

# Global Steel Trade Monitor

## Steel Imports Report: Turkey

March 2019

### Background

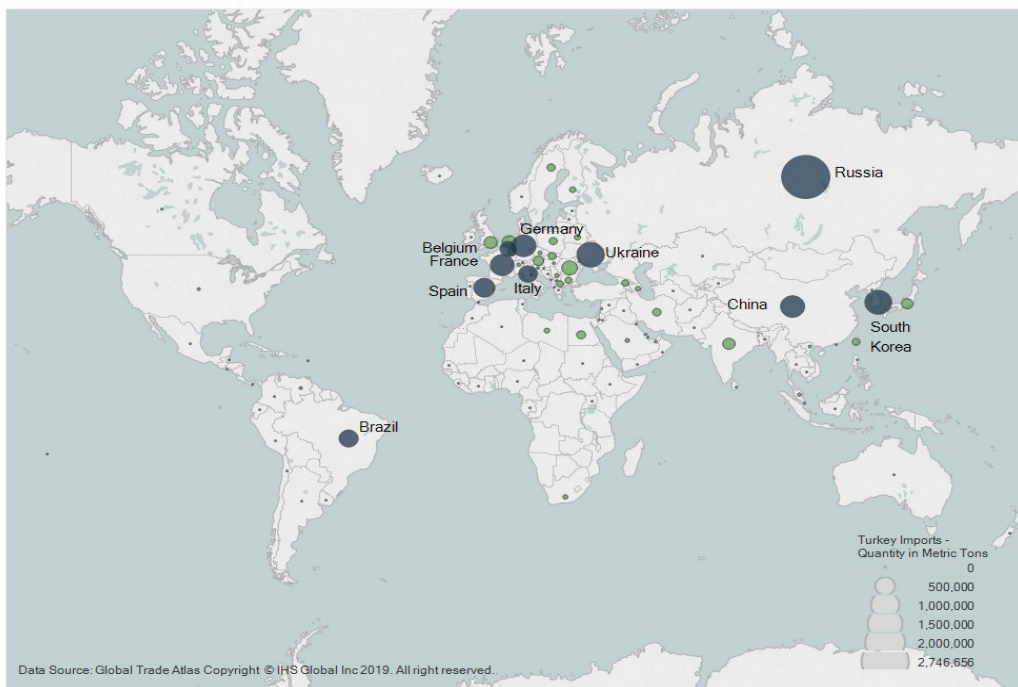
In 2017, Turkey was the world's ninth largest steel importer. In 2018 Turkey imported 10.3 million metric tons of steel, down 23 percent from 13.3 million metric tons in 2017. Turkey's imports represented about 4 percent of all steel imported globally in 2017, based on available data. The volume of Turkey's 2017 steel imports was roughly a third of that of the world's largest importer, the United States. In value terms, steel represented just 3.9 percent of the total value of goods Turkey imported in 2017.

Turkey imports steel from more than 85 countries and territories. The 10 countries labeled in the map below represent the top import sources for Turkey's imports of steel, with each sending more than 300 thousand metric tons and together accounting for 79 percent of Turkey's steel imports in 2018.

### Quick Facts:

- Turkey imported 10.3 million metric tons (2018)
- 33% decrease in steel import in Q4 2018 compared to Q2 2009
- Import penetration down from 38.6% in 2017 to 37.0% in 2018
- 2018 import volume down 23% while import value down 4% compared to 2017
- Top three import sources: Russia, Ukraine, South Korea
- Largest producers: Erdemir Group, İçdaş, Habaş
- 7 trade remedies in effect against imports of steel mill products

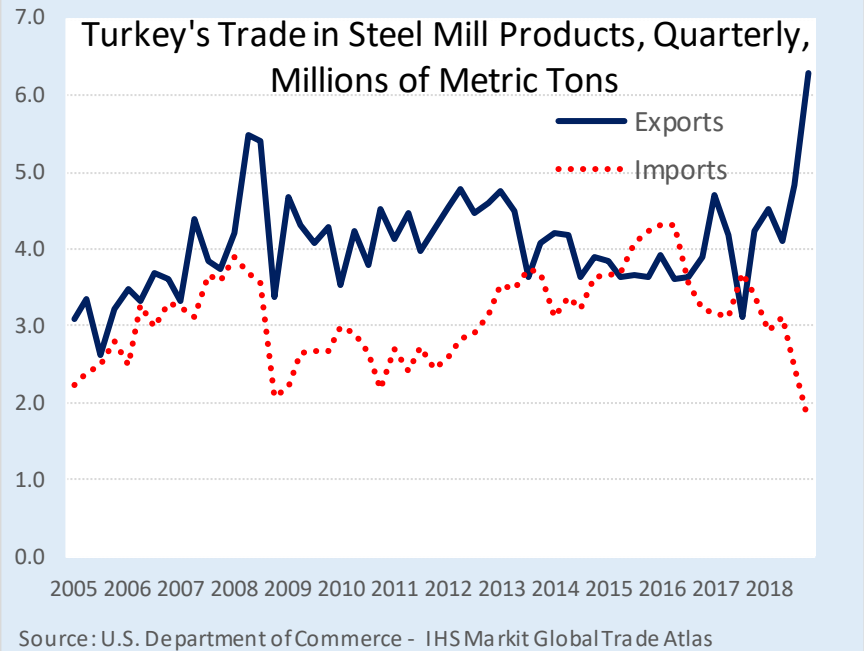
Turkey's Imports of Steel Mill Products-2018 (Top Ten in Blue)



# Steel Imports Report: Turkey

## Steel Trade Balance

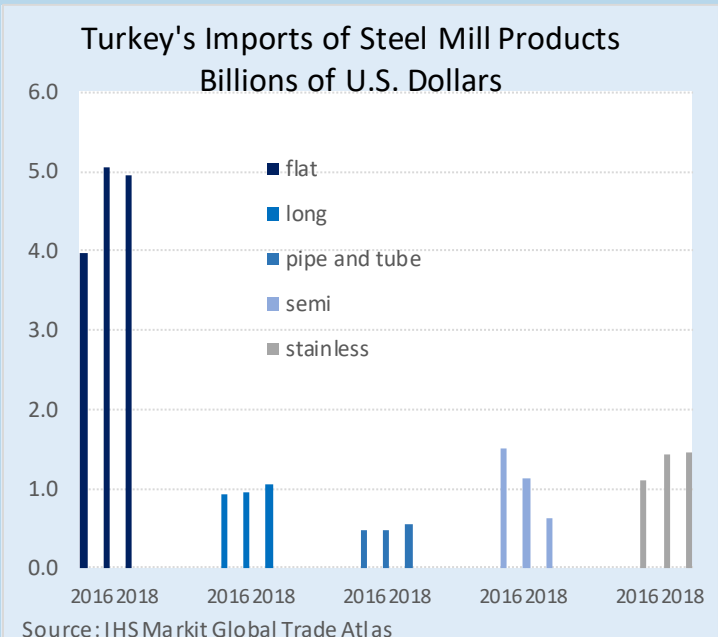
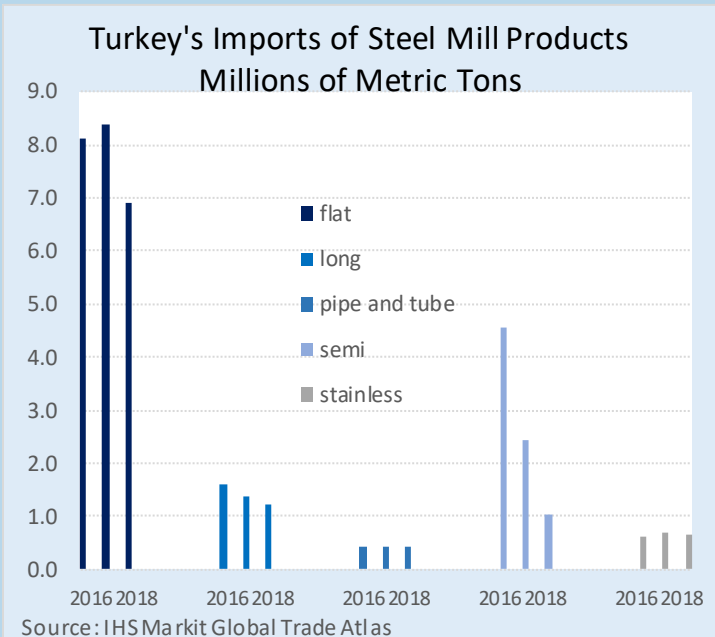
Over the past decade, Turkey has, for the most part, maintained a continuous trade surplus in steel products. In 2012, exports started to decline while imports continued to climb. By mid-2014 steel exports and imports reached equilibrium and until mid-2016, Turkey's imports outpaced exports. Since then, (with the exception of Q3 in 2017) Turkey's exports have greatly outpaced imports with a surplus of 9.5 million metric tons in 2018, an increase of 231% compared to 2017.



## Import Volume, Value, and Product

In 2018, Turkey's steel imports amounted to 10.3 million metric tons, a decrease of 23 percent from 2017. By contrast, the value of Turkey's steel imports decreased by just 4 percent to \$8.7 billion in 2018, down from \$9.0 billion in 2017.

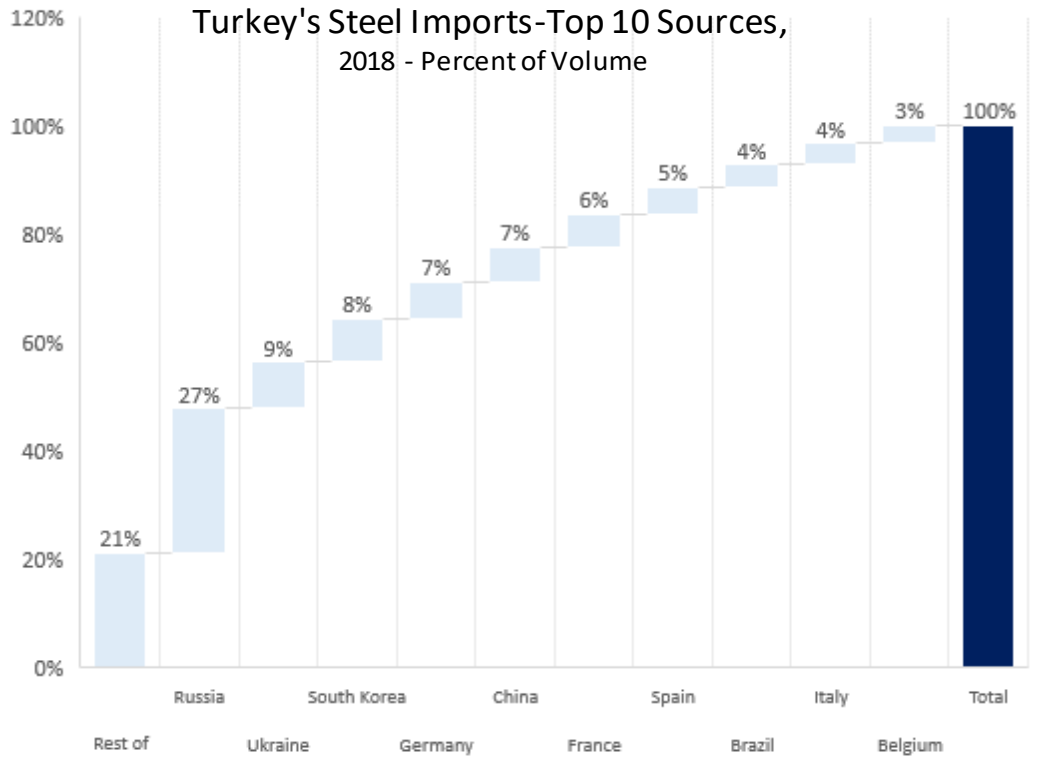
Flat products account for the largest share of Turkey's steel imports. In 2018, 67 percent, or 6.9 million metric tons, of Turkey's steel imports were of flat products. Long products accounted for 12 percent (1.2 million metric tons) of Turkey's steel imports in 2018, followed closely by semi-finished products at 10 percent (1.0 million metric tons). Stainless products accounted for 7 percent of imports (669 thousand metric tons), and pipe and tube products were at 4 percent (428 thousand metric tons).



# Steel Imports Report: Turkey

## Imports by Top Source

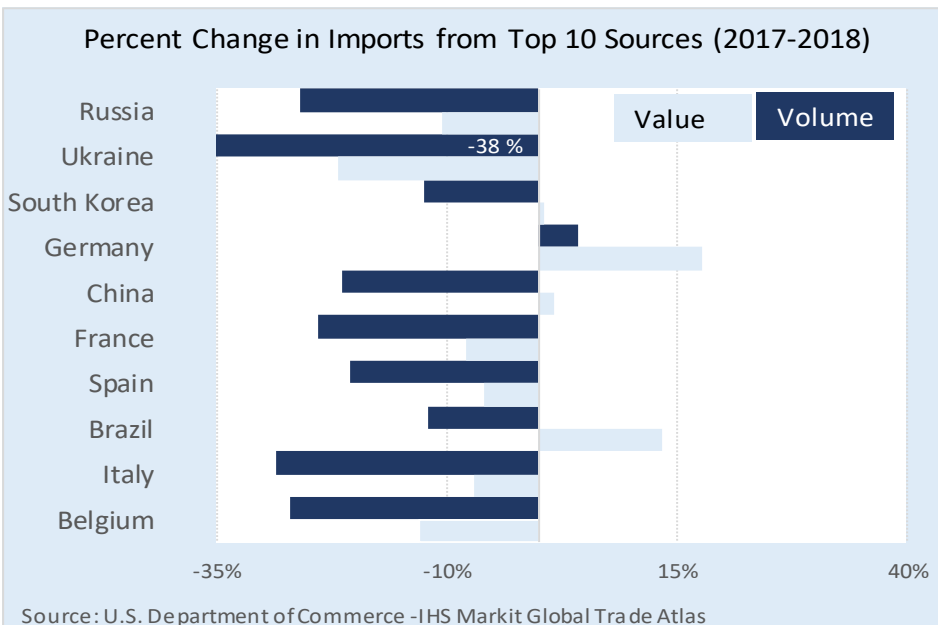
The top 10 source countries for Turkey's steel imports represented 79 percent of the total steel import volume in 2018 at 8.1 million metric tons (mmt). Russia accounted for the largest share of Turkey's imports by source country at 27 percent (2.7 mmt), followed by Ukraine at 9 percent (879 thousand metric tons), and South Korea at 8 percent (832 thousand metric tons).



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

The United States ranked 41st as a source for Turkey's steel imports in 2018. Turkey imported 9 thousand metric tons from the U.S. in 2018 – an 11 percent decrease from 10 thousand metric tons in 2017.

## Trends in Imports from Top Sources



While the volume of Turkey's steel imports decreased from nine of its top ten steel import sources between 2017 and 2018, the overall value of Turkey's steel imports only decreased for six of the top ten over the same period. Turkey's imports from Germany increased the most by value (18%), followed by Brazil (13%), China (2%), and South Korea (1%). Imports from Ukraine decreased the most by value (-22%) in 2018, followed by Belgium (-13%), Russia (-11%), France (-8%), Italy (-7%) and

Spain (-6%). Of Turkey's top ten steel import sources, only imports by volume from Germany increased in 2018 (4%). Turkish imports from Ukraine (-38%) decreased the most by volume in 2018 followed by Italy (-29%), then by Belgium (-27%), Russia (-26%), France (-24%), China (-21%) and Spain (-21%).

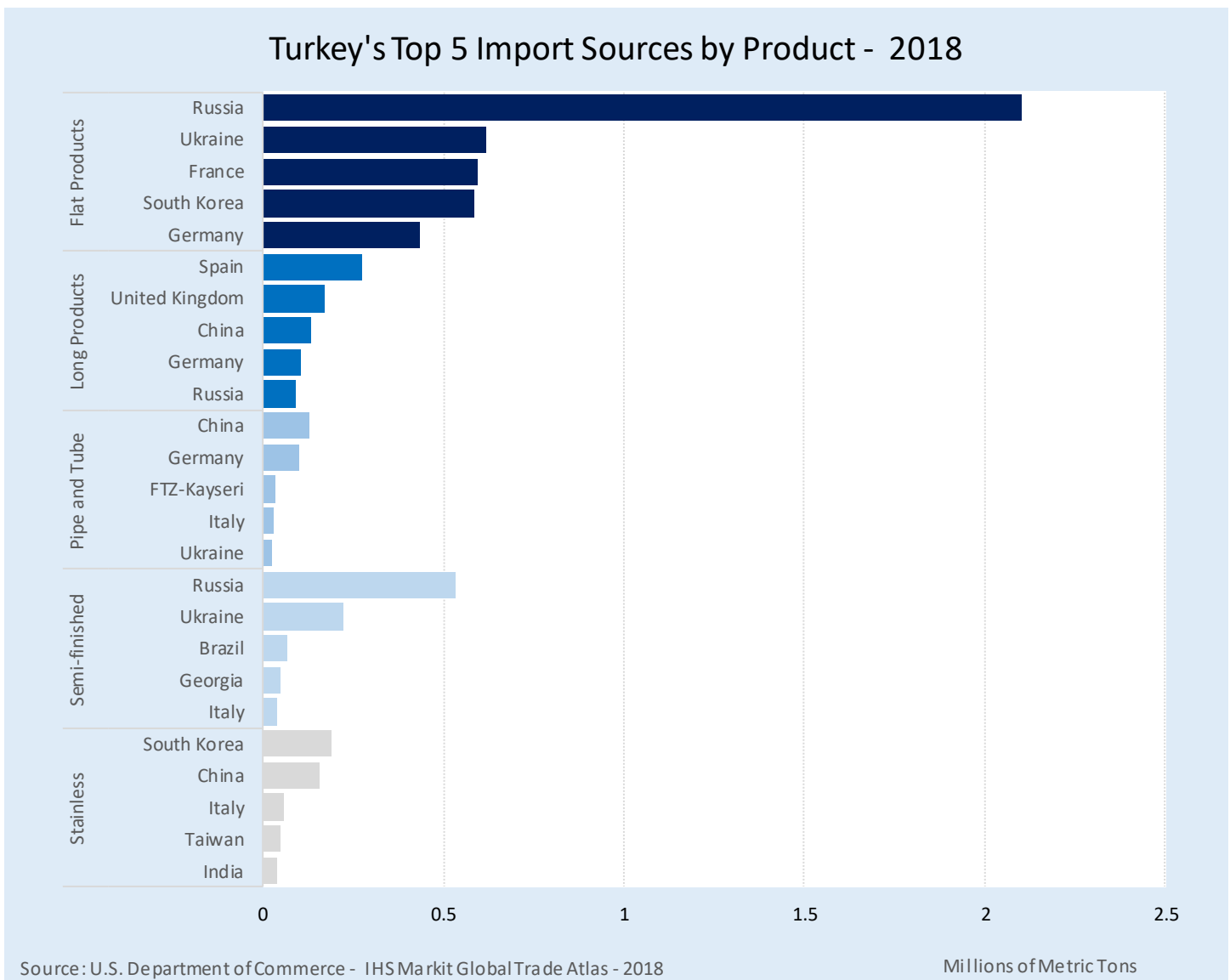
# Steel Imports Report: Turkey

## Top Sources by Steel Product Category

Turkey's top import sources by volume vary across types of steel products. Russia accounted for the largest shares of Turkey's imports of flat products at 30 percent (2.1 million metric tons) and semi-finished products at 51 percent (532 thousand metric tons).

Spain accounted for 22 percent of Turkey's imports of long products at (273 thousand metric tons), and South Korea held the largest share of Turkey's imports of stainless products at 29 percent (191 thousand metric tons). China was Turkey's largest source of pipe and tube imports at 31 percent (131 thousand metric tons), followed closely by Germany at 24 percent (102 thousand metric tons). China was also the second largest import source of stainless products at 24 percent (158 thousand metric tons), and the third largest source of long products at 11 percent (131 thousand metric tons).

The United States was not a top five source for any of turkey's steel product imports.



# Steel Imports Report: Turkey

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

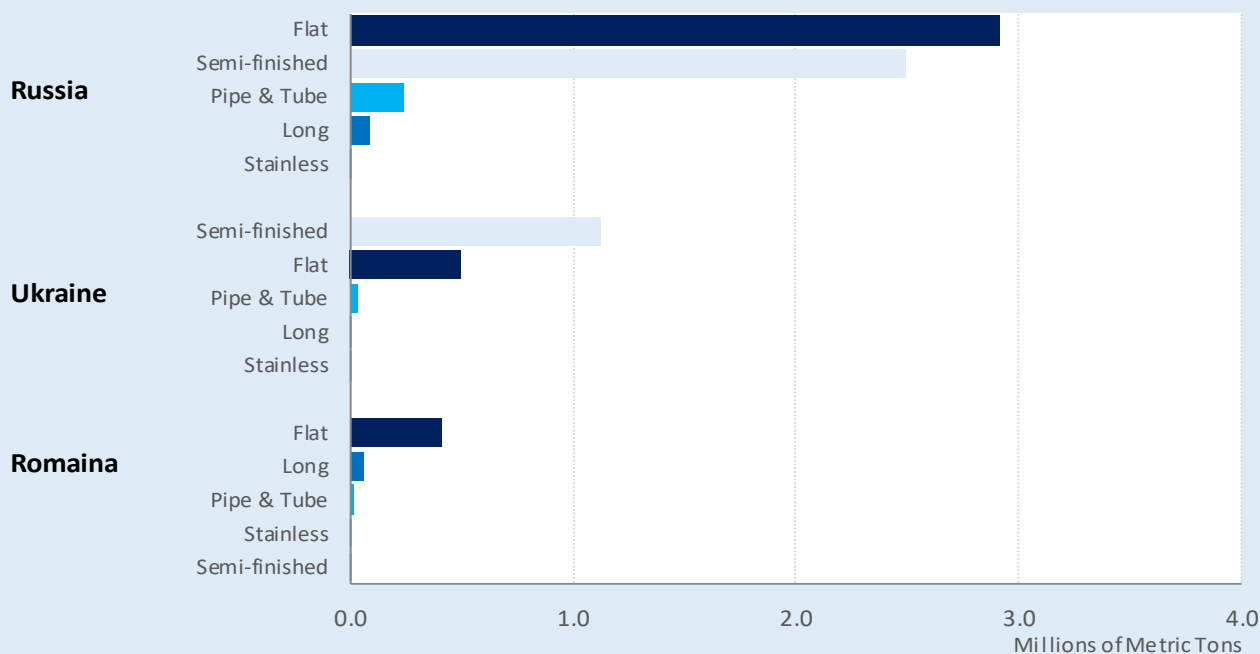
In 2017, the share of steel exports sent to Turkey from its top import sources decreased in six of Turkey's top 10 import source countries. In tonnage terms Ukraine's steel exports to Turkey showed the largest decrease (down 1.1 percentage points), followed by Brazil (down 2.4 percentage points) and China (down 0.8 percentage points). Turkey had been China's 14th largest destination for steel in 2016 and Turkey became China's 21st largest in 2017, by far the largest shift for Turkey.

Turkey's Steel Export Market Share					
Top 10 Import Sources	Share of Exports to Turkey - 2016	Turkey's Rank in 2016	Share of Exports to Turkey - 2017	Turkey's Rank in 2017	Change in Share
Russia	18.8%	1	18.4%	1	↓
China	2.0%	14	1.2%	21	↓
Ukraine	12.1%	2	11.0%	2	↓
South Korea	3.7%	9	3.0%	9	↓
Romania	24.6%	1	17.7%	1	↓
France	4.6%	5	5.9%	5	↑
Spain	6.5%	6	7.8%	4	↑
Italy	3.5%	8	3.5%	8	↑
Germany	2.1%	14	2.6%	14	↑
Brazil	9.3%	2	6.9%	4	↓

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

Among Turkey's top sources, Russia, Ukraine, and Romania sent the largest shares of their total steel exports to Turkey in 2017. Russian steel shipments were by far the largest. Flat products accounted for the 51 percent of Russian exports to Turkey (2.9 million metric tons) and semi-finished products represented 68 percent of Ukraine's exports to Turkey (1.1 million metric tons, respectively). Flat products ranked first in Romania's exports to Turkey at 85 percent, but with much lower tonnage (412 thousand metric tons) than Russian exports. The second largest product exported from Russia was Semi-finished at almost 2.5 million metric tons). The United States was not a top source for any major category of steel in 2017.

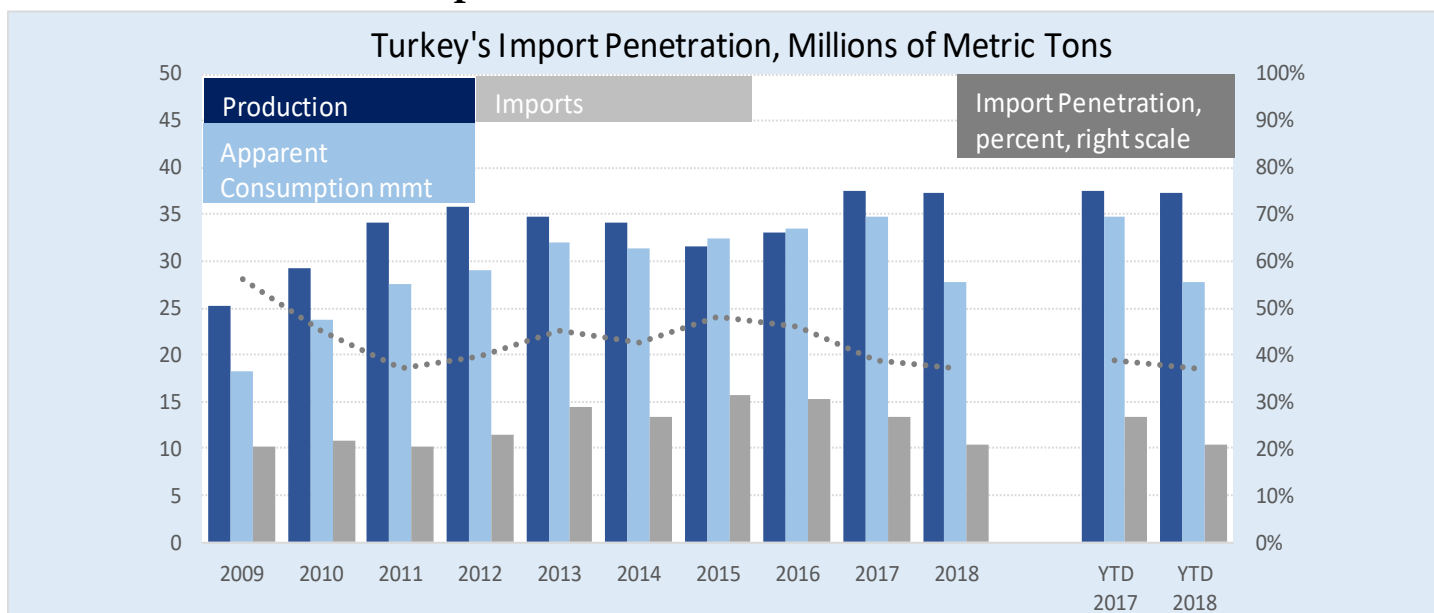
Steel Export Composition of Top Market-Share Countries-2017



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

# Steel Imports Report: Turkey

## Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	25.3	29.1	34.1	35.9	34.7	34.0	31.5	33.2	37.5	37.3
Apparent Consumption	18.2	23.8	27.6	29.0	32.1	31.5	32.4	33.5	34.7	27.8
Imports	10.2	10.7	10.3	11.5	14.4	13.4	15.6	15.4	13.4	10.3
Import Penetration	56.2%	45.1%	37.3%	39.6%	44.9%	42.4%	48.3%	45.9%	38.6%	37.0%

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

Turkey's crude steel production decreased 1 percent from 18.2 million metric tons in 2017 to 18.9 million metric tons in 2018. The gap between production and apparent consumption (a measure of steel demand), which stood at 7.1 million metric tons or 28% of production in 2009, shrank steadily over the next seven years. By 2016, Turkey's consumption had grown to exceed the country's production by 300 thousand metric tons. 2018 saw decreases in both production and apparent consumption, decreasing by 200 thousand metric tons and 6.8 million metric tons respectively. Between 2009 and 2018, Turkey's steel imports increased by 1 percent from 10.2 million metric tons to 10.3 million metric tons. Over the same period, Turkey's level of import penetration decreased by 19.2 percentage points. In 2018, import penetration was 37.0 percent, down from 38.6 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.

Rank	Company	Production (mmt)	Main Products
1	Erdemir Group	8.6	Flat products, wire rod, pipe
2	Içdas	3.7 (2014)	Billets, reinforcing bars, wire rod
3	Habas	2.5 (capacity)	Carbon, stainless, hot-rolled
4	Isdemir (owned by Erd	N/A	Hot-rolled flat, billets, reinforcing bars, profiles, structural steel
5	Çolakoglu Metalurji	N/A	Billets, slabs, hot-rolled coil, hot-rolled sheet, reinforcing bars
6	Kardemir	N/A	Billets, profiles, reinforcing bars

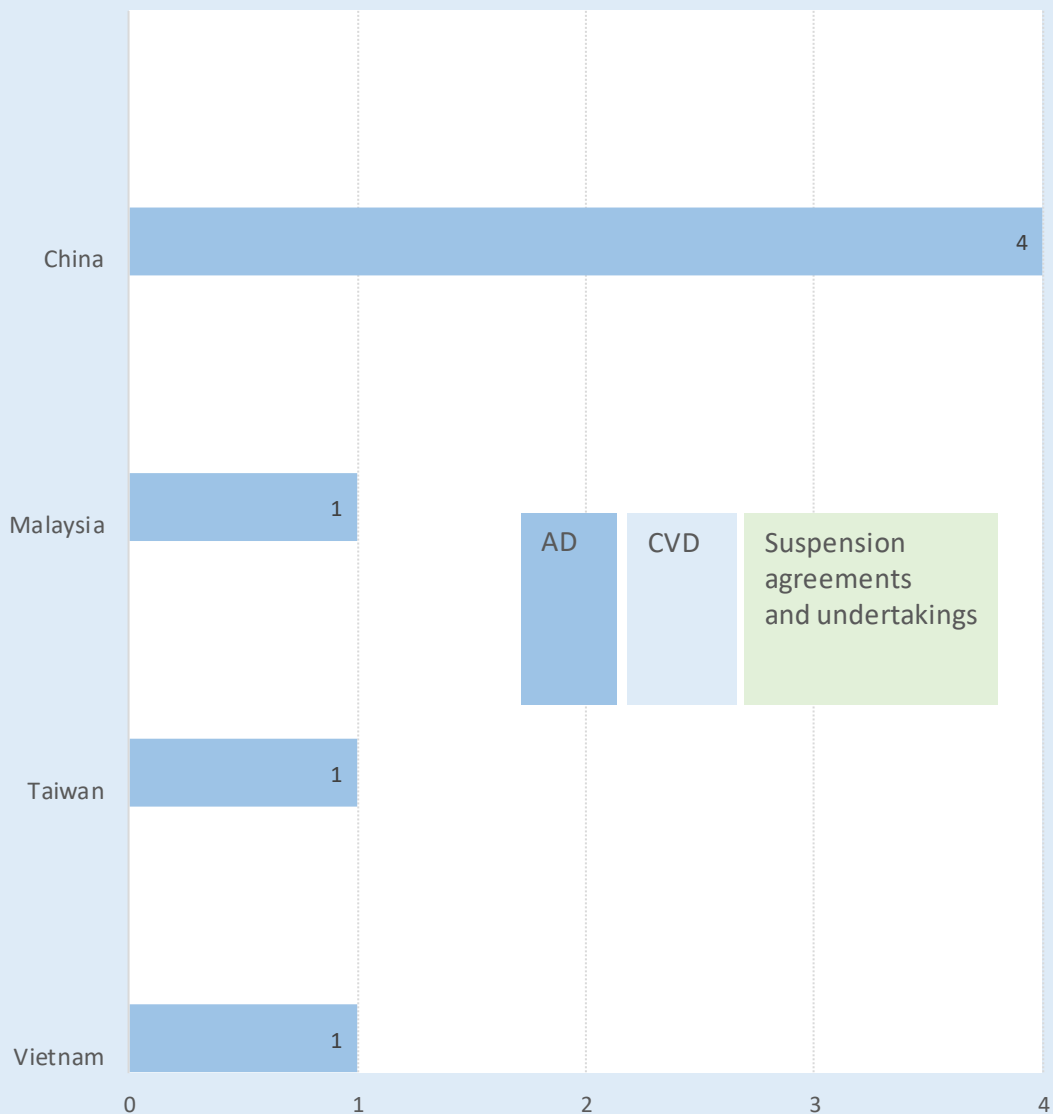
Sources: World Steel Association; Turkish Steel Producers Association; Hoover's; Company websites

# Steel Imports Report: Turkey

## 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 Turkey has against imports of steel mill products from various countries. Turkey has no steel mill safeguards in effect.

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



Source: World Trade Organization, through June 30, 2018

# 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.

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**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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