

IRON AND STEEL

INTRODUCTION

The Malaysian iron and steel industry contributed 2.9% to GDP in 2016 and has the potential to generate up to 6.5% of GDP growth and offer up to 225,000 job opportunities in 2020.

Major export destinations for Iron and Steel products from Malaysia are Mexico, Republic of Indonesia, Thailand, India and Singapore. Major import sources are the Peoples' Republic of China, Japan, Republic of Korea, Taiwan and India.

STRUCTURE OF THE INDUSTRY

The structure of iron and steel sub-sector can be classified into two major product groups:

- Flat products such as Hard Rolled Coils (HRC), Cold Rolled Coils (CRC), pipes, tubes and coated coils. These products are used as intermediate raw materials for downstream applications in the sectors of E&E, automotive parts and components, oil and gas, furniture, machinery and equipment and fabricated products; and
- Long products such as billets, steel bars, wire products, angles and sections are primarily used in the construction and civil engineering industry.

INDUSTRY PERFORMANCE

i. Trade Information

a. Import

MITI Industry	2015		2016			
	RM (mil)	Share %	RM (mil)	Share %	Change (Value)	Change %
Manufactures of Metal	44,086.4	7.3	39,223.0	6.4	-4,863.3	-11
Iron & Steel Products	21,757.5	3.6	22,999.9	3.7	1,242.5	5.7
Total	65,843.9		62,222.9			

Source: MATRADE

b. Export

MITI Industry	2015		2016			
	RM (mil)	Share %	RM (mil)	Share %	Change (Value)	Change %
Manufactures of Metal	34,904.4	5.6	33,391.0	5.2	-1,513.4	-4.3
Iron & Steel Products	8,644.2	1.4	6,939.8	1.1	-1,704.4	-19.7
Total	43,548.6		40,330.8			

Source: MATRADE

ii. Industrial Production Index (IPI)

	2013	2014	2015	2016
OVERALL	123.5	127.0	131.1	136.1
Manufacture of basic iron and steel products	102.7	104.9	103.3	103.6
Tin smelting & Manufacture of other basic precious and non-ferrous metals	90.6	94.5	102.2	108.4
Manufacture of metal doors, windows and their frames, shutters and gates	225.2	205.0	213.5	211.7
Manufacture of other structural metal products	210.2	222.4	216.5	227.0
Manufacture of tanks, reservoirs and containers of metal	124.4	153.3	136.9	140.6
Forging, pressing, stamping and roll-forming of metal; powder metallurgy	215.5	206.3	227.8	233.3
Treatment and coating of metals; machining	127.7	134.5	139.7	159.5
Manufacture of tins and cans for food products, collapsible tubes and boxes	129.5	124.5	121.0	128.0
Manufacture of metal cable, plaited bands and similar articles	81.4	91.9	90.8	91.6
Manufacture of bolts, screws, nuts and similar threaded products	128.1	140.3	162.1	152.4
Manufacture of any other fabricated metal products not elsewhere specified	149.7	149.9	176.0	199.1

Source: Department of Statistics Malaysia

iii. Sales

	2013	2014	2015	2016
Manufacture of basic iron and steel products	21,983,107	21,765,983	21,501,042	21,249,702
Other non-ferrous metal basic industries	6,127,640	7,592,746	8,668,356	10,355,369
Manufacture of other structural metal products	1,998,397	1,892,114	2,244,855	2,934,575
Manufacture of tanks, reservoirs and containers of metal	716,796	966,791	1,055,244	1,395,426
Forging, pressing, stamping and roll-forming of metal; powder metallurgy	2,499,085	2,668,469	2,895,276	3,102,158
Treatment and coating of metals; machining	2,138,424	1,865,482	2,154,205	1,993,856
Manufacture of tins and cans for food products, collapsible tubes and boxes	2,125,979	2,215,350	1,952,182	2,152,961
Manufacture of bolts, screws, nuts and similar threaded products	3,875,690	3,789,516	3,482,077	3,353,781

	2013	2014	2015	2016
Manufacture of metal household articles	1,239,249	1,049,246	881,208	698,230
Manufacture of any other fabricated metal products n.e.s	1,900,801	2,228,075	2,932,908	3,008,789
Total	44,605,168	46,033,772	47,767,353	50,244,847

Source: Department of Statistics Malaysia

iv. Employment

	2013	2014	2015	2016
Manufacture of basic iron and steel products	19,331	19,483	20,823	19,937
Other non-ferrous metal basic industries	8,472	9,811	10,317	11,306
Manufacture of other structural metal products	9,245	9,096	9,054	9,615
Manufacture of tanks, reservoirs and containers of metal	2,328	2,745	2,547	2,359
Forging, pressing, stamping and roll-forming of metal; powder metallurgy	13,933	12,865	12,980	13,438
Treatment and coating of metals; machining	5,647	3,975	2,987	3,342
Manufacture of tins and cans for food products, collapsible tubes and boxes	4,945	5,569	6,481	6,066
Manufacture of bolts, screws, nuts and similar threaded products	8,951	9,213	8,751	8,781
Manufacture of metal household articles	7,488	7,127	7,037	7,811
Manufacture of any other fabricated metal products n.e.c	6,419	6,573	6,469	6,607
Total	86,759	86,457	87,446	89,262

Source: Department of Statistics Malaysia

v. Contribution To GDP / Growth

	2014			2015			2016		
	RM billion	% share	% Growth	RM billion	% share	% Growth	RM billion	% share	% Growth
Non-metallic mineral products, basic metal and fabricated metal products	29.3	2.9	4	30.6	2.9	4.2	32.0	2.9	4.7

Source: Department of Statistics Malaysia

vi. Investment

Approved Projects for Iron and Steel Industry

Year	Basic Metal Products				
	Number	Employment	Domestic Investment (RM)	Foreign Investment (RM)	Total Capital Investment (RM)
2010	48	6,901	1,649,632,556	3,595,511,372	5,245,143,928
2011	38	6,653	6,329,310,105	3,587,358,763	9,916,668,868
2012	37	4,129	1,859,052,914	1,934,001,846	3,793,054,760
2013	35	3,492	1,147,337,291	4,425,766,467	5,573,103,758
2014	33	7,133	1,974,852,036	7,969,130,749	9,943,982,785
2015	28	3628	929,879,609	2,679,816,139	3,609,695,748
2016	19	3345	2,732,470,130	2,249,576,292	4,982,046,422
Total	238	35,281	16,622,534,641	26,441,161,628	43,063,696,269

Year	Fabricated Metal Products				
	Number	Employment	Domestic Investment (RM)	Foreign Investment (RM)	Total Capital Investment (RM)
2010	73	5,577	1,004,892,469	1,524,285,624	2,529,178,093
2011	63	4,153	619,804,652	804,679,319	1,424,483,971
2012	61	6,218	624,108,013	605,434,874	1,229,542,887
2013	73	4,020	594,679,151	812,007,537	1,406,686,688

Year	Fabricated Metal Products				
	Number	Employment	Domestic Investment (RM)	Foreign Investment (RM)	Total Capital Investment (RM)
2014	101	5,156	1,420,588,253	793,652,943	2,214,241,196
2015	77	4526	1,639,237,750	966,673,224	2,605,910,974
2016	75	3718	769,186,886	635,458,242	1,404,645,128
Total	523	33,368	6,672,497,173	6,142,191,764	12,814,688,937

Year	Total				
	Number	Employment	Domestic Investment (RM)	Foreign Investment (RM)	Total Capital Investment (RM)
2010	121	12,478	2,654,525,025	5,119,796,996	7,774,322,021
2011	101	10,806	6,949,114,757	4,392,038,082	11,341,152,839
2012	98	10,347	2,483,160,928	2,539,436,719	5,022,597,647
2013	108	7,512	1,742,016,442	5,237,774,004	6,979,790,446
2014	134	12,289	3,395,440,288	8,762,783,693	12,158,223,981
2015	105	8,154	2,569,117,359	3,646,489,363	6,215,606,722
2016	94	7,063	3,501,657,016	2,885,034,534	6,386,691,550
Total	761	68,649	23,295,031,814	32,583,353,392	55,878,385,206

Source: MIDA

