



Global Steel Trade Monitor

Steel Exports Report: Iran

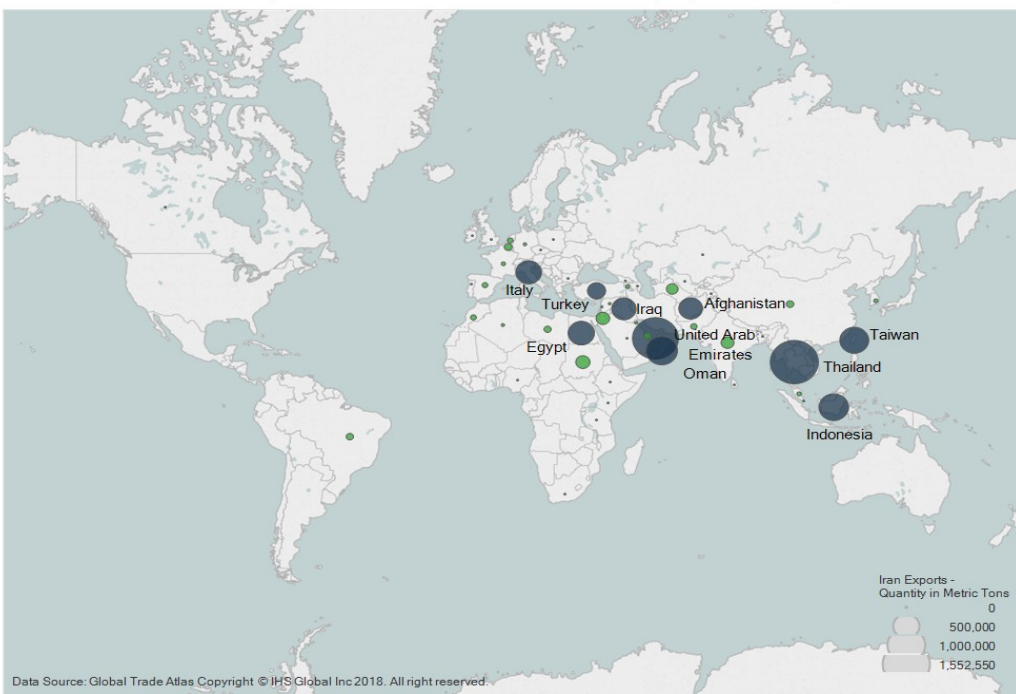
September 2018

Background

Within the past year, Iran has emerged as the world's eighteenth-largest steel exporter. In year to date 2018 (through June), further referred to as YTD 2018, Iran exported 5.3 million metric tons of steel, a 47 percent increase from YTD 2017. Iran's exports represented about 2 percent of all steel exported globally in 2017. The volume of Iran's 2017 steel exports was about 1/10th that of the world's largest exporter, China. In value terms, steel represented 6.4 percent of the total amount of goods Iran exported in 2017.

Iran exports steel to more than 50 countries and territories. The 10 countries highlighted in the map below represent the top markets for Iran's exports of steel, receiving more than 100 thousand metric tons each and accounting for 89 percent of Iran's total steel exports in 2017.

Iran Exports of Steel Mill Products-2017 (Top Ten in Blue)



Quick Facts:

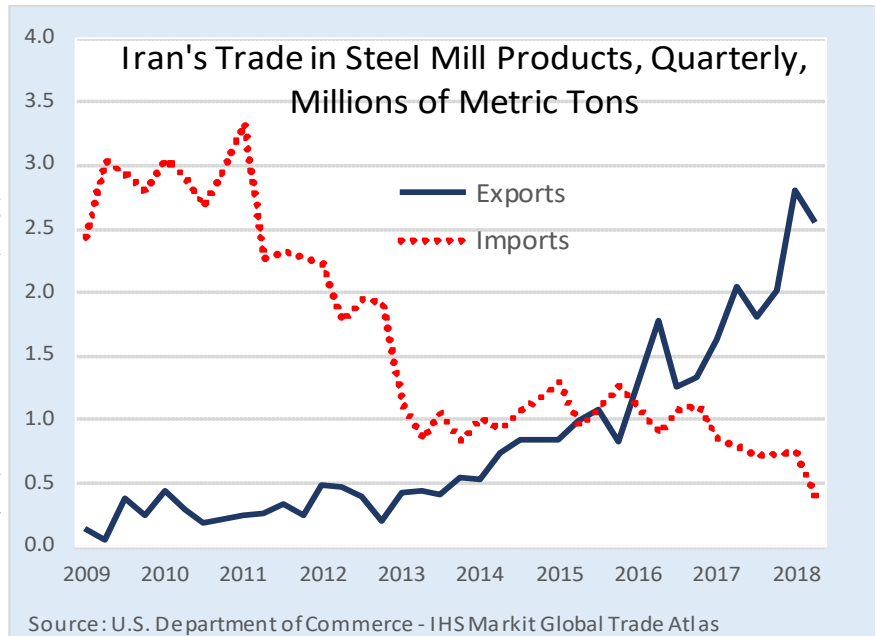
- World's 18th largest steel exporter: 5.3 million metric tons (YTD 2018)
- 1777% steel export increase since Q1 2009
- Exports as a share of production up from 36.6% in YTD 2017 to 42.7% in YTD 2018
- YTD export volume up 47% while export value up 87%
- Top three markets: Thailand, United Arab Emirates, and Egypt
- Top Producers: Mobarakeh Steel, Khuzestan Steel, Esfahan Steel
- 2 trade remedies in effect involving steel mill imports from Iran

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Steel Trade Balance

From 2009 through 2015, Iran maintained a trade deficit in steel products. Iran's imports peaked in 2010 and have been steadily declining since then. Since 2016, Iran has been a net exporter. Between Q1 2009 and Q2 2018, exports grew by 1777%, while imports declined by 84%.

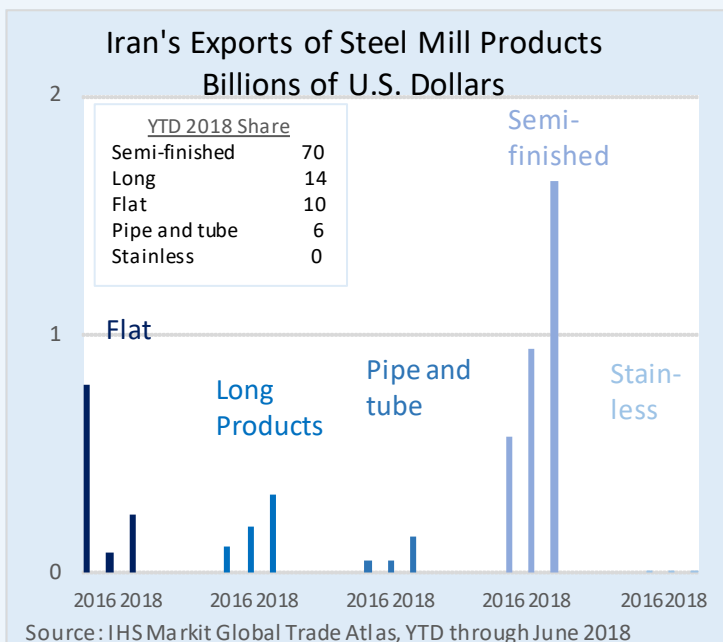
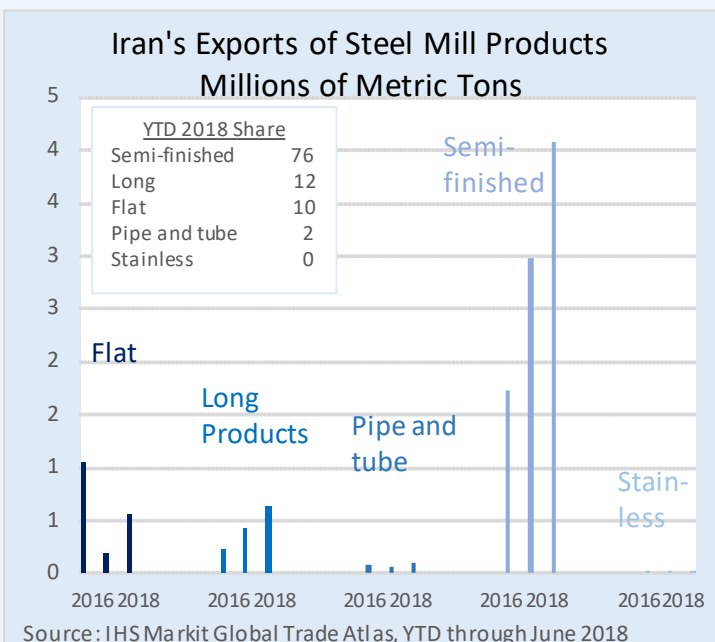
In YTD 2018, Iran's steel trade surplus amounted to 4.2 million metric tons, a 112% increase from 2.0 million metric tons in YTD 2017.



Export Volume, Value, and Product

In 2017, Iran's steel exports increased by 32 percent from 5.6 million metric tons to 7.4 million metric tons. In YTD 2018, Iran's steel exports increased by 47 percent to 5.3 million metric tons. The value of Iran's 2017 steel exports increased by 10 percent to \$2.8 billion from \$2.5 billion in 2016. In YTD 2018, Iran's steel export values increased by 87 percent to \$2.4 billion.

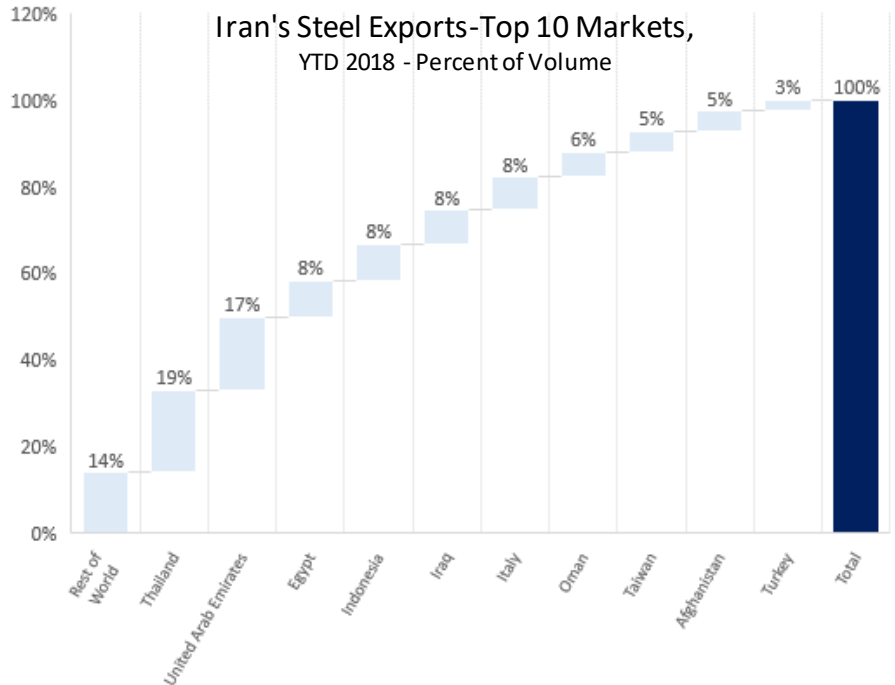
Semi-finished products accounted for the largest share of Iran's steel exports in YTD 2018 at 76 percent or 4.1 million metric tons. Long products accounted for 12 percent, or 624 thousand metric tons, of Iran's exports of steel, followed by flat products at 10 percent (550 thousand metric tons), pipe and tube products at 2 percent (91 thousand metric tons), and stainless steel at 0.1 percent (3 thousand metric tons).



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Exports by Top Market

Exports to Iran's top 10 steel markets represented 86 percent of Iran's steel export volume in YTD 2018 at 4.6 million metric tons (mmt). Thailand received the largest share of Iran's exports at 19 percent (1.0 mmt), followed by the UAE at 17 percent (0.9 mmt), and Egypt, Indonesia, Iraq and Italy at 8 percent (448, 444, 422, and 407 thousand metric tons, respectively).

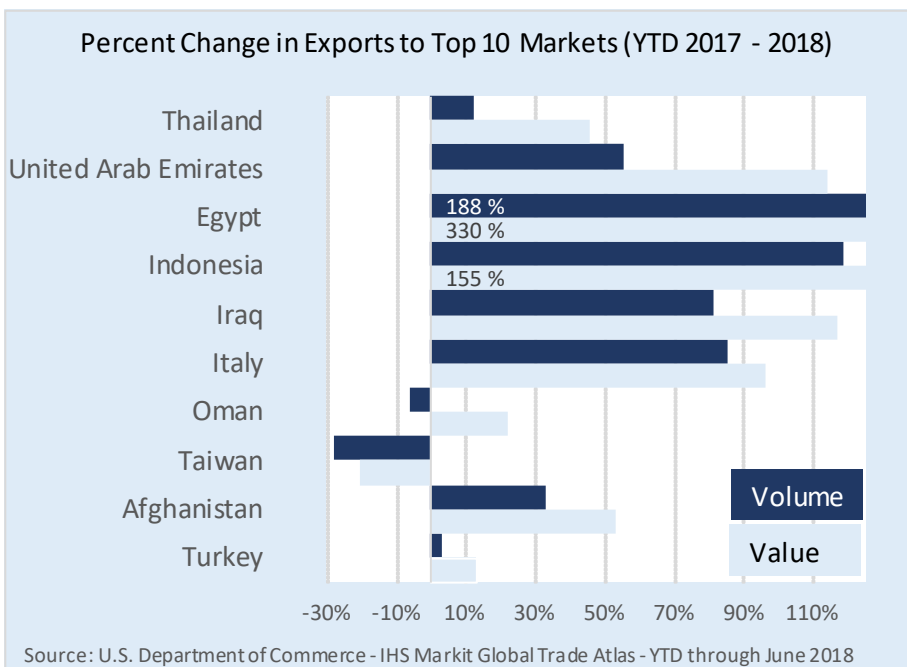


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Trends in Exports to Top Markets

Between YTD 2017 and YTD 2018, the volume of Iran's steel exports increased to eight of the country's top 10 steel export markets. Exports increased the most to Egypt (+188% from YTD 2017), followed by Indonesia (+119%), Italy (+86%), Iraq (+82%), UAE (+56%), and Afghanistan (+33%). Iran's exports decreased to two of its top 10 steel export markets. Exports decreased the most to Taiwan (-28%) by volume, followed by Oman (-6%).

Egypt and Indonesia were also among markets for Iran's steel exports to show the largest increase in value between YTD 2017 and YTD 2018 — up 330 percent and 155 percent, respectively. Other markets that saw increased exports from Iran included Iraq (+117%), UAE (+114%), Italy (+96%), and Afghanistan (+53). Taiwan was Iran's only top 10 steel export market to see a value decrease from Iran, down 20 percent, respectively.



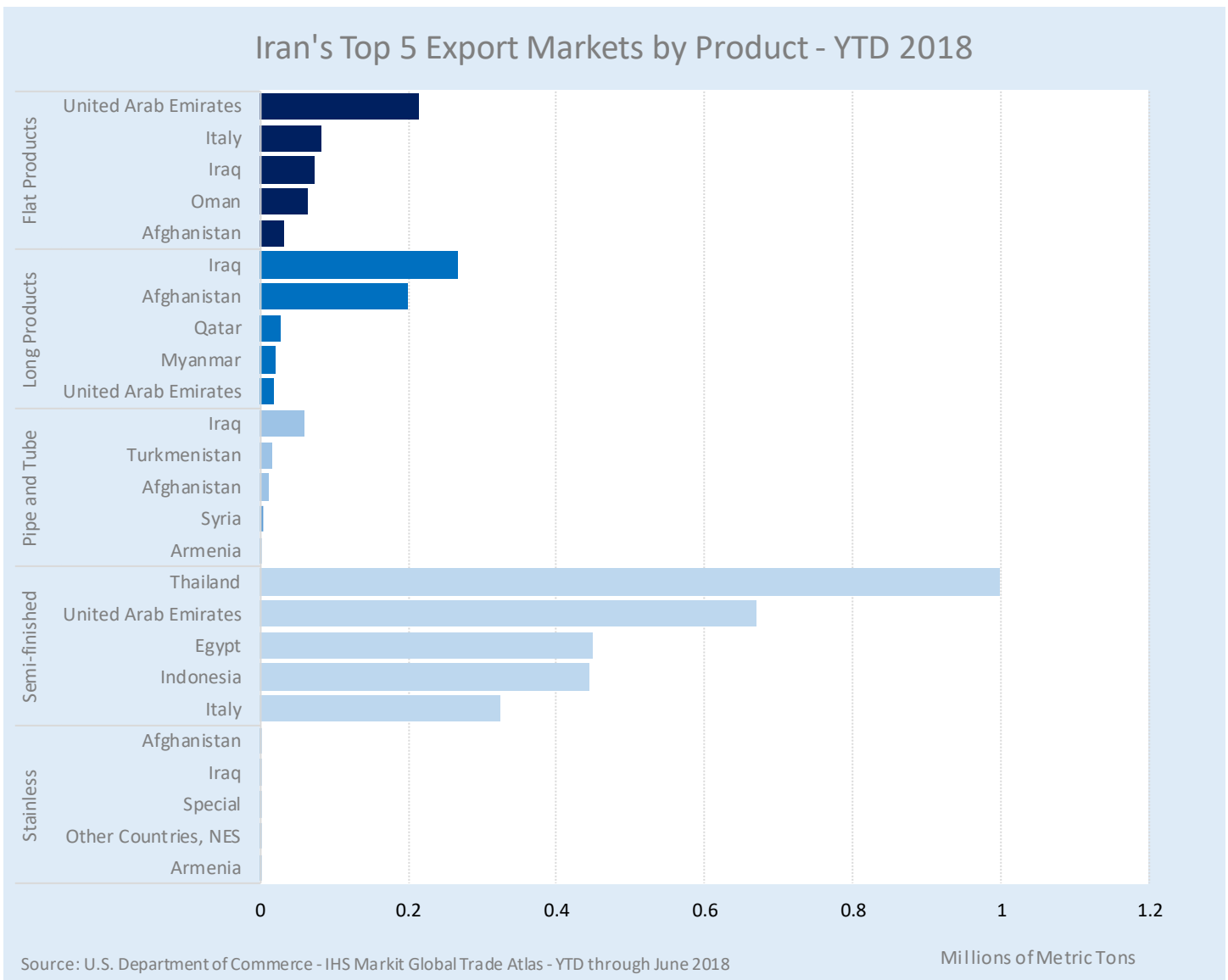
Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Outside of the top 10 markets, other substantial volume changes included Iran's exports to 11th-ranked India (+581%), 12th-ranked Malaysia (+1484%), 14th-ranked Brazil (+114%), 15th-ranked Pakistan (+251%), 16th-ranked Qatar (+562%), and 17th-ranked China (+725%), 19th-ranked Sri Lanka (+162,757%), and 20th-ranked Kuwait (+4559%).

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Top Markets by Steel Product Category

Iran's top export markets by volume vary across types of steel products. The United Arab Emirates received the largest share of Iran's exports of flat products in YTD 2018 at 39 percent (215 thousand metric tons). Iraq held the largest share of Iran's long products at 43 percent (266 thousand metric tons), and Iraq also accounted for the largest share of Iran's pipe and tube products at 66 percent (60 thousand metric tons). Thailand received the largest share of Iran's semi-finished products at 25 percent (998 thousand metric tons) in YTD 2018. Afghanistan was the top market for Iran's stainless exports holding a 46 percent share (1 thousand metric tons).



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Iran's Import Market Share in Top Destinations

In 2017, the import market share for Iran's steel products increased slightly in three of Iran's top export destinations and decreased in one. Import data for the rest of Iran's top destinations is not available. The share of steel imports from Iran increased in Thailand, up 4.6 percentage points from 2016, followed by Taiwan and Turkey, up 0.8 percentage points each. The share of imports from Iran showed slight a decrease in Italy, down 1.7 percentage points.

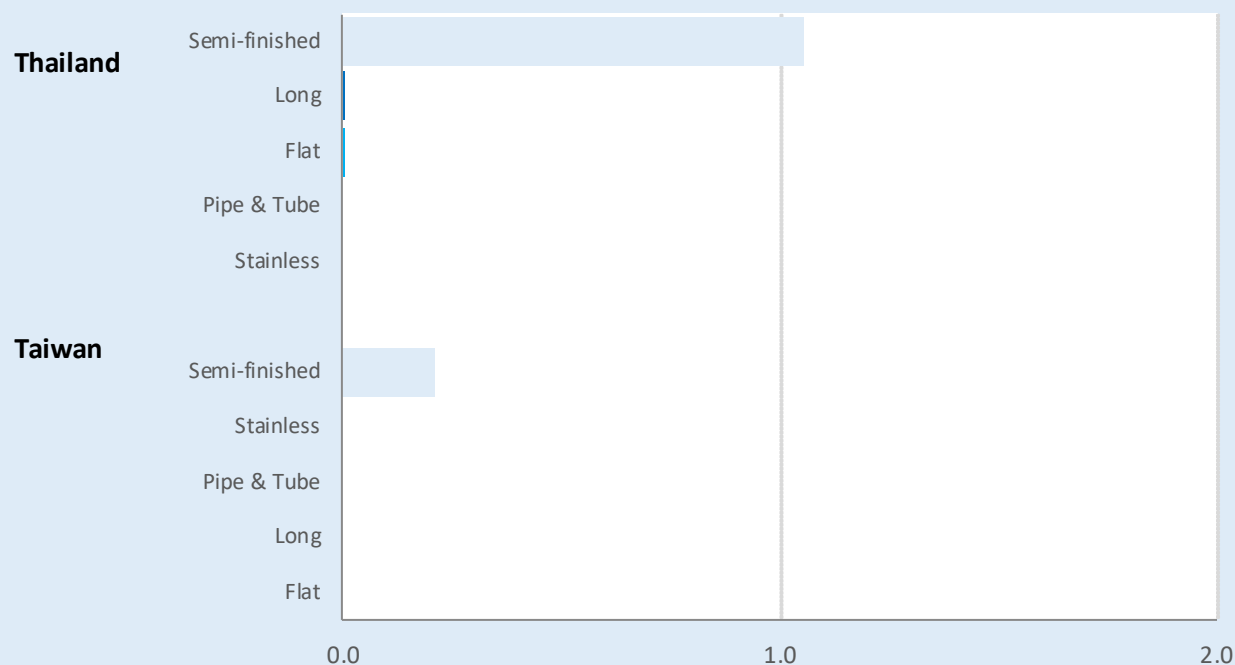
Among Iran's top export markets, Thailand and Taiwan received 7.5

and 2.8 percent of their total steel imports from Iran, respectively. In 2017, semi-finished products accounted by far for the largest share of steel imports from Iran in both Thailand (99.5% or 1.1 million metric tons), and Taiwan (100% or 210 thousand metric tons).

Iran's Steel Export Market Share						
Top 10 Export Markets	Share of Imports from Iran- 2016	Iran's Rank in 2016	Share of Imports from Iran - 2017	Iran's Rank in 2017	Change in Share	
Thailand	2.8%	6	7.5%	4	↑	
UAE	7.6%	5	N/A	N/A	N/A	
Oman	16.6%	3	N/A	N/A	N/A	
Indonesia	0.1%	16	N/A	N/A	N/A	
Taiwan	2.0%	6	2.8%	6	↑	
Egypt	N/A	N/A	N/A	N/A	N/A	
Italy	3.7%	9	2.0%	14	↓	
Iraq	N/A	N/A	N/A	N/A	N/A	
Afghanistan	N/A	N/A	N/A	N/A	N/A	
Turkey	0.3%	25	1.1%	14	↑	

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

Steel Import Composition of Top Market-Share Countries-2017

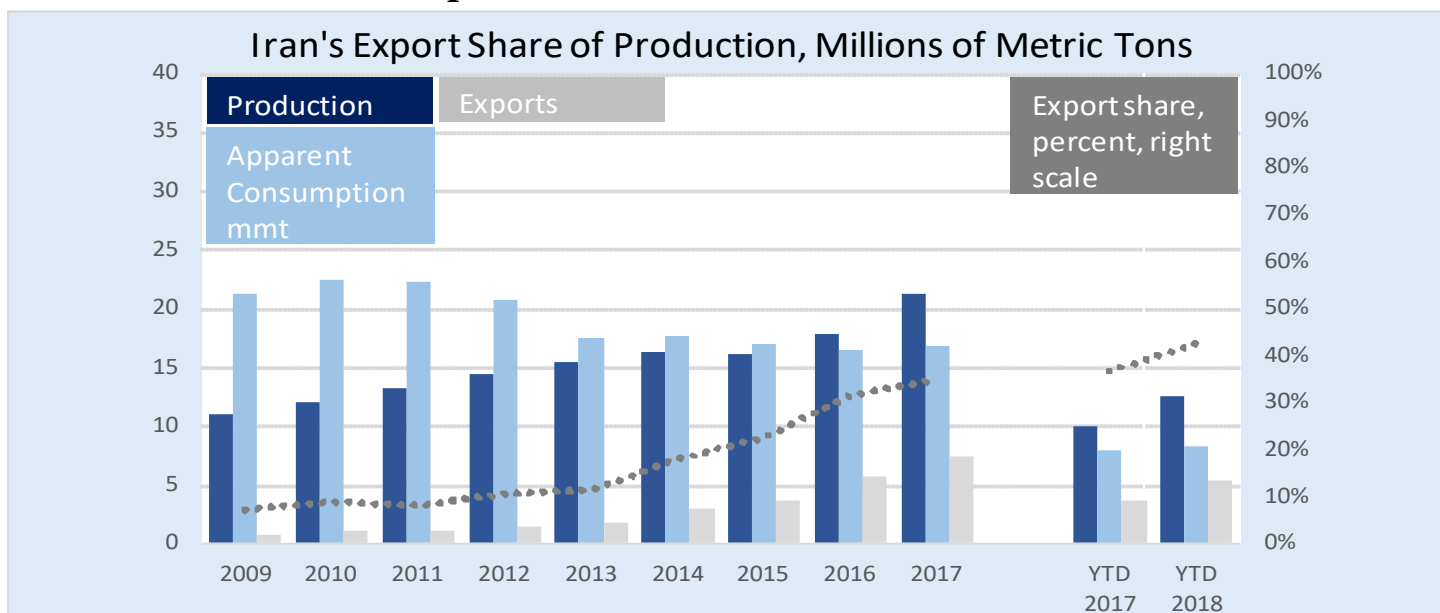


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

Steel Exports Report: Iran

Overall Production and Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2017	YTD 2018
Production	10.9	12.0	13.2	14.5	15.4	16.3	16.1	17.9	21.2	9.9	12.5
Apparent Consumption	21.3	22.5	22.3	20.8	17.5	17.6	17.0	16.4	16.9	8.0	8.3
Exports	0.8	1.1	1.0	1.5	1.8	2.9	3.7	5.6	7.4	3.6	5.3
Export Share of Production	7.2%	9.0%	7.9%	10.4%	11.4%	17.8%	22.8%	31.4%	35.0%	36.6%	42.7%

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

Iran's crude steel production was 21.2 million metric tons in 2017. In YTD 2018, steel production increased 26% to 12.5 million metric tons, up from 9.9 million metric tons in YTD 2017. From 2009 through 2015, apparent consumption (a measure of steel demand) outpaced production. Since 2009, apparent consumption has been gradually declining and in YTD 2018, production outpaced apparent consumption by 4.2 million metric tons. Between 2009 and 2017, crude steel production grew by 95 percent, while apparent consumption decreased by 21 percent. Between 2009 and 2017, Iran's steel exports as a share of production increased by 27.8 percentage points as production and exports increased. In YTD 2018, the export share of production was 42.7 percent, up 6.1 percentage points from YTD 2017.

Top Producers

The top three steel producers in Iran are all state-owned companies, and all three are subsidiaries of Iranian Mines & Mining Industries Development & Renovation (IMIDRO). Based on available data, the top three producers, accounted for roughly 64 percent of total production in 2017. In 2016, IMIDRO, and all its subsidiaries produced 14.02 mmt of steel, 78 percent of total production in 2016.

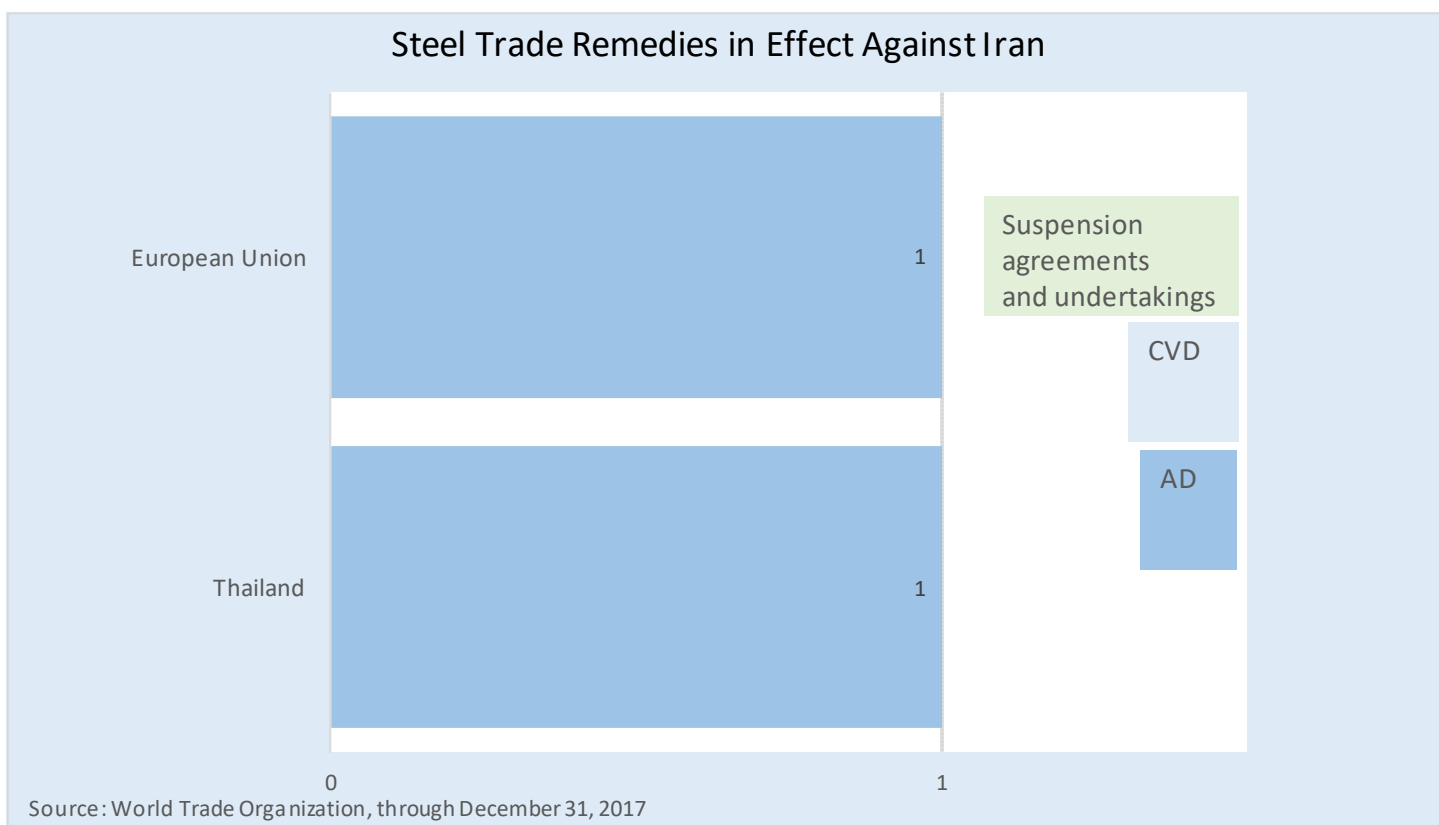
Rank	Company	Production (mmt)	Main Products
1	Mobarakeh Steel Company*	7	Hot-rolled, cold-rolled, galvanized, color coated
2	Khouzestan Steel Company*	3.6	Slab, blooms, billets
3	Esfahan Steel Company*	3	Beams, Bars

Source: World Steel Association; Hoover's; Bloomberg; Company websites
 *Denotes state-owned subsidiary of IMIDRO (Iranian Mines & Mining Industries Development & Renovation)

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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 countries have against steel mill products from Iran.



Global Steel Mill Safeguards in Effect

Country	Product(s)
India	1) Hot rolled steel in coils; 2) Hot-rolled steel flat sheets and plates
Indonesia	1) Articles of finishing casing and tubing 2) Flat-rolled products of iron or non-alloy; 3) I and H sections of other alloy steel; 4) Bars and rods, hot-rolled, in irregularly wound coils
Malaysia	1) Hot-rolled steel plate; 2) Steel concrete reinforcing bar; 3) 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	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through February 28, 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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