



# Global Steel Trade Monitor

## Steel Exports Report: Ukraine

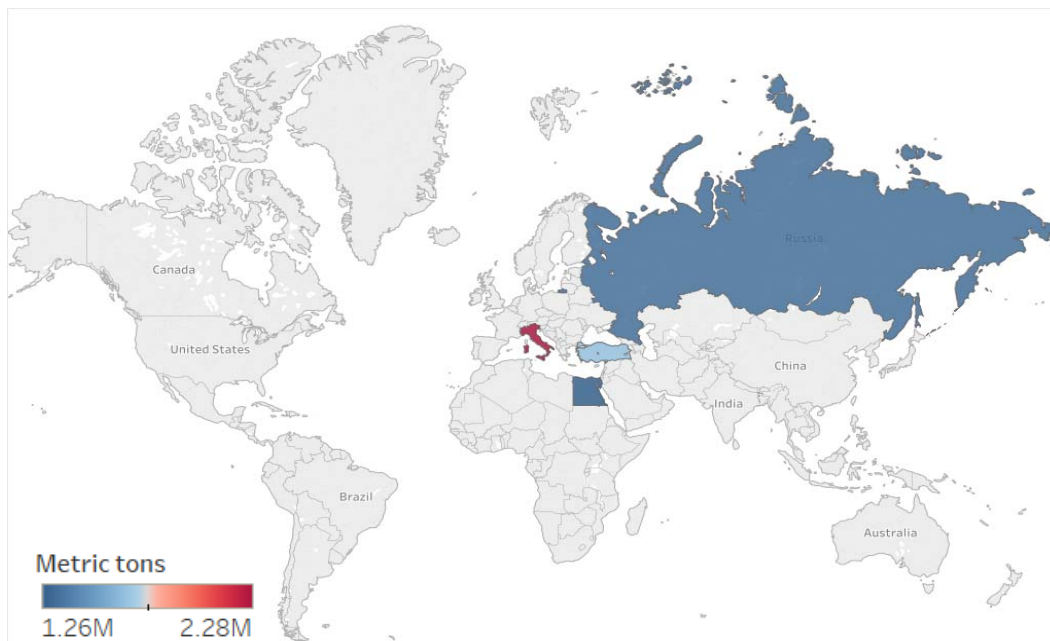
### Background

May 2018

Ukraine is the world's eleventh-largest steel exporter. In 2017, Ukraine exported 15.2 million metric tons of steel, a 17 percent decrease from 18.2 million metric tons in 2016. Ukraine's exports represented about 4 percent of all steel exported globally in 2016, based on available data. The volume of Ukraine's 2017 steel exports was roughly one-fifth the size of the largest exporter, China. In value terms, steel represented 17 percent of the total amount of goods Ukraine exported in 2017.

Ukraine exports steel to more than 120 countries and territories. The four countries highlighted in the map below represent the top markets for Ukraine's exports of steel, receiving more than one million metric tons each and accounting for 43 percent of Ukraine's steel exports in 2017.

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



Data Source: Global Trade Atlas; Copyright © IHS Global, Ltd., 2018. All rights reserved.

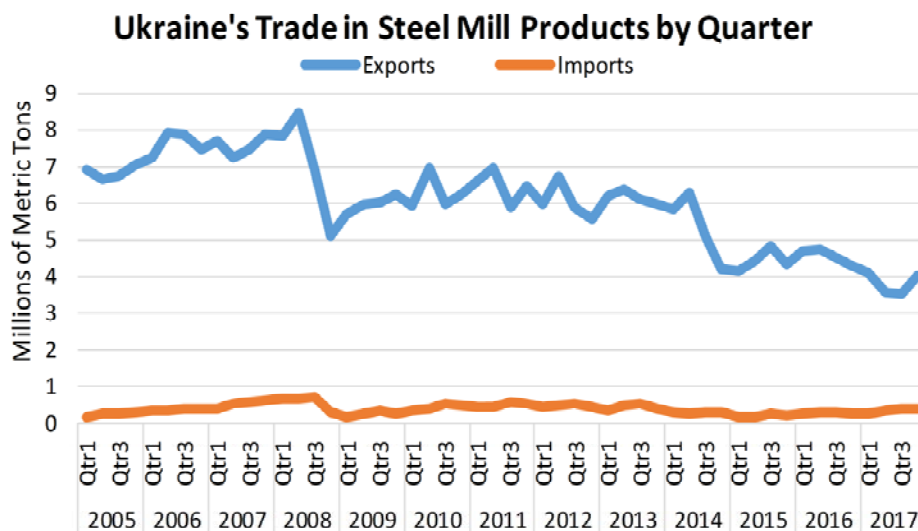
### Quick Facts:

- World's eleventh-largest steel exporter: 15.2 million metric tons (2017)
- 36% decline in steel exports between 2009-2017
- Year-on-year export volume down 17% while export value up 14%
- Exports as a share of production at 67.1% in 2017
- Top three markets: Italy, Turkey, Russia
- Largest producers: Metinvest Holding, ArcelorMittal Kryvyi Rih, ISD
- 25 trade remedies in effect in 12 countries involving steel mill imports from Ukraine

# Steel Exports Report: Ukraine

## Steel Trade Balance

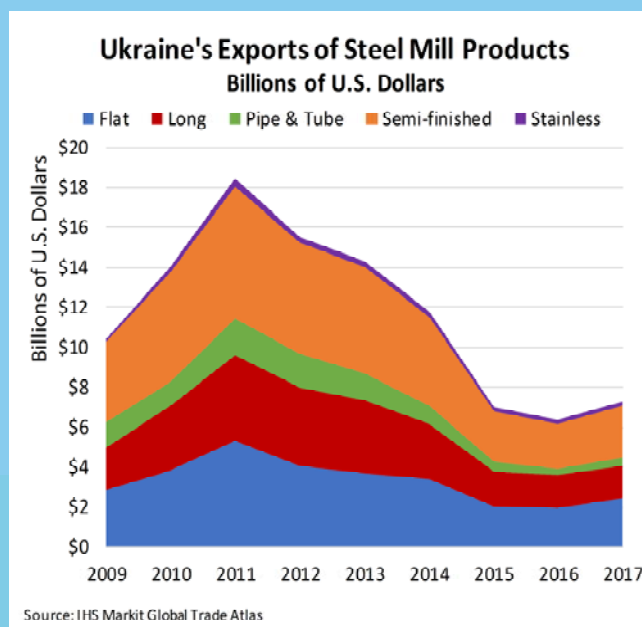
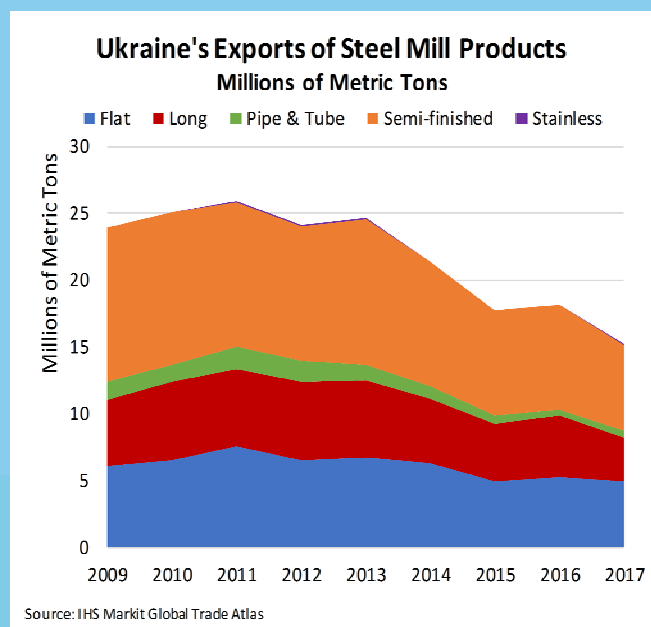
Over the past decade, Ukraine has maintained a trade surplus in steel mill products. Between 2009 and 2013, Ukraine's steel trade surplus averaged 23.1 million metric tons per year. Ukraine has seen a near steady decline in its steel trade balance between 2014 and 2017, falling an average of 2.3 million metric tons a year. Ukraine's steel trade surplus nonetheless stood at 13.8 million metric tons in 2017, down 19 percent from 17.1 million metric tons in 2016.



## Export Volume, Value, and Product

Since the most recent peak at 25.9 million metric tons in 2011, the volume of Ukraine's steel exports has been trending downwards. While exports in 2016 increased by 3 percent to 18.2 million metric tons from 17.8 million metric tons in 2015, between 2011 and 2017, exports decreased by 41 percent. By contrast, the value of Ukraine's 2017 exports increased by 14 percent from 2016, but they have decreased by 61 percent from 2011.

Semi-finished products accounted for the largest volume share of Ukraine's steel exports at 42 percent, or 6.4 million metric tons, in 2017. Flat products accounted for 33 percent, or 5 million metric tons, followed by long products at 21 percent (3.2 million metric tons), pipe and tube products at 4 percent (610 thousand metric tons), and stainless steel at 0.4 percent (55 thousand metric tons).



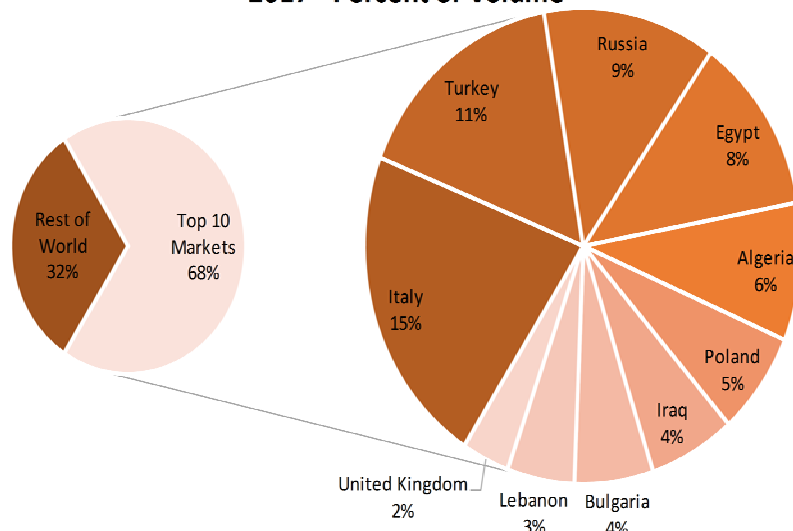
# Steel Exports Report: Ukraine

## Exports by Top Market

Exports to Ukraine's top 10 steel markets represented 68 percent of Ukraine's steel export volume in 2017 at 10.4 million metric tons (mmt). Italy received the largest share of Ukraine's exports with 15 percent (2.3 mmt), followed by Turkey at 11 percent (1.7 mmt), Russia at 9 percent (1.33 mmt), and Egypt at 8 percent (1.26 mmt).

At 258 thousand metric tons, the United States ranked 13th as a destination for Ukraine's steel exports in 2017, up 46 percent from 177 thousand metric tons in 2016.

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



Source: IHS Markit Global Trade Atlas

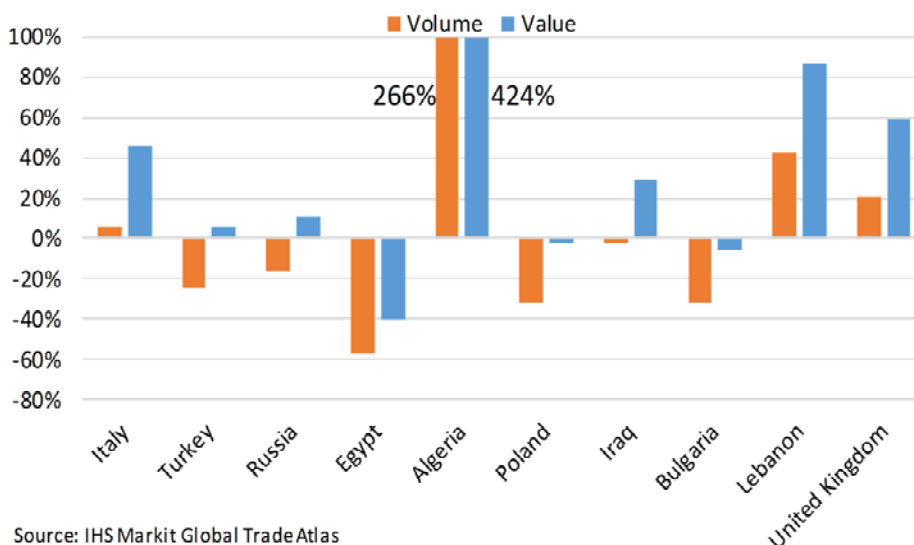
## Trends in Exports to Top Markets

While the volume of Ukraine's steel exports decreased to six of its top 10 steel export markets between 2016 and 2017, the overall value of Ukraine's steel exports increased to seven of the top 10 markets, reflecting the increase in global steel prices.

Ukraine's exports to Algeria showed the largest increase in value in 2017, up 424 percent from 2016, followed by Lebanon (up 87%), the United Kingdom (up 59%), and Italy (up 46%). Exports to Algeria, Lebanon, and the United Kingdom also saw the largest increases in volume terms, up 266 percent, 42 percent, and 21 percent, respectively.

Ukraine's export volumes to Egypt, Bulgaria, and Poland and showed the largest volume decreases in 2017 and were the only top 10 markets to see decreases in export value. Exports to Egypt were down 56 percent by volume and 40 percent by value, exports to Bulgaria were down 32 percent by volume and 6 percent by value, and exports to Poland were down 31 percent by volume and 2 percent by value.

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



Source: IHS Markit Global Trade Atlas

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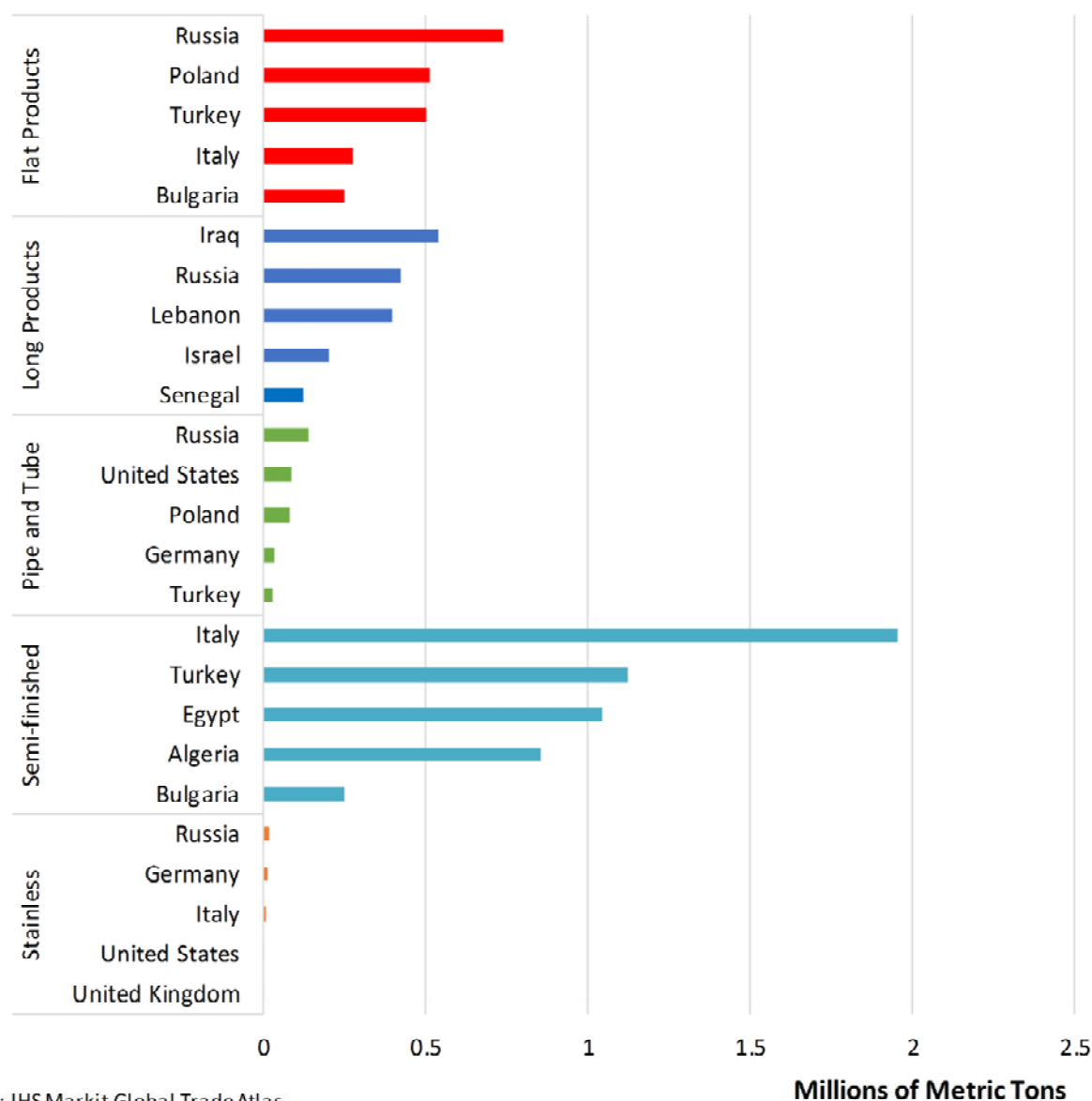
## Top Markets by Steel Product Category

Ukraine's top export markets by volume vary across types of steel products. In 2017, Russia received 15 percent of Ukraine's exports of flat products (741 thousand metric tons). Russia also received 23 percent of Ukraine's pipe and tube exports (142 thousand metric tons) and 32 percent of stainless steel exports (18 thousand metric tons).

Iraq received the largest share of long product exports at 17 percent (537 thousand metric tons) in 2017, followed by Russia at 13 percent (421 thousand metric tons). Italy received the largest share of Ukraine's semi-finished steel at 31 percent (2 million metric tons).

Pipe and tube and stainless were the only product categories for which the United States was a top-five export destination at 14 percent (88 thousand metric tons) and 8 percent (5 thousand metric tons), respectively.

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



Source: IHS Markit Global TradeAtlas

# Steel Exports Report: Ukraine

## Ukraine's Import Market Share in Top Destinations

Among Ukraine's top export destinations for which 2017 data are available, the import market share for Ukraine's steel products decreased notably in both Egypt (down 12 percentage points) and Bulgaria (down 9 percentage points). Italy, Turkey, Russia, Poland, and the United Kingdom all experienced small decreases in their share of imports from Ukraine. In contrast, the share of Algeria's imports from Ukraine rose significantly (up 16 percentage points).

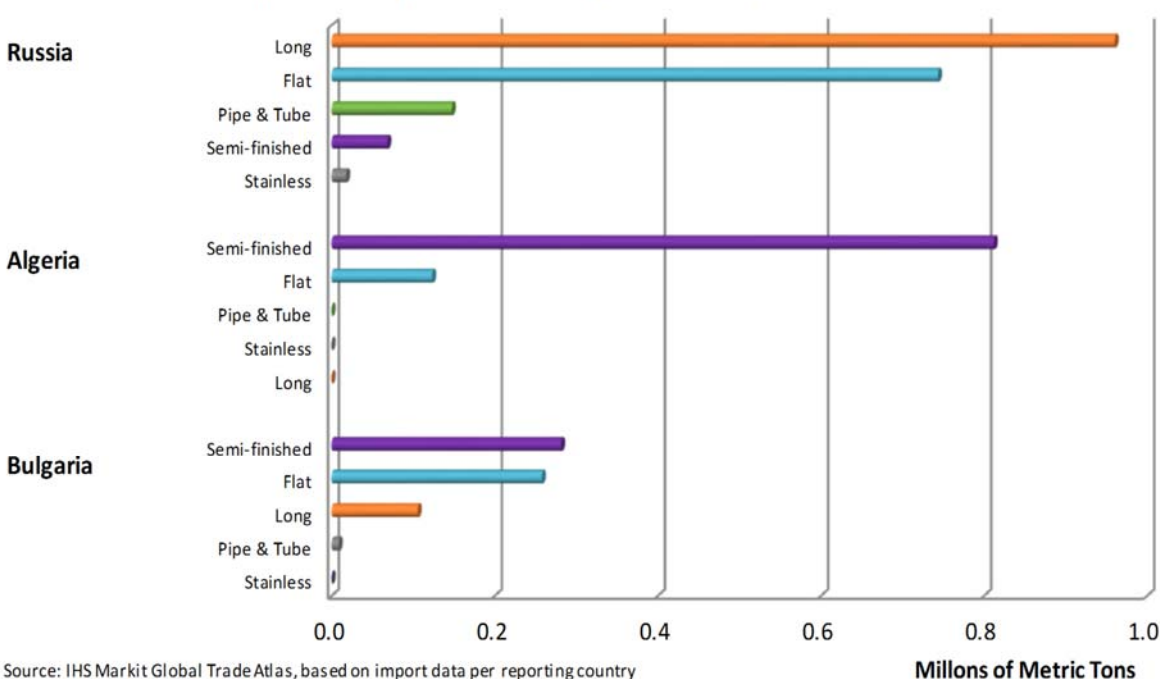
Among Ukraine's top export markets, Russia, Algeria and Bulgaria received a significant share of their steel imports from Ukraine at 30.5%, 20.4%, and 37.1%, respectively. In 2017, long products accounted for the largest share of steel imports from Ukraine in Russia (50% or 961 thousand metric tons), while semi-finished products accounted for the largest share in Algeria (87% or 812 thousand metric tons) and Bulgaria (43% or 282 thousand metric tons).

Ukraines's Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from Ukraine - 2016	Ukraine's Rank in 2016	Share of Imports from Ukraine - 2017	Ukraine's Rank in 2017
Italy	11.4%	2	11.1%	2
<b>Turkey</b>	<b>13.3%</b>	<b>3</b>	<b>10.6%</b>	<b>2</b>
Russia	35.6%	1	30.5%	1
<b>Egypt</b>	<b>28.0%</b>	<b>1</b>	<b>16.1%</b>	<b>2</b>
Algeria	4.4%	6	20.4%	1
<b>Poland</b>	<b>10.3%</b>	<b>2</b>	<b>6.8%</b>	<b>4</b>
Iraq*	N/A	N/A	N/A	N/A
<b>Bulgaria</b>	<b>46.0%</b>	<b>1</b>	<b>37.1%</b>	<b>1</b>
Lebanon*	N/A	N/A	N/A	N/A
<b>United Kingdom</b>	<b>5.0%</b>	<b>8</b>	<b>4.9%</b>	<b>8</b>

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

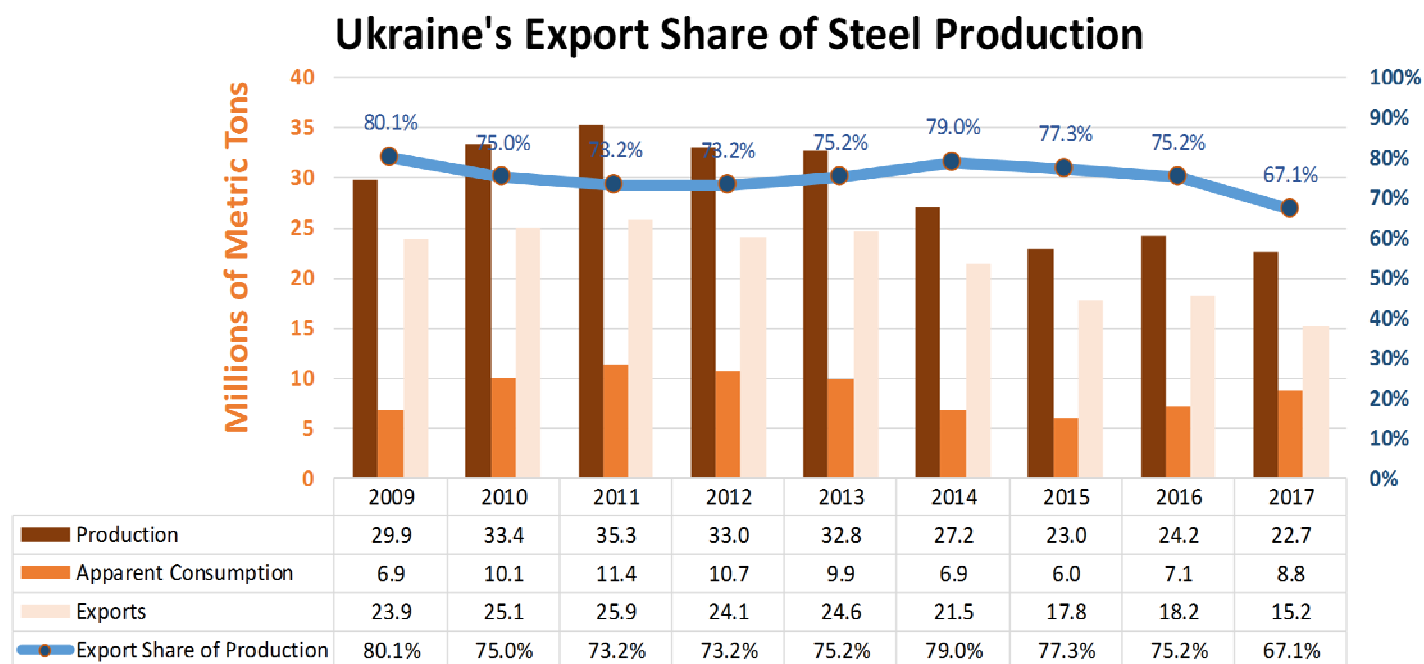
\*Iraq and Lebanon data unavailable

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



# Steel Exports Report: Ukraine

## Overall Production and Export Share of Production



Sources: World Steel Association; IHS Markit Global Trade Atlas

Ukraine's crude steel production increased by 18 percent between 2009 and 2011 before falling by 35 percent between 2011 and 2015. Following a slight increase in 2016, production in 2017 decreased by 6 percent to 22.7 million metric tons. Apparent consumption (a measure of steel demand) shrank in tandem with overall production between 2011 and 2015, but production has dwarfed demand by an average of 20.4 million metric tons since 2009. Demand in 2017 was up 24 percent from 2016 but still fell behind production by 13.8 million metric tons.

Following a 6.9 percentage point decrease in Ukraine's steel exports as a share of production between 2009 and 2012, that figure had rebounded 5.8 percentage points to 79 percent by 2014. Between 2014 and 2017, Ukraine's export share of production has decreased by nearly 12 percentage points.

## Top Producers

Ukraine's steel production is heavily concentrated in three major companies: Metinvest Holding, ArcelorMittal Kryvyi Rih, and ISD (50.2% owned by Metinvest). The top two steel producers together accounted for over 75 percent Ukraine's total steel production in 2017, based on available data.

Ukraine's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	Metinvest Holding	10	Hot-rolled, plate, billet, bars, rails, pipe
2	PJSC ArcelorMittal Kryvyi Rih	7.0	Rebar, wire rod, billets, bars, sections
3	ISD (Industrial Union of Donbass)	N/A	Hot-rolled, cold-rolled, plate, pipe

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



# Steel Exports Report: **Ukraine**

## 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 Ukraine.

Steel Mill Trade Remedies in Effect Against Ukraine				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Brazil	2			2
Canada	3			3
Egypt	1			1
Eurasian Economic Commission	5			5
European Union	2			1
India	1			1
Indonesia	1			1
Mexico	3			3
Pakistan	1			1
Taiwan	1			1
Thailand	1			1
United States	2		2	4
<b>TOTAL</b>	<b>23</b>	<b>0</b>	<b>2</b>	<b>25</b>

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

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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.

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**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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