

Global Steel Trade Monitor

Steel Exports Report: Austria

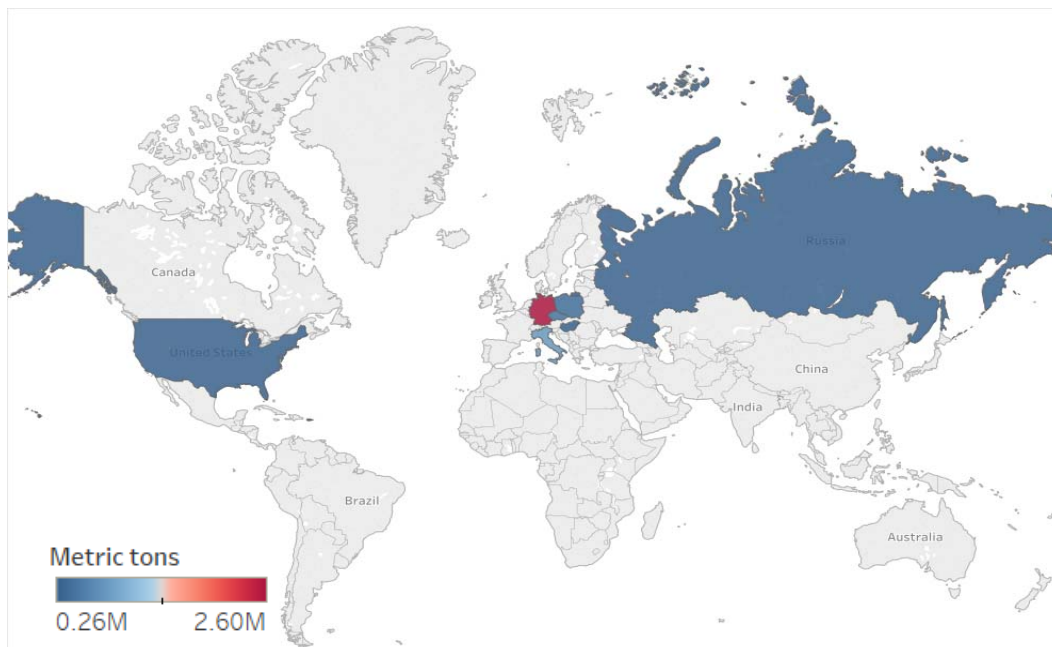
May 2018

Background

Austria is the world's seventeenth-largest steel exporter. In 2017, Austria exported 7.8 million metric tons of steel, a 7 percent increase from 7.3 million metric tons in 2016. Exports from Austria represented about 2 percent of all steel exported globally in 2017, based on available data. The volume of Austria's 2017 steel exports was roughly one-tenth the size of the largest exporter, China. In value terms, steel represented just 4.8 percent of the total amount of goods Austria exported in 2017.

Austria exports steel to more than 120 countries and territories. The 7 countries highlighted in the map below represent the top markets for Austria's exports of steel, receiving more than 250 thousand metric tons each and accounting for 65 percent of Austria's steel exports in 2017.

Austria's Exports of Steel Mill Products - 2017



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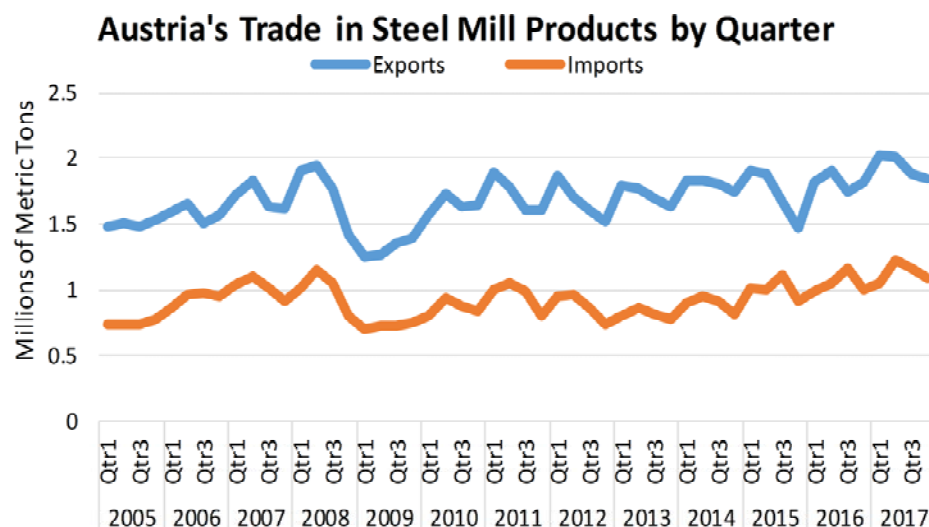
Quick Facts:

- World's seventeenth-largest steel exporter: 7.8 million metric tons (2017)
- 47% growth in steel exports between 2009 and 2017
- Exports as a share of production at 95.5% in 2017
- 2017 export volume up 7% while export value up 21%
- Top three markets: Germany, Italy, Czech Republic
- Largest producers: voestalpine, Breitenfeld, Böhler
- 22 trade remedies in effect involving steel mill imports from Austria, including 5 involving steel mill imports from the European Union, and 16 global safeguards

Steel Exports Report: Austria

Steel Trade Balance

Austria's imports and exports have moved roughly in tandem since 2005, and the country has maintained an annual average trade surplus of 3 million metric tons. In the wake of the 2008 global recession, imports and exports both dipped and have gradually recovered, increasing 56 percent and 47 percent, respectively, between 2009 and 2017.



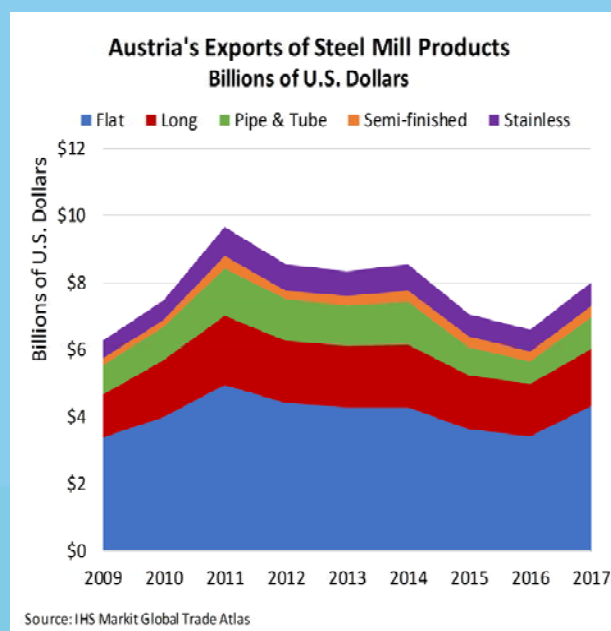
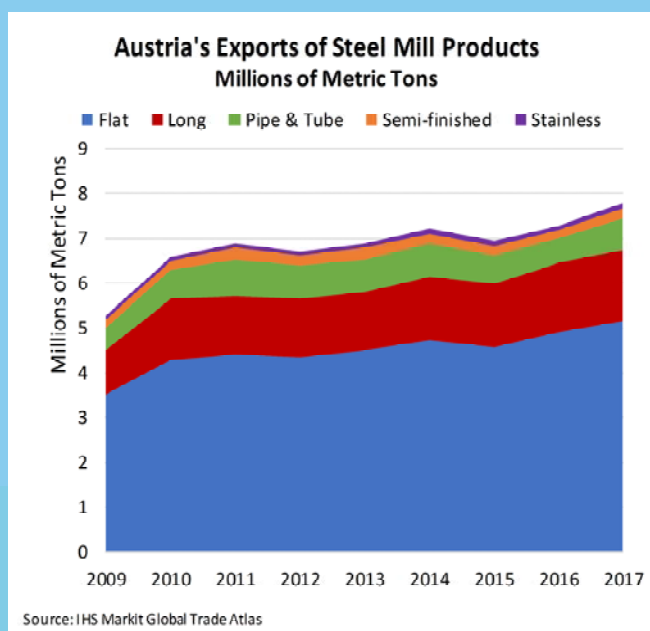
Source: IHS Markit Global Trade Atlas

Austria's steel trade surplus amounted to 3.2 million metric tons in 2017, up 5 percent from 3.1 million metric tons in 2016.

Export Volume, Value, and Product

After increasing 25 percent between 2009 and 2010, Austria's steel exports averaged 7.1 million metric tons between 2010 and 2017. Exports hit a recent peak at 7.8 million metric tons in 2017 — up 7 percent from 7.3 million metric tons in 2016. In value terms, Austria's steel exports increased by 21 percent to \$8 billion in 2017 from \$6.6 billion in 2016.

Flat products accounted for 66 percent of Austria's steel exports by volume at 5.1 million metric tons in 2017. Long products accounted for 20 percent of exports (1.6 million metric tons), followed by pipe and tube products at 9 percent (727 thousand metric tons), semi-finished steel at 3 percent (217 thousand metric tons), and stainless steel at 1 percent (100 thousand metric tons).

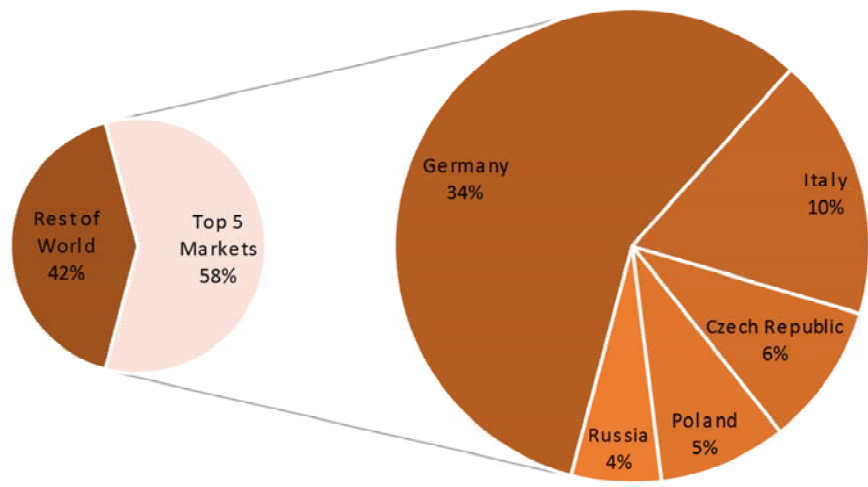


Steel Exports Report: Austria

Exports by Top Market

Exports to Austria's top 5 steel markets represented 58 percent of Austria's steel export volume in 2017 at 4.5 million metric tons (mmt). Germany received the largest share of Austria's exports with 34 percent (2.6 mmt), followed by Italy at 10 percent (0.8 mmt), the Czech Republic at 6 percent (0.44 mmt), Poland at 5 percent (0.39 mmt), and Russia at 4 percent (0.3 mmt).

**Austria's Steel Exports - Top 5 Markets
2017 - Percent of Volume**



Source: IHS Markit Global Trade Atlas

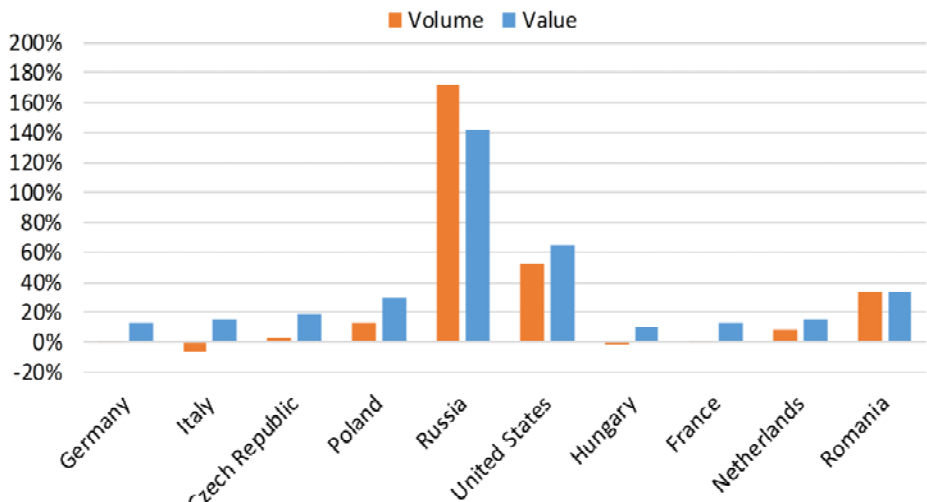
The United States ranked 6th as a destination for Austria's exports of steel in 2017 at 4 percent or 274 thousand metric tons — a 53 percent increase from 179 thousand metric tons in 2016.

Trends in Exports to Top Markets

Between 2016 and 2017, exports to Austria's top 10 markets increased in volume to six of its top 10 markets. Export volumes increased the most to Russia (up 172% from 2016), the United States (up 53%), and Romania (up 33%). Exports to Italy decreased in 2017, down 7 percent by volume from 2016, followed by exports to Hungary (down 2% in 2017). Export volumes to Germany and France decreased by less than 1 percent each in 2017.

Export values increased in all of Austria's top 10 markets in 2017, reflecting the increase in global prices. Exports to Russia showed the largest increase in value (up 142% from 2016), followed by the United States (up 65%), Romania (up 33%), and Poland (up 30%). Austria's exports to the Czech Republic, the Netherlands, Italy, France, Germany and Hungary each increased by 20 percent or less in value in 2017.

Percent Change in Exports to Top 10 Markets (2016 to 2017)



Source: IHS Markit Global Trade Atlas

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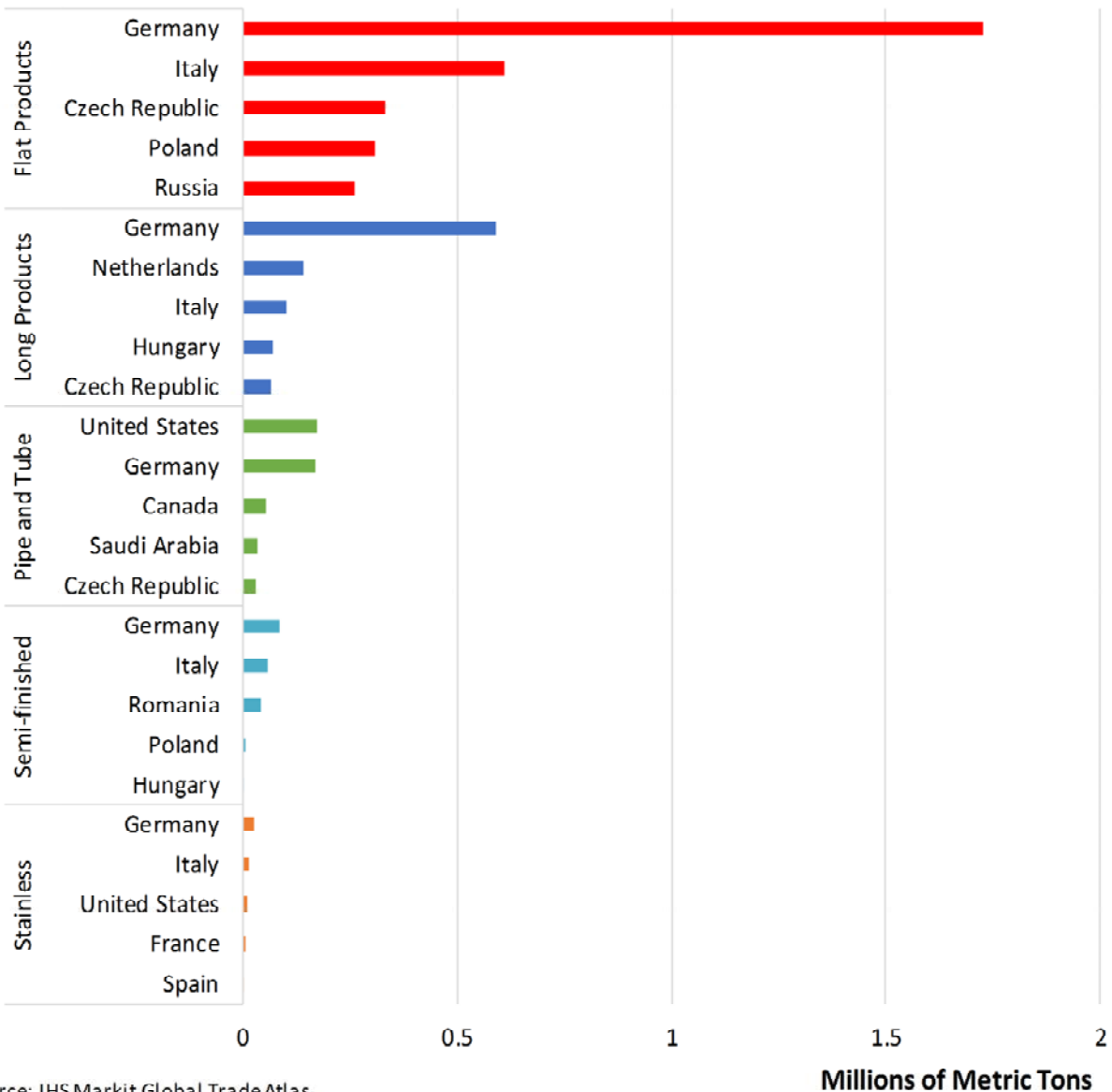
Top Markets by Steel Product Category

Austria's top export markets by volume vary across types of steel products, though Germany was the top or second market in every category. Austria sent 34 percent (1.7 million metric tons) of its flat product exports to Germany in 2017, 37 percent (591 thousand metric tons) of its long product exports, 39 percent (86 thousand metric tons) of its semi-finished exports, and 28 percent (28 thousand metric tons) of its stainless exports.

The United States received the largest share of Austria's pipe and tube exports at 24 percent (172 thousand metric tons), followed closely by Germany at 24 percent (171 thousand metric tons).

The United States was a top-five destination for Austria's exports of pipe and tube, as well as Austria's exports of stainless steel products, receiving 10 percent of stainless products in 2017 (10 thousand metric tons).

Austria's Top 5 Export Markets by Product - 2017



Source: IHS Markit Global Trade Atlas

Steel Exports Report: Austria

Austria's Import Market Share in Top Destinations

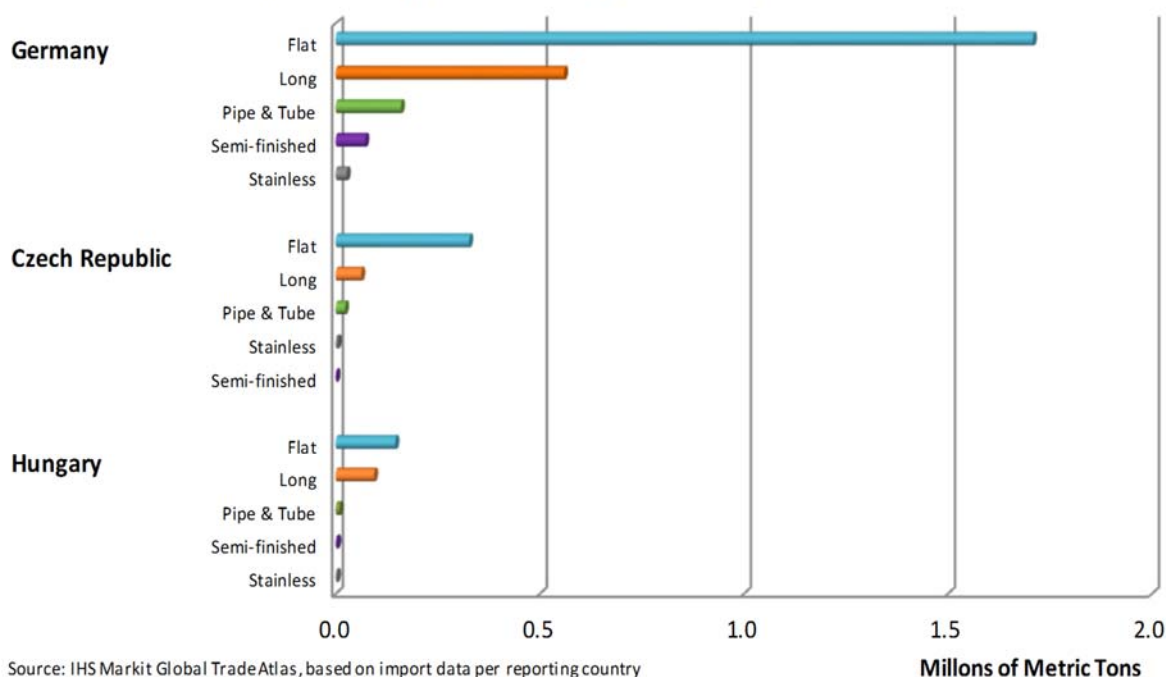
In 2017, the import market share for Austria's steel products decreased in five of its top ten export destinations. The share of imports from Austria decreased the most in France (down 0.8 percentage points from 2016), followed by Hungary (down 0.5 percentage points). Germany, Italy and the Czech Republic all showed share decreases of 0.4 percentage points or less. The share of imports from Austria in Russia increased by 3.0 percentage points from 2016, while shares in Romania, Poland, the Netherlands, and the United States increased by less than half of one percentage point.

| Austria's Steel Import Market Share | | | | |
|-------------------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|
| Top 10 Export Destinations | Share of Imports from Austria - 2016 | Austria's Rank in 2016 | Share of Imports from Austria - 2017 | Austria's Rank in 2017 |
| Germany | 9.5% | 5 | 9.2% | 5 |
| Italy | 4.5% | 7 | 4.1% | 10 |
| Czech Republic | 6.1% | 5 | 6.1% | 5 |
| Poland | 3.3% | 9 | 3.7% | 8 |
| Russia | 1.1% | 11 | 4.1% | 6 |
| United States | 0.6% | 23 | 0.8% | 23 |
| Hungary | 9.7% | 5 | 9.2% | 5 |
| France | 3.0% | 7 | 2.2% | 8 |
| Netherlands | 2.2% | 10 | 2.5% | 10 |
| Romania | 4.6% | 7 | 5.4% | 7 |

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

Among Austria's top export markets, Germany and Hungary imported the largest shares of steel from Austria in 2017, with 9.2 percent share, each. The Czech Republic imported 6.1 percent of its steel from Austria in 2017. Flat products accounted for the largest share of imports from Austria in Germany, the Czech Republic, and Hungary at 68 percent (1.7 million metric tons), 78 percent (327 thousand metric tons), and 57 percent (146 thousand metric tons), respectively.

Steel Import Composition of Top Market-Share Countries - 2017

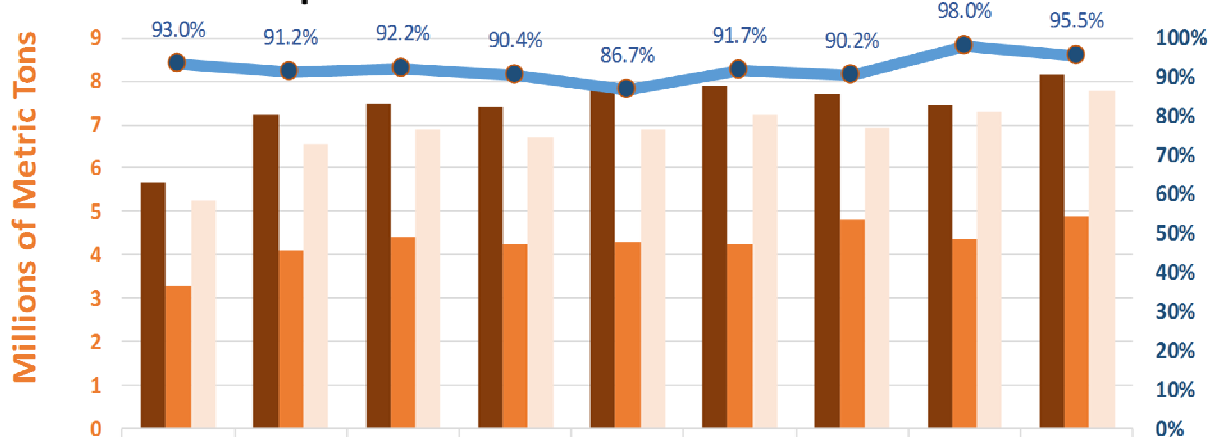


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Steel Exports Report: Austria

Overall Production and Export Share of Production

Austria's Export Share of Steel Production



| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Production | 5.7 | 7.2 | 7.5 | 7.4 | 8.0 | 7.9 | 7.7 | 7.4 | 8.1 |
| Apparent Consumption | 3.3 | 4.1 | 4.4 | 4.2 | 4.3 | 4.3 | 4.8 | 4.4 | 4.9 |
| Exports | 5.3 | 6.6 | 6.9 | 6.7 | 6.9 | 7.2 | 6.9 | 7.3 | 7.8 |
| Export Share of Production | 93.0% | 91.2% | 92.2% | 90.4% | 86.7% | 91.7% | 90.2% | 98.0% | 95.5% |

Sources: World Steel Association; IHS Markit Global Trade Atlas

Between 2009 and 2013, Austria's crude steel production increased 40 percent to 8 million metric tons. From 2013 to 2016, production decreased by 6 percent to 7.4 million metric tons. In 2017, production increased by 9 percent to reach 8.1 million metric tons, a 44 percent increase from 2009. Apparent consumption (a measure of steel demand) has been exceeded by production since 2009 by an annual average of 3.1 million metric tons. As production increased in 2017, gap between production and demand has increased to 3.2 million metric tons from 3.1 million metric tons in 2016. Apart from a dip in 2013, Austria's steel exports as a share of production has been above 90 percent since 2009. Exports as a share of production decreased slightly to 95.5 percent in 2017, down 2.5 percentage points from 2016.

Top Producers

As recently as the 1990s, Austria's steel industry was continuing the process of privatization. Like many other steel-producing countries, Austria has gone through many periods of industry consolidation. Austria's largest steel producer, voestalpine, resulted from mergers in the 1970s and has since acquired several steel-making facilities in Austria.

Austria's Top Steel Producers

| Rank | Company | Production (mmt) | Main Products |
|------|------------------------------------|------------------|---|
| 1 | voestalpine | 5.3 (worldwide) | Heavy plate, strip, castings, tool & high-speed steel |
| 2 | Breitenfeld Edelstahl | N/A | Stainless |
| 3 | Böhler (subsidiary of voestalpine) | N/A | Corrosion-resistant, tool & high-speed steel, bearing steel |

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

Steel Exports Report: Austria

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 Austria and from the European Union, which includes Austria.

| Steel Mill Trade Remedies in Effect Against the European Union | | | | |
|--|----------|----------|--|----------|
| Country | AD | CVD | Suspension Agreements and Undertakings | Total |
| China | 2 | | | 2 |
| India | 2 | | | 2 |
| Morocco | 1 | | | 1 |
| TOTAL | 5 | 0 | 0 | 5 |

Source: World Trade Organization, through June 30, 2017

| Steel Mill Trade Remedies in Effect Against Austria | | | | |
|---|----------|----------|--|----------|
| Country | AD | CVD | Suspension Agreements and Undertakings | Total |
| United States | 1 | | | 1 |
| TOTAL | 1 | 0 | 0 | 1 |

Source: World Trade Organization, through June 30, 2017

| Global Steel Mill Safeguards in Effect | |
|--|---|
| Country | Product(s) |
| India | 1) Hot-rolled steel in coils; 2) Hot-rolled steel flat sheets and plates |
| Indonesia | 1) Flat-rolled products of iron or non-alloy steel; 2) I and H sections of other alloy steel; 3) Bars and rods, hot-rolled, in irregularly wound coils |
| Malaysia | 1) Hot-rolled steel plate; 2) Steel concrete reinforcing bar; 3) Steel wire rod and deformed bar in coil |
| Morocco | 1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods |
| Philippines | Steel angle bars |
| South Africa | Hot-rolled steel flat products |
| 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; 3) Structural hot-rolled H-beams with alloy |
| Vietnam | Semi-finished and certain finished products of alloy and non-alloy steel |

Source: World Trade Organization, through February 28, 2018

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 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/>.



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