

# Global Steel Trade Monitor

## Steel Exports Report: Turkey

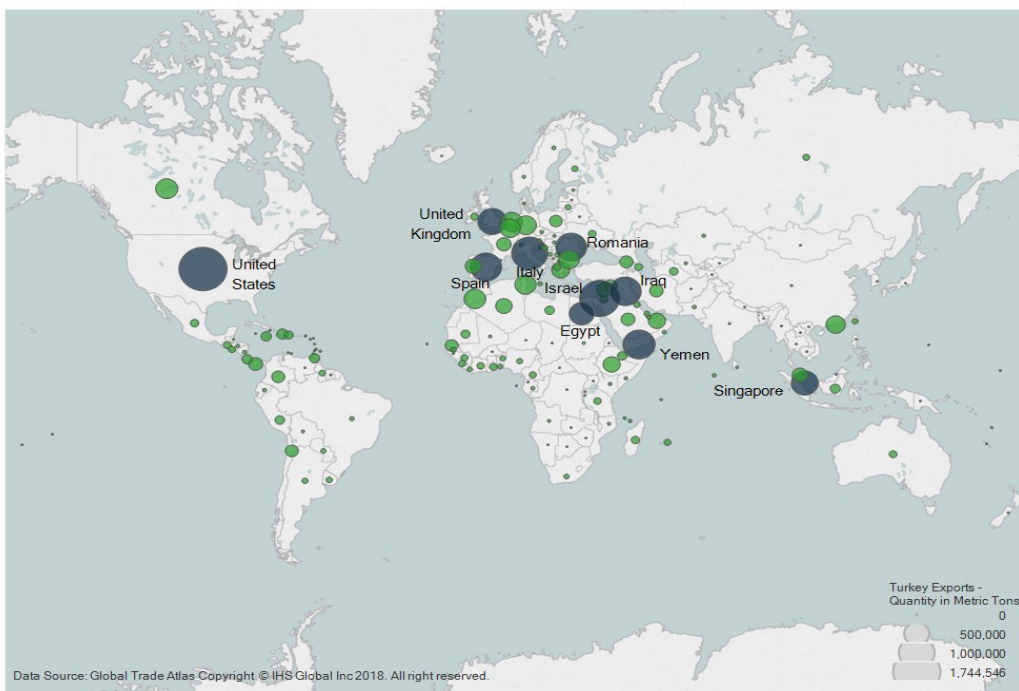
September 2018

### Background

Turkey is the world's eighth-largest steel exporter. In year to date 2018 (through June), further referred to as YTD 2018, Turkey exported 8.7 million metric tons of steel, a 3 percent decrease from 8.9 million metric tons in YTD 2017. Turkey's exports represented about 4 percent of all steel exported globally in 2017. The volume of Turkey's 2017 steel exports was about one-fifth that of the world's largest exporter, China. In value terms, steel represented just 5.8 percent of the total amount of goods Turkey exported in 2017.

Turkey exports steel to more than 200 countries and territories. The ten countries labeled in the map below represent the top markets for Turkey's exports of steel, receiving more than 450 thousand metric tons each and accounting for 52 percent of Turkey's steel exports in 2017.

Turkey's Exports of Steel Mill Products-2017 (Top Ten in Blue)



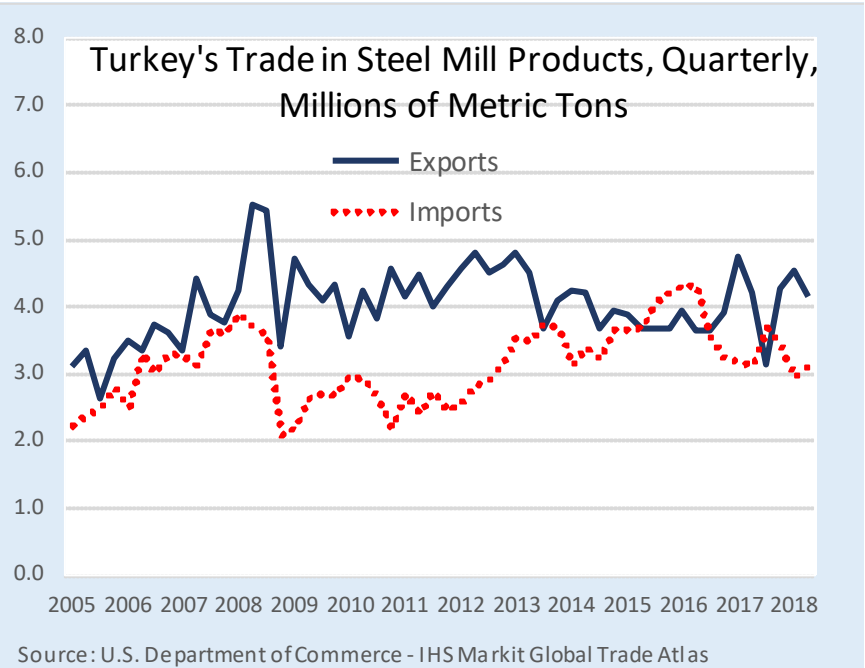
### Quick Facts:

- World's eighth-largest steel exporter: 8.7 million metric tons (YTD 2018)
- 12% decrease in steel exports between Q1 2009 and Q2 2018
- YTD export volume down 3% while export value up 22%
- Top three markets: Italy, Israel, and Spain
- Exports as a share of production down from 48.9% in YTD 2017 to 45.8% in YTD 2018
- Largest producers: Erdemir Group, İçdaş, Tosyali Holding
- 18 trade remedies in effect in 5 countries involving steel mill imports from Turkey

# Steel Exports Report: Turkey

## Steel Trade Balance

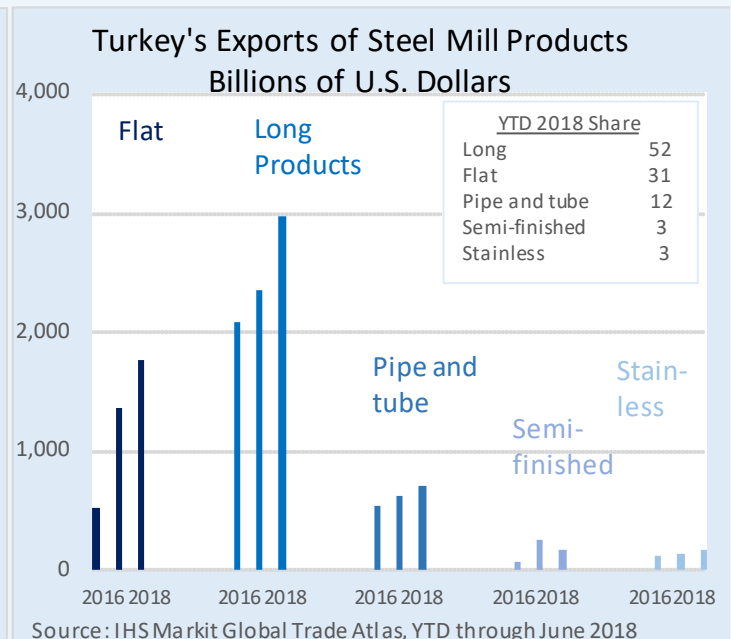
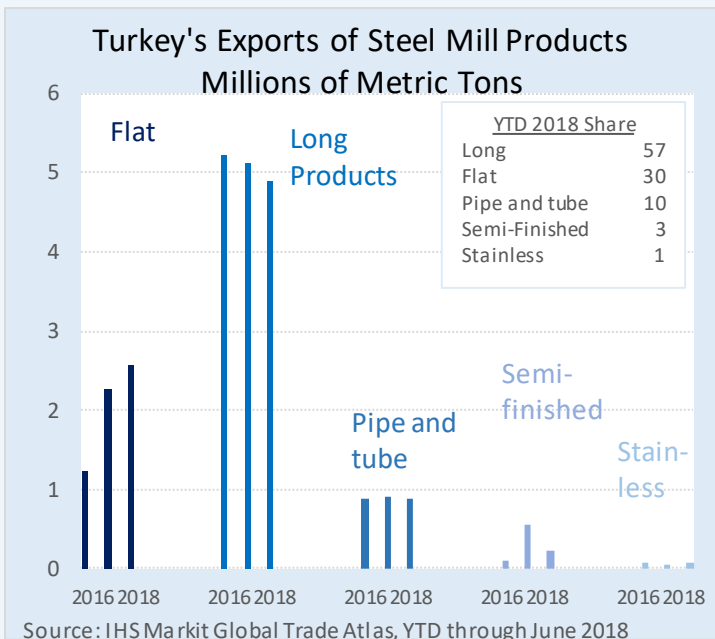
Turkey maintained a nearly continuous trade surplus in steel from Q1 2005 to Q1 2015. In 2015, exports started to decline while imports began to climb, causing a brief steel trade deficit between Q2 2015 and Q2 2016. Since then, imports have fallen 28 percent and exports have risen 15 percent, which returned the trade balance to a surplus for YTD 2018. In YTD 2018, Turkey's steel trade surplus has totaled 2.6 million metric tons, remaining almost unchanged from YTD 2017.



## Export Volume, Value, and Product

Turkey's steel exports recently peaked in 2012, reaching a high of 18.4 million metric tons. By 2017, Turkey's steel exports had recovered from the lows of 14.8 and 15 million metric tons in 2015 and 2016. In YTD 2018, the volume of Turkey's steel exports decreased 3 percent to 8.7 million metric tons from 8.9 million metric tons in YTD 2017. By contrast, the value of Turkey's YTD 2018 steel exports increased by 22 percent to \$5.7 billion from \$4.7 billion in YTD 2017.

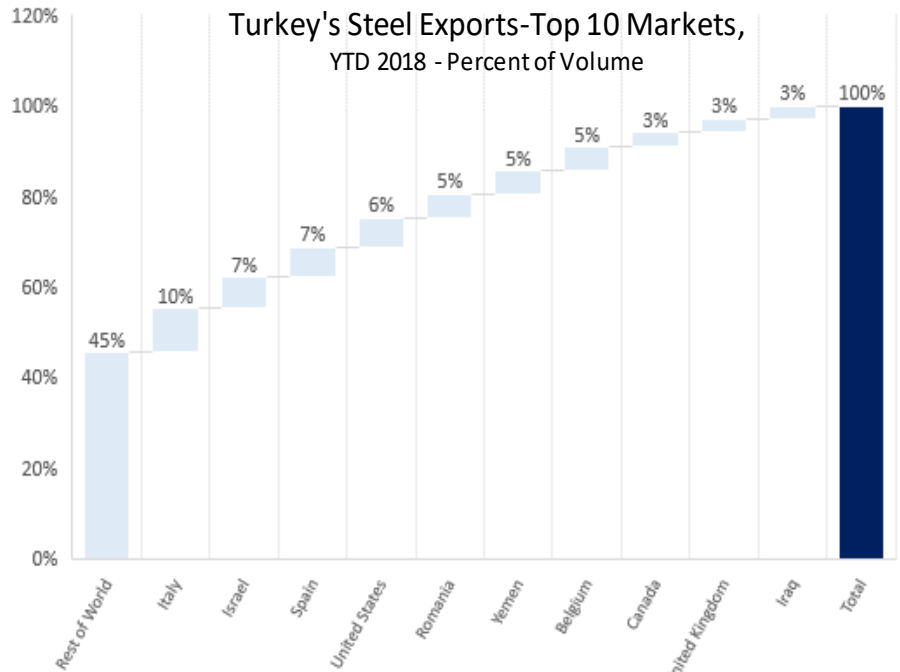
In YTD 2018, long products accounted for more than half of Turkey's steel exports at 57 percent, or 4.9 million metric tons. Flat products accounted for 30 percent, or 2.6 million metric tons of Turkey's exports, followed by pipe and tube at 10 percent (881 thousand metric tons), semi-finished at 3 percent (222 thousand metric tons), and stainless products at 1 percent (63 thousand metric tons).



# Steel Exports Report: Turkey

## Exports by Top Market

Exports to Turkey's top 10 steel markets represented 55 percent of Turkey's steel export volume in YTD 2018 at 4.7 million metric tons (mmt). Italy was the largest market for Turkey's exports with 10 percent (.8 mmt), followed by Israel ranked second at 7 percent (0.6 mmt), Spain at 7 percent (0.58 mmt), the United States at 6 percent (0.55 mmt), Romania at 5 percent (0.5 mmt), and Yemen at 5 percent (0.4 mmt). In YTD 2017, the United States had been the largest market for Turkey's exports.

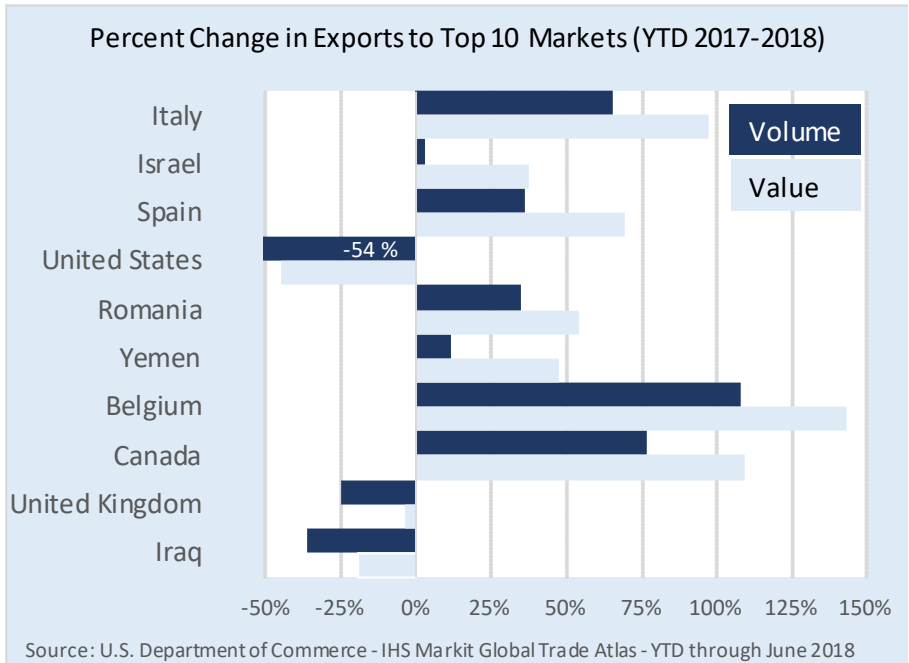


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas, YTD through June 2018

## Trends in Exports to Top Markets

The volume of Turkey's steel exports increased to seven of Turkey's top 10 steel export markets between YTD 2017 and YTD 2018. Exports to the United States, Iraq, and the United Kingdom decreased in volume in YTD 2018 — down 54 percent, 36 percent and 24 percent from YTD 2017, respectively. Turkey's exports to Belgium increased by over 108 percent. Other significant volume increases included exports to Canada (+77%), Italy (+65%), Spain (+37%), and Romania (+35%).

Export values in YTD 2018 also increased to seven of Turkey's top 10 exports markets. As in volume, exports to the United States, Iraq, and the United Kingdom decreased in value in YTD 2018 — down 45 percent, 19 percent and 4 percent from YTD 2017, respectively. Similarly, exports to Belgium showed the largest increase in value, up 144 percent from YTD 2017. Other significant value increases included exports to Canada (+110%), Italy (+97%), Spain (+70%), and Romania (+55%).



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

Outside of the top 10 sources, notable changes in Turkey's steel exports included 11th-ranked Germany (+77%) and 12th-ranked Netherlands (+100%).

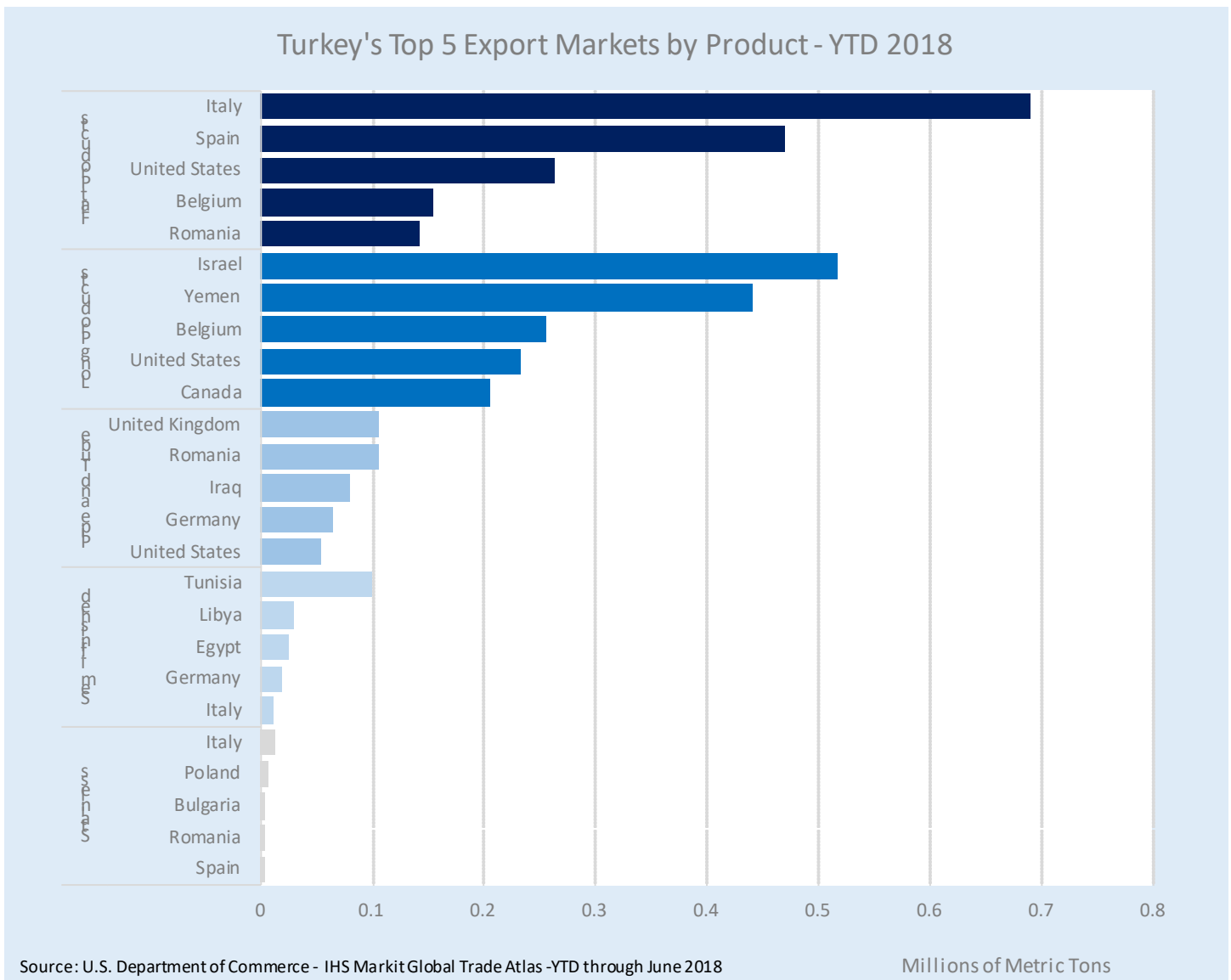
# Steel Exports Report: Turkey

## Top Markets by Steel Product Category

Turkey's top export markets by volume vary across types of steel products. Turkey exported the largest share of flat products to Italy in YTD 2018 at 27 percent (691 thousand metric tons), followed by Spain at 18 percent (470 thousand metric tons), and the United States at 10 percent (263 thousand metric tons). Israel accounted for the largest share of Turkey's exports of long products at 11 percent (518 thousand metric tons), while the United States accounted for the fourth-largest share at 5 percent (233 thousand metric tons).

The United Kingdom was the largest market for Turkey's pipe and tube exports in YTD 2018 at 12 percent (106 thousand metric tons), followed closely by Romania at 12 percent (105 thousand metric tons). The United States was fifth at 6 percent (55 thousand metric tons).

Tunisia accounted for the largest share of semi-finished exports at 45 percent (100 thousand metric tons), while Italy was the largest destination for stainless exports at 22 percent (13 thousand metric tons).



# Steel Exports Report: Turkey

## Turkey's Import Market Share in Top Destinations

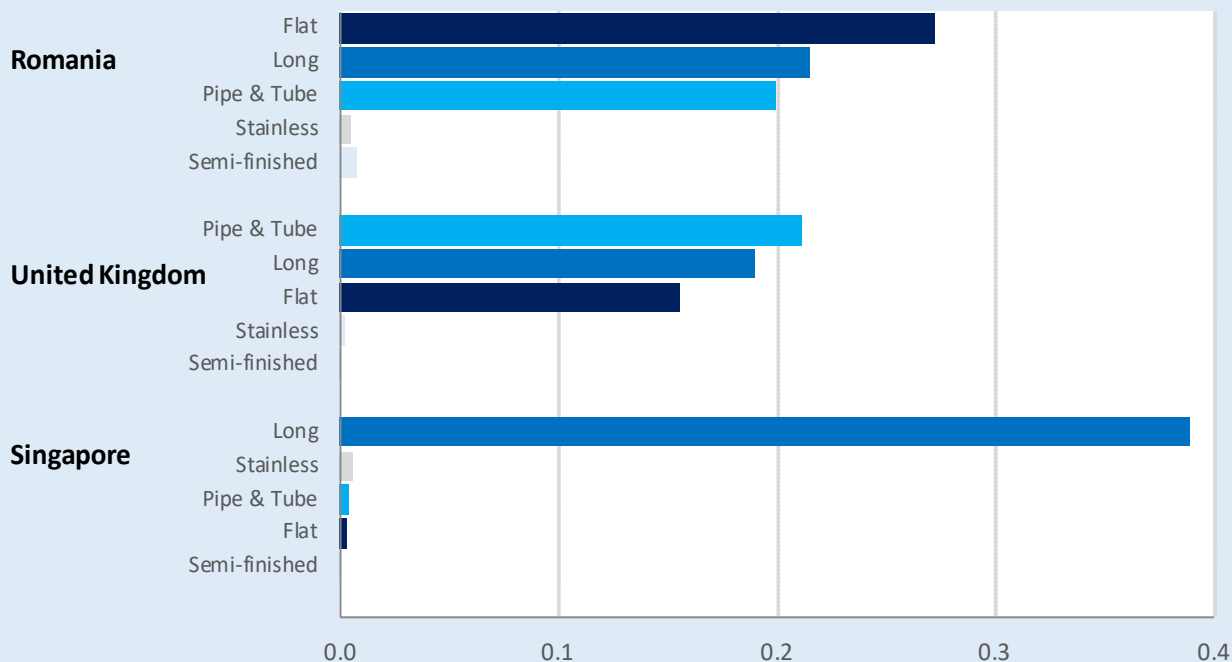
In 2017, the import market share for Turkey's steel products increased or remained the same in almost all of Turkey's top 10 export markets for which data are available. The share of imports from Turkey in Singapore saw the largest increase in 2017, up 11.1 percentage points, followed by Romania (up 4.4 percentage points), Spain (up 3.1 percentage points), and Italy (up 2.4 percentage points). Import shares from Turkey in the United Kingdom increased by 1.7 percentage points, while Turkey's import share in the United States decreased by 1.6 percentage points in 2017.

Turkey's Steel Export Market Share					
Top 10 Export Markets	Share of Imports from United States-2016	United States' Rank in 2016	Share of Imports from United States - 2017	United States' Rank in 2017	Change in Share
United States	7.3%	5	5.7%	6	↓
Israel*	N/A	N/A	N/A	N/A	N/A
Italy	2.5%	12	4.9%	7	↑
Yemen*	N/A	N/A	N/A	N/A	N/A
Iraq*	N/A	N/A	N/A	N/A	N/A
Spain	3.9%	7	7.0%	5	↑
Romania	14.2%	1	18.6%	1	↑
United Kingdom	6.5%	6	8.2%	4	↑
Singapore	0.2%	18	11.3%	2	↑
Egypt*	N/A	N/A	N/A	N/A	N/A

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

Among Turkey's top export markets, Romania, Singapore and the United Kingdom received the largest shares of their total steel imports from Turkey in 2017 at 18.6 percent, 11.3 percent, and 8.2 percent, respectively. Flat products accounted for a significant share of Romania's imports from Turkey at 39 percent (272 thousand metric tons). Long products accounted for 97 percent of Singapore's imports from Turkey (389 thousand metric tons), and pipe and tube products accounted for 38 percent of the United Kingdom's imports from Turkey (211 thousand metric tons).

Steel Import Composition of Top Market-Share Countries-2017

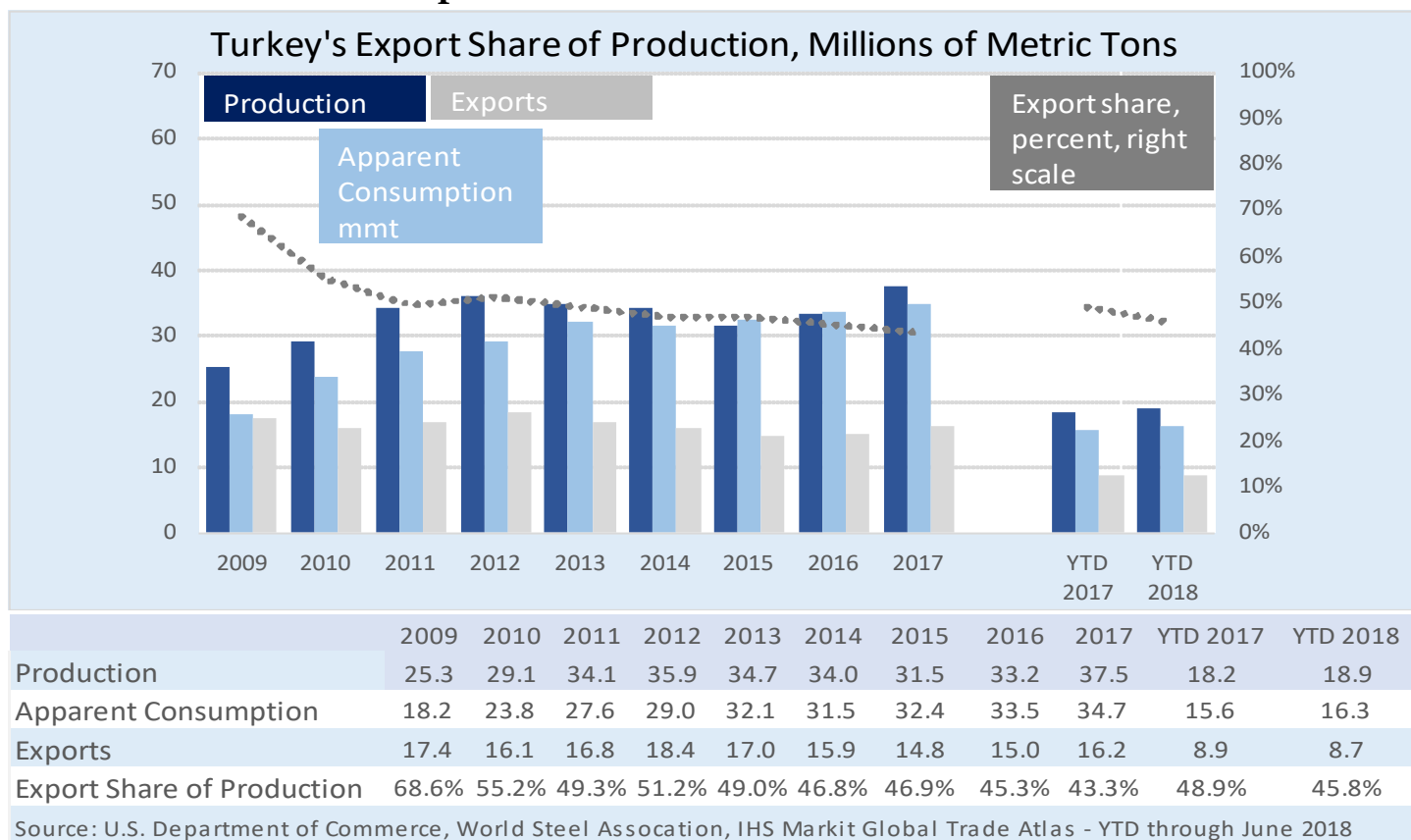


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

# Steel Exports Report: Turkey

## Overall Production and Export Share of Production



After increasing steadily between 2009 and 2012, crude steel production in Turkey levelled off at an average of 34.2 million metric tons per year between 2013 and 2017. Turkey's crude steel production increased 4 percent to 18.9 million metric tons in YTD 2018, from YTD 2017's total of 18.2 million metric tons. The gap between production and apparent consumption (a measure of steel demand), which stood at 7.1 million metric tons or 28 percent of production in 2009, shrank steadily over the next eight years. By 2017, Turkey's production outpaced demand by just under 3 million metric tons. In YTD 2019, production has outpaced apparent consumption by 2.6 million metric tons. Exports as a share of production decreased to 45.8 percent in YTD 2018 from 48.9 percent in YTD 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.

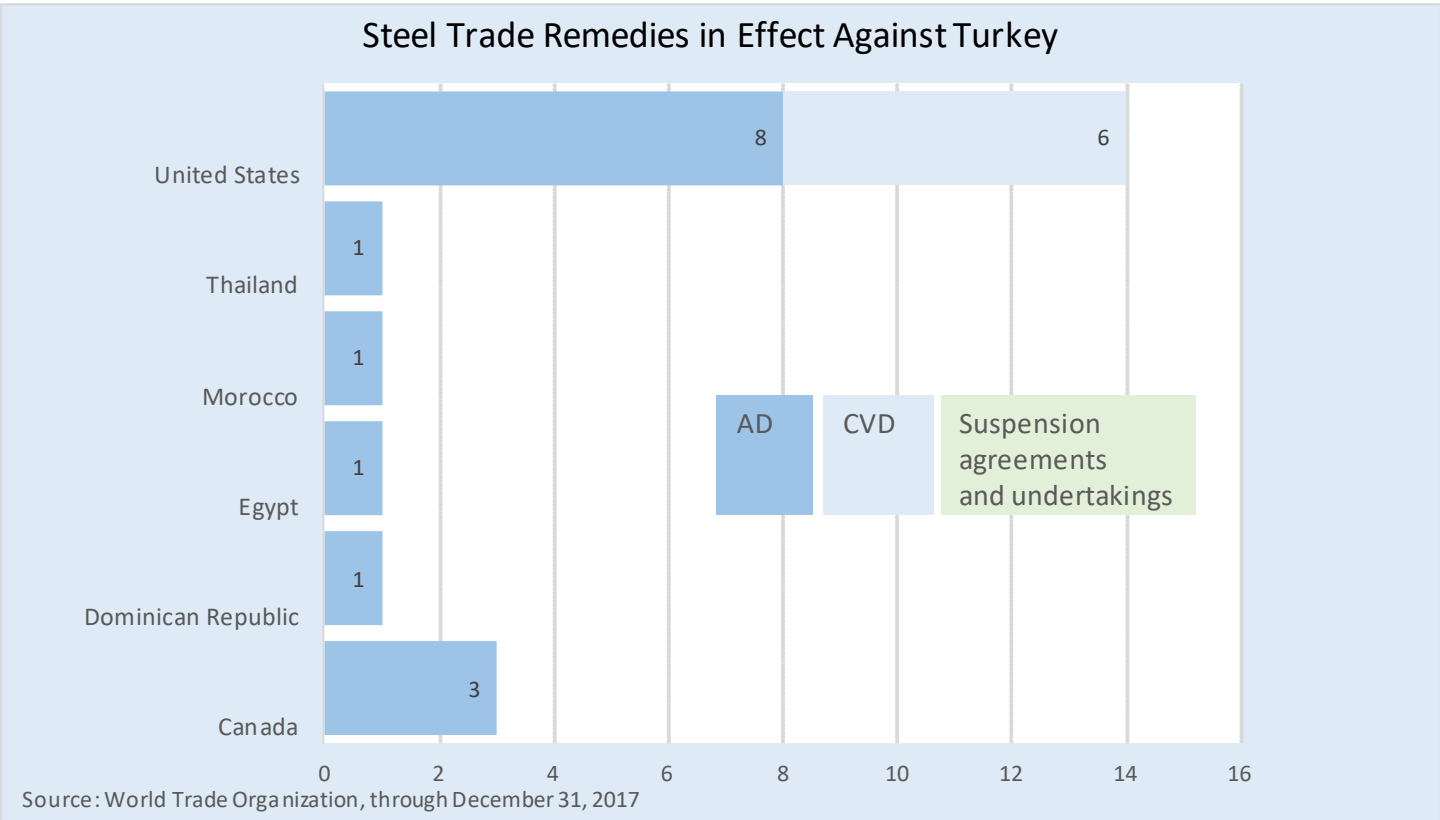
Turkey's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	Erdemir Group	9.20	Bars, beams, sheets, plate
2	İçdaş	3.70	Hot-rolled, cold-rolled, plate, coated products, rails
3	Tosyali Holding	3.00	Hot-rolled, cold-rolled, coated sheets, tubular products
4	Habaş	3 (capacity)	Beams, pilings, billets, rebar, wire rod
5	İsdemir (owned by Erdemir)	N/A	Flat-rolled, structural, bars, rails
6	Çolakoğlu Metalurji	N/A	Hot-rolled, cold-rolled, galvanized, stainless, electrical
7	Kardemir	N/A	Rebar, bars, sections, billets

Source: World Steel Association; Hoover's; Bloomberg; Company websites

# Steel Exports 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 various countries have against steel mill products from Turkey.



## 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-allow; 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

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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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