



Global Steel Trade Monitor

Steel Imports Report: France

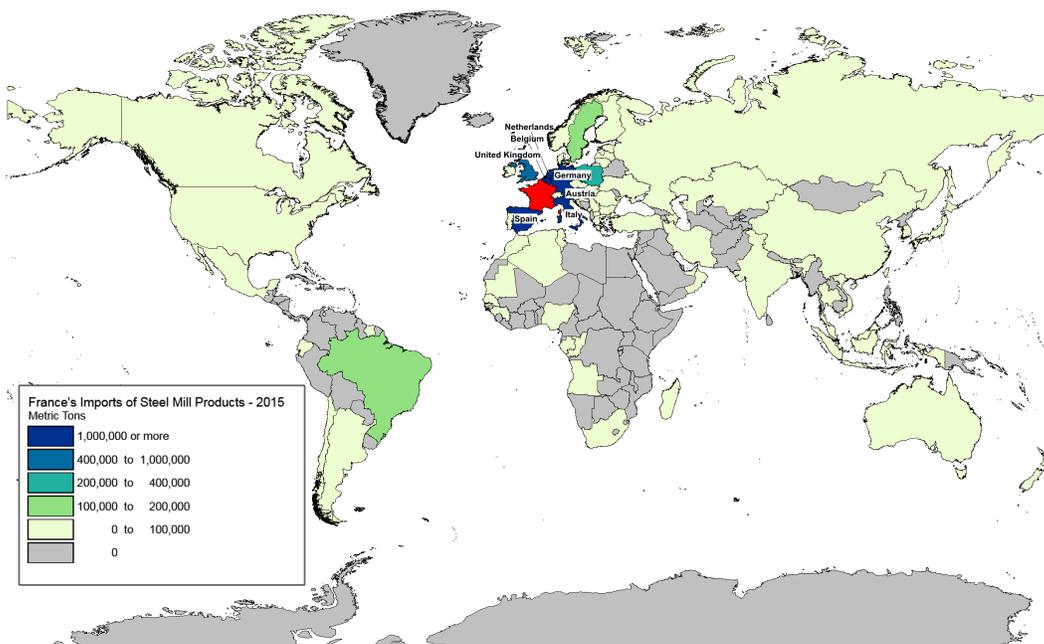
December 2016

Background

France is the world's seventh largest steel importer. In year to date 2016 (through September), France imported 11.1 million metric tons of steel, an 5 percent increase from 10.6 million metric tons in YTD 2015. France's imports represented about 4 percent of all steel imported globally in 2015. The volume of France's 2015 steel imports was slightly over half that of Europe's largest and the world's second largest importer, Germany. In value terms, steel represented just 1.9 percent of the total goods imported into France in 2015.

France imports steel from over 100 countries and territories. The seven countries labeled in the map below represent the top sources for France's imports of steel, with each sending more than 400 thousand metric tons to France and together accounting for 89 percent of France's steel imports in 2015.

France's Imports of Steel Mill Products - 2015



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

Quick Facts:

- World's seventh largest steel importer: 11.1 million metric tons (YTD 2016)
- 15% steel import growth since Q1 2009
- YTD import volume up 5% while import value down 11%
- Import penetration up from 91.2% in YTD 2015 to 96.3% in YTD 2016
- Top three import sources: Belgium, Germany, Italy
- Largest producers: ArcelorMittal, RIVA Group, CELSA
- 20 European Union trade remedies in effect against imports of steel mill products

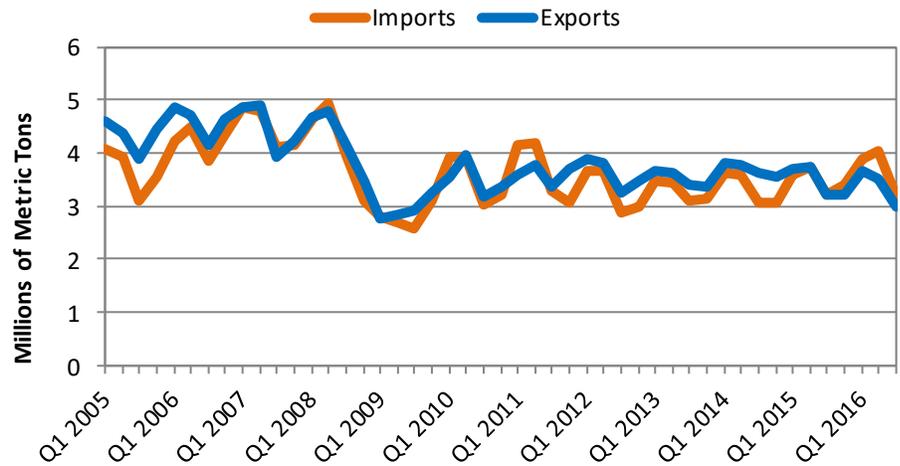
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Steel Trade Balance

While France's steel imports and exports have risen and fallen mostly in tandem since 2005, and 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.

Between YTD 2015 and YTD 2016, imports have risen while exports have fallen, leading to a growing steel trade deficit of -936 thousand metric tons.

France's Trade in Steel Mill Products by Quarter



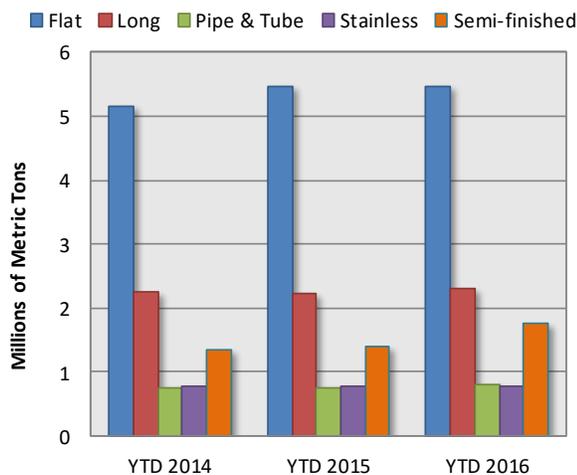
Source: IHS Global Trade Atlas YTD through September

Import Volume, Value, and Product

Since 2013, the volume of France's imports of steel mill products has been slowly increasing. In 2015, France's steel imports totaled 14 million metric tons, a moderate increase of 5 percent from 2014 and 7 percent from 2013. In YTD 2016, imports were up 5 percent to 11.1 million metric tons from 10.6 million metric tons in YTD 2015. By contrast, the value of France's steel imports has decreased every year since 2011. In YTD 2016, imports decreased 11 percent by value to \$7.7 billion dollars.

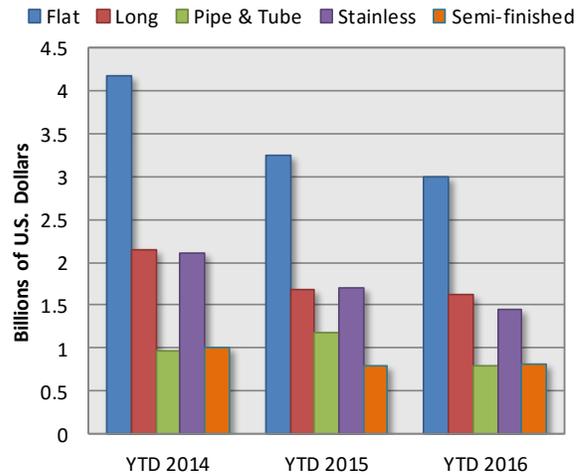
Flat products accounted for just under half of France's steel imports in YTD 2016 at 49 percent — a total of 5.5 million metric tons. Long products accounted for 21 percent (2.3 million metric tons), followed by semi-finished (16% or 1.8 million metric tons), pipe and tube (7% or 806 thousand metric tons), and stainless steel (7% or 783 thousand metric tons).

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



Source: IHS Global Trade Atlas YTD through September

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



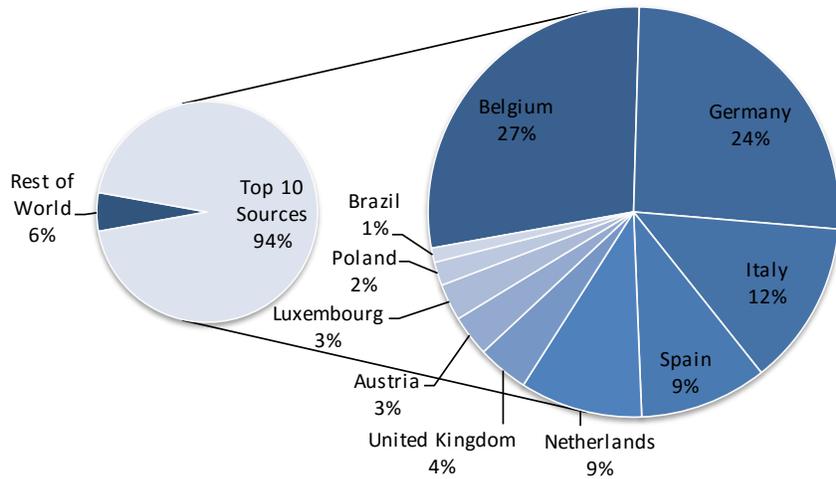
Source: IHS Global Trade Atlas YTD through September

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Imports by Top Source

The top 10 source countries for France's steel imports represented 94 percent of the total steel import volume in YTD 2016 at 10.5 million metric tons (mmt). Belgium surpassed Germany to account for the largest share of France's imports by source country at 27 percent (3 mmt), with Germany at 24 percent (2.7 mmt), Italy at 12 percent (1.4 mmt), Spain at 9 percent (1.1 mmt), and the Netherlands at 9 percent (1 mmt).

France's Steel Imports - Top 10 Sources
YTD 2016 - Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through September

The United States ranked 28th as a source for France's steel imports, representing just 0.04 percent of imports (4.9 thousand metric tons) in YTD 2016.

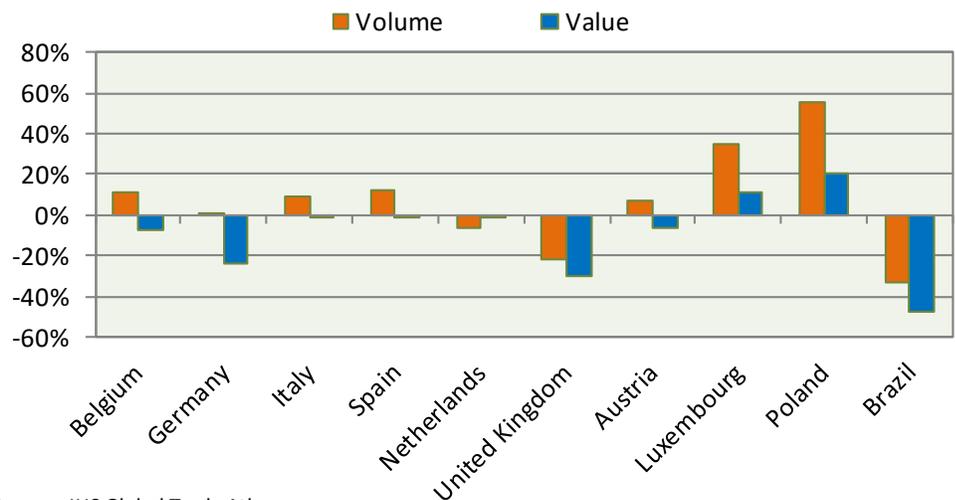
Trends in Imports from Top Sources

Between YTD 2015 and YTD 2016, the volume of France's steel imports increased from seven of France's top 10 steel import sources. Imports from Poland showed the largest growth in YTD 2016, up 55.7 percent, followed by imports from Luxembourg (up 35%), Spain (up 12%), and Belgium (up 11.1%). Only imports from Brazil, the United Kingdom, and the Netherlands decreased, down 33, 21.9, and 6.6 percent, respectively.

Outside of the top 10 sources, other significant volume changes included France's imports from Turkey (up 52%) and China (up 34%).

The overall value of France's imports decreased from eight of its top ten sources, reflecting the decline in global steel prices. Considerable decreases in France's steel import value between YTD 2015 and YTD 2016 included imports from Brazil (down 47.8%), the United Kingdom (down 29.7%), and Germany (down 23.4%). Only imports from Poland and Luxembourg increased in value, up 21 percent and 11.6 percent, respectively.

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



Source: IHS Global Trade Atlas
YTD through September

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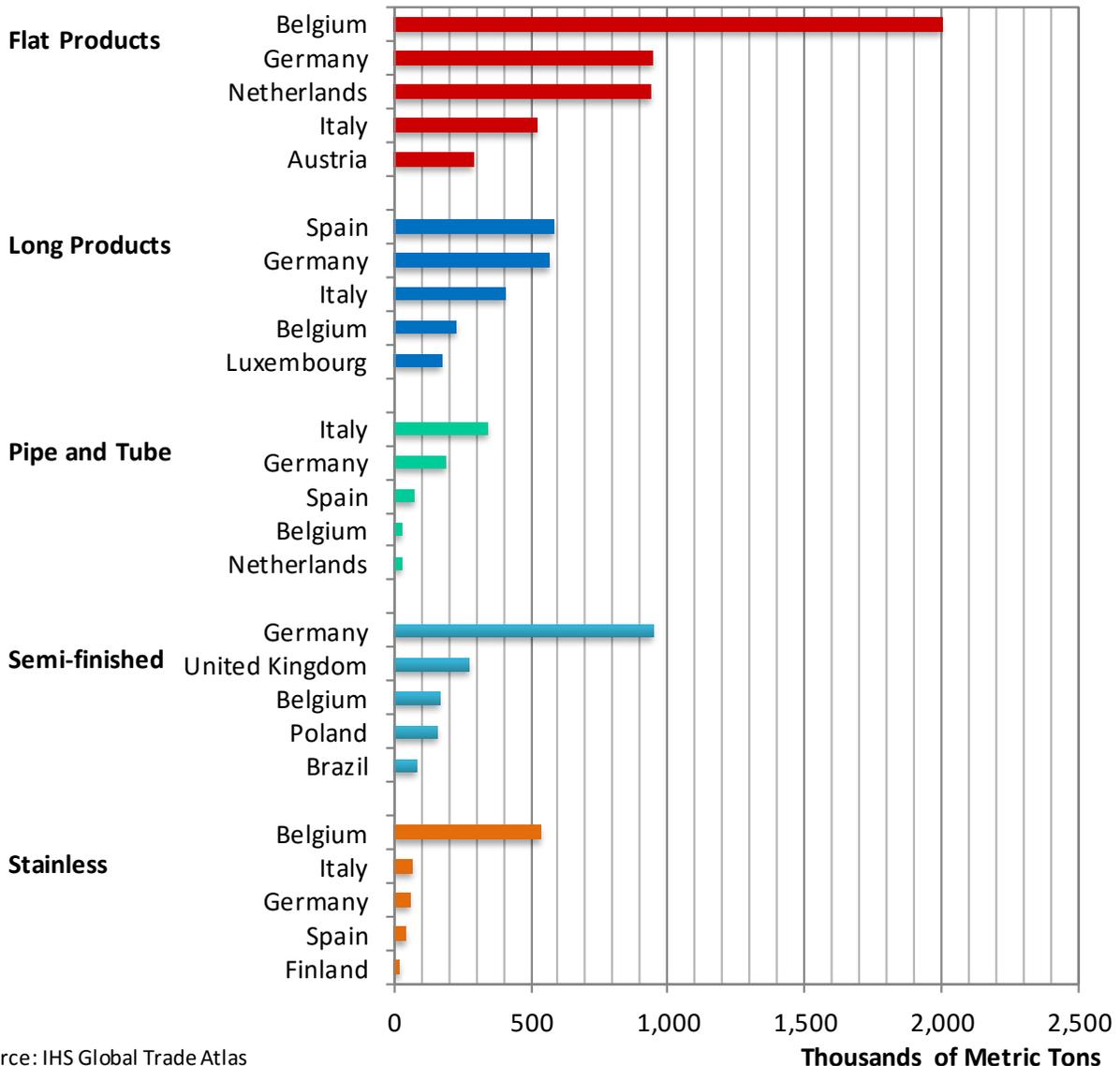
Top Sources by Steel Product Category

The top source countries for France's imports by volume vary across types of steel products, though European countries hold the top spots in every category. In YTD 2016, Belgium accounted for the largest share of France's imports of flat products at 37 percent (2 million metric tons) and stainless products at 68 percent (535 thousand metric tons).

Spain represented the largest share of France's long product imports (25% or 585 thousand metric tons), while Italy represented the largest share of pipe and tube imports (43% or 345 thousand metric tons). France imported 54 percent, or 945 thousand metric tons, of its semi-finished products from Germany.

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

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



Source: IHS Global Trade Atlas
YTD through September

Steel Imports Report: France

France's Export Market Share from Top Source Countries

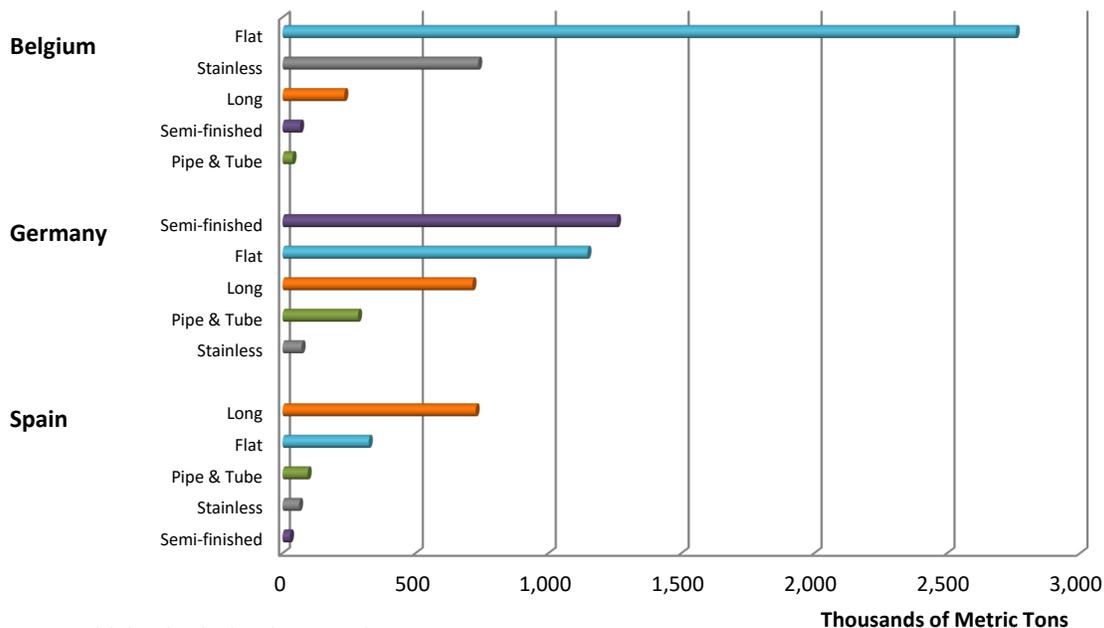
In 2015, the change in the share of steel exports sent to France from its top import sources was mixed, with half seeing increases and half seeing decreases. In 2015, the share of Poland's steel exports to France showed the largest increase (up 2 percentage points from 2014), followed by Brazil (up 1.9 percentage points) and Belgium (up 1.8 percentage points). The share of Luxembourg's steel exports to France showed the largest decrease (down 1.5 percentage points from 2014). The share of exports to France in each Italy, the Netherlands, the U.K., and Austria decreased by less than one percentage point.

France's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to France - 2014	France's Rank in 2014	Share of Exports to France- 2015	France's Rank in 2015
Germany	14.0%	1	14.0%	1
Belgium	23.1%	2	24.9%	2
Italy	11.1%	2	10.3%	3
Netherlands	8.3%	4	8.1%	3
Spain	12.0%	2	13.0%	2
United Kingdom	11.1%	4	10.7%	3
Austria	3.6%	7	3.5%	6
Luxembourg	10.3%	2	8.8%	3
Poland	2.7%	7	4.7%	6
Brazil	0.1%	42	2.0%	10

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

Among France's top import sources, Belgium, Germany, and Spain sent the largest shares of their total steel exports to France in 2015. Flat products accounted for the largest share of steel exports to France from Belgium at 72 percent (2.8 million metric tons). Semi-finished products accounted for the largest share of Germany's steel exports to France at 36 percent (1.3 million metric tons), and long products represented the largest share of Spain's steel exports to France at 59 percent (726 thousand metric tons).

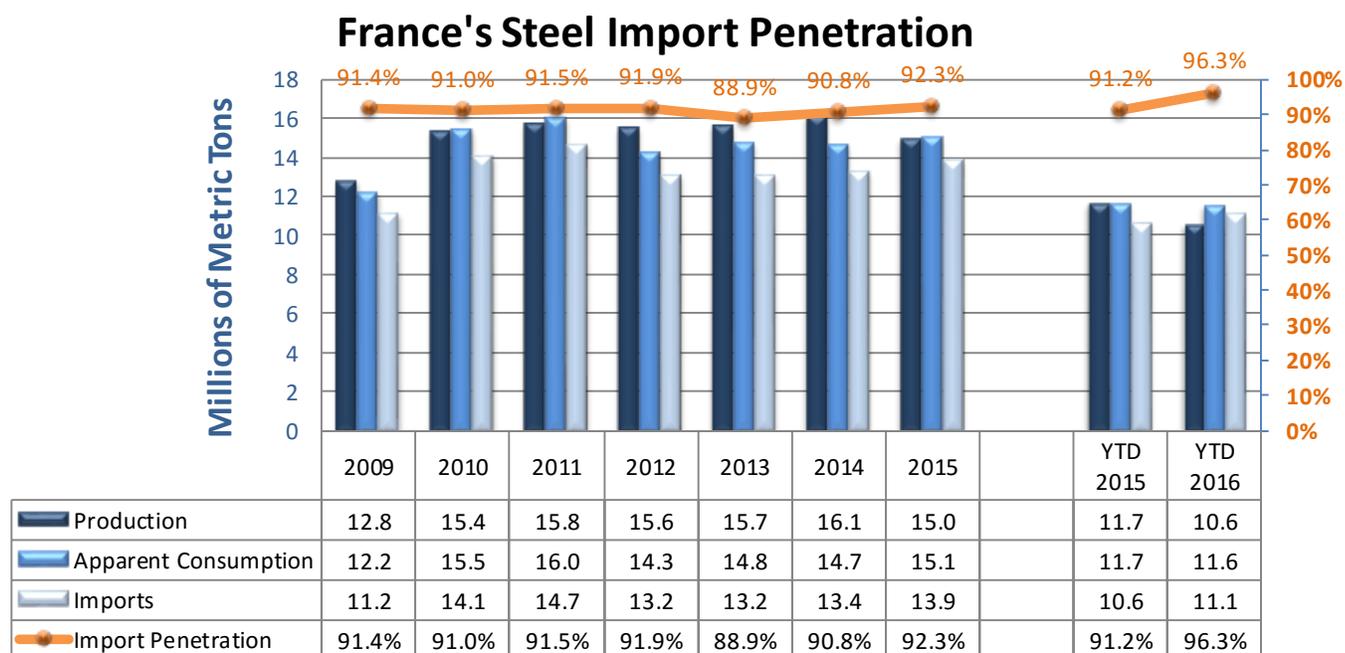
Steel Export Composition of Top Market-Share Countries - 2015



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

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Overall Production and Import Penetration



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 9 percent to 10.6 million metric tons from 11.7 million metric tons in YTD 2015. 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 entirely by 2015. In YTD 2016, however, demand outpaced production by over 900 thousand metric tons. France's level of import penetration had remained relatively flat at an average of 91 percent until 2016 as imports have increased while demand has decreased, causing import penetration to jump to 96.3 percent.

Top Producers

France's steel production is heavily concentrated among a handful 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 table below provides statistics on the current number of trade remedies the European Union, which includes France, 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 December 1, 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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