

Turkish steel makers eye exports to West Africa amid U.S. tariff setbacks



By Ceyda Caglayan

ISTANBUL, July 30 (Reuters) – Turkish steel makers are looking to expand in West Africa and other emerging markets in response to tariffs and planned quotas which threaten their sales to the United States and the European Union, a senior sector official said.

Namik Ekinçi, board chairman for the Turkish Steel Foreign Trade Association, told Reuters that Turkey was looking to boost its trade with West Africa and sub-Saharan countries, where there is demand for the less capital-intensive steel products that Turkey mainly exports.

“Looking at the product types these countries consume, it’s products that we have the capability to produce like rebar and pipes. Therefore, these countries are markets where we have a chance,” Ekinçi said.

“This is why the market we are working with in the first stage

is West Africa," he said, adding that the Caribbean, South America and Southeast Asia were the next targets.

According to data from the Turkish Steel Exporters Association, more capital-intensive products, used in the automotive and white goods sectors, account for a quarter of Turkey's steel production, while products like rebar and pipes account for 53 percent.

The world's eighth biggest steel producer, Turkey ranks second in global exports of rebar, figures from the World Steel Association show.

In a move that ignited fears of a global trade war, U.S. President Donald Trump in March imposed a 25 percent tariff on steel imports and a 10 percent tariff on aluminium imports, leading to a 56 percent slump in Turkey's exports to the United States between January and May.

In early July European Union countries also voted in favour of a combination of quota and tariffs to prevent a surge of steel imports into the bloc that could follow the U.S. levies.

In order to tackle the U.S. tariffs and protectionist measures, Ekinçi said Turkey wanted to increase its effectiveness in other emerging markets "as the United States and the European Union adopt measures to make trade harder."

He said a union of Turkish exporters would jointly start a new firm to penetrate the target markets through time charter shipments, aiming to increase Turkey's market share in West Africa from below 5 percent to 15 percent by cutting shipping costs.

The project is expected to cut transport costs of steel exported to West Africa to around \$30 per tonne, from nearly \$100, making it significantly more competitive, Ekinçi said.