



REPUBLIC OF TURKEY
MINISTRY OF TRADE

INDUSTRY



IRON & STEEL ARTICLES OF IRON OR STEEL



TURKEY

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IRON & STEEL, ARTICLES OF IRON OR STEEL

PRODUCTION

As the iron and steel industry supplies input to almost all manufacturing sectors, it plays an important role in the industrialization and development of Turkey.

The foundations of the Turkish industrialization were laid in the 1930s. The first integrated Iron and Steel Works (KARDEMIR) facility began to operate in Karabuk in 1939 when Turkey produced raw steel for the first time. In order to meet the demand for flat products, the second integrated plant, Ereğli Iron and Steel Works (ERDEMIR) started production in 1965. In 1977, Iskenderun Iron and Steel Works (ISDEMIR), Turkey's third integrated steel mill, came into operation to meet the demand for long products and semi-products. After the '80s, investments for the production of iron and steel by electric arc furnaces started.

The takeover of ISDEMIR by ERDEMIR on condition of its conversion to flat products, which occurred as a result of liberalization in economic activities, was the most important and recent development in the Turkish steel sector. The privatization of ISDEMIR in 2002, which was the last state-owned facility, is also important as it steered the Turkish iron and steel industry to be entirely operated by the private sector.

At present, the Turkish steel industry has 19 electric arc furnaces and three integrated works, (KARDEMIR, ERDEMIR, ISDEMIR) with a total raw steel production capacity of nearly 51.8 million tons per year. In 2015 Turkey had a steel production capacity totaling 55.9 million tons, out of which some 39.1 million tons or 69.5% was for long-steel products that are mostly used in the construction sector. 16.8 million ton sor 30.5%of the raw steel capacity is directed to flat products.

**Table 1: Crude Steel Productions of Turkey
(Thousands Ton)**

| | 2014 | 2015 | 2016 | 2017 |
|--------------|-----------|--------------|--------------|-------------|
| Ingot | 24,61 | 23,23 | 23,01 | 25,8 |
| Slab | 9,42 | 8,29 | 10,14 | 11,6 |
| Total | 34 | 31,52 | 33,16 | 37,5 |

Source: Turkish Iron&Steel Producers' Association

Raw steel production in Turkey rose to 37.5 million tons and Turkey was the 8th largest steel producing country in the world by the end of 2017. By product type, 68,9% of total steel production was directed to long products and about 31,1% was for flat products in 2017. In terms of the production processes, 69,2% was electric arc furnace steel.

With the rise of new investment projects and capacity increases to production of flat steel products, the flat/long steel production imbalance in Turkish steel industry has began to change. While flat products' share in total raw steel production was 14% in 2007, the share rose to 29% in 2015 and while long products' share in total raw steel production was 86% in 2007, the share declined to 71% in 2015.

Articles of Iron or Steel

Developments in the iron and steel sector have direct input on the growth of production in iron or steel articles. At present Turkey produces a wide range of iron and steel articles which meets almost all of the domestic demand. Among iron or steel articles, casting products and steel pipes and tubes have significant importance. In kitchenware and industrial kitchen products, Turkey has built a considerable capacity in recent years and has increased the exports of these items.

With the continuous demand generated by the Turkish manufacturing industry, the casting and forgings industry of Turkey has experienced booming development both in technology and in market.

Turkish foundries, which are able to produce every kind of alloyed or unalloyed ferrous castings, specialize in the production of cast parts for domestic industries. Concerning the geographical distribution of the sector, the major foundries, which are all privately-owned, are located in Istanbul, Kocaeli, Bursa, Eskisehir, Bilecik, Izmir and Ankara. Small scale family-owned casting companies are widely spread in almost all regions of Turkey.

The remarkable increase in casting production and exports is due to the increasing domestic and world demand and government policies which encouraged many entrepreneurs to invest in the foundry sector. Turkish foundry men have managed to improve productivity with the use of new technologies and attained low production cost with high quality. The developing Turkish foundry industry is currently in a phase of expansion and aims production at international standards. The casting industry in Turkey is composed of 1,200 small, medium and large-sized foundries

EXPORTS

With the positive developments in economy in general, the iron and steel sector has shown an increase in both exports and domestic demand.

Tablo 2: Iron & Steel Exports of Turkey by Country (Million \$)

| GTP No. | Products | 2015 | 2016 | 2017 |
|------------------|--------------------------|---------------|---------------|---------------|
| 7201 | Pig iron | 3 | 3 | 3 |
| 7204 | Scrap | 147 | 147 | 189 |
| 7203, 7205, 7206 | Flat | 13 | 13 | 17 |
| 7207 | Billet, Bloom | 101 | 89 | 350 |
| 7208-7212 | Flat Products | 1.209 | 1.365 | 2.494 |
| 7213-7217 | Long Products | 4.383 | 3.859 | 4.259 |
| 7218-7229 | Special Steel Products | 578 | 512 | 679 |
| 7303-7306 | Pipes and Tubes | 1281 | 1.058 | 1.326 |
| 7307 | Pipe fittings | 122 | 103 | 108 |
| 7308 | Structure & Parts | 1245 | 1.001 | 1.048 |
| 7312-7314 | Stranded Wipes and Ropes | 144 | 138 | 156 |
| 7318 | Screw, bolt | 287 | 309 | 366 |
| 7321 | Stow, barbecue. | 327 | 305 | 346 |
| 7322 | Radiators | 389 | 366 | 427 |
| 7323 | Kitchen Articles | 255 | 225 | 234 |
| | Others | 1.484 | 1.464 | 1.839 |
| | Total | 12.022 | 11.145 | 13.841 |

Iron and steel long products with an export value of US\$ 7.1 billion were the largest product group in sector exports. Flat products with an export value of US\$ 1.8 billion were one of the largest product groups. Iron and steel pipes exports also ranked high with a value of US\$ 1.6 billion in 2015. The other important iron and steel products in exports were steel billets (US\$ 1.5 billion) and structural steel and parts (US\$ 1.1 million). Among the markets that Turkish steel products are exported, the EU and Middle East the primary export markets.

Tablo 3: Iron & Steel Exports of Turkey by Country (Million \$)

| ÜLKE | 2015 | 2016 | 2017 |
|-------------------|---------------|---------------|---------------|
| USA | 1.222 | 1.119 | 1.184 |
| Iraq | 915 | 639 | 583 |
| UAE | 648 | 511 | 167 |
| Egypt | 632 | 599 | 324 |
| Germany | 591 | 610 | 786 |
| England | 513 | 503 | 675 |
| Israel | 406 | 494 | 661 |
| Turkmenistan | 393 | 290 | 188 |
| Romania | 375 | 412 | 617 |
| Italy | 320 | 366 | 765 |
| Algeria | 269 | 242 | 284 |
| Saudi Arabia | 259 | 203 | 143 |
| Morocco | 251 | 181 | 222 |
| Ethiopia | 221 | 158 | 130 |
| France | 209 | 209 | 246 |
| Spain | 207 | 254 | 509 |
| Azerbaijan | 206 | 97 | 124 |
| Holland | 174 | 231 | 339 |
| Yemen | 154 | 247 | 349 |
| Iran | 152 | 161 | 188 |
| List Total | 8.117 | 7.526 | 10.551 |
| Total | 11.904 | 10.957 | 13.840 |

Source: Turkish Statistical Institute

TRADE FAIRS

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the potential

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