INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Imports Report: **Germany**

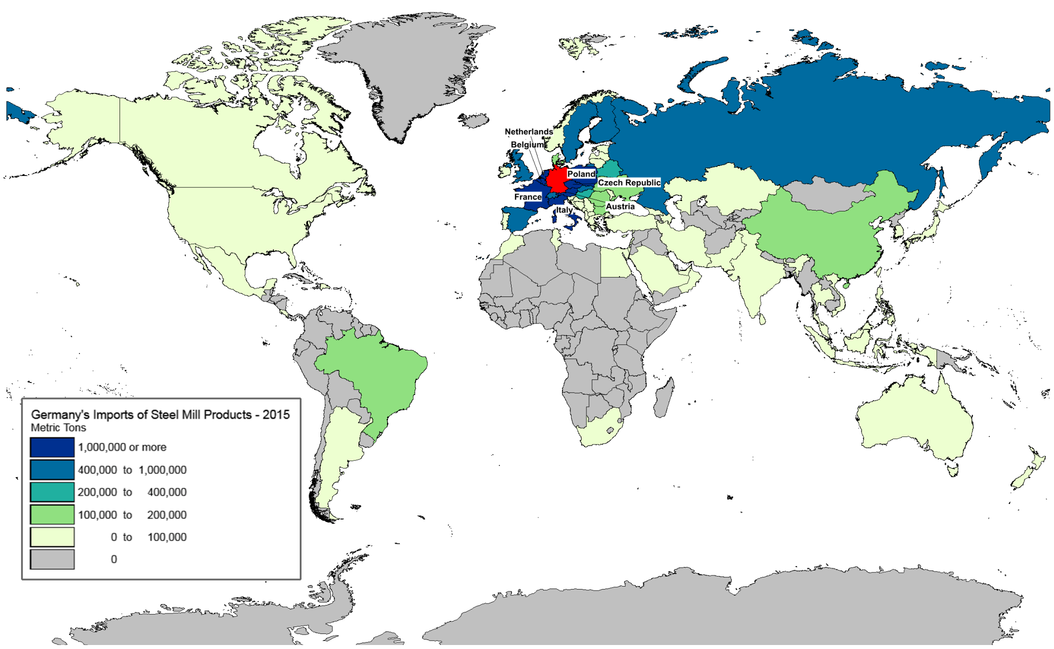
June 2016

Background

Germany is the world's second largest steel importer. In 2015, Germany imported 25.1 million metric tons of steel, a 1 percent increase from 24.9 million metric tons in 2014. Germany's imports represented about 7 percent of all steel imported globally. The volume of Germany's 2015 steel imports was 10 million metric tons less than that of the world's largest importer, the United States. In value terms, steel represented just 2.2 percent of the total goods imported into Germany in 2015.

Germany imports steel from over 100 countries and territories. The seven countries labeled in the map below represent the top import sources for Germany's imports of steel, with Germany receiving more than 1 million metric tons from each and together accounting for 70 percent of Germany's steel imports in 2015.

Germany's Imports of Steel Mill Products - 2015



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2016. All rights reserved.

Quick Facts:

- World's second largest steel importer: 25.1 million metric tons (2015)
- 40% steel import growth since 2009
- Year-on-year import volume up 1% while import value down 18%
- Import penetration down at 58.4% in 2015
- Top three import sources: Belgium, Italy, France
- Largest producers: ThyssenKrupp, ArcelorMittal, and Salzgitter
- 13 European Union trade remedies in effect against imports of steel mill products

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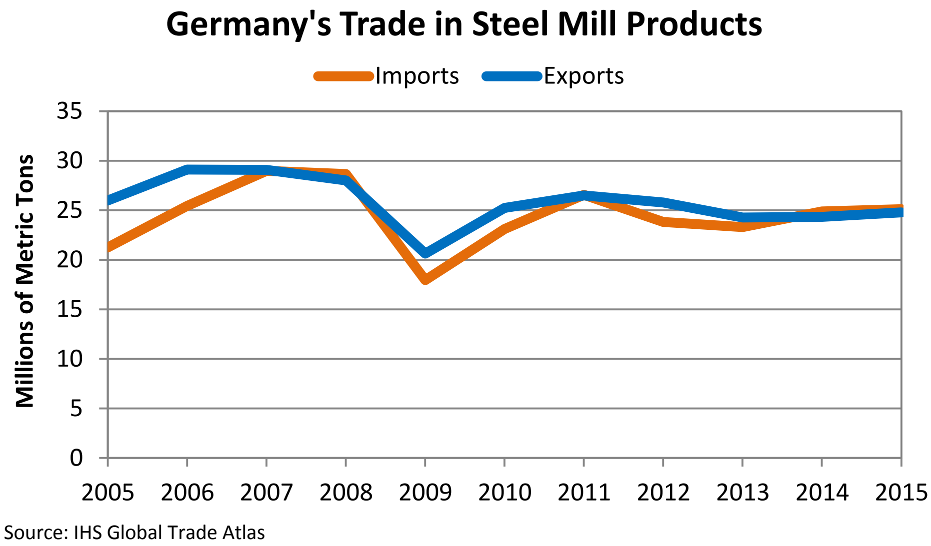
Steel Trade Balance

Germany has posted a steel trade surplus for much of the past decade. Both imports and exports fell in 2009 and have recovered since then, increasing 40 percent and 20 percent, respectively, between 2009 and 2015.

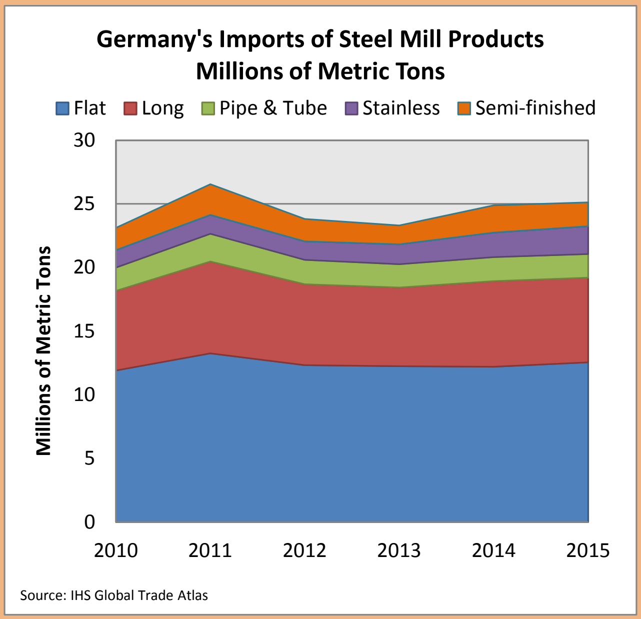
With imports growing at a faster rate, Germany has posted a slight steel trade deficit in the past two years, amounting to −339 thousand metric tons in 2015.

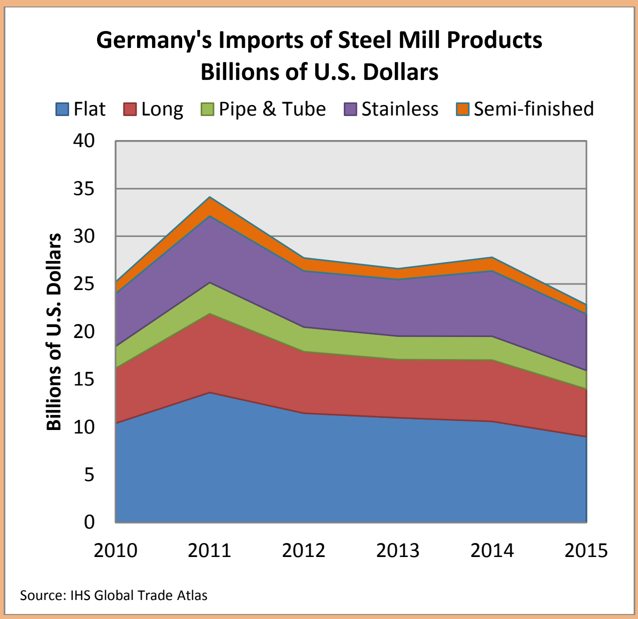


Import Volume, Value, and Product

Germany's imports of steel products hit a recent peak in 2011, at 26.5 million metric tons, before declining through 2013. Imports rose in 2014 by 7 percent and again in 2015 by 1 percent to 25.1 million metric tons. By contrast, the value of Germany's steel imports has decreased nearly every year since 2011. Between 2011 and 2015, import value fell by 33 percent, from $34.1 billion to $22.8 billion. Import value decreased by 18 percent between 2014 and 2015 alone.

Flat products account for the half of Germany's steel imports. In 2015, Germany imported 12.6 million metric tons of flat products. Long products accounted for 26 percent, or 6.7 million metric tons, of Germany's imports, followed by stainless steel (9% or 2.2 million metric tons), semi-finished steel (7% or 1.87 million metric tons), and pipe and tube (7% or 1.86 million metric tons).





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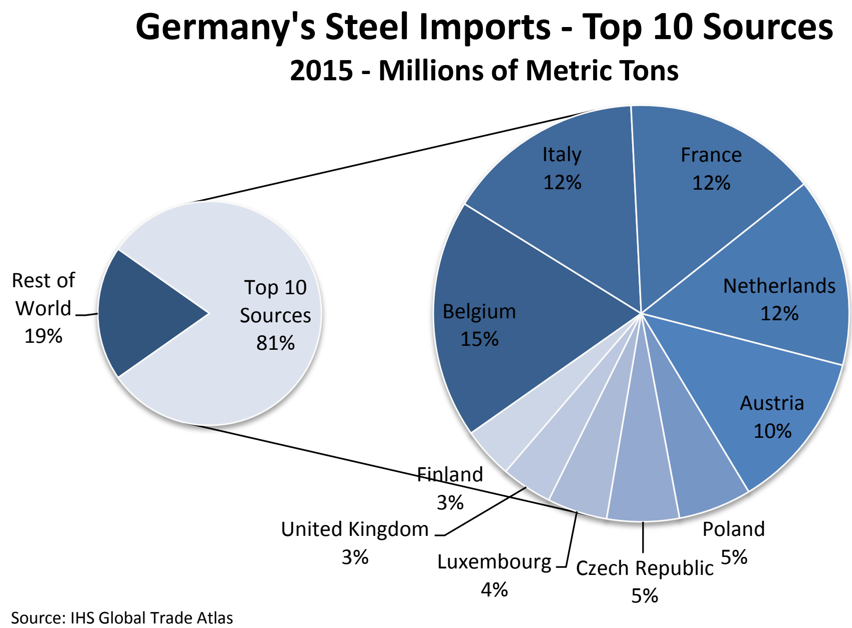
Imports by Top Source



The top 10 source countries for Germany's steel imports represented 81 percent of the total steel import volume in 2015 at 20.2 million metrics tons (mmt). Belgium accounted for the largest share of Germany's imports by source country at 15 percent (3.8 mmt), followed by Italy at 12 percent (3.1 mmt), France at 12 percent (3.1 mmt), the Netherlands at 12 percent (3 mmt), and Austria at 10 percent (2.5 mmt).

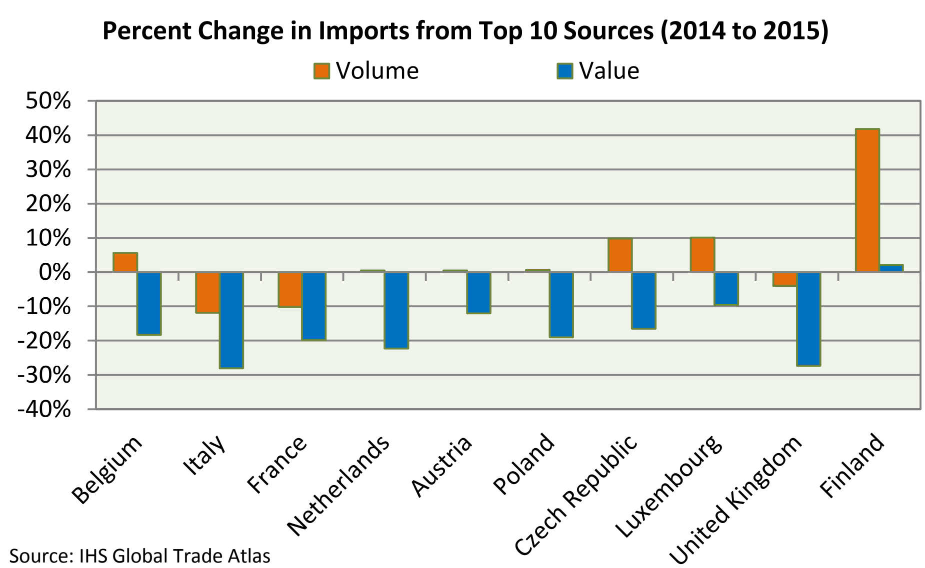
The United States ranked 29th as a source for Germany's steel imports, representing just 0.1 percent of imports (35 thousand metric tons) in 2015.

Trends in Imports from Top Sources

Between 2014 and 2015, the volume of imports from Germany's top 10 source countries increased from all sources except Italy, France, and the United Kingdom. Imports from Finland showed the largest volume increase, up 41.8 percent from 2014, followed by Luxembourg (up 10.1%) and the Czech Republic (up 9.9%). Imports by volume decreased 11.8 percent from Italy, 10.1 percent from France, and 4 percent from the United Kingdom.

Outside the top 10 sources, other notable volume changes included Germany's imports from 17th-ranked Belarus (up 47%) and 18th-ranked Brazil (up 272%).

The overall value of Germany's imports decreased from nearly all of its top 10 sources, reflecting the decline in global steel prices. Imports from Italy, the United Kingdom, and the Netherlands showed the largest decreases in value in 2015, down 28.1, 27.3, and 22.3 percent, respectively. Only imports from Finland increased in value terms — up 2.2 percent from 2014.



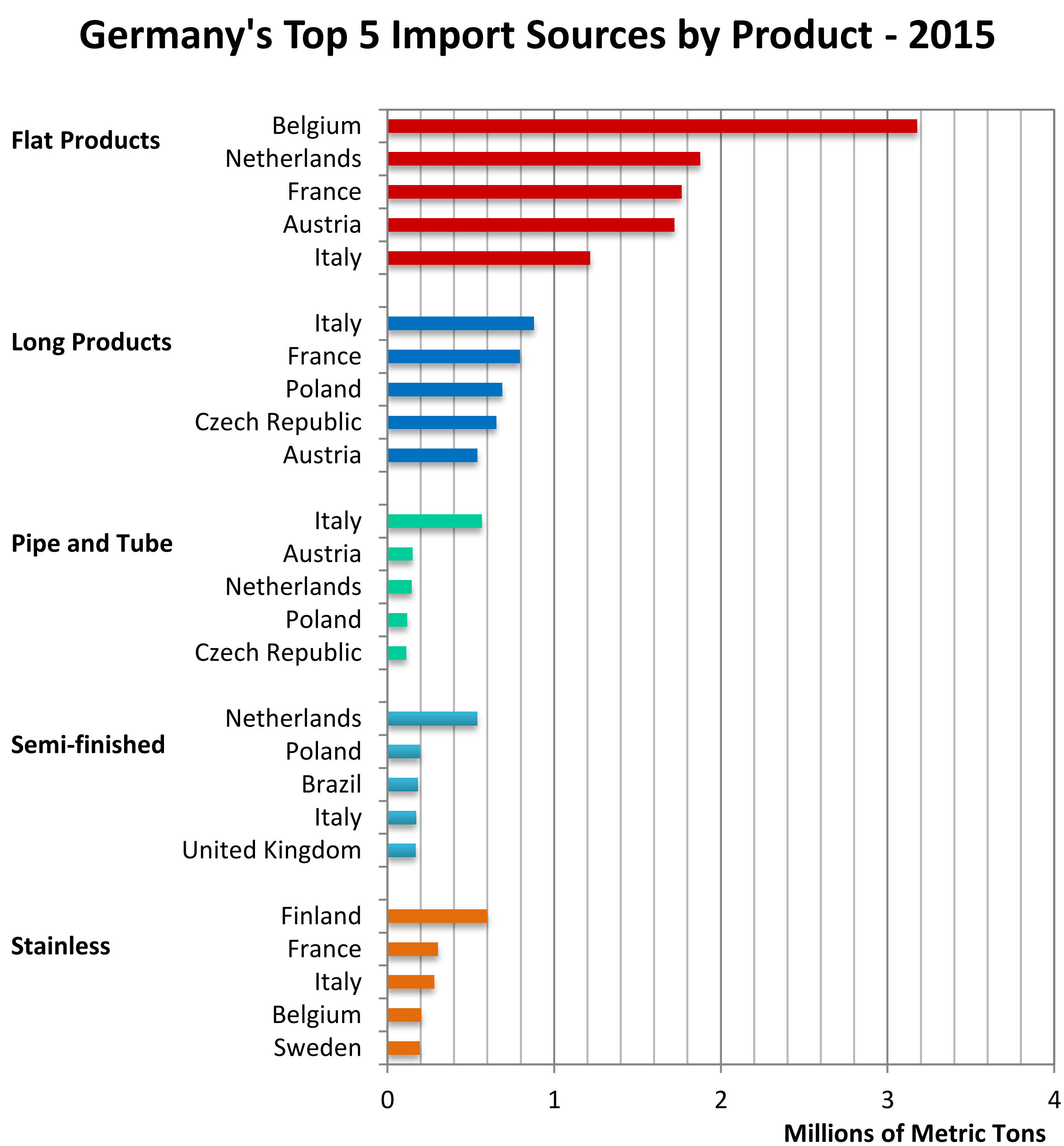
Top Sources by Steel Product Category

The top source countries for Germany's imports by volume vary across types of steel products. Belgium accounted for 25 percent (3.2 million metric tons) of Germany's imports of flat products in 2015, followed by the Netherlands at 15 percent (1.9 million metric tons).

In 2015, Italy represented the largest shares of both Germany's long product imports (13% or 879 thousand metric tons) and its pipe and tube imports (30 percent or 564 thousand metric tons).

The Netherlands represented the largest share of Germany's semi-finished steel imports in 2015 at 29 percent (538 thousand metric tons), while Finland represented the largest share of Germany's imports of stainless products at 27 percent (598 thousand metric tons).

The United States was not a top-five import source for any product category.



Source: IHS Global Trade Atlas

Germany's Export Market Share from Top Source Countries

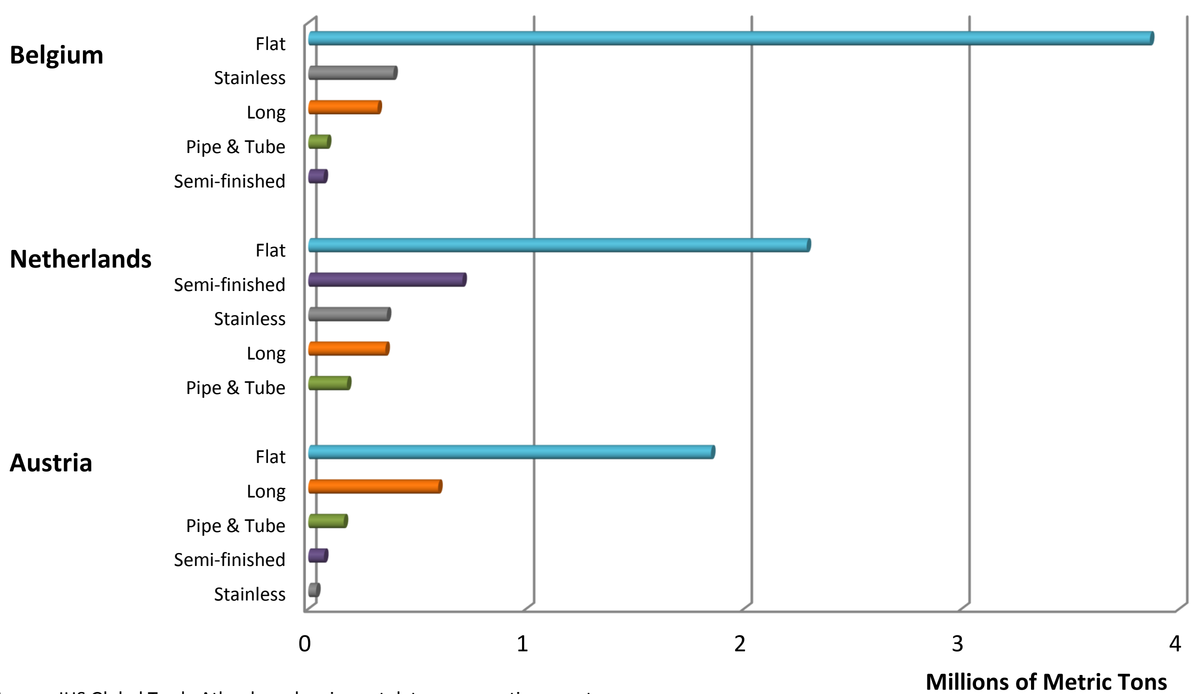
In 2015, the share of steel exports sent to Germany from its top import sources increased from all but three of the top 10 sources. In 2015, the share of Finland's steel exports to Germany showed the largest increase (up 4.7 percentage points from 2014), followed by Austria (up 2.9 percentage points), and Belgium (up 1.7 percentage points). Italy, France, and Poland showed decreases in their share of steel exports to Germany, decreasing 1.1, 0.4, and 0.8 percentage points, respectively. Of note, Germany ranks as the number one export destination in nearly all of its top import sources.

Germany's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Germany - 2014	Germany's Rank in 2014	Share of Exports to Germany - 2015	Germany's Rank in 2015
Belgium	29.0%	1	30.8%	1
Italy	21.2%	1	20.1%	1
France	21.0%	1	20.5%	1
Netherlands	35.2%	1	35.7%	1
Austria	34.2%	1	37.1%	1
Poland	27.1%	1	26.2%	1
Czech Republic	24.9%	1	26.5%	1
Luxembourg	20.3%	1	20.4%	1
Finland	22.0%	2	26.7%	2
United Kingdom	9.8%	5	11.2%	2

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

Among Germany's top sources, Belgium, the Netherlands, and Austria each sent more than 30 percent of their total steel exports to Germany. In 2015, flat products accounted for the largest share of steel exports to Germany from all three sources. Flat products accounted for 82 percent (3.9 million metric tons) of Belgium's steel exports to Germany, 59 percent of exports from the Netherlands (2.3 million metric tons), and 68 percent of exports from Austria (1.8 million metric tons).

Steel Export Composition of Top Market-Share Countries - 2015



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

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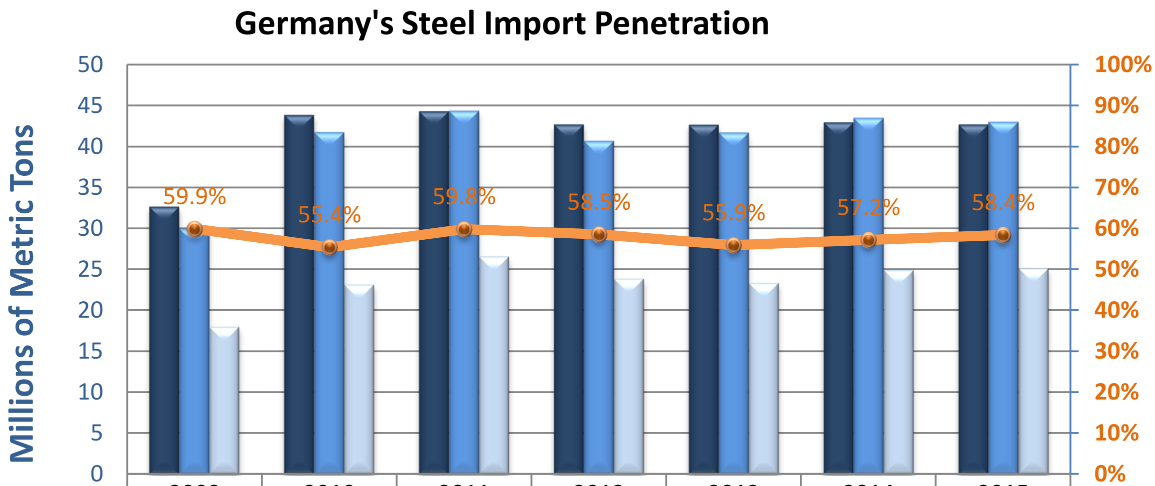
Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015
Production	32.7	43.8	44.3	42.7	42.6	42.9	42.7
Apparent Consumption	30.0	41.7	44.4	40.7	41.7	43.5	43.0
Imports	18.0	23.1	26.5	23.8	23.3	24.9	25.1
Import Penetration	59.9%	55.4%	59.8%	58.5%	55.9%	57.2%	58.4%

Source: World Steel Association; IHS Global Trade Atlas

Germany's crude steel production increased by 36 percent between 2009 and 2011 to 44.3 million metric tons but has remained at just under 43 million metric tons since then. Apparent consumption (a measure of steel demand) was either on par with or slightly less than production between 2009 and 2015, and the gap between the two has gradually narrowed. Though Germany's level of import penetration dipped in 2010 and 2013, it has averaged 57.9 percent over the period. Despite such high import penetration levels, Germany exported a similar percentage of its production, which helped to keep demand in line with production.

Top Producers

Germany's steel production is a mix of domestic and foreign-owned companies and is concentrated among a handful of producers, with the country's top six producers accounting for 33.7 million metric tons, or 79 percent of total 2015 production.

Germany' s Top Steel Producers in 2015

Rank	Company	Production (mmt)	Main Products
1	ThyssenKrupp	9.3	Strip, plate, tinplate, electrical, stainless
2	ArcelorMittal	7.8	Flat, long, tube
3	Salzgitter	5.3	Strip, plates, sections, pipe and tube
4	HKM	4.6	Semi-finished
5	Saarstahl	4.3	Wire rods, bars, semi-finished
6	Dillinger Hüttenwerke	2.4	Heavy plate

Sources: German Steel Federation; MarketLine; Company websites

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 table below provides statistics on the current number of trade remedies the European Union, which includes Germany, has against imports of steel mill products from various countries. The European Union has no steel mill safeguards in effect.

European Union Trade Remedies in Effect Against Steel Mill Imports

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Belarus	1			1
China	5	1		6
India	1	2		3
Russia	2			2
Ukraine	1			1
TOTAL	**10**	**3**	**0**	**13**

Source: World Trade Organization, through June 30, 2015

Steel Imports 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 HS 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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