INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Imports Report: **Malaysia**

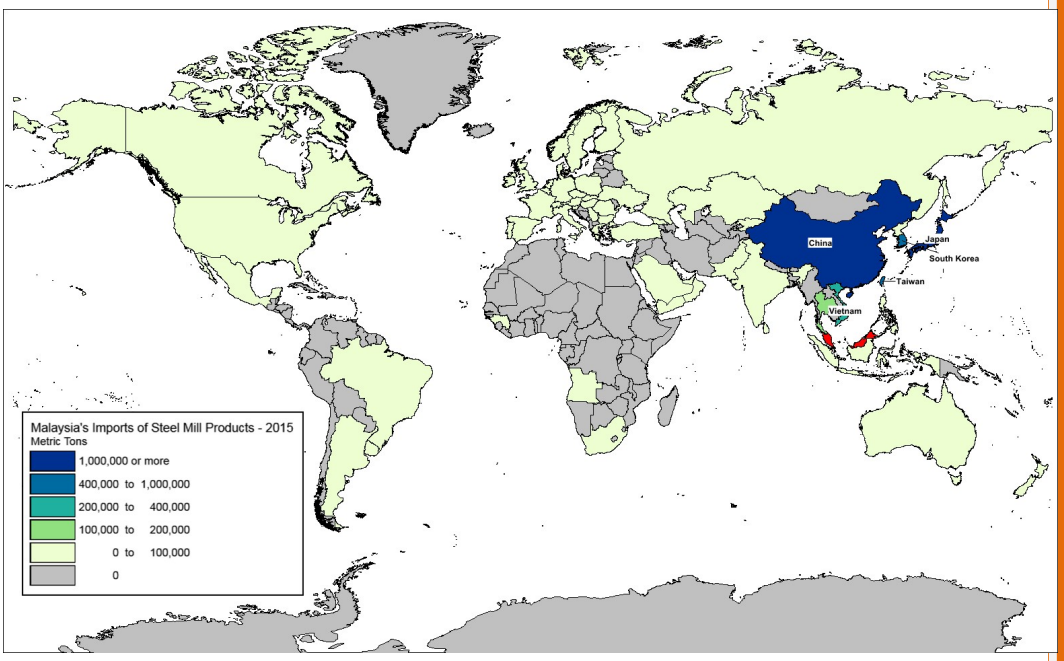
November 2016

Background

Malaysia was the world's fifteenth-largest steel importer in 2015. In 2015, Malaysia imported 7.7 million metric tons of steel, a 3 percent increase from 7.5 million metric tons in 2014. Malaysia's imports represented about 2 percent of all steel imported globally in 2015. The volume of Malaysia's 2015 steel imports was slightly more than a third of the world's third-largest and Asia's largest importer, South Korea. In value terms, steel represented just 2.9 percent of the total goods imported into Malaysia in 2015.

Malaysia imports steel from over 100 countries and territories. The five countries labeled in the map below represent the top import sources for Malaysia's imports of steel, with each sending more than 200 thousand metric tons to Malaysia and together accounting for 89 percent of Malaysia's steel imports in 2015.

Malaysia's Imports of Steel Mill Products - 2015



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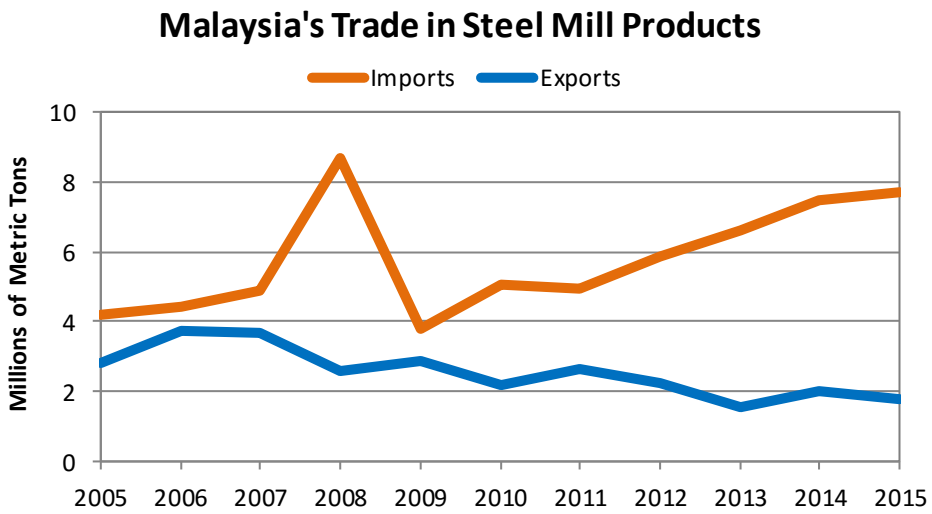
Quick Facts:

- World's fifteenth- largest steel importer: 7.7 million metric tons (2015)
- 102% growth in steel imports since 2009
- Year-on-year import volume up 3% while import value down 25%
- Import penetration at 79% in 2015
- Top three import sources: China, Japan, South Korea
- Largest producers: Megasteel, Antara Steel Mills, Southern Steel
- 8 trade remedies in effect against imports of steel mill products

Steel Imports Report: **Malaysia**

Steel Trade Balance

Malaysia is a net importer of steel mill products. Since 2010, Malaysia's level of steel imports has been trending upwards after rising sharply in 2008 and falling quickly afterwards in 2009. Between 2009 and 2015, Malaysia's imports increased by 102 percent. Over the same period, Malaysia's steel exports gradually declined by 39 percent.



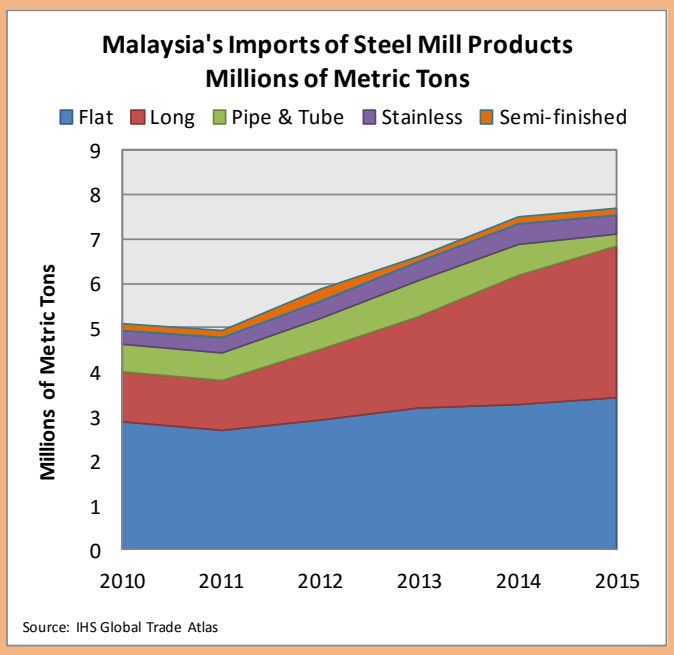
Source: IHS Global Trade Atlas

Between 2009 and 2015, Malaysia's steel trade deficit widened from -1.4 million metric tons to -5.9 million metric tons, a 530% increase.

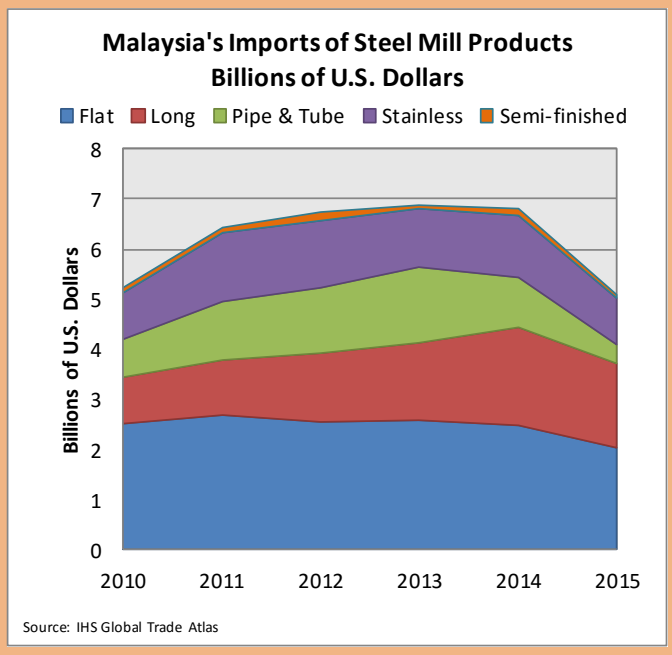
Import Volume, Value, and Product

In 2015, the volume of Malaysia's steel imports increased by 3 percent to 7.7 million metric tons from 7.5 million metric tons in 2014. By contrast, the value of Malaysia's 2015 steel imports decreased by 25 percent to $5.1 billion from $6.8 billion in 2014, which can be attributed to a significant drop in global steel prices.

Flat and long products accounted for 44 percent of Malaysia's steel imports by volume in 2015, a total of 3.4 million metric tons each. Stainless steel products accounted for 6 percent of Malaysia's imports (424 thousand metric tons), followed by pipe & tube at 4 percent (290 thousand metric tons) and semi-finished products at 2 percent (168 thousand metric tons).



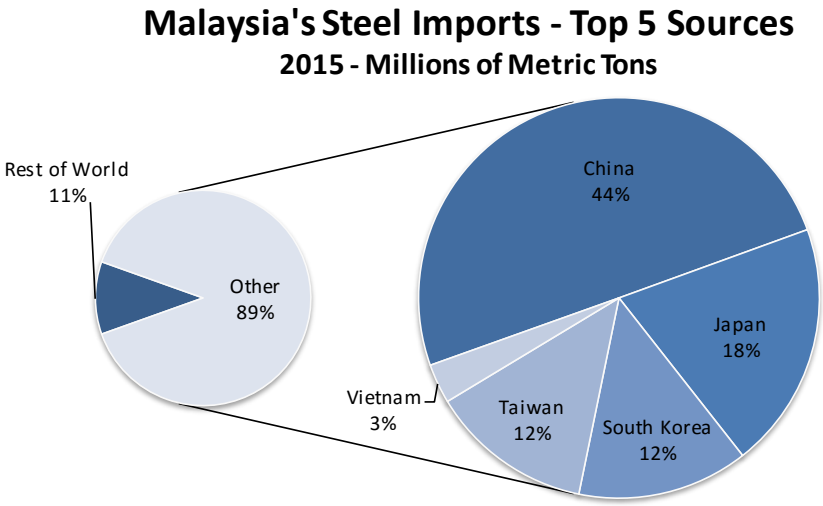
Source: IHS Global Trade Atlas



Source: IHS Global Trade Atlas

Imports by Top Source

The top 5 source countries for Malaysia's steel imports represented 89 percent of the total steel import volume in 2015 at 6.9 million metrics tons (mmt). China accounted for the largest share of Malaysia's imports by source country at 44 percent (3.4 mmt), followed by Japan at 18 percent (1.4 mmt), South Korea and Taiwan both at 12 percent (0.9 mmt), and Vietnam at 3 percent (0.2 mmt).



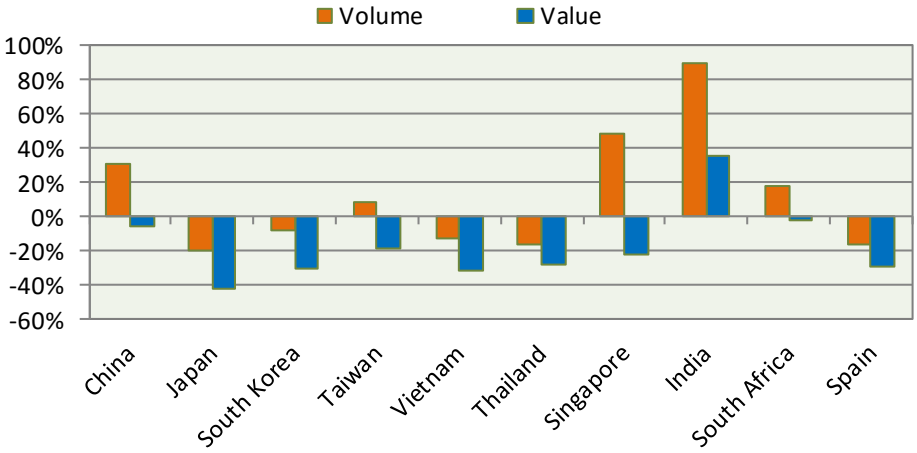
Source: IHS Global Trade Atlas

The United States ranked 18th as source for Malaysia's imports of steel in 2015 at 15.5 thousand metric tons.

Trends in Imports from Top Sources

While the volume of Malaysia's steel imports increased from half of its top 10 steel import sources between 2014 and 2015, the overall value of Malaysia's imports decreased from nine of the top ten, reflecting the decline in global steel prices.

Considerable decreases in Malaysia's steel import value between 2014 and 2015 included Malaysia's imports from Japan (down 42.2%), Vietnam (down 32.2%), South Korea (down 30.2%), and Spain (down 29.1%). Only imports from India increased in value, up 35.9 percent in 2015. Malaysia's imports from India also showed the largest increase in volume, up 89.7 percent in 2015.



Source: IHS Global Trade Atlas
*Brazil plotted on secondary axis

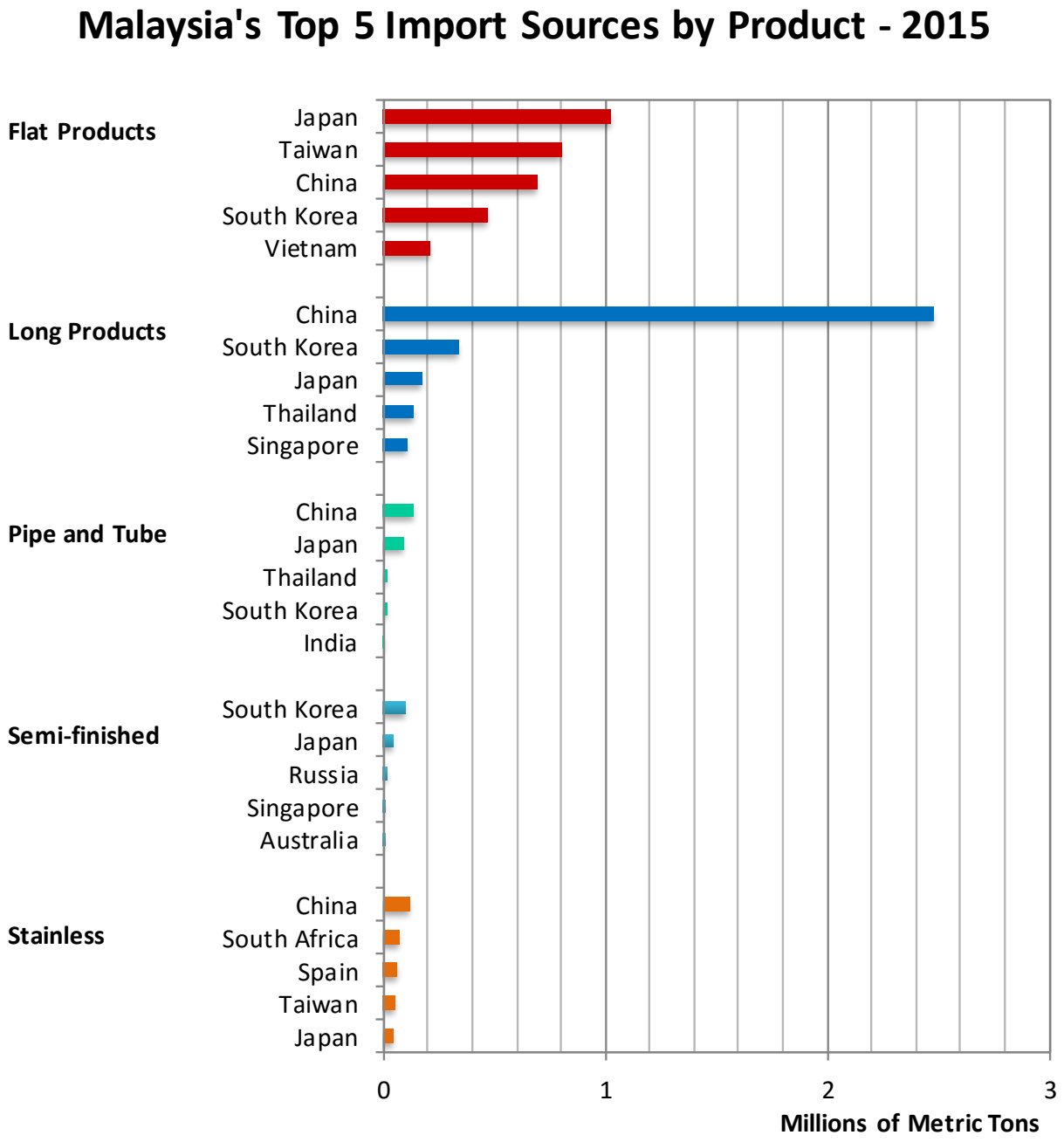
Other sizeable increases in Malaysia's steel import volume also occurred from Singapore (up 49.1%), and China (up 30.3%).

Outside of the top 10 sources, other significant volume changes included Malaysia's imports from Indonesia (down 71%), and the United States (up 66%).

Top Sources by Steel Product Category

The top source countries for Malaysia's imports by volume vary across types of steel products. China accounted for the largest share of Malaysia's imports of long, pipe and tube, and stainless steel products in 2015 at 73 percent (2.5 million metric tons), 46 percent (133 thousand metric tons), and 27 percent (115 thousand metric tons), respectively. In 2015, South Korea represented the largest share of Malaysia's imports of semi-finished products at 61 percent (103 thousand metric tons).

The United States was not a top import source in any product category in 2015.



Source: IHS Global Trade Atlas

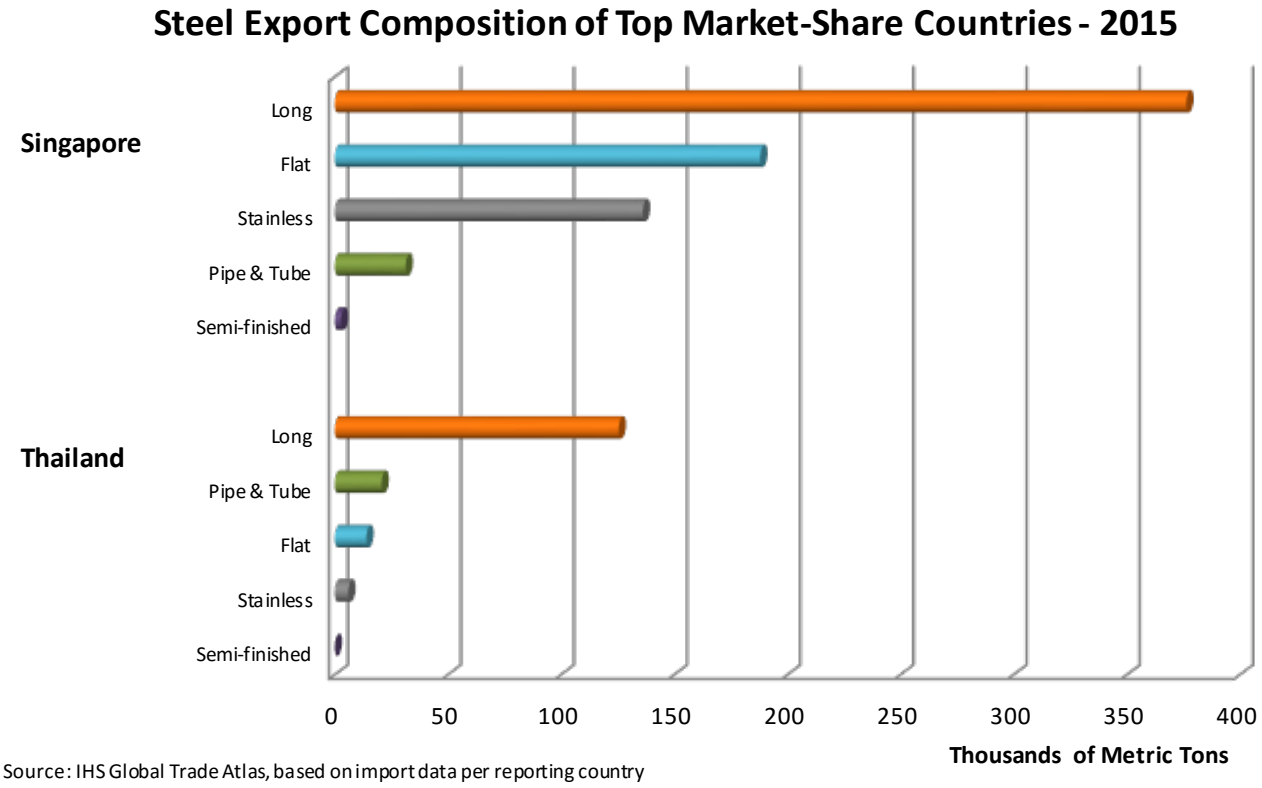
Malaysia's Export Market Share from Top Source Countries

In 2015, the share of steel exports sent to Malaysia from its top import sources increased in the majority of sources. In 2015, the share of the Singapore's steel exports to Malaysia showed the largest increase (up 9.7 percentage points). Increases in the share of exports to Malaysia in each Taiwan, South Africa, India, China, and South Korea ranged from 0.1 to 1.5 percentage points. In the same year, the share of Thailand's steel exports to Malaysia showed the largest decrease (down 3.8 percentage points). The share of exports to Malaysia in Japan and Spain decreased by less than one percentage point.

Exports to Malaysia from Top 10 Partners			
Commodity: SMP_6-digit_ALL			
Metric Tons			
	exports to world		exports t
	2014	2015	2014
China	91,282,077	109,993,460	2,412,721
Japan	41,215,519	40,701,607	1,600,219
South Korea	31,564,084	30,856,244	865,778
Taiwan	12,010,842	11,106,904	804,018
Vietnam*	2,817,517	N/A	257,536
Thailand	1,355,537	1,447,375	206,768
Singapore	2,056,255	1,697,122	689,728
India	9,674,228	7,263,940	67,662
South Africa	2,283,609	2,188,431	60,480
Spain	9,914,823	9,526,187	79,024

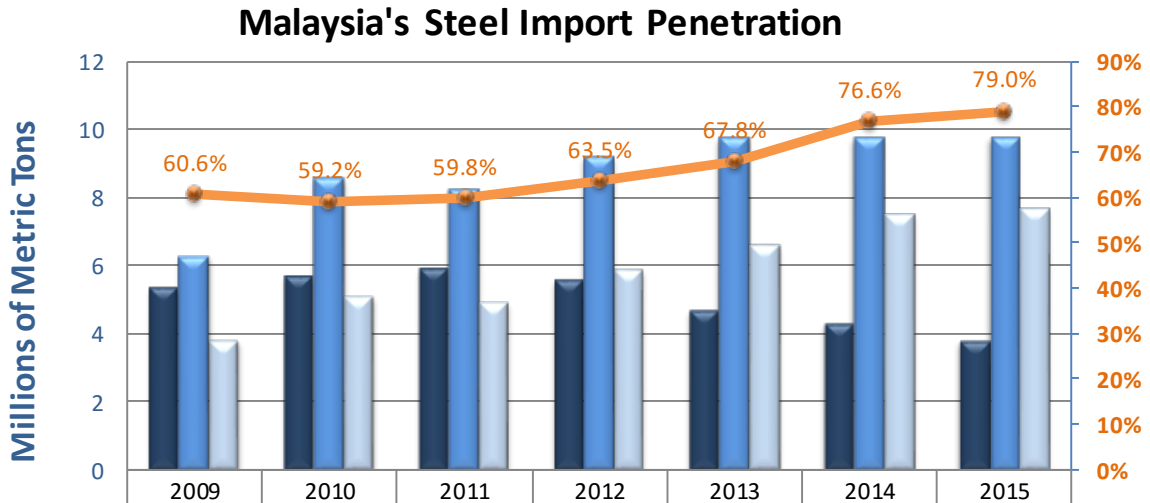
Source: IHS Global Trade Atlas, based on import data per reporting country
* 2015 Vietnam export data is not available

Among Malaysia's top import sources, Singapore and Thailand sent the largest shares of their total steel exports to Malaysia in 2015. Long products accounted for the largest share of steel exports to Malaysia from both Singapore and Thailand at 51 percent (376 thousand metric tons) and 76



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

Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015
Production	5.4	5.7	5.9	5.6	4.7	4.3	3.8
Apparent Consumption	6.3	8.6	8.2	9.2	9.7	9.8	9.7
Imports	3.8	5.1	4.9	5.9	6.6	7.5	7.7
Import Penetration	60.6%	59.2%	59.8%	63.5%	67.8%	76.6%	79.0%

Source: World Steel Association; IHS Global Trade Atlas

Malaysia's crude steel production decreased by 19 percent between 2009 and 2014 and 12 percent between 2014 and 2015. Over the same period, apparent consumption (a measure of steel demand) grew by 55 percent, and demand significantly outpaced production. With rising import levels, twice as large as Malaysia's production in 2015, imports contribute substantially to steel demand. Import penetration has increased nearly every year since 2009 2015 and amounted to 79 percent in 2015.

Top Producers

According to the Malaysian Iron and Steel Industry Federation, Malaysia has over 100 steel manufacturing and processing facilities. The five largest steel-producing companies account for the majority of Malaysia's estimated steelmaking capacity, with members of The Lion Group alone accounting for more than half of Malaysia's total steelmaking capacity of 10.6 million metric tons in 2015.

Malaysia's Top Steel Producers in 2015

Rank	Company	Capacity (mmt)	Main Products
	Megasteel (The Lion Group)	4	Hot-rolled/cold-rolled coils
	Antara Steel Mills (The Lion Group)	1.5	Bars, sections
	Southern Steel	1.5	Billets, bar, wire rod, pipe & tube
	Amsteel Mills (The Lion Group)	1.2	Bars, wire rod
	CSC Steel	0.9	Hot-rolled/cold-rolled coils and sheets, galvanized

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2014*; Malaysia Steel Institute; Company websites

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 Malaysia has against imports of steel mill products from various countries. Malaysia has one steel mill safeguard in effect.

Malaysia's Trade Remedies in Effect Against Steel Mill Imports

Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	3			3
Indonesia	2			2
South Korea	2			2
Taiwan	1			1
TOTAL	**8**	**0**	**0**	**8**

Source: World Trade Organization, through June 30, 2016

Global Steel Mill Safeguards in Effect

Country	Product(s)
Chile	Steel wire rod
India	1) Seamless pipes, tubes and hollow profiles of iron or non-alloy steel (other than cast iron and stainless steel); 2) Hot-rolled steel in coils
Indonesia	1) Articles of finished casing and tubing; 2) Articles of iron or steel wire; 3) Flat-rolled products of iron or non-alloy steel; 4) I and H sections of other alloy steel
Malaysia	Hot-rolled steel plate
Morocco	1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods
Philippines	Steel angle bars
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
Ukraine	Casing and pump compressor seamless steel pipes
Vietnam	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through August 22, 2016

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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