

Global Steel Trade Monitor

Steel Exports Report: France

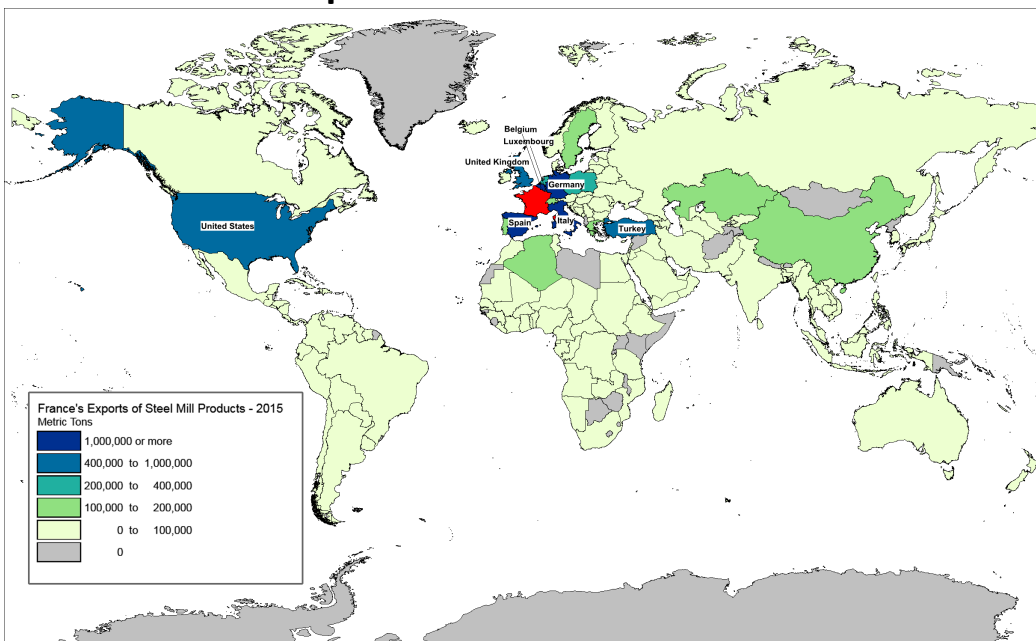
December 2016

Background

France is the world's tenth-largest steel exporter. In year to date 2016 (through September), further referred to as YTD 2016, France exported 10.2 million metric tons of steel, a 4.2 percent decline from 10.6 million metric tons in YTD 2015. France's exports represented about 3 percent of all steel exported globally in 2015. The volume of France's 2015 steel exports was just below that of the ninth-largest exporter, Turkey, and only 13 percent of the volume of the world's largest exporter, China. In value terms, steel represented just 2.5 percent of the total goods France exported in 2015.

France exports steel to more than 190 countries and territories. The eight countries labeled in the map below represent the top markets for France's exports of steel, receiving more than 400 thousand metric tons each and accounting for 78 percent of France's steel exports in 2015.

France's Exports of Steel Mill Products - 2015



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

Quick Facts:

- World's tenth-largest steel exporter: 10.2 million metric tons (YTD 2016)
- 8% growth in steel exports since Q1 2009
- YTD export volume down 4.2% while export value down 15.5%
- Top three markets: Germany, Spain, Belgium
- Exports as a share of production up from 91.2% in YTD 2015 to 95.9% in YTD 2016
- Largest producers: ArcelorMittal, RIVA Group, and CELSA
- 1 trade remedy in effect involving steel mill imports from France; 6 trade remedies in effect involving steel mill imports from the European Union

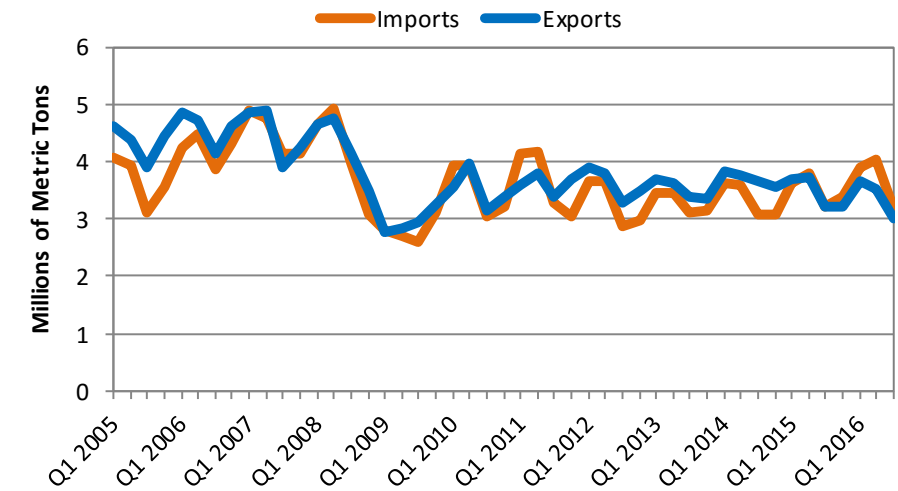
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Steel Trade Balance

While France's steel imports and exports have risen and fallen mostly in tandem since 2005, in most quarters, France has maintained a slight trade surplus in steel products. After falling in 2008, imports and exports increased by 15 percent and 8 percent, respectively, between Q1 2009 and Q3 2016.

In YTD 2016, France's steel trade deficit of -936 thousand metric tons, a jump from -7.7 thousand metric tons in YTD 2015.

France's Trade in Steel Mill Products by Quarter



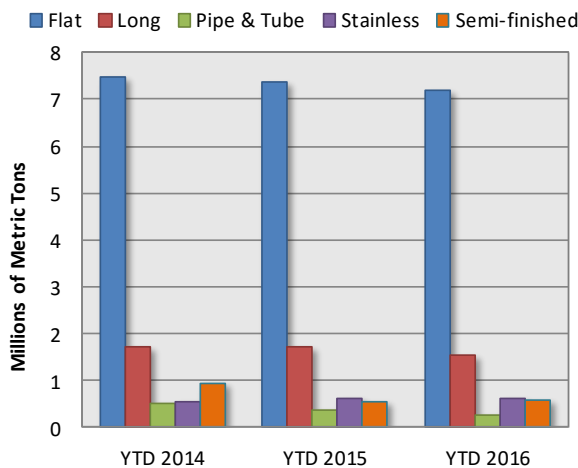
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

From 2010 to 2014, France's level of steel exports by volume was relatively flat, averaging 14.3 million metric tons. Exports fell by about 960 thousand metric tons—or 6.5 percent—in 2015, and in YTD 2016 exports have decreased by about 445 thousand metric tons—or 4.2 percent—to 10.2 million metric tons from 10.6 million metric tons in YTD 2015. Since 2011, however, the value of France's steel exports has declined steadily from \$18.4 billion to \$12.6 billion in 2015—a drop of 31.3 percent. In YTD 2016, export value has continued to decline, down 15.5 percent to \$8.3 billion.

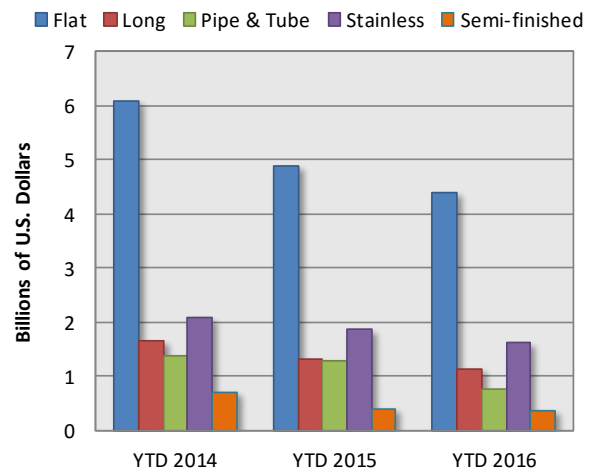
Flat products accounted for 71 percent of France's steel exports by volume in YTD 2016 at 7.2 million metric tons. Long products represented the second-largest category at 15 percent (1.5 million metric tons), followed by stainless steel (6% or 606 thousand metric tons), semi-finished steel (6% or 588 thousand metric tons), and pipe and tube products (3% or 256 thousand metric tons).

France's Exports of Steel Mill Products
Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through September

France's Exports of Steel Mill Products
Billions of U.S. Dollars



Source: IHS Global Trade Atlas
YTD through September

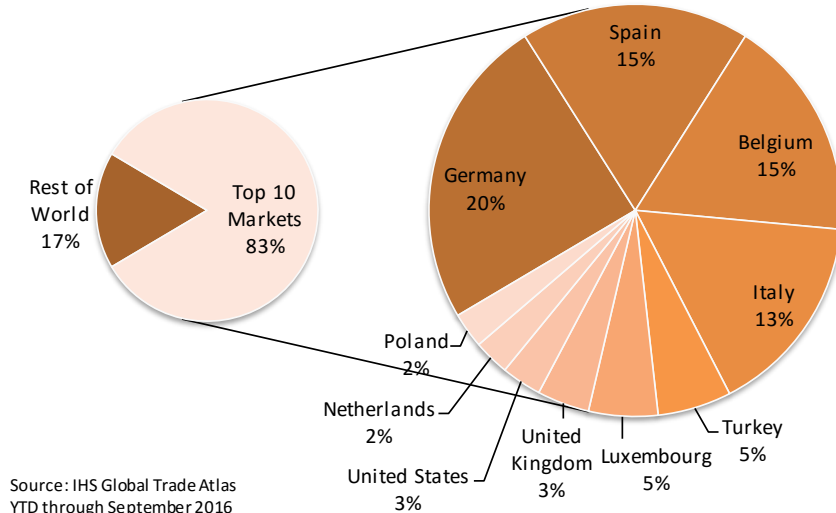
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Exports by Top Market

Exports to France's top 10 steel markets represented 83 percent of France's steel export volume in YTD 2016 at 8.5 million metric tons (mmt). Germany received the largest share of France's exports with 20 percent (2.1 mmt), followed by Spain at 15 percent (1.5 mmt), Belgium at 15 percent (1.5 mmt), and Italy at 13 percent (1.3 mmt).

The United States ranked eighth as a destination for France's steel exports, receiving 3 percent of exports (266 thousand metric tons) in YTD 2016 — a 26 percent decrease from YTD 2015.

France's Steel Exports - Top 10 Markets
YTD 2016 - Millions of Metric Tons



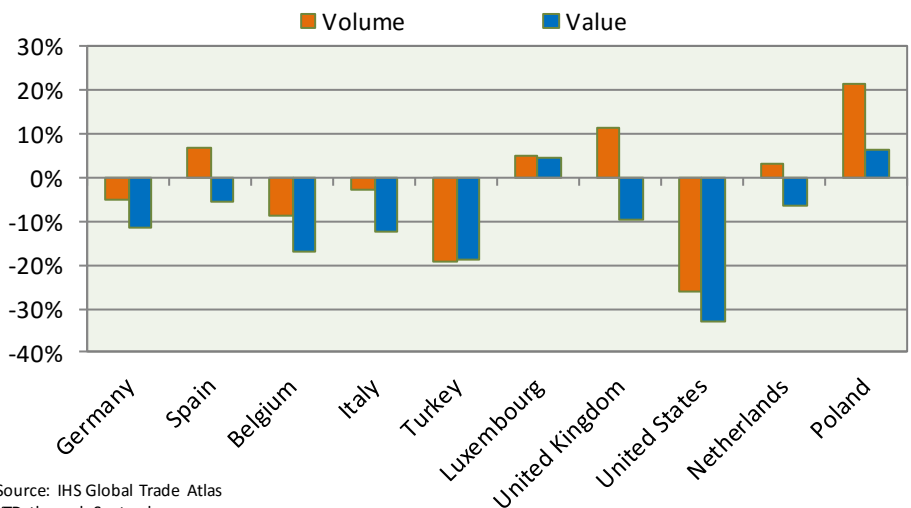
Source: IHS Global Trade Atlas
YTD through September 2016

Trends in Exports to Top Markets

Between YTD 2015 and YTD 2016, the volume of France's steel exports decreased to half of the country's top 10 steel export markets. Exports fell the most to the United States (down 26% by volume from YTD 2015), Turkey (down 19.3%), and Belgium (down 8.9%). Poland saw the largest growth in export volume from France in YTD 2016, up 21.4 percent, followed by the United Kingdom (up 11.3%) and Spain (up 7%).

The value of steel exports to eight of France's top 10 markets has declined in YTD 2016. As with decreases in export volume, the United States saw the largest value decline at 33 percent, followed by Turkey (down 18.6%), Belgium (down 17.1%), and Italy (down 12.4%). Poland and Luxembourg were the only recipients to see an increase in export value in YTD 2016, up 6.4 percent and 4.7 percent, respectively.

Percent Change in Exports to Top 10 Markets (YTD 2015 to YTD 2016)



Source: IHS Global Trade Atlas
YTD through September

Outside the top 10 markets, notable changes in France's volume of exports included exports to India (up 75.3%), Egypt (up 58.9%), and Saudi Arabia (up 246.7%) in YTD 2016.

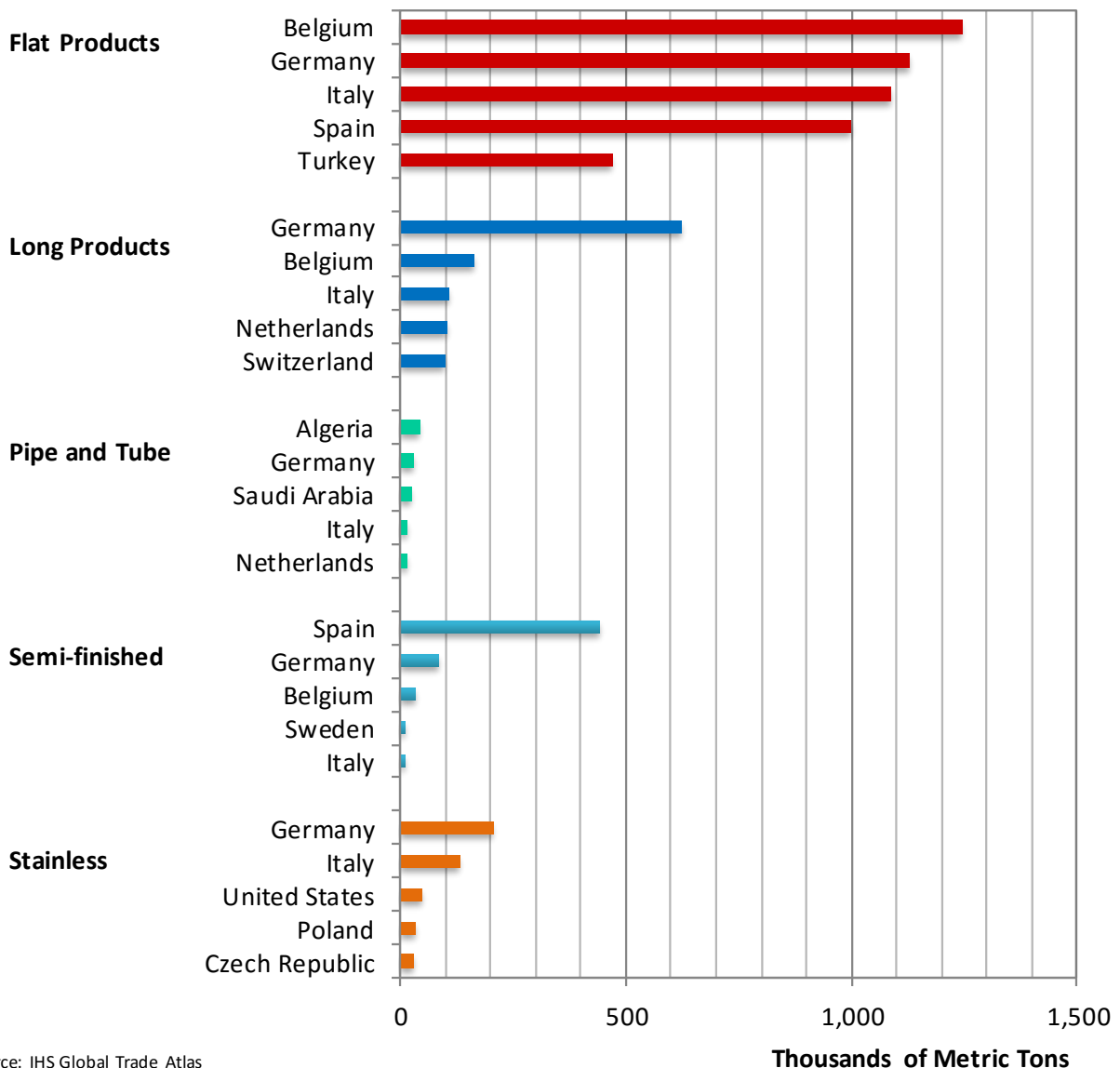
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Top Markets by Steel Product Category

France's top export markets by volume vary across types of steel products. With 17 percent (1.2 million metric tons) of France's flat product exports in YTD 2016, Belgium received the largest share of France's biggest export category, followed by Germany at 16 percent (1.1 million metric tons).

Germany received the largest share of France's long product exports in YTD 2016 at 40 percent (623 thousand metric tons) as well as the largest share of France's stainless exports at 34 percent (207 thousand metric tons). Algeria received the largest share of pipe and tube exports at 16 percent (42 thousand metric tons), and Spain received the largest share of semi-finished exports at 75 percent (442 thousand metric tons). Stainless was the only category in which the United States was a top-five export market in YTD 2016.

France's Top 5 Export Markets by Product - YTD 2016



Source: IHS Global Trade Atlas
YTD through September 2016

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France's Import Market Share in Top Destinations

In 2015, the import market share for France's steel products decreased in the majority of France's top export destinations.

Countries with notable decreases in their share of steel imports from France included Turkey (down 3.1 percentage points from 2014), Spain (down 2.9 percentage points), and Germany (down 1.5 percentage points). The share of France's imports in the United States, the United Kingdom, and Poland all increased by less than one percentage point.

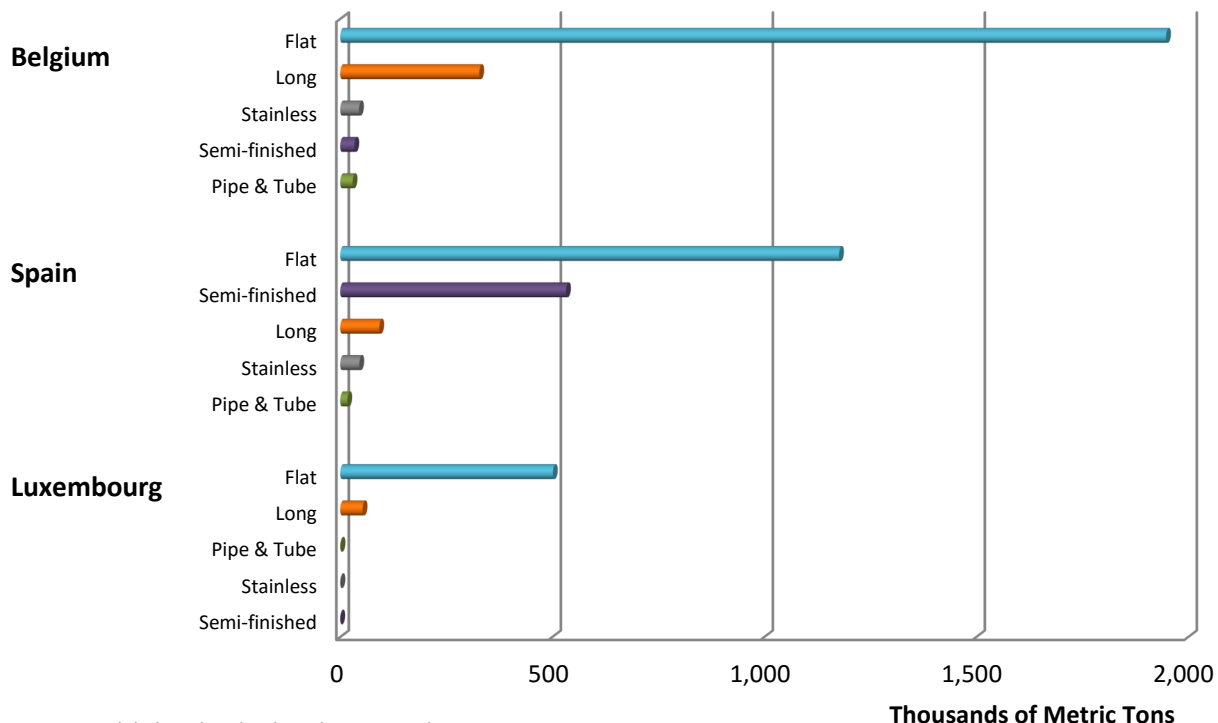
Among France's top export markets, neighboring

France's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from France - 2014	France's Rank in 2014	Share of Imports from France - 2015	France's Rank in 2015
Germany	13.7%	3	12.2%	3
Belgium	21.0%	1	19.6%	1
Spain	23.8%	1	20.9%	1
Italy	9.5%	3	9.4%	4
Turkey	8.3%	4	5.2%	5
Luxembourg	47.8%	1	47.4%	1
United States	1.1%	15	1.4%	15
United Kingdom	6.4%	7	6.6%	6
Netherlands	4.5%	7	3.4%	7
Poland	2.9%	8	3.1%	10

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

Belgium, Spain, and Luxembourg received the highest shares of their total steel imports from France. In 2015, flat products accounted for the largest share of steel imports from France in each country, with 82 percent for Belgium (1.9 million metric tons), 62 percent for Spain (1.2 million metric tons), and 90 percent for Luxembourg (502 thousand metric tons).

Steel Import Composition of Top Market-Share Countries - 2015

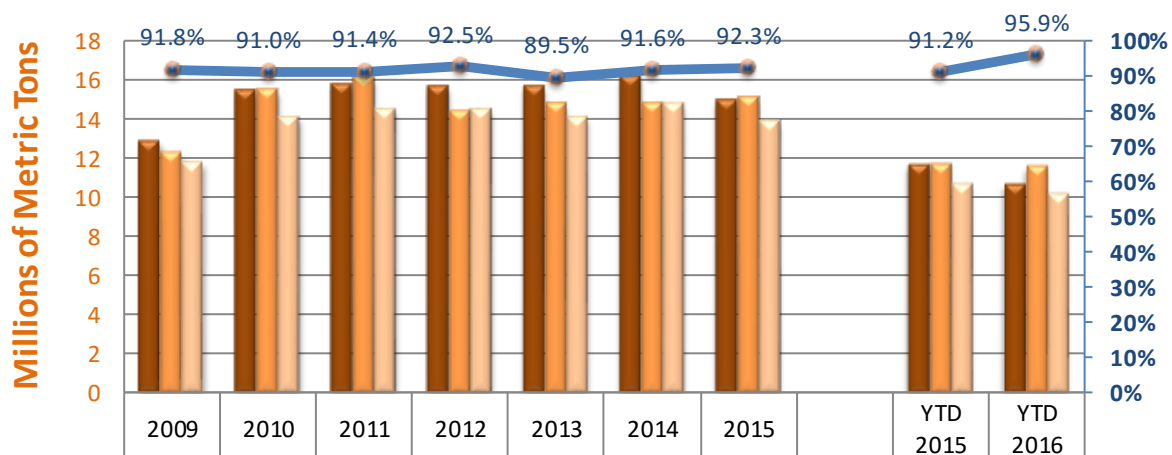


Source: IHS Global Trade Atlas, based on import data per reporting country

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Overall Production and Export Share of Production

France's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015	YTD 2015	YTD 2016
Production	12.8	15.4	15.8	15.6	15.7	16.1	15.0	11.7	10.6
Apparent Consumption	12.2	15.5	16.0	14.3	14.8	14.7	15.1	11.7	11.6
Exports	11.8	14.0	14.4	14.4	14.0	14.8	13.8	10.6	10.2
Export Share of Production	91.8%	91.0%	91.4%	92.5%	89.5%	91.6%	92.3%	91.2%	95.9%

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

France's crude steel production increased by 23 percent between 2009 and 2011 and remained relatively flat until a decline of 7 percent from 2014 to 2015. Production has continued to decline in YTD 2016, falling by 8 percent or 1 million metric tons. Apparent consumption (a measure of steel demand) remained relatively on par with or slightly less than production between 2009 and 2015, with a gap averaging 1.2 million metric tons between 2012 and 2014 disappearing almost entirely by 2015. In YTD 2016, however, demand outpaced production by 900 thousand metric tons. France's steel exports as a share of production had held relatively steady at an average of 91.4 percent until YTD 2016 when production rates fell faster than exports, and the share increased to 95.9 percent. Despite having a high level of exports relative to production, France imported a similar percentage, which helped to keep demand in line with production.

Top Producers

France's steel production is heavily concentrated among a handful of domestic and foreign-owned companies and is dominated by ArcelorMittal, a leading player in the global steel market and the country's largest producer with an estimated production capacity of 16.5 million metric tons, based on available data.

France's Top Steel Producers in 2014			
Rank	Company	Capacity (mmt)	Main Products
1	ArcelorMittal	16.5	Flat, long, tube
2	RIVA Group	2.6	Billets, hot-rolled and cold-drawn bars, reinforcing bars, wire rod, hot-rolled coils
3	CELSA	1.1	Billets

Sources: Fédération Française de l'Acier; 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 France and from the European Union, which includes France.

Steel Mill Trade Remedies in Effect Against France

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Mexico	1			1
TOTAL	1	0	0	1

Source: World Trade Organization, through December 1, 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 December 1, 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; 3) Hot-rolled steel flat sheets and plates
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 November 25, 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 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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