

# Global Steel Trade Monitor

## Steel Exports Report: Canada

May 2017

### Background

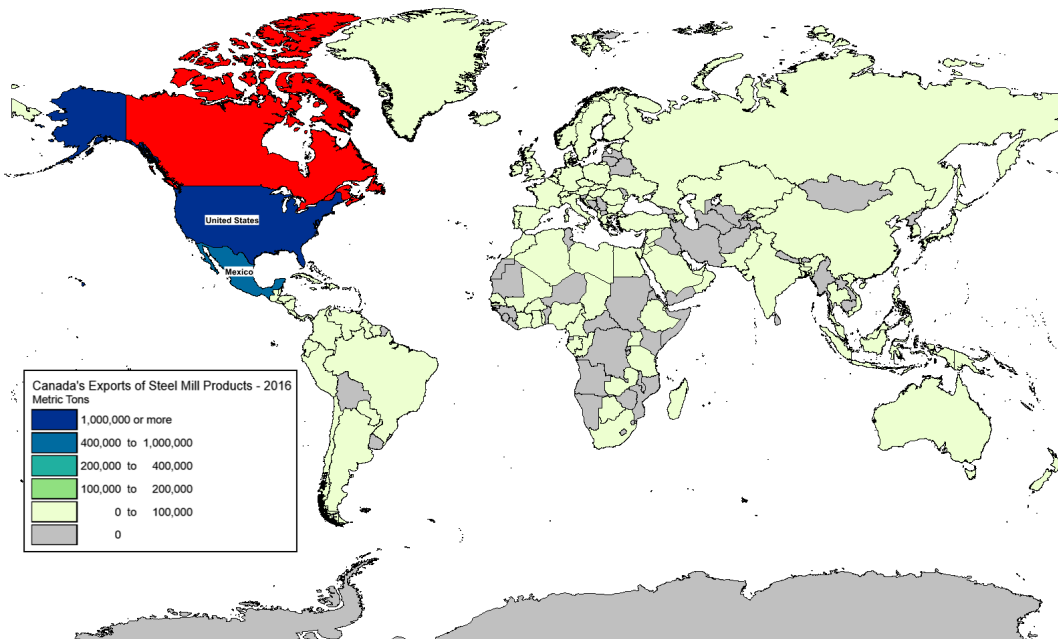
Canada is the world's eighteenth-largest steel exporter. In 2016, Canada exported 6.1 million metric tons of steel, a 3 percent decrease from 6.3 million metric tons in 2015. Canada's exports represented about 1.4 percent of all steel exported globally in 2015, based on available data. The volume of Canada's 2016 steel exports was roughly one-twentieth the size of the world's largest exporter, China. In value terms, steel represented just 1.3 percent of the total goods Canada exported in 2016.

Canada exports steel to more than 110 countries and territories. The two countries labeled in the map below represent the top markets for Canada's exports of steel, receiving more than 400 thousand metric tons each and accounting for 96 percent of Canada's steel exports in 2016.

### Quick Facts:

- World's 18th-largest steel exporter: 6.1 million metric tons (2016)
- 21% growth in steel exports since 2009
- Year-on-year export volume down 3% while export value down 14%
- Top markets: United States and Mexico
- Exports as a share of production down from 50.4% in 2015 to 48.3% in 2016
- Largest producers: ArcelorMittal, Essar Steel Algoma

Canada's Exports of Steel Mill Products - 2016



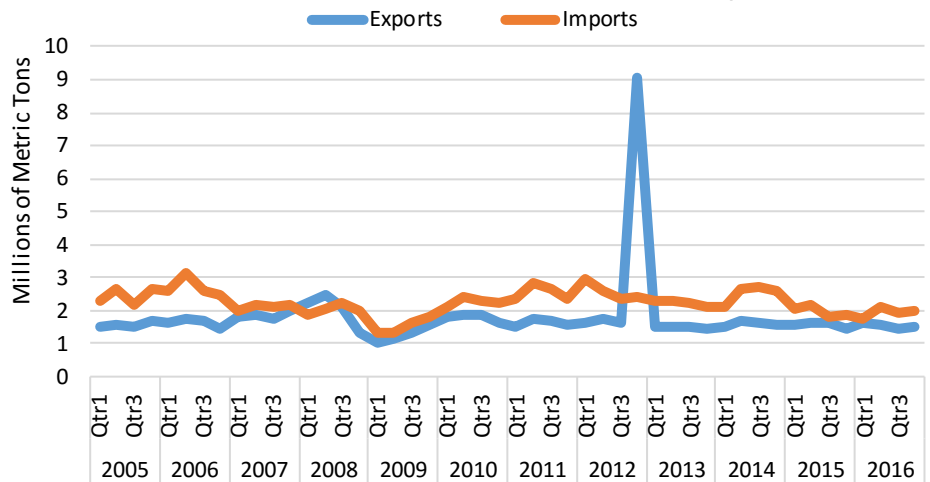
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# Steel Exports Report: Canada

## Steel Trade Balance

With the exception of three quarters, Canada has maintained a moderate trade deficit in steel products since 2005. Rising exports in the first half of 2008 and a spike in exports in Q4 2012 (resulting from a bulk shipment of semi-finished steel to Egypt) caused the deficit to briefly become a surplus. Since their recent low points in 2009, imports grew 27 percent by 2016, while exports grew 21 percent. In 2016, Canada's steel trade deficit amounted to -1.57 million metric tons — a 3 percent decrease from -1.63 million metric tons in 2015.

Canada's Trade in Steel Mill Products by Quarter



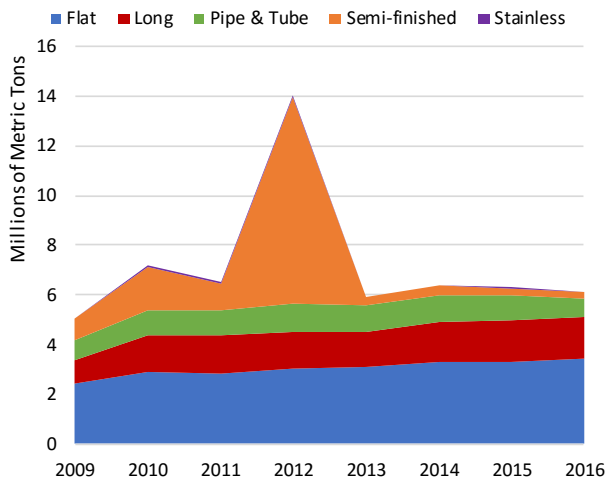
Source: IHS Global Trade Atlas

## Export Volume, Value, and Product

The volume of Canada's steel exports has remained relatively flat since 2013 at an average of 6.2 million metric tons per year. Exports in 2016 decreased by 3 percent to 6.1 million metric tons from 6.3 million metric tons in 2015. In value terms, Canada's steel exports decreased by 15 percent between 2014 and 2015 and continued to decline in 2016 — down 14 percent to \$4.9 billion from \$5.7 billion in 2015.

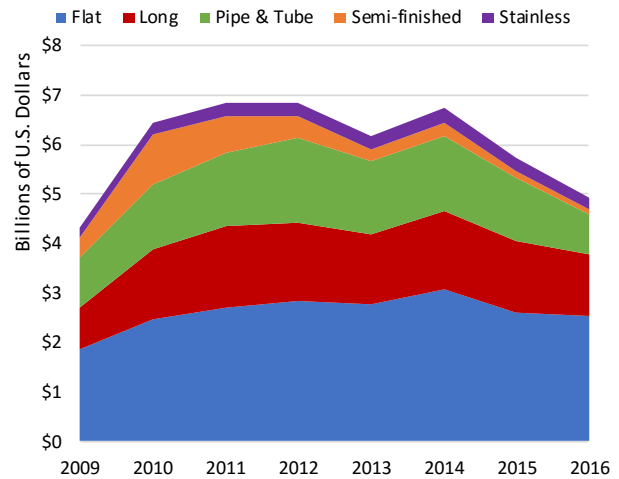
Flat products accounted for 56 percent of Canada's steel exports by volume in 2016 at 3.4 million metric tons. Long products represented the second-largest category at 27 percent (1.6 million metric tons), followed by pipe and tube at 12 percent (735 thousand metric tons), semi-finished steel at 4 percent (271.4 thousand metric tons), and stainless steel at 1 percent (39.1 thousand metric tons).

Canada's Exports of Steel Mill Products  
Millions of Metric Tons



Source: IHS Global Trade Atlas

Canada's Exports of Steel Mill Products  
Billions of U.S. Dollars



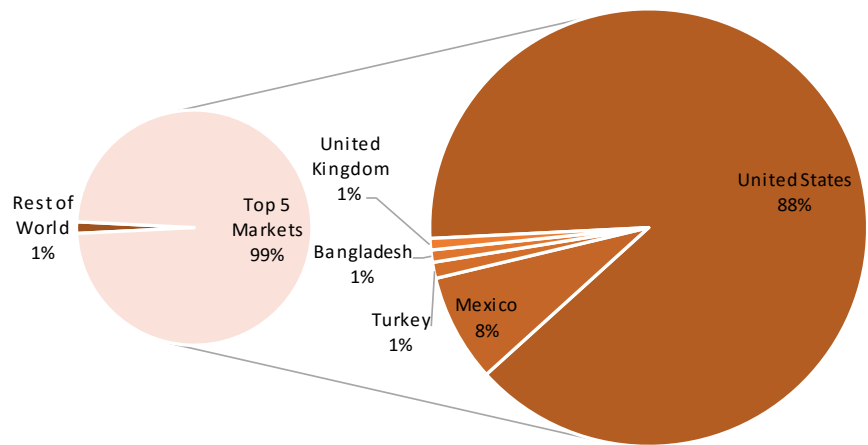
Source: IHS Global Trade Atlas

# Steel Exports Report: Canada

## Exports by Top Market

Exports to Canada's top 5 steel markets represented 99 percent of Canada's steel export volume in 2016 at 6 million metric tons (mmt). Furthermore, the top two markets for Canada's exports, the United States and Mexico, by themselves accounted for 96 percent of exports by volume. Canada sent 88 percent of its steel exports to the United States in 2016 (5.4 mmt) and 8 percent to Mexico (481 thousand metric tons). Of note, with the exception of 2012, the United States and Mexico have ranked first and second as top export markets for Canada's shipments of steel since 2000.

**Canada's Steel Exports - Top 5 Markets**  
2016 - Millions of Metric Tons



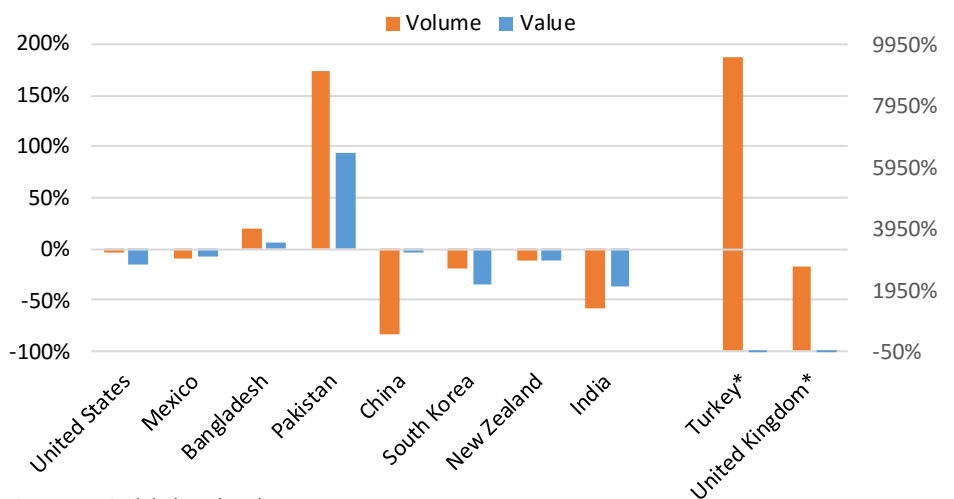
Source: IHS Global Trade Atlas

## Trends in Exports to Top Markets

Between 2015 and 2016, the volume of Canada's steel exports decreased to six of its top 10 steel export markets. Exports to China showed the largest decrease from 2015, down 84 percent, followed by exports to India (down 56.9%), South Korea (down 19.4%), and New Zealand (11.6%). Export volumes increased significantly to Turkey (up 9,543% from 2015) and the United Kingdom (up 2,699%). Exports to Pakistan increased 173.2 percent by volume, and exports to Bangladesh increased by 19.2 percent.

Despite such significant volume increases, export values decreased to eight of Canada's top 10 steel export markets, reflecting the decline in global steel prices. Markets that saw considerable decreases in steel value between 2015 and 2016 included the United Kingdom (down 47.7%), India (down 36.5%), and South Korea (down 34.2%). Only Pakistan and Bangladesh saw increases in steel value from Canada in 2016, up 92.8 percent and 6.5 percent, respectively, from 2015.

**Percent Change in Exports to Top 10 Markets (2015 to 2016)**



Source: IHS Global Trade Atlas

\*Turkey and United Kingdom plotted on secondary axis

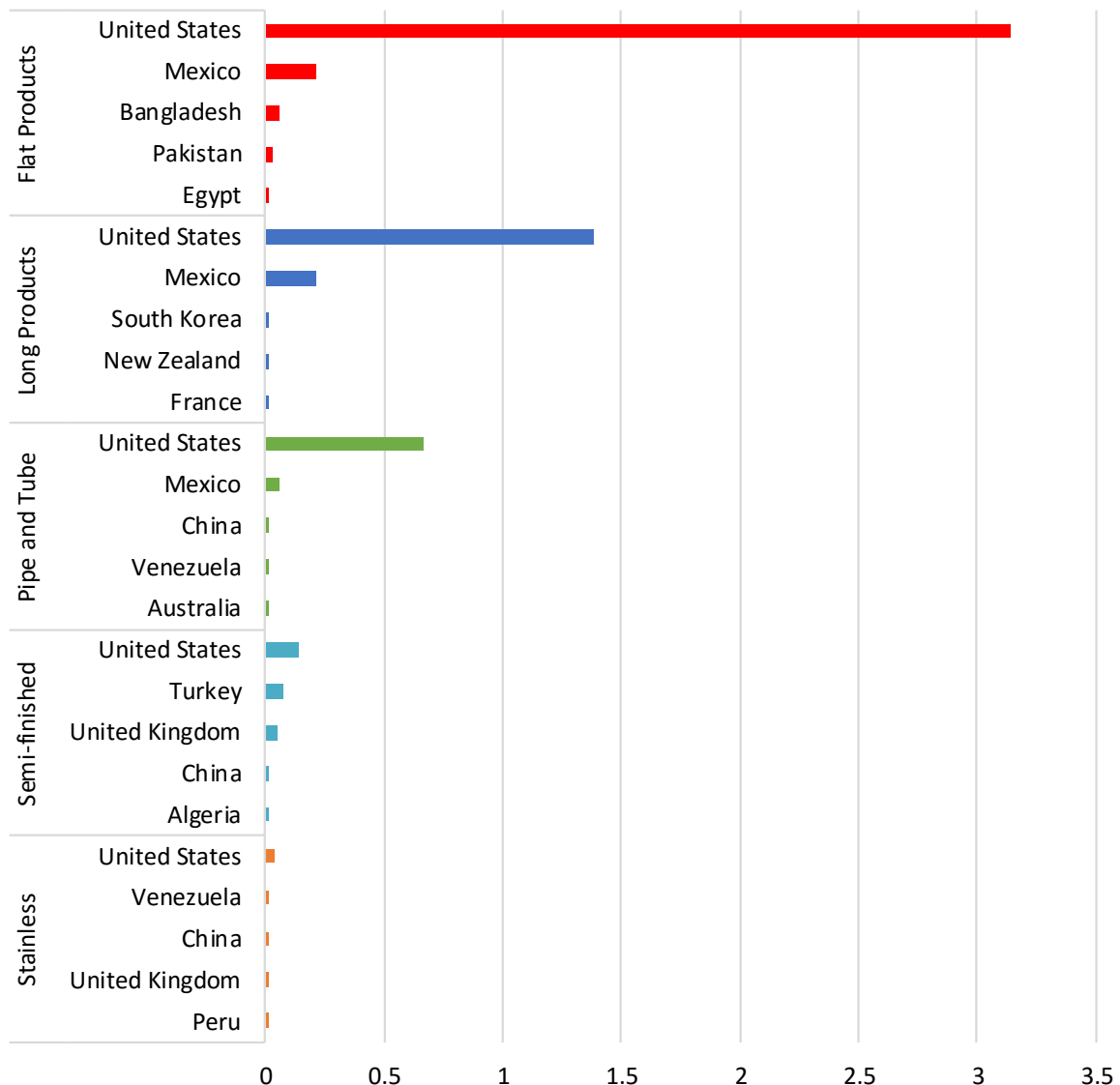
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## Top Markets by Steel Product Category

Canada's top export markets by volume vary across types of steel products, though the United States held the top spot in every product category and accounted for over 80 percent of exports in four of the five categories. In 2016, Canada sent 91 percent (3.1 million metric tons) of its flat product exports to the United States, 85 percent (1.4 million metric tons) of long product exports, 91 percent (667.6 thousand metric tons) of pipe and tube exports, and 92 percent (36 thousand metric tons) of stainless exports.

The United States received 53 percent (143.5 thousand metric tons) of Canada's exports of semi-finished steel in 2016, followed by Turkey at 26 percent (71.4 thousand metric tons) and the United Kingdom at 18 percent (49.8 thousand metric tons).

### Canada's Top 5 Export Markets by Product - 2016



Source: IHS Global Trade Atlas

Millions of Metric Tons

# Steel Exports Report: Canada

## Canada's Import Market Share in Top Destinations

In 2015, the import market share for Canada's steel products remained mostly unchanged in the majority of Canada's top 10 export destinations for which data are available. The share of imports from Canada in Mexico and Pakistan decreased by less than half a percentage point, and import shares in India, South Korea, New Zealand, and France stayed the same from 2014. Only the United States had a notable increase in the share of steel imports from Canada (up 1.3 percentage points from 2014).

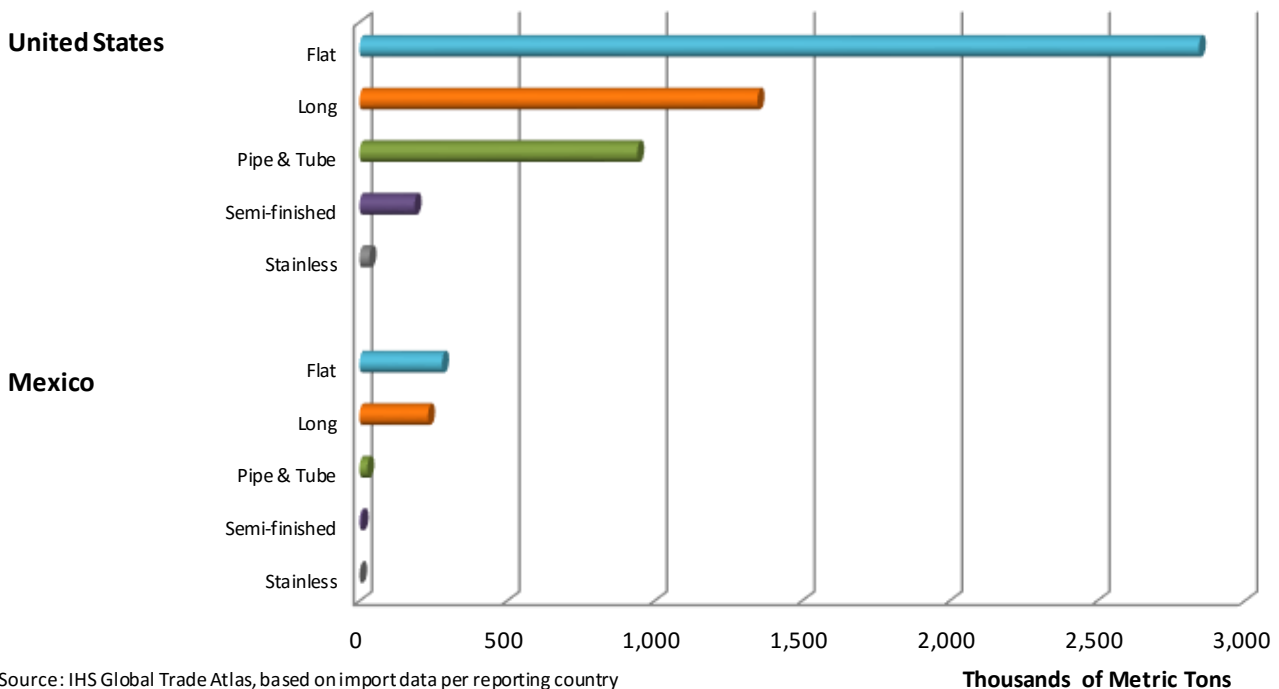
Among Canada's top export markets, the United States and Mexico received the highest shares of their total steel imports from Canada, and in the remaining six countries, Canada

accounted for less than 1 percent of imports. In 2015, flat products accounted for the largest share of steel imports from Canada in both the United States at 53 percent (2.8 million metric tons) and Mexico at 51 percent (280 thousand metric tons).

Canada's Steel Import Market Share				
Top 10 Export Destinations (2015)	Share of Imports from Canada - 2014	Canada's Rank in 2014	Share of Imports from Canada - 2015	Canada's Rank in 2015
United States	13.8%	1	15.1%	1
Mexico	6.0%	5	5.5%	5
China	0.0%	39	0.1%	27
Bangladesh	N/A	N/A	N/A	N/A
Pakistan	0.6%	16	0.4%	15
India	0.1%	33	0.1%	32
South Korea	0.0%	29	0.0%	25
New Zealand	0.6%	11	0.6%	11
South Korea	0.0%	38	0.0%	44
Cuba	N/A	N/A	N/A	N/A

Source: IHS Global Trade Atlas, based on import data per reporting country  
 Note: 2014/2015 import data for Bangladesh and Cuba not available

## Steel Import Composition of Top Market-Share Countries - 2015

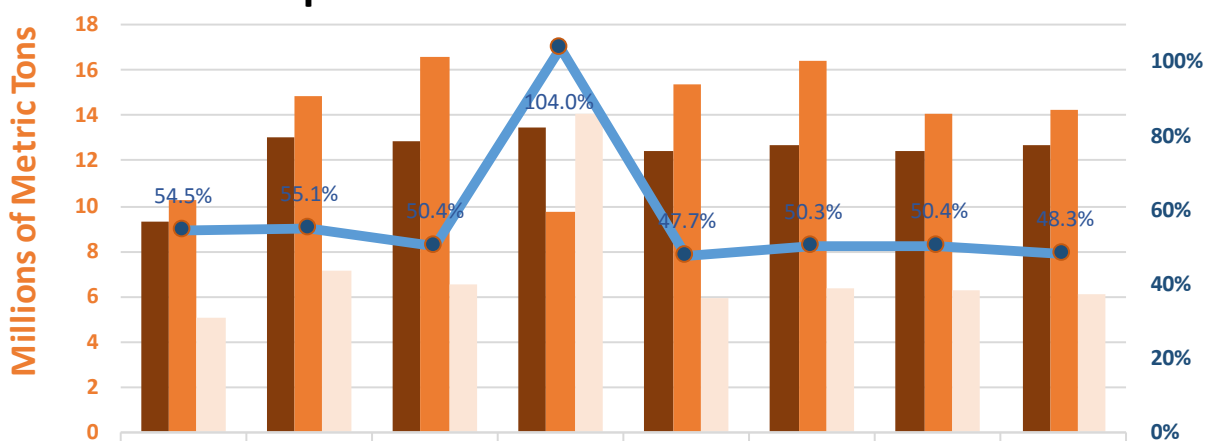


Source: IHS Global Trade Atlas, based on import data per reporting country

# Steel Exports Report: Canada

## Overall Production and Export Share of Production

### Canada's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015	2016
Production	9.3	13.0	12.9	13.5	12.4	12.7	12.5	12.7
Apparent Consumption	10.3	14.9	16.6	9.7	15.4	16.4	14.1	14.2
Exports	5.1	7.2	6.5	14.1	5.9	6.4	6.3	6.1
Export Share of Production	54.5%	55.1%	50.4%	104.0%	47.7%	50.3%	50.4%	48.3%

Sources: World Steel Association; IHS Global Trade Atlas

Canada's crude steel production averaged 12.8 million metric tons between 2010 and 2016. Production in 2016 was up 2 percent to 12.7 million metric tons from 12.5 million metric tons in 2015. Apparent consumption (a measure of steel demand) has outpaced production for much of the period, excluding 2012 when a spike in exports pushed demand down. The gap between demand and production narrowed significantly in 2015, to 1.6 million metric tons, and remained the same in 2016. Exports as a share of production maintained an average of 51 percent since 2009, excluding 2012 when a spike in semi-finished exports to Egypt caused the share to hit 104 percent. In 2016, exports as a share of production decreased to 48.3 percent from 50.4 percent in 2015, due to a slight decrease in exports and a slight increase in production.

### Top Producers

Steel production in Canada is dominated by foreign-owned companies. The largest producer, Luxembourg-based ArcelorMittal, alone accounts for roughly half of Canadian steel production through its two subsidiaries.

### Canada's Top Steel Producers

Rank	Company	Capacity (mmt)	Main Products
1	ArcelorMittal Dofasco	4.5 (shipments)	Hot-rolled sheet, cold-rolled sheet, galvanized
2	ArcelorMittal Long Products Canada	2 (production)	Semi-finished, reinforcing bars, bars, wire rod, wire
3	Essar Steel Algoma	2.8	Hot-rolled sheet, cold-rolled sheet, plates
4	Evrax	N/A	Plate, coil, OCTG
5	Gerdau	N/A	Long products
6	U.S. Steel Canada	N/A	Hot-rolled sheet, cold-rolled sheet, galvanized

Sources: Canadian Steel Producers Association; Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; Company websites

# Steel Exports Report: **Canada**

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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 provide statistics on the current number of trade remedies various countries have against steel mill products from Canada.

<b>Global Steel Mill Safeguards in Effect</b>	
<b>Country</b>	<b>Product(s)</b>
Egypt	Steel rebar
India	1) Hot-rolled steel in coils; 2) Hot-rolled steel flat sheets and plates
Indonesia	1) Articles of finished casing and tubing; 2) Flat-rolled products of iron or non-alloy steel; 3) I and H sections of other alloy steel; 4) Bars and rods, hot-rolled, in irregularly wound coils
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; 3) Structural hot-rolled H-beams with alloy
Vietnam	Semi-finished and certain finished products of alloy and non-alloy steel

**Source: World Trade Organization, through February 24, 2017**



# Steel Exports Report: Glossary

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**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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