INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Imports Report: **United States**

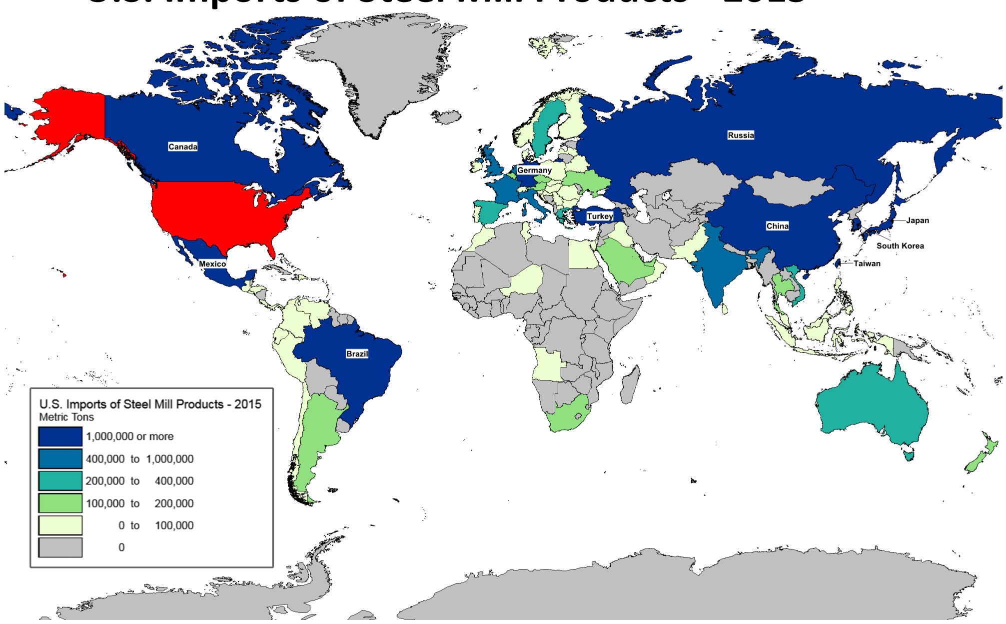
September 2016

Background

The United States is the world's largest steel importer. In year to date 2016 (through June), further referred to as YTD 2016, the U.S. imported 14.3 million metric tons of steel, a 28 percent decline from 19.8 million metric tons in YTD 2015. U.S. imports represented about 9 percent of all steel imported globally in 2015. The volume of U.S. 2015 steel imports was more than 40 percent larger that of the world's second- and third-largest importers, Germany and South Korea. In value terms, steel represented just 1.4 percent of the total goods imported into the United States in 2015.

The United States imports steel from over 90 countries and territories. The 10 countries labeled in the map below represent the top sources for U.S. imports of steel, with the U.S. receiving more than 1 million metric tons from each and together accounting for 81 percent of U.S. steel imports in 2015.

U.S. Imports of Steel Mill Products - 2015



Quick Facts:

- World's largest steel importer: 14.3 million metric tons (YTD 2016)
- 161% steel import growth since Q2 2009
- YTD import volume down 28% while import value down 41.8%
- Import penetration down to 28.7% in YTD 2016 from 36.2% in YTD 2015
- Top three import sources: Canada, Brazil, South Korea
- Largest producers: Nucor, U.S. Steel, and ArcelorMittal USA
- 116 trade remedies in effect against imports of steel mill products

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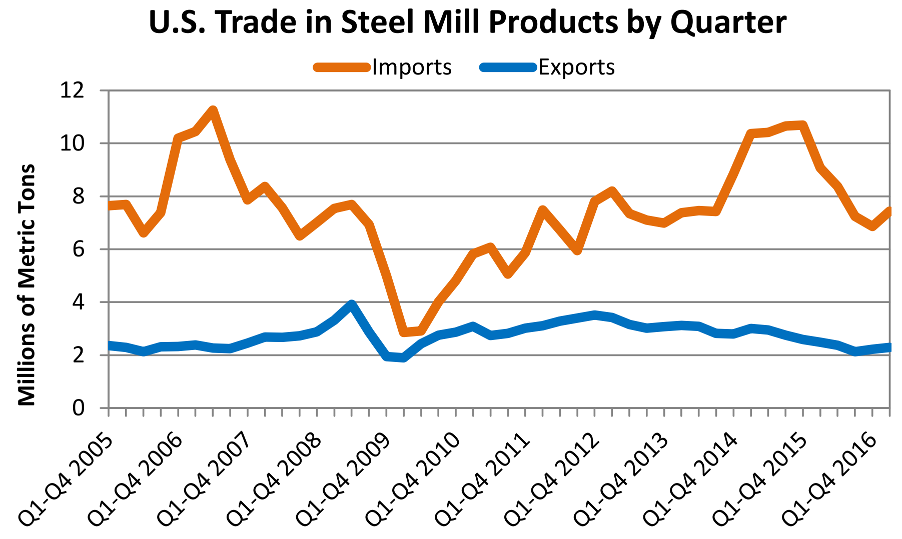
Steel Trade Balance



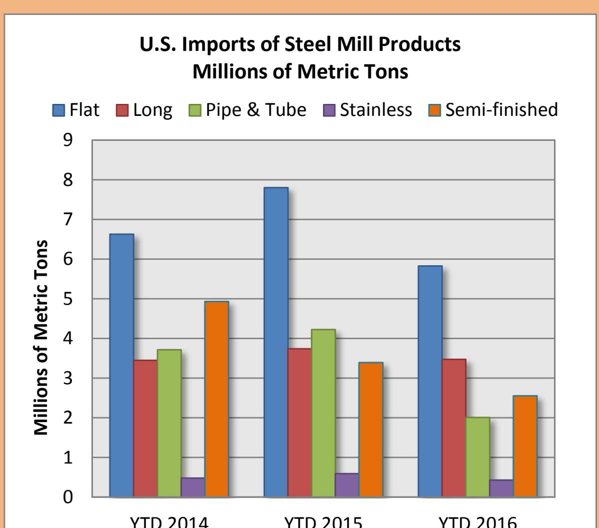
Source: IHS Global Trade Atlas

The United States has maintained a persistent trade deficit in steel products. Following a significant drop in 2009, imports have since 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. Since their most recent low point in Q2 2009, imports have grown by 161 percent, while exports grew by 21 percent. In YTD 2016, the U.S. steel trade deficit narrowed to -9.8 million metric tons metric tons from -14.7 million metric tons in YTD 2015.

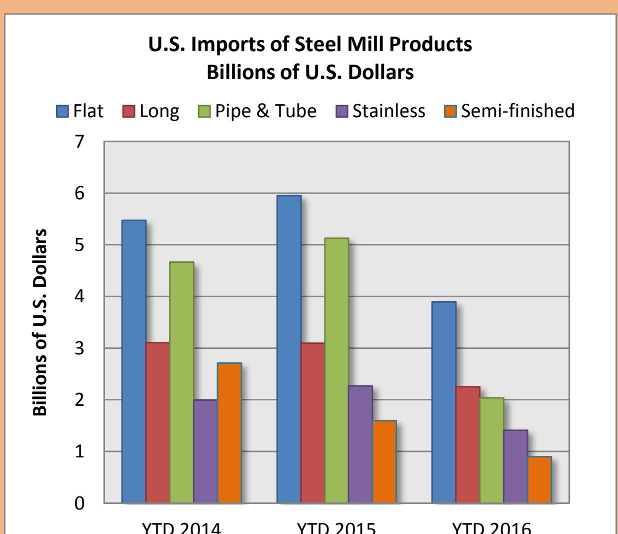
Import Volume, Value, and Product

In 2014, U.S. imports of steel products reached a near-record high of 40.3 million metric tons, only topped by the 41.3 million metric tons imported in 2006. 2015 steel import levels decreased by 12 percent from 2014. In YTD 2016, the volume of U.S. steel imports declined by 28 percent from YTD 2015 to 14.3 million metric tons. By contrast, the value of U.S. YTD 2016 steel imports declined by a greater amount, down 41.8 percent to $10.5 billion from $18 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 U.S. steel imports at 41 percent, or 5.8 million metric tons. Long products accounted for 24 percent, or 3.5 million metric tons, of U.S. imports, followed by semi-finished (18% or 2.6 million metric tons), pipe and tube (14% or 2 million metric tons), and stainless products (3% or 432 thousand metric tons).



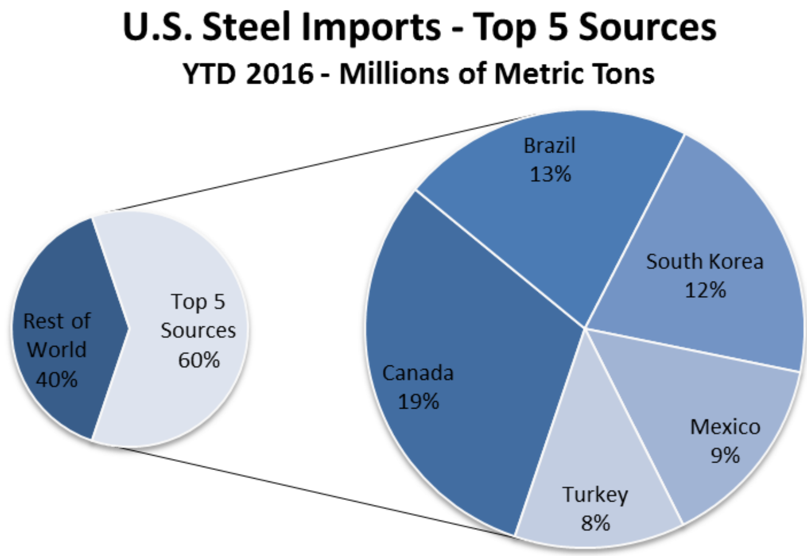
Source: IHS Global Trade Atlas
YTD through June



Source: IHS Global Trade Atlas
YTD through June

Imports by Top Source

The top 5 source countries for U.S. steel imports represented 60 percent of the total steel import volume in YTD 2016 at 8.6 million metrics tons (mmt). Canada accounted for the largest share of U.S. imports by source country at 19 percent (2.7 mmt), followed by Brazil at 13 percent (1.9 mmt), South Korea at 12 percent (1.8 mmt), Mexico at 9 percent (1.3 mmt), and Turkey at 8 percent (1.1 mmt).

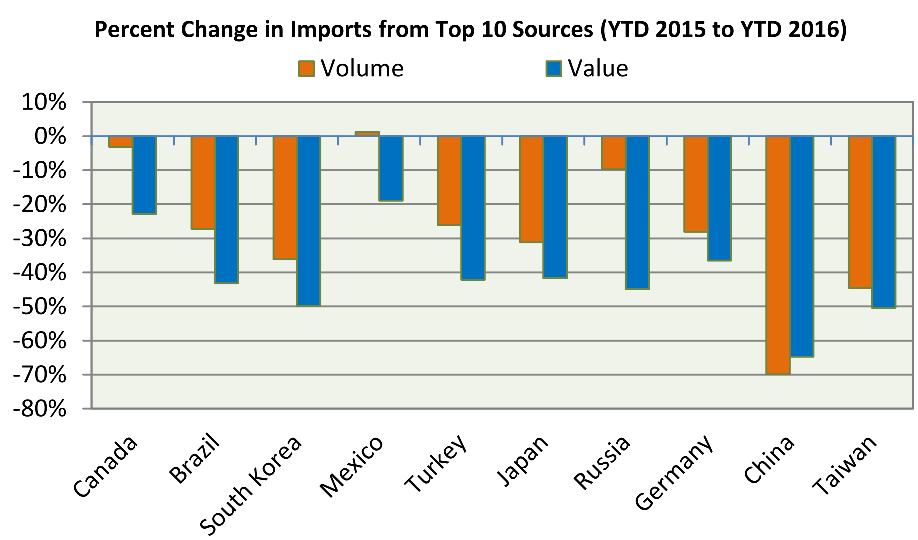


Source: IHS Global Trade Atlas
YTD through June

While the rankings of the top 5 source countries for U.S. imports has fluctuated over time, Canada has retained the top spot for over a decade.

Trends in Imports from Top Sources

Between YTD 2015 and YTD 2016, imports from the top 10 source countries displayed mostly downward trends in volume terms, with 9 of the top 10 seeing decreases. Imports from China showed the largest volume decrease, down 69.9 percent from YTD 2015, followed by Taiwan (down 44.5%) and South Korea (down 36.2%). The only increase in volume came from Mexico, up 1.2 percent from YTD 2015. Outside the top 10 sources, other notable volume changes included U.S. imports from 11th-ranked Vietnam (up 288%), 19th-ranked India (down 76%), 14th-ranked United Kingdom (down 62%), and 16th-ranked Italy (down 59%). The overall value of U.S. imports decreased from all of its top 10 sources, reflecting the decline in global steel prices. In tandem with decreases in volume, imports from China, Taiwan, and South Korea showed the largest decreases in value in YTD 2016, down 64.8, 50.4, and 49.9 percent, respectively.



Source: IHS Global Trade Atlas
YTD through June

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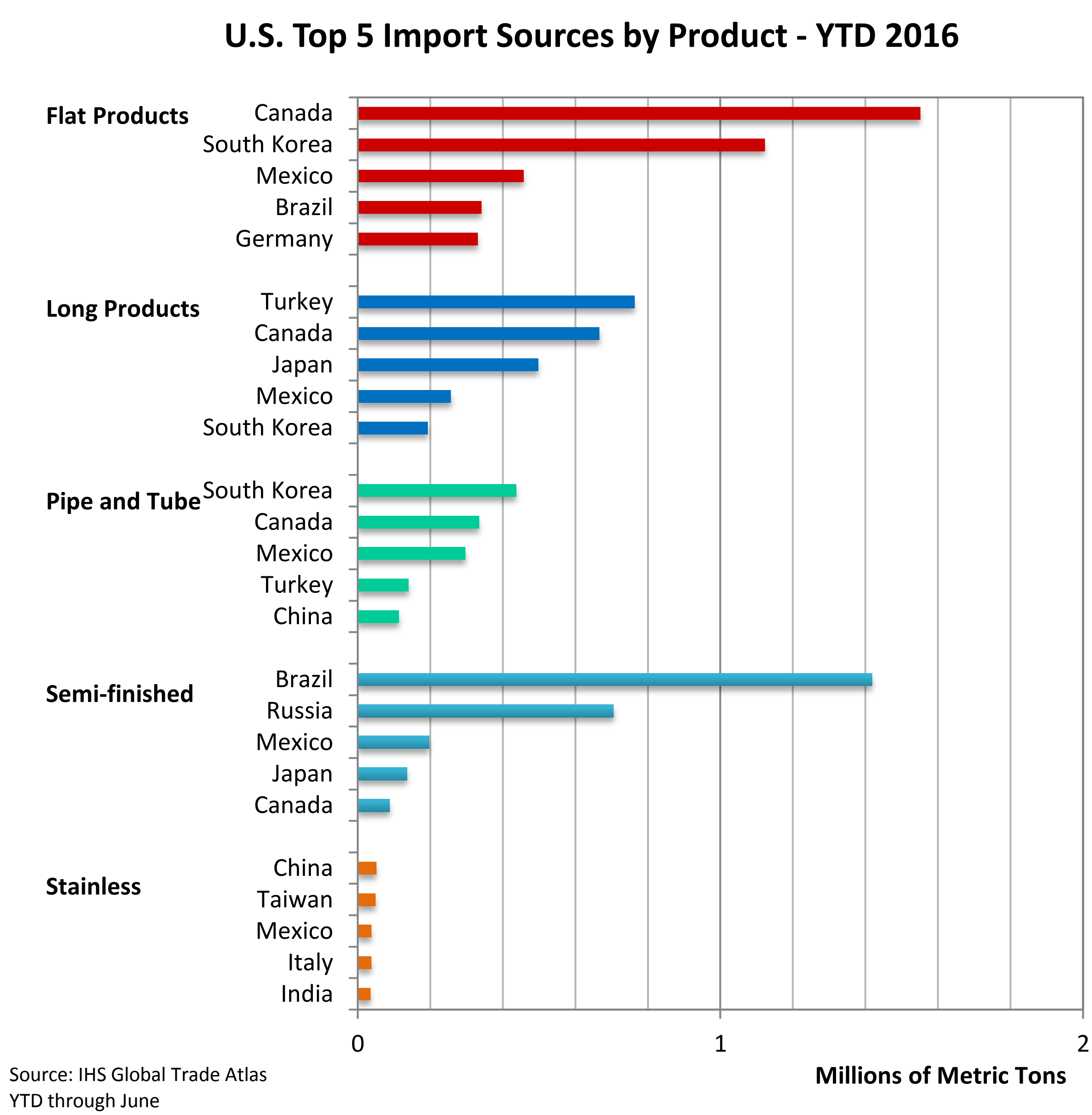
Top Sources by Steel Product Category

The top source countries for U.S. imports by volume vary across types of steel products. Canada accounted for the largest share of U.S. imports of flat products in YTD 2016 at 27 percent (1.6 million metric tons), followed by South Korea at 19 percent (1.1 million metric tons).

The U.S. received the largest share of its long product imports from Turkey in YTD 2016 at 22 percent (763 thousand metric tons), the largest share of its pipe and tube imports from South Korea at 22 percent (437 thousand metric tons), and the largest share, at 12 percent (52 thousand metric tons), of stainless products from China.

The U.S. imported over half of its semi-finished steel products from Brazil in YTD 2016, a total of 1.4 million metric tons.



U.S. Export Market Share from Top Source Countries

In 2015, the share of steel exports sent to the United States from its top import sources decreased in the majority of the U.S. top 10 sources. Brazil's share of exports to the U.S. showed the largest decline between 2014 and 2015, down 11.7 percentage points. Other notable decreases included South Korea's share of exports to the U.S. (down 5.3 percentage points from 2014), followed by Russia (down 4.5 percentage points) and China (down 1.4 percentage points). The share of exports to the U.S. from Japan and Taiwan both decreased by less than one percentage point.

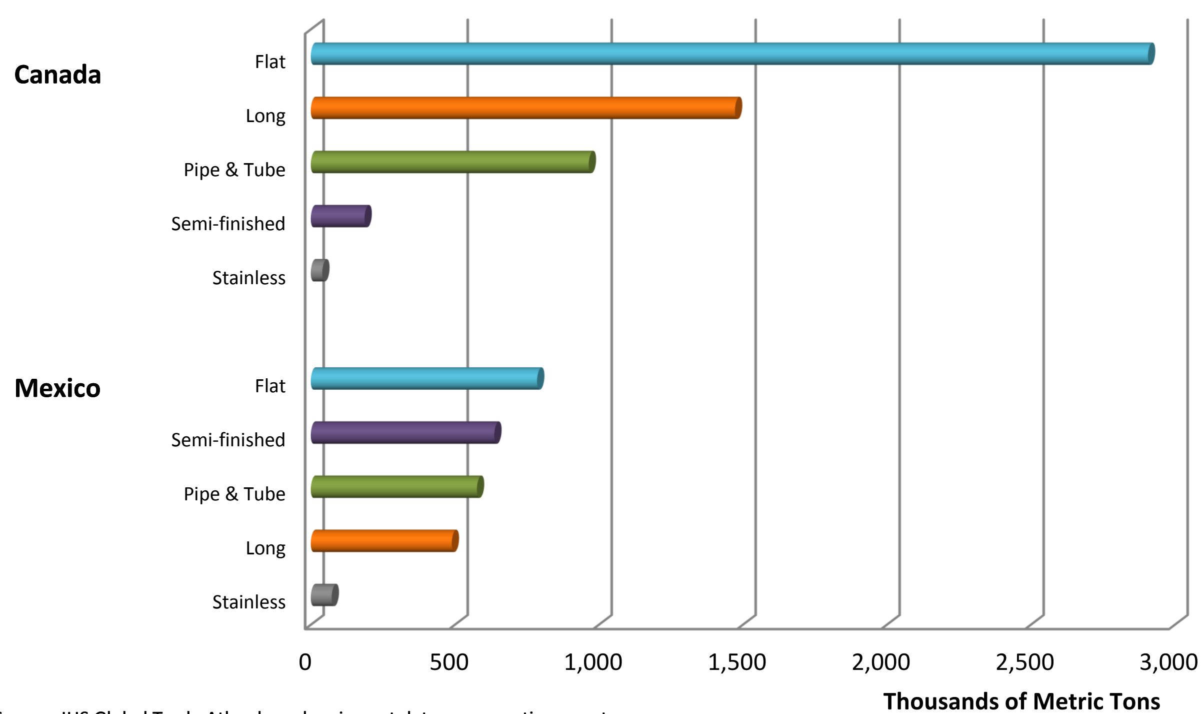
Countries with notable increases in their share of steel exports to the U.S. included Canada (up 15.4 percentage points) and Mexico (up 2.1 percentage points).

U.S. Steel Export Market Share				
Top 10 Import Sources	Share of Exports to U.S. - 2014	U.S. Rank in 2014	Share of Exports to U.S. - 2015	U.S. Rank in 2015
Canada	46.1%	1	61.5%	1
Brazil	52.3%	1	40.6%	1
South Korea	17.8%	1	12.6%	1
Turkey	13.8%	1	15.6%	1
Mexico	65.8%	1	68.0%	1
Japan	6.0%	5	5.7%	7
China	3.3%	8	1.9%	19
Russia	6.9%	3	2.4%	10
Germany	5.0%	6	5.2%	7
Taiwan	9.9%	2	8.9%	4

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

Among the U.S. top import sources, Canada and Mexico sent more than half of their total steel exports to the United States. In 2015, flat products accounted for the largest share of steel exports to the U.S. in both Canada and Mexico, at 52 percent (2.9 million metric tons) and 31 percent (786 thousand metric tons), respectively.

Steel Export Composition of Top Market-Share Countries - 2015



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

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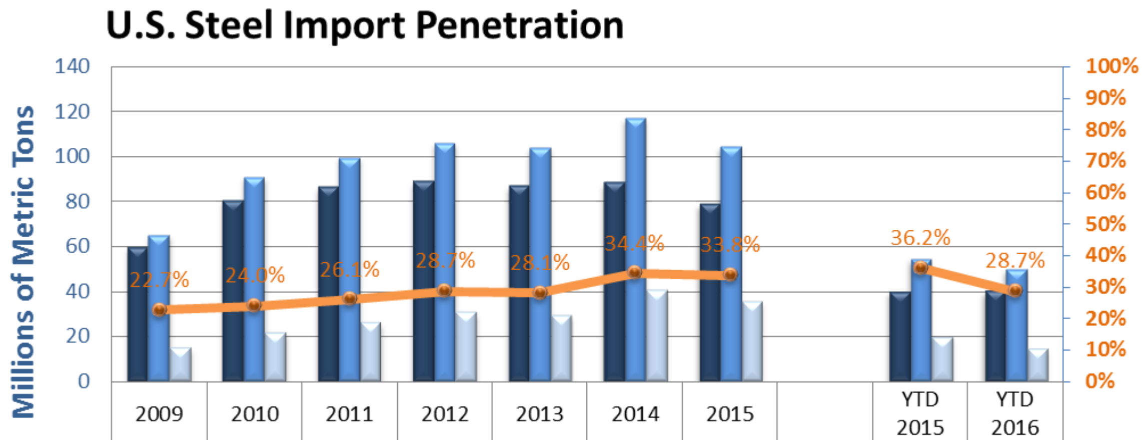
Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015		YTD 2015	YTD 2016
Production	59.4	80.5	86.4	88.7	86.9	88.2	78.8		40.0	40.1
Apparent Consumption	65.1	90.7	99.6	106.0	104.0	117.0	104.6		54.7	49.9
Imports	14.8	21.8	26.0	30.5	29.2	40.3	35.3		19.8	14.3
Import Penetration	22.7%	24.0%	26.1%	28.7%	28.1%	34.4%	33.8%		36.2%	28.7%

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

U.S. crude steel production increased slightly from YTD 2015's total of 40 million metric tons to 40.1 million metric tons in YTD 2016. Since 2009, apparent consumption (a measure of steel demand) has increasingly outpaced production. Between 2009 and 2015, crude steel production grew by 33 percent, while apparent consumption grew almost twice as much, increasing by 60 percent. Between YTD 2015 and YTD 2016, crude steel production grew by 0.2 percent, while apparent consumption dropped from 54.7 in YTD 2015 to 49.9 in YTD 2016, an 8.8 percent decrease. In YTD 2016, U.S. steel imports have decreased by 27.6 percent, bringing the import penetration level down to 28.7 percent from 36.2 percent in YTD 2015.

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 (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

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 United States has against imports of steel mill products from various countries. The U.S. has no steel mill safeguards in effect.

U.S. Trade Remedies in Effect Against Steel Mill Imports

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Belarus	1			1
Belgium	1			1
Brazil	3	1		4
China	12	8		20
Germany	2			2
India	6	3		9
Indonesia	4	2		6
Italy	1			1
Japan	10			10
Latvia	1			1
Malaysia	1			1
Mexico	5			5
Moldova	2			2
Poland	1			1
Romania	1			1
Russia	1		1	2
South Africa	1	1		2
South Korea	9	2		11
Spain	2			2
Sweden	1			1
Taiwan	10	1		11
Thailand	3	1		4
Trinidad &Tobago	1			1
Turkey	4	4		8
Ukraine	2		2	4
Vietnam	2			2
TOTAL	**87**	**23**	**3**	**113**

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.

Special Note on U.S. Import Data: Import data for the United States used in this report are general imports, rather than imports for consumption, so as to be consistent across countries. Therefore, U.S. import data in this report may not match similar data used in our other U.S. import data products.

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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