

Global Steel Trade Monitor

Steel Exports Report: Italy

June 2016

Background

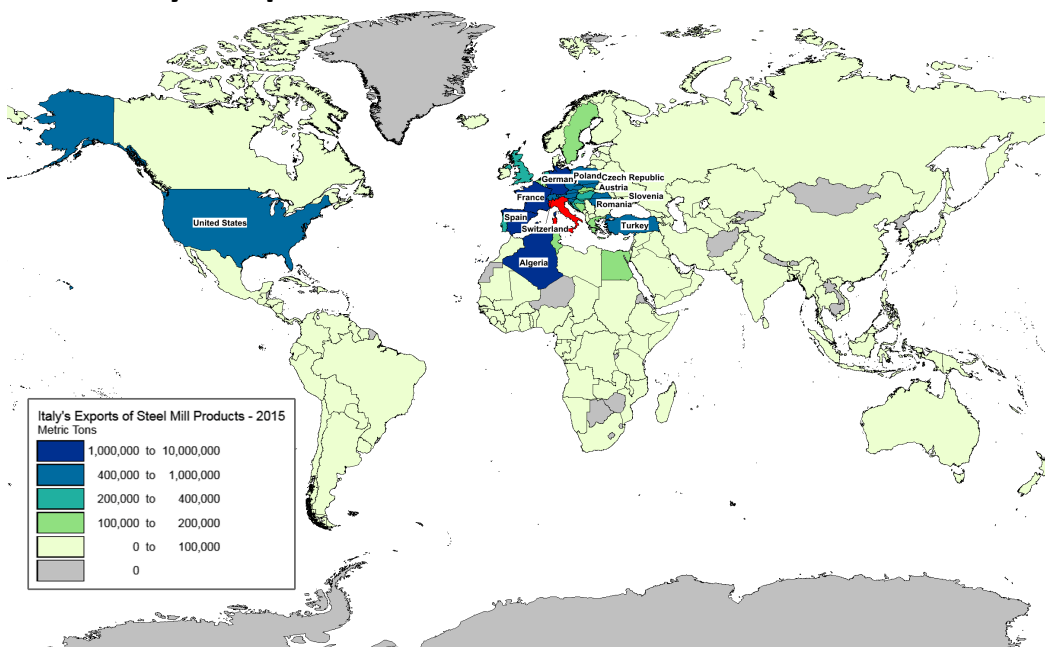
Italy is the world's seventh-largest steel exporter. In 2015, Italy exported 15.8 million metric tons of steel, a 4.9 percent decrease from 16.6 million metric tons in 2014. Italy's exports represented about 3.5 percent of all steel exported globally. The volume of Italy's 2015 steel exports was slightly larger than that of Belgium, and less than one-sixth that of the largest exporter, China. In value terms, steel represented just 3 percent of the total amount of goods Italy exported in 2015.

Italy exports steel to more than 190 countries and territories. The 12 countries labeled in the map below represent the top markets for Italy's exports of steel, receiving more than 400 thousand metric tons each and accounting for 76 percent of Italy's steel exports in 2015.

Quick Facts:

- World's seventh-largest steel exporter: 15.8 million metric tons (2015)
- 10% decline in steel exports since 2012
- Exports as a share of production up from 57.2% in 2010 to 71.8% in 2015
- Year-on-year export volume down 4.9% while export value down 22.1%
- Top three markets: Germany, Algeria, France
- Largest producers: ILVA SpA/Riva Group, Marcegaglia
- 2 trade remedies in effect involving steel mill imports from Italy; 6 trade remedies in effect involving steel mill imports from the European Union

Italy's Exports of Steel Mill Products - 2015



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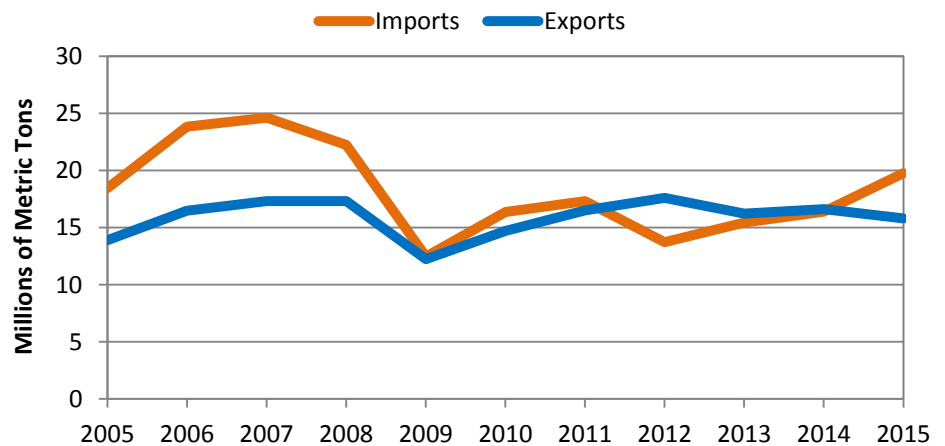
Steel Exports Report: Italy

Steel Trade Balance

Over the past decade, Italy's imports and exports have displayed roughly similar trends: both saw increases between 2005 and 2007, declined significantly by 2009, and recovered gradually over the next six years.

Italy's steel trade deficit, which stood at -7.3 million metric tons in 2006, had shrunk to -239 thousand metric tons by 2009, and between 2012 and 2014, Italy was a net steel exporter. The steel trade deficit re-emerged in 2015, standing at -4 million metric tons.

Italy's Trade in Steel Mill Products

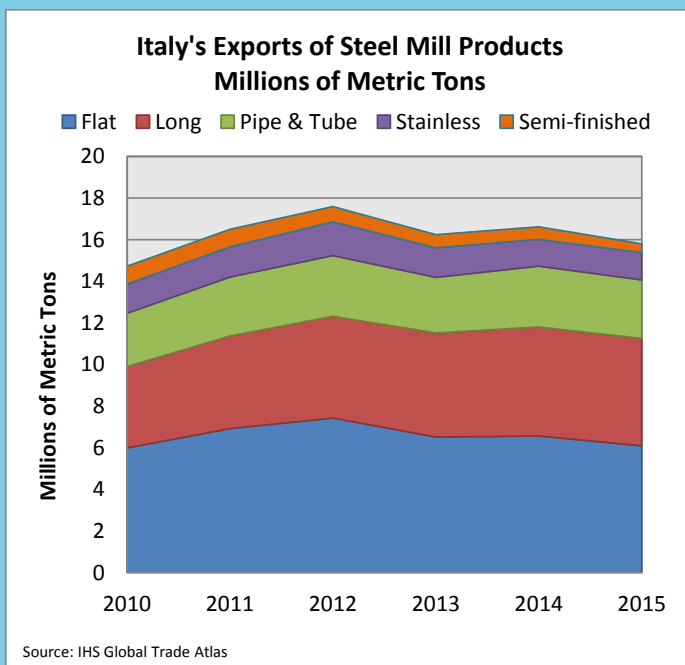


Source: IHS Global Trade Atlas

Export Volume, Value, and Product

Since their most recent peak at 17.6 million metric tons in 2012, Italy's steel exports have fallen by 1.6 million metric tons to 15.8 million metric tons — a decline of 10 percent. In value terms, Italy's steel exports reached a high of \$22.7 billion in 2011, a 31.4 percent increase from \$17.3 billion in 2010. Italy's steel export value fell 35 percent over the next four years, declining 22.1 percent between 2014 and 2015 alone, and totaled \$14.7 billion in 2015.

Flat products account for the largest volume share of Italy's steel exports. In 2015, 39 percent, or 6.1 million metric tons, of Italy's steel exports were of flat products. Long products accounted for 33 percent, or 5.2 million metric tons, of Italy's exports of steel in 2015, followed by pipe and tube (18%) and stainless steel (8%), and semi-finished steel (3%).



Source: IHS Global Trade Atlas



Source: IHS Global Trade Atlas

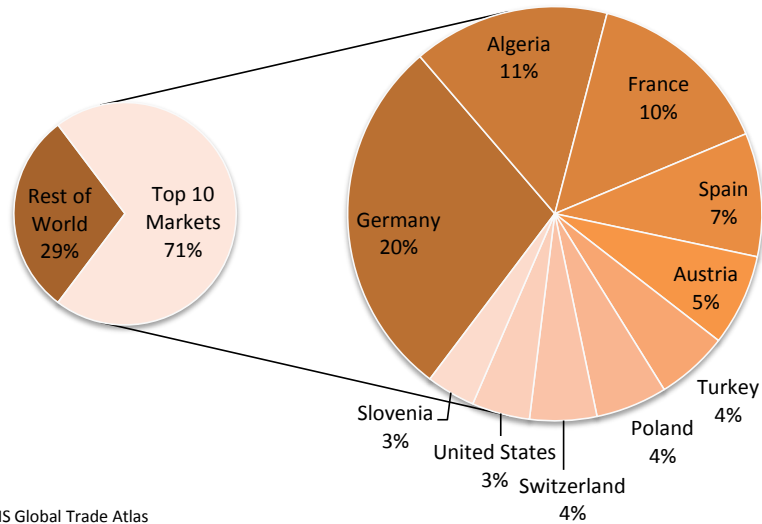
Steel Exports Report: Italy

Exports by Top Market

At 11.2 million metric tons (mmt), exports to Italy's top 10 steel markets represented 71 percent of its steel export volume in 2015. Germany received the largest share of Italy's exports with 20 percent (3.2 mmt), followed by Algeria at 11 percent (1.7 mmt), France at 10 percent (1.6 mmt), and Spain at 7 percent (1.1 mmt).

At 504 thousand metric tons, the United States received the ninth-largest share (3%) of Italy's steel exports in 2015 — a decrease of 29.3 percent from 713 thousand metric tons in 2014.

Italy's Steel Exports - Top 10 Markets
2015 - Millions of Metric Tons



Source: IHS Global Trade Atlas

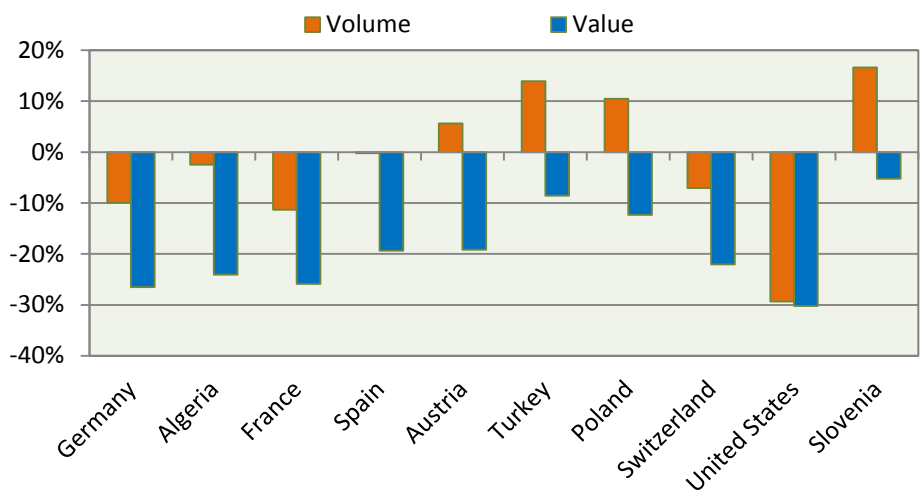
Trends in Exports to Top Markets

Between 2014 and 2015, exports to Italy's top 10 markets displayed mixed trends in volume terms, with the majority of the top 10 seeing decreases. Exports fell the most to the United States (down 29.3% from 2014), France (down 11.4%), and Germany (down 9.9%). Italy's exports showed the largest increases to Slovenia (up 16.6%), Turkey (up 13.9%), and Poland (up 10.5%).

Outside the top 10 markets, other notable volume changes included Italy's exports to the 13th-ranked United Kingdom (down 19.2%), 18th-ranked Belgium (down 19.5%), and 19th-ranked Slovakia (up 19.4%).

The overall value of Italy's exports decreased in all of its top 10 markets, reflecting the decline in global steel prices. Markets that experienced considerable decreases in steel value between 2014 and 2015 included the United States (down 30.2%), Germany (down 26.5%), France (down 25.9%), and Algeria (down 24.1%).

Percent Change in Exports to Top 10 Markets (2014 to 2015)



Source: IHS Global Trade Atlas

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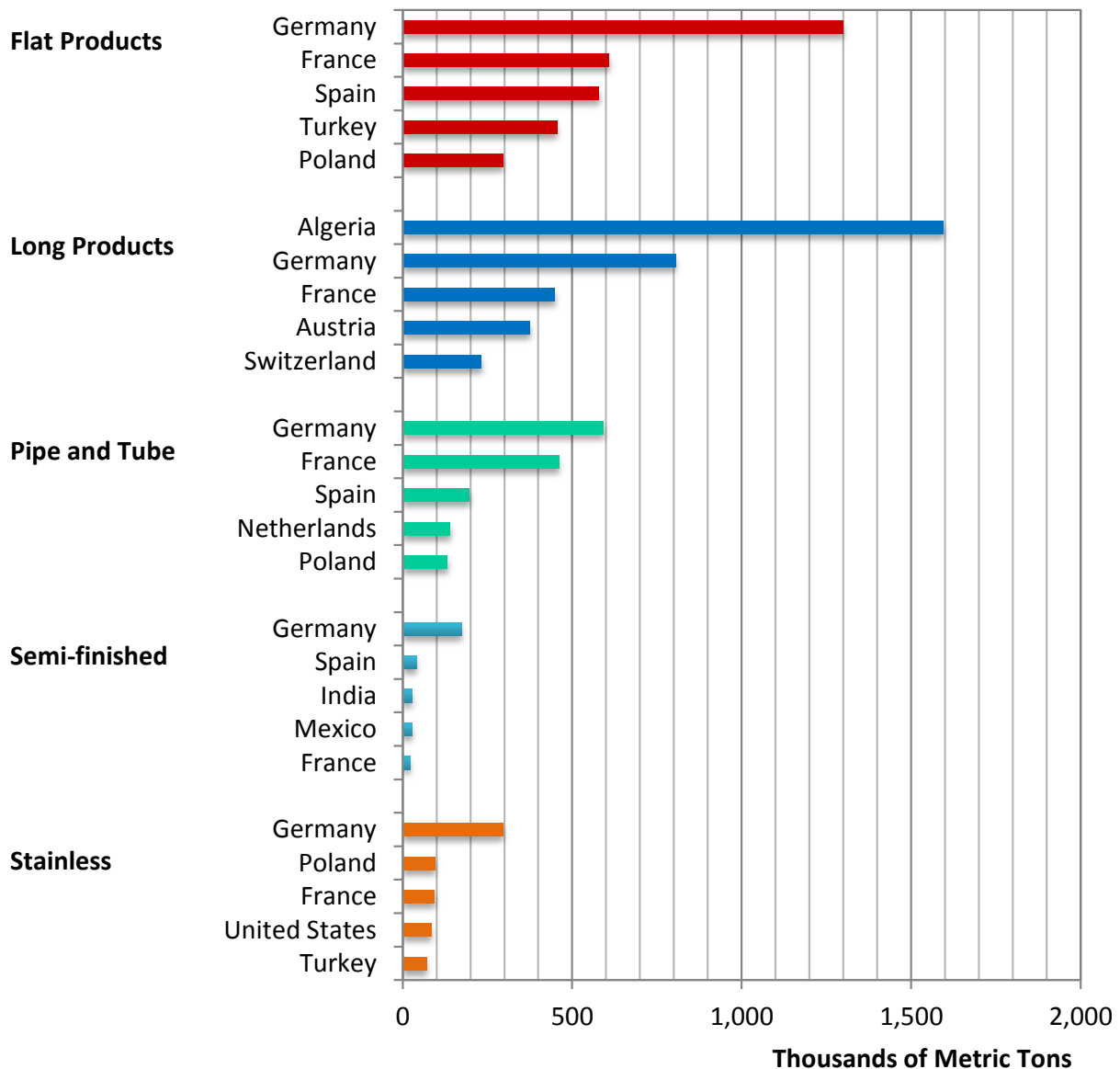
Top Markets by Steel Product Category

In 2015, Italy's top export market by volume was Germany for every product category except long products. Germany received 21 percent of Italy's exports of flat products (1.3 million metric tons), 21 percent of pipe and tube product exports (594 thousand metric tons), 41 percent of semi-finished exports (173 thousand metric tons), and 23 percent of stainless steel exports (296 thousand metric tons).

Algeria received the largest share of Italy's long product exports in 2015 at 31 percent (1.6 million metric tons).

Stainless was the only product category for which the United States was a top-five export destination.

Italy's Top 5 Export Markets by Product - 2015



Source: IHS Global Trade Atlas

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Italy's Import Market Share in Top Destinations

In 2015, the import market share for Italy's steel products decreased in all of Italy's top export destinations except Poland. France's share of imports from Italy saw the largest decline (down 2.4 percentage points from 2014), followed by Spain (down 1.4 percentage points), Austria (down 2.2 percentage points), and Germany (down 1.8 percentage points). The share of imports from Italy in Turkey, Switzerland, the U.S., and Slovenia each decreased by less than one percentage point between 2014 and 2015.

Italy's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Italy - 2014	Italy's Rank in 2014	Share of Imports from Italy - 2015	Italy's Rank in 2015
Germany	14.2%	2	12.4%	2
Algeria	29.8%	2	N/A	N/A
France	14.0%	3	11.6%	3
Spain	12.6%	2	11.2%	3
Austria	20.2%	2	18.0%	3
Turkey	4.0%	7	4.0%	7
Poland	5.4%	5	5.8%	6
Switzerland	24.7%	2	24.3%	2
United States	1.7%	14	1.6%	14
Slovenia	29.8%	1	29.5%	1

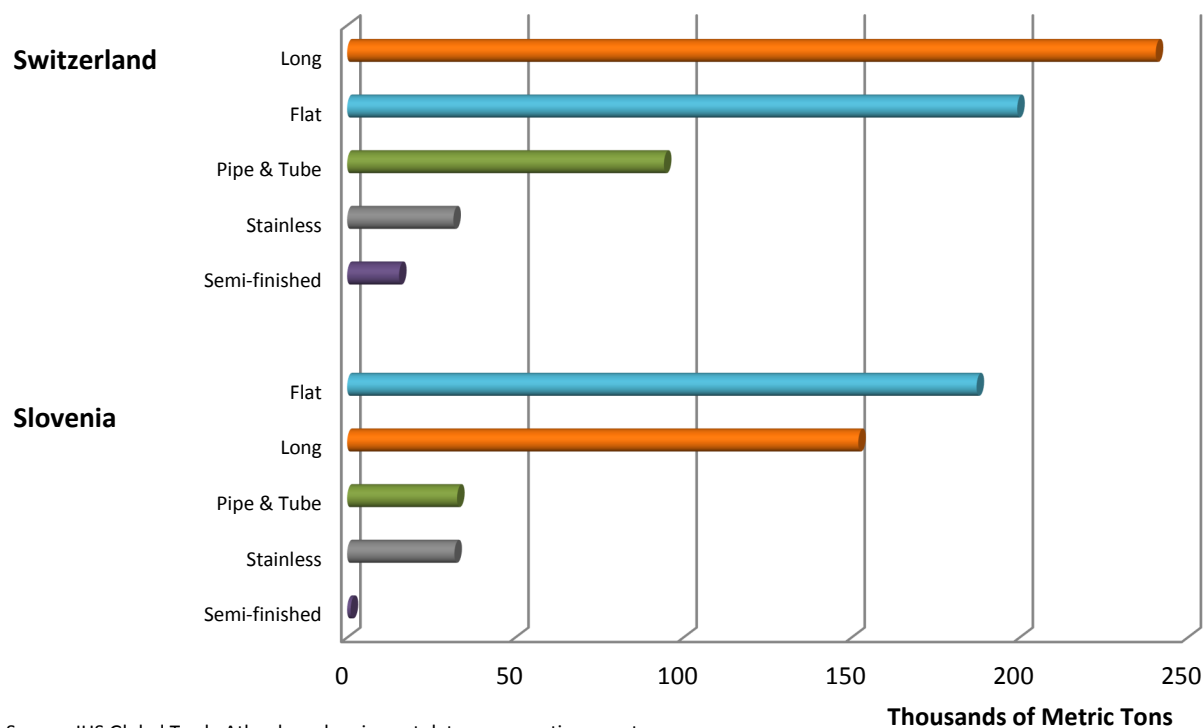
Source: IHS Global Trade Atlas, based on import data per reporting country

Note: 2015 data for Algeria not available

Among Italy's top export markets, Switzerland and Slovenia each received more than 20 percent of their steel imports from Italy. In 2015,

long products accounted for the largest share of steel imports from Italy in Switzerland (41% or 241 thousand metric tons), while flat products accounted for the largest share in Slovenia (46% or 187 thousand metric tons).

Steel Import Composition of Top Market-Share Countries - 2015

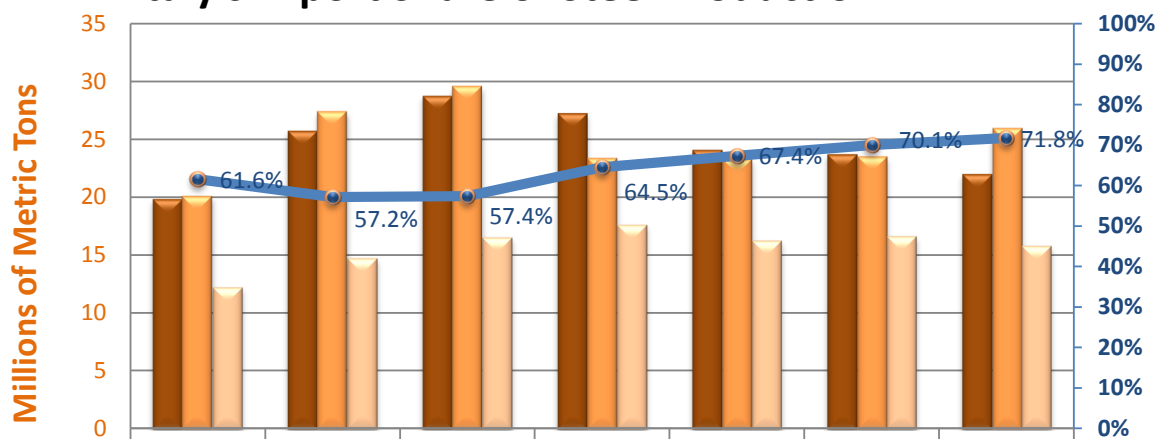


Source: IHS Global Trade Atlas, based on import data per reporting country

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Overall Production and Export Share of Production

Italy's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015
Production	19.8	25.8	28.7	27.3	24.1	23.7	22.0
Apparent Consumption	20.1	27.4	29.6	23.4	23.3	23.5	26.0
Exports	12.2	14.7	16.5	17.6	16.2	16.6	15.8
Export Share of Production	61.6%	57.2%	57.4%	64.5%	67.4%	70.1%	71.8%

Source: World Steel Association; IHS Global Trade Atlas

Italy's crude steel production increased by 45 percent between 2009 and 2011 but has fallen by 23 percent since then. While production did not quite keep up with apparent consumption (a measure of steel demand) between 2009 and 2011, it overtook apparent consumption between 2012 and 2014. In 2015, the gap between production and apparent consumption re-emerged, standing at -4 million metric tons. Italy's steel exports as a share of production shrank by 4.4 percentage points between 2009 and 2010, though that figure had grown by 14.6 percentage points by 2015. Exports as a share of production stood at 71.8 percent in 2015 — the highest share since before 2009.

Top Producers

Unlike much of Europe, steel production in Italy is diffused across many small- and medium-sized companies. After privatization of the country's steel industry in the late 1980s and 1990s, only a small number of the earlier, larger steelworks remain.

Italy's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	ILVA SpA (subsidiary of Riva Group)	4.8	Hot- and cold-rolled coils, galvanized, heavy plate, welded pipe
2	Marcegaglia	5.4	Coils, strips, sheets, welded pipe, sections, bars, heavy plate
3	Arvedi Group	3.4 (2014)	Hot-rolled, galvanized, welded tubes, cold-drawn tubes, stainless tubes, cold-rolled stainless strip
	Riva Acciaio (subsidiary of Riva Group)	N/A	Billets, hot-rolled and cold-drawn bars, reinforcing bars
5	Lucchini RS	N/A	Railway components, forgings, castings, ingots

Sources: World Steel Association; Federacciai; LexisNexis; Company websites

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Trade Remedies in the Steel Sector

Antidumping duties (AD), countervailing duties (CVD), associated suspension agreements, and safeguards are often referred to collectively as trade remedies. These are internationally agreed upon mechanisms to address the market-distorting effects of unfair trade, or serious injury or threat of serious injury caused by a surge in imports. Unlike anti-dumping and countervailing measures, safeguards do not require a finding of an “unfair” practice. Before applying these duties or measures, countries investigate allegations and can remedy or provide relief for the injury caused to a domestic industry. The tables below provide statistics on the current number of trade remedies various countries have against steel mill products from Italy and from the European Union, which includes Italy.

Steel Mill Trade Remedies in Effect Against Italy				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Canada	1			1
United States	1			1
TOTAL	2	0	0	2

Source: World Trade Organization, through June 30, 2015

Steel Mill Trade Remedies in Effect Against the European Union				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	2			2
India	3			3
Morocco	1			1
TOTAL	6	0	0	6

Source: World Trade Organization, through June 30, 2015

Global Steel Mill Safeguards in Effect	
Country	Product(s)
India	Seamless pipes, tubes and hollow profiles of iron or non-alloy steel (other than cast iron and stainless steel)
Indonesia	1) Articles of finished casing and tubing; 2) Articles of iron or steel wire; 3) Bars and rods, hot-rolled, in irregularity wound coils; 4) Flat-rolled products of iron or non-alloy steel; 5) I and H sections of other alloy steel
Malaysia	Hot-rolled steel plate
Morocco	1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods
Philippines	Steel angle bars
Thailand	1) Hot-rolled steel flat products with certain amounts of alloying elements; 2) Unalloyed hot-rolled steel flat products in coils and not in coils
Italy	Casing and pump compressor seamless steel pipes

Source: World Trade Organization, through March 1, 2016

Steel Exports Report: Glossary

Apparent Consumption: Domestic crude steel production plus steel imports minus steel exports. Shipment data are not available for all countries, therefore crude steel production is used as a proxy.

Export Market: Destination of a country's exports.

Flat Products: Produced by rolling semi-finished steel through varying sets of rolls. Includes sheets, strips, and plates. Used most often in the automotive, tubing, appliance, and machinery manufacturing sectors.

Import Penetration: Ratio of imports to apparent consumption.

Import Source: Source of a country's imports.

Long Products: Steel products that fall outside the flat products category. Includes bars, rails, rods, and beams. Used in many sectors but most commonly in construction.

Pipe and Tube Products: Either seamless or welded pipe and tube products. Used in many sectors but most commonly in construction and energy sectors.

Semi-finished Products: The initial, intermediate solid forms of molten steel, to be re-heated and further forged, rolled, shaped, or otherwise worked into finished steel products. Includes blooms, billets, slabs, ingots, and steel for castings.

Stainless Products: Steel products containing at minimum 10.5% chromium (Cr) offering better corrosion resistance than regular steel.

Steel Mill Products: Carbon, alloy, or stainless steel produced by either a basic oxygen furnace or an electric arc furnace. Includes semi-finished steel products and finished steel products. For trade data purposes, steel mill products are defined at the Harmonized System (HS) 6-digit level as: 720610 through 721650, 721699 through 730110, 730210, 730240 through 730290, and 730410 through 730690. The following discontinued HTS codes have been included for purposes of reporting historical data (prior to 2007): 722520, 722693, 722694, 722910, 730410, 730421, 730610, 730620, and 730660.

Global Steel Trade Monitor: The monitor provides global import and export trends for the top countries trading in steel products. The current reports expand upon the early release information already provided by the Steel Import Monitoring and Analysis (SIMA) system that collects and publishes data on U.S. imports of steel mill products. Complementing the SIMA data, these reports provide objective and current global steel industry information about the top countries that play an essential role in the global steel trade. Information in these reports includes global exports and import trends, production and consumption data and, where available, information regarding trade remedy actions taken on steel products. The reports will be updated quarterly.

Steel Import Monitoring and Analysis (SIMA) System: The Department of Commerce uses a steel import licensing program to collect and publish aggregate data on near real-time steel mill imports into the United States. SIMA incorporates information collected from steel license applications with publicly released data from the U.S. Census Bureau. By design, this information provides stakeholders with valuable information on the steel trade with the United States. For more information about SIMA, please go to <http://enforcement.trade.gov/steel/license/>.



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