



Global Steel Trade Monitor

Steel Imports Report: Italy

March 2017

Background

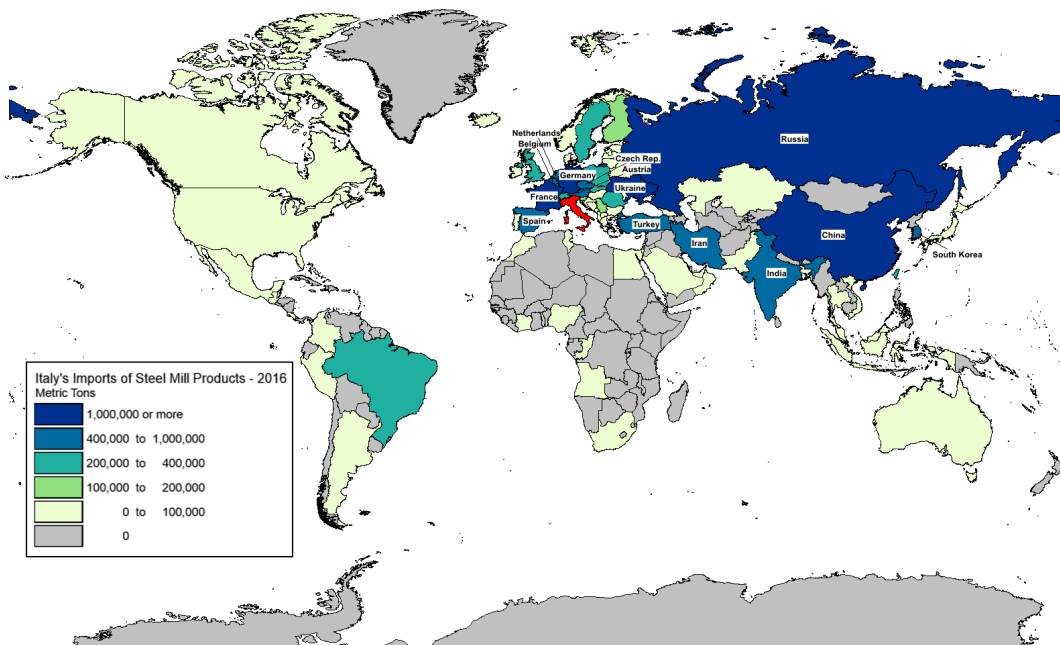
Italy is the world's fourth-largest steel importer. In 2016, Italy imported 19.5 million metric tons of steel, a 1 percent decrease from 19.7 million metric tons in 2015. Italy's imports represented about 5 percent of all steel imported globally in 2015, based on available data. The volume of Italy's 2016 steel imports was roughly two-thirds the size of the world's largest importer, the United States. In value terms, steel represented just 3.1 percent of the total goods imported into Italy in 2016.

Italy imports steel from over 100 countries and territories. The fourteen countries labeled in the map below represent the top sources for Italy's imports of steel, with each sending more than 400 thousand metric tons to Italy and together accounting for 82 percent of Italy's steel imports in 2016.

Quick Facts:

- World's fourth-largest steel importer: 19.5 million metric tons (2016)
- 57% steel import growth since 2009
- Year-on-year import volume down 1% while import value down 11%
- Import penetration up to 76.1% in 2016 from 76% in 2015
- Top three import sources: Germany, Ukraine, Ukraine
- Largest producers: ILVA SpA, Marcegaglia, and Arvedi Group
- 20 European Union trade remedies in effect against imports of steel mill products

Italy's Imports of Steel Mill Products - 2016



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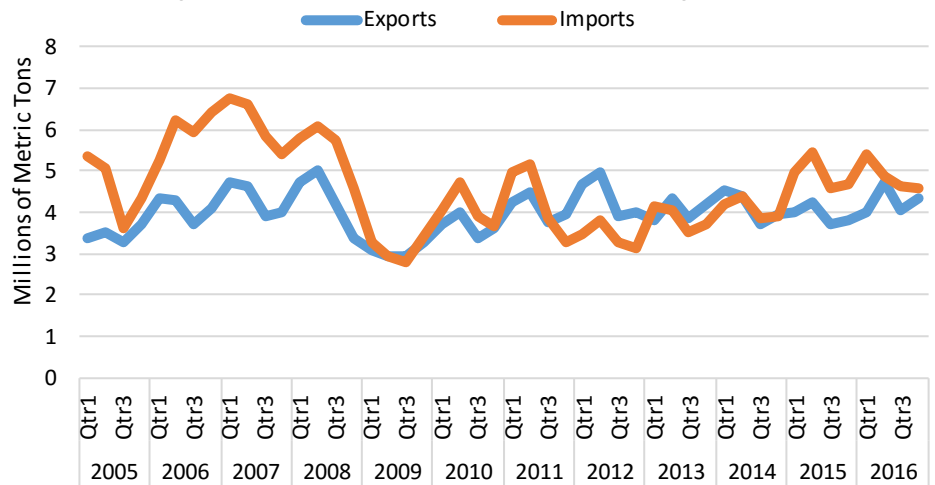
Steel Imports Report: Italy

Steel Trade Balance

Over the past decade, Italy's imports and exports have displayed roughly similar trends: both saw increases between 2005 and 2007, declined significantly by 2009, and recovered gradually over the next six years.

Italy's imports have grown 57 percent between 2009 and 2016. Exports increased by 41 percent over the same period. In 2016, Italy's trade deficit stood at -2.3 million metric tons, a decrease of 41 percent from -3.9 million metric tons in 2015.

Italy's Trade in Steel Mill Products by Quarter



Source: IHS Global Trade Atlas

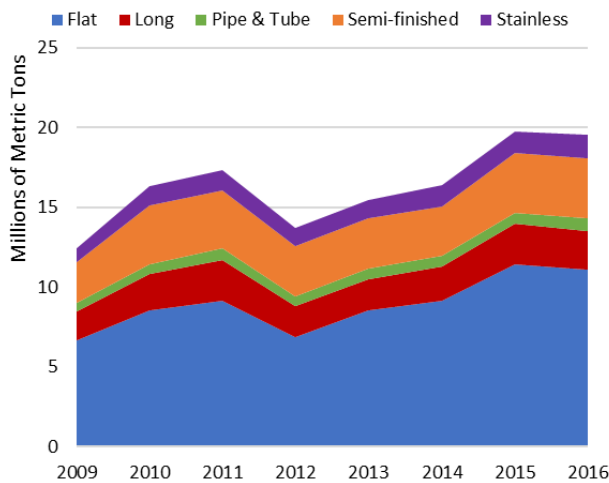
Import Volume, Value, and Product

Between 2012 and 2015, Italy's imports of steel mill products were on the rise. In 2015, the volume of Italy's steel imports reached 19.7 million metric tons, an increase of 44 percent from 2012. In 2016, however, the volume of Italy's steel imports decreased by 1 percent to 19.5 million metric tons from 19.7 million metric tons in 2015. By contrast, the value of Italy's 2016 steel imports declined by a greater amount, down 11 percent to \$12.6 billion from \$14.1 billion in 2015.

Flat products accounted for the largest share of Italy's steel imports. In 2016, Italy imported 11.1 million metric tons of flat products — 57 percent of steel imports. Semi-finished steel accounted for 19 percent, or 3.7 million metric tons, followed by long products (12% or 2.4 million metric tons), stainless steel (8% or 1.5 million metric tons), and pipe and tube products (4% or 750 thousand metric tons).

Italy's Imports of Steel Mill Products

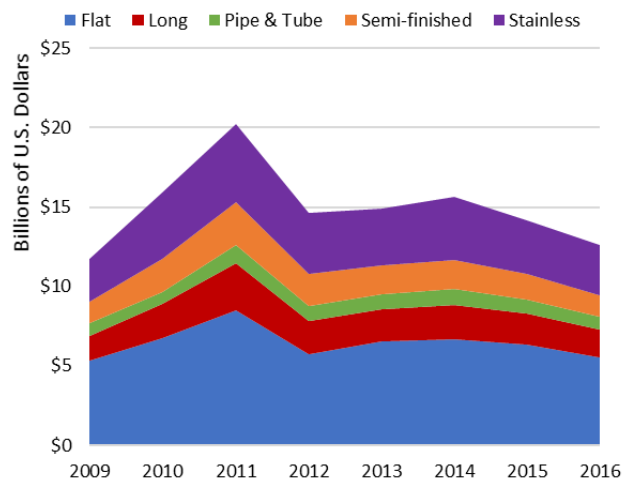
Millions of Metric Tons



Source: IHS Global Trade Atlas

Italy's Imports of Steel Mill Products

Billions of U.S. Dollars



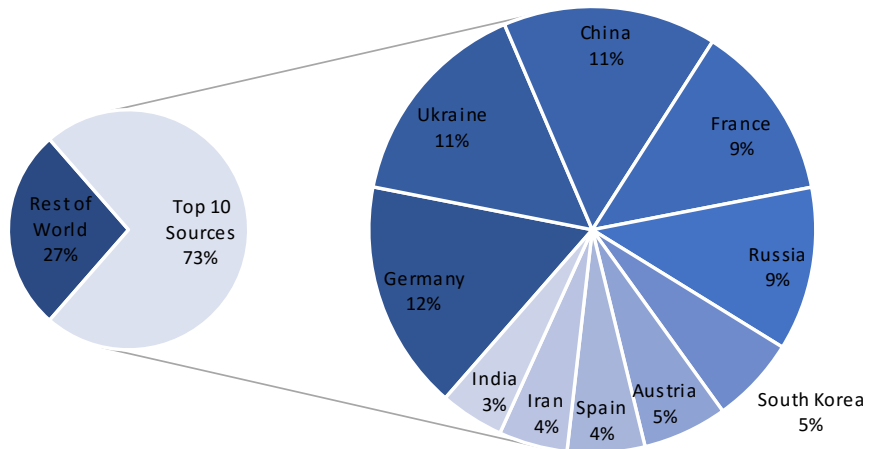
Source: IHS Global Trade Atlas

Steel Imports Report: Italy

Imports by Top Source

The top 10 source countries for Italy's steel imports represented 73 percent of the total steel import volume in 2016 at 14.2 million metric tons (mmt). Germany accounted for the largest share of Italy's imports by source country at 12 percent (2.4 mmt), followed by Ukraine at 11 percent (2.2 mmt), China — which had ranked first in 2015 — at 11 percent (2.2 mmt), France at 9 percent (1.8 mmt), and Russia at 9 percent (1.7 mmt).

Italy's Steel Imports - Top 10 Sources
2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas

The United States ranked 33rd as a source for Italy's steel imports, representing just 0.2 percent of imports (39 thousand metric tons) in 2016.

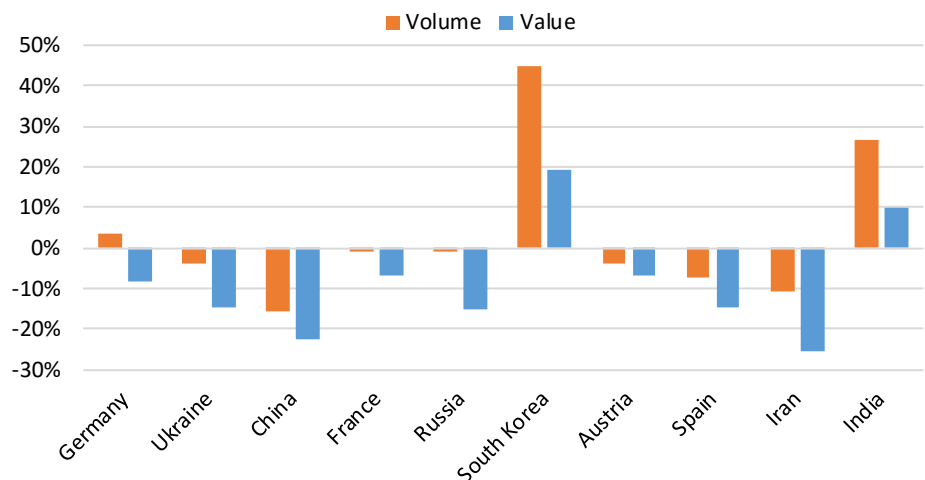
Trends in Imports from Top Sources

Between 2015 and 2016, the volume of imports from three of Italy's top 10 source countries increased. Imports from South Korea showed the largest volume increase, up 44.7 percent from 2015, followed by India (up 26.9%) and Germany (up 3.3%). Imports from China decreased the most (down 15.8%), followed by Iran (down 10.6%), Spain (down 7.2%), Ukraine (down 3.8%), and Austria (down 3.7%).

Outside the top 10 sources, other notable volume changes included Italy's imports from Brazil (up 45.8%) and Taiwan (down 55.3%).

The overall value of Italy's imports decreased from nearly all of its top 10 sources in 2016. Imports from Iran, China, Russia, Spain, and Ukraine showed the largest decreases in value in 2016, down 25.8, 22.6, 15.4, 14.7, and 14.6 percent, respectively. Only imports from South Korea and India increased in value terms, up 19.3 percent and 9.9 percent, respectively.

Percent Change in Imports from Top 10 Sources (2015 to 2016)



Source: IHS Global Trade Atlas

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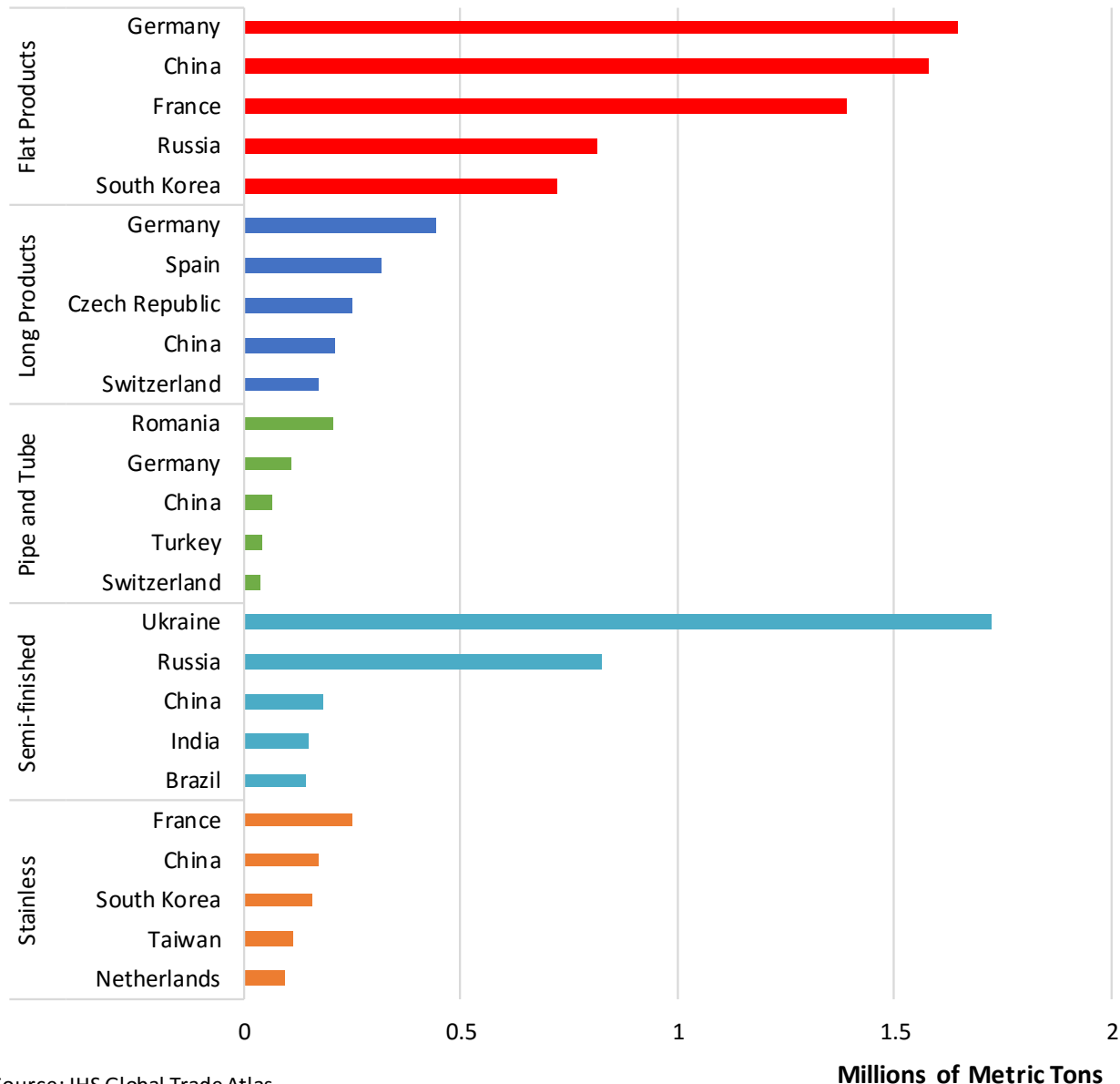
Top Sources by Steel Product Category

The top source countries for Italy's imports by volume vary across types of steel products. Germany accounted for the largest shares of Italy's imports of flat products in 2016 at 15 percent (1.6 million metric tons) and long product imports at 18 percent (443 thousand metric tons), while Romania represented its largest share of pipe and tube imports at 28% (207 thousand metric tons).

Italy received the largest share of its semi-finished steel imports from Ukraine in 2016 at 46 percent (1.7 million metric tons) and received its largest share of stainless product imports from France at 17 percent (248 thousand metric tons).

The United States was not a top-five import source for any product category.

Italy's Top 5 Import Sources by Product - 2016



Source: IHS Global Trade Atlas

Steel Imports Report: Italy

Italy's Export Market Share from Top Source Countries

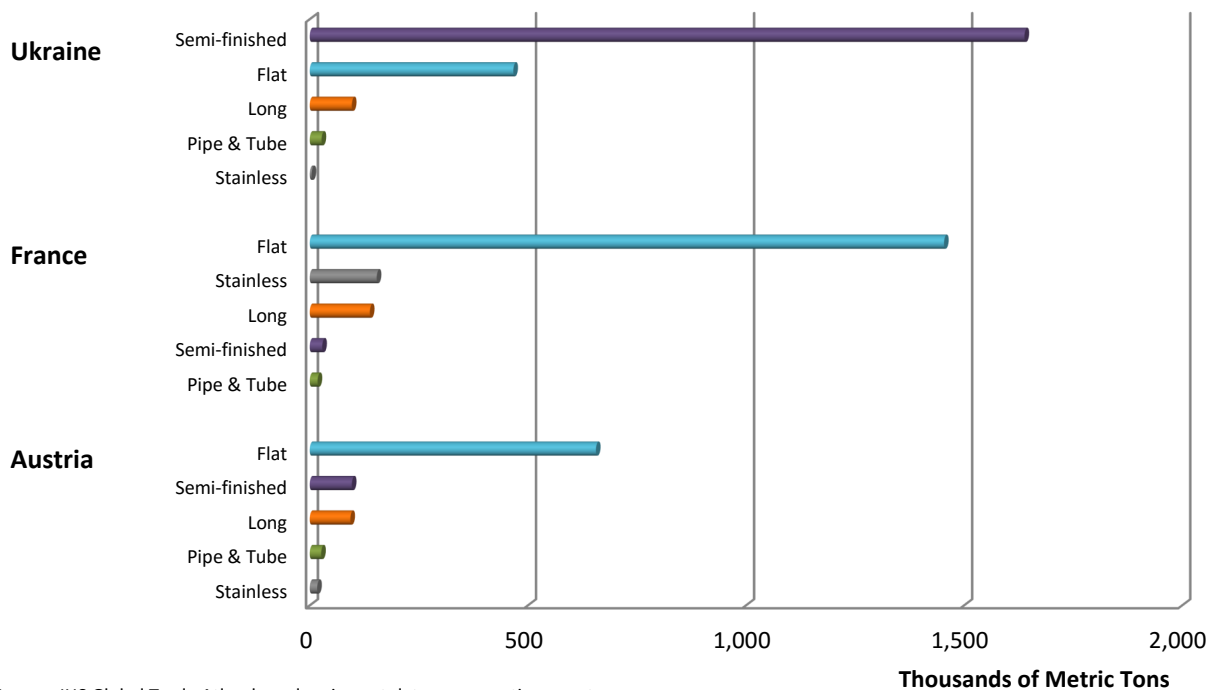
In 2015, the share of steel exports sent to Italy from its top import sources increased from all of the top 10 sources except Austria. In 2015, the share of Ukraine's steel exports to Italy showed the largest increase (up 2.5 percentage points from 2014), followed by Spain (up 1.9 percentage points), Belgium (up 1.8 percentage points), and France (up 1.6 percentage points). In 2015, Austria's share of steel exports to Italy decreased by 0.5 percentage points from 2014.

Among Italy's top import sources, Ukraine, France, and Austria sent the largest shares of their total steel exports to Italy in 2015. Flat products accounted for the largest share of steel exports to Italy from France at 81 percent (1.5 million metric tons) and Austria at 74 percent (656 thousand metric tons). Semi-finished products accounted for the largest share of Ukraine's steel exports to Italy at 73 percent (1.6 million metric tons).

Italy's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Italy - 2014	Italy's Rank in 2014	Share of Exports to Italy - 2015	Italy's Rank in 2015
China	1.6%	17	2.4%	10
Germany	8.5%	4	9.0%	4
Ukraine	10.1%	4	12.6%	3
France	11.3%	4	13.0%	4
Russia	3.7%	8	4.7%	6
Austria	12.6%	2	12.1%	2
Spain	7.5%	4	9.4%	3
Iran	N/A	N/A	N/A	N/A
South Korea	1.1%	17	2.3%	12
Belgium	2.4%	6	4.2%	5

Source: IHS Global Trade Atlas, based on import data per reporting country
 NOTE: 2014 and 2015 data for Iran not available

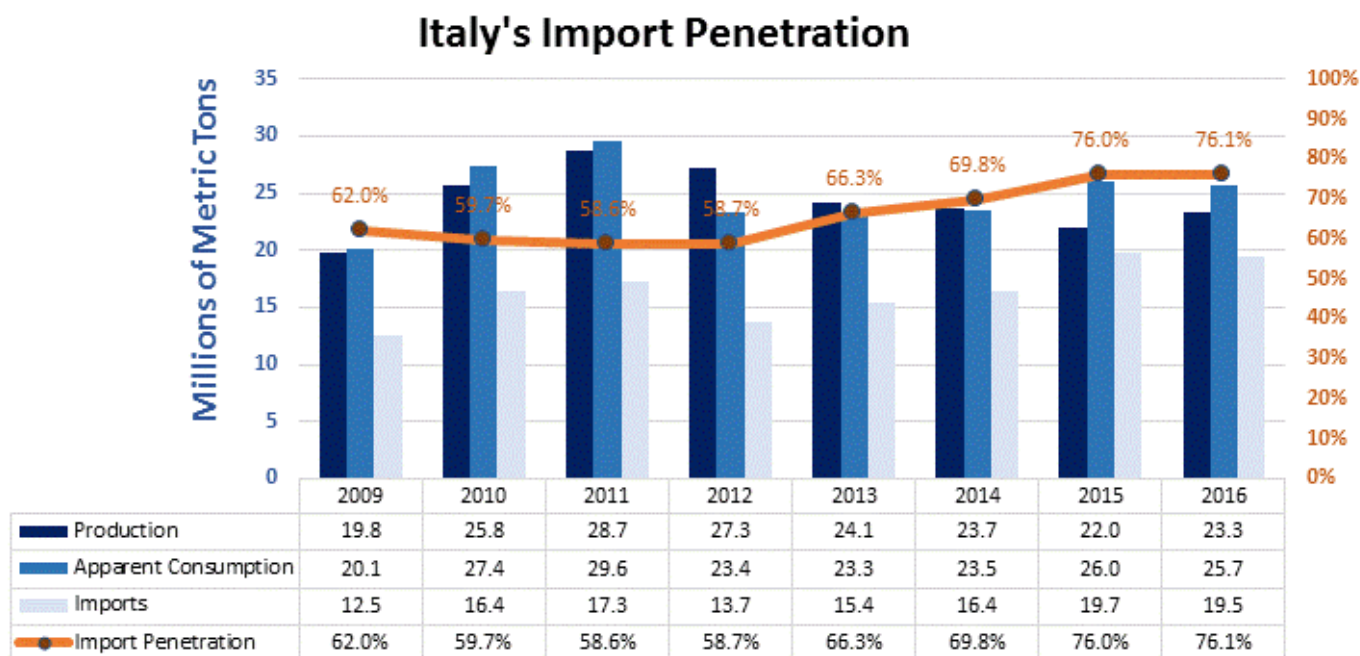
Steel Export Composition of Top Market-Share Countries - 2015



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

Steel Imports Report: Italy

Overall Production and Import Penetration



Sources: World Steel Association; IHS Global Trade Atlas

Italy's crude steel production increased by 6 percent between 2015 and 2016 to 23.3 million metric tons in 2016 from 22 million metric tons in 2015. Apparent consumption (a measure of steel demand) followed a similar trend over the period and remained mostly on pace with production until 2015 when demand outpaced production by 4 million metric tons. The gap narrowed in 2016, though apparent consumption continued to outpace production by 2.3 million metric tons. Though Italy's level of import penetration declined between 2009 and 2011, it has grown steadily since then by roughly 18 percentage points to a total of 76.1 percent in 2016.

Top Producers

Unlike much of Europe, steel production in Italy is diffused across many small - and medium-sized companies. After privatization of the country's steel industry in the late 1980s and 1990s, only a small number of the earlier, larger steelworks remain.

Italy's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	ILVA SpA (subsidiary of Riva Group)	4.8	Hot- and cold-rolled coils, galvanized, heavy plate, welded pipe
2	Marcegaglia	5.4	Coils, strips, sheets, welded pipe, sections, bars, heavy plate
3	Arvedi Group	3.4 (2014)	Hot-rolled, galvanized, welded tubes, cold-drawn tubes, stainless tubes, cold-rolled stainless strip
	Riva Acciaio (subsidiary of Riva Group)	N/A	Billets, hot-rolled and cold-drawn bars, reinforcing bars
5	Lucchini RS	N/A	Railway components, forgings, castings, ingots

Sources: World Steel Association; Federacciai; LexisNexis; Company websites

Steel Imports Report: **Italy**

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 the European Union, which includes Italy, has against imports of steel mill products from various countries. The European Union has no steel mill safeguards in effect.

European Union Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Belarus	1			1
China	7	1		8
India	1	2		3
Japan	1			1
Russia	3			3
South Korea	1			1
Taiwan	1			1
Ukraine	1			1
United States	1			1
TOTAL	17	3	0	20

Source: World Trade Organization, through December 1, 2016

Steel Imports 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