



# Global Steel Trade Monitor

## Steel Imports Report: Canada

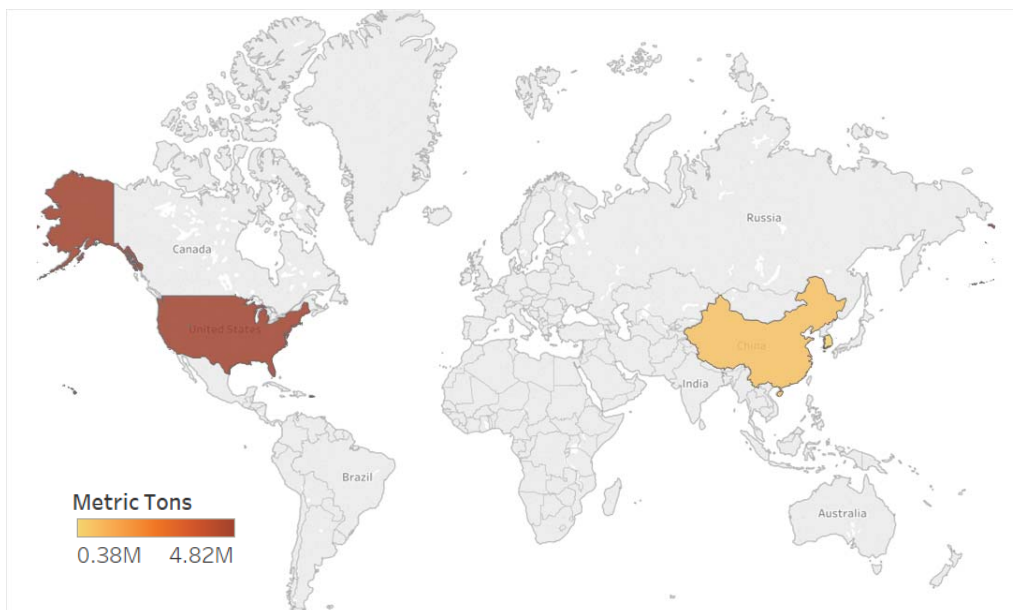
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### Background

Canada is the world's sixteenth-largest steel importer, down from ranking as the eighteenth-largest importer in 2016. In 2017, Canada imported 8.7 million metric tons of steel, a 13 percent increase from 7.7 million metric tons in 2016. Canada's imports represented about 3.4 percent of all steel imported globally in 2016, based on available data. The volume of Canada's 2017 steel imports was roughly a quarter the volume of the world's largest steel importer, the United States. In value terms, steel represented 2.1 percent of the total goods imported into Canada in 2017.

Canada imports steel from over 80 countries and territories. The three countries highlighted in the map below represent the top import sources for Canada's imports of steel, with each sending more than 350 thousand metric tons to Canada and together accounting for 69 percent of Canada's steel imports in 2017.

### Canada's Imports of Steel Mill Products - 2017



### Quick Facts:

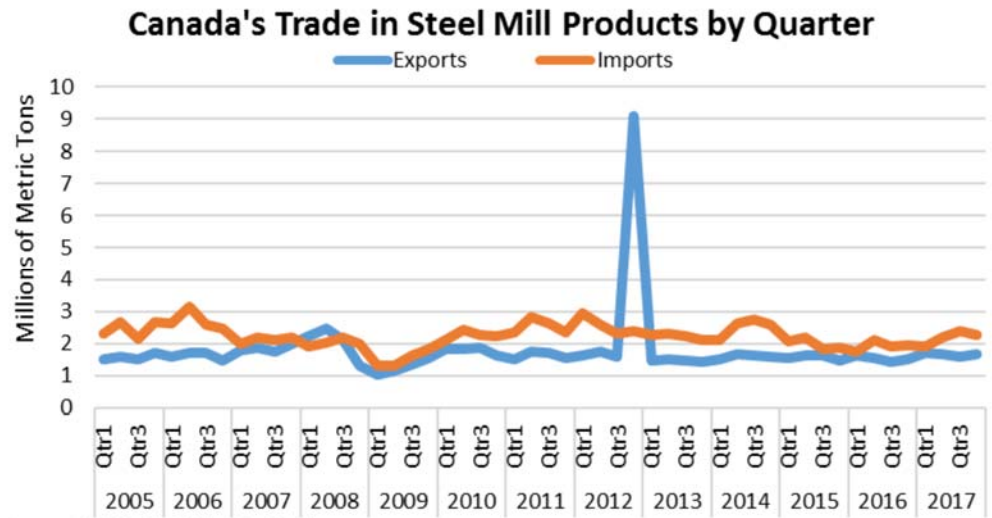
- World's 16th-largest steel importer: 8.7 million metric tons (2017)
- 44% steel import growth since 2009
- Year-on-year import volume up 13% while import value up 26%
- Import penetration at 55.6% in 2017
- Top three import sources: United States, China, South Korea
- Largest producers: ArcelorMittal, Essar Steel Algoma
- 60 trade remedies in effect against imports of steel mill products

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# Steel Imports Report: Canada

## Steel Trade Balance

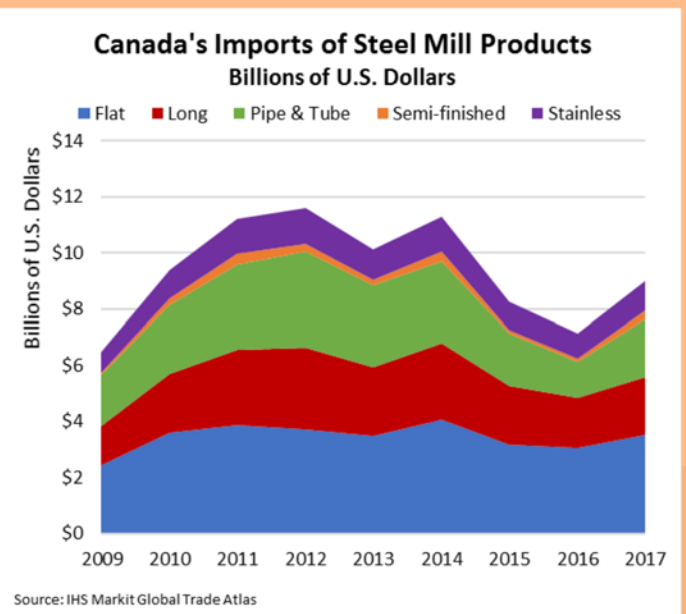
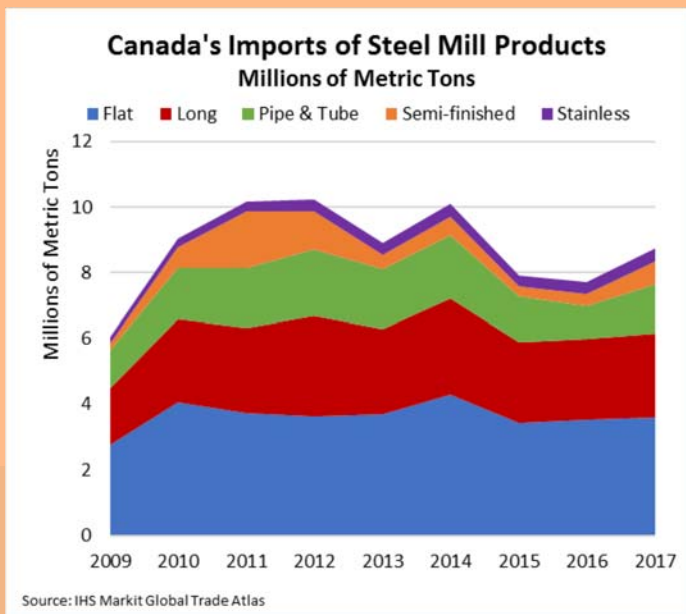
With the exception of three quarters, Canada has maintained a moderate trade deficit in steel products since 2005. Rising exports in the first half of 2008 and a spike in exports in Q4 2012 caused the deficit to briefly become a surplus. Since their recent low points in 2009, imports grew 44 percent by 2017, while exports grew 31 percent. In 2017, Canada's steel trade deficit amounted to -2.08 million metric tons — a 32 percent increase from -1.57 million metric tons in 2016.



## Import Volume, Value, and Product

The volume of Canada's steel imports has fluctuated in recent years. In 2016 imports totaled 7.7 million metric tons — a 3 percent decrease from 7.9 million metric tons in 2015. Imports grew by 13 percent in 2017 to 8.7 million metric tons. The value of Canada's 2017 steel imports grew by a greater amount, up 26 percent to \$9 billion from \$7.1 billion in 2016.

Flat products accounted for 41 percent of Canada's steel imports in 2017 — a total of 3.6 million metric tons. Long products accounted for 29 percent, or 2.6 million metric tons, of Canada's imports, followed by pipe and tube at 17 percent (1.5 million metric tons), semi-finished steel at 8 percent (713 thousand metric tons), and stainless products at 4 percent (372 thousand metric tons).

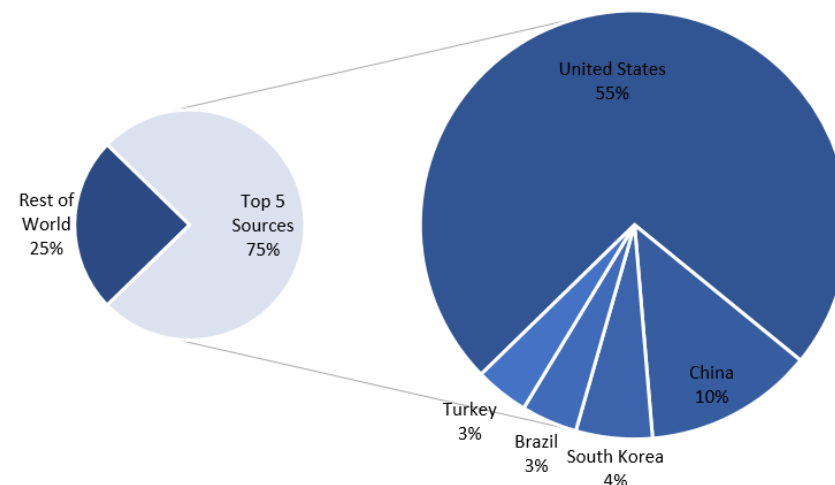


# Steel Imports Report: **Canada**

## Imports by Top Source

The top 5 source countries for Canada's steel imports represented 75 percent of Canada's total steel import volume in 2017 at 6.6 million metric tons (mmt). The United States by far accounted for the largest share of Canada's imports by source country at 55 percent (4.8 mmt), followed by China at 10 percent (0.8 mmt), South Korea at 4 percent (0.4 mmt), Brazil at 3 percent (0.3 mmt), and Turkey at 3 percent (0.3 mmt).

**Canada's Steel Imports - Top 5 Sources**  
2017 - Percent of Volume



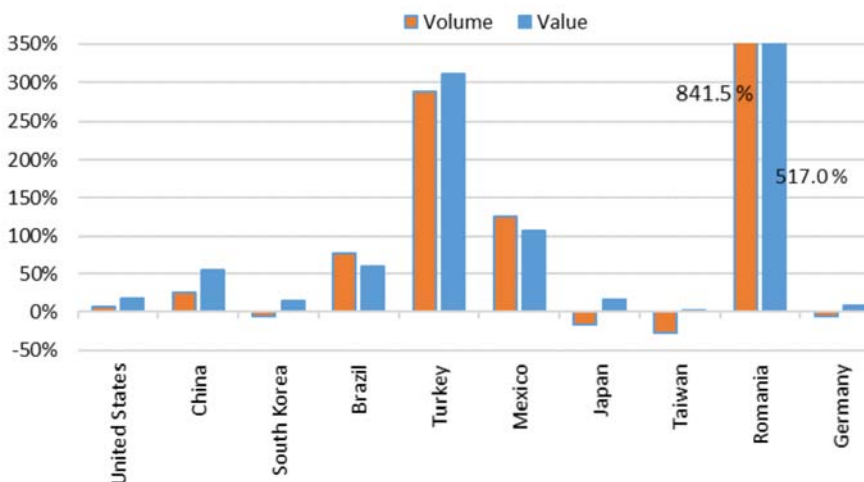
Source: IHS Markit Global Trade Atlas

Notably, while Canada's top source countries have shifted from year to year, the United States has ranked as Canada's top import source for steel products for more than 20 years.

## Trends in Imports from Top Sources

The volume of Canada's steel imports increased from six of Canada's top 10 steel import sources between 2016 and 2017. Canada's imports from Romania showed the largest increase in volume in 2017, up 842 percent, followed by Turkey (up 288%), Mexico (up 127%), Brazil (up 76%) and China (up 25%). Import volumes decreased in 2017 from Taiwan (down 27%) and Japan (down 16%).

**Percent Change in Imports from Top 10 Sources (2016 to 2017)**



Source: IHS Markit Global Trade Atlas

In value terms, Canada's imports all of its top ten sources increased. Imports from 9th-ranked Romania saw the greatest increase in value over 2016 at 517 percent. Other significant increases were seen for imports from Turkey (up 311%), Mexico (up 108%), Brazil (up 59%), and China (up 55%).

Outside of the top 10 sources, other significant volume changes included Canada's imports from Malaysia (up 435% from 2016), United Arab Emirates (up 683%), and Singapore (up 10115%).

# Steel Imports Report: **Canada**

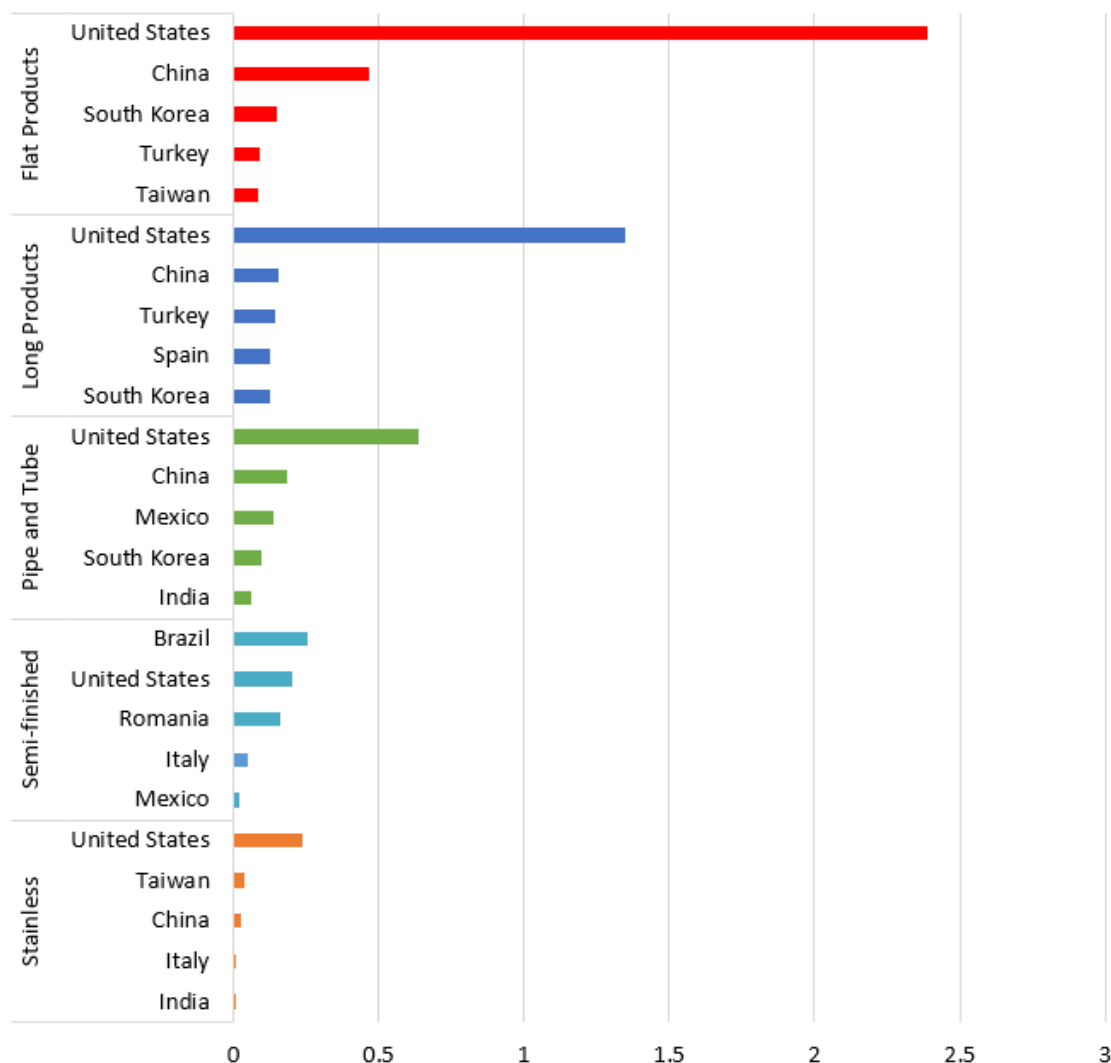
## Top Sources by Steel Product Category

The top source countries for Canada's imports by volume vary across types of steel products, though the United States held the top spot for imports in four of the five product categories. Additionally, the United States accounted for more than 40 percent of Canada's imports in four of five categories.

In flat products, the United States accounted for 66 percent of Canada's imports (2.4 million metric tons) in 2017. Imports from the United States accounted for 53 percent of Canada's long product imports (1.4 million metric tons), 43 percent of pipe and tube imports (635 thousand metric tons), and 64 percent of stainless imports (239 thousand metric tons).

In 2017, Brazil moved into the top spot for imports of semi-finished steel, providing 36 percent (258 thousand metric tons). The United States was Canada's second largest supplier of semi-finished imports in 2017 at 29 percent or 205 thousand metric tons.

**Canada's Top 5 Import Sources by Product - 2017**



Source: IHS Markit Global Trade Atlas

# Steel Imports Report: Canada

## Canada's Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to Canada from its top import sources increased slightly in the majority of sources. The share of Romania's steel exports to Canada showed the largest increase (up 5.2 percentage points), followed by Mexico (up 2.3 percentage points). The export share to Canada from China, South Korea, and Brazil all increased by less than one

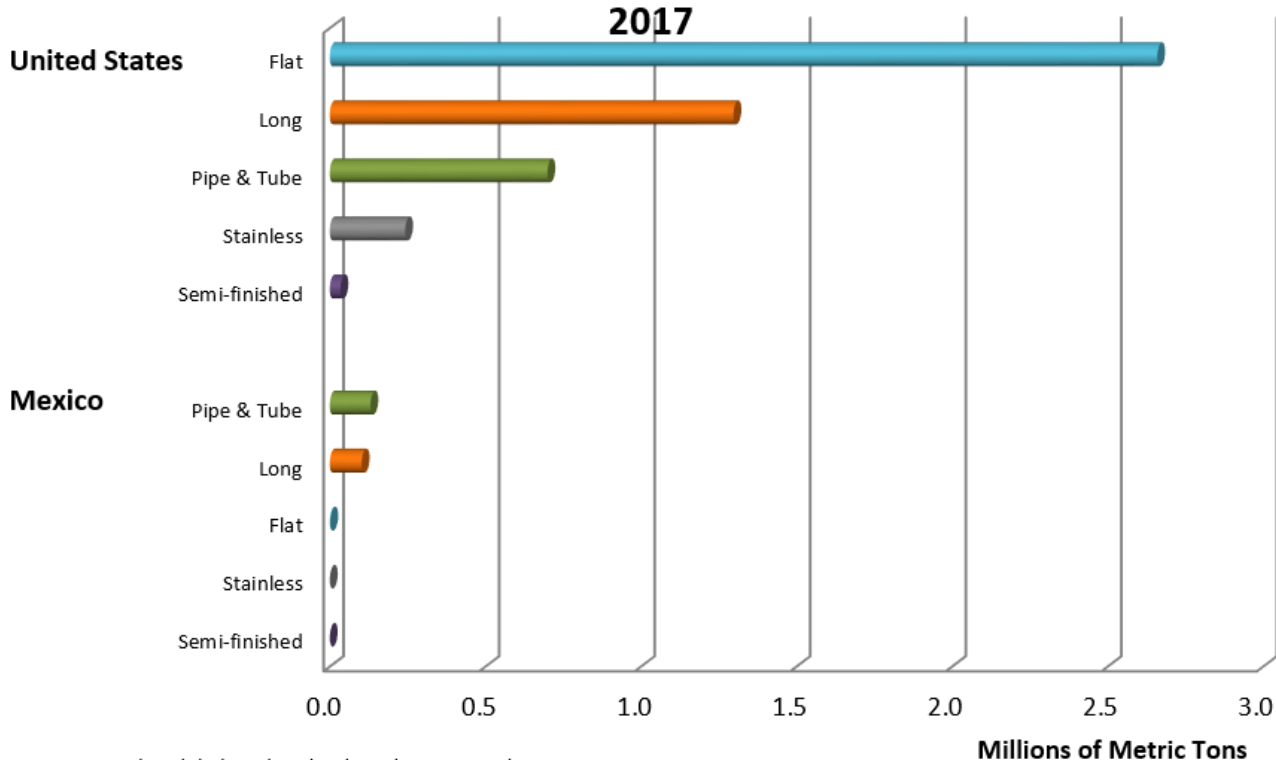
Canada's Steel Export Market Share				
Top 10 Import Sources (2017)	Share of Exports to Canada - 2016	Canada's Rank in 2016	Share of Exports to Canada - 2017	Canada's Rank in 2017
United States	50.2%	1	49.3%	1
<b>China</b>	<b>0.6%</b>	<b>33</b>	<b>1.3%</b>	<b>20</b>
South Korea	1.0%	19	1.2%	16
<b>Brazil</b>	<b>1.6%</b>	<b>17</b>	<b>1.9%</b>	<b>15</b>
Turkey	0.5%	37	2.2%	11
<b>Mexico</b>	<b>2.4%</b>	<b>3</b>	<b>4.7%</b>	<b>4</b>
Japan	0.5%	23	0.4%	21
<b>Taiwan</b>	<b>2.0%</b>	<b>12</b>	<b>1.3%</b>	<b>19</b>
Romania	0.8%	18	6.1%	6
<b>Germany</b>	<b>0.6%</b>	<b>25</b>	<b>0.6%</b>	<b>23</b>

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

percentage point. The United States saw the largest decrease in the share of steel exports to Canada, down 1 percentage point, while export shares for Japan, Taiwan, and Germany all decreased by less than 0.7 percentage point.

Among Canada's top import sources, the United States and Mexico sent the largest shares of their total steel exports to Canada at 49.3 and 4.7 percent, respectively. In 2017, flat products accounted for 54 percent (2.7 million metric tons) of the United States' steel exports to Canada, while pipe & tube products accounted for 55 percent (131 thousand metric tons) of Mexico's exports to Canada.

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



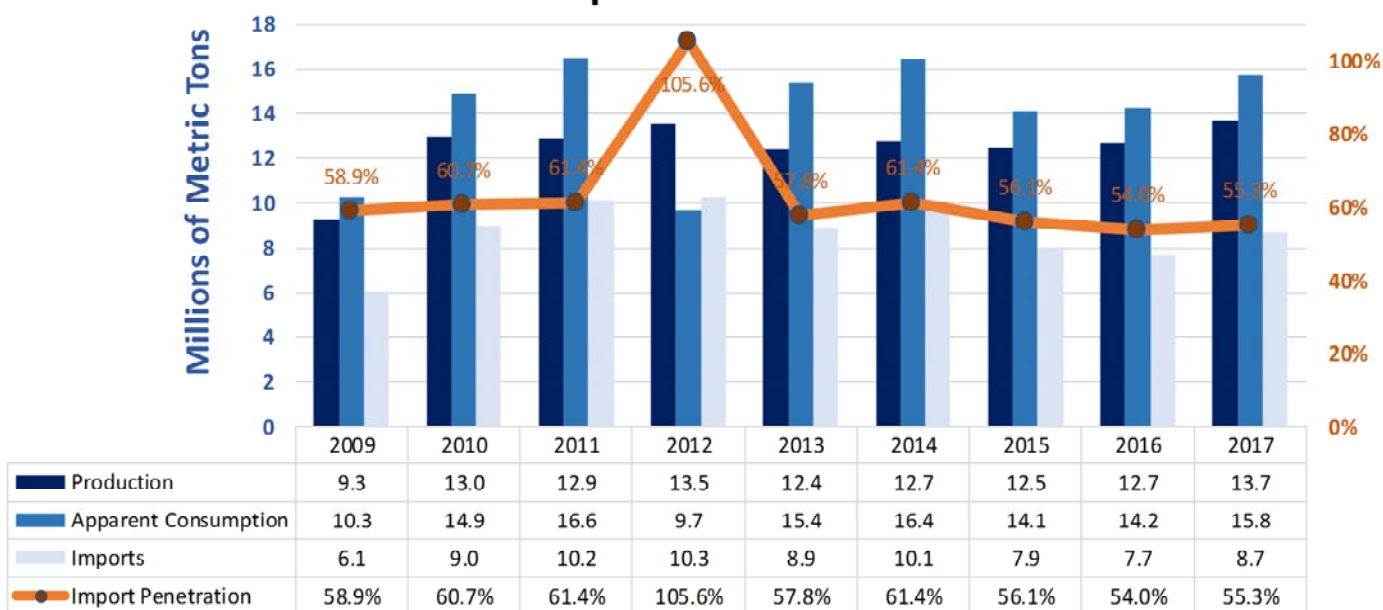
Source: IHS Markit Global Trade Atlas, based on import data per reporting country



# Steel Imports Report: Canada

## Overall Production and Import Penetration

### Canada's Import Penetration



Sources: World Steel Association; IHS Markit Global Trade Atlas

Canada's crude steel production was up 8 percent to 13.7 million metric tons from 12.7 million metric tons in 2016. Apparent consumption (a measure of steel demand) has outpaced production for much of the period, excluding 2012 when a spike in exports pushed demand down. The gap between demand and production narrowed significantly in 2015, to 1.6 million metric tons. In 2017 this gap increased slightly to 2.1 million metric tons. Import penetration averaged close to 60 percent between 2009 and 2017, with the exception of 2012 as demand dropped due to a jump in exports. Import penetration increased slightly in 2017 by 1.3 percentage points to 55.3 percent.

### Top Producers

Steel production in Canada is dominated by foreign-owned companies as many domestically-owned firms were purchased by steel companies from outside of Canada. The largest producer, Luxembourg-based ArcelorMittal, alone accounts for roughly half of Canadian steel production through its two subsidiaries, ArcelorMittal Dofasco and ArcelorMittal Long Products Canada.

### Canada's Top Steel Producers

Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal Dofasco	4.5	Hot-rolled sheet, cold-rolled sheet, galvanized
2	ArcelorMittal Long Products Canada	2	Semi-finished, reinforcing bars, bars, wire rod, wire
3	Essar Steel Algoma	2.8 (capacity)	Hot-rolled sheet, cold-rolled sheet, plates
4	Evraz	N/A	Plate, coil, OCTG
5	Gerdau	N/A	Long products
6	U.S. Steel Canada	N/A	Hot-rolled sheet, cold-rolled sheet, galvanized

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

# Steel Imports Report: **Canada**

## 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 Canada has in

place on imports of steel mill products from various countries. Canada has no steel mill safeguards in effect.

<b>Canada's Trade Remedies in Effect on Steel Mill Imports</b>				
<b>Country</b>	<b>AD</b>	<b>CVD</b>	<b>Suspension Agreements and Undertakings</b>	<b>Total</b>
Belarus	1			1
Brazil	2			2
Bulgaria	1			1
China	10	8		18
Czech Republic	1			1
Denmark	1			1
Hong Kong, China	1			1
India	2	2		4
Indonesia	2			2
Italy	1			1
Japan	3			3
Oman	1			1
Philippines	1			1
Portugal	1			1
Romania	1			1
South Korea	6			6
Spain	2			2
Taiwan	3			3
Thailand	2			2
Turkey	3			3
Ukraine	3			3
United Arab Emirates	1			1
Vietnam	1			1
<b>TOTAL</b>	<b>50</b>	<b>10</b>	<b>0</b>	<b>60</b>

Source: World Trade Organization, through June 30, 2017

# Steel Imports 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/>.



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

**Steel Import Monitoring and Analysis**  
1401 Constitution Ave., NW, Room 21006  
Washington, D.C. 20230

T 202.482.2105

F 202.501.1377

Email [ECCGlobalSteelStats@trade.gov](mailto:ECCGlobalSteelStats@trade.gov)

[trade.gov/steel](http://trade.gov/steel)