

Global Steel Trade Monitor

Steel Exports Report: Russia

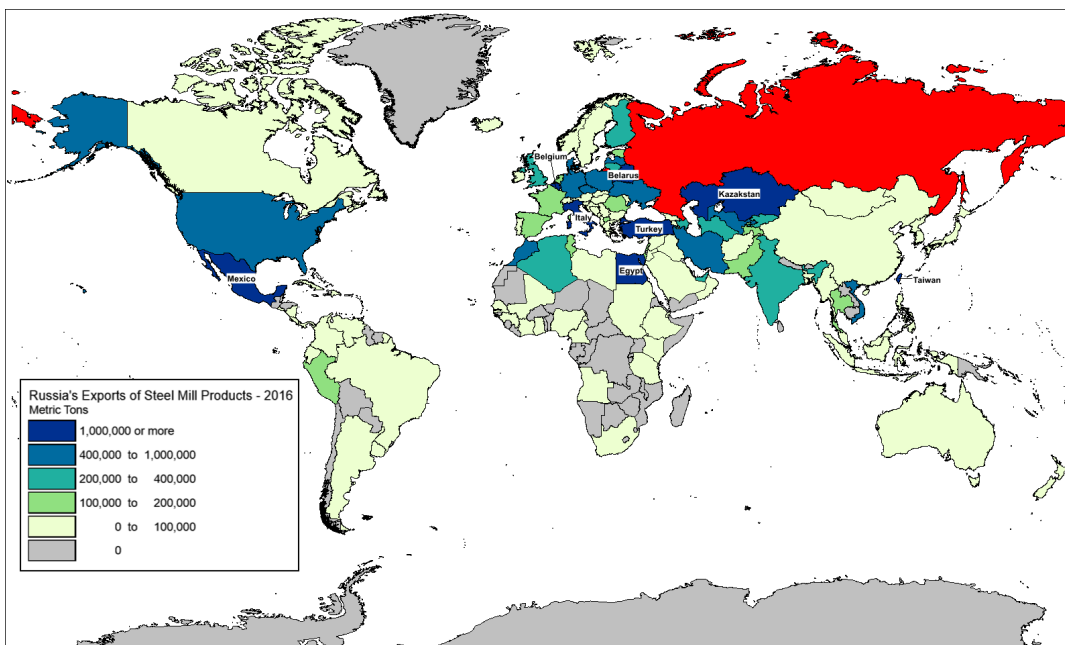
March 2017

Background

Russia is the world's third-largest steel exporter. In 2016, Russia exported 31.1 million metric tons of steel, a 5 percent increase from 29.7 million metric tons in 2015. Russia's exports represented about 7 percent of all steel exported globally in 2015, based on available data. The volume of Russia's 2016 steel exports was less than a third of the volume shipped by the world's largest exporter, China. In value terms, steel represented just 4 percent of the total amount of goods Russia exported in 2016.

Russia exports steel to more than 160 countries and territories. The eight countries labeled in the map below represent the top markets for Russia's exports of steel, receiving more than one million metric tons each and accounting for 61 percent of Russia's steel exports in 2016.

Russia's Exports of Steel Mill Products - 2016



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2017. All rights reserved.

Quick Facts:

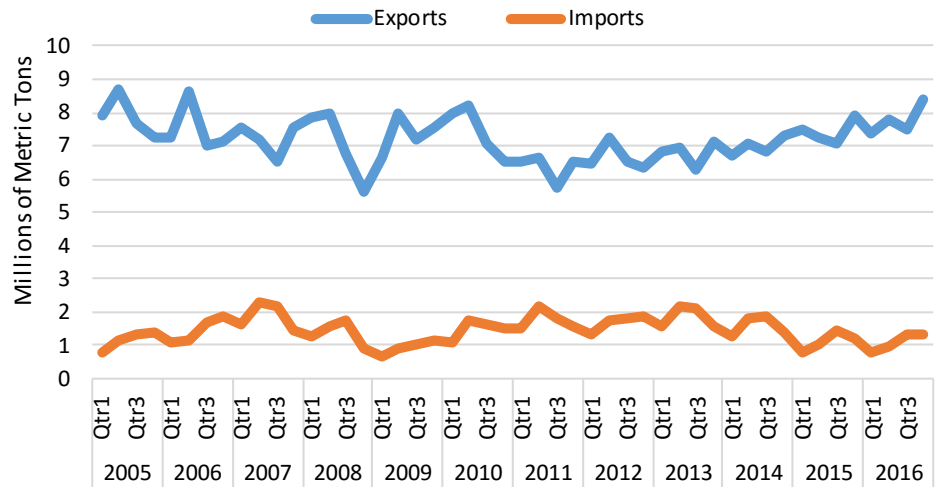
- World's third-largest steel exporter: 31.1 million metric tons (2016)
- 22% steel export growth since 2011
- Exports as a share of production at 43.9% in 2016, down from 48.8% in 2009
- Year-on-year export volume up 5% while export value down 5%
- Top three markets: Turkey, Taiwan, Mexico
- Largest producers: Novolipetsk Steel, Evraz Group, Severstal JSC
- 11 trade remedies in effect in 5 countries involving steel mill imports from Russia

Steel Exports Report: **Russia**

Steel Trade Balance

Over the past 11 years, Russia has exported between four and seven times as much steel as it has imported. After a brief downturn, Russia's steel exports grew 22 percent between 2011 and 2016. Russia's steel imports and exports have displayed a roughly inverse relationship, as imports shrank in tandem with export growth. Russia's steel trade surplus amounted to 26.7 million metric tons in 2016 — a 6 percent increase from 25.2 in 2015.

Russia's Trade in Steel Mill Products by Quarter



Source: IHS Global Trade Atlas

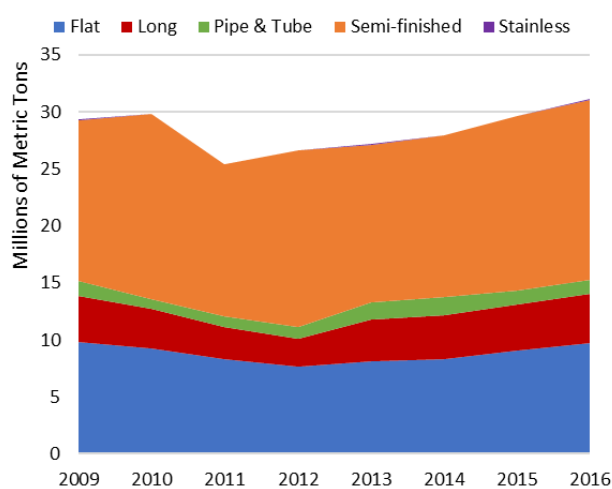
Export Volume, Value, and Product

In 2011, Russia's steel exports dropped by 4.4 million metric tons, a decrease of 14.8 percent from 29.8 million metric tons in 2010. Over the next five years, exports recovered steadily and increased to 31.1 million metric tons by 2016, and increase of 5 percent from 2015. By contrast, the value of Russia's steel exports declined between 2015 and 2016, decreasing by 5 percent to \$11.3 billion from \$11.9 billion in 2015.

Semi-finished products account for just over half of Russia's steel exports. In 2016, Russia exported 15.8 million metric tons of semi-finished products, comprising 51 percent of the country's steel exports. With 9.7 million metric tons, flat products represented the second-largest share of exports at 31 percent, followed by long products (14% or 4.3 million metric tons), pipe and tube products (4% or 1.3 million metric tons), and stainless products (0.1% or 18.7 thousand metric tons).

Russia's Exports of Steel Mill Products

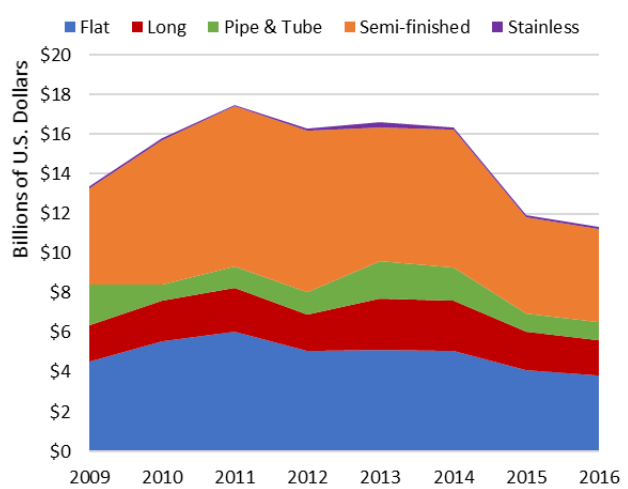
Millions of Metric Tons



Source: IHS Global Trade Atlas

Russia's Exports of Steel Mill Products

Billions of U.S. Dollars



Source: IHS Global Trade Atlas

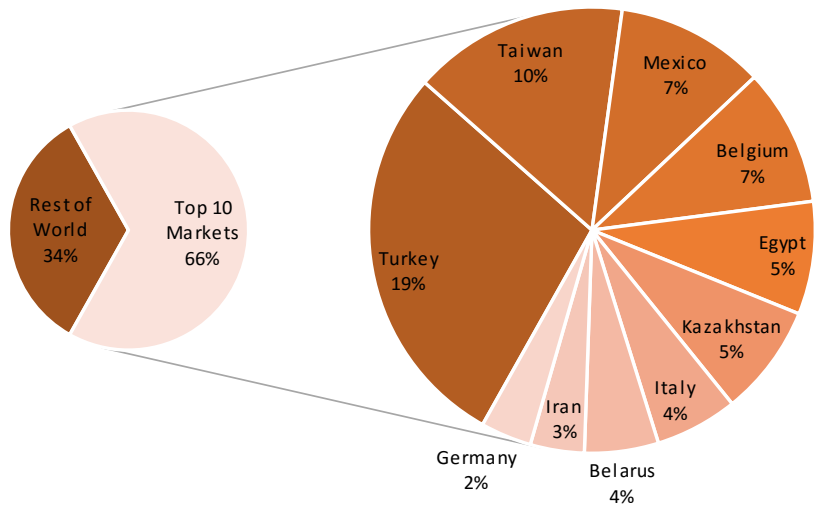
Steel Exports Report: **Russia**

Exports by Top Market

Exports to Russia's top 10 steel markets represented 66 percent of Russia's steel export volume in 2016 at 20.6 million metric tons (mmt). Turkey received the largest share of Russia's exports at 19 percent (5.8 mmt), followed by Taiwan at 10 percent (3.2 mmt), Mexico at 7 percent (2.2 mmt), Belgium at 7 percent (2 mmt), and Egypt at 5 percent (1.7 mmt).

The United States moved from ranking 10th in 2015 to 11th in 2016 as a destination for Russia's steel exports, receiving 2 percent of exports (0.7 mmt) — a 1.2 percent decline from 726 thousand metric tons in 2015.

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



Source: IHS Global Trade Atlas

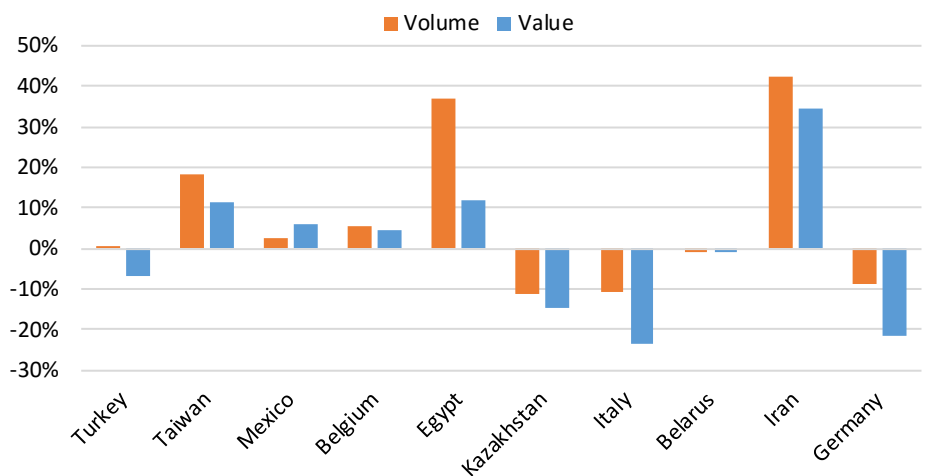
Trends in Exports to Top Markets

While the volume of Russia's steel exports increased to six of its top 10 steel export markets between 2015 and 2016, the overall value of Russia's steel exports decreased in half of the top 10 markets. Considerable decreases in value occurred in Russia's exports to Italy (down 23.5%), Germany (down 21.6%), and Kazakhstan (down 14.5%). Concurrently, the volume of Russia's exports to these markets also saw the largest decreases, down 10.6 percent, 8.8 percent, and 11.4 percent, respectively.

Among Russia's top 10 markets, Iran and Egypt saw the largest volume increases, up 42.6 percent and 36.9 percent from 2015, respectively. Iran and Egypt also experienced large value increases, up 34.5 percent and 11.7 percent, respectively.

Outside the top 10 markets, other notable volume increases included Vietnam (up 3302%), the Czech Republic (up 108%), and Morocco (109%).

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



Source: IHS Global Trade Atlas

Steel Exports Report: **Russia**

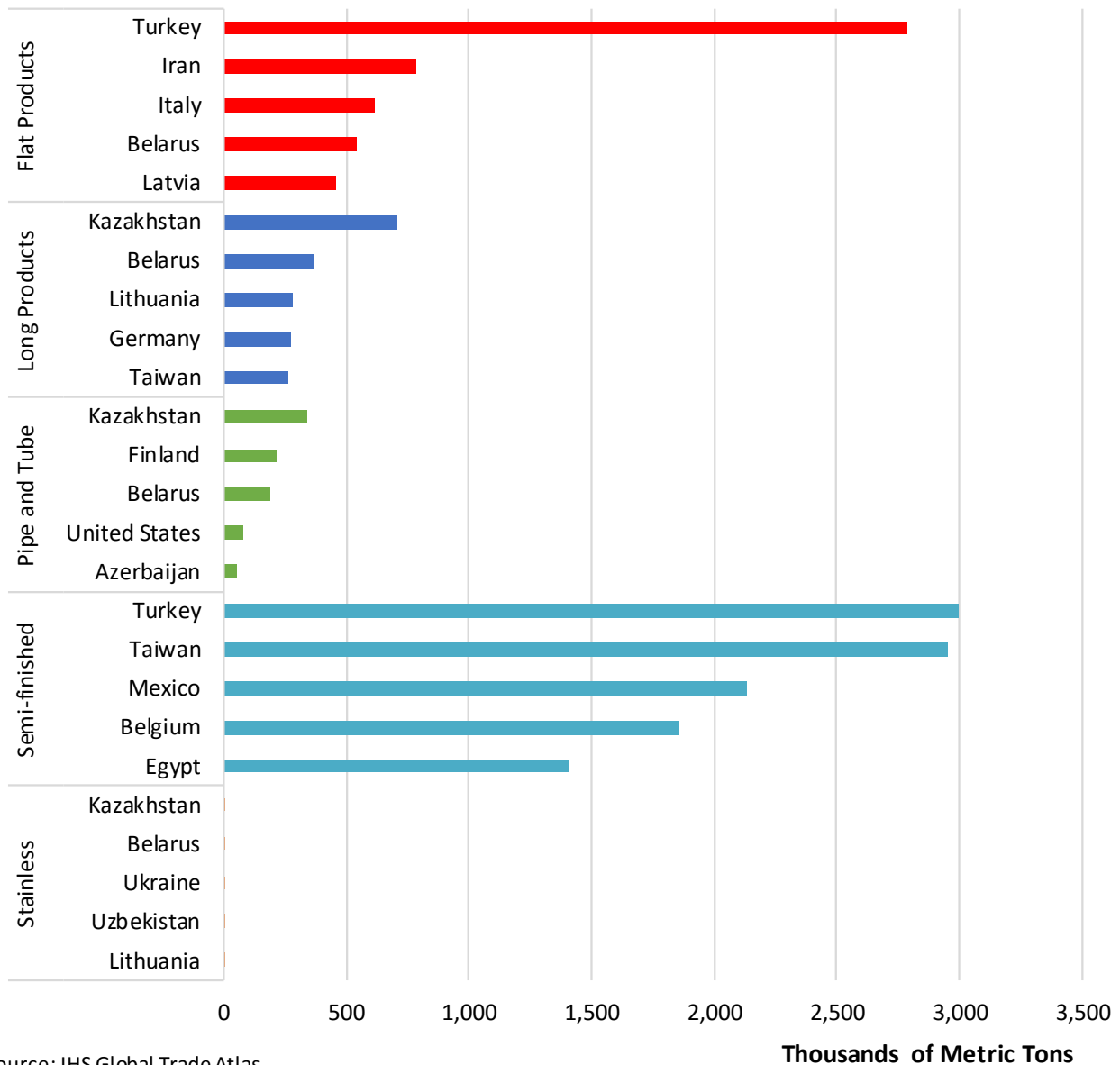
Top Markets by Steel Product Category

Russia's top export markets by volume vary across types of steel products, though either Turkey or Kazakhstan held the top spot in each category. Turkey accounted for the largest share of Russia's exports of flat and semi-finished products in 2016, receiving 29 percent (2.8 million metric tons) and 19 percent (3 million metric tons), respectively.

Kazakhstan received the largest share of Russia's exports of long products at 17 percent (712 thousand metric tons), pipe and tube products at 26 percent (338 thousand metric tons), and stainless products at 40 percent (7.4 thousand metric tons).

Pipe and tube was the only product category for which the United States was a top-five export destination, coming in fourth with 6 percent (81.4 thousand metric tons) of Russia's total 2016 exports in this category.

Russia's Top 5 Export Markets by Product - 2016



Source: IHS Global Trade Atlas

Steel Exports Report: **Russia**

Russia's Import Market Share in Top Destinations

In 2015, the import market share for Russia's steel products increased in the majority of Russia's top export destinations. Countries with notable increases in their share of steel imports from Russia included Turkey (up 5.8 percentage points), Belarus (up 4.6 percentage points), and Taiwan (up 4.2 percentage points).

In 2015, Egypt saw the largest decrease in share of its steel imports from Russia, a drop of 13.9 percentage points, while the U.S. share decreased by nearly half, from 10.5 percent to 5.5 percent. Belgium's and Germany's imports from Russia each decreased by less than one percentage point.

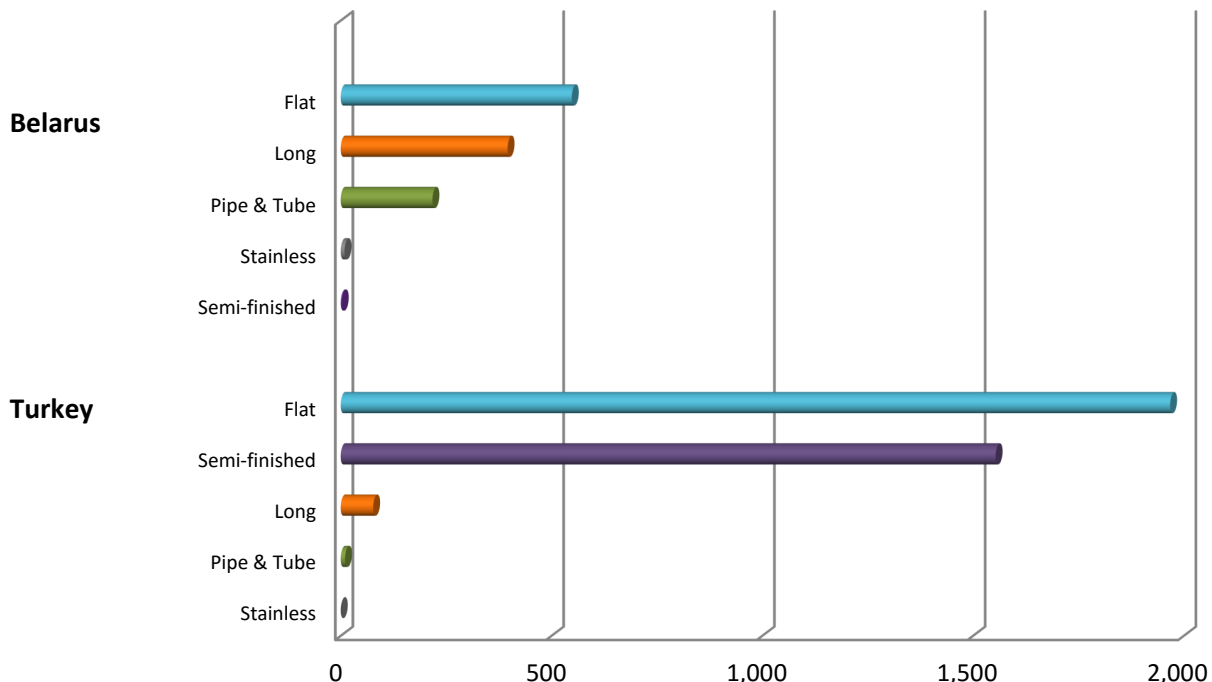
Among Russia's top export markets, Belarus received the largest share of its steel imports from Russia at 80.6 percent, followed by Turkey at 23.1 percent. In 2015, flat products accounted for the largest share of steel imports from Russia in both Belarus (47% or 548 thousand metric tons) and Turkey (55% or 2 million metric tons).

Russia's Steel Import Market Share				
Top 10 Export Markets	Share of Imports from Russia - 2014	Russia's Rank in 2014	Share of Imports from Russia - 2015	Russia's Rank in 2015
Turkey	17.3%	2	23.1%	1
Taiwan	9.0%	3	13.3%	3
Mexico	1.0%	14	2.1%	8
Belgium	17.8%	2	17.3%	2
Kazakhstan*	N/A	N/A	N/A	N/A
Italy	8.4%	4	8.6%	5
Egypt	15.8%	3	1.9%	4
Belarus	76.0%	1	80.6%	1
Germany	1.9%	15	1.9%	15
United States	10.5%	4	5.5%	8

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

*Kazakhstan not reporting imports from Russia

Steel Import Composition of Top Market-Share Countries - 2015



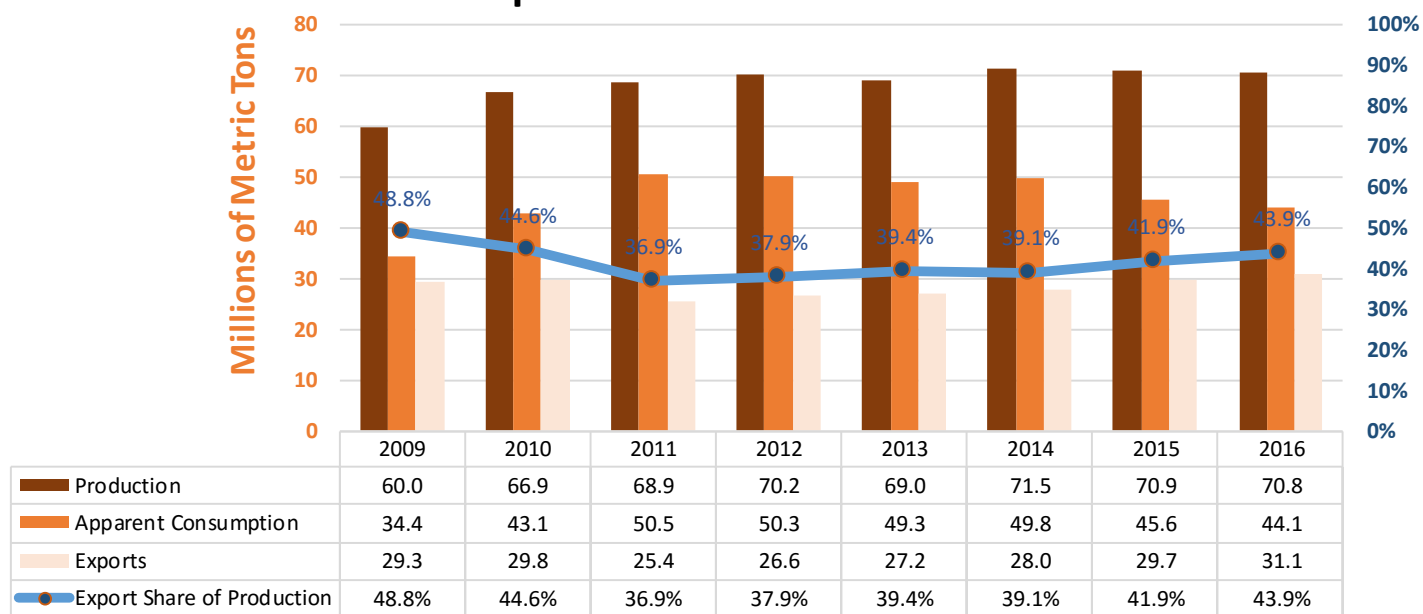
Source: IHS Global Trade Atlas, based on import data per reporting country

Thousands of Metric Tons

Steel Exports Report: **Russia**

Overall Production and Export Share of Production

Russia's Export Share of Steel Production



Sources: World Steel Association; IHS Global Trade Atlas

Russia's crude steel production increased by 18 percent from 60 million metric tons in 2009 to 70.8 million metric tons in 2016. Despite a 28 percent increase since 2009 in apparent consumption (a measure of steel demand), production has consistently outpaced the country's demand by roughly 20 to 26 million metric tons per year over the period. In 2016, the gap stood at 26.7 million metric tons. After a decline of 11.9 percentage points from 2009 to 2011, exports as a share of production has displayed modest growth for every year but 2014 and stood at 43.9 percent in 2016.

Top Producers

Russia's steel production is concentrated among a handful of companies, with the country's top six producers accounting for 62.9 million metric tons, or 88.7 percent of total 2015 production, based on available data. Just the top four producers — Novolipetsk, Evraz, Severstal, and Magnitogorsk — are responsible for 76.3 percent of Russia's total production.

Russia's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	Novolipetsk Steel (NLMK)	16	Hot-rolled, cold-rolled, semi-finished, electrical, coated
2	Evraz Group	14.4	Beams, structural shapes, reinforcing bars, rails
3	Magnitogorsk Iron & Steel Works	12.2	Semi-finished, hot-rolled, coated, sections, pipes
4	Severstal	11.5	Flat products, hot-rolled, cold-rolled, galvanized, pipe
5	Metalloinvest Management Company	4.5	Heavy plate, strips, semi-finished
6	Mechel	4.3	Semi-finished, stainless, sheet, wire

Source: World Steel Association; MarketLine

Steel Exports Report: **Russia**

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 various countries have against steel mill products from Russia.

Steel Mill Trade Remedies in Effect Against Russia				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
European Union	3			3
Indonesia	1			1
Mexico	4			4
Thailand	1			1
United States	1		1	2
TOTAL	10	0	1	11

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/>.



INTERNATIONAL
TRADE
ADMINISTRATION

Steel Import Monitoring and Analysis
1401 Constitution Ave., NW, Room 21006
Washington, D.C. 20230

T 202.482.2105

F 202.501.1377

Email ECCGlobalSteelStats@trade.gov

trade.gov/steel