INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Exports Report: **Spain**

November 2016

Background

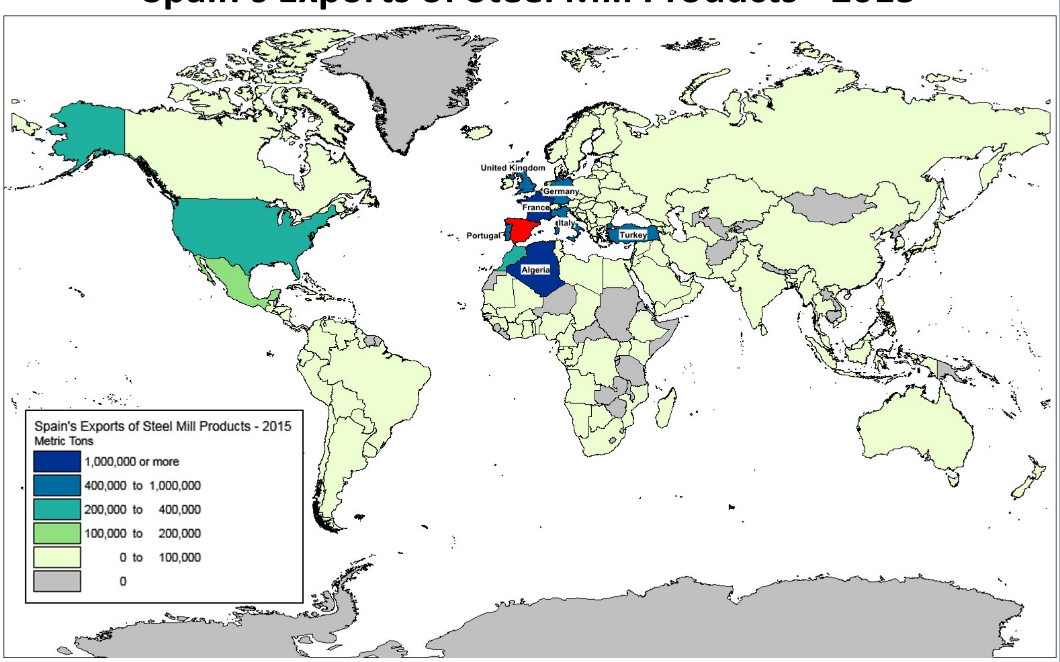
Spain was the world's fifteenth-largest steel exporter in 2015. In year to date 2016 (through June), Spain exported 4.9 million metric tons of steel, a 3.3 percent decrease from 5.1 million metric tons in YTD 2015. Exports from Spain represented about 2.1 percent of all steel exported globally in 2015. The volume of Spain's 2015 steel exports was less than one-tenth that of the largest exporter, China. In value terms, steel represented just 2.8 percent of the total amount of goods Spain exported in 2015.

Spain exports steel to more than 180 countries and territories. The 7 countries labeled in the map below represent the top markets for Spain's exports of steel, receiving more than 400 thousand metric tons each and accounting for 70 percent of Spain's steel exports in 2015.

Quick Facts:

- World's fifteenth–largest steel exporter: 4.9 million metric tons (YTD 2016)
- 36% growth in steel exports since Q1 2009
- Exports as a share of production at 67.2% in YTD 2016
- YTD export volume down 4.3% while export value down 22.3%
- Top three markets: France, Algeria, Portugal
- Largest producers: ArcelorMittal, Celsa Group, Acerinox
- 5 trade remedies in effect involving steel mill imports from Spain; 6 trade remedies in effect involving steel mill imports from the European Union

Spain's Exports of Steel Mill Products - 2015



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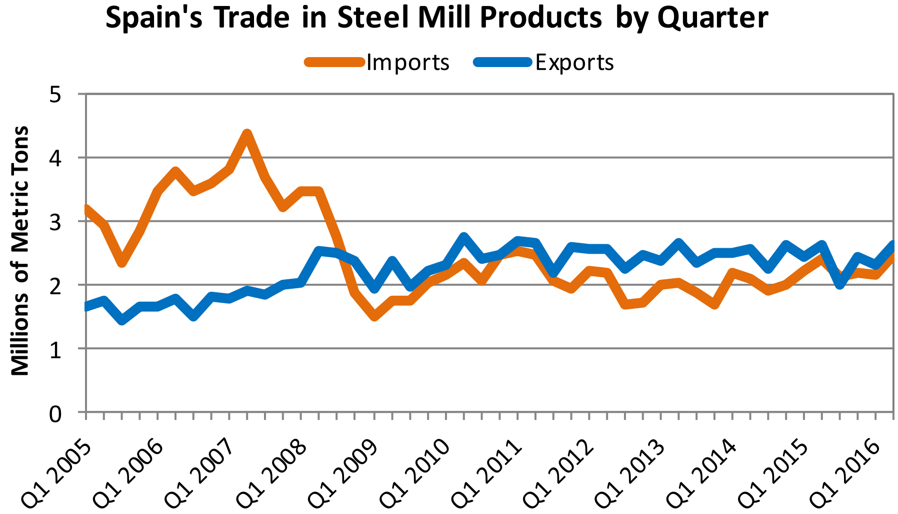
Steel Trade Balance

Prior to 2008, Spain had a trade deficit in steel products. Imports fell in the wake of the 2008 global recession, while, relative to imports, exports retained average levels, and the steel trade deficit became a trade surplus. Between Q1 2009 and Q2 2016, imports grew 67 percent while exports grew 36 percent.



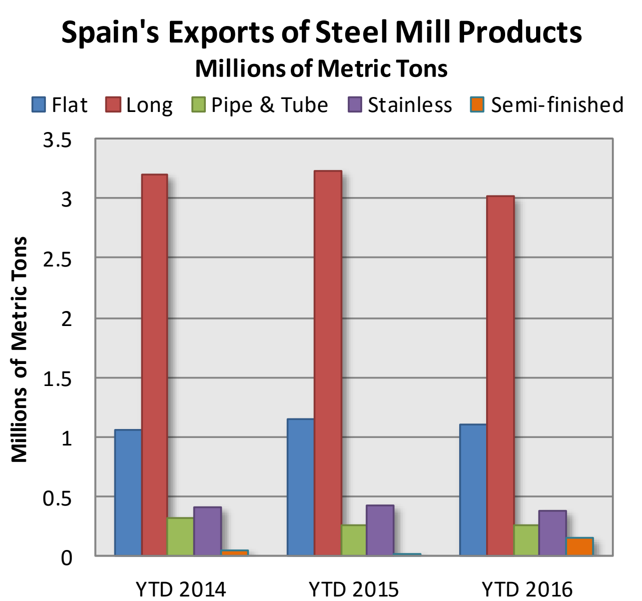
Source: IHS Global Trade Atlas

In recent quarters, Spain's steel trade surplus has narrowed, and a slight trade deficit occurred in Q3 2015. In YTD 2016, the trade surplus totaled 277 thousand metric tons, down 42 percent from 478 thousand metric tons in YTD 2015.

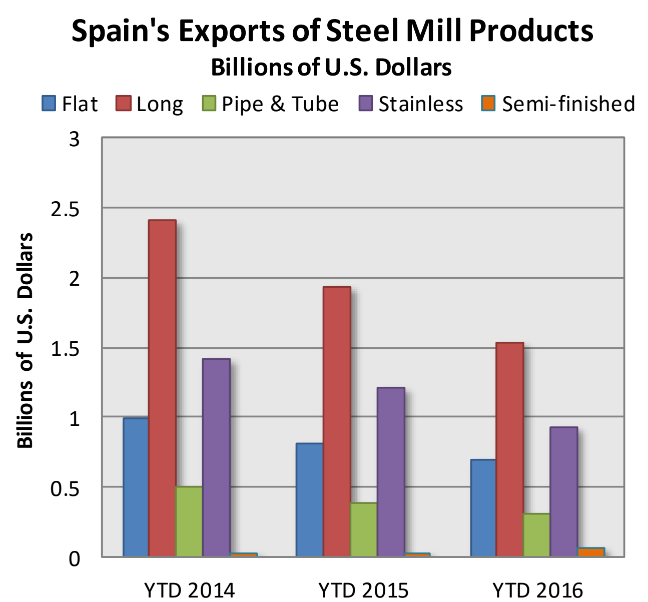
Export Volume, Value, and Product

Spain's steel exports averaged 9.9 million metric tons between 2010 and 2014 before decreasing 3.8 percent to 9.5 million metric tons in 2015. In YTD 2016, exports have decreased 4.3 percent to 4.9 million metric tons from 5.1 million metric tons in YTD 2015. In value terms, Spain's steel exports have decreased by 22.3 percent to $3.5 billion in YTD 2016 from $4.4 billion in YTD 2015.

Long products accounted for 61 percent of Spain's steel exports by volume at 3 million metric tons in YTD 2016. Flat products accounted for 22 percent of exports (1.1 million metric tons), followed by stainless steel at 8 percent (379 thousand metric tons), pipe and tube at 5 percent (256 thousand metric tons), and semi-finished steel at 3 percent (160 thousand metric tons).



Source: IHS Global Trade Atlas
YTD through June



Source: IHS Global Trade Atlas
YTD through June

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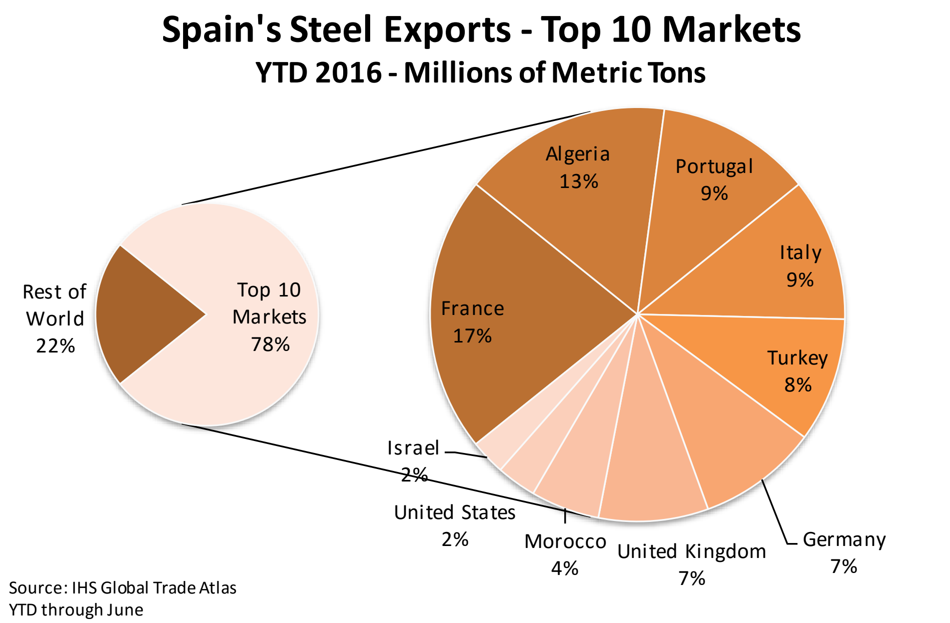
Exports by Top Market

At 3.9 million metric tons (mmt), Spain's exports to its top 10 steel markets represented 78 percent of its steel export volume in YTD 2016. France received the largest share of exports from Spain with 17 percent (0.8 mmt), followed by Algeria at 13 percent (0.6 mmt), Portugal at 9 percent (0.5 mmt), and Italy at 9 percent (0.4 mmt).

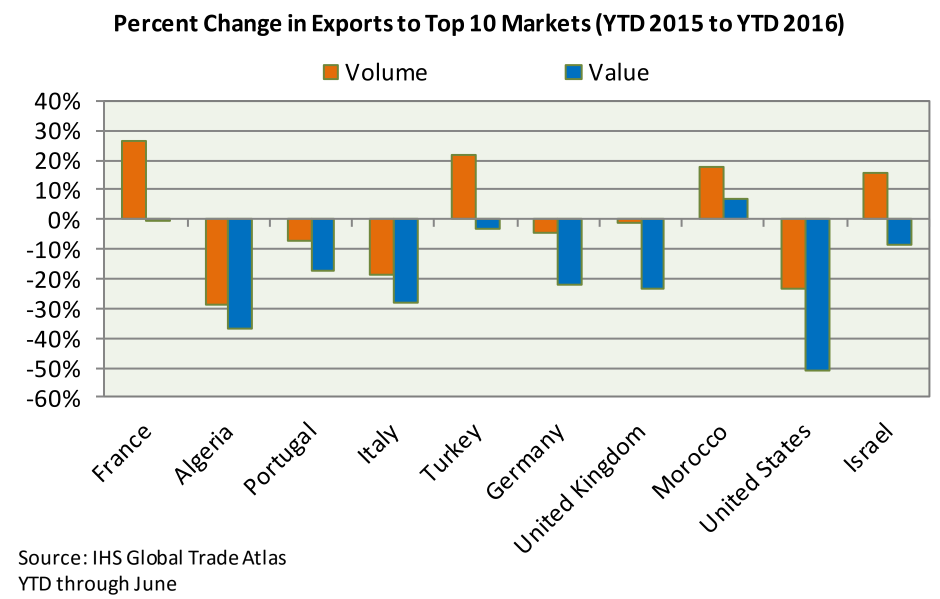


The United States ranked 9th as a destination for Spain's exports of steel in YTD 2016 at 2 percent or 120 thousand metric tons.

Trends in Exports to Top Markets

Between YTD 2015 and YTD 2016, exports to Spain's top 10 markets decreased in volume to six of its top 10 markets. Export volumes decreased the most to Algeria (down 29% from YTD 2015), the United States (down 23.3%), and Italy (down 18.8%). Exports to France increased 26.3 percent by volume from YTD 2015, followed by exports to Turkey (up 21.7%), Morocco (up 17.7%), and Israel (up 15.8%).

Nearly all of Spain's top 10 markets experienced a decrease in export value in YTD 2016, with five countries seeing decreases of more than 20 percent. The value of exports to the United States showed the largest decrease (down 50.8% from YTD 2015), followed by Algeria (down 36.6%), Italy (down 27.8%), and the United Kingdom (down 23.6%). Only exports to Morocco increased in value, up 7.1 percent in YTD 2016.



Outside of the top 10 markets, other notable changes in Spain's export volume in YTD 2016 included exports to 11th-ranked Belgium (up 51%), 13th-ranked Egypt (up 140.9%), 14th-ranked Canada (up 33.1%), and 17th-ranked Mexico (down 39.1%).

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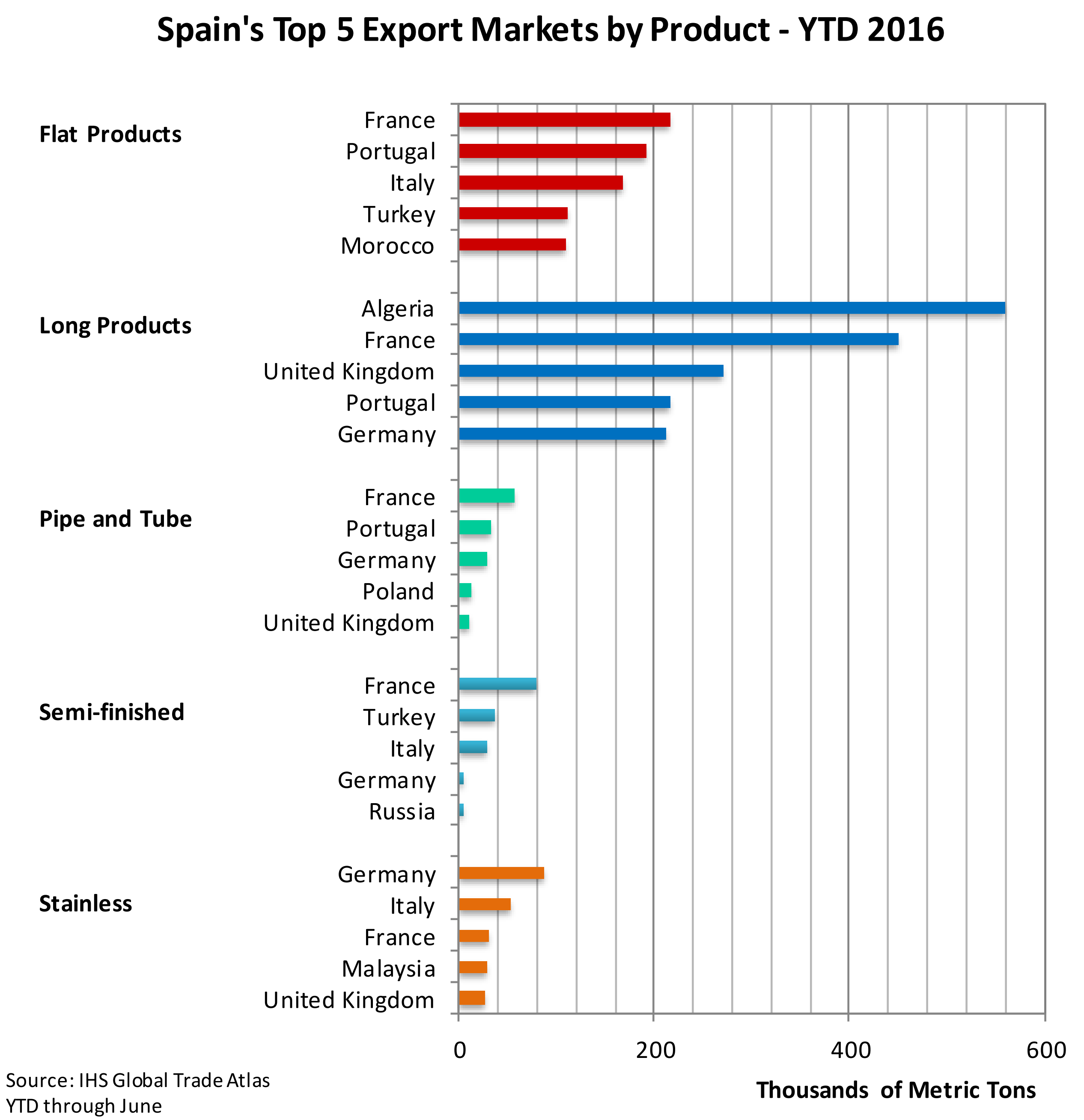
Top Markets by Steel Product Category

Spain's top export markets by volume vary across types of steel products. France received the largest share of Spain's exports of flat products in YTD 2016 at 20 percent (216 thousand metric tons), followed by Portugal at 17 percent (193 thousand metric tons). France also received the largest shares of pipe and tube exports at 22 percent (57 thousand metric tons) and semi-finished exports at 49 percent (79 thousand metric tons).

Algeria received the largest share of Spain's long product exports at 18 percent (559 thousand metric tons), and Germany received 23 percent of stainless exports (86 thousand metric tons).

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



Spain's Import Market Share in Top Destinations

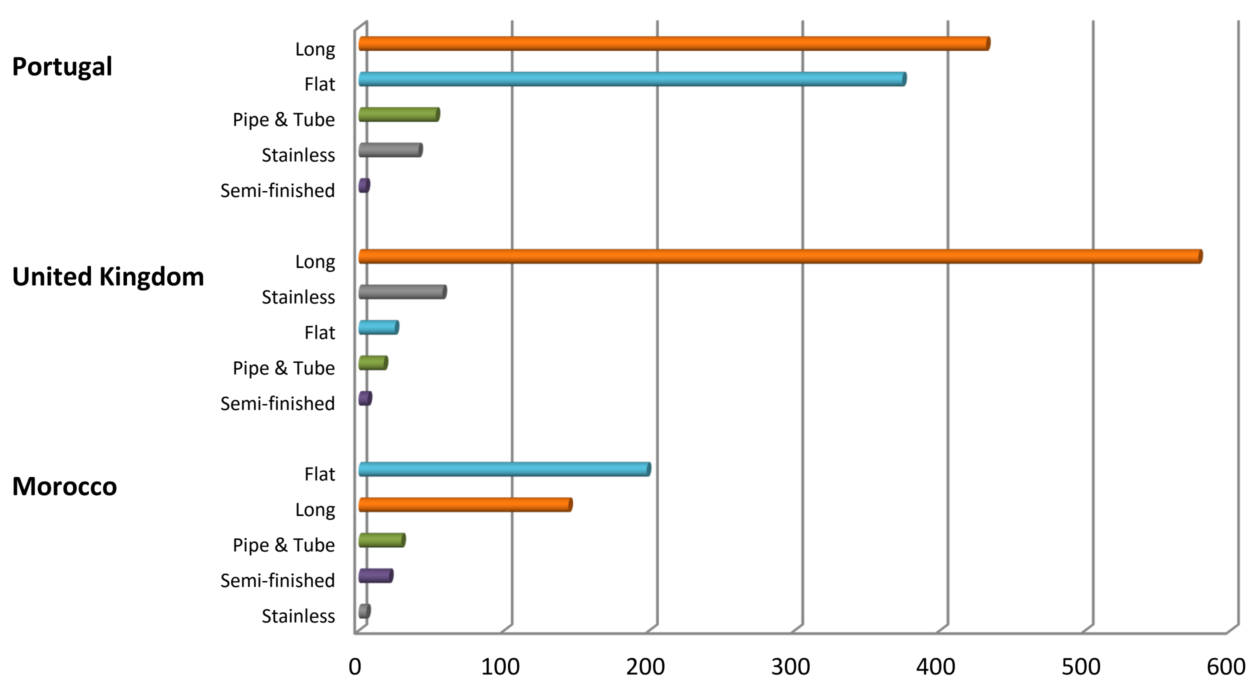
In 2015, the import market share for Spain's steel products decreased in the majority of its top export destinations. Portugal's share of imports from Spain saw the largest decrease (down 4.7 percentage points from 2014), followed by Morocco (down 1.3 percentage points). Shares in Germany, Turkey, and the United States all decreased by less than one percentage point. The share of imports from Spain in France, Italy, the United Kingdom, and Israel all increased by less than one percentage point.

Among Spain's top export markets, Portugal, the United Kingdom, and Morocco received the largest shares of their steel imports from Spain in 2015 at 33.6, 10.3, and 19.4 percent, respectively. Long products accounted for the largest share of steel imports from Spain in both Portugal at 48% (432 thousand metric tons) and the United Kingdom at 84% (578 thousand metric tons). Flat products accounted for half of Morocco's steel imports from Spain (198 thousand metric tons).

Spain's Steel Import Market Share				
Top 10 Export Destinations (2015)	Share of Imports from Spain - 2014	Spain's Rank in 2014	Share of Imports from Spain - 2015	Spain's Rank in 2015
Algeria	33.9%	1	N/A	N/A
France	8.9%	5	8.9%	5
Portugal	38.3%	1	33.6%	1
Italy	4.2%	7	4.4%	7
Germany	2.6%	10	2.6%	12
United Kingdom	9.7%	3	10.3%	3
Turkey	4.2%	6	3.6%	8
Morocco	20.7%	2	19.4%	2
United States	0.9%	16	0.8%	17
Israel*	7.0%	4	7.0%	4

Source: IHS Global Trade Atlas, based on import data per reporting country
Note: 2015 data for Algeria not available
*Israel data based on value; 2014/2015 quantity data not available

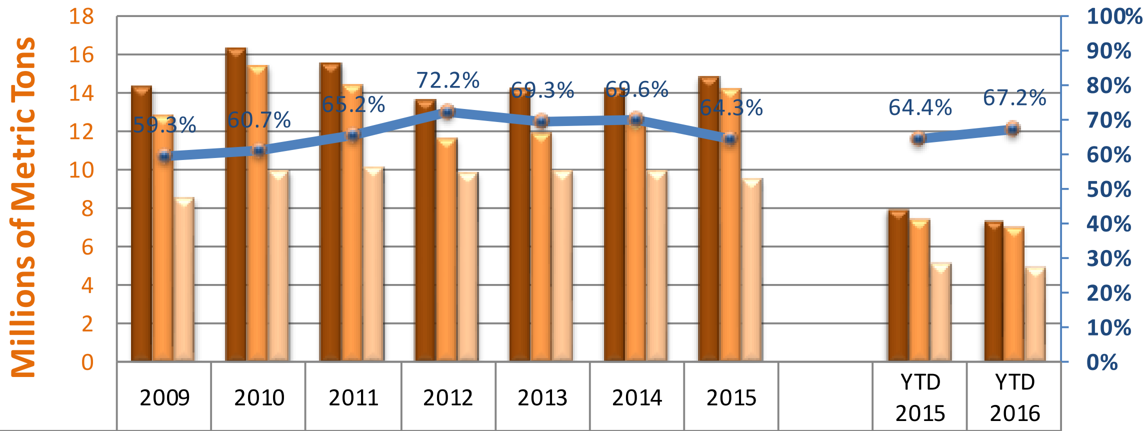
Steel Import Composition of Top Market-Share Countries - 2015



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

Overall Production and Export Share of Production

Spain's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015		YTD 2015	YTD 2016
Production	14.4	16.3	15.5	13.6	14.3	14.2	14.8		7.9	7.3
Apparent Consumption	12.9	15.4	14.4	11.6	12.0	12.6	14.2		7.4	7.1
Exports	8.5	9.9	10.1	9.8	9.9	9.9	9.5		5.1	4.9
Export Share of Production	59.3%	60.7%	65.2%	72.2%	69.3%	69.6%	64.3%		64.4%	67.2%

Source: World Steel Association; IHS Global Trade Atlas
YTD through June

Spain's crude steel production levels have fluctuated between 2009 and 2015. Production increased 14 percent between 2009 and 2010 before declining 17 percent by 2012 and gradually increasing again by 2015. Production in YTD 2016 has decreased by 7 percent from YTD 2015 to 7.3 million metric tons. Apparent consumption (a measure of steel demand) has been outpaced by production since 2009, though the gap between the two narrowed significantly in 2015 and has narrowed further in YTD 2016. Spain's steel exports as a share of production decreased by 7.9 percentage points between in 2015 from its peak of 72.2 percent in 2012. Exports as a share of production stood at 67.2 percent in YTD 2016, up 2.8 percentage points from YTD 2015, as production decreases outpaced decreases in exports.

Top Producers

According to Spain's steel association (Unión de Empresas Siderúrgicas [UNESID]), Spain has over 20 steel production facilities and 50 rolling mills. The five largest steel-producing companies account for a significant majority of Spain's steel output, with ArcelorMittal alone accounting for nearly half of production in 2015.

Spain's Top Steel Producers in 2015

Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal	7.2	Cold-rolled coil, hot-rolled coil, rails, wire rod
2	Celsa Group	5.4 (capacity estimate)	Bars, reinforcing bars, wire rod, structural sections
3	Acerinox SA	3.5	Stainless flat products, stainless long products
4	Gerdau Sidenor	N/A	Bars, wire rod, ingots, billets
5	Tubacex SA	N/A	Seamless tubes, stainless long products, fittings

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2014*; Spanish Steel Association (UNESID); 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 Spain and from the European Union, which includes Spain.

Steel Mill Trade Remedies in Effect Against Spain

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Australia	1			1
Dominican Republic	1			1
South Korea	1			1
United States	2			2
TOTAL	**5**	**0**	**0**	**5**

Source: World Trade Organization, through June 30, 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 June 30, 2016

Global Steel Mill Safeguards in Effect

Country	Product(s)
Chile	Steel wire rod
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
Ukraine	Casing and pump compressor seamless steel pipes
Vietnam	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through August 22, 2016

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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