

Global Steel Trade Monitor

Steel Exports Report: France

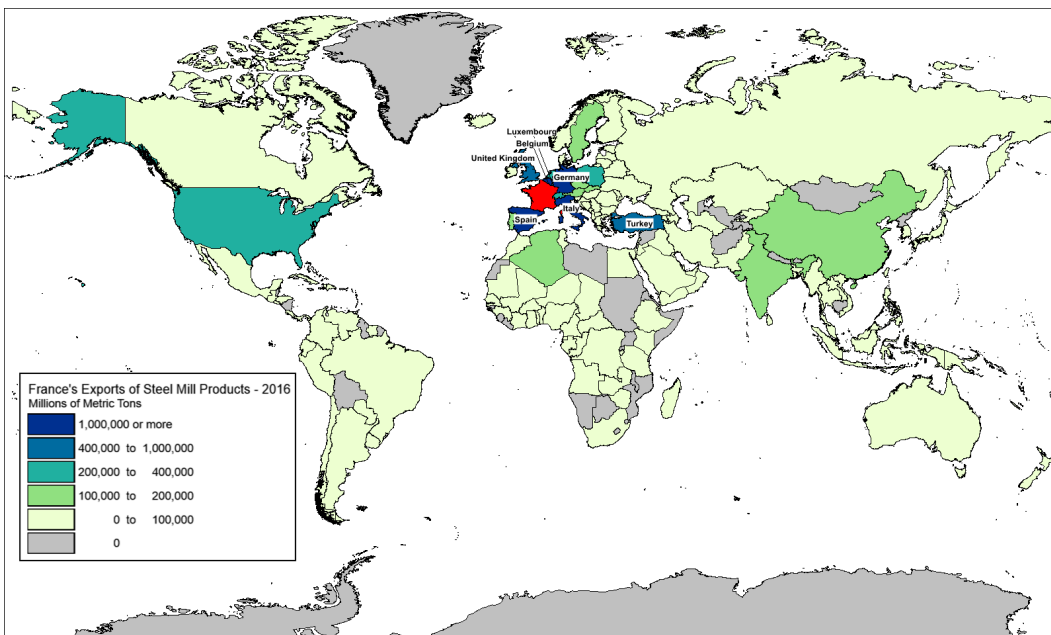
July 2017

Background

France is the world's tenth-largest steel exporter. In year-to-date 2017 (through March), further referred to as YTD 2017, France exported 3.7 million metric tons of steel, a 1 percent increase from 3.66 million metric tons in YTD 2016. France's exports represented about 3 percent of all steel exported globally in 2016. The volume of France's 2016 steel exports was just below that of the ninth-largest exporter, Turkey, and only 13 percent of the volume of the world's largest exporter, China. In value terms, steel represented just 2.2 percent of the total goods France exported in 2016.

France exports steel to more than 145 countries and territories. The seven countries labeled in the map below represent the top markets for France's exports of steel, receiving more than 400 thousand metric tons each and accounting for 76 percent of France's steel exports in 2016.

France's Exports of Steel Mill Products - 2016



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

Quick Facts:

- World's tenth-largest steel exporter: 3.7 million metric tons (YTD 2017)
- 27% growth in steel exports since Q3 2009
- YTD export volume up 1% while export value up 9%
- Top three markets: Germany, Spain, Belgium
- Exports as a share of production at 94.9% in YTD 2017
- Largest producers: ArcelorMittal, Riva Acier
- 1 trade remedy in effect involving steel mill imports from France; 6 trade remedies in effect involving steel mill imports from the European Union

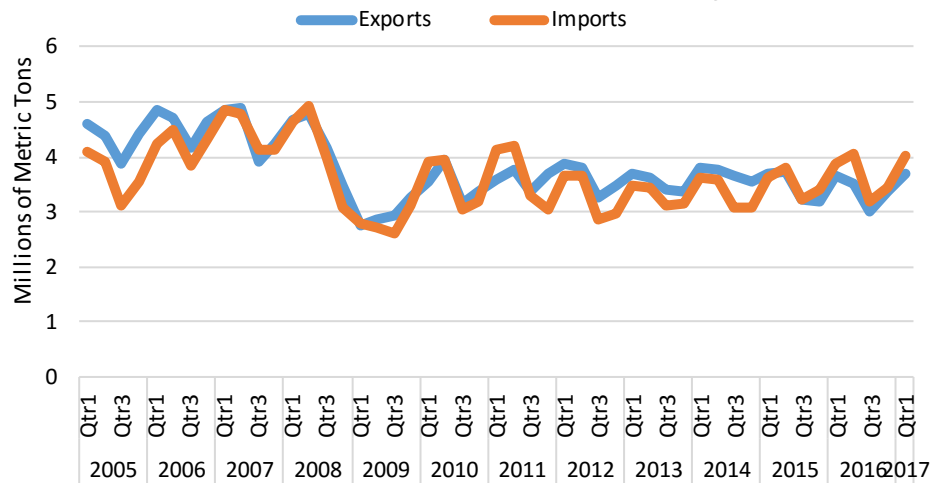
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Steel Trade Balance

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 55 percent and 27 percent, respectively, between Q3 2009 and Q1 2017. France maintained an annual trade surplus between 2005 and 2009 and experienced annual trade deficits in 2010 and 2011. 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 has continued into 2017 — a total of -330 thousand metric tons in YTD 2017.

France's Trade in Steel Mill Products by Quarter



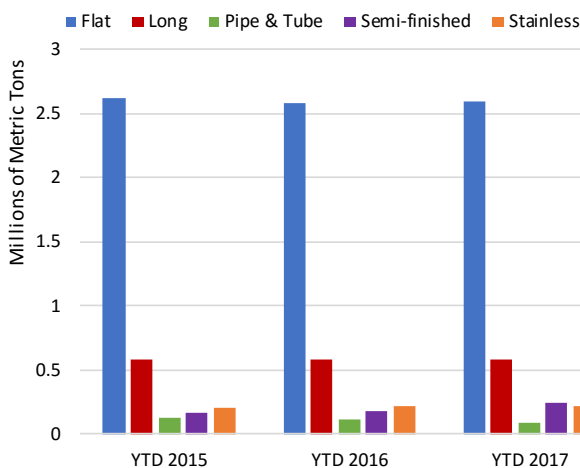
Source: IHS Global Trade Atlas

Export Volume, Value, and Product

From 2010 to 2013, France's level of steel exports by volume was relatively flat, remaining between a narrow range of 14 to 14.4 million metric tons. After a decrease in 2015, exports dipped again in 2016 by 2 percent 13.6 million metric tons. In YTD 2017, exports increased 1 percent to 13.7 million metric tons from 13.6 million metric tons in YTD 2016. Between 2011 and 2016, the value of France's steel exports declined steadily from \$18.4 billion to \$11 billion—a drop of 40 percent. In YTD 2017, France's steel export value has increased 9 percent compared to YTD 2016.

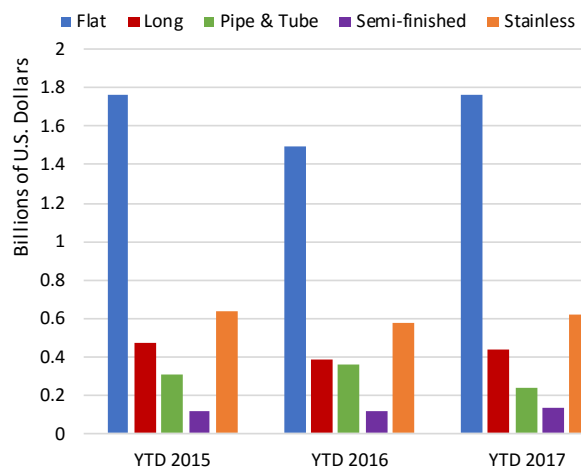
Flat products accounted for 70 percent of France's steel exports by volume in 2016 at 9.4 million metric tons. Long products represented the second-largest category at 16 percent (2.2 million metric tons), followed by stainless steel (6% or 791 thousand metric tons), semi-finished steel (6% or 782 thousand metric tons), and pipe and tube products (3% or 349 thousand metric tons).

France's Exports of Steel Mill Products Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through March

France's Exports of Steel Mill Products Billions of U.S. Dollars



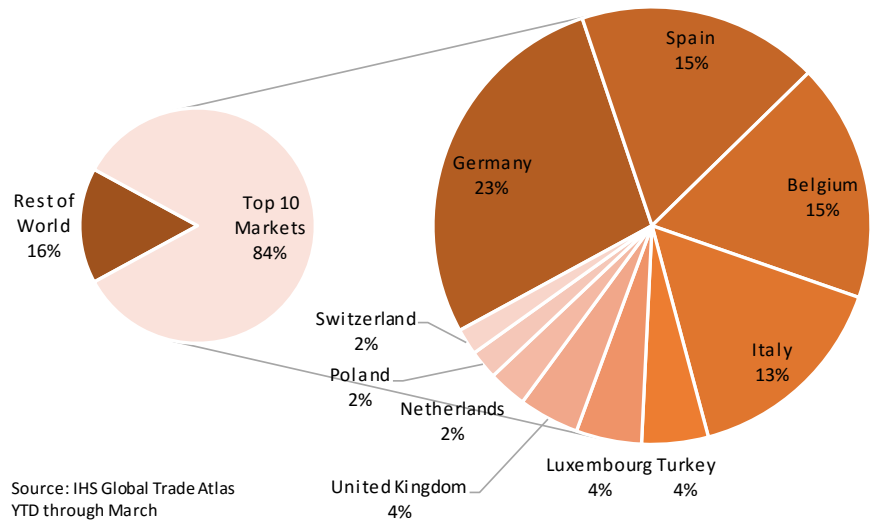
Source: IHS Global Trade Atlas
YTD through March

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Exports by Top Market

Exports to France's top 10 steel markets represented 84 percent of France's steel export volume in YTD 2017 at 3.1 million metric tons (mmt). Germany represented the largest market for France's exports with 23 percent (0.9 mmt), followed by Spain at 15 percent (0.56 mmt), Belgium at 15 percent (0.55 mmt), Italy at 13 percent (0.48 mmt), and Turkey at 4 percent (0.2 mmt).

France's Steel Exports - Top 10 Markets
YTD 2017 - Millions of Metric Tons



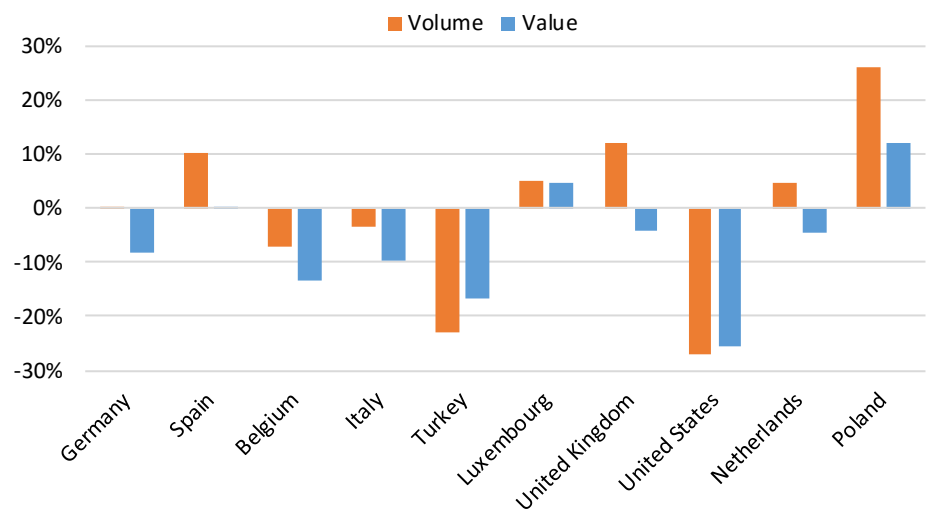
Source: IHS Global Trade Atlas
YTD through March

The United States ranked eleventh as a destination for France's steel exports, accounting for just 1 percent of exports. France has exported 53 thousand metric tons to the United States in YTD 2017 — down 48 percent from 101 thousand metric tons in YTD 2016.

Trends in Exports to Top Markets

Between YTD 2016 and YTD 2017, the change in the overall volume of France's steel exports to its top 10 markets was mixed as exports increased to half of the top 10. Increases in volume included France's exports to the United Kingdom (up 32%), Switzerland (up 22%), Germany (up 15%), the Netherlands (up 11%), and Spain (up 8%). Exports to Turkey showed the largest decrease by volume, down 21 percent in YTD 2017, followed by Poland (down 12%) and Luxembourg (down 8%).

Percent Change in Exports to Top 10 Markets (2015 to 2016)



Source: IHS Global Trade Atlas

The value of steel exports to all but two of France's top 10 markets increased in YTD 2017. Spain saw the largest increase at 27 percent, followed by exports to the Netherlands (up 26%) and the United Kingdom (up 25%). Exports values to Germany, Belgium, Italy, and Switzerland all increased by 19 percent. Only exports to Luxembourg and Turkey decreased in value in YTD 2017 — down 6 percent and 1 percent, respectively.

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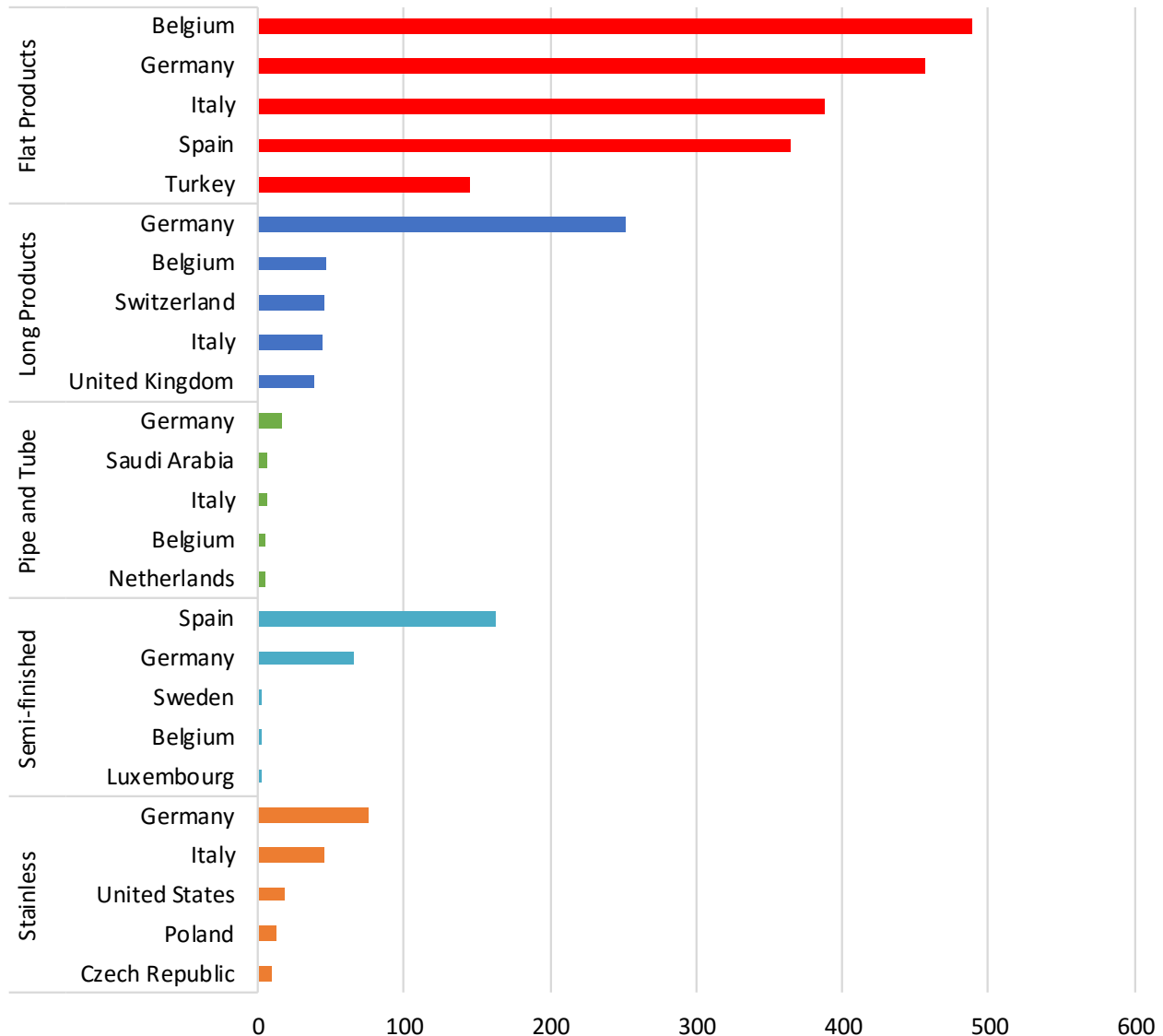
Top Markets by Steel Product Category

France's top export markets by volume vary across types of steel products. France exported the largest share of flat products to Belgium in YTD 2017 at 19 percent (488 thousand metric tons), followed closely by Germany at 18 percent (457 thousand metric tons).

Germany was the largest market for France's long product exports at 43 percent (252 thousand metric tons), France's pipe and tube exports at 18 percent (16 thousand metric tons), and France's stainless exports at 36 percent (76 thousand metric tons). Spain accounted for the largest share of France's semi-finished exports at 69 percent (162 thousand metric tons).

Stainless was the only category in which the United States was a top-five destination in YTD 2017.

France's Top 5 Export Markets by Product - YTD 2017



Source: IHS Global Trade Atlas
YTD through March

Thousands of Metric Tons

Steel Exports Report: France

France's Import Market Share in Top Destinations

In 2016, the import market share for France's steel products decreased or remained the same in the majority of France's top 10 export markets. Countries with notable decreases in their share of steel imports from France included Belgium (down 2.7 percentage points from 2015) and Turkey (down 1.2 percentage points). Import shares from France in Germany, the United Kingdom, and the United

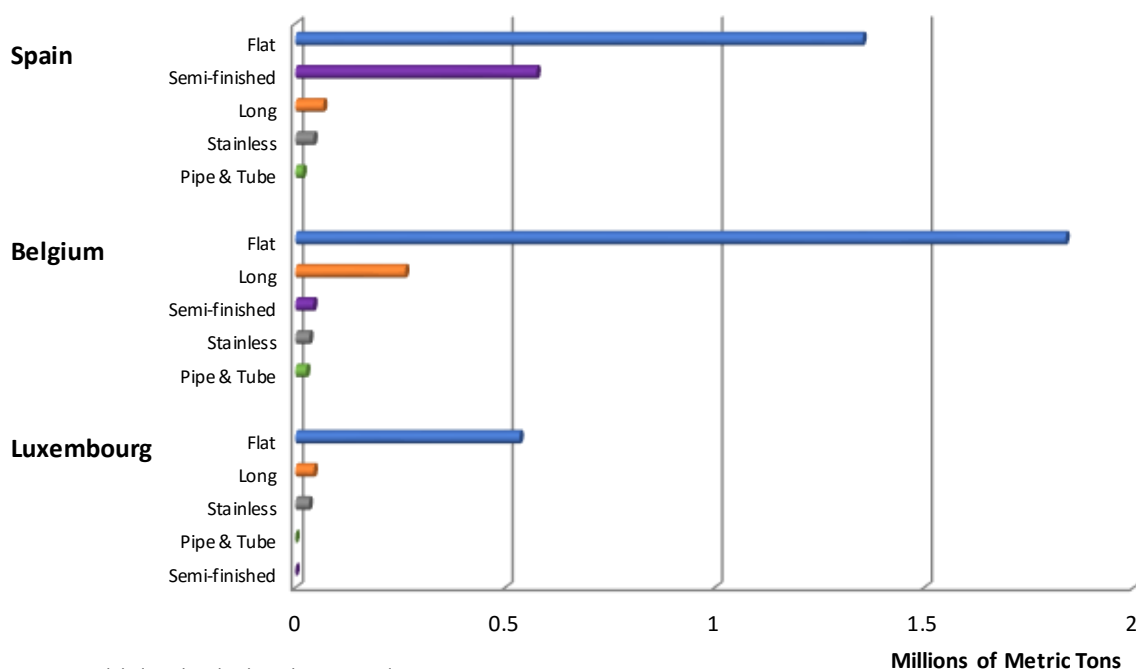
France's Steel Import Market Share				
Top 10 Export Markets	Share of Imports from France - 2015	France's Rank in 2015	Share of Imports from France - 2016	France's Rank in 2016
Germany	12.1%	3	11.3%	4
Spain	20.8%	1	21.9%	1
Belgium	19.3%	1	16.6%	2
Italy	9.4%	4	9.4%	4
Turkey	5.2%	5	4.0%	6
Luxembourg	48.4%	1	51.9%	1
United Kingdom	6.6%	6	6.3%	7
United States	1.4%	15	1.1%	15
Netherlands	3.4%	7	4.2%	6
Poland	3.1%	10	3.4%	8

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

States all decreased by less than one percentage point, while Italy's share of imports from France remained the same. The import share from France in Luxembourg showed the largest increase in 2016 (up 3.5 percentage points), followed by Spain (up 1.1 percentage points).

Among France's top export markets, neighboring Spain, Belgium, and Luxembourg received the largest shares of their total steel imports from France in 2016. Flat products accounted for the largest share of steel imports from France in each country, with 66 percent for Spain (1.4 million metric tons), 83 percent for Belgium (1.8 million metric tons), and 88 percent for Luxembourg (535 thousand metric tons).

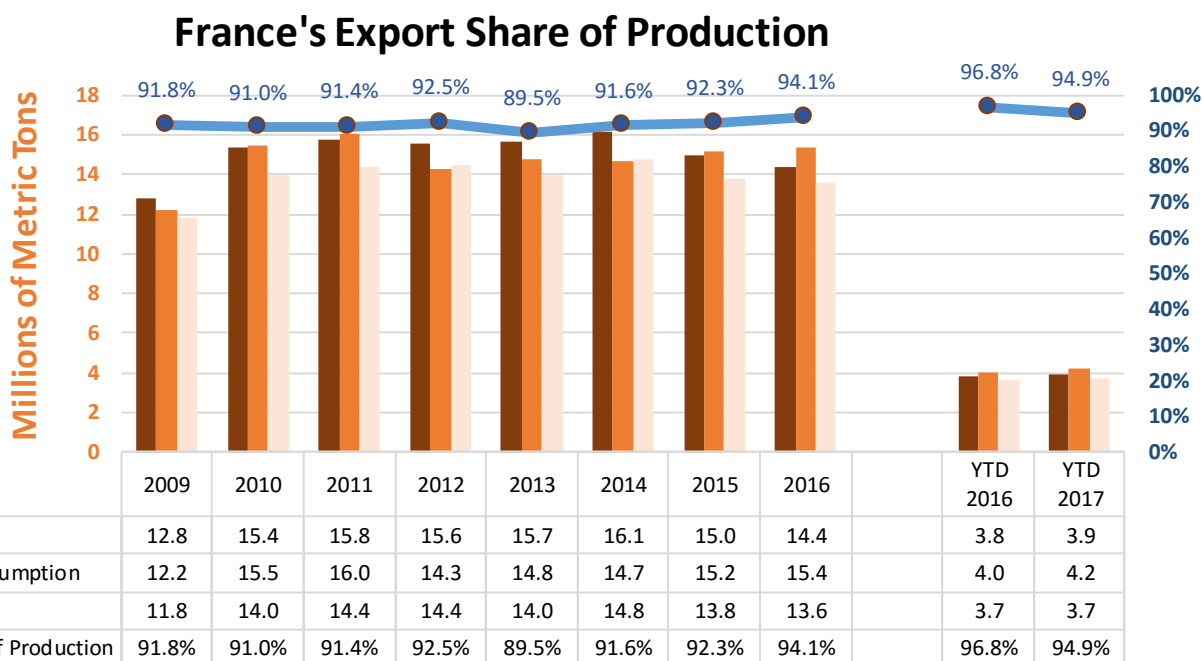
Steel Import Composition of Top Market-Share Countries - 2016



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

Steel Exports Report: France

Overall Production and Export Share of Production



Sources: World Steel Association; IHS Global Trade Atlas
YTD through March

France's crude steel production increased fairly steadily between 2009 and 2014, growing by 26 percent. Production decreased 11 percent from 16.1 million metric tons in 2014 to 14.4 million metric tons in 2016. In YTD 2017, production was up 3 percent compared to YTD 2016. 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 has continued to slightly outpace production in YTD 2017. France's steel exports as a share of production averaged 92 percent between 2009 and 2016. The export share of production decreased in YTD 2017 to 94.9 percent from 96.8 percent in YTD 2016. Despite having a higher level of exports relative to production, France imported a similar percentage, which helped to keep demand in line with production.

Top Producers

France's steel production is heavily concentrated among a handful of 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 tables below provide statistics on the current number of trade remedies various countries have against steel mill products from France and from the European Union, which includes France.

Steel Mill Trade Remedies in Effect Against France

Country	AD	CVD	Suspension Agreements	Total
Mexico	1			1
TOTAL	1	0	0	1

Source: World Trade Organization, through June 1, 2017

Steel Mill Trade Remedies in Effect Against the European Union

Country	AD	CVD	Suspension Agreements	Total
China	3			3
India	2			2
Morocco	1			1
TOTAL	6	0	0	6

Source: World Trade Organization, through June 1, 2017

Global Steel Mill Safeguards in Effect

Country	Product(s)
Egypt	Steel rebar
India	1) Hot-rolled steel in coils; 2) Hot-rolled steel flat sheets and plates
Indonesia	1) Articles of finished casing and tubing; 2) 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
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 May 22, 2017

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 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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