

Steel Trade

Steel exports at 32.60 million tons, down 7.6%; imports at 8.44 million tons, with imports from China hitting a record high

Japan's steel exports in 2005 totaled 32.60 million tons, down 7.6% from the previous year, marking the first falloff in two years. Factors behind this decline were tightening supply and demand in the domestic market and a slackened balance in other Asian markets, particularly China. The largest market for Japanese steel products was South Korea (7.74 million tons), followed by China (5.78 million tons), Thailand (4.10 million tons), and Taiwan (3.61 million tons). Shipments to these four markets accounted for 65.1% of Japan's steel exports.

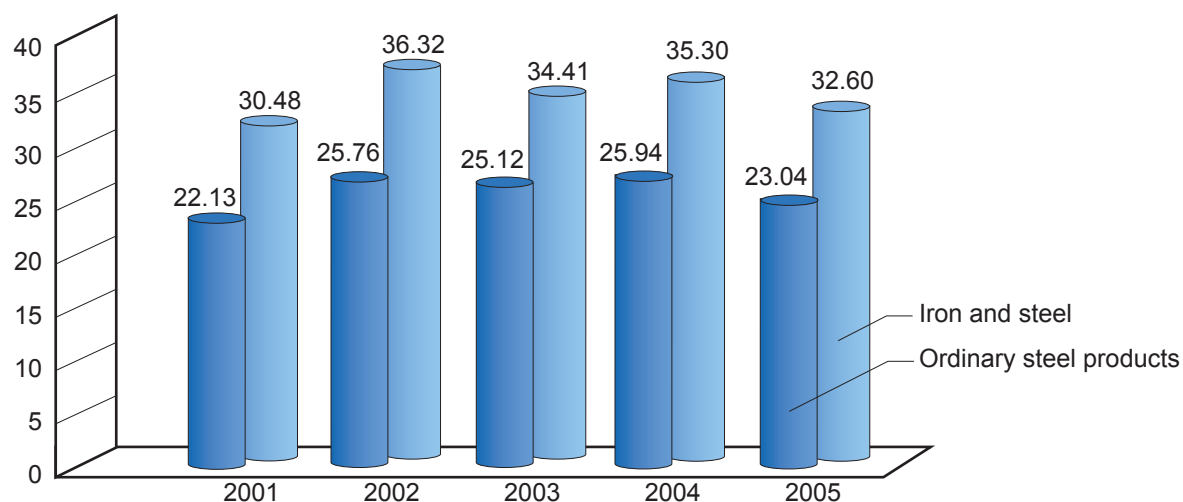
By destination, exports to South Korea dropped 13.6% from the previous year's 8.95 million tons for the third consecutive year of decline. The decline came about because shipments of hot-rolled sheets and strips, galvanized sheets, and special steel products decreased, although those of ingots and semifinished products, plates, and shapes increased. Similarly, China-bound exports dropped a sharp 16.1% from 6.89 million tons the previous year. Shipments of plates, hot-rolled sheets and strips, and electrical sheets increased, while those of galvanized sheets, cold-rolled sheets and coils, and special steel products decreased. On the other hand, lifted by increasing shipments of such products as galvanized sheets and special steel products, exports to Thailand rose 6.1%, to 4.10 million tons, for the fourth consecutive year of growth. Exports to Taiwan of both ordinary steel products and special steel products decreased, while shipments of semis to that market doubled. Steel exports to Taiwan overall rose 11.4%.

By type of product, ordinary steel products accounted for 70.7% of all Japanese steel exports in 2005, special steel represented 14.1%, and ingots and semis came to 12.5%. Exports of ordinary steel products fell 11.2% from the previous year, to 23.04 million tons. A breakdown of ordinary steel products shows that shipments of hot-rolled sheets and strips plunged 17.4%, and those of galvanized sheets and cold-rolled sheets and coils declined significantly as well. Thus, shipments of all major products, except for heavy and medium plates, dropped from the previous year's level. Furthermore, exports of special steel products were down 14.6%, to 4.59 million tons. On the other hand, exports of ingots and semis totaled 4.07 million tons, soaring 30.9%.

Japan's steel imports in 2005 surged 19.7% over the previous year, to 8.44 million tons, for the third straight year of growth. Ordinary steel products accounted for 50.2% of total imports, at 4.23 million tons, followed by ferroalloys, pig iron, secondary products, and special steel products. Of ordinary steel products, cold-rolled sheets and coils shot up 41.2%, while hot-rolled sheets and strips, the largest import items, rose 6.5%. On the other hand, imports of special steel products were down 1.7%, to 0.29 million tons. The largest supplier of ordinary steel products to Japan was South Korea, which shipped 2.37 million tons, up 25.2%, followed by Taiwan, with 0.89 million tons, up 11.4%. Shipments from China jumped 51.2%, to 0.82 million tons. Imports from these three countries together accounted for 96.5% of all ordinary steel products Japan imported in 2005. Ordinary steel imports from China reached an all-time high, breaking the previous record of 0.77 million tons, which was posted in 1995.

Japanese Steel Exports

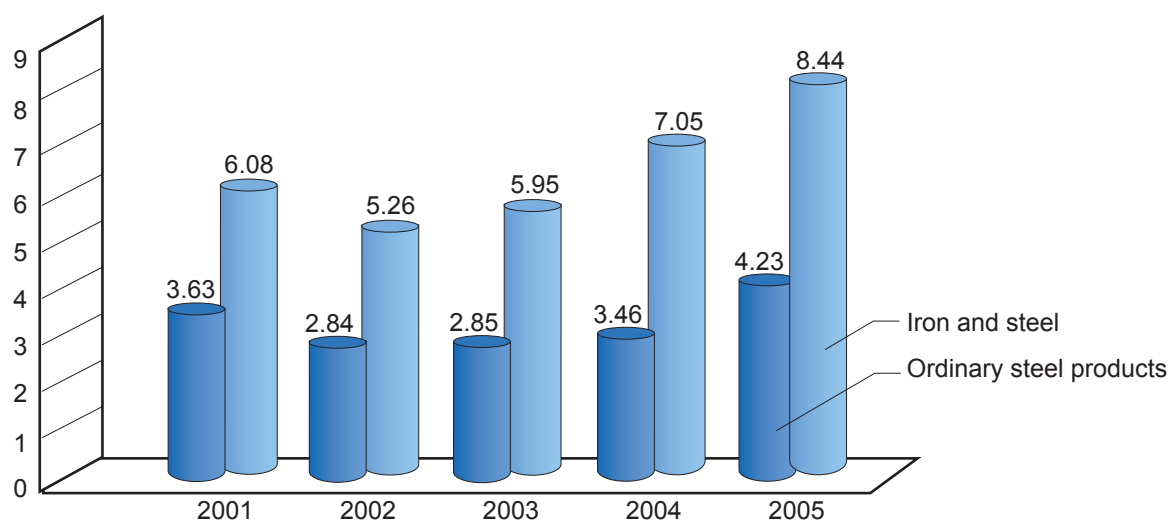
(Million tons)



Source: "Customs Clearance Statistics," Ministry of Finance

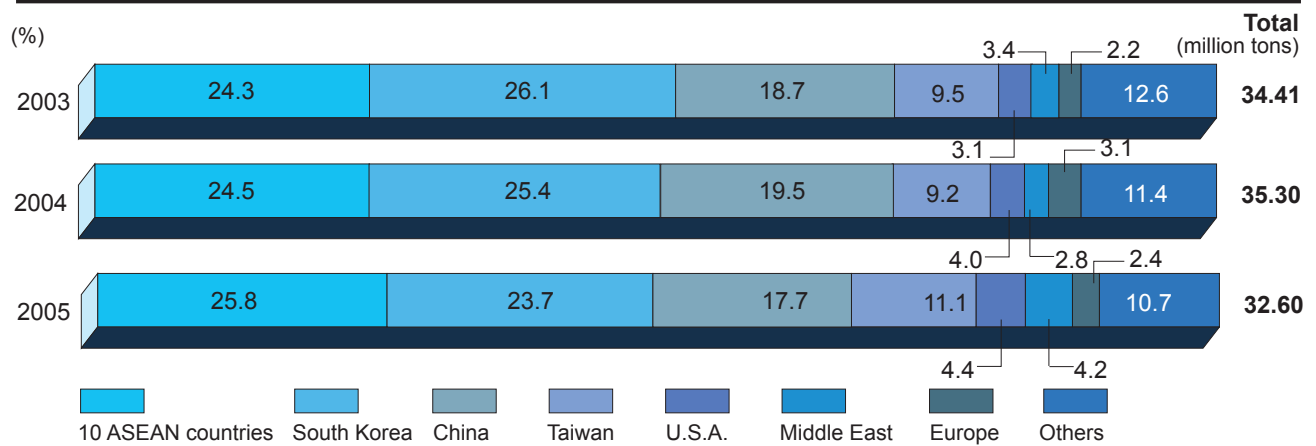
Japanese Steel Imports

(Million tons)

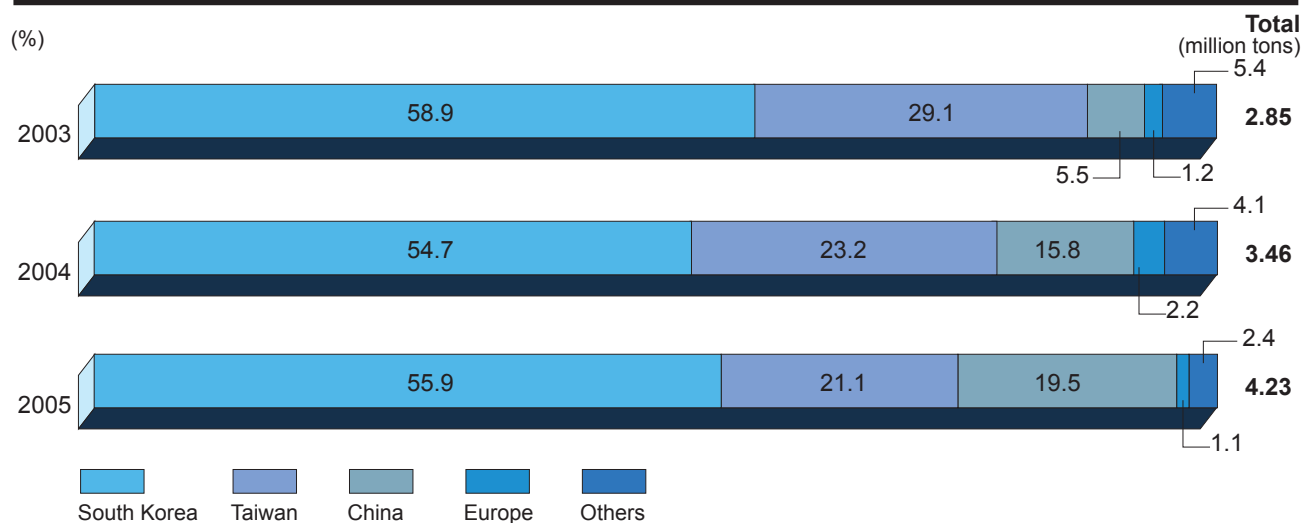


Source: "Customs Clearance Statistics," Ministry of Finance

• Iron and Steel Exports by Destination



• Ordinary Steel Product Imports from Major Suppliers



Source: "Customs Clearance Statistics," Ministry of Finance

• Iron and Steel Exports by Type of Steel

(Thousand tons)

Product		2003	2004	2005	Share (%)	Change (2005/2004) (%)
Pig iron		110	36	34	0.1	-6.5
Ingots and semis		3,019	3,112	4,072	12.5	30.9
Ordinary steel products	Long products	2,954	2,696	2,298	7.0	-14.7
	Rails and accessories	316	334	267	0.8	-19.9
	Shapes and sheet pilings	1,090	965	829	2.5	-14.1
	Bars	920	739	652	2.0	-11.8
	Wire rods	628	657	550	1.7	-16.4
	Flat-rolled products	19,751	20,475	18,278	56.1	-10.7
	Heavy and medium plates	2,114	2,615	2,789	8.6	6.6
	Hot-rolled sheets and strips	7,523	7,073	5,839	17.9	-17.4
	Cold-rolled sheets and coils	3,319	3,627	3,272	10.0	-9.8
	Electrical sheets	768	857	868	2.7	1.4
	Tinplate	625	553	478	1.5	-13.5
	Galvanized sheets	4,865	5,211	4,569	14.0	-12.3
	Other surface-treated and coated sheets	537	540	463	1.4	-14.1
	Tubular products	2,415	2,770	2,462	7.6	-11.1
Total		25,121	25,941	23,039	70.7	-11.2
Special steel products		5,296	5,375	4,589	14.1	-14.6
Secondary products		511	588	597	1.8	1.6
Others		355	251	275	0.8	9.5
Total		34,412	35,302	32,604	100.0	-7.6
Value (US\$ million)		19,209	25,001	29,629	—	18.5

Source: "Customs Clearance Statistics," Ministry of Finance

Note: "Others" comprises the total of ferroalloys, cast-iron pipes and clad steel.

• Iron and Steel Imports by Type of Steel

(Thousand tons)

Product		2003	2004	2005	Share (%)	Change (2005/2004) (%)
Pig iron		562	602	1,063	12.6	76.7
Ingots and semis		11	99	281	3.3	183.7
Ordinary steel products	Long products	156	259	484	5.7	86.5
	Rails and accessories	5	6	4	0.1	-24.0
	Shapes and sheet pilings	14	105	170	2.0	62.5
	Bars	9	14	35	0.4	147.5
	Wire rods	127	135	274	3.2	103.4
	Flat-rolled products	2,607	3,115	3,636	43.1	16.7
	Heavy and medium plates	200	422	345	4.1	-18.1
	Hot-rolled sheets and strips	1,396	1,537	1,636	19.4	6.5
	Cold-rolled sheets and coils	698	819	1,157	13.7	41.2
	Electrical sheets	11	17	17	0.2	3.6
	Tinplate	28	27	23	0.3	-16.4
	Galvanized sheets	216	216	354	4.2	64.2
	Other surface-treated and coated sheets	58	77	103	1.2	34.0
	Tubular products	83	82	113	1.3	38.7
Total		2,845	3,456	4,233	50.2	22.5
Special steel products		125	299	294	3.5	-1.7
Secondary products		431	499	570	6.8	14.2
Others		1,980	2,093	1,996	23.7	-4.6
Total		5,954	7,048	8,437	100.0	19.7
Value (US\$ million)		3,521	5,788	7,634	—	31.8

Source: "Customs Clearance Statistics," Ministry of Finance

Note: "Others" comprises the total of ferroalloys, cast-iron pipes and clad steel.

Of this total, ferroalloy imports accounted for 1,899,000 tons in 2003, 2,000,000 tons in 2004, and 1,899,000 tons in 2005.