

# Global Steel Trade Monitor

## Steel Exports Report: United Kingdom

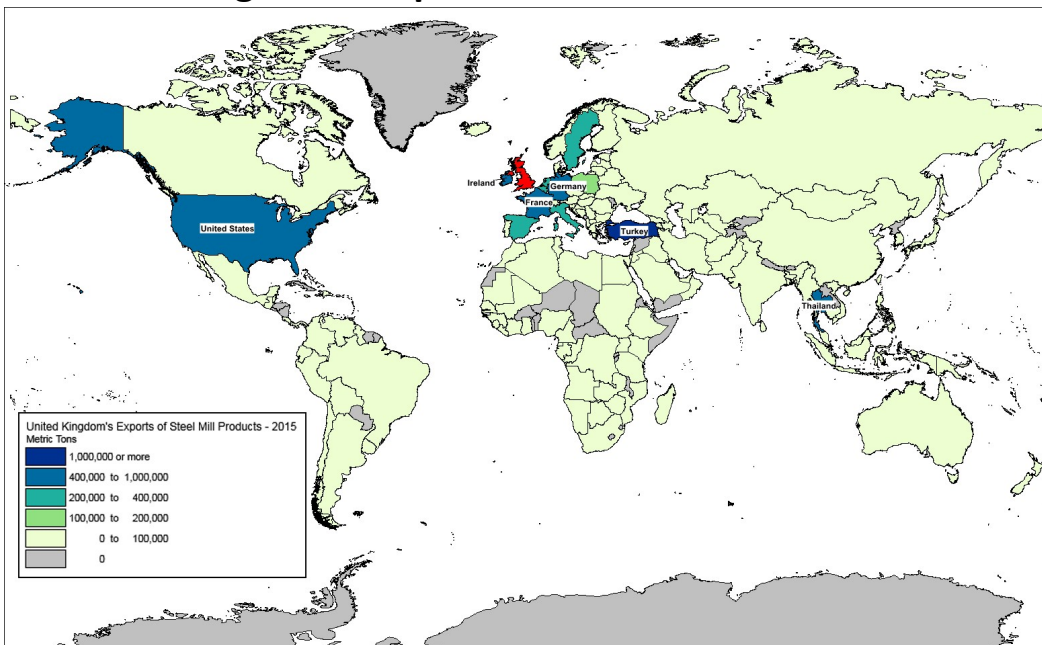
February 2017

### Background

The United Kingdom was the world's eighteenth-largest steel exporter in 2016. In year to date 2016 (through September), further referred to as YTD 2016, the U.K. exported 3.4 million metric tons of steel, a 42.3 percent decrease from 5.9 million metric tons in YTD 2015. Exports from the U.K. represented about 1.6 percent of all steel exported globally in 2015. The volume of the United Kingdom's 2015 steel exports was roughly one-sixteenth the size of the largest exporter, China. In value terms, steel represented just 1.3 percent of the total amount of goods the U.K. exported in 2015.

The United Kingdom exports steel to more than 190 countries and territories. The six countries labeled in the map below represent the top markets for the U.K.'s exports of steel, receiving more than 400 thousand metric tons each and accounting for 64 percent of the United Kingdom's steel exports in 2015.

### United Kingdom's Exports of Steel Mill Products - 2015



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

### Quick Facts:

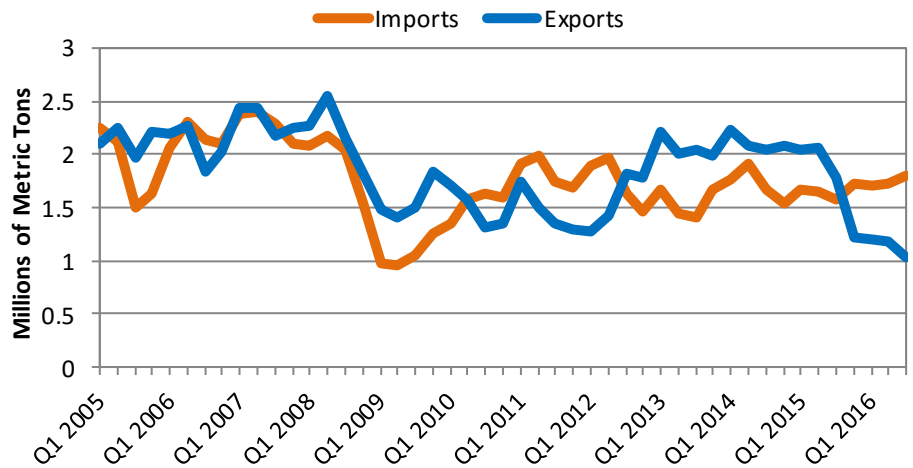
- World's eighteenth-largest steel exporter: 3.4 million metric tons (YTD 2016)
- 31% decline in steel exports since Q1 2009
- YTD export volume down 42.3% while export value down 36.4%
- Exports as a share of production down to 59% in YTD 2016 from 68% in YTD 2015
- Top three markets: France, Germany, Turkey
- Largest producers: Tata Steel, Celsa, Outokumpu
- 1 trade remedy in effect involving steel mill imports from the U.K.; 6 trade remedies in effect involving steel mill imports from the European Union

# Steel Exports Report: United Kingdom

## Steel Trade Balance

The United Kingdom has alternated between a steel trade surplus and a steel trade deficit for the past decade. Imports and exports both fell in 2008-2009 following the global recession. While imports have increased 83 percent since their low point in Q1 2009, exports declined by 31 percent between Q1 2009 and Q3 2016, due to a sharp drop in exports in recent quarters. The United Kingdom switched from a trade surplus to a trade deficit in Q3 2015. In YTD 2016, the steel trade deficit amounted to -1.8 million metric tons – the highest deficit since 2005.

United Kingdom's Trade in Steel Mill Products by Quarter



Source: IHS Global Trade Atlas

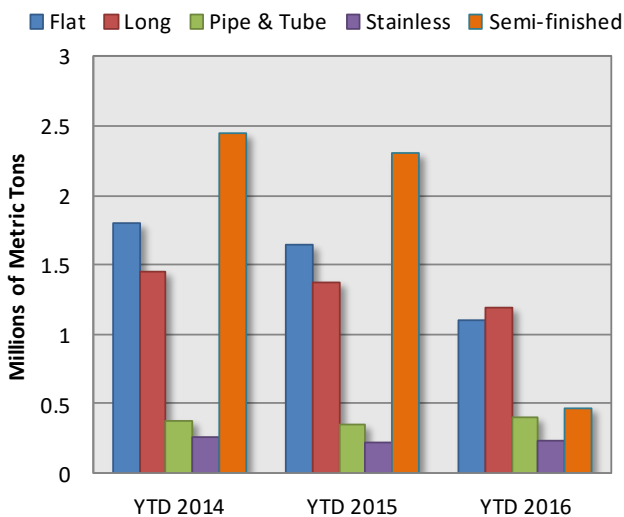
In YTD 2016, the steel trade deficit amounted to -1.8 million metric tons – the highest deficit since 2005.

## Export Volume, Value, and Product

The United Kingdom's volume of steel exports topped 8 million metric tons in 2013 and 2014 before decreasing by 15.5 percent to 7.1 million metric tons in 2015. In YTD 2016, exports have decreased significantly – down 42.3 percent to 3.4 million metric tons from 5.9 million metric tons in YTD 2015. In value terms, the U.K.'s steel exports have decreased by 36.4 percent to \$3.1 billion in YTD 2016 from \$4.8 billion in YTD 2015.

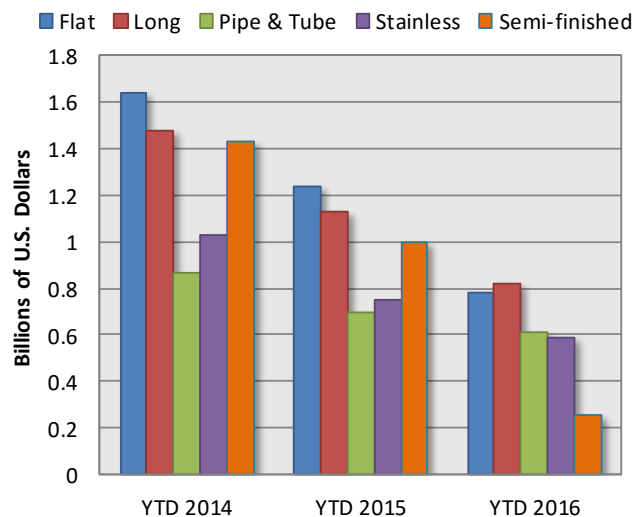
Long products accounted for 35 percent of the U.K.'s steel exports by volume at 1.2 million metric tons in YTD 2016, followed by flat products at 33 percent of exports (1.1 million metric tons). Semi-finished steel accounted for 14 percent (463.6 thousand metric tons) – a drop from 39 percent of exports in YTD 2015 – followed by pipe and tube at 12 percent (401.5 thousand metric tons) and stainless steel at 7 percent (232.5 thousand metric tons).

United Kingdom's Exports of Steel Mill Products  
Millions of Metric Tons



Source: IHS Global Trade Atlas  
YTD through September

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



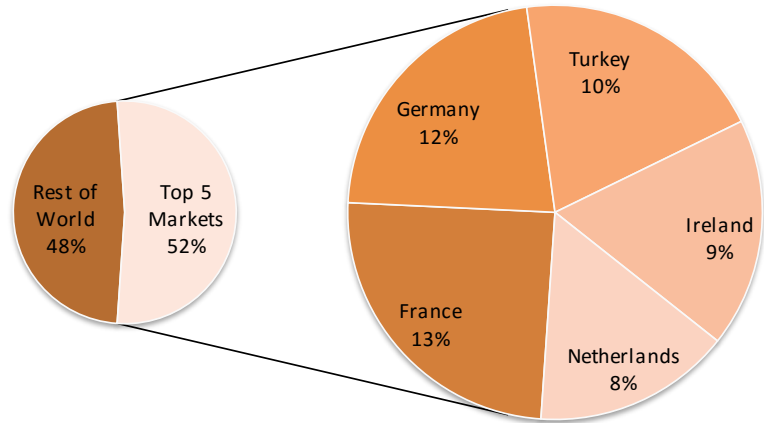
Source: IHS Global Trade Atlas  
YTD through September

# Steel Exports Report: United Kingdom

## Exports by Top Market

Exports to the United Kingdom's top 5 steel markets represented 52 percent of the U.K.'s steel export volume in YTD 2016 at 1.8 million metric tons (mmt). France received the largest share of the U.K.'s exports with 13 percent (0.4 mmt), followed by Germany at 12 percent (0.4 mmt), Turkey at 10 percent (0.4 mmt), Ireland at 9 percent (0.3 mmt), and the Netherlands at 8 percent (0.3 mmt).

**United Kingdom's Steel Exports - Top 5 Markets**  
YTD 2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas  
YTD through September

The United States ranked sixth as a destination for the United Kingdom's exports of steel in YTD 2016 at 6 percent or 190.7 thousand metric tons — a 63.7 percent drop from 525.3 thousand metric tons in YTD 2015.

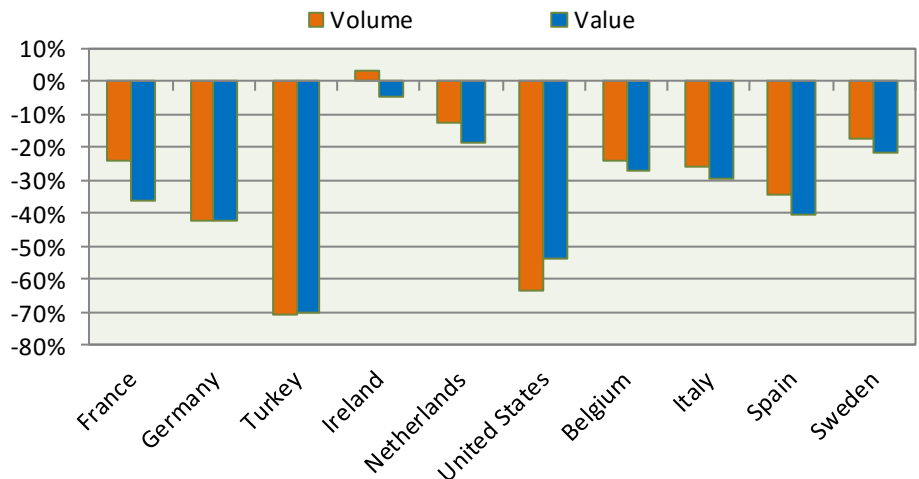
## Trends in Exports to Top Markets

Between YTD 2015 and YTD 2016, exports to the United Kingdom's top 10 markets decreased in volume to nearly all of its top 10 markets. Only exports to Ireland increased in volume in YTD 2016 — up 3.5 percent from YTD 2015.

The U.K.'s exports to Turkey showed the largest decrease, down 70.8 percent from YTD 2015, followed by exports to the United States (down 63.7%), Germany (down 42.1%), and Spain (down 34.1%).

The value of the U.K.'s exports decreased to all of the top 10 markets, and those markets with the largest volume decreases also had the largest value decreases. Exports to Turkey declined 69.8 percent by value from YTD 2015, followed by the United States (down 53.9%), Germany (down 42.5%), and Spain (down 40.2%).

**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, other notable changes in the United Kingdom's export volume occurred in 11th-ranked Bulgaria (up 15,131% from YTD 2015) and 14th-ranked Austria (up 267.3%).

# Steel Exports Report: United Kingdom

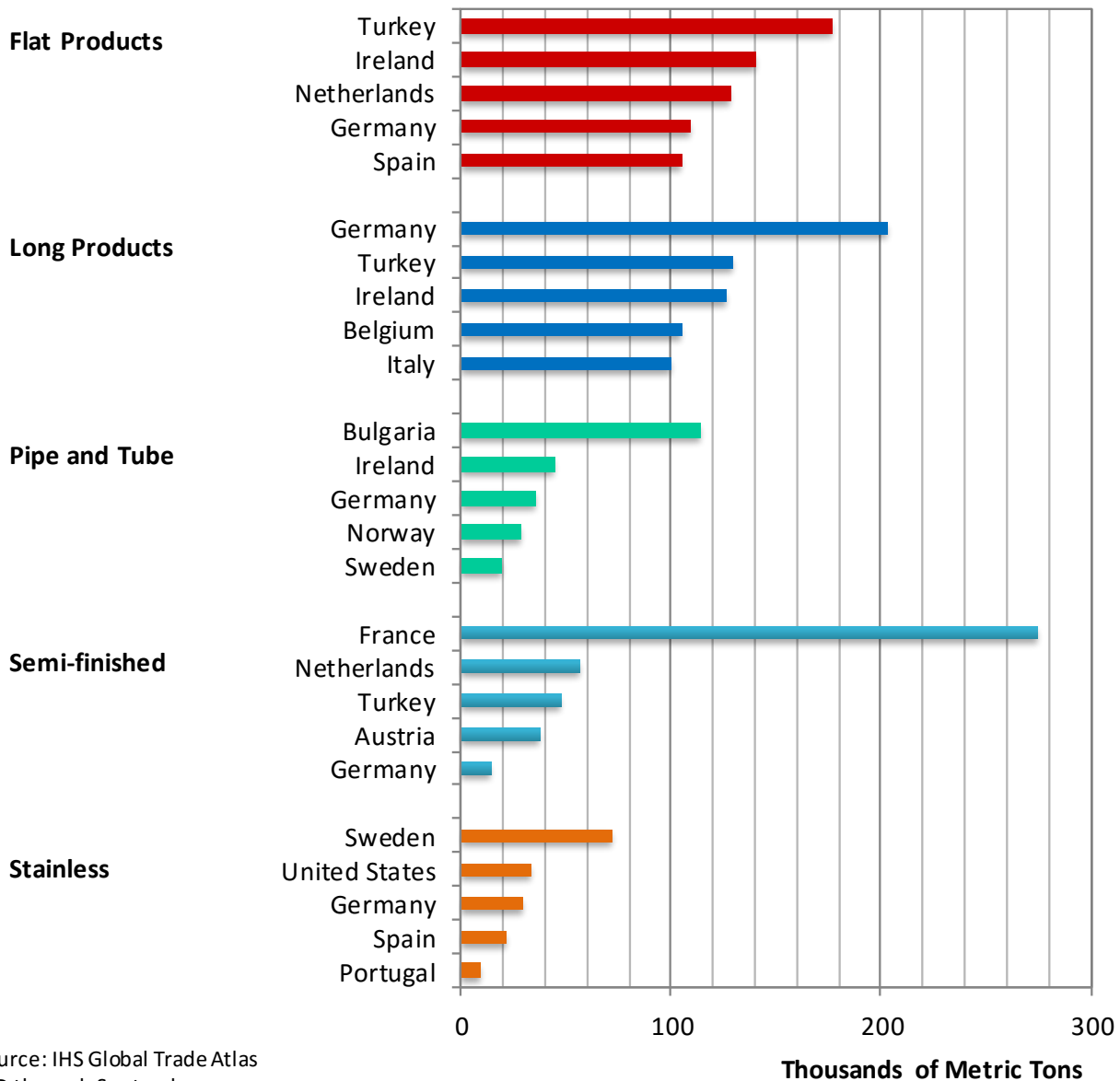
## Top Markets by Steel Product Category

The United Kingdom's top export markets by volume vary across types of steel products. The United Kingdom exported 16 percent (176.9 thousand metric tons) of its flat products to Turkey in YTD 2016, while 17 percent of long product exports went to Germany (203.3 thousand metric tons).

Bulgaria received the largest share of the United Kingdom's pipe and tube exports at 28 percent (114.1 thousand metric tons), France received over half of semi-finished exports at 59 percent (275.1 thousand metric tons), and Sweden received 31 percent of the U.K.'s stainless exports in YTD 2016 (71.4 thousand metric tons).

Stainless steel was the only category for which the United States was a top-five export destination in YTD 2016.

**United Kingdom's Top 5 Export Markets by Product - YTD 2016**



Source: IHS Global Trade Atlas  
YTD through September

# Steel Exports Report: United Kingdom

## United Kingdom's Import Market Share in Top Destinations

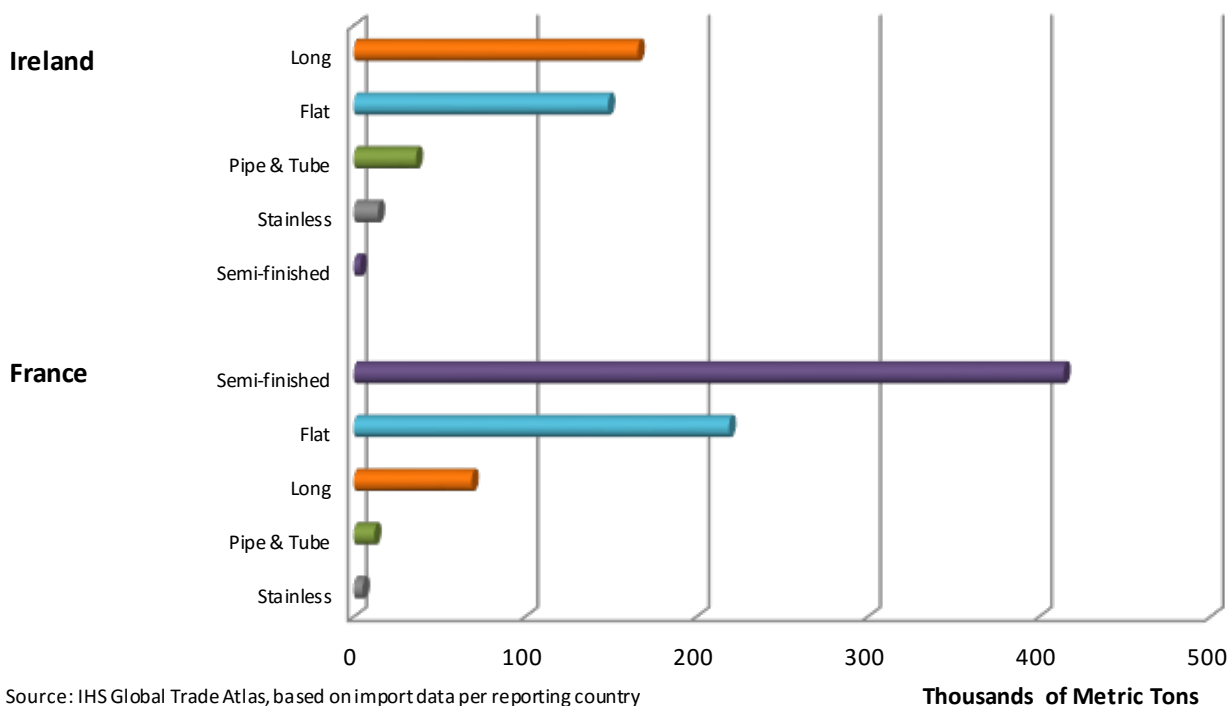
In 2015, the import market share for the United Kingdom's steel products decreased in nearly all of its top ten export destinations. The share of imports from the U.K. decreased the most in Turkey (down 7.4 percentage points from 2014), followed by Ireland (down 4.6 percentage points), Thailand (down 2.8 percentage points), France (down 1.1 percentage points), and the U.S. (down 1 percentage point). The share of imports from the U.K. in Germany, the Netherlands, Spain, and Italy decreased by less than one percentage point, and Belgium's share of imports from the U.K. remained unchanged from 2014.

United Kingdom's Steel Import Market Share				
Top 10 Export Destinations (2015)	Share of Imports from U.K. - 2014	U.K.'s Rank in 2014	Share of Imports from U.K. - 2015	U.K.'s Rank in 2015
Turkey	8.6%	3	1.2%	15
Germany	3.4%	9	3.2%	9
France	6.2%	6	5.1%	6
United States	3.2%	9	2.1%	12
Thailand	6.6%	4	3.8%	6
Ireland	61.2%	1	56.6%	1
Netherlands	4.7%	6	4.4%	6
Belgium	2.2%	8	2.2%	9
Spain	4.1%	7	3.5%	7
Italy	1.6%	17	1.4%	20

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

Among the United Kingdom's top export markets, Ireland and France imported the largest shares of steel from the U.K. in 2015 at 56.6 percent and 5.1 percent, respectively. Long products accounted for the largest share of Ireland's imports from the United Kingdom at 45 percent (165.8 thousand metric tons), while over half of France's imports from the U.K. were of semi-finished steel in 2015 (58% or 414.3 thousand metric tons).

## Steel Import Composition of Top Market-Share Countries - 2015

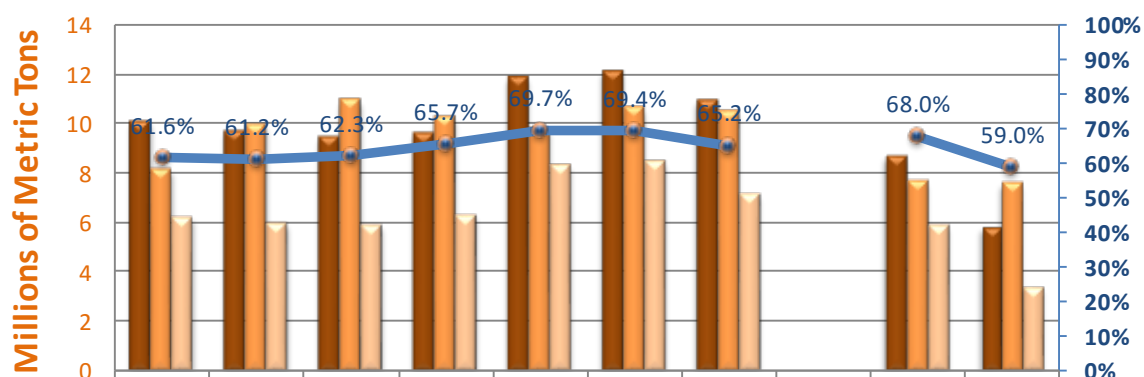


Source: IHS Global Trade Atlas, based on import data per reporting country

# Steel Exports Report: United Kingdom

## Overall Production and Export Share of Production

### United Kingdom's Export Share of Steel Production



	2009	2010	2011	2012	2013	2014	2015	YTD 2015	YTD 2016
Production	10.1	9.7	9.5	9.6	11.9	12.1	10.9	8.7	5.8
Apparent Consumption	8.1	9.9	10.9	10.2	9.8	10.6	10.4	7.7	7.6
Exports	6.2	5.9	5.9	6.3	8.3	8.4	7.1	5.9	3.4
Export Share of Production	61.6%	61.2%	62.3%	65.7%	69.7%	69.4%	65.2%	68.0%	59.0%

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

Crude steel production in the United Kingdom decreased 6 percent between 2009 and 2011 before climbing by 28 percent between 2011 and 2014. Production in 2015, however, declined by 10 percent to 10.9 million metric tons, and in YTD 2016, production has declined significantly — down 33 percent from YTD 2015 — and has amounted to roughly half of the production total for all of 2015. Apparent consumption (a measure of steel demand) was outpaced by production in the majority of years, but decreased production levels in YTD 2016 caused production to fall behind demand for the first time since 2012. Over the period, exports as a share of production remained above 60 percent until 2016. In YTD 2016, the export share of production fell 9 percentage points to 59 percent.

### Top Producers

Of the United Kingdom's 10.9 million metric tons (mmt) of steel production in 2015, 9.1 mmt was produced by basic oxygen furnace and 1.9 mmt by electric arc furnace — according to industry association UK Steel. Thailand-based SSI closed its Teesside production facility in September 2015 (formerly owned by Tata Steel which purchased domestically-owned Corus). With the closure of SSI Teesside, steel production in the U.K. declined significantly in 2016.

#### United Kingdom's Top Steel Producers in 2015

Company	Production (mmt)	Main Products
Tata Steel	3.2 mmt (Port Talbot only)	Slab, hot-rolled, cold-rolled, galvanized
Sahaviriya Steel Industries (SSI Teesside)	N/A	N/A
Celsa	1.2 mmt	Semi-finished, rebar, wire rod, light sections
Outokumpu	N/A	Long products, semi-finished, stainless

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; UK Steel; Company websites

# Steel Exports Report: United Kingdom

## 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 various countries have against steel mill products from the United Kingdom and from the European Union, which includes the United Kingdom.

Steel Mill Trade Remedies in Effect Against the United Kingdom				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Mexico	1			1
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

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
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>

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

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**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/>.



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](mailto:ECCGlobalSteelStats@trade.gov)

[trade.gov/steel](http://trade.gov/steel)