

Global Steel Trade Monitor

Steel Exports Report: Poland

Background

May 2017

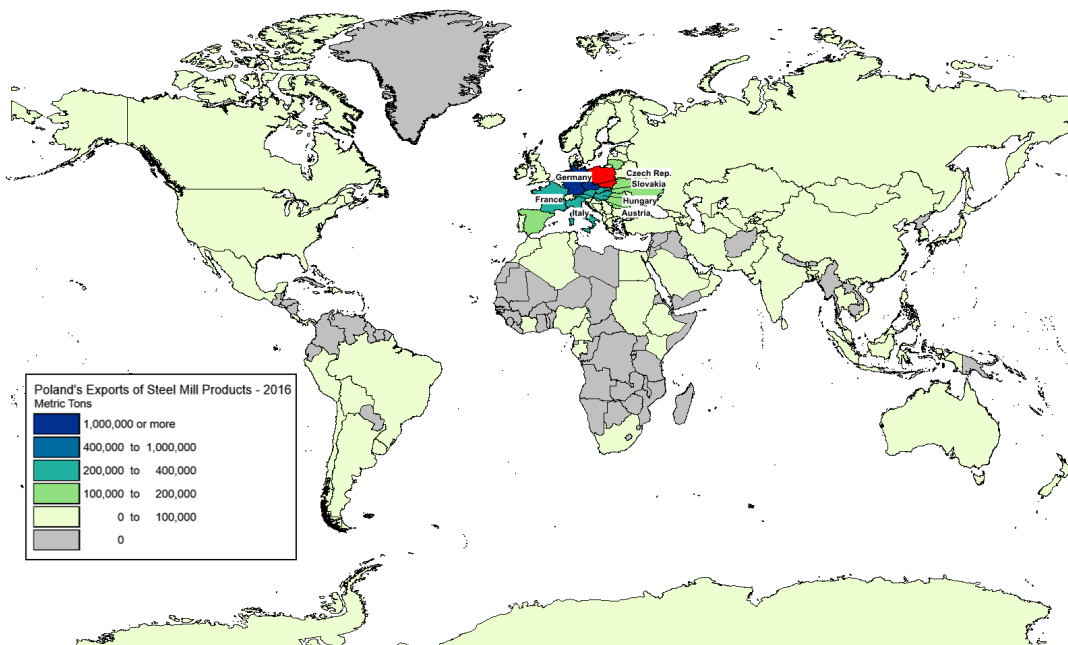
Poland is the world's nineteenth-largest steel exporter. In 2016, Poland exported 5.2 million metric tons of steel, a 6 percent increase from 4.9 million metric tons in 2015. Exports from Poland represented about 1.1 percent of all steel exported globally in 2015, based on available data. The volume of Poland's 2016 steel exports was roughly one-twenty-fifth the size of the largest exporter, China. In value terms, steel represented just 1.7 percent of the total amount of goods Poland exported in 2016.

Poland exports steel to more than 100 countries and territories. The seven countries labeled in the map below represent the top markets for Poland's exports of steel, receiving more than 200 thousand metric tons each and accounting for 73 percent of Poland's steel exports in 2016.

Quick Facts:

- World's 19th-largest steel exporter: 5.2 million metric tons (2016)
- 90% growth in steel exports since Q1 2009
- Year-on-year export volume up 6% while export value down 2%
- Exports as a share of production at 58% in 2016
- Top three markets: Germany, Czech Republic, Slovakia
- Largest producers: ArcelorMittal, Celsa Group, CMC, Cognor SA
- 1 trade remedy in effect involving steel mill imports from Poland; 6 trade remedies in effect involving steel mill imports from the European Union

Poland's Exports of Steel Mill Products - 2016



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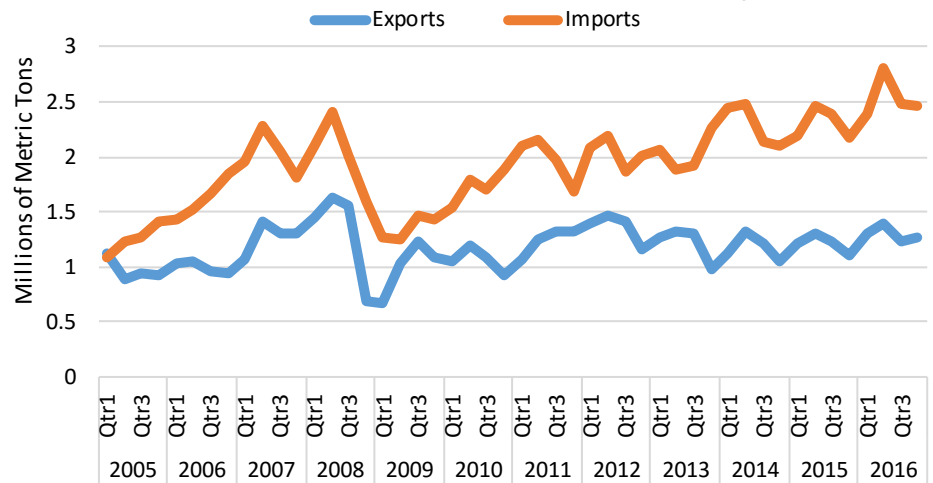
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Steel Trade Balance

Since Q2 2005, Poland has maintained a growing trade deficit in steel products. During the global recession in 2008, imports and exports both dropped before eventually recovering. Between Q1 2009 and Q4 2016, imports grew 94 percent while exports grew 90 percent.

As imports grew faster than exports, Poland's steel trade deficit grew 294 percent between 2005 and 2015. In 2016, the trade deficit amounted to -4.95 million metric tons — up from -4.4 million metric tons in 2015.

Poland's Trade in Steel Mill Products by Quarter



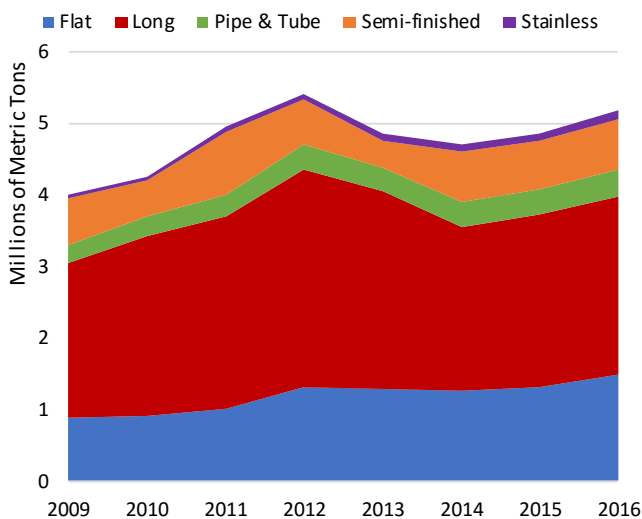
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

Poland's volume of steel exports averaged 4.8 million metric tons between 2009 and 2016, peaking at 5.4 million metric tons in 2012. Exports in 2016 increased by 6 percent to 5.2 million metric tons from 4.9 million metric tons in 2015. In value terms, Poland's steel exports decreased by 2 percent to \$3.4 billion in 2016 from \$3.5 billion in 2015.

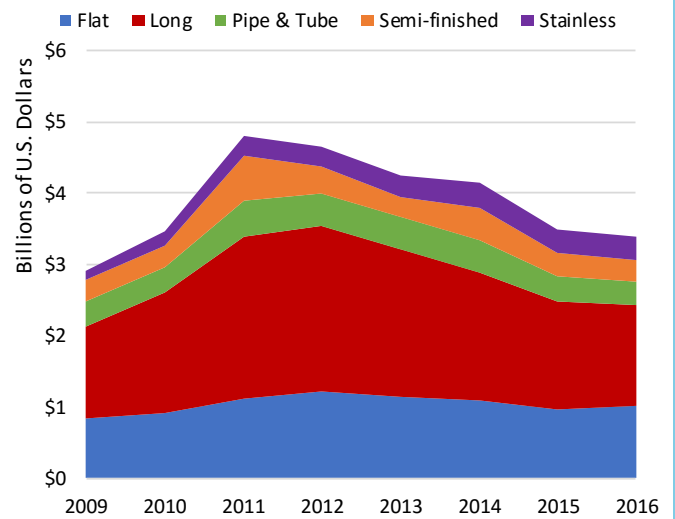
Long products accounted just under half of Poland's steel exports by volume at 48 percent (2.5 million metric tons) in 2016. Flat products accounted for 29 percent of exports (1.5 million metric tons), followed by semi-finished steel at 13 percent (696 thousand metric tons), pipe and tube products at 7 percent (385 thousand metric tons), and stainless steel at 2 percent (120 thousand metric tons).

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



Source: IHS Global Trade Atlas

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



Source: IHS Global Trade Atlas

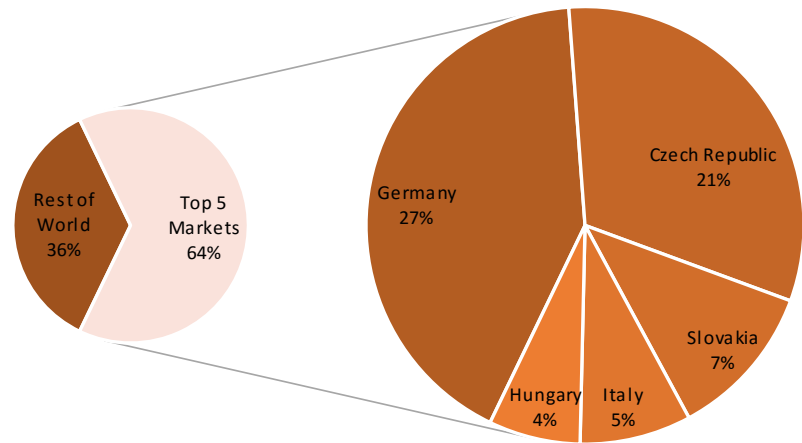
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Exports by Top Market

Poland's exports to its top 5 steel markets represented 64 percent of its steel export volume in 2016 at 3.2 million metric tons (mmt). Germany received the largest share of exports from Poland with 27 percent (1.4 mmt), followed by the Czech Republic at 21 percent (1.1 mmt), Slovakia at 7 percent (0.4 mmt), Italy at 5 percent (0.3 mmt), and Hungary at 4 percent (0.2 mmt).

The United States ranked 39th as a destination for Poland's exports of steel in 2016 at just 0.1 percent of exports (6 thousand metric tons).

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



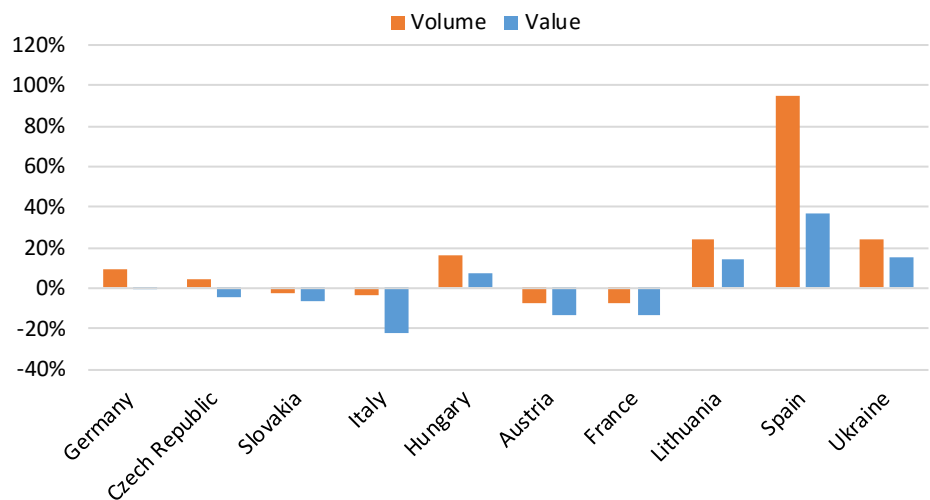
Source: IHS Global Trade Atlas

Trends in Exports to Top Markets

Changes in the volume of Poland's steel exports to the top 10 markets were mixed between 2015 and 2016. Export volumes increased to six of the top ten markets, with exports to Spain showing the largest increase (up 95%), followed by exports to Ukraine (up 25%), Lithuania (up 24%), Hungary (up 16.3%), and Germany (up 9%). Exports to Austria from Poland showed the largest decrease in 2016, down 7.7 percent by volume, followed by exports to France (down 7.3%) and Italy (down 3.3%).

Six of Poland's top 10 markets experienced a decrease in export value in 2016. Those markets with the largest volume decreases also showed the largest value decreases, with exports to Italy down 22 percent, followed by exports to France (down 14%) and Austria (down 13%). Poland's exports to Spain and Ukraine increased the most in value terms, up 37 percent and 16 percent, respectively, in 2016.

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



Source: IHS Global Trade Atlas

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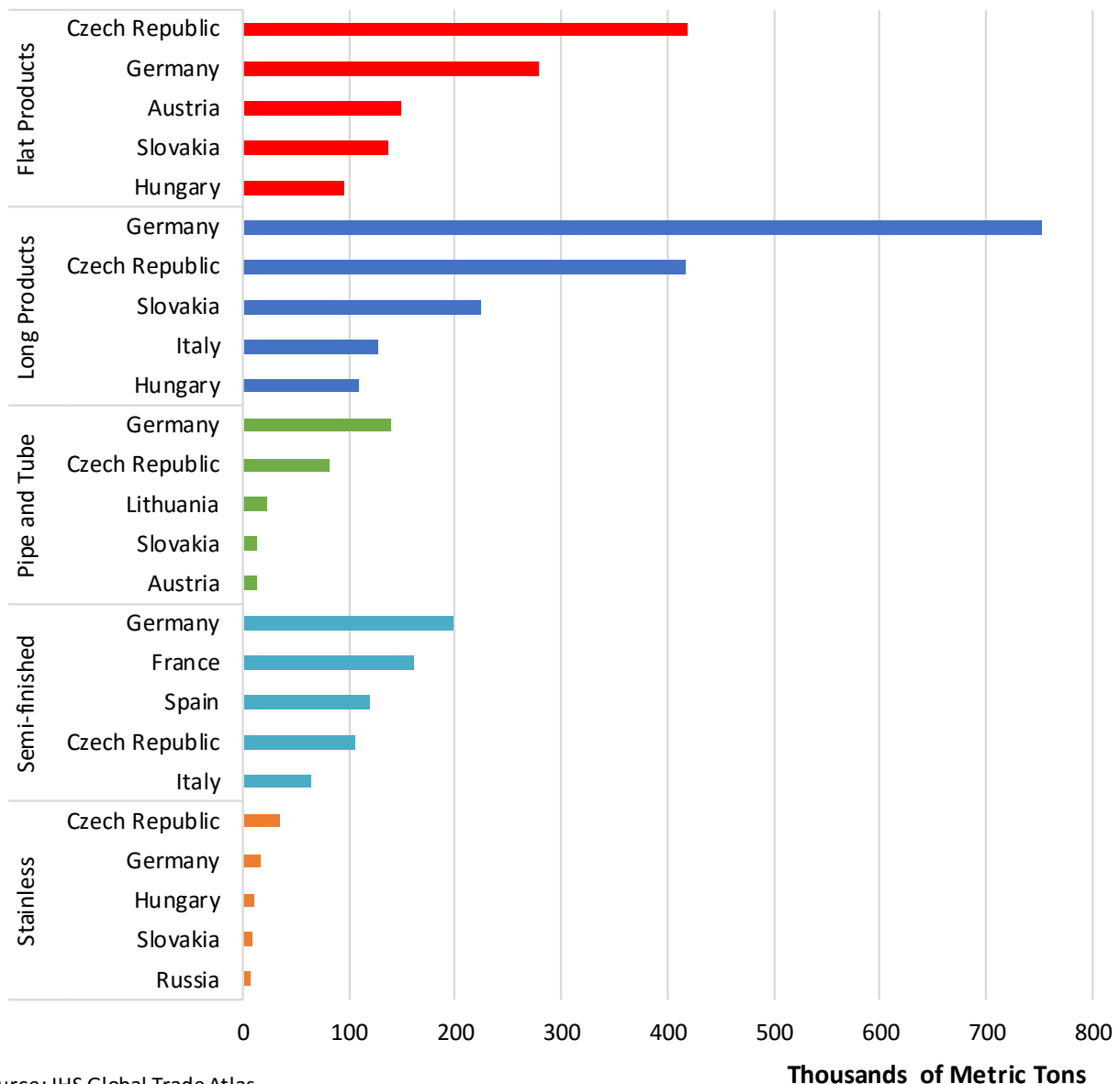
Top Markets by Steel Product Category

Poland's top export markets by volume vary across types of steel products, though the Czech Republic and Germany held the top two spots in almost every category. Poland exported the largest shares of both flat products and stainless steel to the Czech Republic in 2016 at 28 percent (419 thousand metric tons) and 28 percent (34 thousand metric tons), respectively.

Germany accounted for the largest export shares of long products, pipe and tube products and semi-finished products at 30 percent (753 thousand metric tons), 36 percent (140 thousand metric tons), and 29 percent (199 thousand metric tons) respectively.

The United States was not a top-five export destination for any product category.

Poland's Top 5 Export Markets by Product - 2016



Source: IHS Global Trade Atlas

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Poland's Import Market Share in Top Destinations

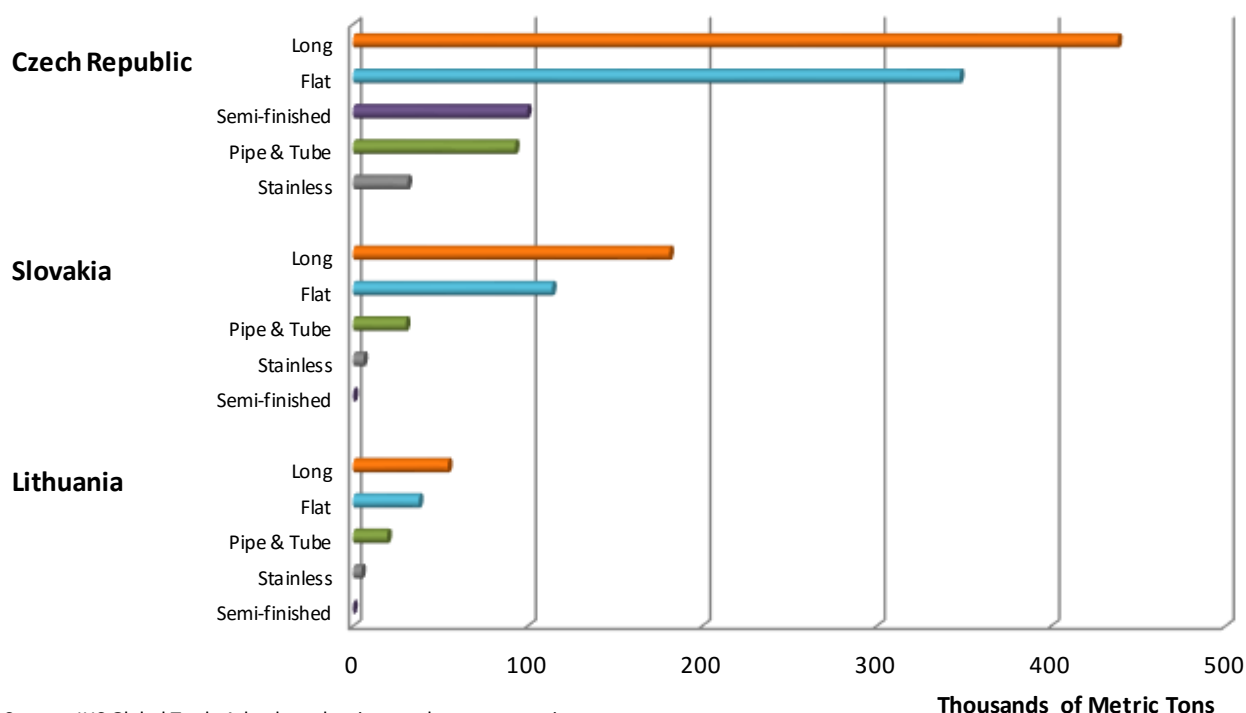
In 2015, the import market share for Poland's steel products increased or remained the same in eight of the country's top 10 export destinations. The share of imports from Poland in Slovakia showed the largest increase (up 1.8 percentage points from 2014), followed by Hungary (up 1.7 percentage points) and Austria (up 1.4 percentage points). Shares in France, Romania, and Russia all increased by less than one percentage point. The share of imports from Poland in Lithuania and the Czech Republic decreased by 2.3 and 0.2 percentage points, respectively.

Among Poland's top export markets, the Czech Republic, Slovakia, and Lithuania received the largest shares of their steel imports from Poland in 2015 at 16.5, 12.3, and 13.5 percent, respectively. Long products accounted for the largest share of steel imports from Poland in each market, with the Czech Republic's share at 43 percent (438.1 thousand metric tons), Slovakia's share at 55 percent (181.3 thousand metric tons), and Lithuania's share at 47 percent (54.4 thousand metric tons).

Poland's Steel Import Market Share				
Top 10 Export Destinations (2015)	Share of Imports from Poland - 2014	Poland's Rank in 2014	Share of Imports from Poland - 2015	Poland's Rank in 2015
Germany	4.6%	6	4.6%	6
Czech Republic	16.8%	3	16.5%	3
Slovakia	10.5%	3	12.3%	3
Italy	1.4%	19	1.4%	18
Austria	5.3%	4	6.7%	4
France	0.8%	10	1.7%	9
Hungary	6.2%	6	7.9%	7
Romania	3.2%	12	3.4%	11
Lithuania	15.8%	3	13.5%	3
Russia	1.5%	10	2.0%	9

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

Steel Import Composition of Top Market-Share Countries - 2015

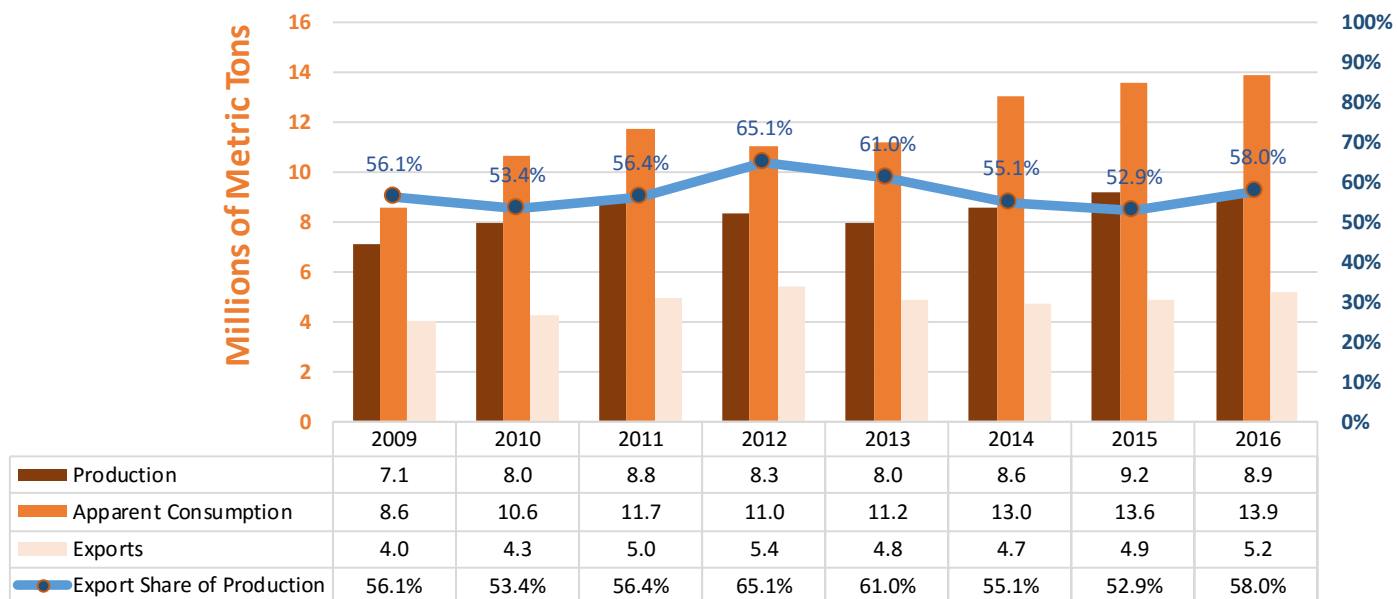


Source: IHS Global Trade Atlas, based on import data per reporting country

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Overall Production and Export Share of Production

Poland's Export Share of Steel Production



Sources: World Steel Association; IHS Global Trade Atlas

Poland's crude steel production increased by 25 percent between 2009 and 2016 — a total gain of 1.8 million metric tons. Production in 2016 decreased by 3 percent to 8.9 million metric tons from 9.2 million metric tons in 2015. Apparent consumption (a measure of steel demand) has consistently outpaced production since 2009, and the gap between the two has grown. In 2016, demand outpaced production by 5 million metric tons. Poland's steel exports as a share of production peaked at 65.1 percent in 2012 before decreasing to 52.9 percent by 2015. Exports as a share of production stood at 58 percent in 2016, up 5.1 percentage points from 2015, as production decreased while exports increased.

Top Producers

Poland's steel production is a mix of domestic and foreign-owned companies and is concentrated among a handful of producers, with ArcelorMittal alone accounting for about 70 percent of Poland's steelmaking capacity. The company is also one of the largest Polish exporters and producers of coke in Europe and in the entire ArcelorMittal group.

Poland's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal Poland	7.6	Flat and long products
2	Celsa Group	N/A	Bars, sections, castings
3	CMC Poland	N/A	Billets, bars, wire rod, sections
4	Cognor SA	N/A	Flat and long products, semi-finished steel

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; Polish Steel Association (HIPH); 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 Poland and from the European Union, which includes Poland.

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

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 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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