



Global Steel Trade Monitor

Steel Exports Report: United States

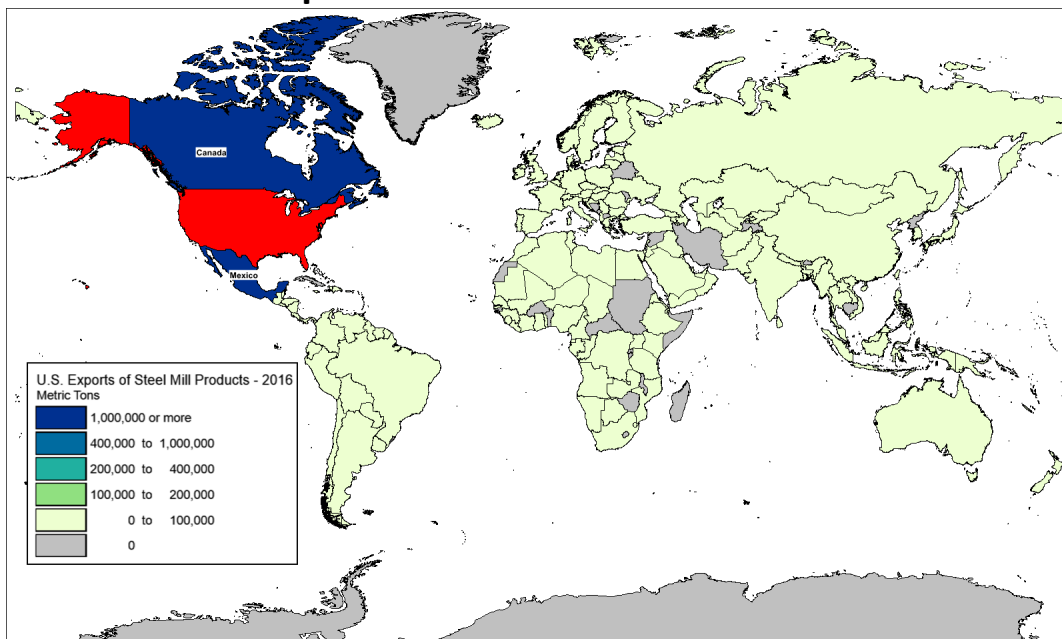
February 2017

Background

The United States is the world's 9th largest steel exporter. In 2016, the U.S. exported 8.9 million metric tons of steel, a decrease from 9.6 million metric tons in 2015. U.S. exports represented about 2 percent of all steel exported globally in 2016. The volume of U.S. 2016 steel exports was 1/12th that of the world's largest exporter, China, and just over 1/4th that of the second-largest exporter, Japan. In value terms, steel represented just 0.8 percent of the total amount of goods the U.S. exported in 2016.

The U.S. exports steel to more than 150 countries and territories. The 2 countries labeled in the map below represent the top markets for U.S. exports of steel, receiving more than 1 million metric tons each and accounting for 83 percent of U.S. steel exports in 2016.

U.S. Exports of Steel Mill Products - 2016



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

Quick Facts:

- World's 9th largest steel exporter: 8.9 million metric tons (2016)
- 2% steel export decline since 2009
- Exports as a share of production down from 15.2% in 2009 to 1.3% in 2016
- Year-on-year export volume down 7% while export value down 16%.
- Top two markets: Canada and Mexico
- Top Producers: Nucor, U.S. Steel, and ArcelorMittal USA
- 7 trade remedies in effect in 3 countries and the European Union involving steel mill imports from U.S.

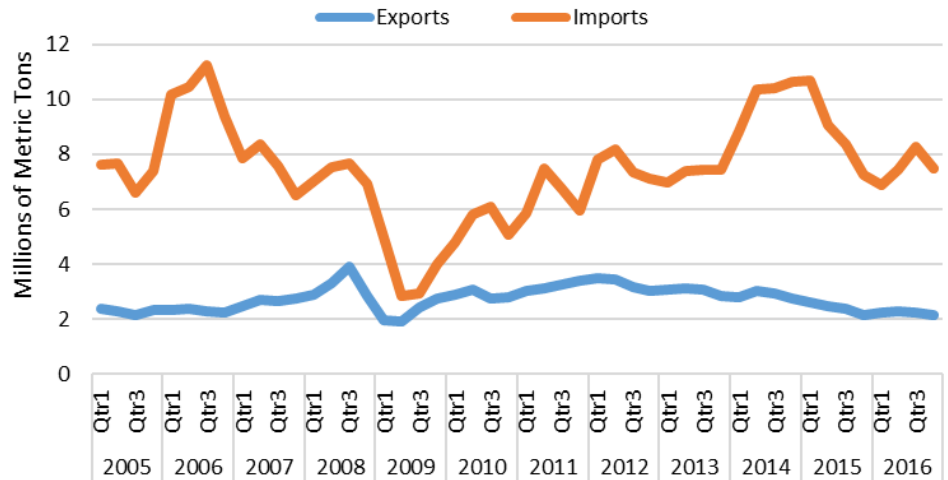
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Steel Trade Balance

The United States has maintained a persistent trade deficit in steel products. Since 2009, imports have returned to the average levels seen prior to the 2008 global recession while exports have remained relatively flat in comparison, and the trade deficit has widened accordingly. Imports grew by 104% between 2009 and 2016, and the steel trade deficit grew by 269%.

In 2016, the U.S. steel trade deficit amounted to -21.2 million metric tons

U.S. Trade in Steel Mill Products by Quarter



Source: IHS Global Trade Atlas

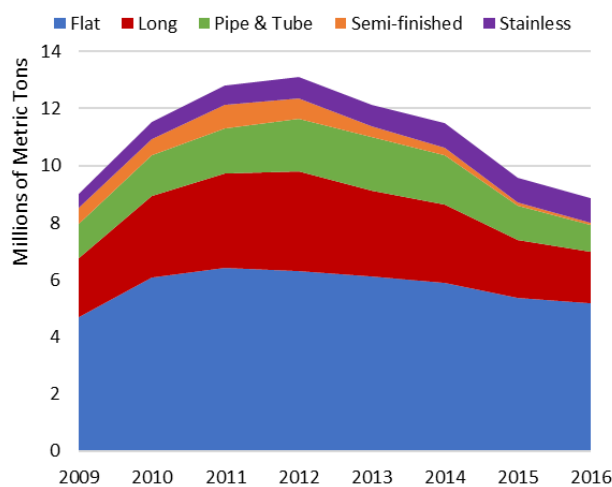
Export Volume, Value, and Product

Between 2012 and 2015, U.S. exports of steel mill products decreased by 27 percent, from 12.8 million metric tons in 2012 to 9.6 million metric tons in 2015. In 2016, U.S. steel exports decreased by 4 percent to 8.9 million metric tons. The value of U.S. 2016 steel exports declined by 16 percent to \$11.5 billion from \$13.6 billion in 2015, which can be attributed to a significant drop in global steel prices.

Flat products accounted for the largest share of U.S. steel exports in 2016 at 58 percent or 5.2 million metric tons. Long products accounted for 21 percent, or 1.8 million metric tons, of U.S. exports of steel in 2016, followed by pipe and tube products (11% or 939.8 thousand metric tons), stainless products (10% or 834.9 thousand metric tons), and semi-finished steel (1% or 83.4 thousand metric tons).

U.S. Exports of Steel Mill Products

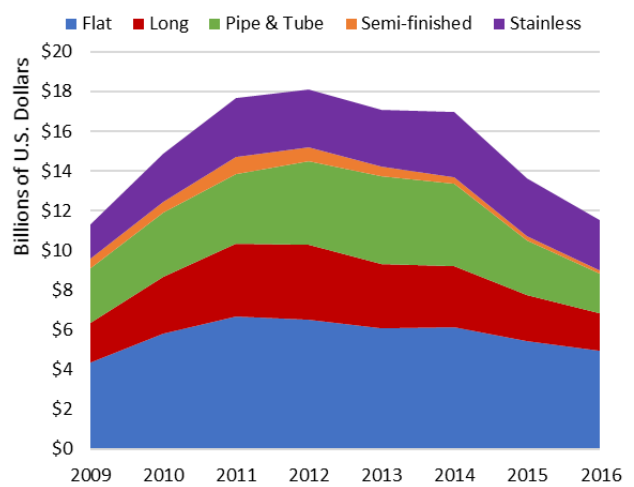
Millions of Metric Tons



Source: IHS Global Trade Atlas

U.S. Exports of Steel Mill Products

Billions of U.S. Dollars



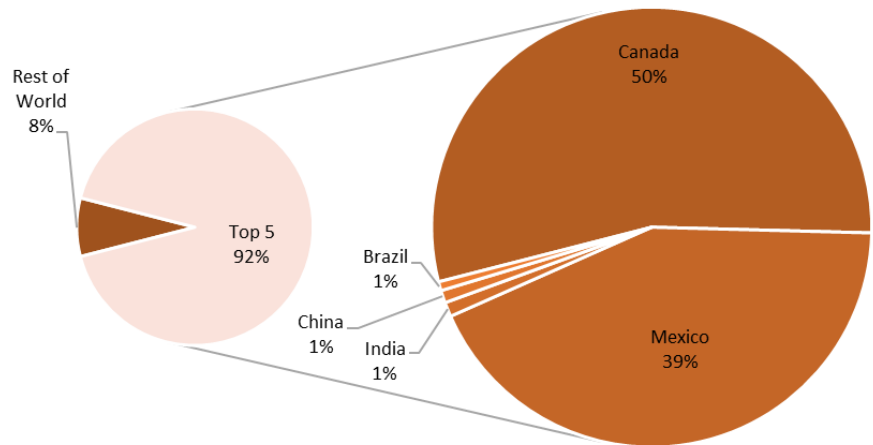
Source: IHS Global Trade Atlas

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Exports by Top Market

Exports to the U.S. top 5 steel markets represented 92 percent of U.S. steel export volume in 2016 at 8.2 million metric tons (mmt). Canada received the largest share of U.S. exports with 50 percent (4.4 mmt), followed by Mexico at 39 percent (3.5 mmt), and India, China, and Brazil at 1 percent or 86.3, 75.2, and 53.5 thousand metric tons respectively.

U.S. Steel Exports - Top 5 Markets
2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas

Trends in Exports to Top Markets

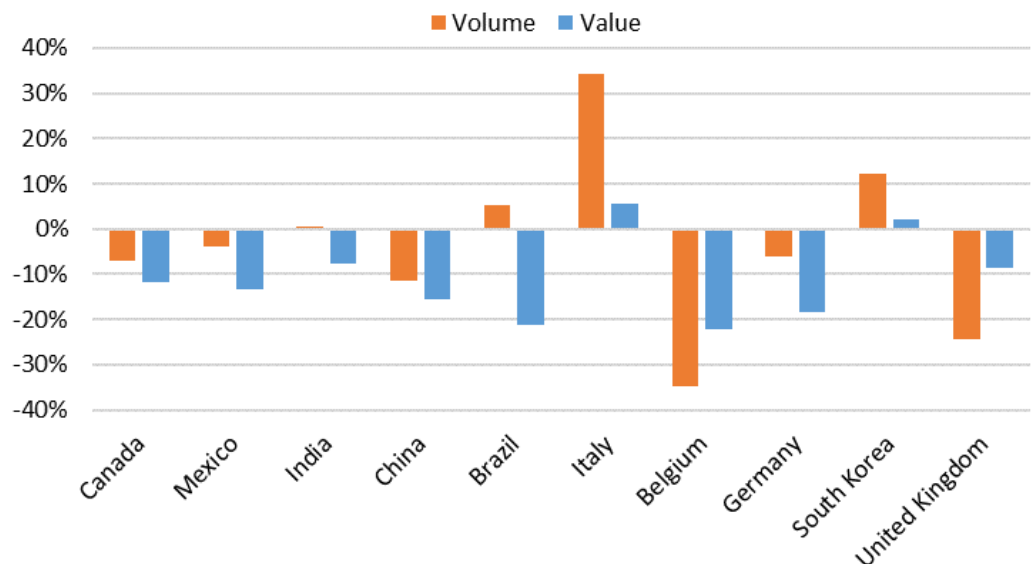
Between 2015 and 2016, the volume of U.S. steel exports decreased to six of the country's top 10 steel export markets. Exports decreased the most to Belgium (down 37.4% from 2015), followed by the United Kingdom (down 24.5%) and China (down 11.6%). Only exports to Italy and South Korea, increased significantly in volume in 2016, up 34.3 percent and 12.1 percent, respectively.

Italy and South Korea were the only markets for U.S. steel exports to show an increase in value between 2015 and 2016 — up 5.5 percent and 2 percent, respectively. The other top markets all saw value decreases from U.S.

with the largest decrease occurring in Belgium (down 22.3%), followed by Brazil (down 21.2%), Germany (down 18.3%), and China (down 15.5%).

Outside of the top 10 markets, other substantial volume changes included U.S. exports to 11th-ranked Dominican Republic (down 64.3%), and 14th-ranked Chile (up 108.6%).

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



Source: IHS Global Trade Atlas

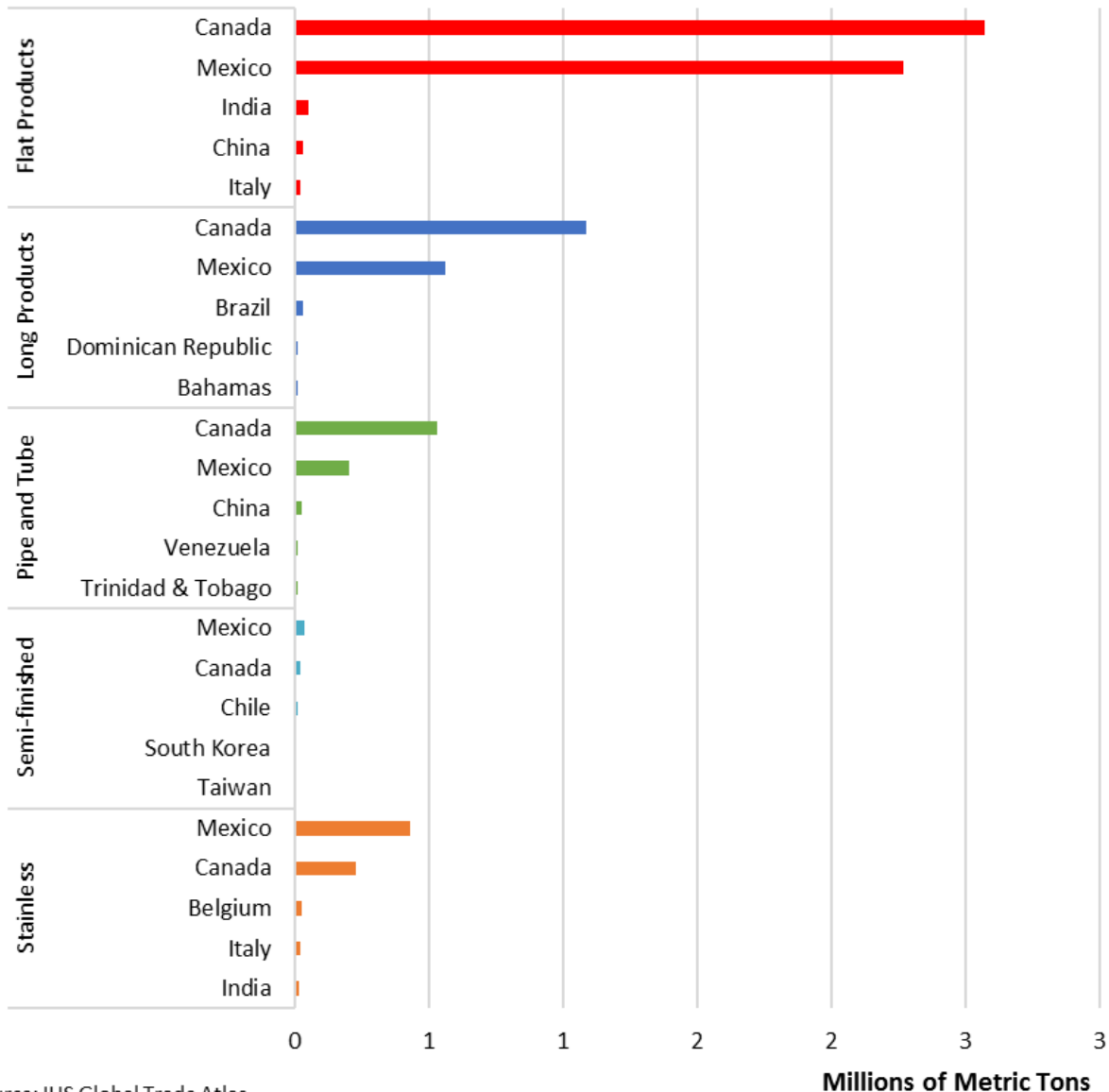
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Top Markets by Steel Product Category

The United States' top export markets by volume vary across types of steel products. Canada received the largest share of U.S. exports of flat, long, and pipe and tube products in 2016 at 50 percent (2.6 million metric tons), 60 percent (1 million metric tons), and 57 percent (532.4 thousand metric tons), respectively, followed closely by Mexico in all three product categories at 44 percent (2.3 million metric tons), 31 percent (561.9 thousand metric tons), and 21.5 percent (202.3 thousand metric tons), respectively. at 12 percent (968 thousand metric tons).

Mexico received the largest share of U.S. semi-finished and stainless product exports in 2016 at 44 percent (36.8 thousand metric tons) and 50.5 percent (431.8 thousand metric tons), respectively. Canada held the second-largest share of U.S. exports of semi-finished and stainless products at 23.4 percent (19.5 thousand metric tons) and 26.8 percent (229.2 thousand metric tons), respectively.

U.S. Top 5 Export Markets by Product - 2016



Source: IHS Global Trade Atlas

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U.S. Import Market Share in Top Destinations

In 2016, the import market share for U.S. steel products decreased slightly in six of the U.S. top export destinations. The share of steel imports from the U.S. decreased the most in Belgium and the United Kingdom, down 0.2 percentage points from 2015, followed by China (down 0.1 percentage point) while the shares remained nearly unchanged in Italy, Germany, and South Korea remained nearly unchanged.

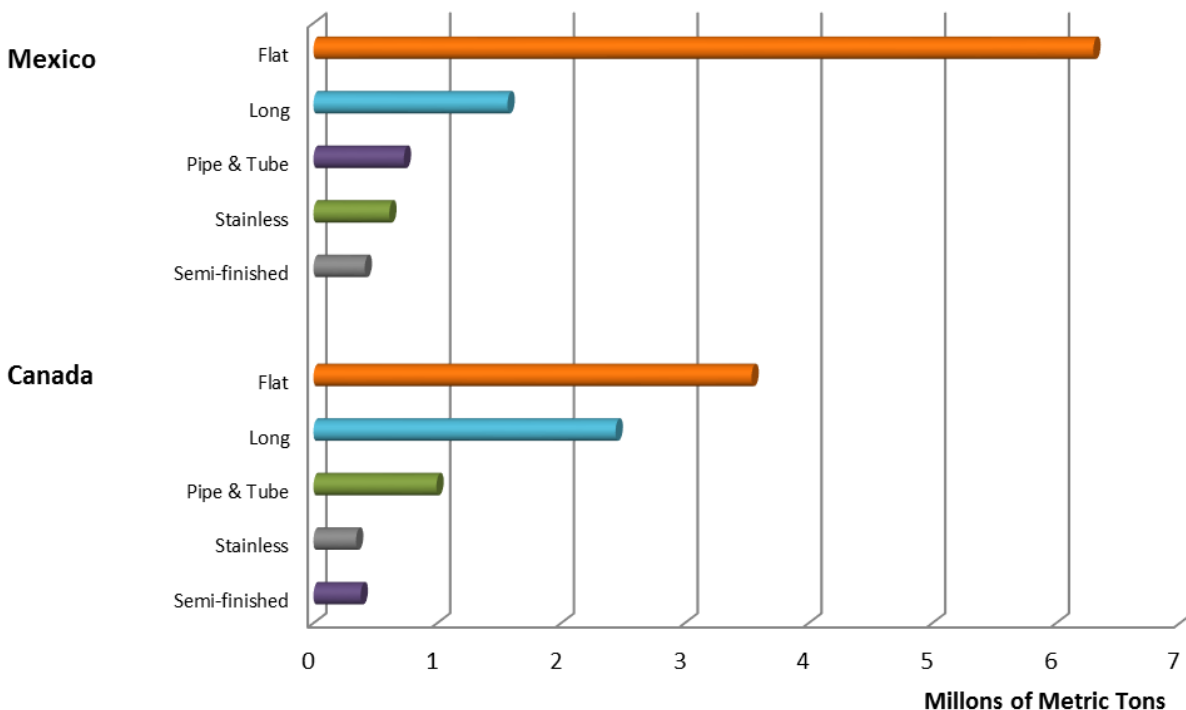
The share of imports from the U.S. showed the largest increase in Mexico (up 2.4 percentage points), followed by Brazil (up 1.6 percentage points), and Canada (up 1 percentage point).

U.S. Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from U.S. - 2015	U.S. Rank in 2015	Share of Imports from U.S. - 2016	U.S. Rank in 2016
Canada	57.6%	1	58.6%	1
Mexico	35.8%	1	38.2%	1
India	0.8%	13	1.0%	13
China	0.6%	9	0.5%	12
Brazil	1.9%	8	3.5%	7
Italy	0.2%	31	0.2%	33
Belgium	0.6%	16	0.4%	19
Germany	0.1%	30	0.1%	32
South Korea	0.1%	14	0.1%	16
United Kingdom	0.5%	25	0.3%	29

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

Among the U.S. top export markets, Canada and Mexico received 59 and 38 percent of their total steel imports from the United States. In 2016, flat products accounted by far for the largest share of steel imports from the U.S. in both Mexico (65% or 6.3 million metric tons), and Canada (46% or 3.5 million metric tons).

Steel Import Composition of Top Market-Share Countries - 2016

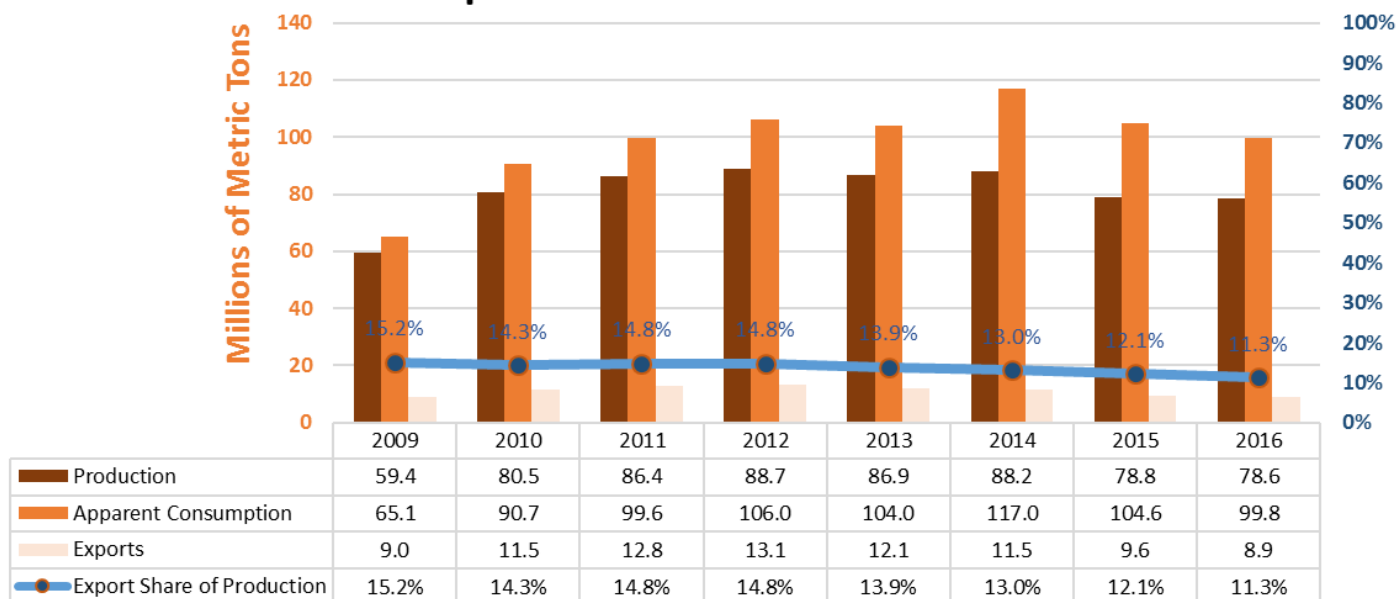


Source: IHS Global Trade Atlas, based on import data per reporting country

Steel Exports Report: United States

Overall Production and Export Share of Production

U.S. Export Share of Steel Production



Sources: World Steel Association; IHS Global Trade Atlas

The U.S. crude steel production decreased slightly to 78.6 million metric tons in 2016 from 78.8 million metric tons in 2015. Since 2009, apparent consumption (a measure of steel demands) has increasingly outpaced production. Between 2009 and 2016, crude steel production grew by 32 percent, while apparent consumption increased by 53 percent. Between 2009 and 2016, U.S. steel exports as a share of production fell by 26 percentage points as production increased while exports held steady during the same period. In 2016, the export share was 11 percent.

Top Producers

The top eight steel producers in the United States are a mix of foreign and domestically-owned companies. Based on available data, the top five domestically-owned producers, along with ArcelorMittal USA, accounted for 82 percent of total production in 2015.

United States Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	19.6	Bars, beams, sheets, plate
2	United States Steel Corp.	14.5	Hot-rolled, hardware, fittings
3	ArcelorMittal USA*	13.9 (2015 estimate)	Flat products, long products, tubular products
4	Gerdau North America*	N/A	Beams, pilings, billets, rebar, wire rod
5	Steel Dynamics Inc.	7.4 (2014 shipments)	Sheets, bars, beams
6	AK Steel Corporation	6.2	Carbon, stainless, electrical
7	Severstal North America* □	N/A	Hot-rolled, cold-rolled, galvanized
8	Commercial Metals Co.	3.4 (2013)	Long products, structural

Source: World Steel Association; Bloomberg; Company websites
 *Denotes foreign-owned producer
 □ Sold to AK Steel and Steel Dynamics

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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 provides statistics on the current number of trade remedies various countries have against steel mill products from the United States.

Steel Mill Trade Remedies in Effect Against the United States				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	1			1
European Union	1			1
India	3			3
Mexico	2			2
TOTAL	7	0	0	7

Source: World Trade Organization, through June 30, 2016

Global Steel Mill Safeguards in Effect	
Country	Product(s)
Egypt	1) Steel Rebar
India	1) Seamless pipes, tubes and hollow profiles of iron or non-alloy steel (other than cast iron and stainless steel); 2) Hot-rolled steel in coils
Indonesia	1) Articles of finished casing and tubing; 2) Articles of iron or steel wire; 3) Flat-rolled products of iron or non-alloy steel; 4) I and H sections of other alloy steel
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-beam with alloy
Vietnam	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through February 22, 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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