



# Global Steel Trade Monitor

## Steel Exports Report: **Russia**

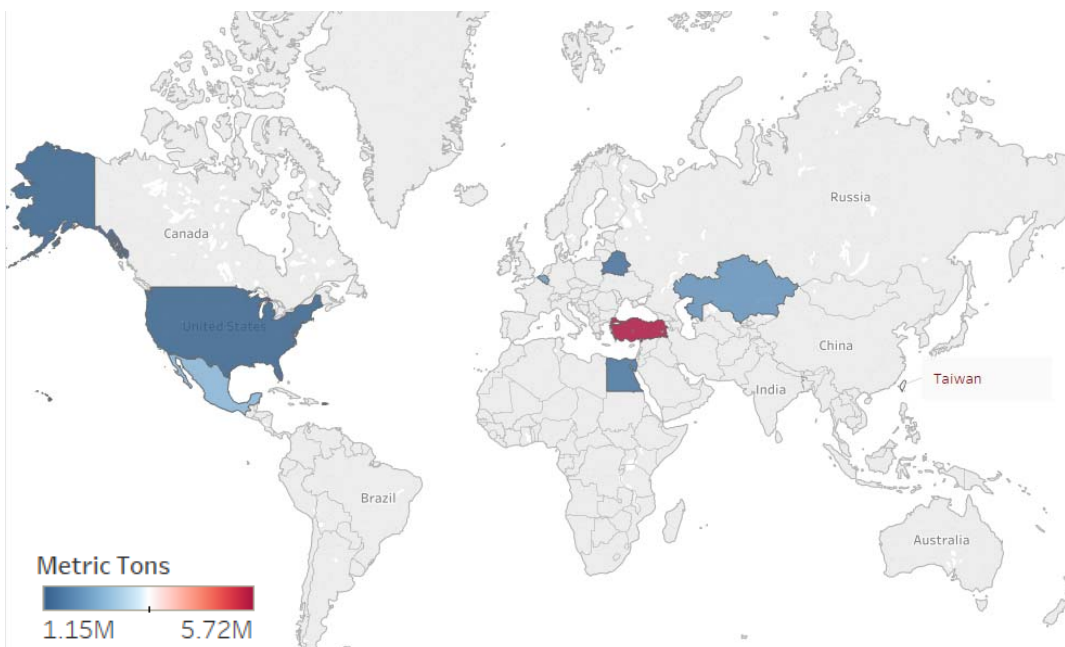
March 2018

### Background

Russia is the world's third-largest steel exporter. In 2017, Russia exported 31.1 million metric tons of steel, a 0.0 percent increase from 31.1 million metric tons in 2016. Russia's exports represented about 7 percent of all steel exported globally in 2016, based on available data. The volume of Russia's 2017 steel exports was less than half of the volume shipped by the world's largest exporter, China. In value terms, steel represented just 4.5 percent of the total amount of goods Russia exported in 2017.

Russia exports steel to more than 130 countries and territories. The eight countries highlighted in the map below represent the top markets for Russia's exports of steel, receiving more than one million metric tons each and accounting for 63 percent of Russia's steel exports in 2017.

### Russia's Exports of Steel Mill Products - 2017



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2017. All rights reserved.

### Quick Facts:

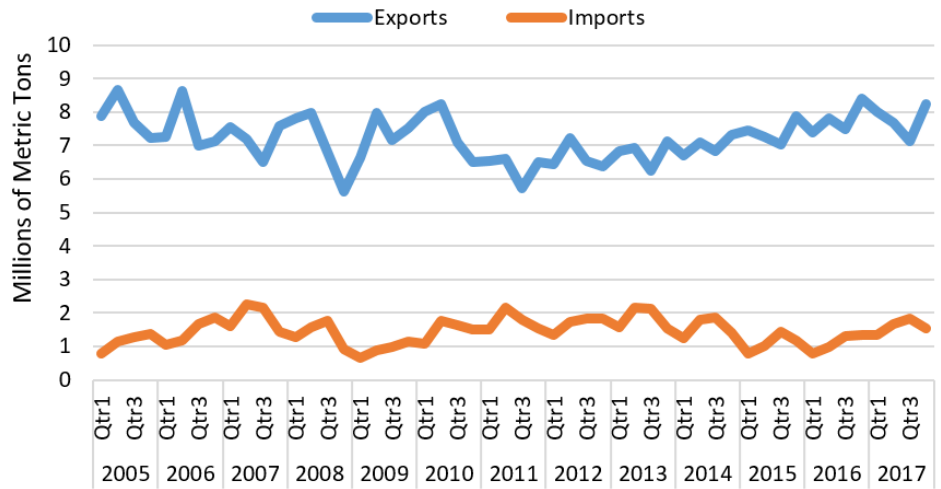
- World's third-largest steel exporter: 31.1 million metric tons (2017)
- 22% steel export growth since 2011
- Exports as a share of production at 43.6% in 2017, down from 48.8% in 2009
- Year-on-year export volume up 0% while export value up 42%
- Top three markets: Turkey, Taiwan, Mexico
- Largest producers: Novolipetsk Steel, Evraz Group, Magnitogorsk Iron & Steel Works
- 14 trade remedies in effect in 6 countries involving steel mill imports from Russia

# Steel Exports Report: **Russia**

## Steel Trade Balance

Over the past 11 years, Russia has exported between four and seven times as much steel as it has imported. After a brief downturn, Russia's steel exports grew 22 percent between 2011 and 2017. Russia's steel imports and exports have displayed a roughly inverse relationship, as imports shrank in tandem with export growth. Russia's steel trade surplus amounted to 24.7 million metric tons in 2017 — a 7 percent decrease from 26.7 million metric tons in 2016.

Russia's Trade in Steel Mill Products by Quarter



Source: IHS Markit Global Trade Atlas

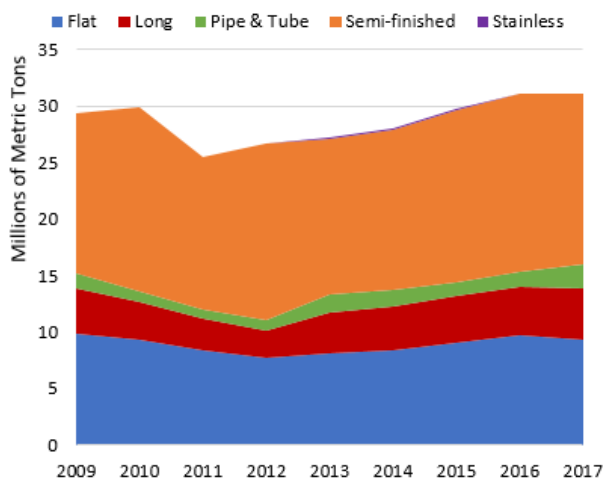
## Export Volume, Value, and Product

In 2011, Russia's steel exports dropped by 4.4 million metric tons, a decrease of 14.8 percent from 29.8 million metric tons in 2010. Over the next six years, exports recovered steadily and increased to 31.1 million metric tons by 2017, and increase of 0.0 percent from 2016. By contrast, the value of Russia's steel exports increased between 2016 and 2017, increasing by 42 percent to \$16 billion from \$11.3 billion in 2016.

Semi-finished products account for just under half of Russia's steel exports. In 2017, Russia exported 15.1 million metric tons of semi-finished products, comprising 49 percent of the country's steel exports. With 9.4 billion metric tons, flat products represented the second-largest share of exports at 30 percent, followed by long products (14% or 4.4 million metric tons), pipe and tube products (7% or 2.1 million metric tons), and stainless products (0.1% or 23 thousand metric tons).

Russia's Exports of Steel Mill Products

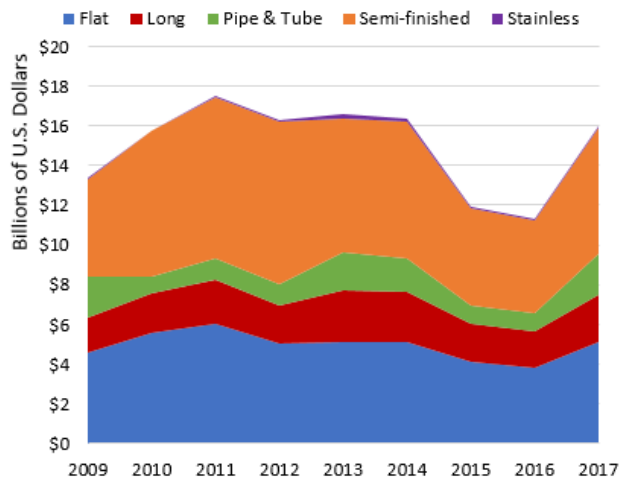
Millions of Metric Tons



Source: IHS Markit Global Trade Atlas

Russia's Exports of Steel Mill Products

Billions of U.S. Dollars



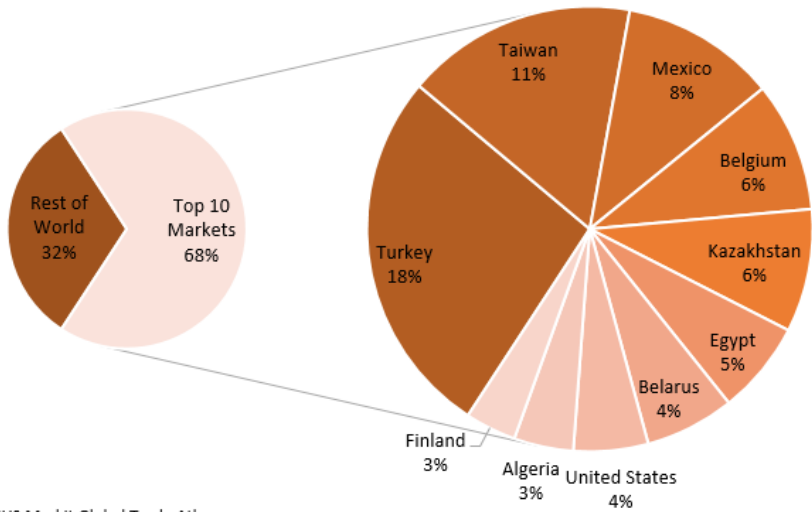
Source: IHS Markit Global Trade Atlas

# Steel Exports Report: **Russia**

## Exports by Top Market

Exports to Russia's top 10 steel markets represented 68 percent of Russia's steel export volume in 2017 at 21.3 million metric tons (mmt). Turkey received the largest share of Russia's exports at 18 percent (5.7 mmt), followed by Taiwan at 11 percent (3.6 mmt), Mexico at 8 percent (2.4 mmt), Belgium at 6 percent (2 mmt), and Kazakhstan at 6 percent (1.9 mmt).

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



Source: IHS Markit Global Trade Atlas

The United States moved from ranking 11th in 2016 to 8th in 2017 as a destination for Russia's steel exports, receiving 4 percent of exports (1.2 mmt) — a 60 percent increase from 718 thousand metric tons in 2016.

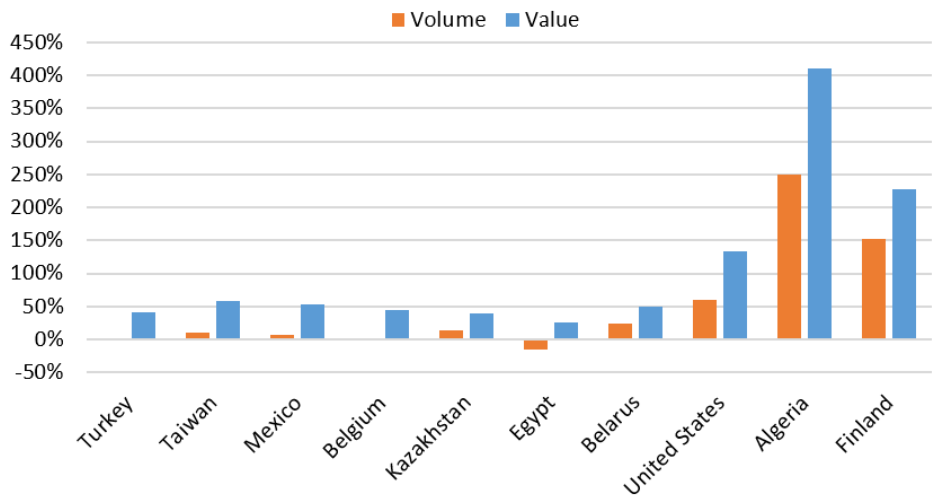
## Trends in Exports to Top Markets

While the volume of Russia's steel exports increased to seven of its top 10 steel export markets between 2016 and 2017, the overall value of Russia's steel exports increased to all of the top 10 markets. Considerable increases in value occurred in Russia's exports to Algeria (up 410%), Finland (up 227%), and United States (up 134%). Concurrently, the volume of Russia's exports to these markets also saw the largest increases, up 250 percent, 152 percent, and 60 percent, respectively.

Among Russia's top 10 markets, Belarus and Kazakhstan also saw large volume increases, up 23 percent and 14 percent from 2016, respectively. Taiwan and Mexico also experienced large value increases, up 59 percent and 52 percent, respectively.

Outside the top 10 markets, other notable volume increases included Indonesia (up 394%) and Saudi Arabia (up 226%).

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



Source: IHS Markit Global Trade Atlas

# Steel Exports Report: **Russia**

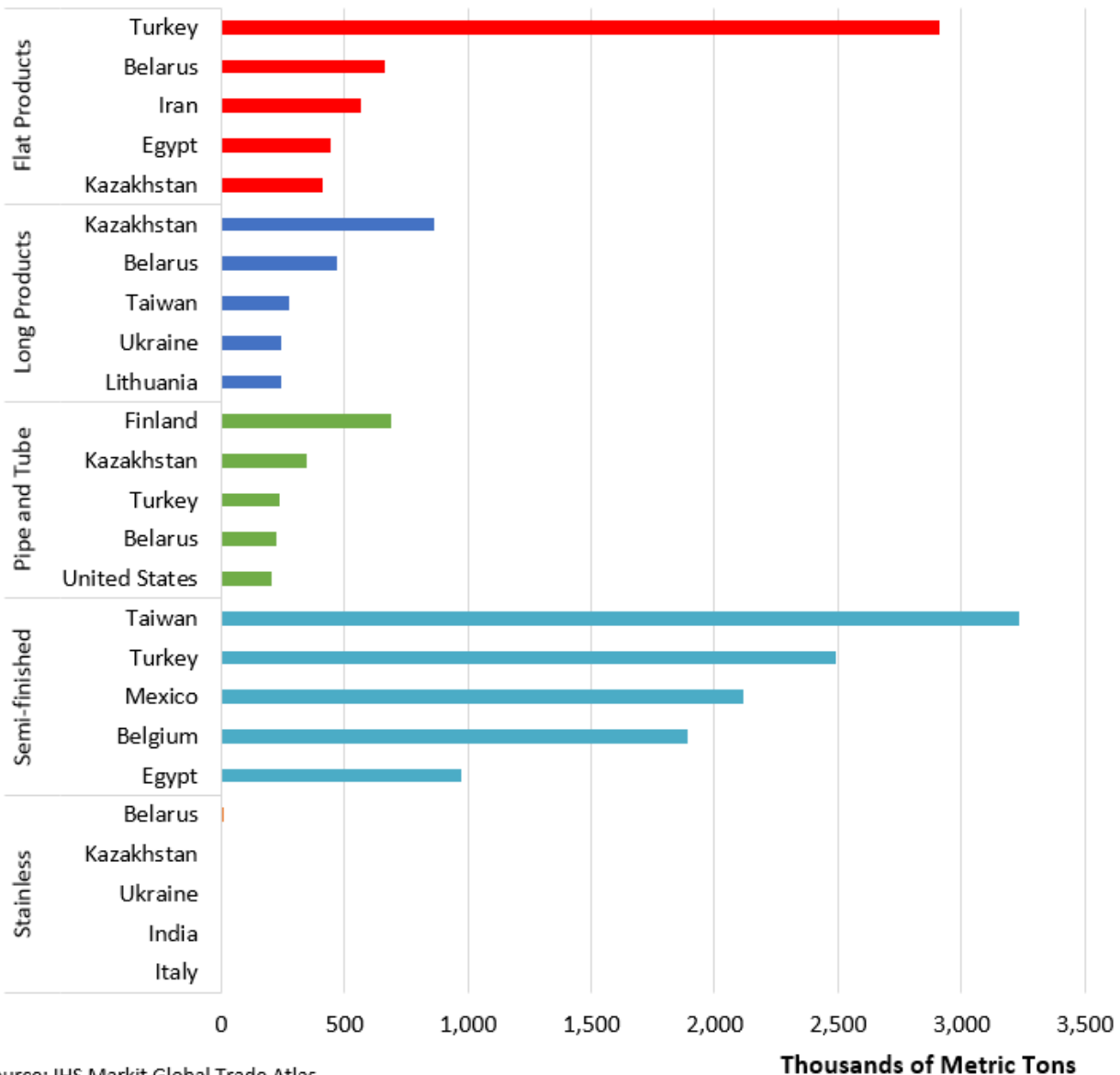
## Top Markets by Steel Product Category

Russia's top export markets by volume vary across types of steel products. Turkey accounted for the largest share of Russia's exports of flat products in 2017, receiving 31 percent (2.9 million metric tons). Kazakhstan received the largest share of Russia's exports of long products at 19 percent (861 thousand metric tons).

Finland received the largest share of pipe and tube products at 32 percent (686 thousand metric tons). Taiwan accounted for the largest share of Russia's exports of semi-finished products at 21 percent (3.2 million metric tons), while Belarus received the largest share of stainless products at 25% (8 thousand metric tons)

Pipe and tube was the only product category for which the United States was a top-five export destination, coming in fifth with 10 percent (207 thousand metric tons) in 2017.

### Russia's Top 5 Export Markets by Product - 2017



Source: IHS Markit Global Trade Atlas

# Steel Exports Report: **Russia**

## Russia's Import Market Share in Top Destinations

In 2017, the import market share for Russia's steel products increased in the majority of Russia's top export destinations. Countries with notable increases in their share of steel imports from Russia included Finland (up 38.6 percentage points), Algeria (up 15 percentage points), and Belarus (up 4.3 percentage points).

In 2017, Belgium saw the largest decrease in its share of steel imports from Russia, a drop of 3 percentage points, while Mexico's share decreased from 1.4 percent to 1 percent.

Among Russia's top export markets, Belarus received the largest share of its steel imports from Russia at 82.2 percent, followed by Finland at 48.1 percent, and Turkey at 27.7 percent. In 2017, flat products accounted for the largest share of steel imports from Russia in both

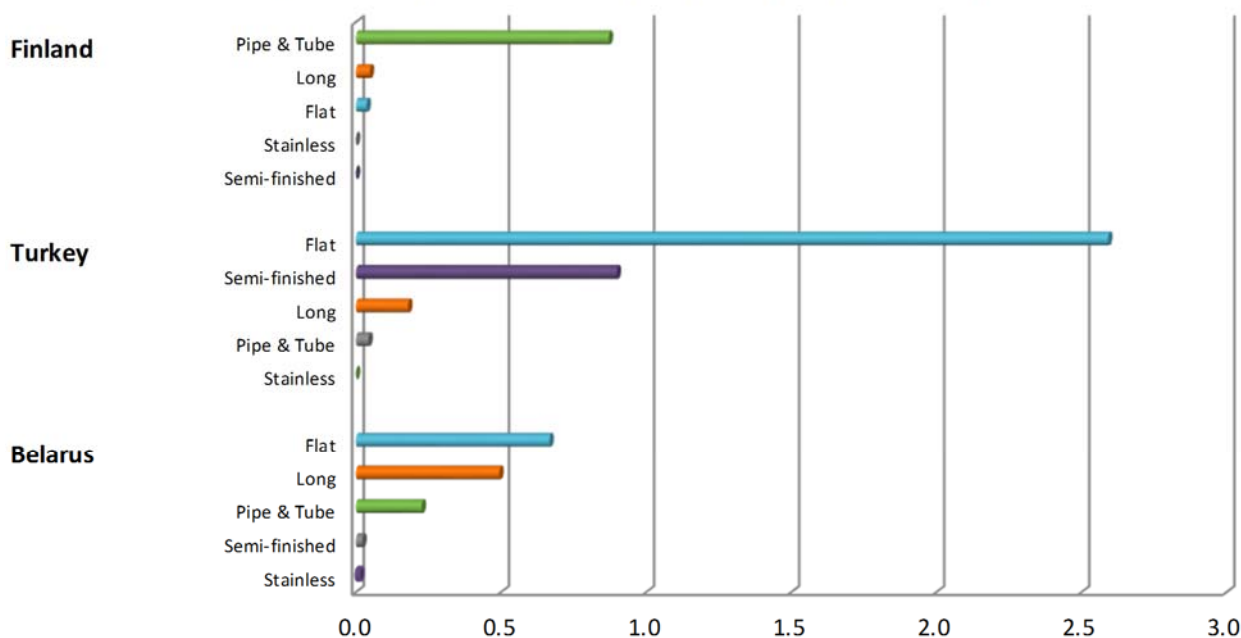
Russia's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Russia - 2016	Russia's Rank in 2016	Share of Imports from Russia - 2017	Russia's Rank in 2017
Turkey	24.9%	1	27.7%	1
Taiwan	14.9%	3	15.6%	3
Mexico	1.4%	11	1.0%	13
Belgium	16.6%	1	13.6%	3
Kazakhstan*	N/A	N/A	N/A	N/A
Egypt*	N/A	3	N/A	3
Belarus	77.9%	1	82.2%	1
United States	6.4%	7	8.3%	5
Algeria	4.6%	5	19.6%	2
Finland	9.5%	4	48.1%	1

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

\*Kazakhstan and Egypt data unavailable

Belarus (47% or 667 thousand metric tons) and Turkey (70% or 2.6 million metric tons). Pipe and tube products accounted for the largest share of steel imports from Russia in Finland (91% or 871 thousand metric tons).

## Steel Import Composition of Top Market-Share Countries - 2017



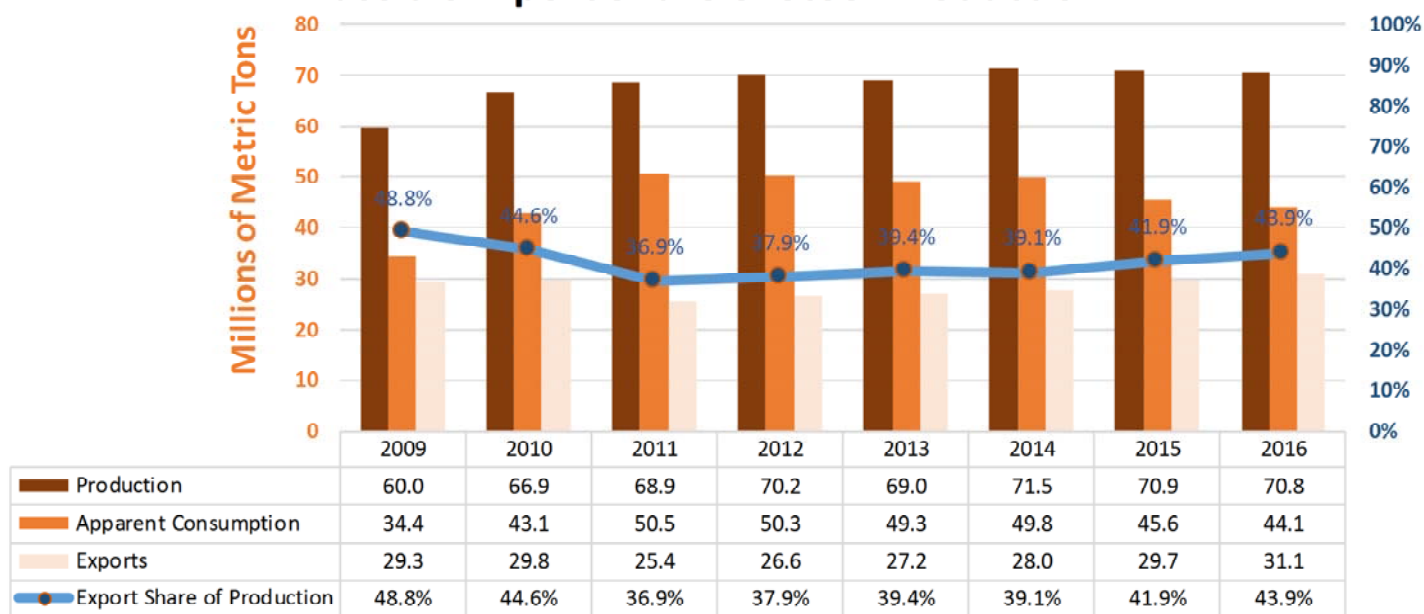
Source: IHS Markit Global TradeAtlas, based on import data per reporting country

Millions of Metric Tons

# Steel Exports Report: **Russia**

## Overall Production and Export Share of Production

### Russia's Export Share of Steel Production



Sources: World Steel Association; IHS Global Trade Atlas

Russia's crude steel production increased by 19 percent from 60 million metric tons in 2009 to 71.3 million metric tons in 2017. Despite a 36 percent increase since 2009 in apparent consumption (a measure of steel demand), production has consistently outpaced the country's demand by roughly 20 to 26 million metric tons per year over the period. In 2017, the gap stood at 24.7 million metric tons. After a decline of 11.9 percentage points from 2009 to 2011, exports as a share of production has displayed modest growth for every year but 2014 and stood at 43.6 percent in 2017.

### Top Producers

Russia's steel production is concentrated among a handful of companies, with the country's top five producers accounting for 58.9 million metric tons, or 83 percent of total 2016 production, based on available data. Just the top four producers — NLMK, EVRAZ, Magnitogorsk, and Severstal — accounted for 77 percent of Russia's total production.

### Russia's Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	Novolipetsk Steel (NLMK)	16.6	Hot-rolled, cold-rolled, semi-finished, rebar, galvanized
2	EVRAZ	13.5	Beams, rails, structural shapes, rebar, pipe
3	Magnitogorsk Iron & Steel Works	12.5	Semi-finished, hot-rolled, coated, sections, pipes
4	Severstal	11.6	Flat products, hot-rolled, cold-rolled, galvanized, pipe
5	Metalloinvest Management Company	4.7	Heavy plate, strips, semi-finished

Source: World Steel Association; MarketLine; Company websites

# Steel Exports Report: **Russia**

## 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 Russia.

<b>Steel Mill Trade Remedies in Effect Against Russia</b>				
<b>Country</b>	<b>AD</b>	<b>CVD</b>	<b>Suspension Agreements</b>	<b>Total</b>
European Union	4		1	5
India	1			1
Indonesia	1			1
Mexico	4			4
Thailand	1			1
United States	1		1	2
<b>TOTAL</b>	<b>12</b>	<b>0</b>	<b>2</b>	<b>14</b>

Source: World Trade Organization, through June 30, 2017

<b>Global Steel Mill Safeguards in Effect</b>	
<b>Country</b>	<b>Product(s)</b>
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

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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 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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