



Global Steel Trade Monitor

Steel Imports Report: Germany

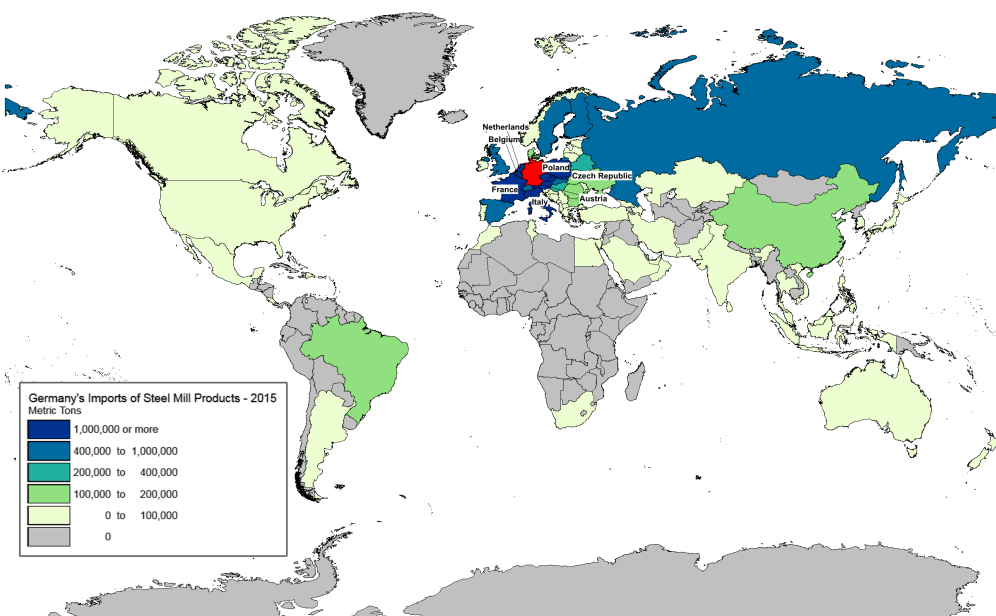
September 2016

Background

Germany is the world's second largest steel importer. In year to date 2016 (through June), further referred to as YTD 2016, Germany imported 12.9 million metric tons of steel, a 3 percent decrease from 13.3 million metric tons in YTD 2015. Germany's imports represented about 7 percent of all steel imported globally in 2015. The volume of Germany's 2015 steel imports was 10 million metric tons less than that of the world's largest importer, the United States. In value terms, steel represented just 2.2 percent of the total goods imported into Germany in 2015.

Germany imports steel from over 100 countries and territories. The seven countries labeled in the map below represent the top import sources for Germany's imports of steel, with Germany receiving more than 1 million metric tons from each and together accounting for 70 percent of Germany's steel imports in 2015.

Germany's Imports of Steel Mill Products - 2015



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2016. All rights reserved.

Quick Facts:

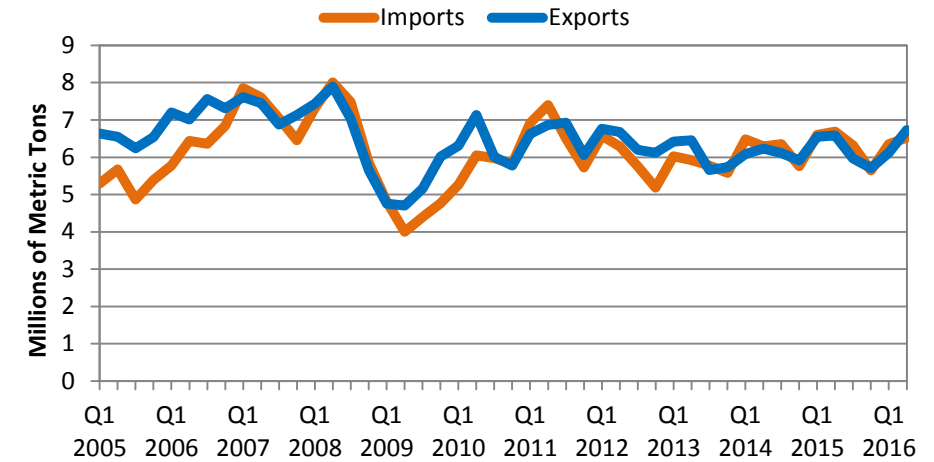
- World's 2nd second largest steel importer: 12.9 million metric tons (YTD 2016)
- 40% steel import growth between 2009 and 2015
- YTD import volume down 3% while import value down 15%
- Import penetration down to 58.7% in YTD 2016 from 59.6% in YTD 2015
- Top three import sources: Belgium, Italy, and the Netherlands
- Largest producers: ThyssenKrupp, ArcelorMittal, and Salzgitter
- 20 European Union trade remedies in effect against imports of steel mill products

Steel Imports Report: Germany

Steel Trade Balance

Germany has maintained a steel trade surplus for much of the past decade. Both imports and exports fell in 2009 and have recovered since then, increasing 40 percent and 20 percent, respectively, between 2009 and 2015. In YTD 2016, both imports and exports decreased by 3 percent and 2 percent, respectively, and the steel trade deficit dropped by 82 percent from YTD 2015. In YTD 2016, Germany's steel trade deficit amounted to -26 thousand metric tons.

Germany's Trade in Steel Mill Products by Quarter

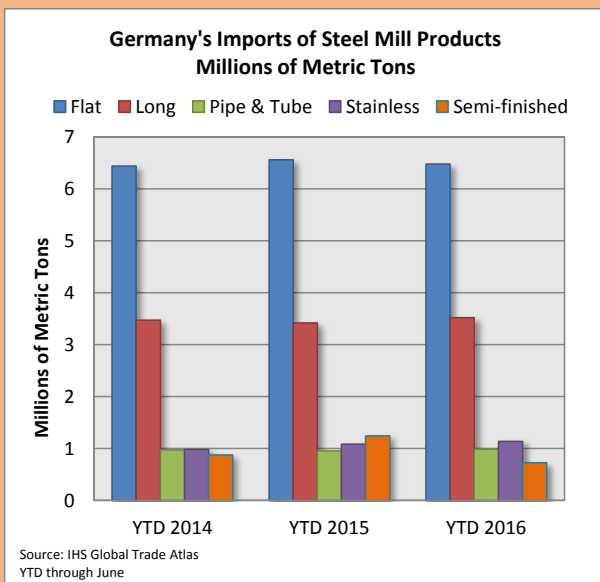


Source: IHS Global Trade Atlas

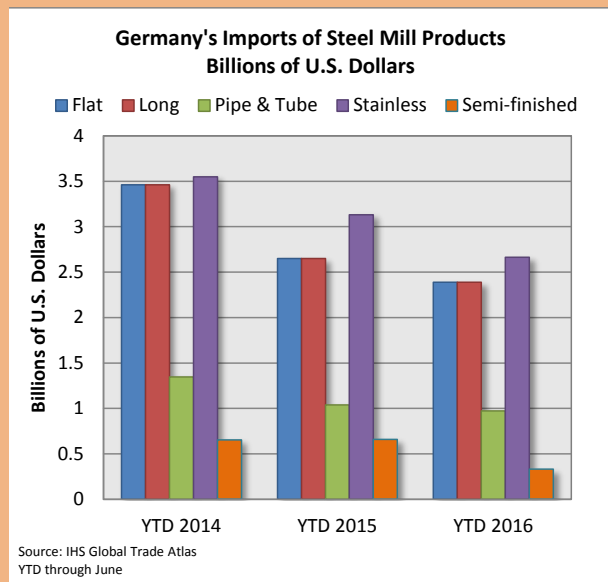
Import Volume, Value, and Product

Germany's imports of steel products hit a recent peak in 2011, at 26.5 million metric tons, before declining through 2013. Imports rose in 2014 by 7 percent and again in 2015 by 1.5 percent. In YTD 2016, the volume of Germany's steel imports decreased by 3 percent from YTD 2015 to 12.9 million metric tons. By contrast, the value of Germany's steel imports has decreased nearly every year since 2011. Between 2011 and 2015, import value fell by 33 percent, from \$34.1 billion to \$23 billion. In YTD 2016, the value of Germany's steel imports decreased by 15 percent to \$10.4 billion from \$12.3 billion in YTD 2015, which can be attributed to a significant drop in global steel prices.

In YTD 2016, flat products accounted for the largest share of Germany's steel imports at 50 percent, or 6.5 million metric tons. Long products accounted for 27 percent, or 3.5 million metric tons, of Germany's imports, followed by stainless (9% or 1 million metric tons), pipe and tube (8% or 993 thousand metric tons), and semi-finished products (6% or 732.2 thousand metric tons).



Source: IHS Global Trade Atlas
YTD through June



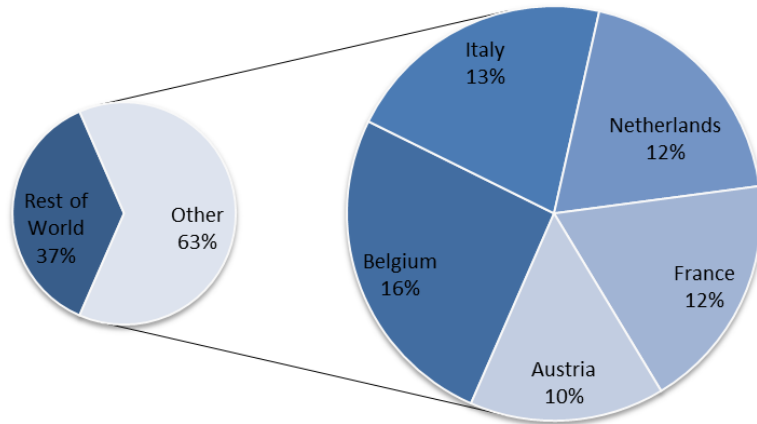
Source: IHS Global Trade Atlas
YTD through June

Steel Imports Report: Germany

Imports by Top Source

The top 5 source countries for Germany's steel imports represented 63 percent of the total steel import volume in YTD 2016 at 8.1 million metric tons (mmt). Belgium accounted for the largest share of Germany's imports by source country at 16 percent (2 mmt), followed by Italy at 13 percent (1.7 mmt), the Netherlands at 12 percent (1.6 mmt), France at 12 percent (1.5 mmt), and Austria at 10 percent (1.2 mmt).

Germany's Steel Imports - Top 5 Sources
YTD 2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through June

The United States ranked 31st as a source for Germany's steel imports, representing just 0.1 percent of imports (17 thousand metric tons) in YTD 2016.

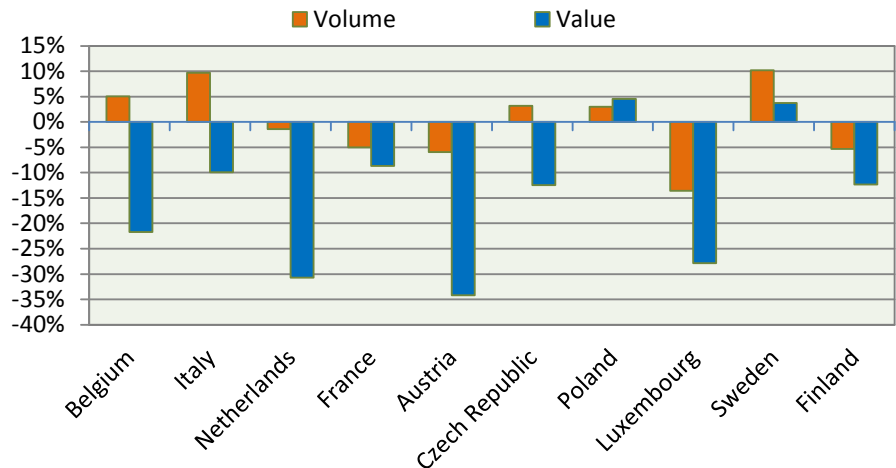
Trends in Imports from Top Sources

Between YTD 2015 and YTD 2016, the volume of imports increased from half of Germany's top 10 source countries. Imports from Sweden showed the largest volume increase, up 10.2 percent from YTD 2015, followed by Italy (up 9.7%) and Belgium (up 5%). Imports from Luxembourg showed the largest volume decrease, down 13.5 percent from YTD 2015, followed by Austria (down 5.9%), Finland (down 5.3%), and France (down 5%).

Outside the top 10 sources, other notable volume changes included Germany's imports from the United Kingdom (down 52%), South Korea (up 48%), and Brazil (down 83%).

The overall value of Germany's imports decreased from 8 of its top 10 sources, reflecting the decline in global steel prices. Imports from Austria, the Netherlands, and Luxembourg showed the largest decreases in value in YTD 2016, down 34.2, 30.7, and 27.8 percent, respectively.

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



Source: IHS Global Trade Atlas
YTD through June

Only imports from Poland and Sweden increased in value terms — up 4.6 and 3.7 percent, respectively.

Steel Imports Report: Germany

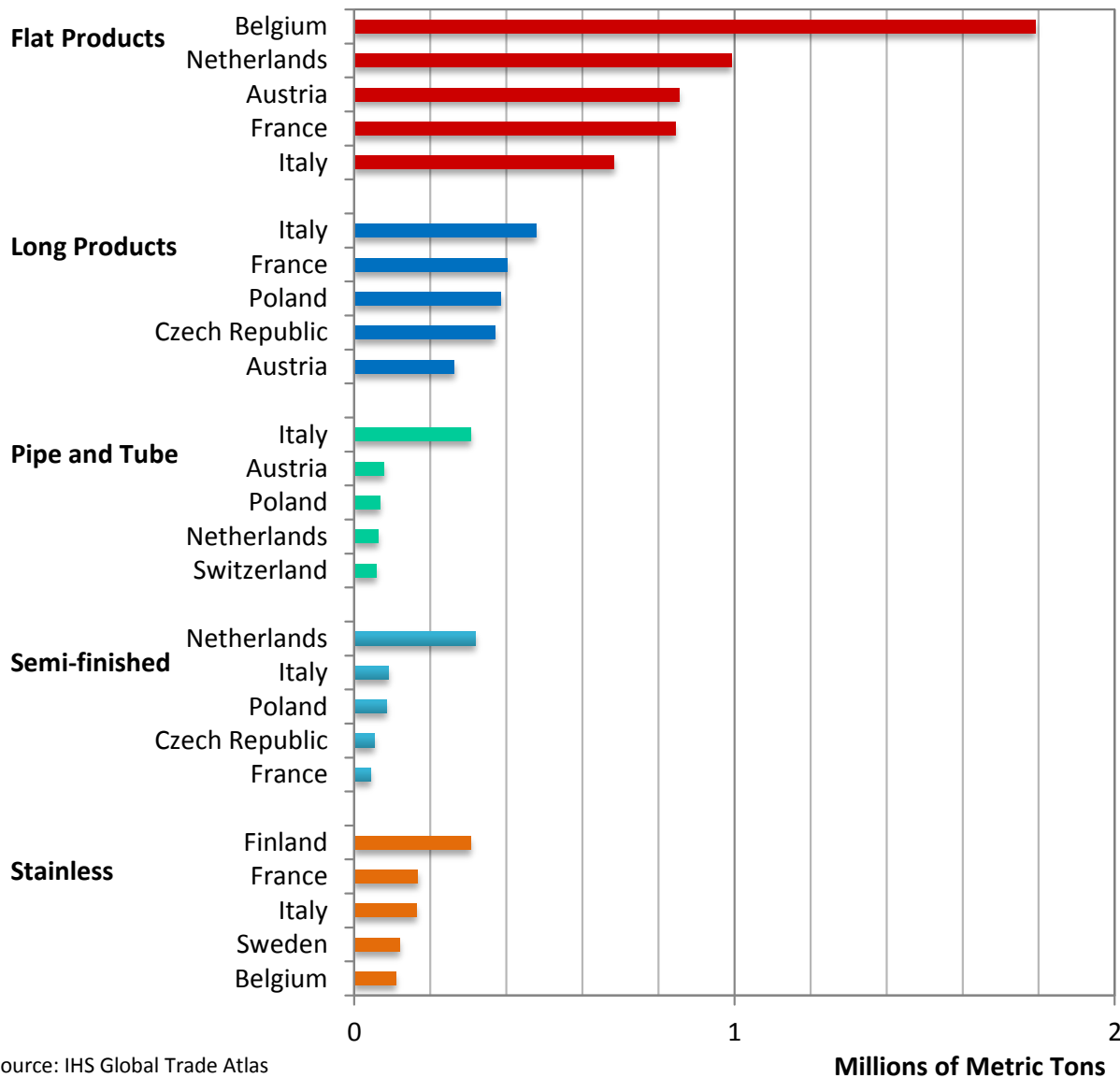
Top Sources by Steel Product Category

The top source countries for Germany's imports by volume vary across types of steel products. Belgium accounted for 28 percent (1.8 million metric tons) of Germany's imports of flat products in YTD 2016, followed by the Netherlands at 15 percent (992 thousand metric tons).

In YTD 2016, Italy represented the largest shares of both Germany's long product imports at 14 percent (478 thousand metric tons) and its pipe and tube imports at 31 percent (307 thousand metric tons). The Netherlands represented the largest share of Germany's semi-finished steel imports in YTD 2016 at 44 percent (319 thousand metric tons), while Finland represented the largest share of Germany's imports of stainless products at 27 percent (305 thousand metric tons).

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

Germany's Top 5 Import Sources by Product - YTD 2016



Source: IHS Global Trade Atlas
YTD through June

Steel Imports Report: Germany

Germany's Export Market Share from Top Source Countries

In 2015, the share of steel exports sent to Germany from its top import sources increased from all but three of the top 10 sources. In 2014, the share of Finland's steel exports to Germany showed the largest increase (up 4.7 percentage points from 2014), followed by Austria (up 2.9 percentage points), and Belgium (up 1.7 percentage points). Italy, France, and Poland showed decreases in their share of steel exports to Germany, decreasing 1.1, 0.4, and 0.8 percentage points, respectively. Of note, Germany ranks as the number one export destination in nearly all of its top import sources.

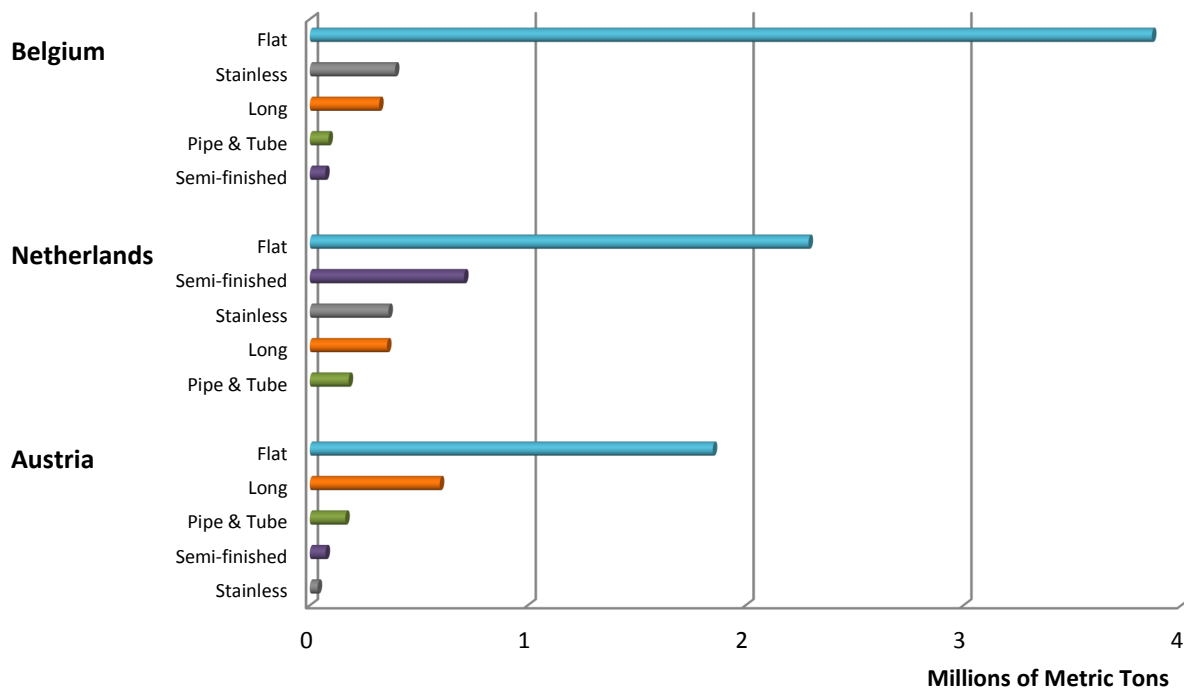
Germany's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Germany - 2014	Germany's Rank in 2014	Share of Exports to Germany - 2015	Germany's Rank in 2015
Belgium	29.0%	1	30.8%	1
Italy	21.2%	1	20.1%	1
France	21.0%	1	20.5%	1
Netherlands	35.2%	1	35.7%	1
Austria	34.2%	1	37.1%	1
Poland	27.1%	1	26.2%	1
Czech Republic	24.9%	1	26.5%	1
Luxembourg	20.3%	1	20.4%	1
Finland	22.0%	2	26.7%	2
United Kingdom	9.8%	5	11.2%	2

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

Among Germany's top sources, Belgium, the Netherlands, and Austria each sent more than 30 percent of their total steel exports

to Germany. In 2015, flat products accounted for the largest share of steel exports to Germany from all three sources. Flat products accounted for 82 percent (3.9 million metric tons) of Belgium's steel exports to Germany, 59 percent of exports from the Netherlands (2.3 million metric tons), and 68 percent of exports from Austria (1.8 million metric tons).

Steel Export Composition of Top Market-Share Countries - 2015

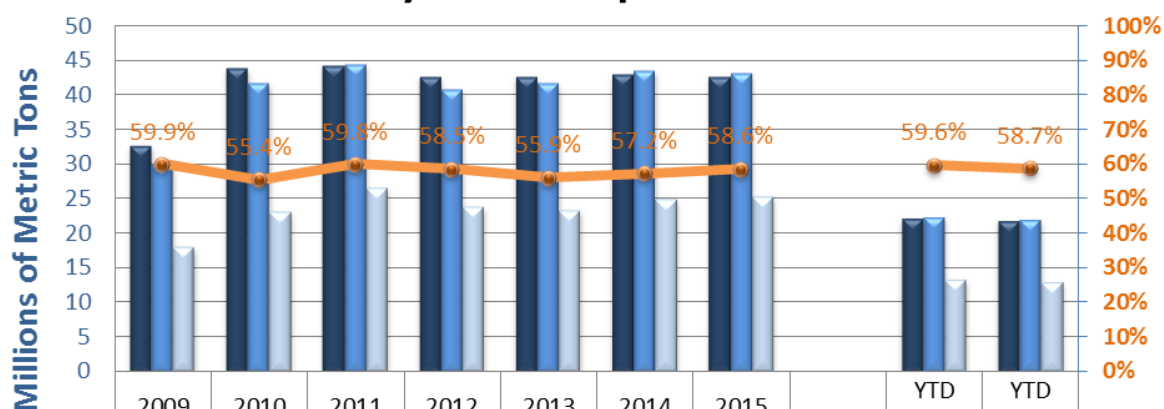


Source: IHS Global Trade Atlas, based on import data per reporting country

Steel Imports Report: Germany

Overall Production and Import Penetration

Germany's Steel Import Penetration



	2009	2010	2011	2012	2013	2014	2015	YTD 2015	YTD 2016
Production	32.7	43.8	44.3	42.7	42.6	42.9	42.7	22.2	21.9
Apparent Consumption	30.0	41.7	44.4	40.7	41.7	43.5	43.1	22.3	21.9
Imports	18.0	23.1	26.5	23.8	23.3	24.9	25.2	13.3	12.9
Import Penetration	59.9%	55.4%	59.8%	58.5%	55.9%	57.2%	58.6%	59.6%	58.7%

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

Germany's crude steel production decreased slightly to 21.9 million metric tons in YTD 2016, from YTD 2015's total of 22.2 million metric tons. Apparent consumption (a measure of steel demand) was on par with production, and imports decreased by 3 percent in YTD 2016 bringing import penetration level down from 59.6 percent in YTD 2015 to 58.7 percent in YTD 2016. Despite such high import penetration levels, Germany exported a similar percentage of its production, which helped to keep demand in line with production.

Top Producers

Germany's steel production is a mix of domestic and foreign-owned companies and is concentrated among a handful of producers, with the country's top six producers accounting for 33.7 million metric tons, or 79 percent of total 2015 production.

Germany's Top Steel Producers in 2015			
Rank	Company	Production (mmt)	Main Products
1	ThyssenKrupp	9.3	Strip, plate, tinplate, electrical, stainless
2	ArcelorMittal	7.8	Flat, long, tube
3	Salzgitter	5.3	Strip, plates, sections, pipe and tube
4	HKM	4.6	Semi-finished
5	Saarstahl	4.3	Wire rods, bars, semi-finished
6	Dillinger Hüttenwerke	2.4	Heavy plate

Sources: German Steel Federation; MarketLine; Company websites

Steel Imports Report: **Germany**

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 Germany, 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 June 30, 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/>.



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