



Global Steel Trade Monitor

Steel Imports Report: **United States**

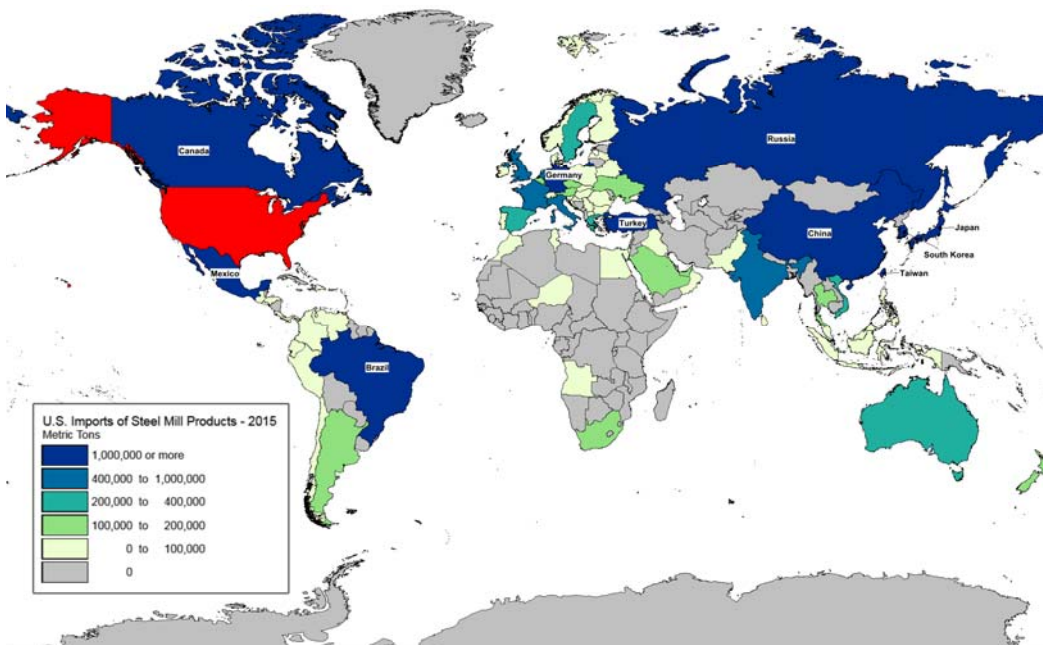
June 2016

Background

The United States is the world's largest steel importer. In 2015, the U.S. imported 35.3 million metric tons of steel, a decline from the near-record high of 40.3 million metric tons in 2014. U.S. imports represented about 9 percent of all steel imported globally. The volume of U.S. 2015 steel imports was more than 40 percent larger than that of the world's second- and third-largest importers, Germany and South Korea. In value terms, steel represented just 1.4 percent of the total goods imported into the United States in 2015.

The United States imports steel from over 90 countries and territories. The 10 countries labeled in the map below represent the top sources for U.S. imports of steel, with the U.S. receiving more than 1 million metric tons from each and together accounting for 81 percent of U.S. steel imports in 2015.

U.S. Imports of Steel Mill Products - 2015



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

Quick Facts:

- World's largest steel importer: 35.3 million metric tons (2015)
- 139% steel import growth since 2009
- Year-on-year import volume down 12% while import value down 20%
- Import penetration up from 22.7% in 2009 to 33.8% in 2015
- Top three import sources: Canada, Brazil, South Korea
- Largest producers: Nucor, U.S. Steel, and ArcelorMittal USA
- 113 trade remedies in effect against imports of steel mill products

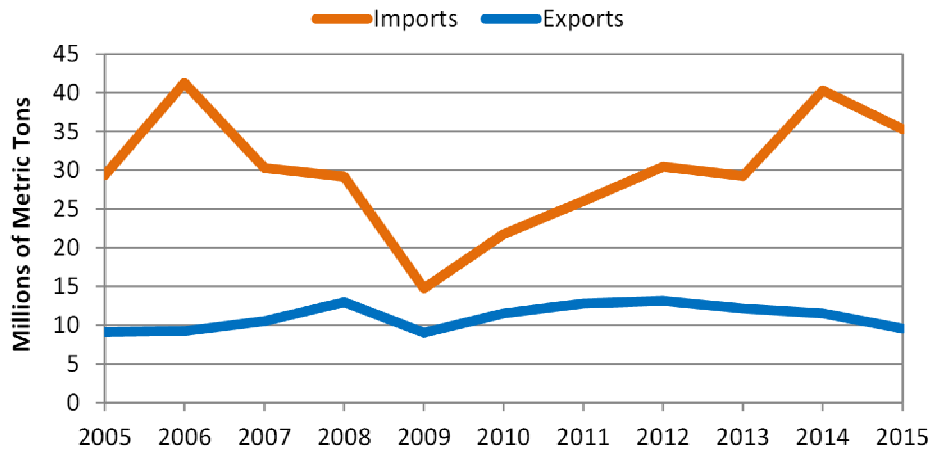
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Steel Trade Balance

The United States has maintained a persistent trade deficit in steel products. Since 2009, imports have returned to the average levels seen prior to the 2008 global recession while exports have remained relatively flat in comparison, and the trade deficit has widened accordingly. Imports grew by 139% between 2009 and 2015, and the steel trade deficit grew by 348%.

In 2015, the U.S. steel trade deficit amounted to -25.8 million metric tons.

U.S. Trade in Steel Mill Products

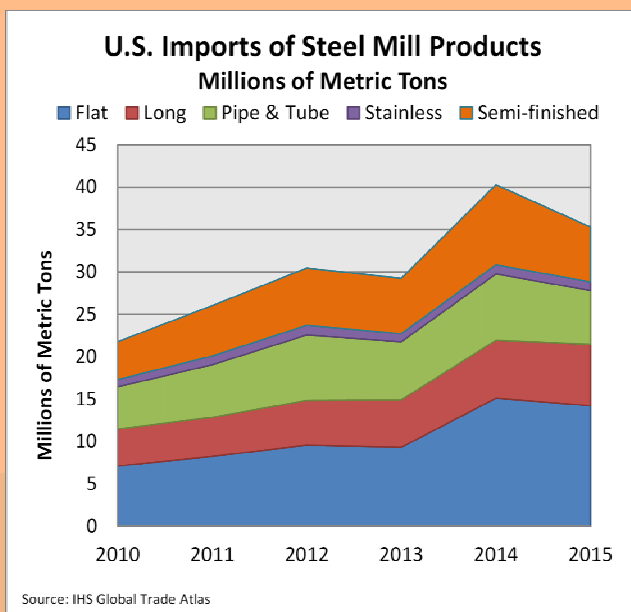


Source: IHS Global Trade Atlas

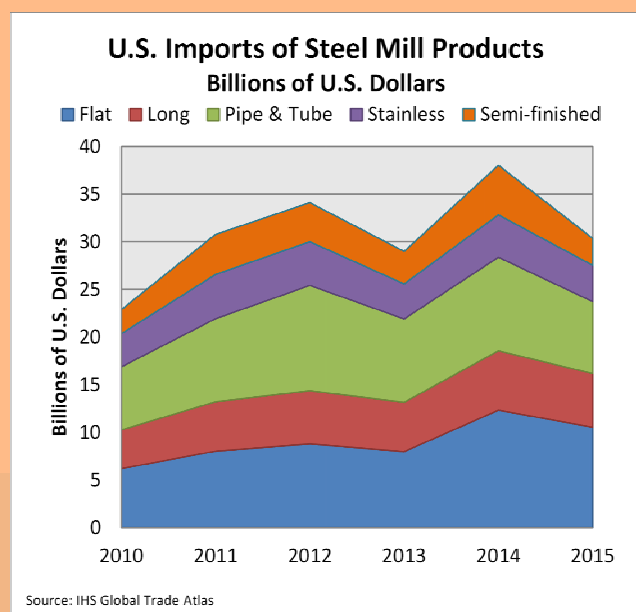
Import Volume, Value, and Product

In 2014, U.S. imports of steel products reached a near-record high of 40.3 million metric tons, only topped by the 41.3 million metric tons imported in 2006. 2014 steel import levels increased sharply from 2013 — a jump of 38 percent. In 2015, the volume of U.S. steel imports declined by 12 percent from 2014 to 35.3 million metric tons. By contrast, the value of U.S. 2015 steel imports declined by a greater amount, down 20 percent to \$30.4 billion from \$38 billion in 2014, which can be attributed to a significant drop in global steel prices.

In 2015, flat products accounted for the largest share of U.S. steel imports at 40 percent, or 14.2 million metric tons. Long products accounted for 21 percent, or 7.2 million metric tons, of U.S. imports, followed by semi-finished (18%), pipe and tube (18%), and stainless products (3%).



Source: IHS Global Trade Atlas



Source: IHS Global Trade Atlas

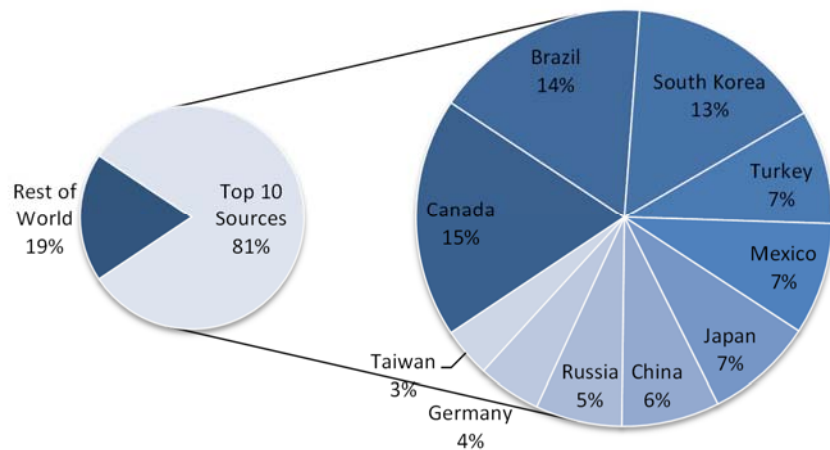
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Imports by Top Source

The top 10 source countries for U.S. steel imports represented 81 percent of the total steel import volume in 2015 at 28.7 million metric tons (mmt). Canada accounted for the largest share of U.S. imports by source country at 15 percent (5.4 mmt), followed by Brazil at 14 percent (4.8 mmt), South Korea at 13 percent (4.4 mmt), and Turkey at 7 percent (2.6 mmt).

While the rankings of the top 10 source countries for U.S. imports has fluctuated over time, Canada has retained the top spot.

U.S. Steel Imports - Top 10 Sources
2015 - Millions of Metric Tons



Source: IHS Global Trade Atlas

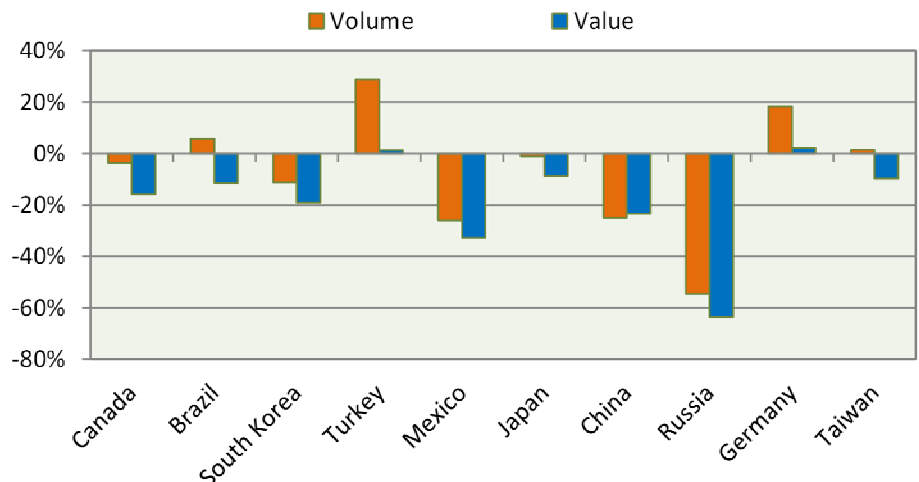
Trends in Imports from Top Sources

Between 2014 and 2015, imports from the U.S. top 10 source countries displayed mixed trends in volume terms, with the majority of the top 10 seeing decreases. Imports from Russia showed the largest volume decrease, down 54.6 percent from 2014, followed by Mexico (down 25.9%) and China (down 25%). Increases in volume came from Turkey (up 28.9%), Germany (up 18.3%), Brazil (up 5.8%), and Taiwan (up 1.5%).

Outside the top 10 sources, other notable volume changes included U.S. imports from 11th-ranked India (down 24%), 12th-ranked United Kingdom (down 41%), 17th-ranked Spain (down 26%), and 19th-ranked Greece (up 366%).

The overall value of U.S. imports decreased from nearly all of its top 10 sources, reflecting the decline in global steel prices. In tandem with decreases in volume, imports from Russia, Mexico, and China showed the largest decreases in value in 2015, down 63.5, 32.8, and 23.5 percent, respectively. Only imports from Germany and Turkey increased in value terms from 2014, up 2.3 percent and 1.4 percent, respectively.

Percent Change in Imports from Top 10 Sources (2014 to 2015)



Source: IHS Global Trade Atlas

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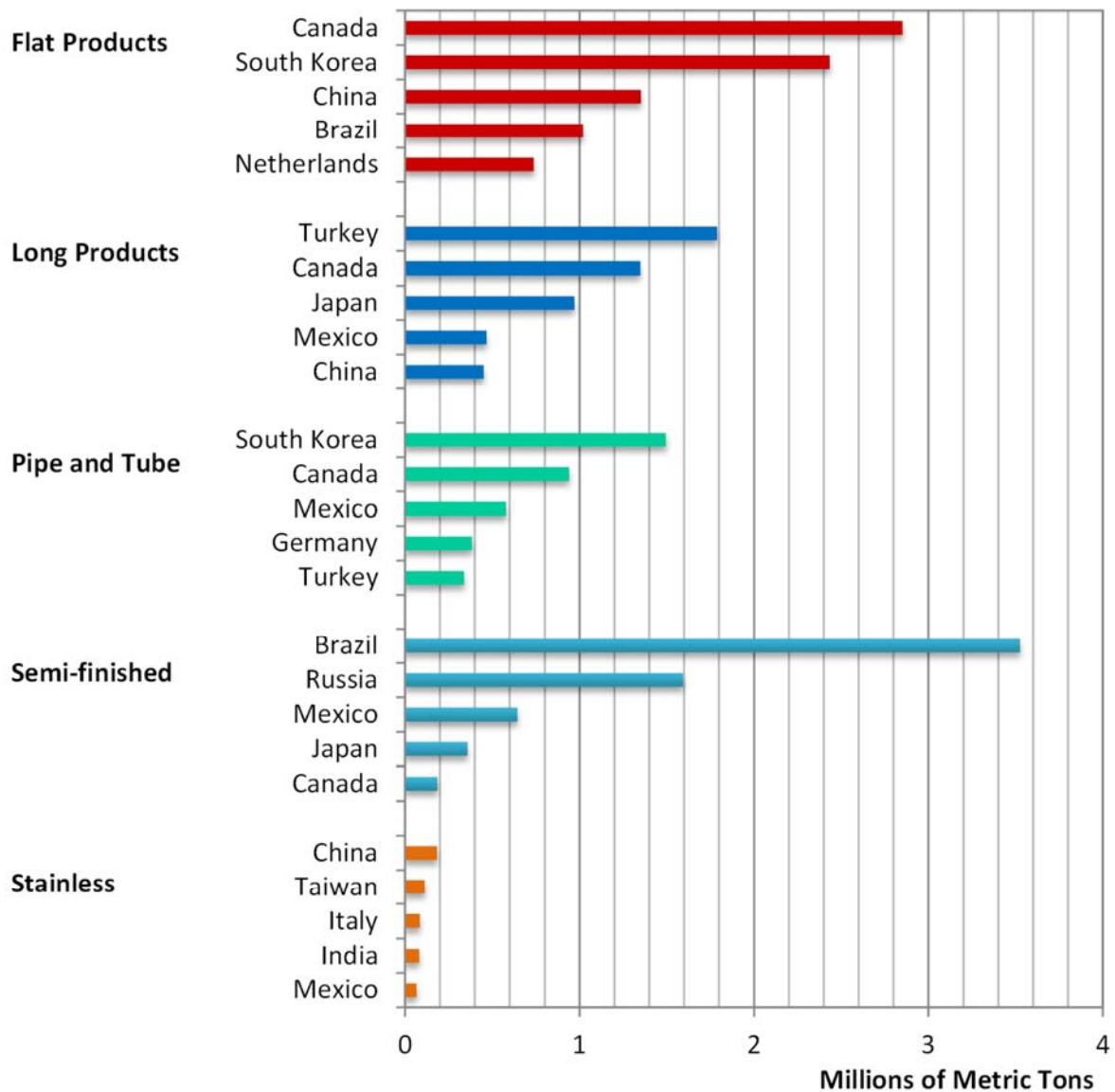
Top Sources by Steel Product Category

The top source countries for U.S. imports by volume vary across types of steel products. Canada accounted for the largest share of U.S. imports of flat products in 2015 at 20 percent (2.9 million metric tons), followed by South Korea at 17 percent (2.4 million metric tons).

The U.S. received the largest share of its long product imports from Turkey in 2015 at 25 percent (1.8 million metric tons), received the largest share of pipe and tube imports from South Korea at 24 percent (1.5 million metric tons), and received the largest share, at 18 percent (185 thousand metric tons), of stainless products from China.

The U.S. imported over half of its semi-finished steel products from Brazil in 2015, a total of 3.5 million metric tons.

U.S. Top 5 Import Sources by Product - 2015



Source: IHS Global Trade Atlas

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U.S. Export Market Share from Top Source Countries

In 2015, the share of steel exports sent to the United States from its top import sources decreased in the majority of the U.S. top 10 sources. Brazil's share of exports to the U.S. showed the largest decline between 2014 and 2015, down 11.7 percentage points. Other notable decreases included South Korea's share of exports to the U.S. (down 5.3 percentage points from 2014), followed by Russia (down 4.5 percentage points) and China (down 1.4 percentage points). The share of exports to the U.S. in Japan and Taiwan both decreased by less than one percentage point.

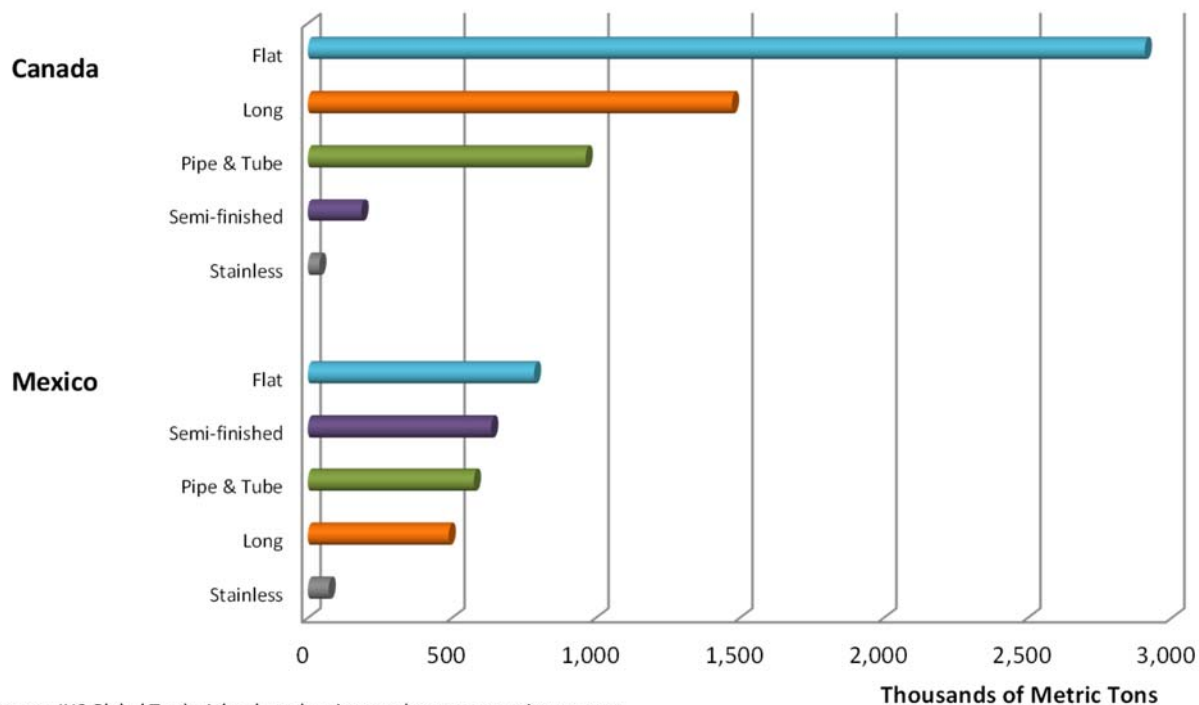
Countries with notable increases in their share of steel exports to the U.S. included Canada (up 15.4 percentage points) and Mexico (up 2.1 percentage points).

U.S. Steel Export Market Share				
Top 10 Import Sources	Share of Exports to U.S. - 2014	U.S. Rank in 2014	Share of Exports to U.S. - 2015	U.S. Rank in 2015
Canada	46.1%	1	61.5%	1
Brazil	52.3%	1	40.6%	1
South Korea	17.8%	1	12.6%	1
Turkey	13.8%	1	15.6%	1
Mexico	65.8%	1	68.0%	1
Japan	6.0%	5	5.7%	7
China	3.3%	8	1.9%	19
Russia	6.9%	3	2.4%	10
Germany	5.0%	6	5.2%	7
Taiwan	9.9%	2	8.9%	4

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

Among the U.S. top import sources, Canada and Mexico sent more than half of their total steel exports to the United States. In 2015, flat products accounted for the largest share of steel exports to the U.S. in both Canada and Mexico, at 52 percent (2.9 million metric tons) and 31 percent (786 thousand metric tons), respectively.

Steel Export Composition of Top Market-Share Countries - 2015

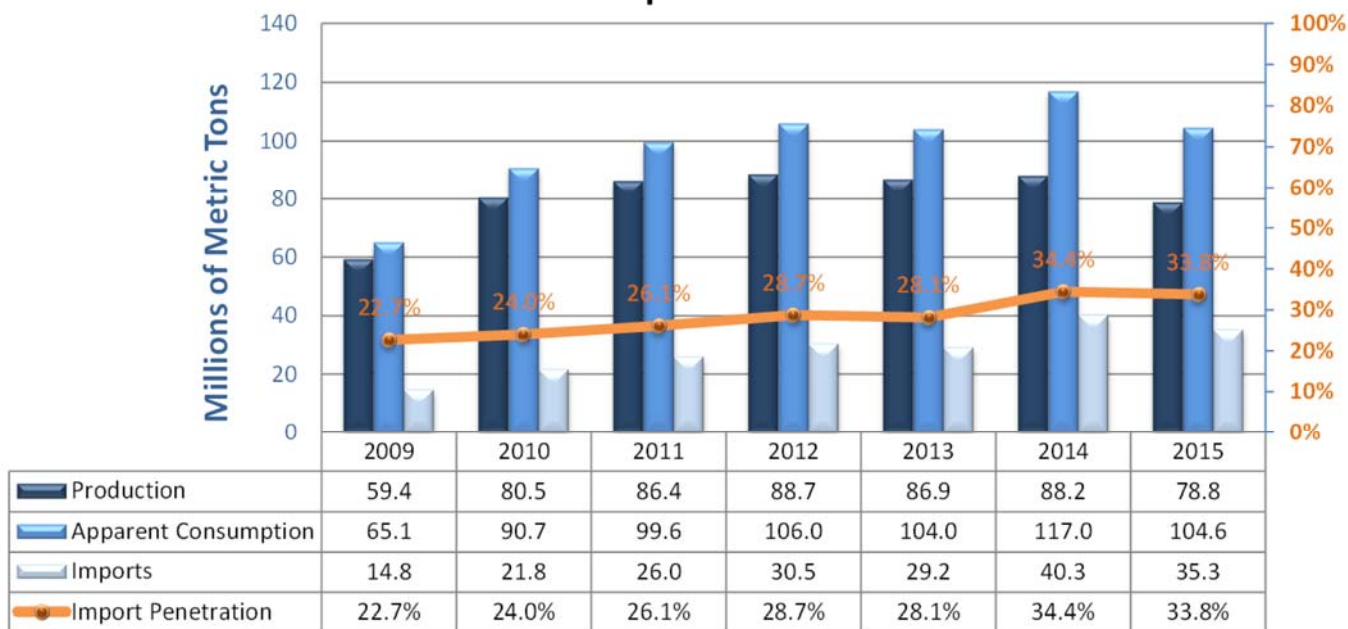


Source: IHS Global Trade Atlas, based on import data per reporting country

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Overall Production and Import Penetration

U.S. Steel Import Penetration



Source: World Steel Association; IHS Global Trade Atlas

U.S. crude steel production dropped to 78.8 million metric tons in 2015, a decline of 11 percent from 2014's total of 88.2 million metric tons. Since 2009, apparent consumption (a measure of steel demand) has increasingly outpaced production. Between 2009 and 2015, crude steel production grew by 33 percent, while apparent consumption grew almost twice as much, increasing by 60 percent. As U.S. steel exports have remained relatively flat, imports have captured an increasing share of demand, as shown by the record levels of import penetration in 2014 and 2015, at 34.4 and 33.8 percent, respectively.

Top Producers

The top eight steel producers in the United States are a mix of foreign and domestically-owned companies. Based on available data, the top five domestically-owned producers, along with ArcelorMittal USA, accounted for 82 percent of total production in 2015.

United States Top Steel Producers in 2015

Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	19.6	Bars, beams, sheets, plate
2	United States Steel Corp.	14.5	Hot-rolled, hardware, fittings
3	ArcelorMittal USA*	13.9 (estimate)	Flat products, long products, tubular products
4	Gerdau North America*	N/A	Beams, pilings, billets, rebar, wire rod
5	Steel Dynamics Inc.	7.4 (2014 shipments)	Sheets, bars, beams
6	AK Steel Corporation	6.2	Carbon, stainless, electrical
7	Severstal North America* □	N/A	Hot-rolled, cold-rolled, galvanized
8	Commercial Metals Co.	3.4 (2013)	Long products, structural

Source: World Steel Association; Bloomberg; Company websites

*Denotes foreign-owned producer

□ Sold to AK Steel and Steel Dynamics

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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 table below provides statistics on the current number of trade remedies the United States has against imports of steel mill products from various countries. The U.S. has no steel mill safeguards in effect.

U.S. Trade Remedies in Effect Against Steel Mill Imports

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Belarus	1			1
Belgium	1			1
Brazil	3	1		4
China	12	8		20
Germany	2			2
India	6	3		9
Indonesia	4	2		6
Italy	1			1
Japan	10			10
Latvia	1			1
Malaysia	1			1
Mexico	5			5
Moldova	2			2
Poland	1			1
Romania	1			1
Russia	1		1	2
South Africa	1	1		2
South Korea	9	2		11
Spain	2			2
Sweden	1			1
Taiwan	10	1		11
Thailand	3	1		4
Trinidad & Tobago	1			1
Turkey	4	4		8
Ukraine	2		2	4
Vietnam	2			2
TOTAL	87	23	3	113

Source: U.S. Department of Commerce, Enforcement and Compliance, through March 2016

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.

Special Note on U.S. Import Data: Import data for the United States used in this report are general imports, rather than imports for consumption, so as to be consistent across countries. Therefore, U.S. import data in this report may not match similar data used in our other U.S. import data products.

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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