



Global Steel Trade Monitor

Steel Exports Report: Spain

May 2018

Background

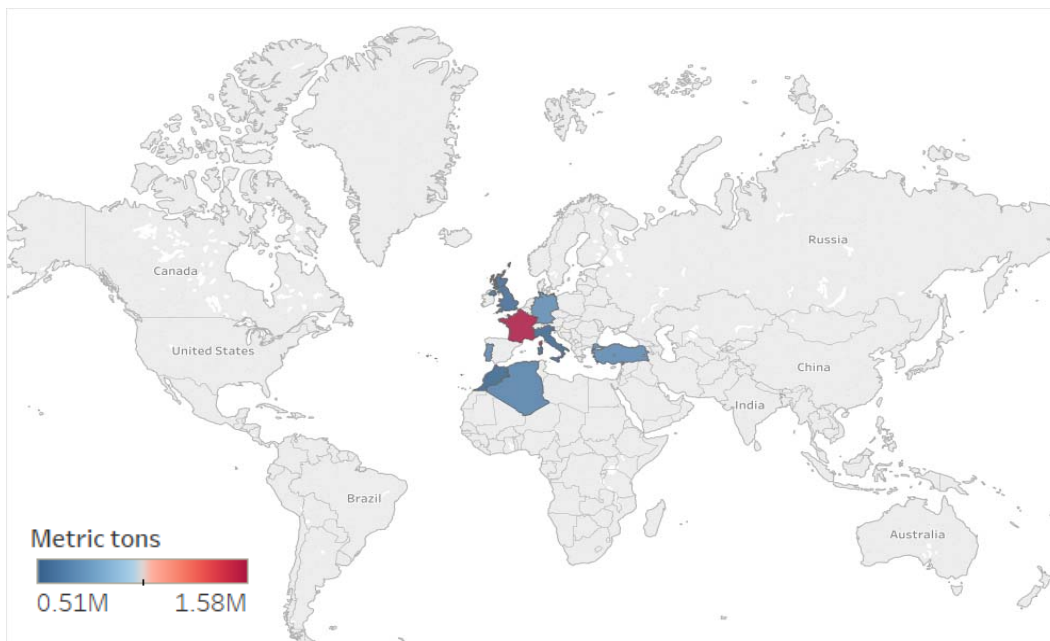
Spain is the world's sixteenth-largest steel exporter. In 2017, Spain exported 8.7 million metric tons of steel, a 7 percent decrease from 9.3 million metric tons in 2016. Exports from Spain represented about 2 percent of all steel exported globally in 2016, based on available data. The volume of Spain's 2017 steel exports was less than one-eighth that of the world's largest exporter, China. In value terms, steel represented just 2.5 percent of the total amount of goods Spain exported in 2017.

Spain exports steel to more than 150 countries and territories. The 8 countries highlighted in the map below represent the top markets for Spain's exports of steel, receiving more than 500 thousand metric tons each and accounting for 67 percent of Spain's steel exports in 2017.

Quick Facts:

- World's sixteenth-largest steel exporter: 8.7 million metric tons in 2017
- 2% growth in steel exports since 2009
- 2017 export volume down 7% while export value up 13%
- Exports as a share of production at 60% in 2017
- Top three markets: France, Germany, Portugal
- Largest producers: ArcelorMittal, Celsa Group, Acerinox
- 8 trade remedies in effect involving steel mill imports from Spain; 5 trade remedies in effect involving steel mill imports from the European Union

Spain's Exports of Steel Mill Products - 2017



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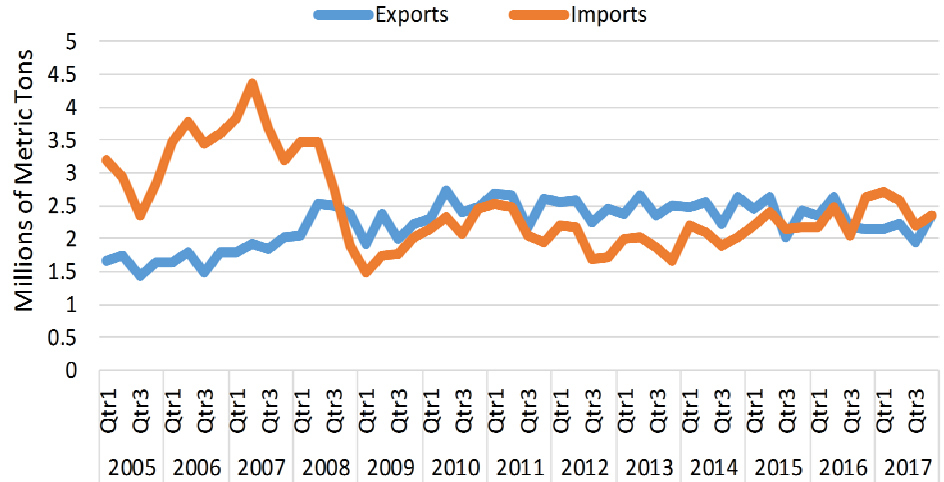
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Steel Trade Balance

Prior to 2009, Spain had a trade deficit in steel products. However, imports fell in the wake of the 2008 global recession. Relative to imports, exports retained average levels, and the steel trade deficit became a trade surplus. Between 2009 and 2017, imports grew 41 percent while exports grew 2 percent.

In 2016, Spain experienced its first steel trade deficit since 2008. In 2017, the trade deficit widened to -1.2 million metric tons, growing 1687 percent from a trade deficit of only -66 thousand metric tons in 2016.

Spain's Trade in Steel Mill Products by Quarter



Source: IHS Markit Global Trade Atlas

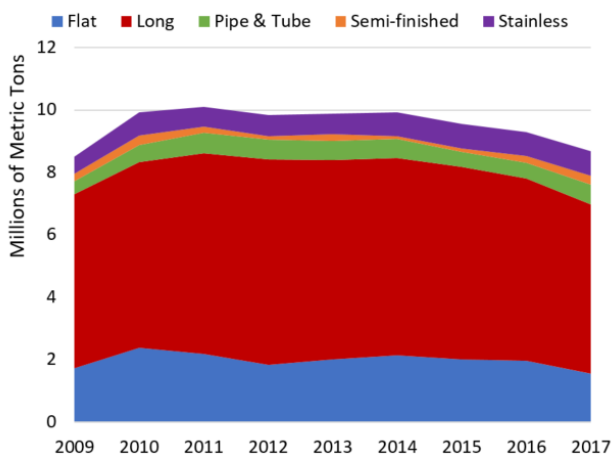
Export Volume, Value, and Product

Spain's steel exports averaged 9.9 million metric tons between 2010 and 2014 before decreasing 4 percent to 9.5 million metric tons in 2015. In 2017, Spain's exports decreased 7 percent to 8.7 million metric tons from 9.3 million metric tons in 2016. In contrast, in value terms, Spain's steel exports increased 13 percent to \$7.8 billion in 2017 from \$6.9 billion in 2016.

Long products accounted for 62 percent of Spain's steel exports by volume at 5.4 million metric tons in 2017. Flat products accounted for 18 percent of exports (1.6 million metric tons), followed by stainless steel at 9 percent (782 thousand metric tons), pipe and tube at 7 percent (641 thousand metric tons), and semi-finished steel at 3 percent (276 thousand metric tons).

Spain's Exports of Steel Mill Products

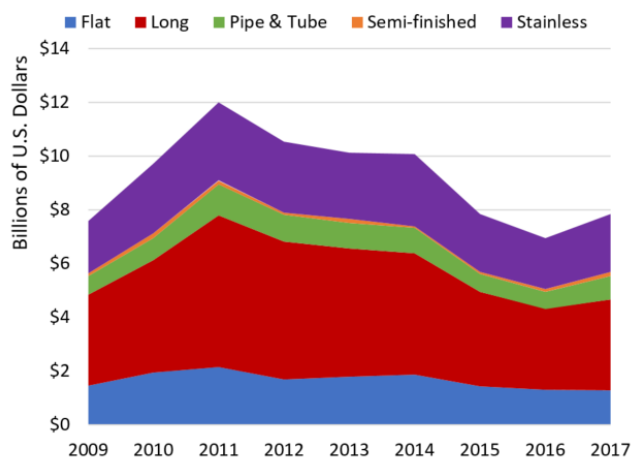
Millions of Metric Tons



Source: IHS Markit Global Trade Atlas

Spain's Exports of Steel Mill Products

Billions of U.S. Dollars



Source: IHS Markit Global Trade Atlas

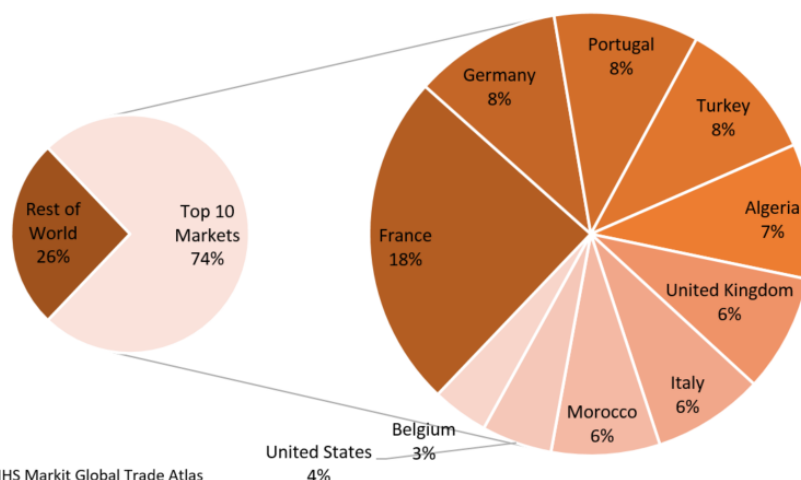
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Exports by Top Market

At 6.4 million metric tons (mmt), Spain's exports to its top 10 steel markets represented 74 percent of its steel export volume in 2017. The largest markets for Spain's exports were France with 18 percent (1.6 mmt), followed by Germany at 8 percent (0.69 mmt), Portugal at 8 percent (0.68 mmt), Turkey at 8 percent (0.68 mmt), and Algeria at 7 percent (0.63 mmt) among the top five markets.

The United States ranked 9th as a destination for Spain's exports of steel in 2017 at 4 percent or 331 thousand metric tons.

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



Source: IHS Markit Global Trade Atlas

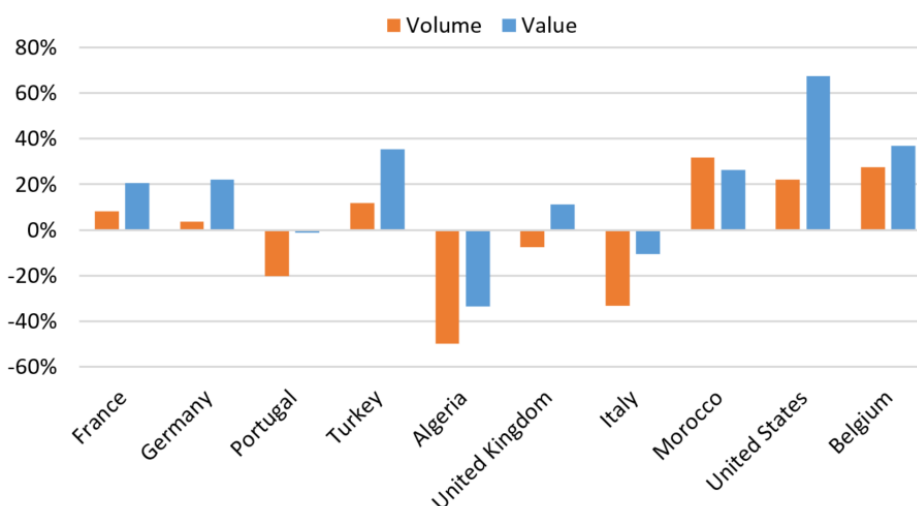
Trends in Exports to Top Markets

Between 2016 and 2017, exports to Spain's top 10 markets increased in volume to six of its top 10 markets. Export volumes increased the most to Morocco, (up 32%), Belgium (up 28%), and the United States (up 22%). Exports to Algeria, Italy, and Portugal from Spain decreased the most by volume from 2016, down 50 percent, 33 percent, and 20 percent, respectively.

Three of Spain's top 10 markets experienced a decrease in export value in 2017. The value of Spain's exports to Algeria showed the largest decrease (down 33%), followed by exports to Italy (down 11%), and Portugal (down 1%). Spain's exports value increased the most to the United States (up 67%), followed by Belgium (up 37%), and Turkey (up 35%).

Outside of the top 10 markets, other notable changes in Spain's export volume in 2017 included exports to 11th-ranked Tunisia (up 104%), 19th-ranked Argentina (up 123%), and 26th-ranked Cuba (up 105%).

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



Source: IHS Markit Global Trade Atlas

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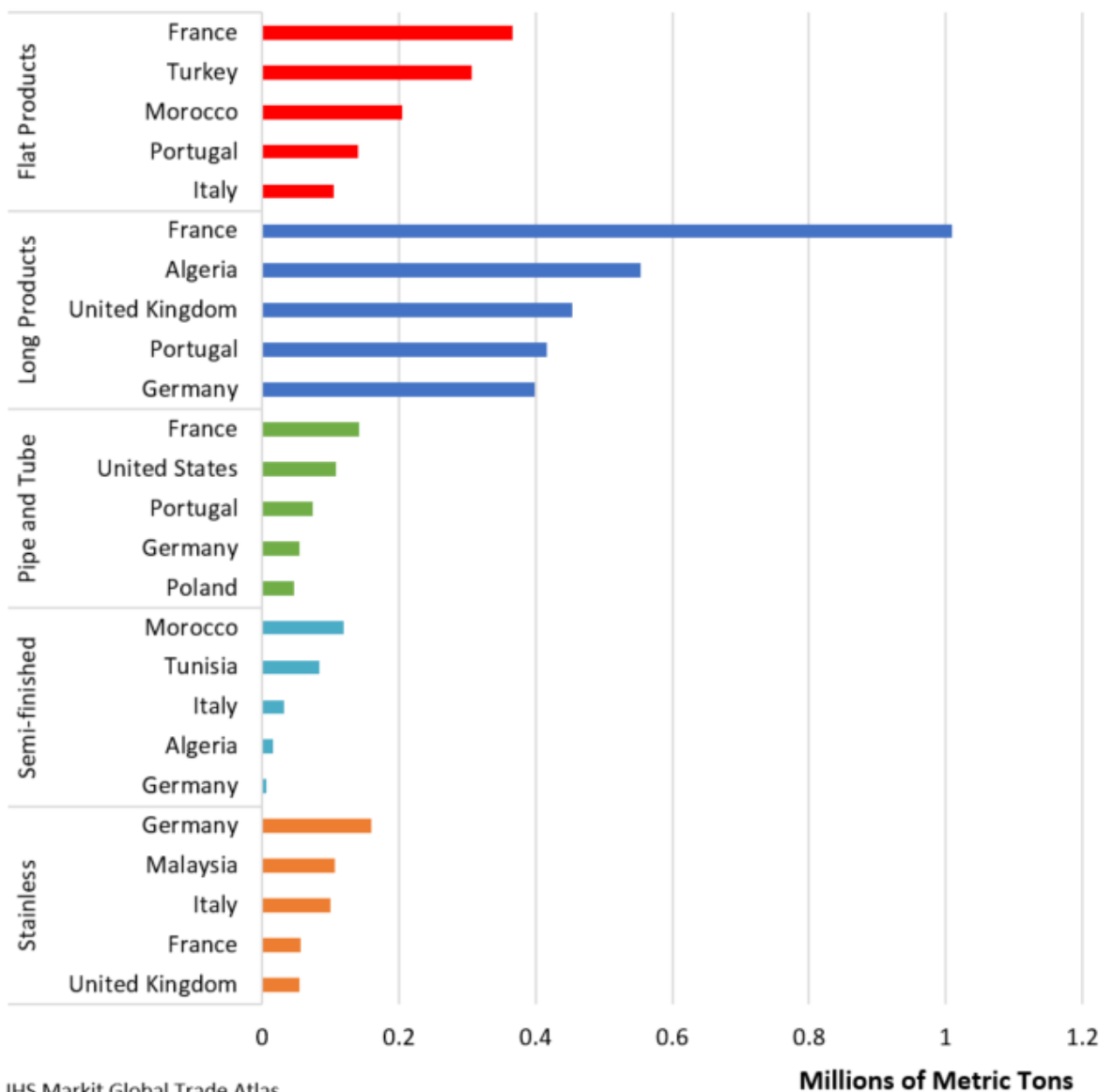
Top Markets by Steel Product Category

Spain's top export markets by volume vary across types of steel products. Spain sent the largest share of flat product exports to France in 2017 at 24 percent (366 thousand metric tons). France also received the largest shares of Spain's long as well as pipe and tube exports at 19 percent (1 million metric tons) and 22 percent (141 thousand metric tons), respectively.

Morocco received the largest share of Spain's semi-finished product exports at 43 percent (119 thousand metric tons), and Germany received the largest share of stainless exports at 20 percent (160 thousand metric tons).

Pipe and tube was the only category for which the United States was a top-five export destination at 17 percent (108 thousand metric tons).

Spain's Top 5 Export Markets by Product - 2017



Source: IHS Markit Global Trade Atlas

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Spain's Import Market Share in Top Destinations

In 2017, the import market share for Spain's steel products decreased in four of its top export destinations. Algeria's share of imports from Spain saw the largest decrease (down 8.8 percentage points from 2016). Shares in Belgium, the United Kingdom, and Germany each decreased by less than one percentage point.

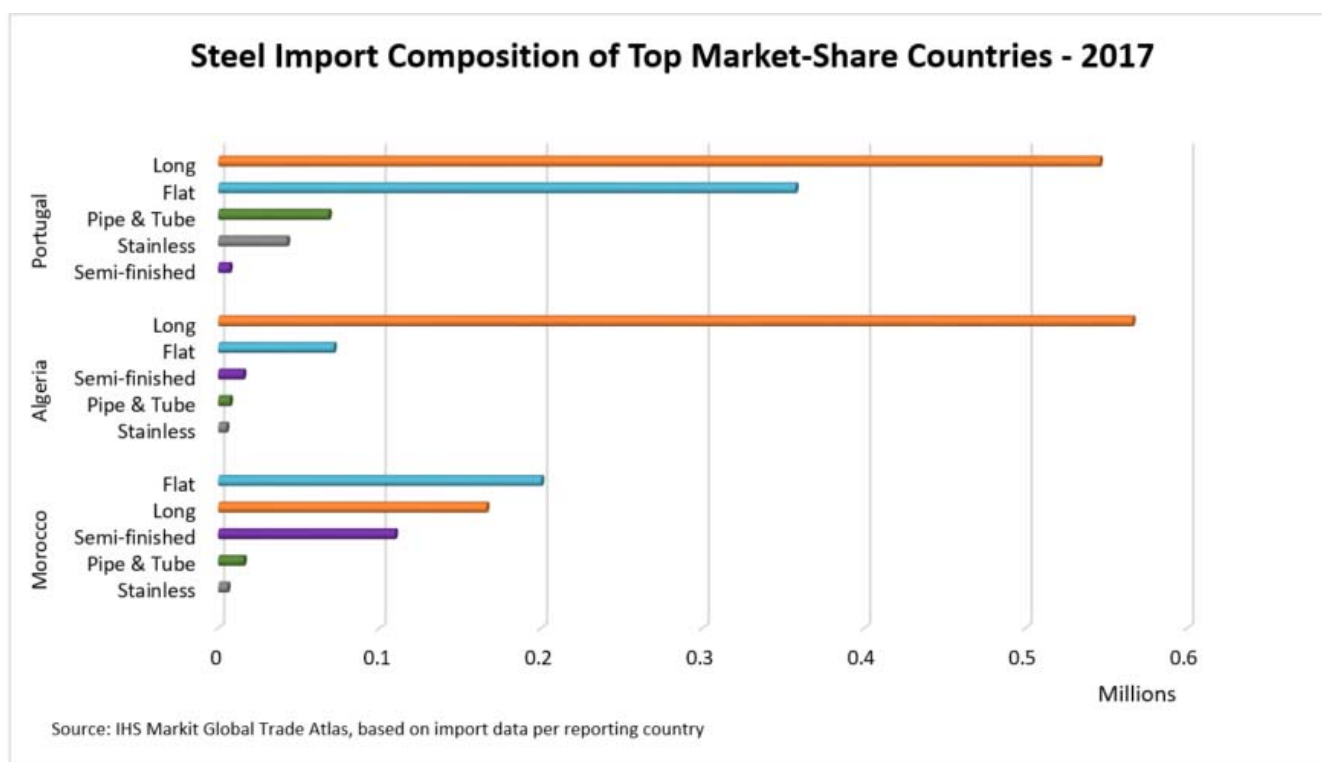
Morocco's share of imports from Spain saw the largest increase (up 13.8 percentage points from 2016). The share of imports from Spain in France, Portugal, Turkey, Italy, and the United States all increased by less than one percentage point.

Among Spain's top export markets, Portugal, Algeria, and Morocco received the largest shares of their steel imports from Spain in 2017, at 34, 15, and 30 percent, respectively.

Long products accounted for the largest share of steel imports from Spain in both Portugal at 53 percent (546 thousand metric tons) and Algeria at 85 percent (566 thousand metric tons). Flat products accounted for 40 percent of Morocco's steel imports from Spain (200 thousand metric tons).

Spain's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Spain- 2016	Spain's Rank in 2016	Share of Imports from Spain - 2017	Spain's Rank in 2017
France	9.3%	4	10.0%	4
Germany	2.4%	11	2.3%	11
Portugal	33.6%	1	34.2%	1
Turkey	3.9%	7	4.8%	7
Algeria	23.3%	2	14.5%	4
United Kingdom	8.9%	3	8.5%	3
Italy	4.1%	8	4.3%	8
Morocco	16.1%	2	29.9%	1
United States	0.9%	18	1.2%	16
Belgium	2.0%	11	1.5%	14

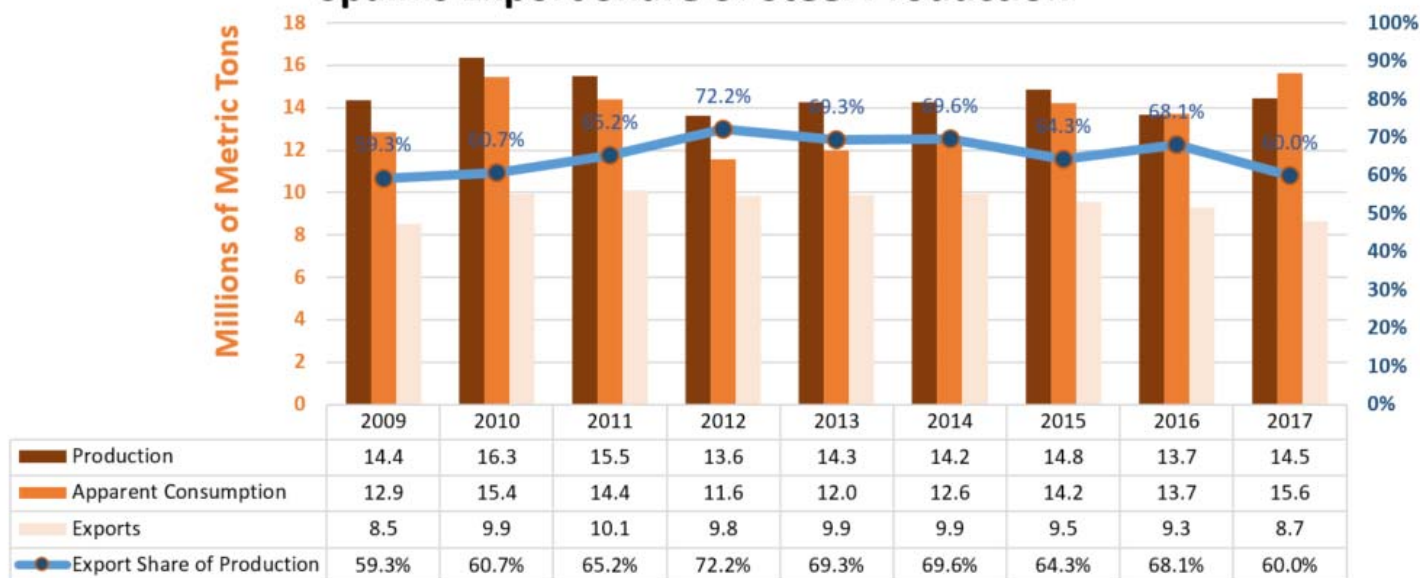
Source: IHS Markit Global Trade Atlas, based on import data per reporting country



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Overall Production and Export Share of Production

Spain's Export Share of Steel Production



Sources: World Steel Association; IHS Markit Global Trade Atlas

Spain's annual crude steel production has averaged slightly over 14 million metric tons in recent years. Production decreased by 8 percent between 2015 and 2016 to 13.7 million metric tons. Between 2016 and 2017, production increased 6 percent to 14.5 million metric tons. Apparent consumption (a measure of steel demand) has been outpaced by production since 2009, though in 2015 the gap between the two narrowed significantly, and in 2017, apparent consumption exceeded production. Spain's steel exports as a share of production increased to 68.1 percent in 2016 from 64.3 percent in 2015. Exports as a share of production decreased over 8 percentage points from 2016, to 60 percent in 2017.

Top Producers

According to Spain's steel association (Unión de Empresas Siderúrgicas [UNESID]), Spain has over 20 steel production facilities and 50 rolling mills. The five largest steel-producing companies account for a significant majority of Spain's steel output, with ArcelorMittal alone accounting for nearly half of production in 2017.

Spain's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal	7	Cold-rolled coil, hot-rolled coil, rails, wire rod
2	Acerinox Europa, S.A.U.	2.5	Stainless flat products, stainless long products
3	Cesla Group	2.4	Bars, reinforcing bars, wire rod, structural sections
4	Sidenor	1	Bars, wire rod, ingots, billets
5	Tubacex SA	N/A	Seamless tubes, stainless long products, fittings

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2014*; Spanish Steel Association (UNESID); 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 Spain and from the European Union, which includes Spain.

Steel Mill Trade Remedies in Effect Against Spain

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Australia	1			1
Canada	2			2
Dominican Republic	1			1
Mexico	2			2
South Korea	1			1
United States	1			1
TOTAL	8	0	0	8

Source: World Trade Organization, through December 31, 2017

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 December 31, 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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