

Global Steel Trade Monitor

Steel Exports Report: Germany

March 2017

Background

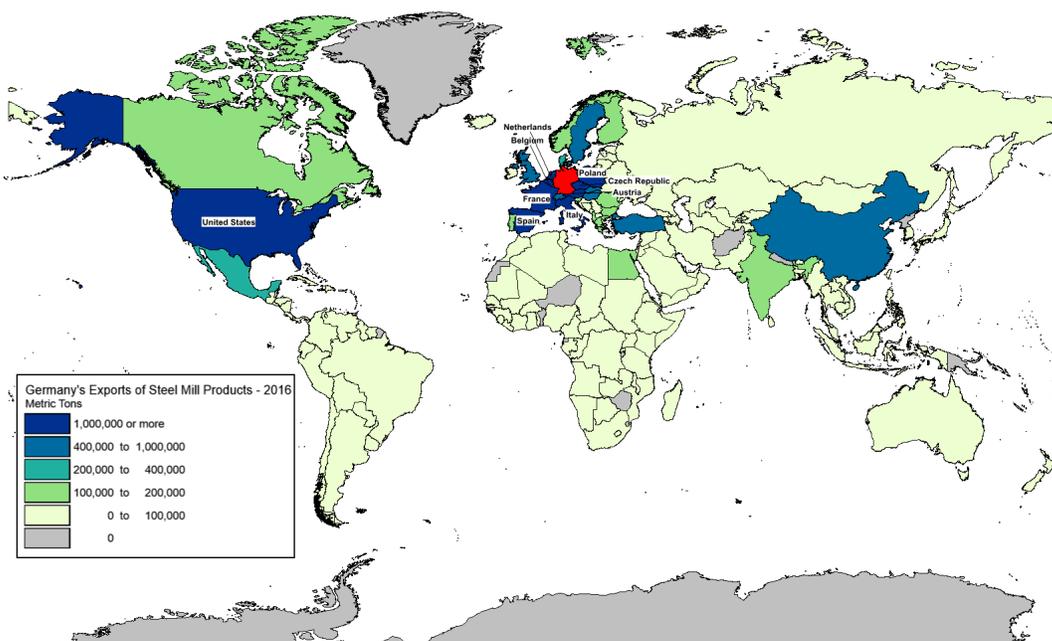
Germany is the world's fifth-largest steel exporter. In 2016, Germany exported 24.8 million metric tons of steel, nearly the same amount as in 2015. Germany's exports represented about 5 percent of all steel exported globally in 2015, based on available data. The volume of Germany's 2016 steel exports was less than a quarter the size of the world's largest exporter, China. In value terms, steel represented just 1.6 percent of the total amount of goods Germany exported in 2016.

Germany exports steel to more than 200 countries and territories. The nine countries labeled in the map below represent the top markets for Germany's exports of steel, receiving more than 1 million metric tons each and accounting for 66 percent of Germany's steel exports in 2016.

Quick Facts:

- World's fifth-largest steel exporter: 24.8 million metric tons (2016)
- 20% steel export growth since 2009
- Year-on-year export volume up 0.2% while export value down 8%
- Top three markets: France, Poland, Netherlands
- Largest producers: ThyssenKrupp, ArcelorMittal, and Salzgitter
- 4 trade remedies in effect in 3 countries involving steel mill imports from Germany; 6 trade remedies in effect in 3 countries involving steel mill imports from the European Union

Germany's Exports of Steel Mill Products - 2016



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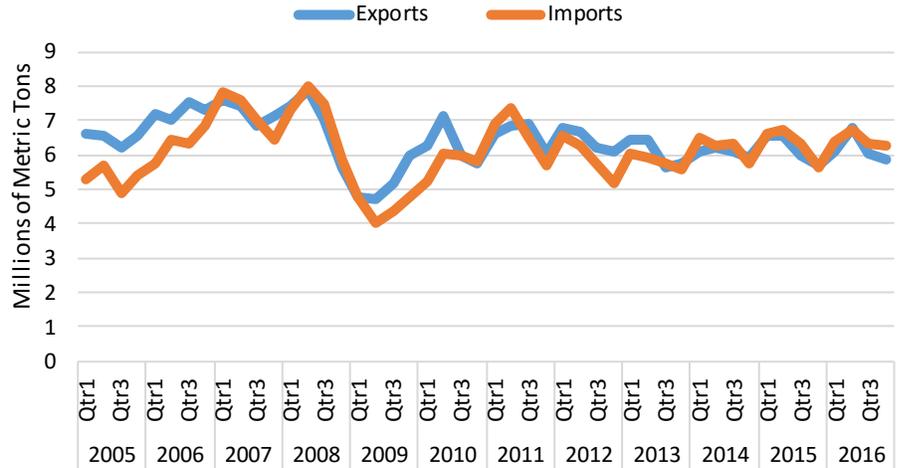
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Steel Trade Balance

Germany has posted a slight steel trade surplus for majority of quarters in the past decade. Both imports and exports fell in 2009 and have recovered since then, increasing 43 percent and 20 percent, respectively, between 2009 and 2016.

With imports growing at a faster rate, Germany has posted a steel trade deficit in the past three years, amounting to -892.3 thousand metric tons in 2016.

Germany's Trade in Steel Mill Products by Quarter



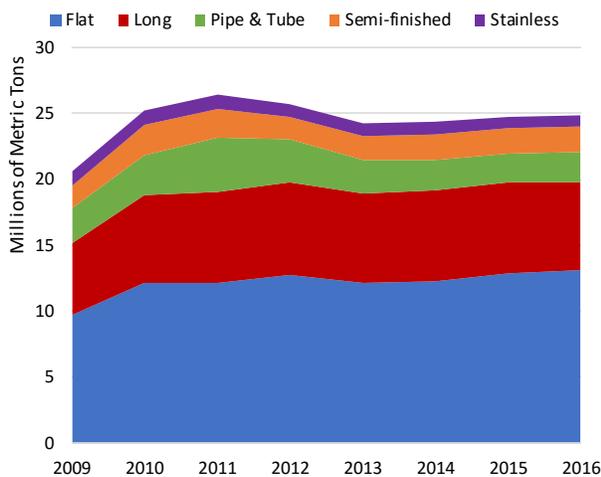
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

In recent years, Germany's level of steel exports by volume has remained relatively flat. In 2016, Germany exported 24.8 million metric tons of steel, a 0.2 percent increase from 24.78 million metric tons in 2015. By contrast, the value of Germany's steel exports has declined every year since 2011. In 2016, exports decreased in value by 8 percent to \$21.9 billion from \$23.8 billion in 2015, which can be attributed to a significant drop in global steel prices.

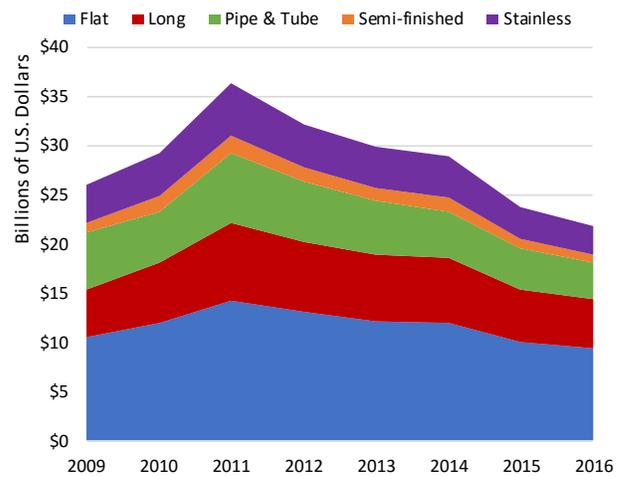
Flat products account for just over half of Germany's steel exports, amounting to 13.1 million metric tons in 2016. Long products accounted for 27 percent, or 6.7 million metric tons, of Germany's exports of steel in 2016, followed by pipe and tube products (10% or 2.4 million metric tons), semi-finished steel (8% or 1.9 million metric tons), and stainless products (3% or 849 thousand metric tons).

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



Source: IHS Global Trade Atlas

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



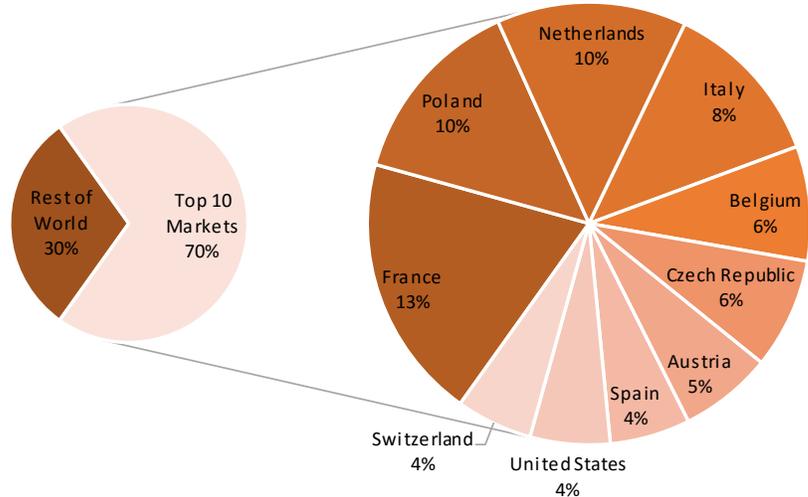
Source: IHS Global Trade Atlas

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Exports by Top Market

Exports to Germany's top 10 steel markets represented 70 percent of Germany's steel export volume in 2016 at 17.3 million metric tons (mmt). France received the largest share of Germany's exports with 14 percent (3.4 mmt). Poland surpassed the Netherlands in 2016 to account for the second-largest share of exports at 10 percent (2.41 mmt), followed by the Netherlands at 10 percent (2.39 mmt), and Italy at 8 percent (2.1 mmt).

Germany's Steel Exports - Top 10 Markets
2016 - Millions of Metric Tons



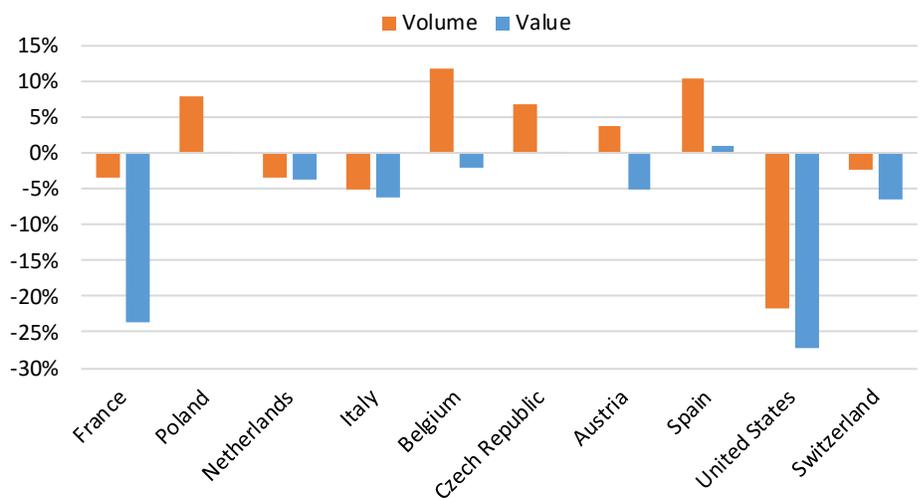
Source: IHS Global Trade Atlas

The United States ranked ninth as a destination for Germany's steel exports, receiving 4 percent of exports (1 mmt) in 2016.

Trends in Exports to Top Markets

While the volume of Germany's steel exports increased in half of Germany's top 10 steel export markets between 2015 and 2016, the overall value of Germany's steel exports decreased in 7 of its top 10 markets, reflecting the decline in global steel prices. Markets that experienced considerable decreases in steel value between 2015 and 2016 included the United States (down 27.1%), France (down 23.6%), Switzerland (down 6.5%), and Italy (down 6.2%).

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



Source: IHS Global Trade Atlas

The United States also experienced the largest decrease in steel volume, down 21.7 percent, followed by Italy (down 5.2%) and the Netherlands (down 3.4%).

Sizeable increases in Germany's steel export volume occurred in Belgium (up 11.8% from 2015), Spain (up 10.6%), and Poland (up 8.1%). Outside the top 10 markets, other substantial

volume increases and decreases included exports to China (up 15.9%), Greece (up 140.2%), and India (down 22.4%).

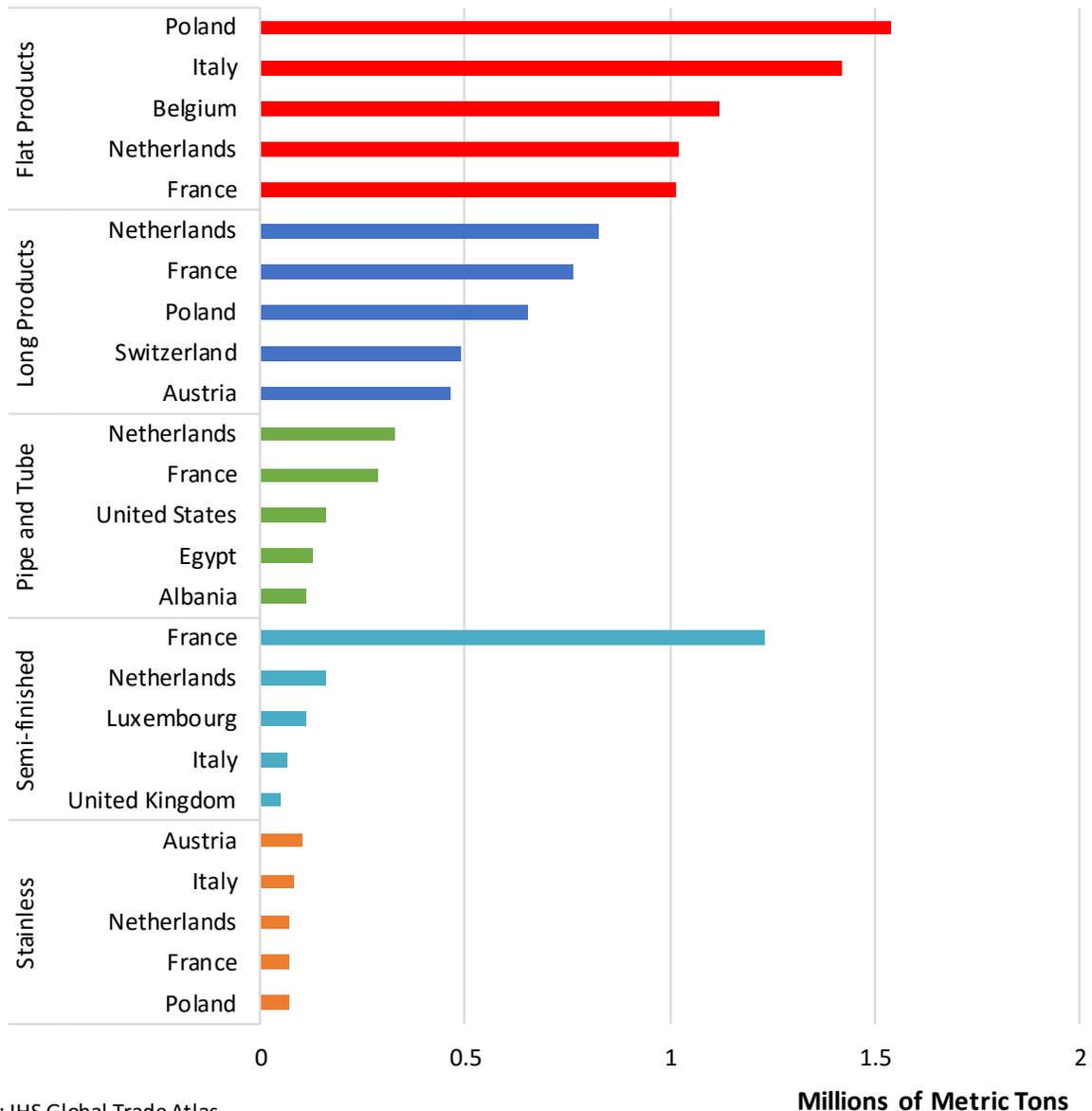
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Top Markets by Steel Product Category

Germany's top export markets by volume vary across types of steel products. Poland, which ranked second in 2015, accounted for the largest share of Germany's exports of flat products in 2016, receiving 12 percent (1.5 million metric tons), followed closely by Italy at 11 percent (1.4 million metric tons).

The Netherlands received the largest share of both Germany's long product exports in 2016 at 12 percent (824 thousand metric tons) and pipe and tube exports at 14 percent (328 thousand metric tons). Austria received the largest share of stainless exports at 12 percent (102 thousand metric tons), and France received 66 percent of Germany's exports of semi-finished products in 2016 — a total of 1.2 million metric tons.

Germany's Top 5 Export Markets by Product - 2016



Source: IHS Global Trade Atlas

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Germany's Import Market Share in Top Destinations

In 2015, the import market share for Germany's steel products decreased in the majority of Germany's top export destinations. Austria's share of imports from Germany saw the largest decline (down 3.7 percentage points from 2014), followed by Italy (down 2.5 percentage points), and France (down 0.9 percentage points). Import shares from Germany in the Netherlands, the Czech Republic, and Belgium each decreased by less than one percentage point.

In 2015, the share of steel imports from Germany increased in Poland, the United States, the United Kingdom, and Switzerland.

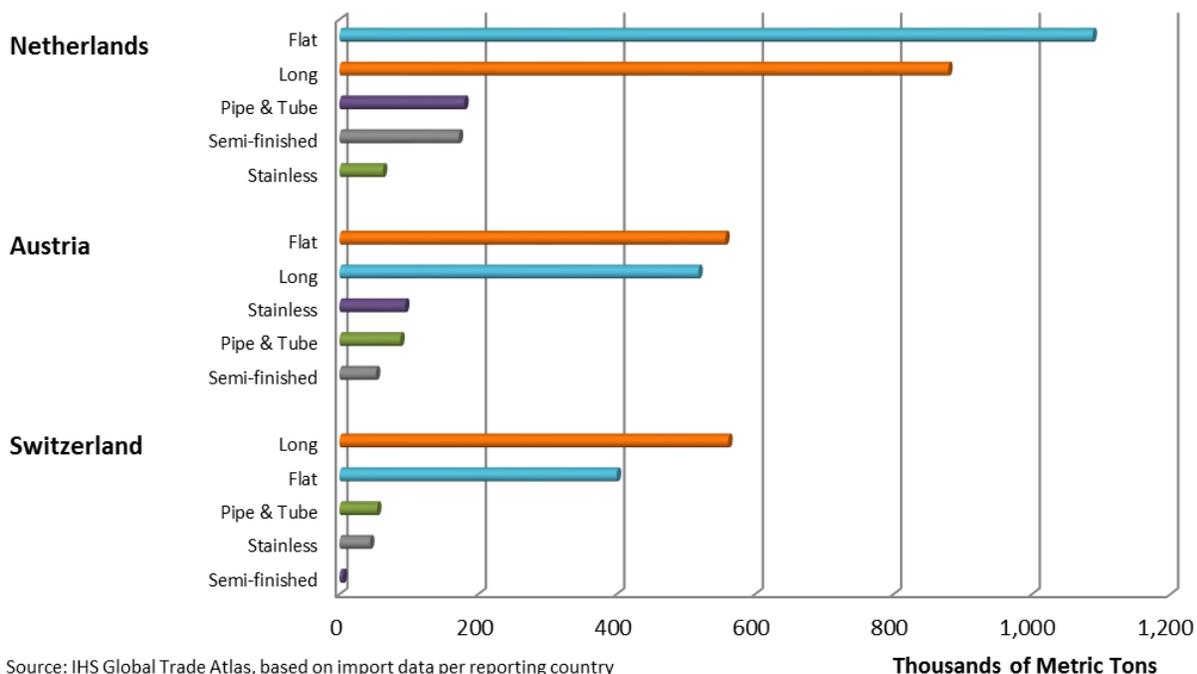
Among Germany's top export markets, the Netherlands, Austria, and Switzerland

received more than 30 percent of their total steel imports from Germany. In 2015, flat products accounted for the largest share of steel imports from Germany in the Netherlands (46% or 1.1 million metric tons) and Austria (42% or 557 thousand metric tons), while long products accounted for the largest share of Switzerland's imports from Germany (53% or 562 thousand metric tons).

Germany's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Germany - 2014	Germany's Rank in 2014	Share of Imports from Germany - 2015	Germany's Rank in 2015
France	26.9%	1	26.0%	1
Netherlands	32.4%	1	31.7%	1
Poland	25.5%	1	25.7%	1
Italy	14.3%	1	11.8%	2
Czech Republic	23.5%	1	22.9%	1
Belgium	13.4%	3	13.2%	4
United States	3.0%	10	4.0%	9
Austria	36.0%	1	32.3%	1
United Kingdom	14.8%	1	15.8%	1
Switzerland	44.4%	1	45.2%	1

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

Steel Import Composition of Top Market-Share Countries - 2015



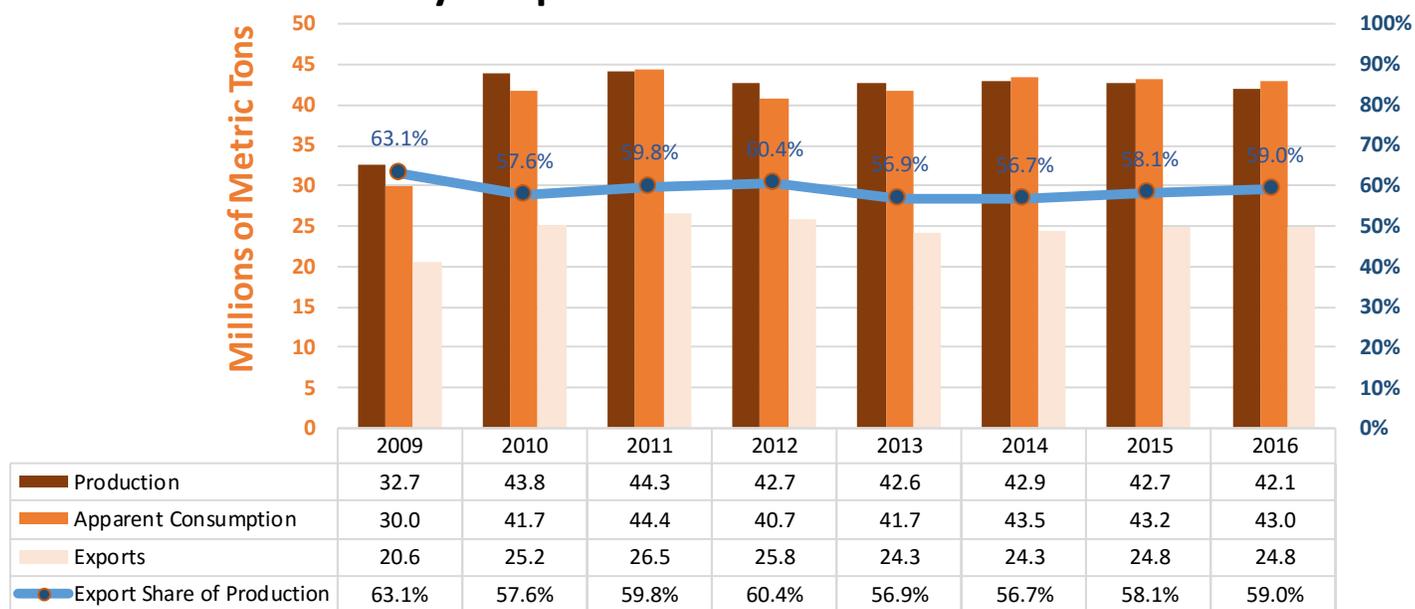
Source: IHS Global Trade Atlas, based on import data per reporting country

Thousands of Metric Tons

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Overall Production and Export Share of Production

Germany's Export Share of Steel Production



Sources: World Steel Association; IHS Global Trade Atlas

Germany's crude steel production increased by 36 percent between 2009 and 2011 but has maintained a steady average of 42.9 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 2014 and has slightly outpaced production in 2015 and 2016. Germany's steel exports as a share of production have declined since 2009 but remained consistently over 50 percent – amounting to 59 percent in 2016. Despite having a high level of exports relative to production, Germany imported a similar percentage, 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

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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 Germany and from the European Union, which includes Germany.

Steel Mill Trade Remedies in Effect Against Germany

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Brazil	1			1
Mexico	1			1
United States	2			2
TOTAL	4	0	0	4

Source: World Trade Organization, through December 1, 2016

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 December 1, 2016

Global Steel Mill Safeguards in Effect

Country	Product(s)
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

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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