



Global Steel Trade Monitor

Steel Exports Report: Italy

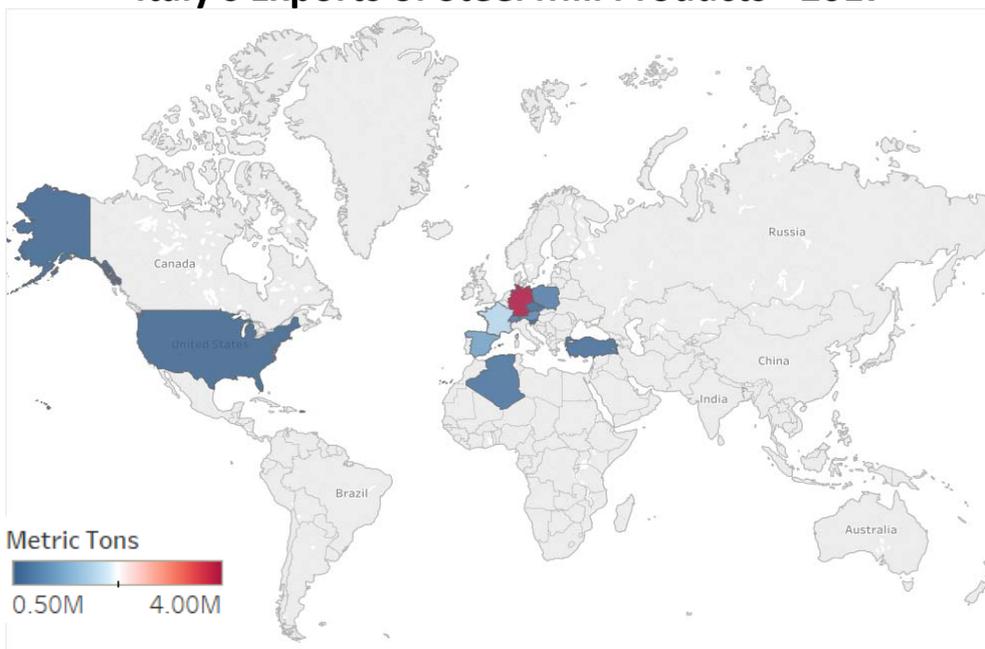
April 2018

Background

Italy is the world's seventh-largest steel exporter. In 2017, Italy exported 17.5 million metric tons of steel, a one percent increase from 17.4 million metric tons in 2016. Italy's exports represented 3.8 percent of all steel exported globally in 2016. The volume of Italy's 2017 steel exports was slightly larger than that of Turkey, and just under one-fourth the size of the largest exporter, China. In value terms, steel represented just 3.4 percent of the total amount of goods Italy exported in 2017.

Italy exports steel to more than 160 countries and territories. The 11 countries highlighted in the map below represent the top markets for Italy's exports of steel, receiving more than 500 thousand metric tons each and accounting for 71 percent of Italy's steel exports in 2017.

Italy's Exports of Steel Mill Products - 2017



Data Source: Global Trade Atlas; Copyright © IHS Markit Global Trade Atlas Inc. 2018. All rights reserved.

Quick Facts:

- World's seventh-largest steel exporter: 17.5 million metric tons (2017)
- 43% growth in steel exports since 2009
- 2017 export volume up 1% while export value up 18%
- Top three markets: Germany, France, Spain
- Largest producers: ILVA SpA, Marcegaglia
- Exports as a share of production at 72.6% in 2017
- 4 trade remedies in effect involving steel mill imports from Italy; 6 trade remedies in effect involving steel mill imports from the European Union

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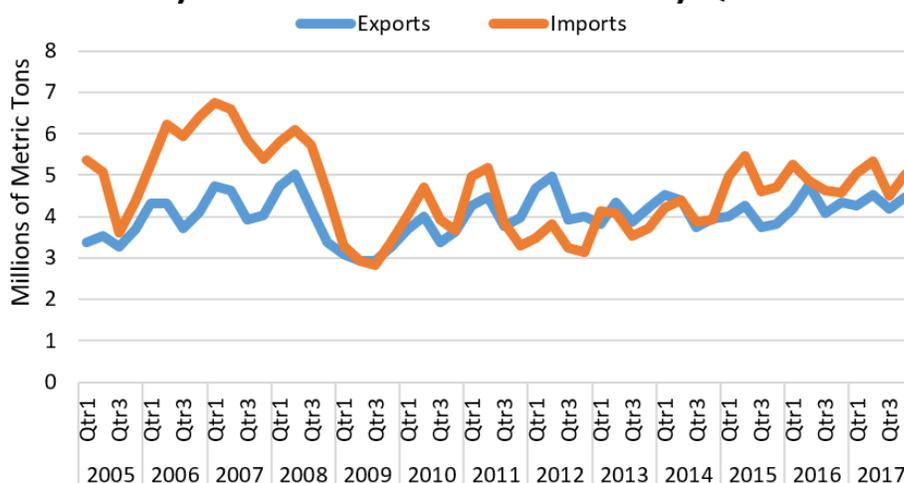
Steel Trade Balance

Over the past decade, Italy's imports and exports have displayed roughly similar trends: both saw increases between 2005 and 2007, declined significantly in 2009, and recovered gradually over the next six years. Between 2009 and 2017, exports grew 43 percent while imports grew 60 percent.

Apart from surplus periods in 2009 and 2012-2014 when Italy was a net steel exporter, Italy has maintained a steel trade deficit since 2005.

In 2017, the steel trade deficit stood at -2.5 million metric tons, up from -2 million metric tons in 2016.

Italy's Trade in Steel Mill Products by Quarter



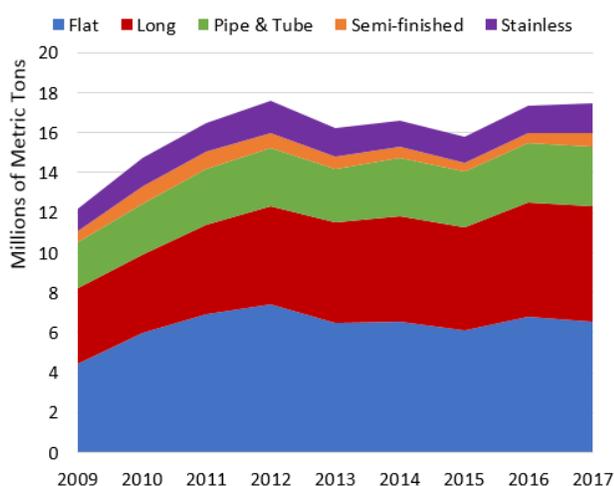
Source: IHS Markit Global Trade Atlas

Export Volume, Value, and Product

Italy's steel exports increased by 1.6 million metric tons to 17.4 million metric tons in 2016 — an increase of 10 percent from 2015. In 2017, exports increased 1 percent from 2016 to a total of 17.5 million metric tons. In value terms, Italy's steel exports decreased by 1 percent between 2015 and 2016. In 2017, export value has increased 18 percent to \$17.4 billion from \$14.7 billion in 2016.

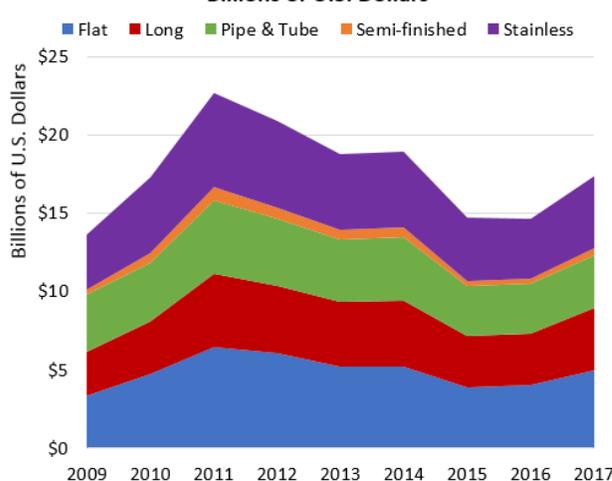
Flat products accounted for 37 percent of Italy's steel exports by volume at 6.5 million metric tons in 2017. Long products accounted for 33 percent, or 5.8 million metric tons of Italy's exports of steel, followed by pipe and tube at 17 percent (3 million metric tons), stainless steel at 8 percent (1.5 million metric tons), and semi-finished steel at 4 percent (714 thousand metric tons).

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



Source: IHS Markit Global Trade Atlas

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



Source: IHS Markit Global Trade Atlas

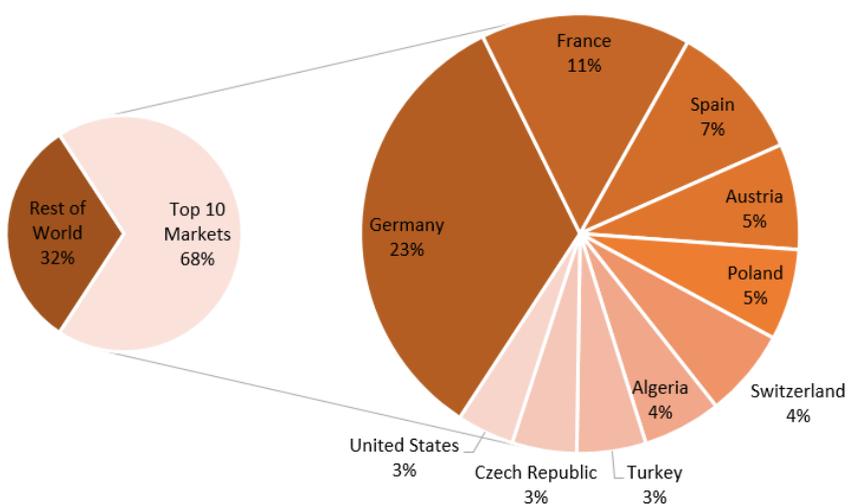
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Exports by Top Market

At 12 million metric tons (mmt), Italy's exports to its top 10 steel markets represented 68 percent of its steel export volume in 2017. Germany was the largest market for Italy's exports with 23 percent (4 mmt), followed by France at 11 percent (1.9 mmt), Spain at 7 percent (1.2 mmt), Austria at 5 percent (0.9 mmt), and Poland at 5 percent (0.8 mmt).

The United States ranked 10th as a destination for Italy's steel exports in 2017 at 3 percent (504 thousand metric tons) — an increase of 23 percent from 411 thousand metric tons in 2016.

Italy's Steel Exports - Top 10 Markets
2017 - Percent of Volume



Source: IHS Markit Global Trade Atlas

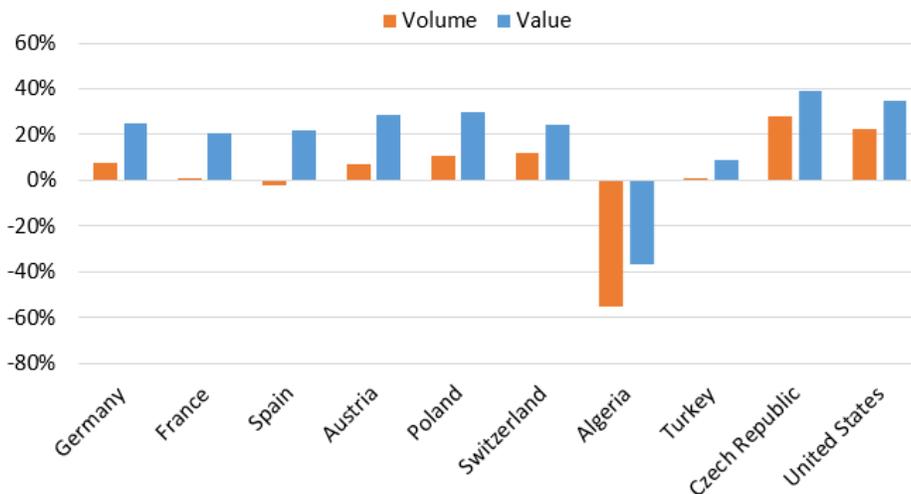
Trends in Exports to Top Markets

Between 2016 and 2017, exports to Italy's top 10 markets increased in volume to eight of the top 10 export markets. Only exports to Algeria and Spain decreased, down 55 percent and 2 percent, respectively. Export volumes increased the most to the Czech Republic (up 28%), the United States (up 23%), Switzerland (up 12%), Poland (up 11%), Germany (up 8%), and Austria (up 7%).

Outside the top 10 markets, other notable volume changes included Italy's exports to 22nd-ranked Canada (up 142%), 24th-ranked Cyprus (up 136%), and 32nd-ranked Saudi Arabia (up 114%).

The overall value of Italy's exports increased to all but one of its top 10 markets. Export values to the Czech Republic again showed the largest increase (up 39% from 2016), followed by the United States (up 35%), Poland (up 30%), Austria (up 29%), and Germany (up 25%). The only decrease in terms of value was to Algeria (down 37%).

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



Source: IHS Markit Global Trade Atlas

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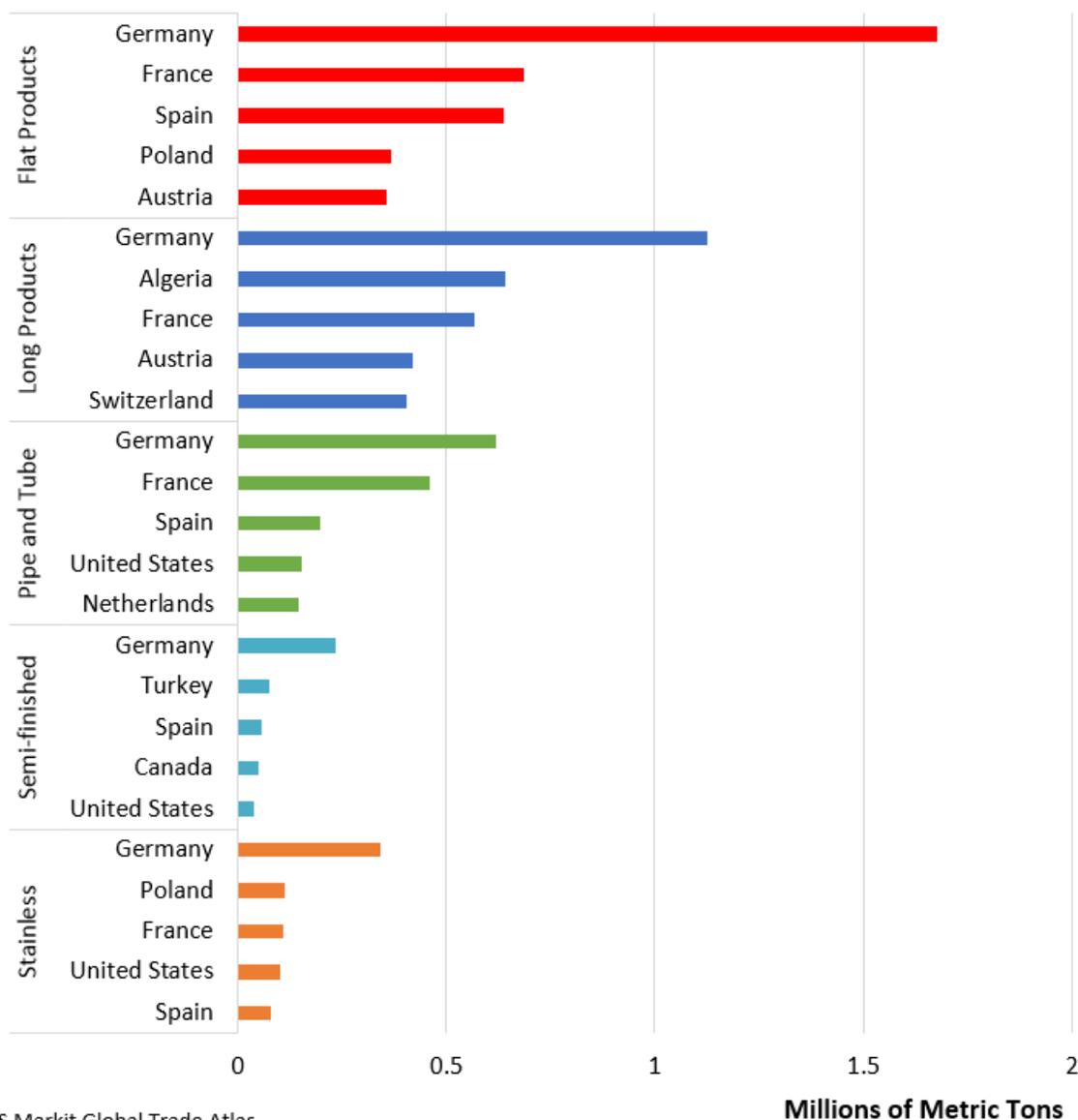
Top Markets by Steel Product Category

In 2017, Italy's top export market by volume was Germany for every product category. Germany accounted for 26 percent of Italy's exports of flat products (1.7 million metric tons), 19 percent of long product exports (1.1 million metric tons), 21 percent of pipe and tube product exports (618 thousand metric tons), 33 percent of semi-finished exports (236 thousand metric tons), and 23 percent of stainless steel exports (342 thousand metric tons).

France was the second-largest market for Italy's exports of flat products (11% or 687 thousand metric tons) and pipe and tube products (16% or 461 thousand metric tons) in 2017.

The United states was a top-five export destination for pipe and tube, semi-finished, and stainless steel products, receiving 5% (154 thousand metric tons), 5% (39 thousand metric tons), and 7% (100 thousand metric tons), respectively.

Italy's Top 5 Export Markets by Product - 2017



Source: IHS Markit Global Trade Atlas

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Italy's Import Market Share in Top Destinations

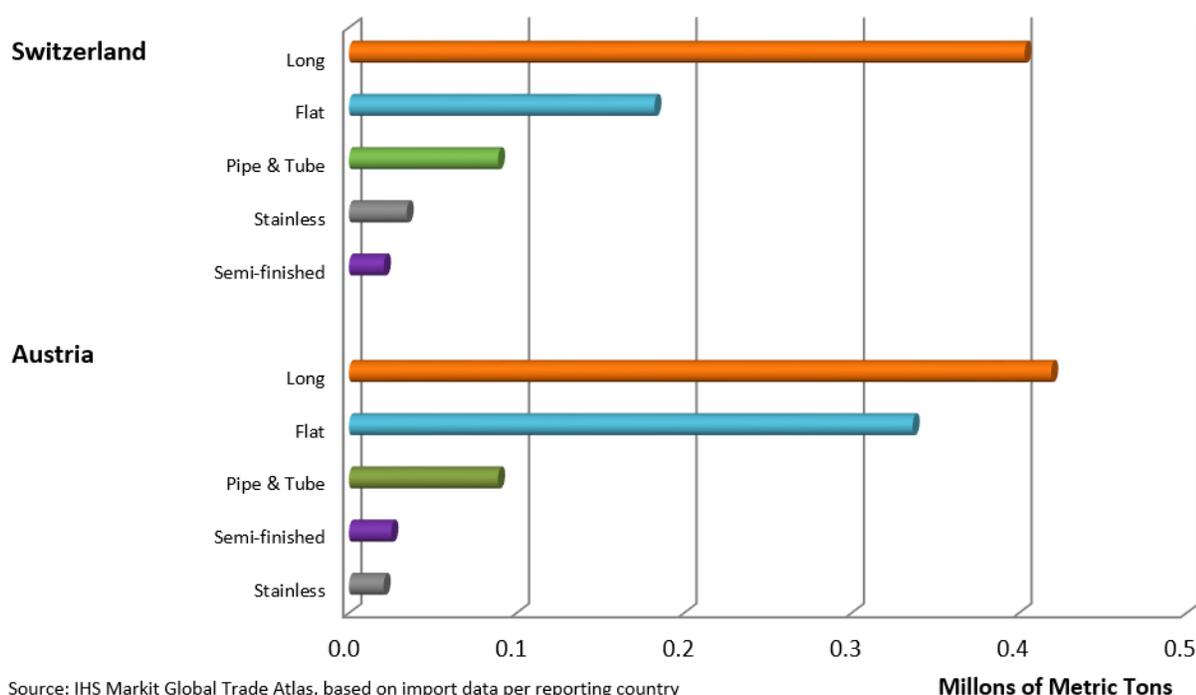
In 2017, the import market share for Italy's steel products increased in all but one of its top export destinations. The share of imports from Italy in Switzerland showed the largest increase (up 2.8 percentage points) in 2017, followed by Austria (up 1.7 percentage points) and the Czech Republic (up 1.2 percentage points). Italy's import share in Poland, Spain, Turkey, France, Germany, and the United States increased by less than one percentage point. In 2017, import shares from Italy in Algeria decreased by 12 percentage points.

Italy's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Italy - 2016	Italy's Rank in 2016	Share of Imports from Italy - 2017	Italy's Rank in 2017
Germany	13.7%	2	13.9%	2
France	12.4%	3	12.6%	3
Spain	11.4%	2	12.0%	2
Austria	17.9%	3	19.7%	2
Poland	5.9%	6	6.7%	5
Switzerland	26.8%	2	29.6%	2
Algeria	27.7%	1	15.3%	3
Turkey	3.8%	8	4.2%	8
Czech Republic	6.6%	4	7.8%	4
United States	1.3%	13	1.5%	14

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

Among Italy's top export markets Switzerland and Austria, each received almost 20 percent or more of their steel imports from Italy in 2017. Long products accounted for the largest share of steel imports from Italy in both Switzerland at 55 percent (403 thousand metric tons) and Austria at 47 percent (419 thousand metric tons).

Steel Import Composition of Top Market-Share Countries - 2017



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

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Overall Production and Export Share of Production

Italy's Export Share of Steel Production



Sources: World Steel Association; IHS Markit Global Trade Atlas

Italy's crude steel production increased by 45 percent between 2009 and 2011 before falling by 23 percent to 2015. Production in 2017 increased by 3 percent to 24.1 million metric tons from 23.3 million metric tons in 2016. While apparent consumption (a measure of steel demand) kept up with production for much of 2009-2014, it outpaced production by 3.9 million metric tons in 2015 and 2 million metric tons in 2016. In 2017, the gap between production and apparent consumption increased to 2.5 million metric tons. Italy's steel exports as a share of production grew 12.8 percentage points between 2009 and 2016. The export share of production stood at 72.6 percent in 2017, down 1.2 percentage points from 2016.

Top Producers

Unlike much of Europe, steel production in Italy is diffused across many small - and medium-sized companies. After privatization of the country's steel industry in the late 1980s and 1990s, only a small number of the earlier, larger steelworks remain.

Italy's Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	ILVA SpA	5.7	Hot- and cold-rolled coils, galvanized, heavy plate, welded pipe
2	Marcegaglia	5.6	Coils, strips, sheets, welded pipe, sections, bars, heavy plate
3	Arvedi Group	3	Hot-rolled, galvanized, welded tubes, cold-drawn tubes, stainless tubes, cold-rolled stainless strip
4	Riva Acciaio	1.25	Billets, hot-rolled and cold-drawn bars, reinforcing bars
5	Lucchini RS SpA	N/A	Railway components, forgings, castings, ingots

Sources: World Steel Association; Federacciai; Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; LexisNexis; 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 Italy and from the European Union, which includes Italy.

Steel Mill Trade Remedies in Effect Against Italy				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Canada	1			1
United States	2	1		3
TOTAL	3	1	0	4

Source: World Trade Organization, through June 30, 2017

Steel Mill Trade Remedies in Effect Against the European Union				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	3			3
India	2			2
Morocco	1			1
TOTAL	6	0	0	6

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; 3) I and H sections of other alloy steel; 4) 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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