

# Global Steel Trade Monitor

## Steel Imports Report: Turkey

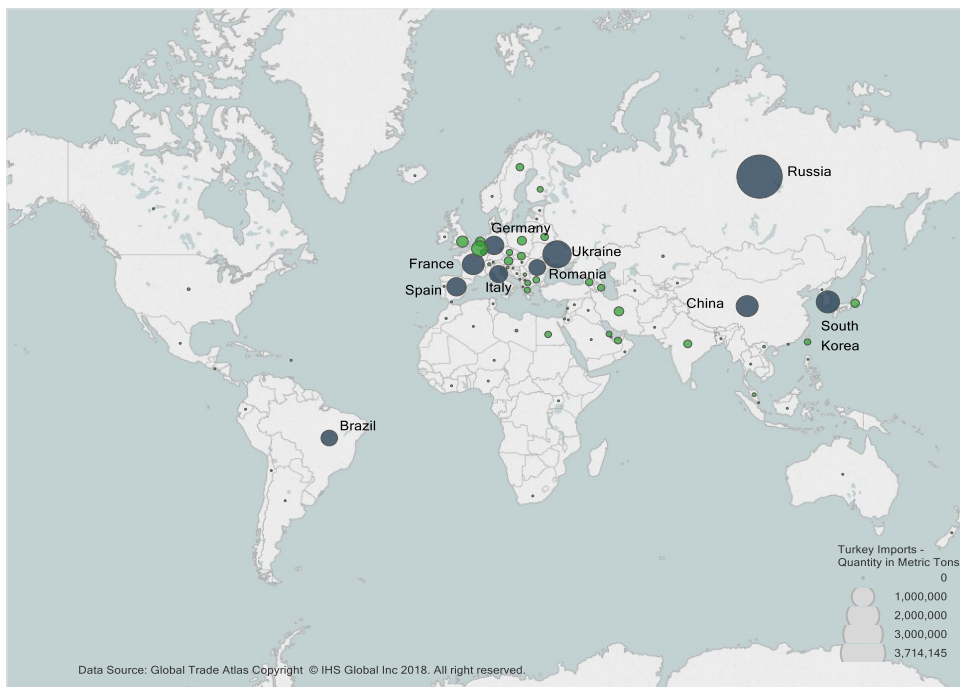
September 2018

### Background

Turkey is the world's ninth largest steel importer. In year-to-date 2018 (through June), further referred to as YTD 2018, Turkey imported 6 million metric tons of steel, down 4 percent from 6.3 million metric tons in YTD 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 less than half 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 400 thousand metric tons and together accounting for 78 percent of Turkey's steel imports in 2017.

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



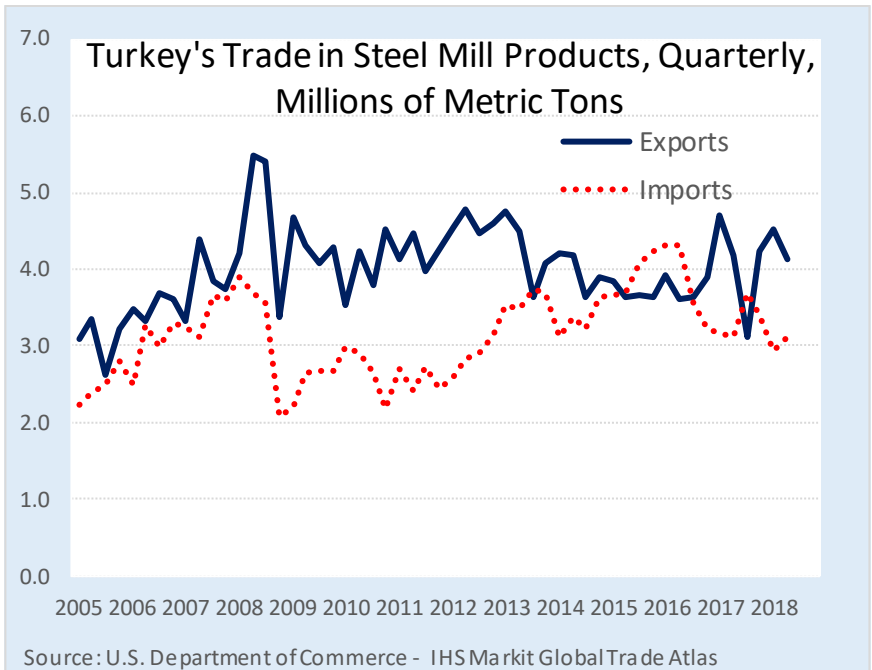
### Quick Facts:

- World's 9th largest steel importer: 13.4 million metric tons (2017)
- 18% steel import growth since 2009
- Import penetration down from 40.3% in YTD 2017 to 37.2% in YTD 2018
- YTD import volume down 4% while import value up 20%
- Top three import sources: Russia, Ukraine, Korea
- Largest producers: Erdemir Group, İçdaş, Habaş
- 7 trade remedies in effect against imports of steel mill products

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## Steel Trade Balance

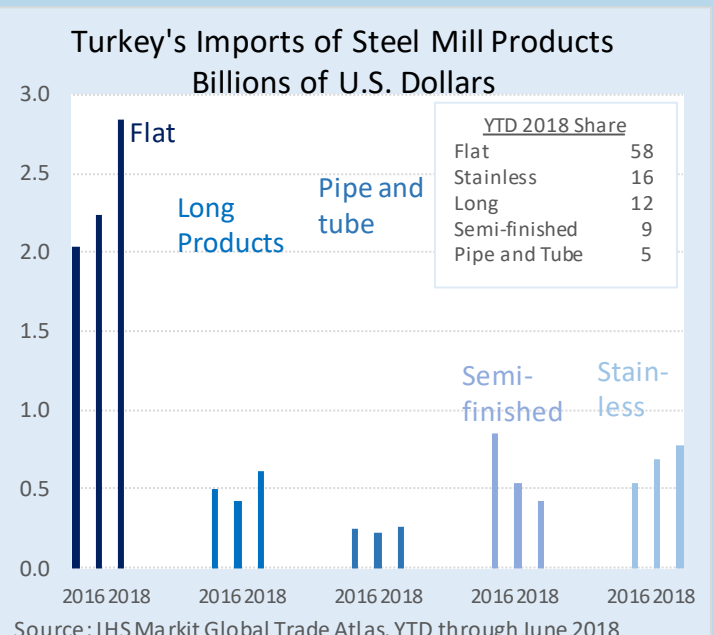
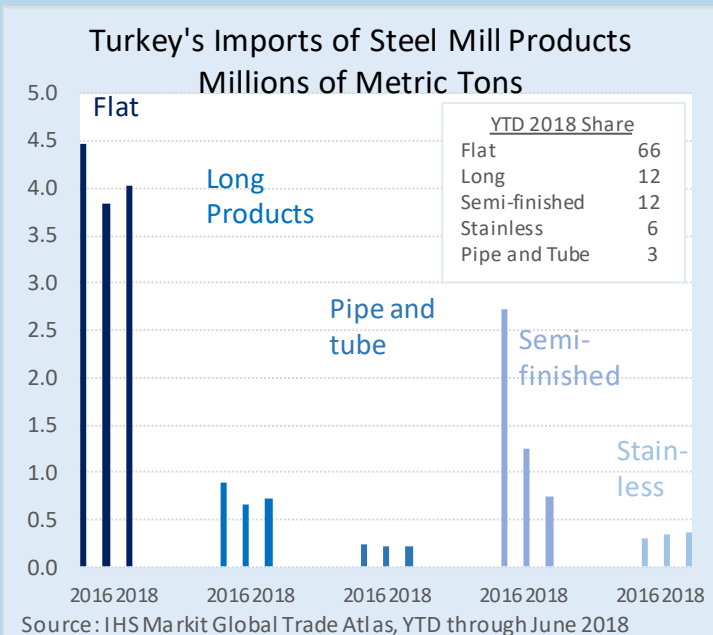
Over the past decade, Turkey has, for the most part, maintained a continuous trade surplus in steel products. In 2012, exports started to decline while imports continued to climb. By mid-2014 steel exports and imports reached equilibrium and until mid-2016, Turkey's imports outpaced exports. Since then, Turkey's exports have generally outpaced imports with a surplus of 2.6 million metric tons in YTD 2018, unchanged from YTD 2017.



## Import Volume, Value, and Product

In YTD 2018, Turkey's steel imports amounted to 6 million metric tons, a decrease of 4 percent from YTD 2017. By contrast, the value of Turkey's steel imports increased by 20 percent to \$4.9 billion in YTD 2018, up from \$4.1 billion in YTD 2017.

Flat products account for the largest share of Turkey's steel imports. In YTD 2018 66 percent, or 4 million metric tons, of Turkey's steel imports were of flat products. Semi-finished products accounted for 12 percent, (737 thousand metric tons), of Turkey's steel imports in YTD 2018, followed closely by long products at 12 percent (727 thousand metric tons), stainless products at 6 percent (360 thousand metric tons), and pipe and tube products at 3 percent (207 thousand metric tons).

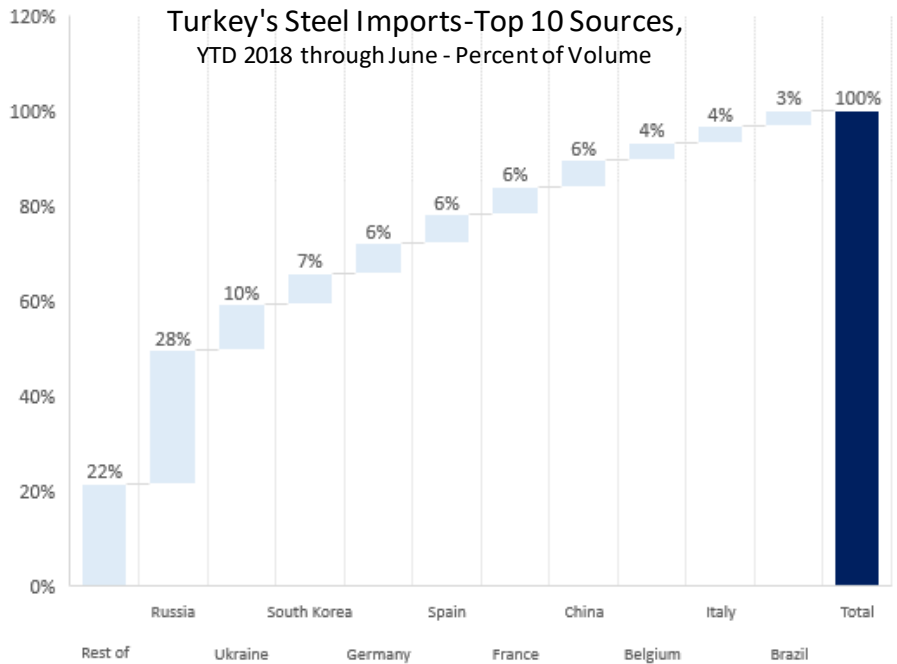


# Steel Imports Report: Turkey

## Imports by Top Source

The top 10 source countries for Turkey's steel imports represented 78 percent of the total steel import volume in 2017 at 4.7 million metric tons (mmt). Russia accounted for the largest share of Turkey's imports by source country at 28 percent (1.7 mmt), followed by Ukraine at 10 percent (583 thousand metric tons), and Korea at 7 percent (406 thousand metric tons).

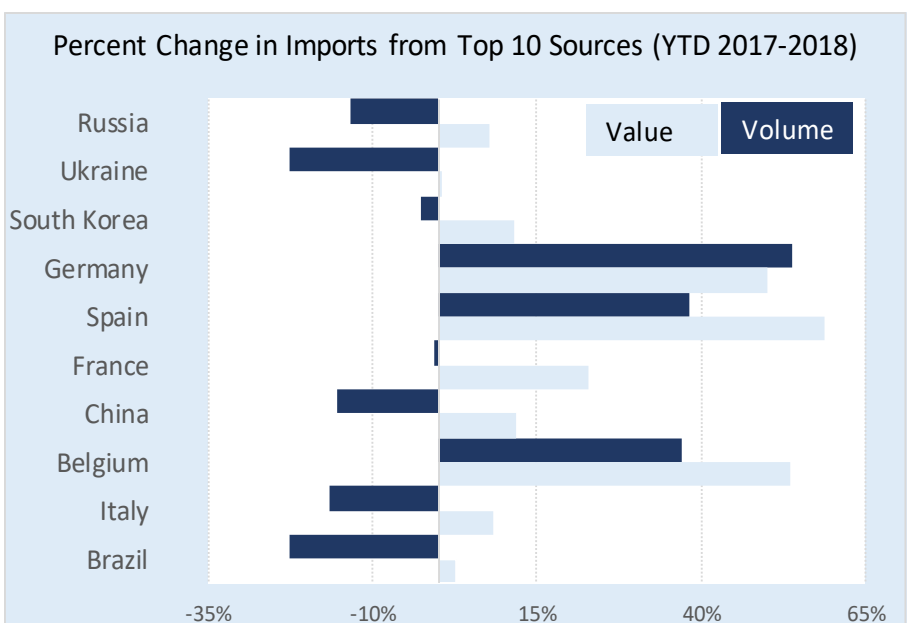
The United States ranks 42nd as a source for Turkey's steel imports in YTD 2018. Turkey imported 5 thousand metric tons from the U.S. in YTD 2018 — a 24 percent increase from 4 thousand metric tons in YTD 2017.



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

## Trends in Imports from Top Sources

While the volume of Turkey's steel imports decreased from seven of its top ten steel import sources between YTD 2017 and YTD 2018, the overall value of Turkey's steel imports increased from all of the top ten over the same period. Turkey's imports from Spain increased the most by value (+59%), followed by Belgium (+53%), then Germany (+50%), China (+12%), Korea (+11%), Russia and Italy (both +8%), Brazil (+3%), and Ukraine (+1%).



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

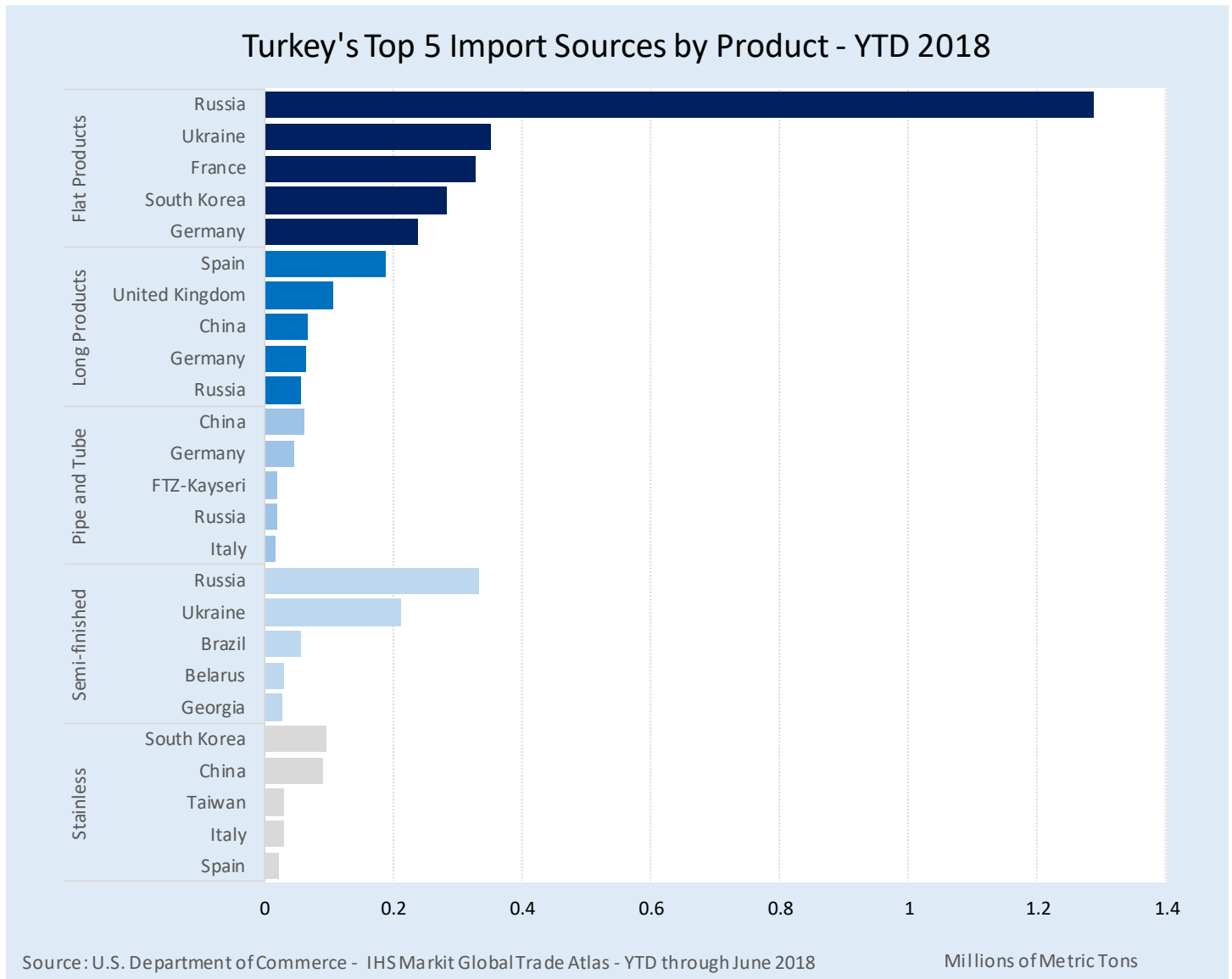
Turkey's imports from Germany increased the most by volume in YTD 2018 (+54%), followed by Spain (+38%) and Belgium (+37%). Turkish imports from Brazil and Ukraine decreased the most (both were -23% by volume in YTD 2018, compared with YTD 2017). Turkey's steel imports from China also decreased 16 percent by volume, followed by Russia (-13%), Korea (-3%), and France (-1%) in YTD 2018.

# 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 and at 32 percent (1.3 million metric tons) and semi-finished products at 45 percent (333 thousand metric tons).

Spain accounted 26 percent of Turkey's imports of long products at (188 thousand metric tons), while Korea held the largest share of Turkey's imports of stainless products at 27 percent (96 thousand metric tons). China was Turkey's largest source of pipe and tube imports at 29 percent (61 thousand metric tons) and the second largest share of stainless products at 25 percent (90 thousand metric tons).



# Steel Imports Report: Turkey

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

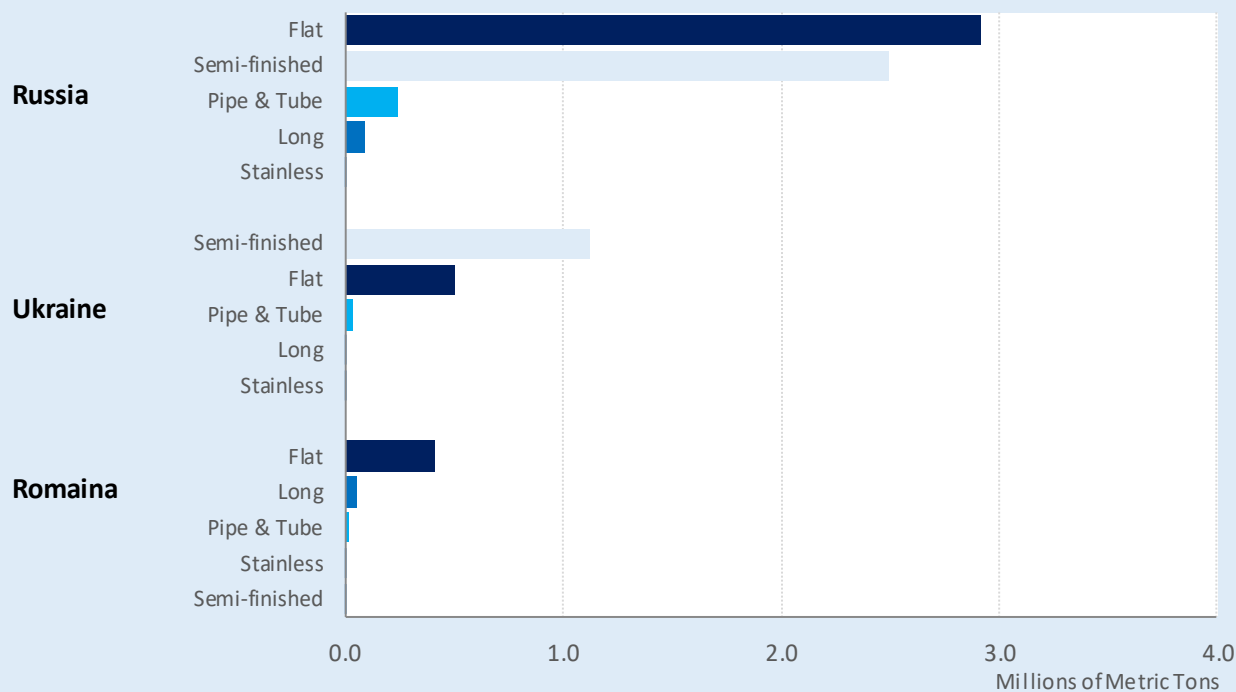
In 2017, the share of steel exports sent to Turkey from its top import sources decreased in six of Turkey's top 10 import source countries. In tonnage terms Ukraine's steel exports to Turkey showed the largest decrease (down 1.1 percentage points), followed by Brazil (down 2.4 percentage points) and 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).

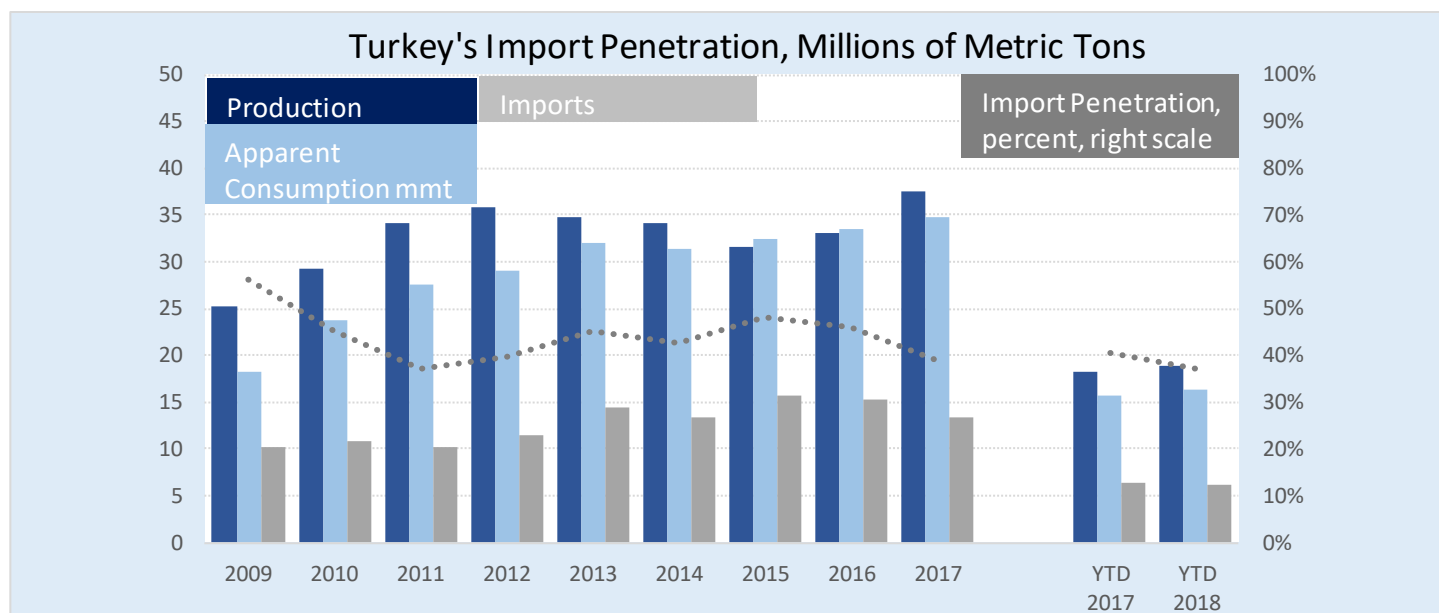
Steel Import Composition of Top Market-Share Countries-2017



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	YTD 2017	YTD 2018
Production	25.3	29.1	34.1	35.9	34.7	34.0	31.5	33.2	37.5	18.2	18.9
Apparent Consumption	18.2	23.8	27.6	29.0	32.1	31.5	32.4	33.5	34.7	15.6	16.3
Imports	10.2	10.7	10.3	11.5	14.4	13.4	15.6	15.4	13.4	6.3	6.1
Import Penetration	56.2%	45.1%	37.3%	39.6%	44.9%	42.4%	48.3%	45.9%	38.6%	40.3%	37.2%

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

Turkey's crude steel production increased 4 percent from 18.2 million metric tons in YTD 2017 to 18.9 million metric tons in YTD 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. 2017 saw growth in both production and apparent consumption with the former outpacing the latter by 2.9 million metric tons. Between 2009 and 2017, Turkey's steel imports increased by 31 percent from 10.2 million metric tons to 13.4 million metric tons. Over the same period, Turkey's level of import penetration decreased by 17.6 percentage points. In YTD 2018, import penetration was 37.2 percent, down from 40.3 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.

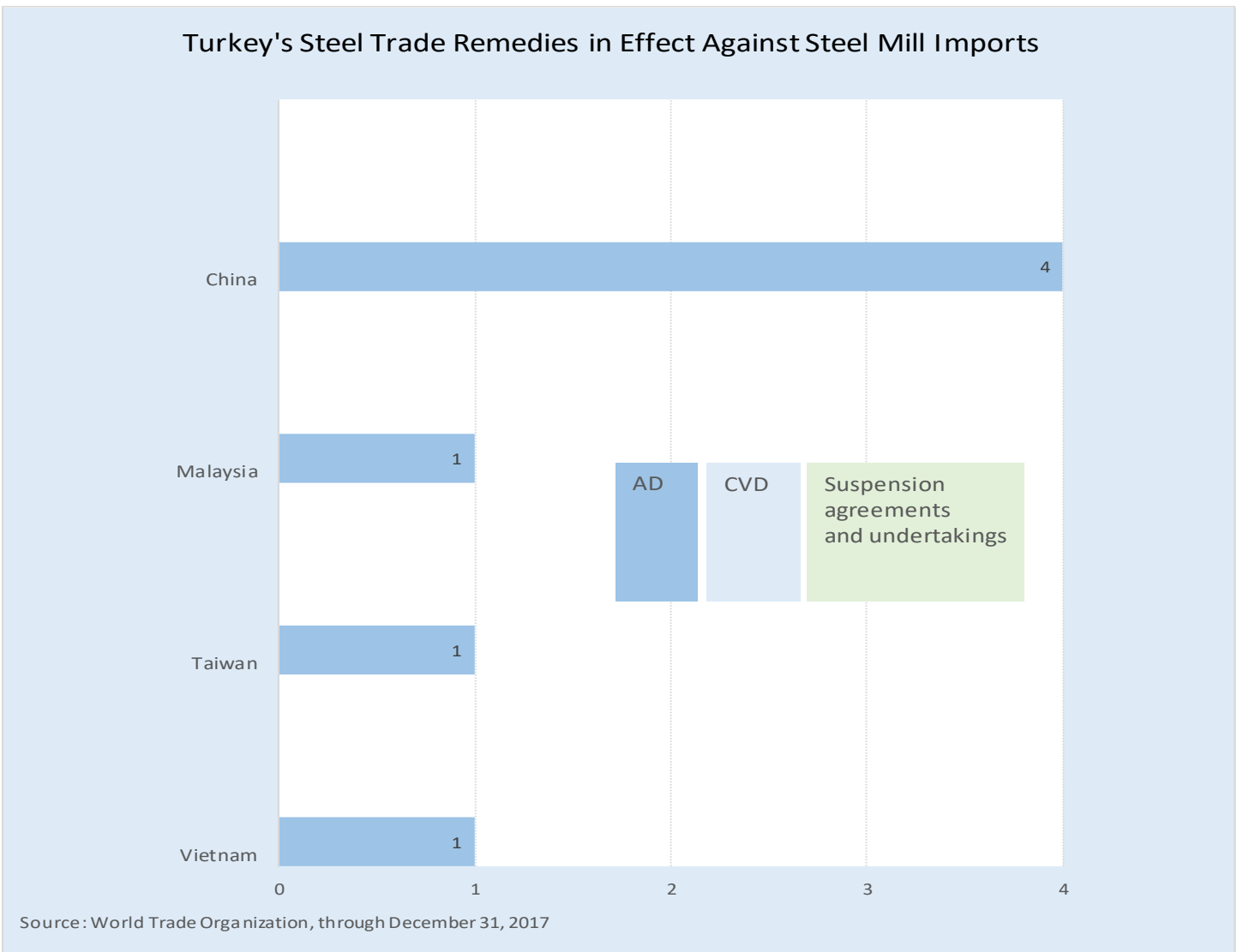
Rank	Company	Production (mmt)	Main Products
1	Erdemir Group	8.6	Flat products, wire rod, pipe
2	Içdas	3.7 (2014)	Billets, reinforcing bars, wire rod
3	Habas	2.5 (capacity)	Carbon, stainless, hot-rolled
4	Isdemir (owned by Erd	N/A	Hot-rolled flat, billets, reinforcing bars, profiles, structural steel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





# 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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