted for the largest share of Thailand's 2018 steel imports at 54 percent (8.3 million metric tons). Semi-finished steel accounted for 21 percent, or 3.2 million metric tons, of Thailand's imports, followed by long products at 17 percent (2.5 million metric tons). Pipe and tube and stainless products each accounted for 4 percent of imports, or 652 and 615 thousand metric tons, respectively.



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Imports by Top Source

The top 10 source countries for Thailand's steel imports represented 96 percent of the total steel import volume in 2018 at 14.6 million metric tons (mmt). Japan accounted for the largest share of Thailand's imports by source country at 39 percent (5.9 mmt). China ranked second with 22 percent (3.3 mmt), followed by South Korea at 12 percent (1.8 mmt), Iran at 9 percent (1.3 mmt), and Vietnam at 4 percent (0.6 mmt).



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

The United States ranked 25th as a source for Thailand's steel imports, sending 8.5 thousand metric tons in 2018, a decrease of 9 percent from 2017.

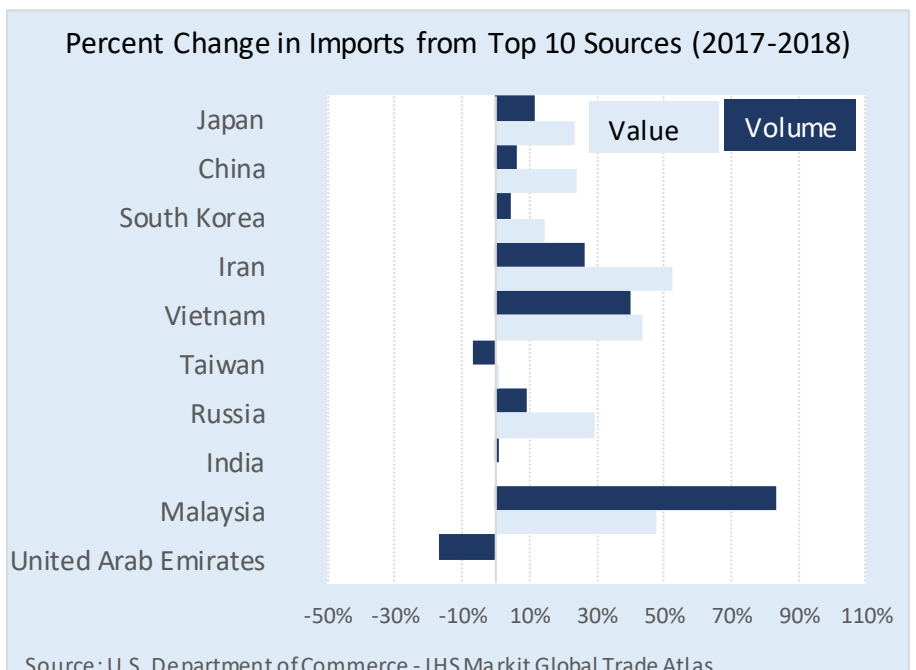
Trends in Imports from Top Sources

Between 2017 and 2018, the volume of Thailand's steel imports increased from 8 of its top 10 steel import sources, while overall value of Thailand's imports increased for all 10 of its top 10 sources.

The largest increase in import volume occurred from Malaysia, up 83 percent from 2017, followed by Vietnam (40%), Iran (26%), and Japan (12%). Imports from the United Arab Emirates (UAE) and Taiwan both fell in volume, down 17 percent and 7 percent, respectively.

Between 2017 and 2018, Thailand's imports increased in value terms from all 10 of its top 10 sources. The largest increases in value were from Iran (52%), Malaysia (48%), Vietnam (43%), Russia (29%), Japan (24%), China (24%), South Korea (15%), Taiwan (1%), and India (1%). The value of Thai steel imports from the UAE increased by less than 1 percent.

Outside the top ten import sources, notable volume changes included Thai steel imports from 18th-ranked Turkey (817%) and 19th-ranked Egypt (-86%).



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

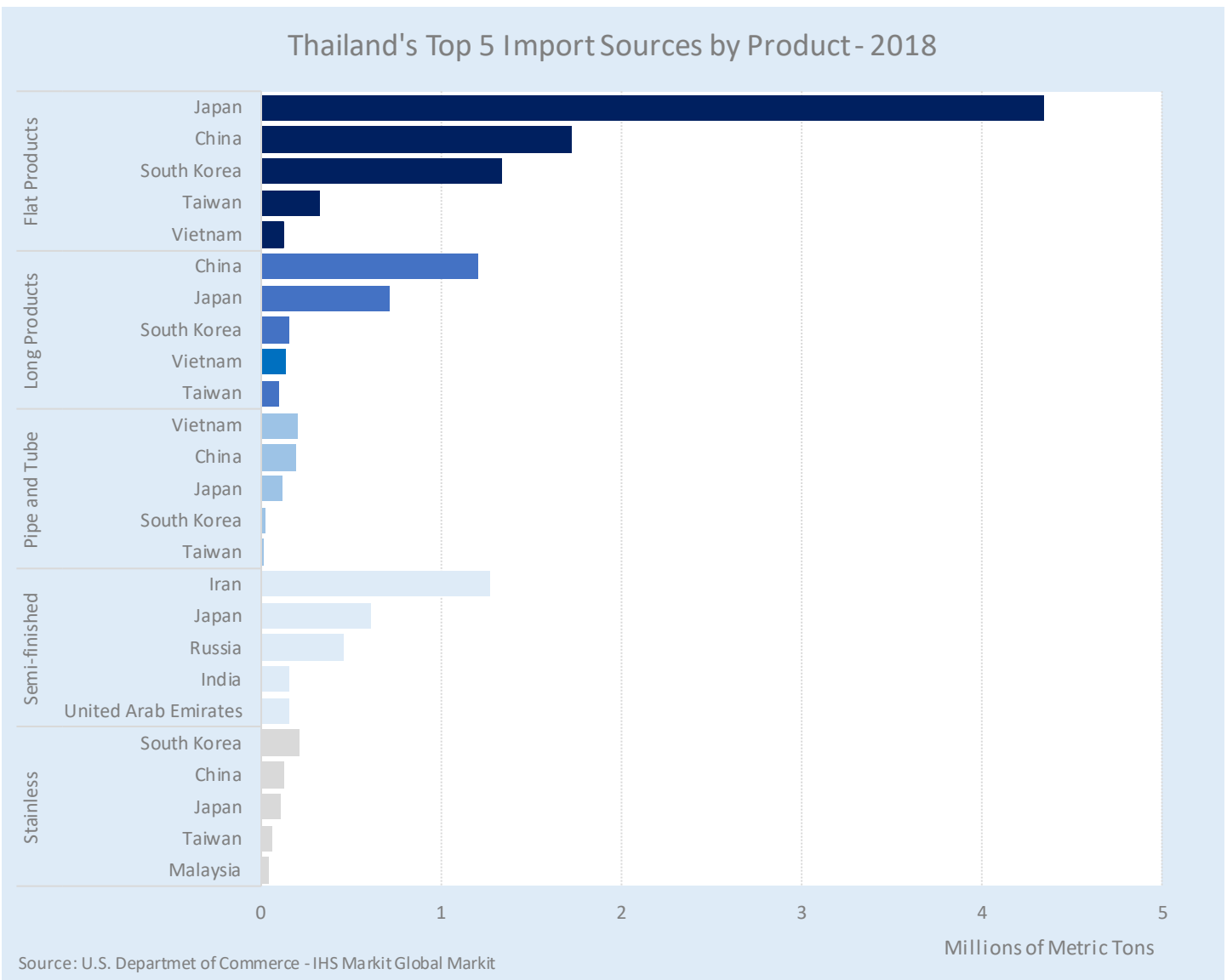
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Top Sources by Steel Product Category

The top source countries for Thailand’s imports by volume vary across types of steel products. Japan accounted for the largest share of Thailand’s imported flat products in 2018 at 53 percent (4.3 million metric tons).

In 2018, China represented the largest source for Thailand’s long product imports at 48 percent (1.2 million metric tons). Thailand received the largest share of pipe and tube imports from Vietnam at 32 percent (210.6 thousand metric tons), semi-finished products from Iran at 40 percent (1.3 million metric tons), and stainless products from South Korea at 36 percent (220.5 thousand metric tons).

The United States was not a top import source for any product category in 2018.



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Thailand's Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to Thailand from its top import sources increased from three of the top 10 sources for which data are available. In 2017, the share of the Iran's steel exports to Thailand showed the largest increase (up 7.7 percentage points from 2016), followed by Japan (up .6 percentage points), and India (up .2 percentage points).

In 2017, the share of steel exports to Thailand from Indonesia, Taiwan, and China showed the largest decreases (down 7.8, 3.4, and 1.6 percentage points, respectively).

Among Thailand's top import sources, Japan and Iran sent the

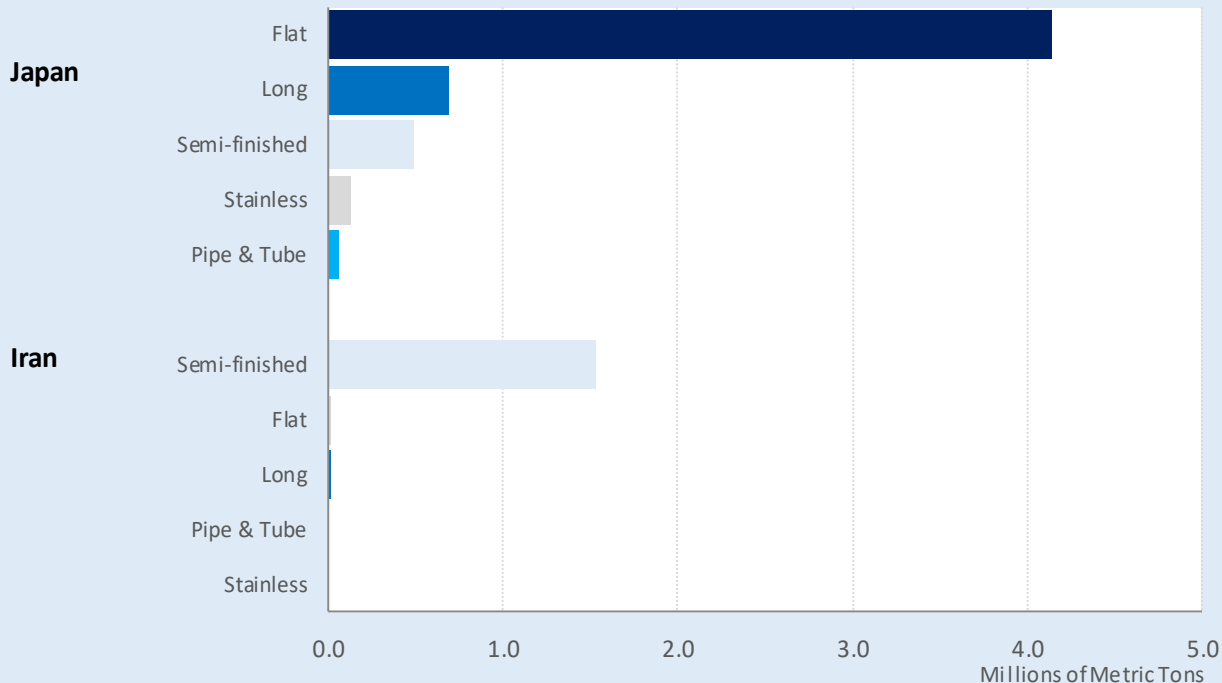
largest shares of their total steel exports to Thailand in 2017. Flat products accounted for the largest share of steel exports to Thailand from Japan at 75 percent (4.1 million metric tons). Semi-finished products accounted for the largest share of steel exports from Iran to Thailand at 99 percent (1.5 million metric tons).

Top 10 Import Sources	Share of Exports to Thailand - 2016	Thailand's Rank in 2016	Share of Exports to Thailand - 2017	Thailand's Rank in 2017	Change in Share
Japan	14.1%	2	14.7%	2	↑
China	5.8%	4	4.2%	4	↓
South Korea	5.9%	5	5.6%	7	↓
Iran	13.2%	2	20.9%	1	↑
Taiwan	8.3%	5	4.8%	7	↓
Russia	0.4%	34	0.1%	50	↓
Vietnam*	7.0%	4	N/A	N/A	N/A
India	1.6%	0	1.8%	0	↑
Indonesia	17.1%	2	9.3%	4	↓
UAE*	0.1%	38	N/A	N/A	N/A

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

*2017 Data for Vietnam and United Arab Emirates is unavailable

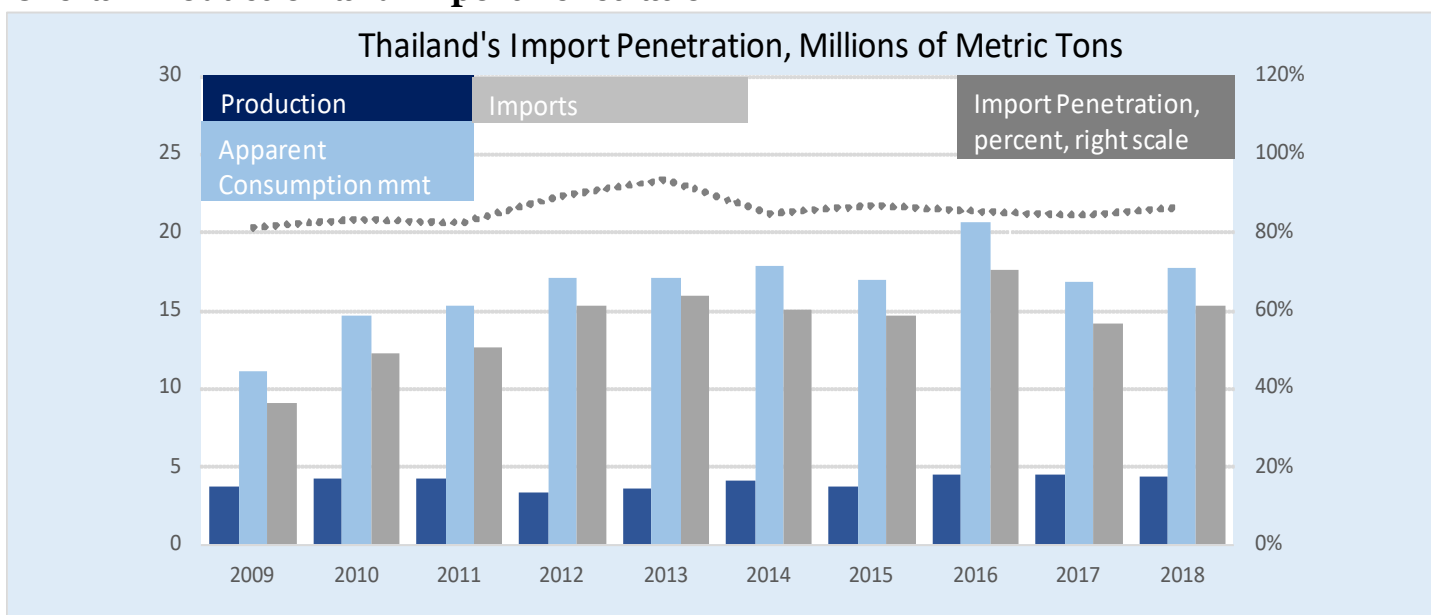
Steel Export Composition of Top Market-Share Countries-2017



Source: U.S. Department of Commerce - IHSMarket Global Trade Atlas, based on import data per reporting country

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Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	3.6	4.1	4.2	3.3	3.6	4.1	3.7	4.5	4.5	4.3
Apparent Consumption	11.1	14.6	15.3	17.1	17.1	17.8	16.9	20.6	16.8	17.7
Imports	9.0	12.2	12.6	15.3	15.9	15.0	14.6	17.5	14.2	15.2
Import Penetration	81.0%	83.4%	82.3%	89.4%	93.5%	84.6%	86.5%	85.1%	84.4%	86.1%

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

Steel production in Thailand has averaged roughly 4.0 million metric tons per year since 2009. Thailand's crude steel production decreased slightly to 4.3 million metric tons in 2018, from 4.5 million metric tons in 2017. Apparent consumption (a measure of steel demand), which has continually outpaced production, increased by nearly 1 percent in 2018 to 17.7 million metric tons. With import levels larger than Thailand's production in 2018, imports contributed substantially to satisfying steel demand. Import penetration amounted to 86.1 percent in 2018, up from 84.4 percent in 2017.

Top Producers

According to the Iron and Steel Institute of Thailand, steel production in Thailand is dominated by rolling mills, many of which rely heavily on imports of semi-finished and finished steel products for their manufacturing inputs. There are roughly 20 crude steel-making facilities in Thailand, nearly all of which use electric arc furnace technology to produce steel. In comparison, over 150 hot-rolling, cold-rolling, cold-drawing, and coating mills are in operation in Thailand.

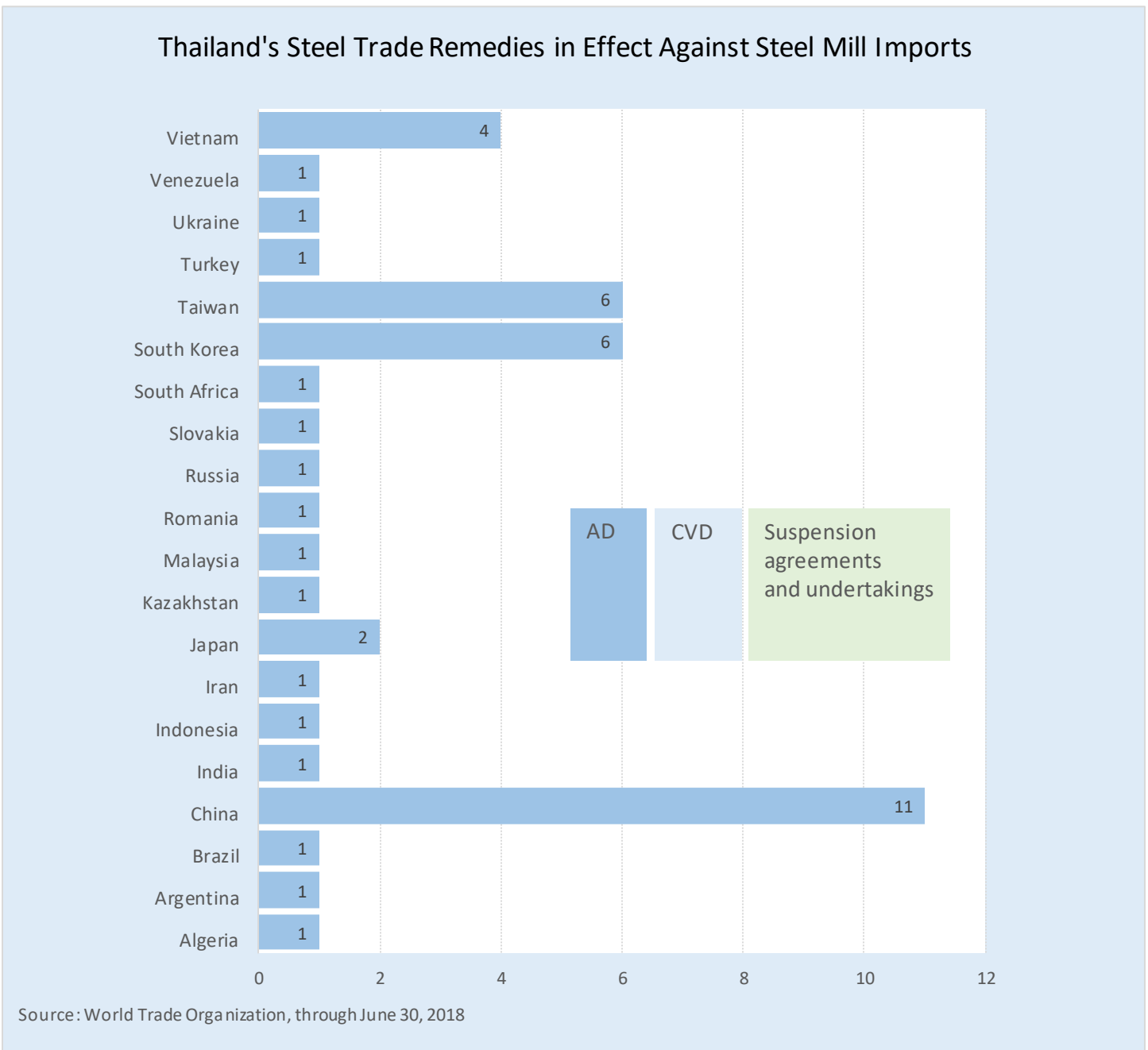
Thailand's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	G Steel Public Company	1.8	Hot-rolled coil, slab
2	Tata Steel Thailand*	1.7	Reinforcing bars, wire rods, sections
3	G J Steel Public Company (subsidiary of G Steel)	1.5	Hot-rolled coil
4	Siam Yamato Steel Co.	1.1	Hot-rolled structural sections
5	Sahaviriya Steel Industries (rolling mill)	4	Hot-rolled coil

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 tables below provide statistics on the current number of trade remedies Thailand has against imports of steel mill products from various countries.



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.

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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