



Global Steel Trade Monitor

Steel Imports Report: France

April 2018

Background

France is the world's fifth-largest steel importer. In 2017, France imported 14.9 million metric tons of steel, a 2 percent increase from 14.6 million metric tons in 2016. France's imports represented about 4 percent of all steel imported globally in 2016, based on available data. The volume of France's 2017 steel imports was slightly over half that of Europe's largest and the world's second-largest importer, Germany, and slightly less than half of the United States, the world's largest steel importer. In value terms, steel represented just 2 percent of the total goods imported into France in 2017.

France imports steel from over 75 countries and territories. The seven countries highlighted in the map below represent the top sources for France's imports of steel, with each sending more than 500 thousand metric tons to France and together accounting for 90 percent of France's steel imports in 2017.

France's Imports of Steel Mill Products - 2017



Quick Facts:

- World's 5th-largest steel importer: 14.9 million metric tons (2017)
- 33% steel import growth since 2009
- Year-on-year import volume up 2% while import value up 24%
- Import penetration at 94.7% in 2017
- Top three import sources: Belgium, Germany, Italy
- Largest producers: ArcelorMittal, RIVA Group, CELSA
- 33 European Union trade remedies in effect against imports of steel mill products

Steel Imports Report: France

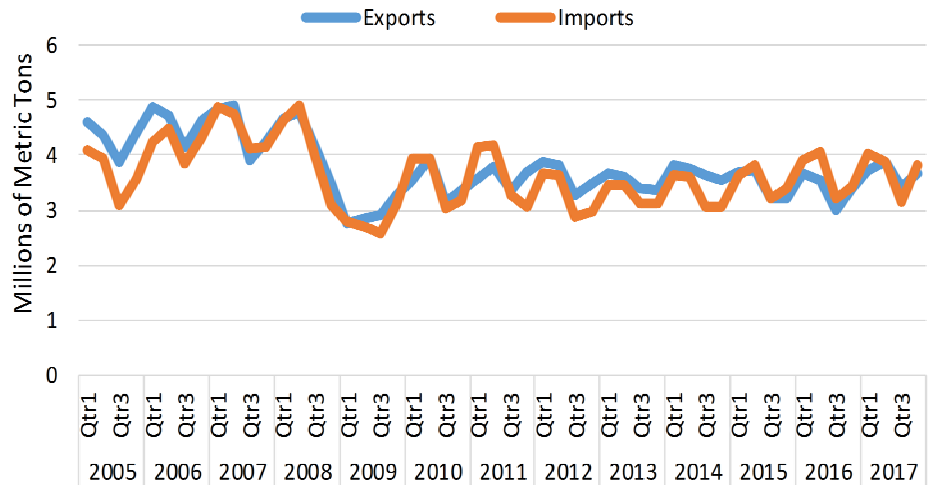
Steel Trade Balance

France's steel imports and exports have risen and fallen mostly in tandem since 2005. After falling in 2009, imports and exports have increased by 33 percent and 24 percent, respectively.

France maintained an annual trade surplus between 2005 and 2009 and experienced annual trade deficits in 2010 and 2011 at -74 thousand metric tons and -254 thousand metric tons, respectively.

Between 2012 and 2014, France was again a net steel exporter averaging a 1.2 million metric ton surplus over the three years. The steel trade deficit re-emerged in 2015, and continued through 2017 when the deficit reached 204 thousand metric tons.

France's Trade in Steel Mill Products by Quarter



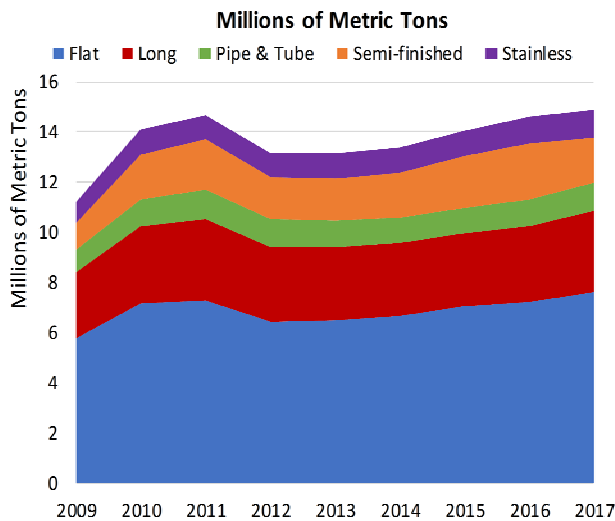
Source: IHS Markit Global Trade Atlas

Import Volume, Value, and Product

Since 2012, the volume of France's imports of steel mill products has been relatively flat. In 2017, France's steel imports totaled 14.9 million metric tons, up 2 percent from 2016 and up 13 percent from 2012. The value of France's steel imports has decreased every year since 2012 but increased in 2017. Import value decreased by 8 percent to \$10.2 billion in 2016 from \$11.2 billion in 2015. However, import value increased by 24 percent in 2017 to \$12.7 billion from 2016.

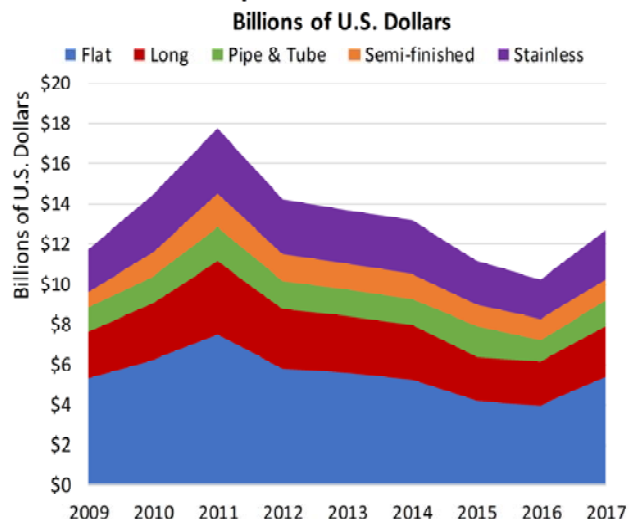
Flat products accounted for slightly more than half of France's steel imports in 2017 — a total of 7.6 million metric tons. Long products accounted for 22 percent of imports (3 million metric tons), followed by semi-finished at 12 percent (1.8 million metric tons), pipe and tube products at 8 percent (1.1 million metric tons), and stainless steel at 7 percent (1 million metric tons).

France's Imports of Steel Mill Products



Source: IHS Markit Global Trade Atlas

France's Imports of Steel Mill Products



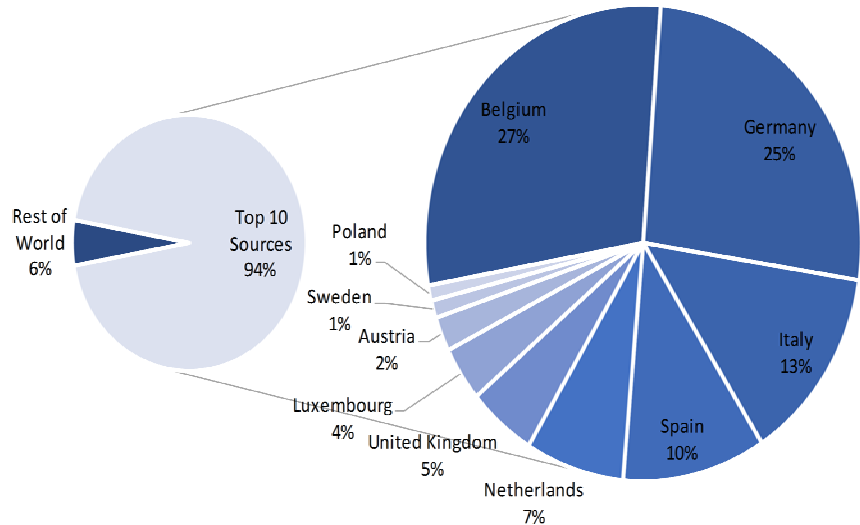
Source: IHS Markit Global Trade Atlas

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Imports by Top Source

The top 10 source countries for France's steel imports represented 94 percent of the total steel import volume in 2017 at 14 million metric tons (mmt). Belgium accounted for the largest share of France's imports by source country at 27 percent (4.1 mmt), followed by Germany at 25 percent (3.7 mmt), Italy at 13 percent (1.9 mmt), Spain at 10 percent (1.5 mmt), and the Netherlands at 7 percent (1 mmt).

France's Steel Imports - Top 10 Sources
2017 - Percent of Volume



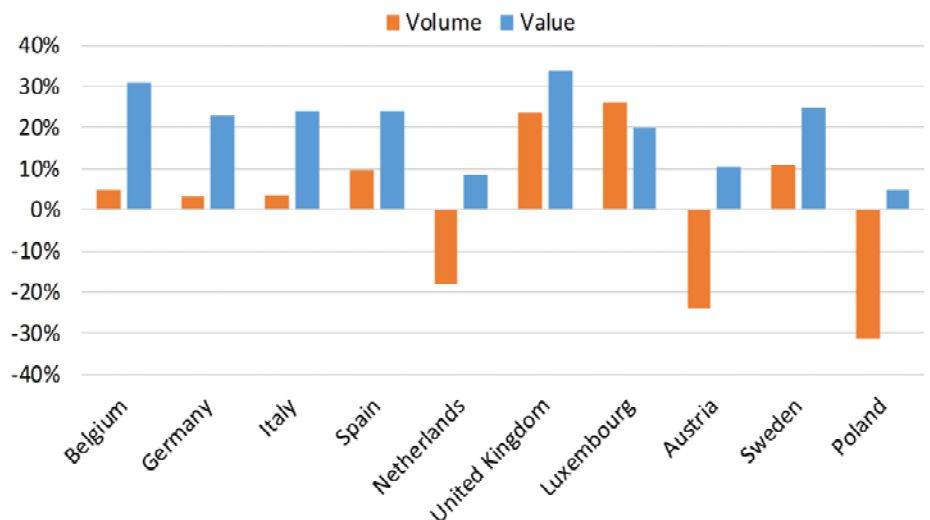
The United States ranked 32nd as a source for France's steel imports, representing just 0.03 percent of France's imports (4.7 thousand metric tons) in 2017.

Trends in Imports from Top Sources

Both the volume and value of France's steel imports increased from nearly all of France's top 10 steel import sources between 2016 and 2017. France's imports of steel products increased in value from all of its top 10 import sources in 2017 including France's imports from the United Kingdom (up 34%), Belgium (up 31%), Sweden (up 25%) Italy (up 24%), Spain (up 24%) and Germany (up 23%). Imports from Poland showed the smallest increase in value (up 5%).

France's imports in volume terms increased in seven of its top 10 sources with the largest increase from Luxembourg (up 26%). This was followed by the United Kingdom (up 24%), and Sweden (up 11%). France's imports from Poland, Austria and the Netherlands showed the only decreases in volume of 31 percent, 24 percent, and 18 percent, respectively.

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



Source: IHS Markit Global Trade Atlas

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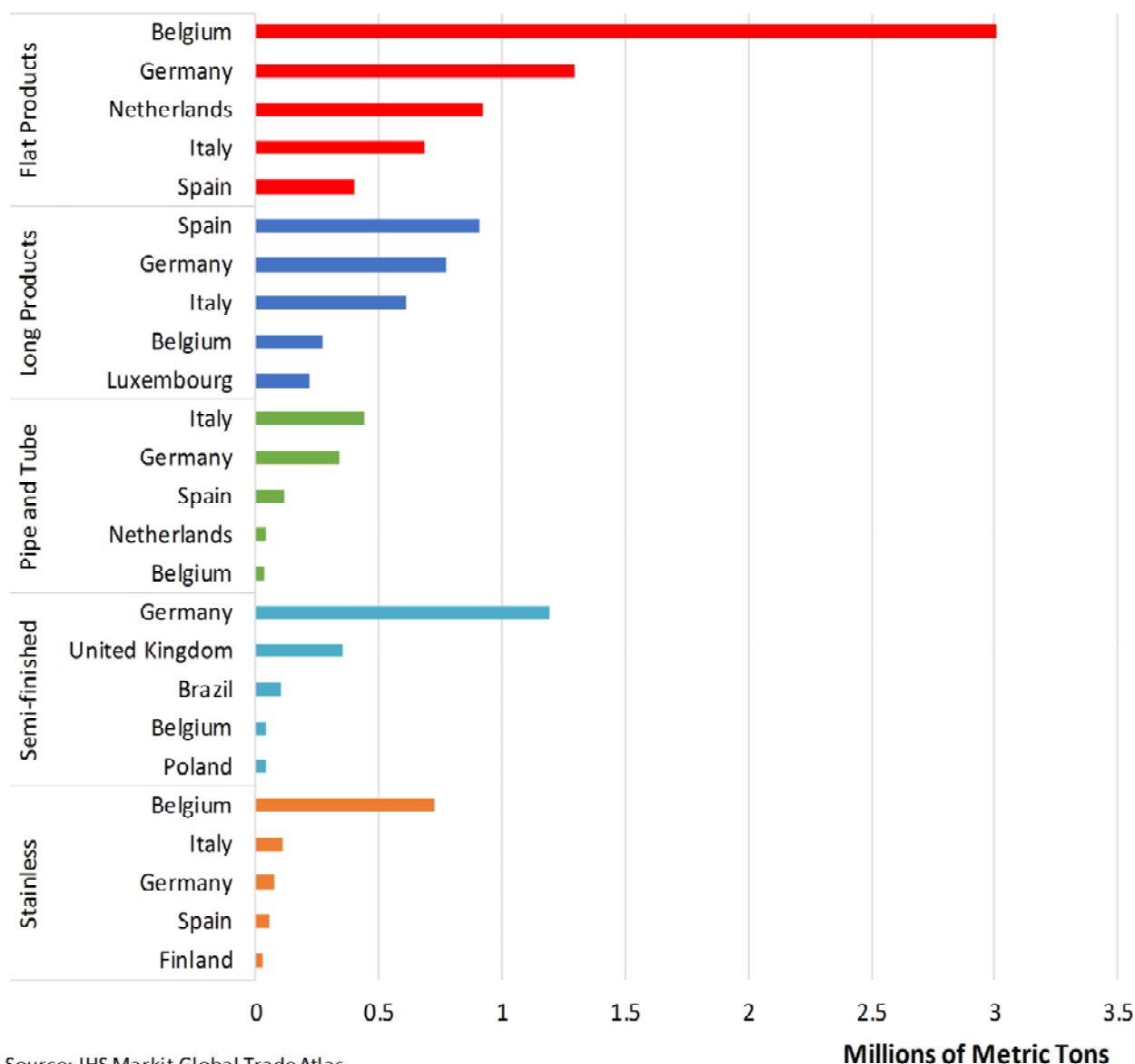
Top Sources by Steel Product Category

The top source countries for France’s imports by volume vary across types of steel products. In 2017, Belgium accounted for the largest share of France’s imports of flat products at 40 percent (3 million metric tons) and stainless products at 67 percent (730 thousand metric tons).

Spain represented the largest share of France’s long product imports at 28 percent (912 thousand metric tons), while Italy represented the largest share of pipe and tube imports at 39 percent (442 thousand metric tons). France imported 66 percent, or 1.2 million metric tons, of semi-finished products from Germany in 2017.

The United States was not a top import source for any product category.

France's Top 5 Import Sources by Product - 2017



Source: IHS Markit Global Trade Atlas

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France's Export Market Share from Top Source Countries

In 2017, the change in the share of steel exports sent to France from its top import sources was mixed, with 6 of ten import sources seeing decreases. The share of the Netherlands steel exports to France showed the largest decrease (down 1.5 percentage points from 2016), followed by Poland (down 1.45 percentage points).

The share of exports to France in Belgium, Germany, Italy, and Austria decreased by less than one percentage point each. The share of the United Kingdom's steel exports to France showed the largest increase (up 2.6 percentage points), followed by Spain (up 2.5 percentage points).

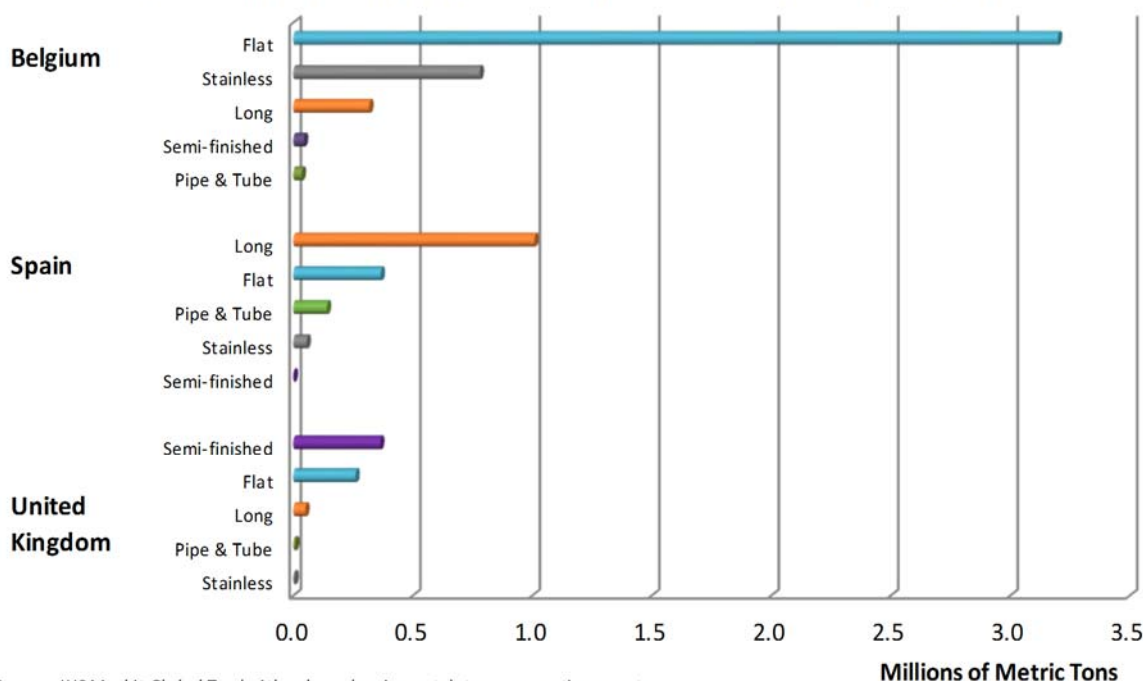
Among France's top import sources, Belgium, Spain and the United Kingdom sent the largest shares of their total steel exports to France in 2017.

France's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to France - 2016	France's Rank in 2016	Share of Exports to France - 2017	France's Rank in 2017
Belgium	25.1%	2	24.2%	2
Germany	13.7%	1	13.2%	1
Italy	10.7%	2	10.6%	2
Spain	15.7%	1	18.2%	1
Netherlands	9.2%	3	7.7%	3
United Kingdom	13.4%	1	16.0%	1
Luxembourg	9.9%	3	10.2%	2
Austria	3.3%	6	3.1%	8
Sweden	3.2%	11	3.5%	11
Poland	4.1%	7	2.6%	7

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

Flat products accounted for the largest share of steel exports to France from Belgium at 73 percent (3.2 million metric tons). Long products accounted for the largest share of Spain's steel exports to France at 64 percent (1 million metric tons), and semi-finished products represented the largest share of the United Kingdom's steel exports to France at 53 percent (364 thousand metric tons).

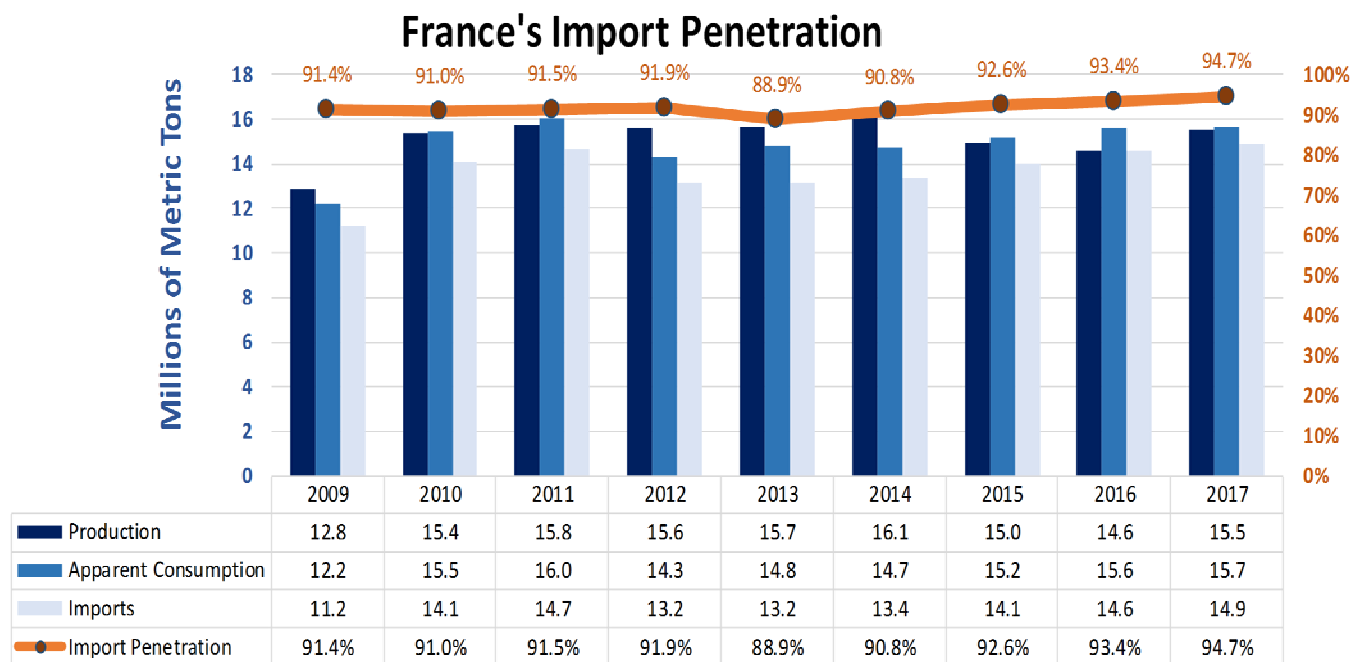
Steel Export Composition of Top Market-Share Countries - 2017



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

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Overall Production and Import Penetration



Sources: World Steel Association; IHS Markit Global Trade Atlas

France's crude steel production increased fairly steadily between 2009 and 2014. France's crude steel production increased 6 percent in 2017 to 15.5 million metric tons. Apparent consumption (a measure of steel demand) has tracked relatively closely to production, though it outpaced production by 1 million metric tons in 2016 and less than 200 thousand metric tons in 2017. France's level of import penetration has been slowly increasing since 2013 and increased by 1.3 percentage points in 2017 to 94.7 percent. Despite higher import penetration levels, France exported a similar percentage of its production, which helped to keep demand in line with production.

Top Producers

France's steel production is heavily concentrated among a handful domestic and foreign-owned companies and is dominated by ArcelorMittal, a leading player in the global steel market and the country's largest producer with an estimated production capacity of 16.5 million metric tons, based on available data.

France's Top Steel Producers			
Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal	10	Slab, hot-rolled coil, sheets, galvanized, bars
2	Riva Acier	2.6 (est. capacity)	Billets, bars, rebar, wire, wire rod
3	CELSA	0.6	Billets
4	Vallourec	N/A	Pipe and tube, bars, stainless
5	Eramet (Aubert & Duval and Erasteel)	N/A	Semi-finished, bars, sheets, coils

Sources: Fédération Française de l'Acier; Metal Bulletin, *Iron & Steel Works of the World Directory 2017*; 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 table below provides statistics on the current number of trade remedies the European Union, which includes France, has against imports of steel mill products from various countries. The European Union has no steel mill safeguards in effect.

European Union Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Belarus	2			2
Brazil	1			1
China	13	2		15
India	1	2		3
Iran	1			1
Japan	1			1
Russia	5		1	6
South Korea	1		1	2
Taiwan	1			1
Ukraine	2			2
United States	1		1	2
TOTAL	29	4	4	33

Source: World Trade Organization, through December 31, 2017

Steel Imports 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 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

trade.gov/steel