

Global Steel Trade Monitor

Steel Exports Report: Slovakia

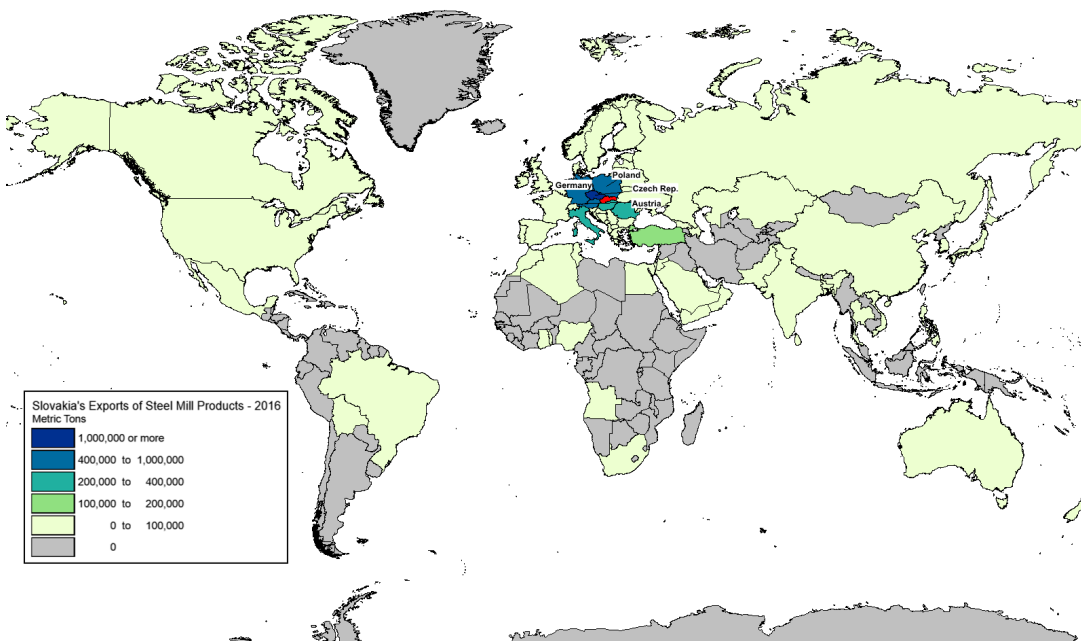
May 2017

Background

Slovakia is the world's twentieth-largest steel exporter. In 2016, Slovakia exported 5 million metric tons of steel, a 6 percent increase from 4.7 million metric tons in 2015. Slovakia's exports represented about 1 percent of all steel exported globally in 2015, based on available data. The volume of Slovakia's 2016 steel exports was less than 5 percent of the world's largest exporter, China. In value terms, steel represented just 4 percent of the total amount of goods Slovakia exported in 2016.

Slovakia exports steel to more than 80 countries and territories. The 4 countries labeled in the map below represent the top markets for Slovakia's exports of steel, receiving more than 400 thousand metric tons each and accounting for 65 percent of Slovakia's steel exports in 2016.

Slovakia's Exports of Steel Mill Products - 2016



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Quick Facts:

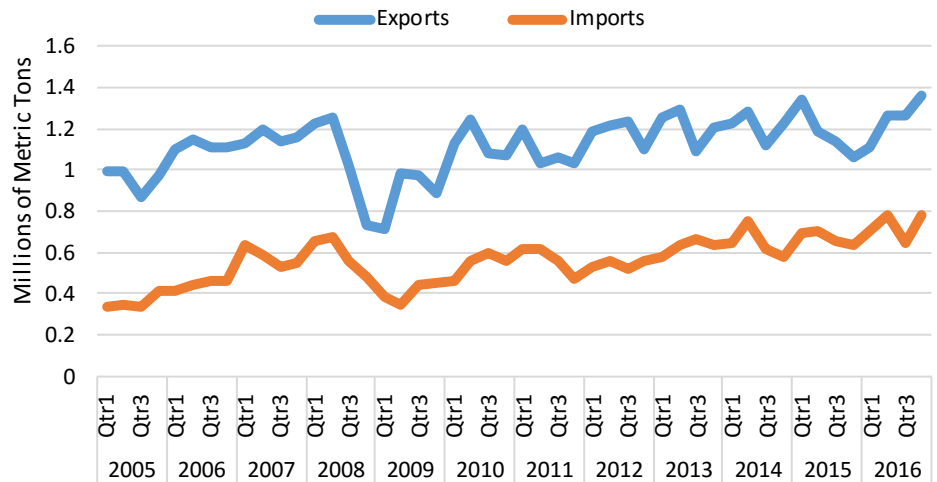
- World's 20th-largest steel exporter: 5 million metric tons (2016)
- 40% steel export growth since 2009
- Exports as a share of production increased from 93.8% in 2009 to 104.3% in 2016
- Year-on-year export volume up 6% while export value down 1%
- Top three markets: Czech Republic, Poland, and Austria
- Largest producers: U.S. Steel Kosice and Zeleziarne Podbrezova
- 1 trade remedy in effect involving steel mill imports from Slovakia; 6 trade remedies in effect involving steel mill imports from the European Union

Steel Exports Report: Slovakia

Steel Trade Balance

For the last decade, Slovakia has maintained a trade surplus in steel products. Since 2005 Slovakia's exports and imports have remained roughly parallel. After a brief dip in 2009 as exports fell in the wake of the global recession, Slovakia's exports have increased, growing 40 percent between 2009 and 2016. Imports increased by 79 percent over the same period. In 2016, Slovakia's trade surplus was 2.1 million metric tons, a slight increase from 2 million metric tons in 2015.

Slovakia's Trade in Steel Mill Products by Quarter



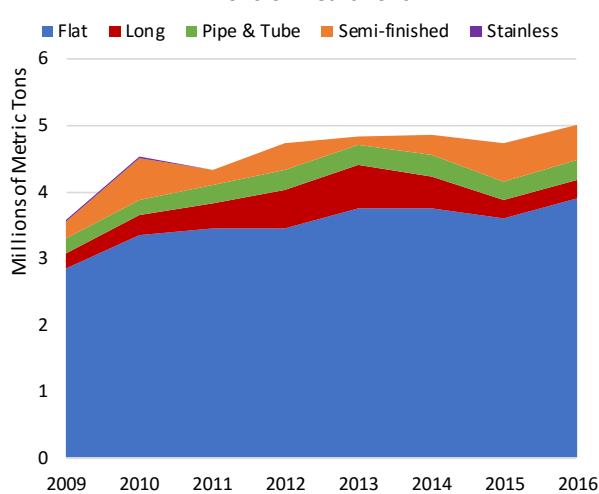
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

Slovakia's volume of steel exports has shown a slight upwards trend since 2010. In 2016, Slovakia's steel exports peaked at 5 million metric tons — an increase of 6 percent from 2015. By contrast, the value of Slovakia's steel exports has declined every year since 2011. Export value decreased by 23 percent between 2014 and 2015 and by 1 percent between 2015 and 2016. Exports valued \$3.1 billion in 2016.

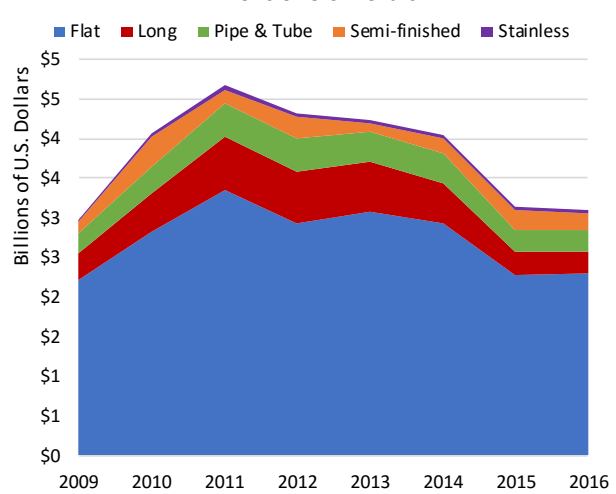
Flat products account for the largest share of Slovakia's steel exports. In 2016, 78 percent of Slovakia's steel exports were of flat products (3.9 million metric tons). Semi-finished products accounted for 10 percent (523 thousand metric tons) of exports, followed by pipe and tube products at 6 percent (291 thousand metric tons), long products at 6 percent (282 thousand metric tons), and stainless steel at 0.1 percent (3.8 thousand metric tons).

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



Source: IHS Global Trade Atlas

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



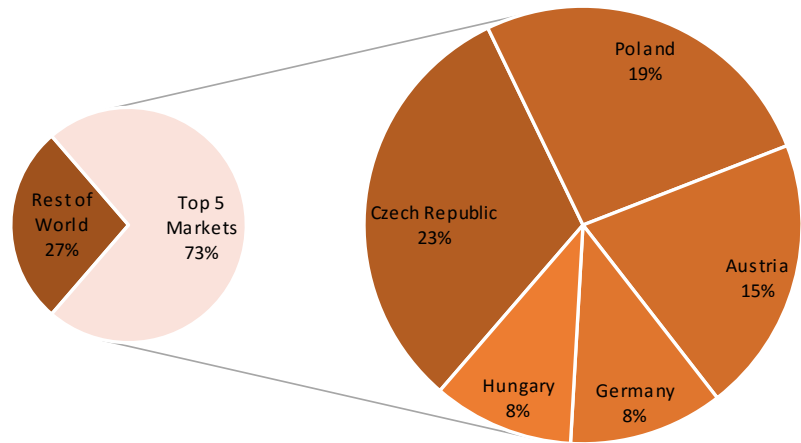
Source: IHS Global Trade Atlas

Steel Exports Report: Slovakia

Exports by Top Market

Exports to Slovakia's top 5 steel markets represented 73 percent of Slovakia's steel export volume in 2016 at 3.6 million metric tons (mmt). The Czech Republic received the largest share of Slovakia's exports with 23 percent (1.1 mmt), followed by Poland at 19 percent (0.95 mmt), Austria at 15 percent (0.7 mmt), Germany at 8 percent (0.4 mmt), and Hungary at 8 percent (0.38 mmt).

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



The United States ranked 31st as a destination for Slovakia's steel exports, receiving just 0.1 percent of exports (5 thousand metric tons) in 2016 — similar to 2015 in which the United States ranked 27th with 0.2 percent of exports (8 thousand metric tons).

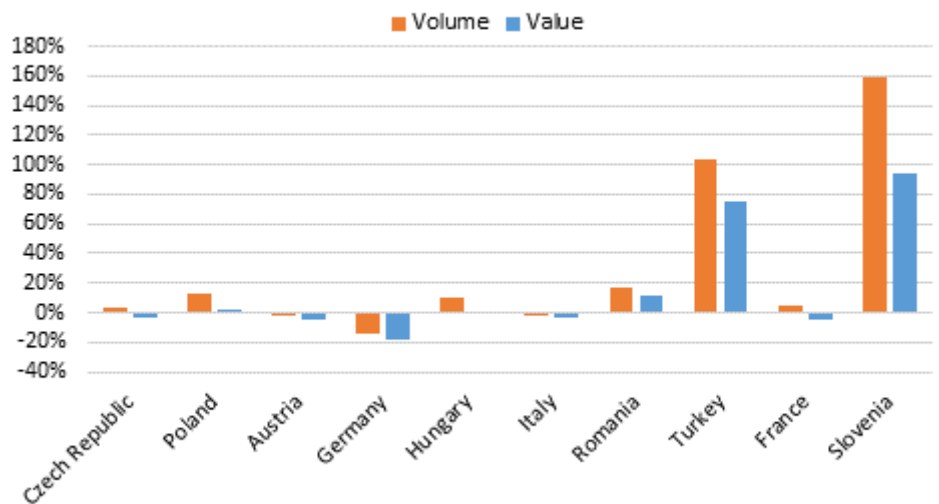
Source: IHS Global Trade Atlas

Trends in Exports to Top Markets

Between 2015 and 2016, Slovakia's exports to its top 10 markets increased in volume to seven of the top 10. Export volumes to Slovenia showed the largest increase, up 158.8 percent from 2015, followed by exports to Turkey (up 103.3), Romania (up 17.3%), Poland (up 12.3%), and Hungary (up 9.7%). Only exports to Germany, Austria, and Italy decreased in volume from 2015, down 14.2 percent, 1.2 percent, and 0.01 percent, respectively.

In value terms, however, changes were mixed between 2015 and 2016 as export values decreased in half of Slovakia's top 10 export markets. Germany experienced the largest decrease in export value from Slovakia, down 18.4 percent, followed by France (down 4.6%) and Austria (down 4.3%). Exports to Slovenia showed the largest increase in value in 2016, up 94.2 percent, followed by exports to Turkey (up 75.3%) and Romania (up 10.9%).

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



Source: IHS Global Trade Atlas

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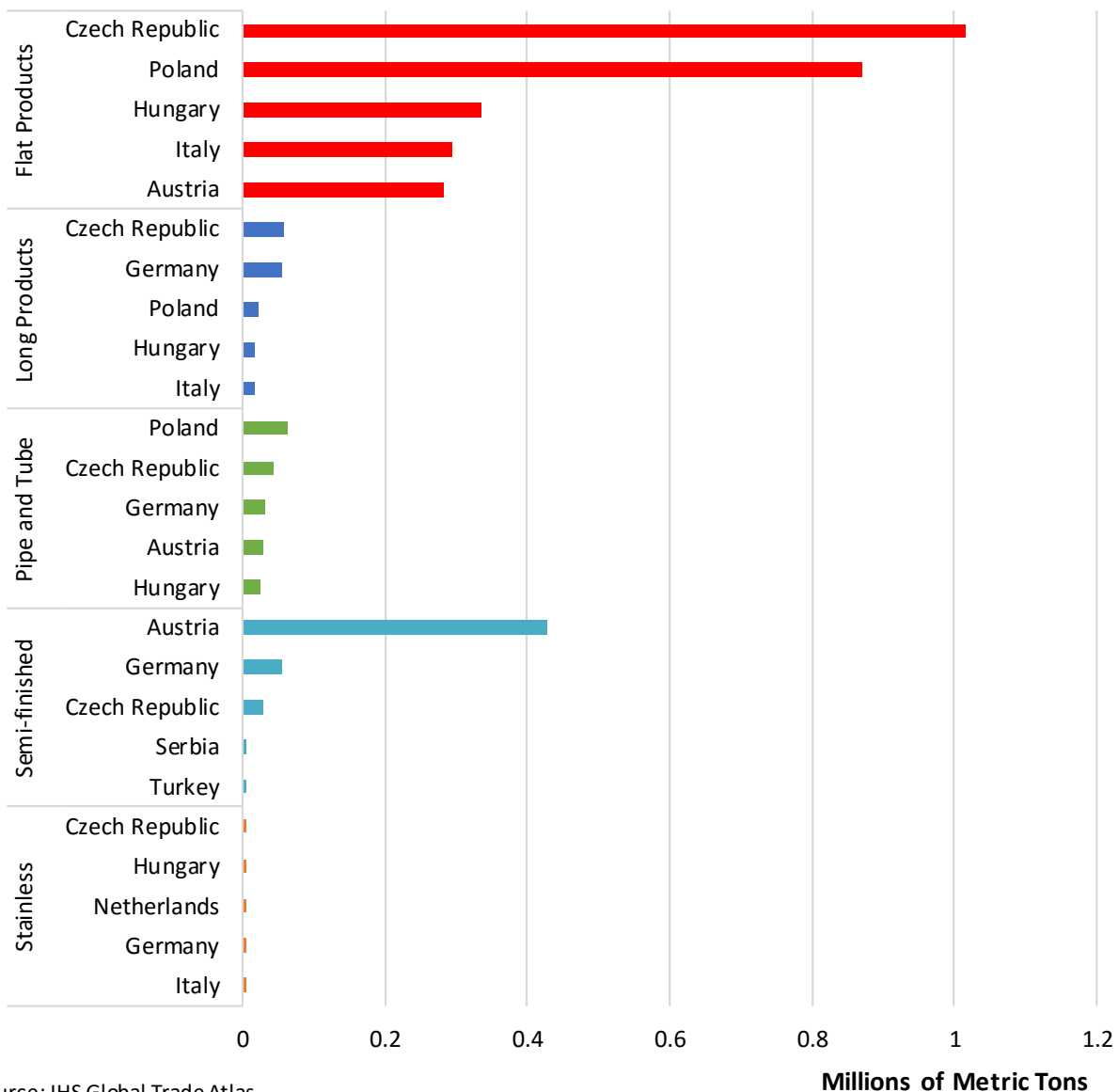
Top Markets by Steel Product Category

Slovakia's top export markets by volume vary across types of steel products. The Czech Republic accounted for the largest share of Slovakia's exports of flat products in 2016, receiving 26 percent (1 million metric tons), followed by Poland at 22 percent (871 thousand metric tons). The Czech Republic also accounted the largest share of long product exports at 20 percent (57 thousand metric tons) followed by Germany at 19 percent (55 thousand metric tons). Poland accounted the largest share of pipe and tube exports at 21 percent (62 thousand metric tons), followed by the Czech Republic at 14 percent (42 thousand metric tons).

Slovakia's top export market for semi-finished products was Austria receiving 82 percent (427 thousand metric tons), followed by Germany at 11 percent (56 thousand metric tons). Slovakia's top export market for stainless products was the Czech Republic at 48 percent (2 thousand metric tons).

The United States was not a top export market for any of the five product categories.

Slovakia's Top 5 Export Markets by Product - 2016



Source: IHS Global Trade Atlas

Steel Exports Report: Slovakia

Slovakia's Import Market Share in Top Destinations

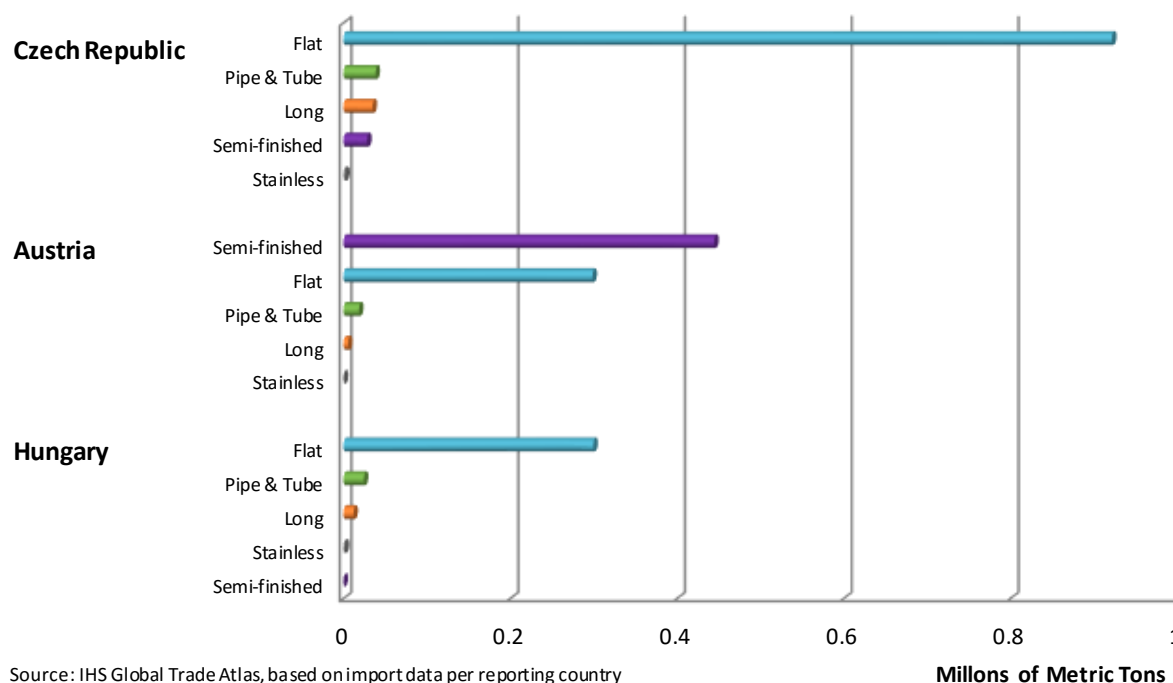
In 2016, the import market share for Slovakia's steel products decreased in six of Slovakia's top export destinations. In 2016, the biggest decrease in market share was in the Czech Republic, down 1.8 percentage points, followed by Hungary (down 1.4 percentage points). Import shares in Poland, Austria, Germany, and France all decreased by less than half of a percentage point. Slovakia's import market share increased the most in Romania (up 0.7 percentage points), while shares in Italy, Turkey, and Slovenia increased by less than half a percentage point.

Slovakia's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Slovakia - 2015	Slovakia's Rank in 2015	Share of Imports from Slovakia's - 2016	Slovakia's Rank in 2016
Czech Republic	17.7%	2	15.9%	3
Poland	8.4%	4	8.2%	4
Austria	18.3%	2	18.3%	2
Germany	2.0%	14	1.6%	15
Hungary	13.9%	2	12.5%	4
Italy	1.7%	15	1.9%	15
Romania	7.1%	5	7.8%	5
Turkey	0.6%	18	0.9%	15
France	0.6%	12	0.5%	15
Slovenia	2.0%	9	2.1%	8

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

Among Slovakia's top export markets, the Czech Republic, Austria, and Hungary each received more than 10 percent of their total steel imports from Slovakia. In 2016, flat products accounted for a significant share of steel imports from Slovakia in both the Czech Republic (90% or 922 thousand metric tons) and Hungary (89% or 300 thousand metric tons), while semi-finished products accounted for the largest share of Austria's imports from Slovakia (58% or 445 thousand metric tons).

Steel Import Composition of Top Market-Share Countries - 2016



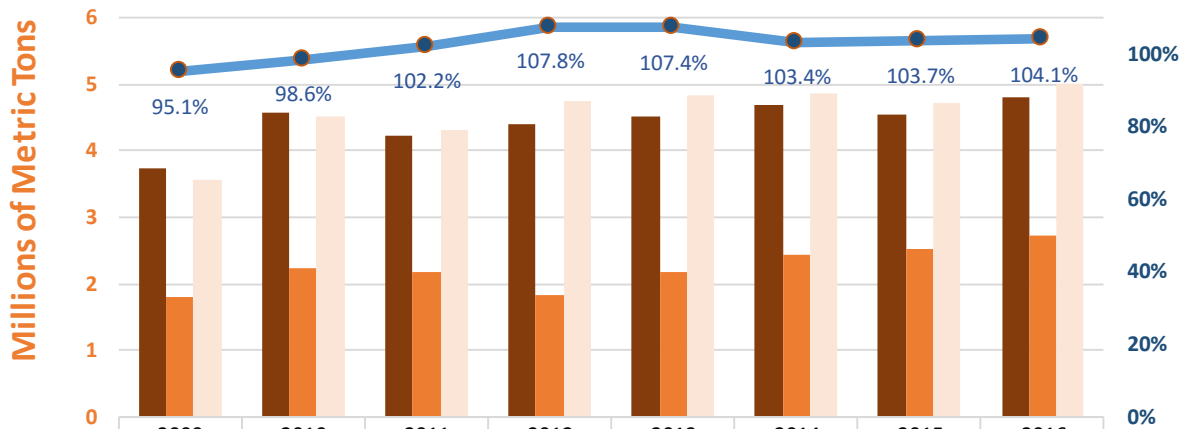
Source: IHS Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

Steel Exports Report: Slovakia

Overall Production and Export Share of Production

Slovakia's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015	2016
Production	3.7	4.6	4.2	4.4	4.5	4.7	4.6	4.8
Apparent Consumption	1.8	2.2	2.2	1.8	2.2	2.4	2.5	2.7
Exports	3.6	4.5	4.3	4.7	4.8	4.9	4.7	5.0
Export Share of Production	95.1%	98.6%	102.2%	107.8%	107.4%	103.4%	103.7%	104.1%

Sources: World Steel Association; IHS Global Trade Atlas

Slovakia's crude steel production has fluctuated between 2009 and 2016 but has, in general, increased. Production in 2016 increased 5 percent to 4.8 million metric tons from 4.6 million metric tons in 2015. Production has outpaced apparent consumption (a measure of steel demand) for the entire period and has often amounted to double that of demand. In 2016, Slovakia's production outpaced the country's demand by 2.1 million metric tons. Slovakia's exports as a share of production has remained above 100 percent since 2011, as export levels topped production levels. Between 2009 and 2015, the export share of production increased more than 8 percentage points from 95.1 percent to 103.7 percent. In 2016, the export share of production increased slightly to 104.1 percent.

Top Producers

Based on available information Slovakia's steel production is concentrated in two companies. U.S. Steel Kosice, D.R.O accounts for 4.5 mmt of Slovakia's production or 90 percent of the country's steel production.

Slovakia's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	U.S. Steel Kosice, s.r.o	4.5	Steelmaking Pig Iron and Carbon Steel
2	Zeleziarne Podbrezova AS *		Carbon Steel and Alloy Steel (No Stainless Products)

Source: World Steel Association; Bloomberg

* Information Unavailable

Steel Exports Report: Slovakia

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 Slovakia and from the European Union, which includes Slovakia.

Steel Mill Trade Remedies in Effect Against Slovakia				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Thailand	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 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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