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# **Thailand**

# **Steel Market Development**

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**Iron and Steel Institute of Thailand**  
**Office of Industrial Economics**

**95th Session of OECD Steel Committee Meeting**  
**25-26 March 2024**  
**Video Conference**

# 2023 Economic updates and outlook

## “GDP growth and forecast”

(%YOY)	2022	2023	2023				2024 (f)
	Year	Year	Q1	Q2	Q3	Q4	
GDP(CVM)	2.5	1.9	2.6	1.8	1.4	1.7	2.2-3.2
Investment	2.3	1.2	3.1	0.4	1.5	-0.4	2.5
Private	4.7	3.2	2.8	1.4	3.5	5.0	3.5
Public	-3.9	-4.6	4.2	-2.1	-3.4	-20.1	-1.8
Private Consumption	6.2	7.1	5.9	7.3	7.9	7.4	3
Government Consumption	0.1	-4.6	-6.0	-4.3	-5.0	-3.0	1.5
Export of Goods	5.4	-1.7	-3.8	-5.0	-2.0	4.6	2.9
Volume	1.2	-2.9	-5.7	-5.3	-3.1	3.2	2.4
Import of Goods	14	-3.1	0.5	-6.6	-10.7	6.1	4.4
Volume	1.2	-3.6	-3.5	-4.8	-10.4	5.3	3.2
Current Account to GDP (%)	-3.2	1.3	2.7	-0.8	2.1	1.2	1.4
Inflation	6.1	1.2	3.9	1.1	0.5	-0.5	0.9-1.9

Source : NESDC

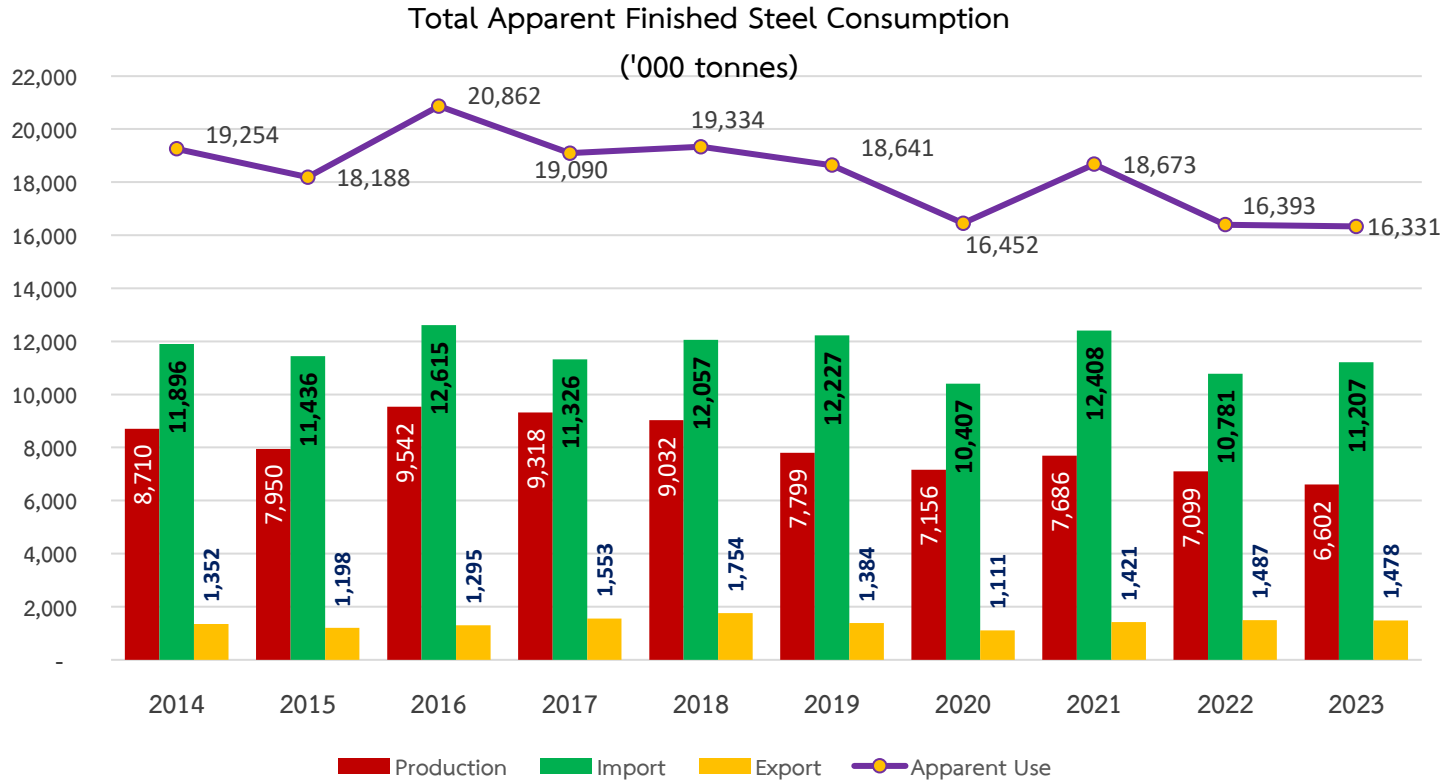
### Thai economy in 2023 grew by 1.9% due to weak exports

- Private consumption favorably expanded by 7.1 percent, and private investment expanded 3.2 percent.
- Public investment and public consumption contracted equally at 4.6 percent
- Export of goods dropped by 1.7 percent

### Thai economy in 2024 is projected to expand between the range of 2.2 - 3.2% (midpoint 2.7%)

- Key supporting factors include:
  - (1) the return to an expansion of exports of goods in line with the global economic recovery.
  - (2) the favorable growth of private consumption and private investment.
  - (3) the continued recovery of tourism sector. Private consumption expenditure and private investment are expected to increase by 3.0 percent and 3.5 percent, respectively. While, export value of goods in US dollar terms is anticipated to expand by 2.9 percent.
- Headline inflation is estimated to be in the range of 0.9 - 1.9 percent due to the strong domestic consumption.

# Thailand's apparent steel demand



Steel Consumption and steel production in 2023 lowest in a decade.

	2022	2023	%y-o-y change
Production	7,099	6,602	-7.0%
Import	10,781	11,207	4.0%
Export	1,487	1,478	-0.6%
Apparent Use	16,393	16,331	-0.4%

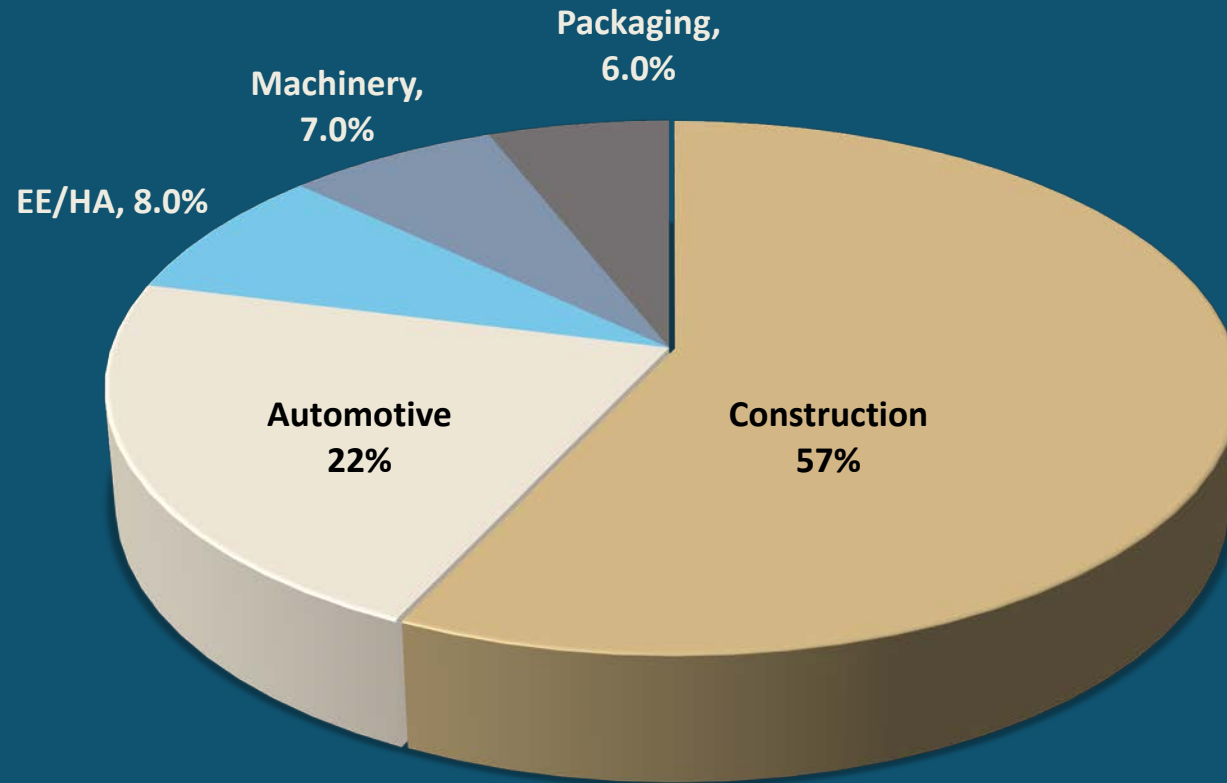
Source : Iron and Steel Institute of Thailand

In 2023, apparent steel demand in Thailand decreased 0.4% y-o-y. to 16.33 million tonne.

- Production of finished steel dropped 7% y-o-y. to 6.6 million tonne.
- Export of finished steel shrink 0.6% y-o-y. to 1.5 million tonne. While import of finished went up 4% y-o-y. to 11.2 million tonne.

# Share of steel consuming sector to the steel demand

**Demand Breakdown**



In 2022, ratio flat product demand : long product demand = 62 :38

**Demand breakdown**

Construction	57%
Automotive	22%
Electrical Appliances	8%
Machinery & Industrial	7%
Packaging	6%

Source : Iron and Steel Institute of Thailand

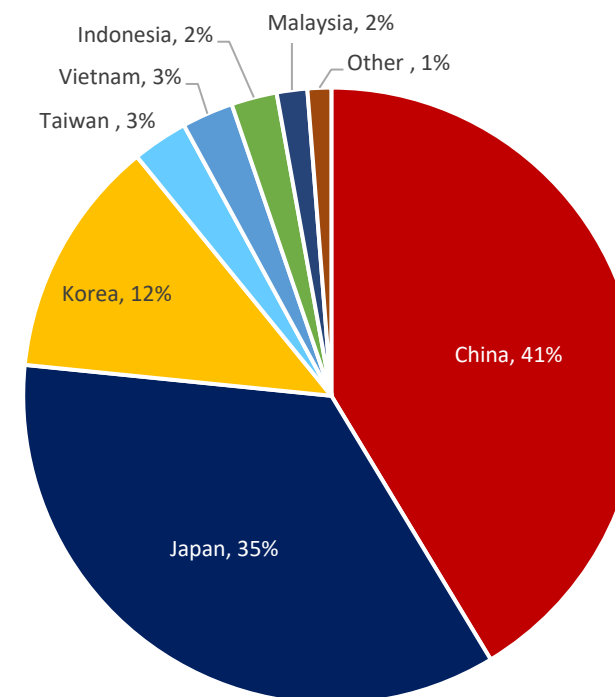
# Thailand's Import – Export Finished steel

## Import

Unit : Tonne

No.	Country	Year			% Y-o-Y 23/22	2023 Share
		2021	2022	2023		
1	China	3,620,900	3,705,178	4,585,958	↑ 23.8%	41%
2	Japan	5,286,300	4,185,532	3,909,893	↓ -6.6%	35%
3	Korea, Republic of	1,698,611	1,461,100	1,390,132	↓ -4.9%	12%
4	Taiwan Province of China	513,928	420,254	324,207	↓ -22.9%	3%
5	Vietnam	455,747	306,830	299,115	↓ -2.5%	3%
6	Indonesia	141,932	202,624	265,772	↑ 31.2%	2%
7	Malaysia	219,451	170,986	177,719	↑ 3.9%	2%
8	Russian Federation	2,118	94,342	44,671	↓ -52.6%	0%
9	Lao Republic	10,927	6,921	36,867	↑ 432.7%	0%
10	Singapore	12,667	4,268	34,353	↑ 705.0%	0%
	Other	445,501	222,662	138,215	↓ -37.9%	1%
Grand Total		12,408,082	10,780,697	11,206,902	↑ 4.0%	100%

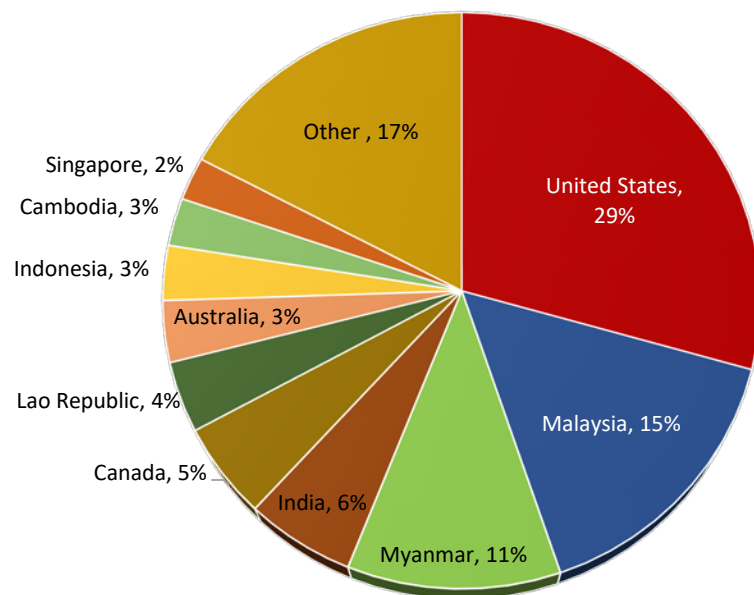
## The major countries for import finished steel products 2023



- In 2023, Import of finished steel increased 4% y-o-u at the amount 11.2 million tonne.
- The major import countries were China (41% share), Japan (35% share), Korea (12% share) and Taiwan (3% share).

# Thailand's Import – Export Finished steel

**The major countries for export finished steel products 2023**



## Export

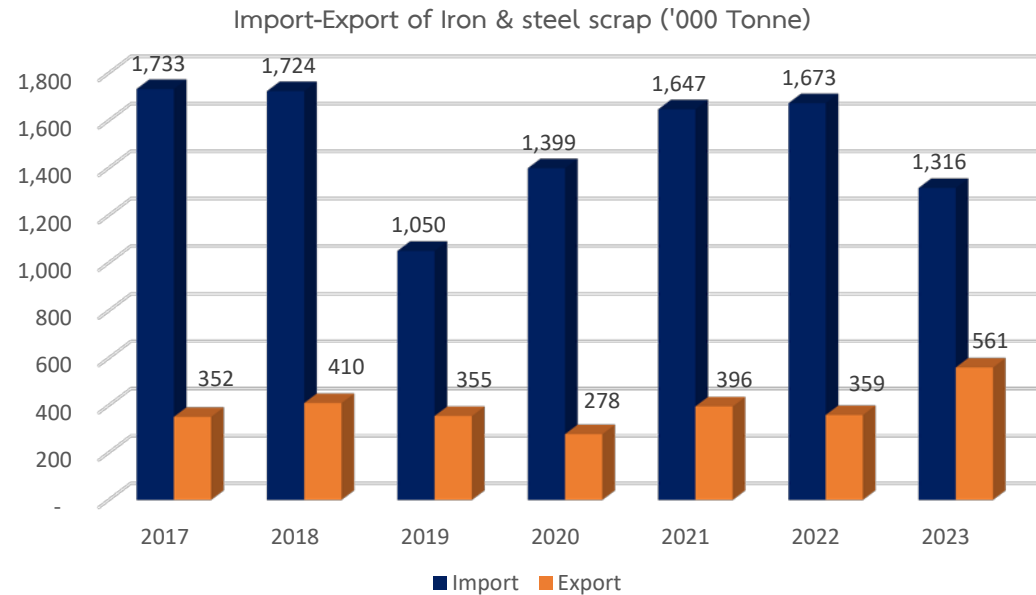
Unit : Tonne

No.	Country	Year			% Y-o-Y 23/22	2023 Share
		2021	2022	2023		
1	United States	246,190	261,818	434,087	↑ 65.8%	29%
2	Malaysia	171,828	244,128	228,376	↓ -6.5%	15%
3	Myanmar	83,267	108,777	165,502	↑ 52.1%	11%
4	India	46,173	60,038	85,325	↑ 42.1%	6%
5	Canada	38,204	141,142	78,107	↓ -44.7%	5%
6	Lao Republic	72,872	54,290	58,365	↑ 7.5%	4%
7	Australia	32,569	25,722	50,941	↑ 98.0%	3%
8	Indonesia	126,330	103,747	45,505	↓ -56.1%	3%
9	Cambodia	27,365	33,482	39,842	↑ 19.0%	3%
10	Singapore	50,288	56,368	36,149	↓ -35.9%	2%
	Other	525,732	397,687	255,918	↓ -35.6%	17%
Grand Total		1,420,818	1,487,199	1,478,119	↓ -0.6%	100%

- In 2023, Export of finished steel decreased 0.6% y-o-u at the amount 1.48 million tonne.
- The major export countries were USA (29% share), Malaysia (15% share), Myanmar (11% share) and India (6% share).

# Scrap Situation in Thailand

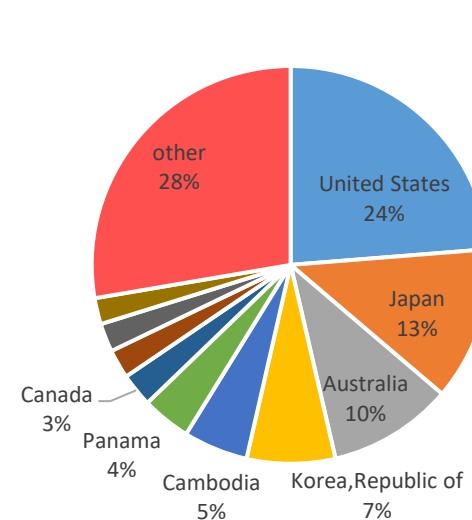
Imports of scrap steel decreased while exports expanded, Showing demand from export market.



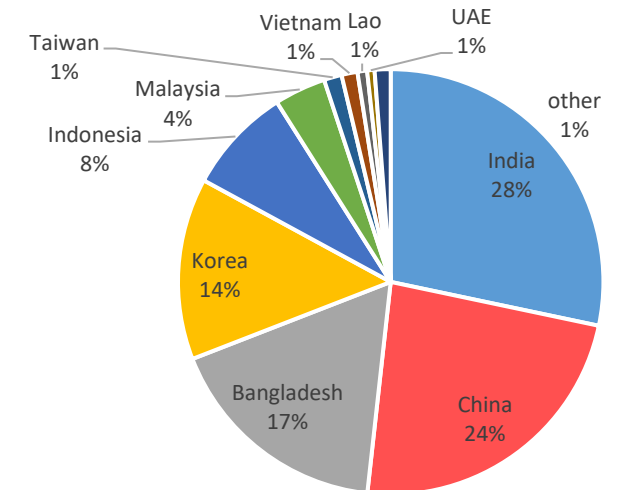
- Import Scrap steel in Thailand shows a positive trend in since 2019. Though in 2023, import scrap decreased 21.4% y-o-y. at 1.32 Million tonne. While export in 2023 increased 56.1% y-o-y. at 560,601 tonne
- Major market of import are United States, Japan, Australia and Korea. The main export market are India, China, Bangladesh and Korea.

Iron & steel scrap ('000 Tonne)	2017	2018	2019	2020	2021	2022	2023	23/22 Y-o-Y
Import	1,733	1,724	1,050	1,399	1,647	1,673	1,316	-21.4%
Export	352	410	355	278	396	359	561	56.1%

Major market import in 2023



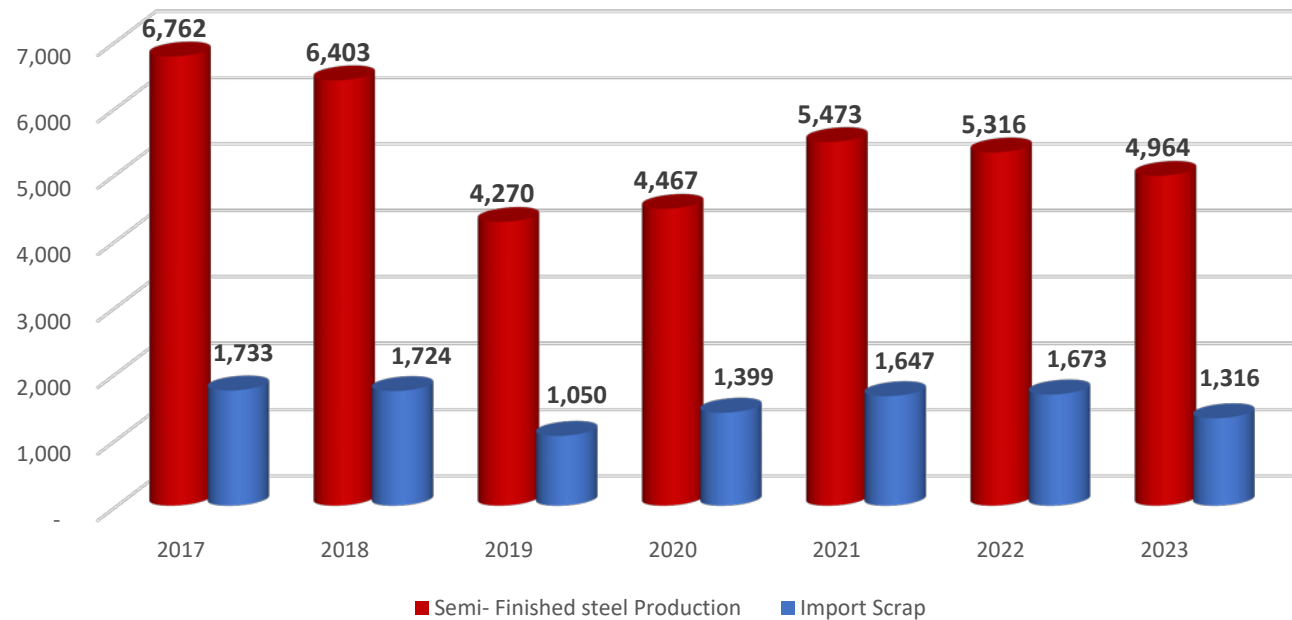
Major market export in 2023



# Thailand Semi-Finished Steel production

Slowdown in scrap import in line with the declining production of Semi-finished steel

Thailand Semi-Finished Steel production ('000 tonne)



- Semi-Finished steel production in Thailand continually increased since 2019.
- But In 2023, semi-finished steel production declined 7% y-o-y same direction with Scrap steel import that shrink 21% y-o-y.

Approximately 80 percent of the scrap steel used comes from domestic supply and the other 20 percent is imported.

000 tonne	2019	2020	2021	2022	2023	23/22 % y-o-y
Semi- Finished steel Production	4,270	4,467	5,473	5,316	4,964	-7%
Import Scrap	1,050	1,399	1,647	1,673	1,316	-21%

Source : Thai customs and ISIT's analysis

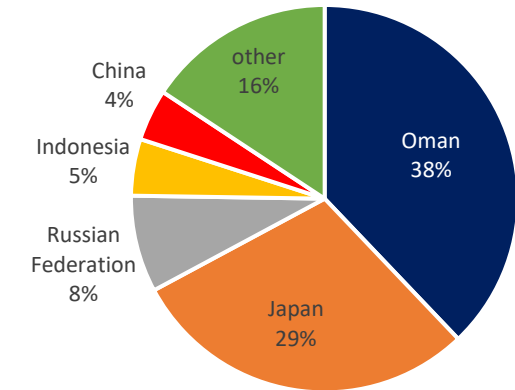


# Thailand Semi-Finished Market

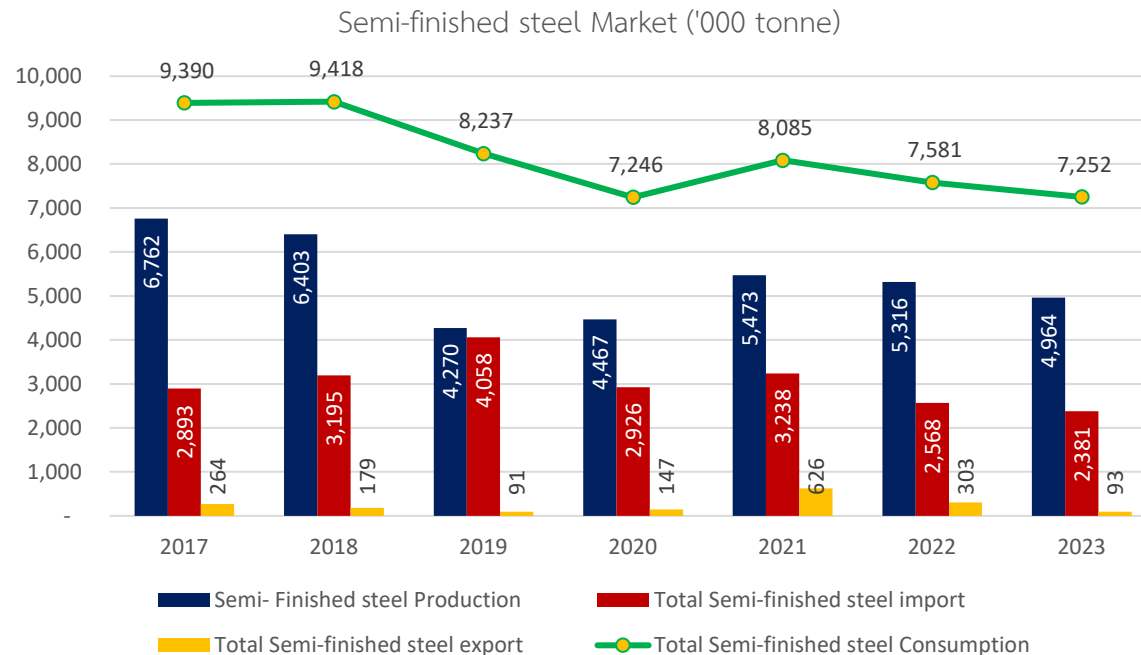
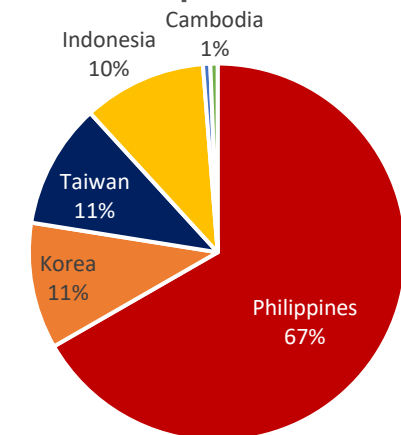
## Semi-finished products are mainly rely on domestic production

- Consumption of Semi-finished products are mostly rely on domestic production at about 65 percent and import market about 35 percent.
- In 2023, the import of Semi-finished steel decline 7.3% y-o-y at 2.38 million tonne. Most of semi-finished products are imported from Oman, Japan and Russian .
- In 2023, the export of Semi-finished steel decline 69.4% y-o-y at 92,677 tonne.
- Most of semi-finished products are export to Philippines, Korea and Taiwan.

Major country of **import** Semi-finished steel

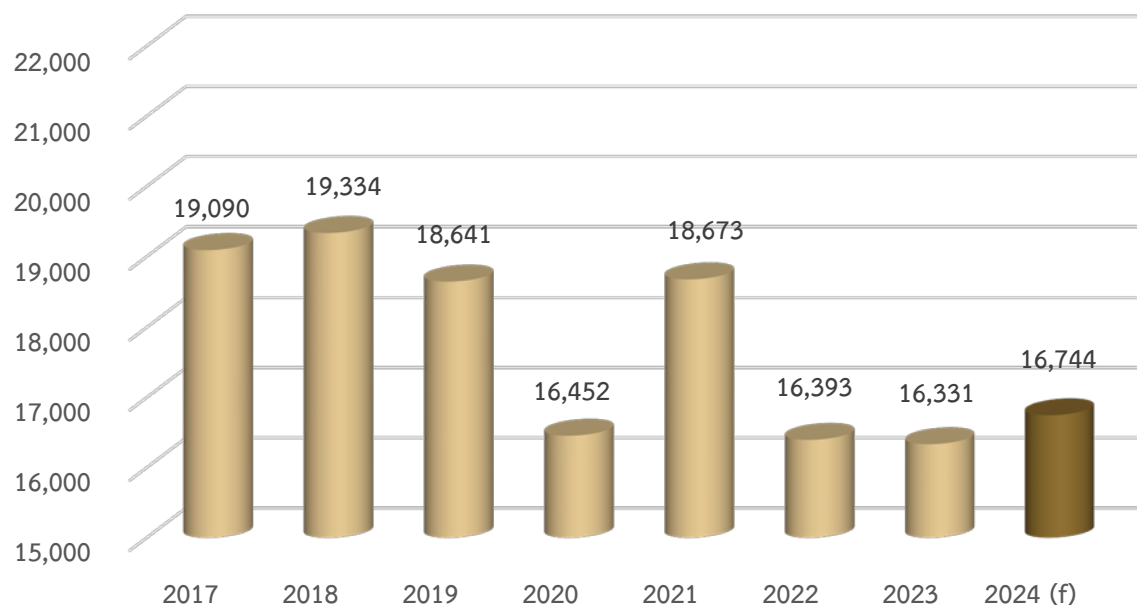


Major country of **export** Semi-finished steel



# Forecast for steel demand

THAILAND FINISHED STEEL CONSUMPTION ('000 TONNE)

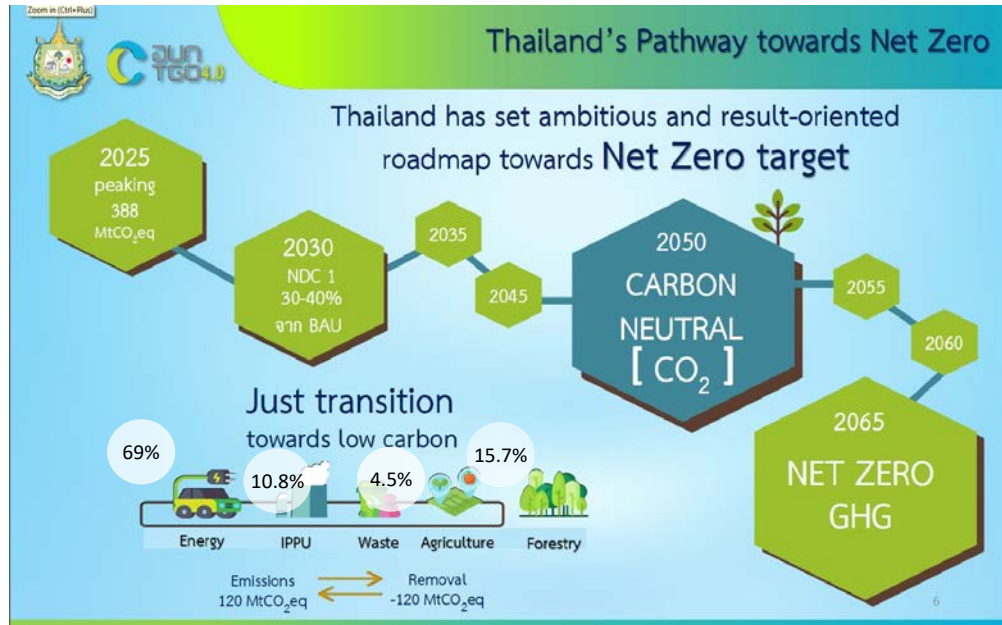


	2018	2019	2020	2021	2022	2023 F	2024 (F)
Apparent steel use	19.3	18.64	16.45	18.67	16.39	16.33	16.74
Change	0.3	-0.7	-2.16	2.2	2.28	-0.06	0.41
% Y-o-Y	1.7%	-3.6%	-11.6%	13.5%	-12.2%	-0.4%	2.5%

Source : Iron and Steel Institute of Thailand

- Thailand Finished Steel consumption forecast in 2024 will increase by 2.5% with the average 16.74 million tonnes .The upward trend results from a very low baseline in 2023 and the global economic and the domestic economy outlook is expected to expand.
- Risk factors for domestic steel consumption in 2024 from the delay in government disbursement of 2024 annual budget, affecting the public investment and government spending on various projects.
- The production sector in downstream industries that use steel products is expected to slow recover.
- The steel consumption is expected to recover gradually but still unable to fully expand to reach the normal level, due to economic conditions both domestically and abroad.

# Decarbonization effort in Thailand and steel industry



*“Thailand is accelerating plans to become carbon neutral by 2050 and achieve the net-zero emission target by 2065”*

- The government urged the business sector to adopt the government’s BCG model as a framework for business development on sustainability and efficient use of resources.
- Currently, Thailand has recently established **Department of Climate Change and Environment (CCE)** to drive Thailand's climate change operations, and promote participation of all sectors at every level.
- According to Thailand’s LT-LEDS, Industrial Processes and Product Use (IPPU) sector accounted for 10.77% of Thailand’s total GHG emissions in 2018. In a global perspective, Thailand’s GHG emissions represented less than 1% of global emissions and are lower than the world average.
- Cement industry is the major source of GHG emissions in the sector
- GHG emissions from metal production accounted for 1.28% of total GHG emissions from this sector.

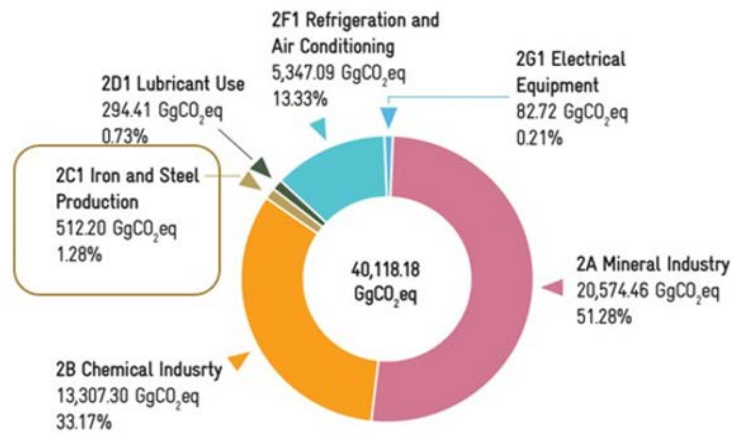


Figure 4-10 GHG Emission from the IPPU Sector, 2018

- Steel production in Thailand begins with recycling using scrap steel as the main raw material for production.
- There are two types of furnace technology : IF (Induction furnace) and EAF (Electrical Arc furnace), which releases low carbon.



## Conclusion and Key Challenges

- **In 2023, Thai economy grew only 1.9% YOY and showed a sluggish steel consumption due to the low momentum in the construction sector, especially the public construction.**
- **Thailand's capacity utilization in the steel industry continues to decrease, following the slow economic recovery and the influx of cheap steel products from China.**
- **The ASEAN steel demand will be driven by domestic demand and infrastructure investment despite inflation and deteriorating external conditions.**
- **One of the key efforts should include setting emission targets and standards to develop effective tools for specific emission assessments and relevant regulations for the steel industry in terms of lower carbon emission pathways.**
- **Thailand's steel industry needs support in its green transition efforts; such as providing funding sources for new technology, granting privileges to green steel users, cooperation**

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**Thank you**

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