INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Exports Report: **Spain**

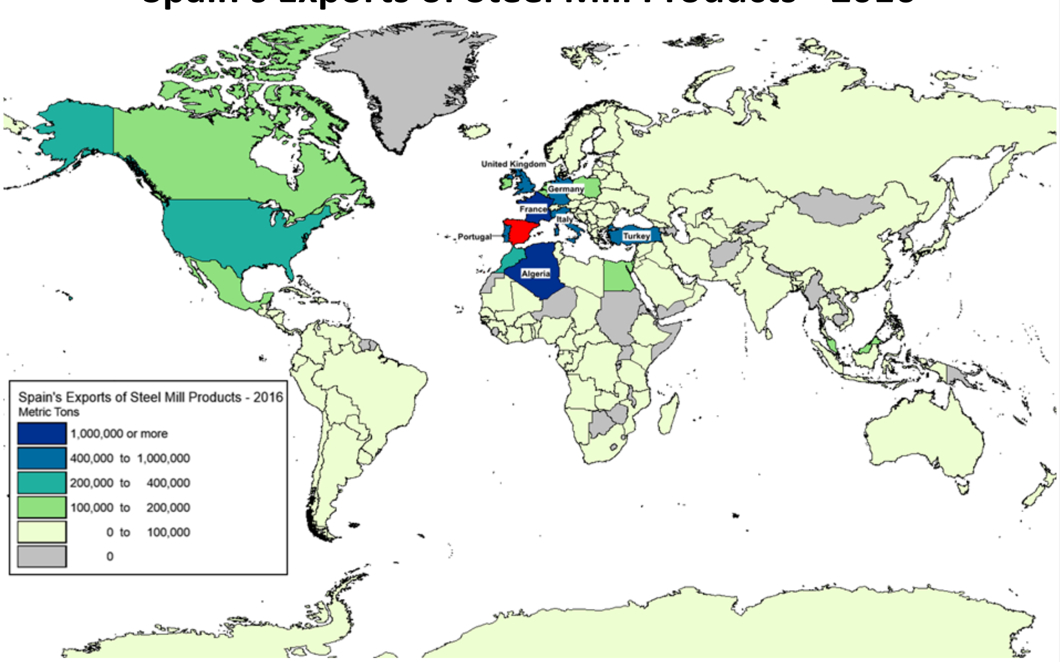
July 2017

Background

Spain is the world's fifteenth-largest steel exporter. In year to date 2017 (through March), Spain exported 2.2 million metric tons of steel, an 8 percent decrease from 2.3 million metric tons in YTD 2016. Exports from Spain represented about 2 percent of all steel exported globally in 2016. The volume of Spain's 2016 steel exports was less than one-tenth that of the largest exporter, China. In value terms, steel represented just 2 percent of the total amount of goods Spain exported in 2016.

Spain exports steel to more than 180 countries and territories. The 7 countries labeled in the map below represent the top markets for Spain's exports of steel, receiving more than 400 thousand metric tons each and accounting for 67 percent of Spain's steel exports in 2016.

Spain's Exports of Steel Mill Products - 2016



Quick Facts:

- World's fifteenth–largest steel exporter: 2.2 million metric tons in YTD 2017
- 12% growth in steel exports since Q1 2009
- YTD 2017 export volume down 8% while export value up 15%
- Exports as a share of production at 60% in YTD 2017
- Top three markets: France, Germany, Portugal
- Largest producers: ArcelorMittal, Celsa Group, Acerinox
- 5 trade remedies in effect involving steel mill imports from Spain; 6 trade remedies in effect involving steel mill imports from the European Union

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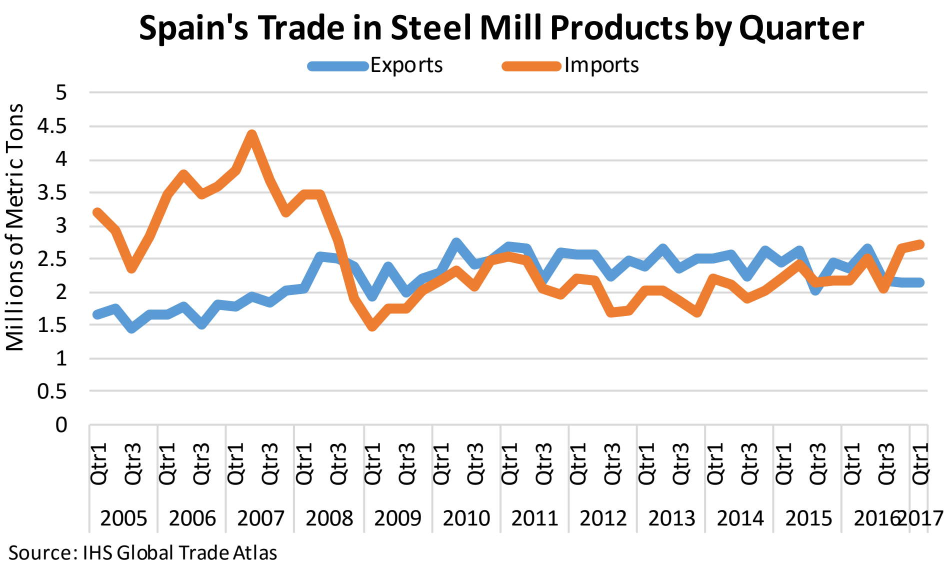
Steel Trade Balance

Prior to 2008, Spain had a trade deficit in steel products. 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 Q1 2009 and Q1 2017, imports grew 82 percent while exports grew 12 percent.



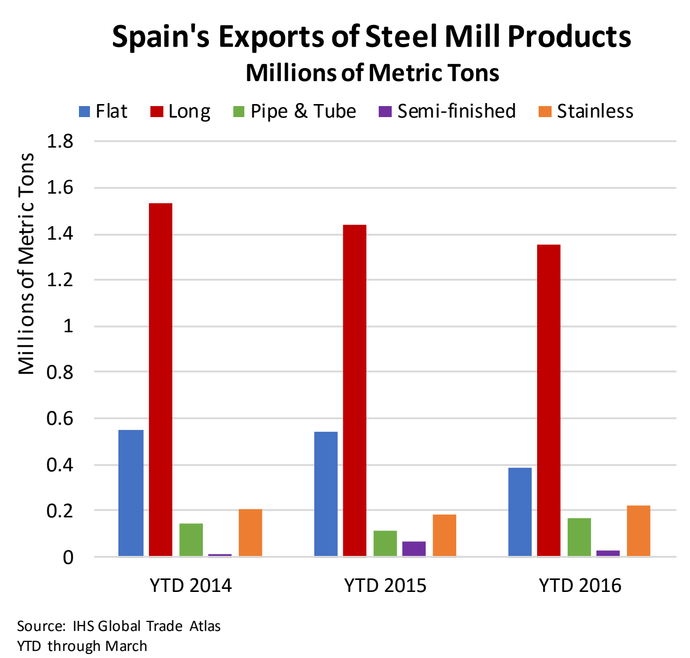
Source: IHS Global Trade Atlas

In recent quarters, Spain's steel trade surplus has narrowed, and a slight trade deficit occurred in Q3 2015, Q4 2016, and Q1 2017. In YTD 2017, the trade deficit totaled –563 thousand metric tons, down 433 percent from a trade surplus of 169 thousand metric tons in YTD 2016.

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 2016, exports decreased by 3 percent to 9.2 million metric tons. In YTD 2017, Spain's exports decreased 8 percent to 2.2 million metric tons from 2.3 million metric tons in YTD 2016. In contrast, in value terms, Spain's steel exports increased 15 percent to $1.9 billion in YTD 2017 from $1.6 billion in YTD 2016.

Long products accounted for 63 percent of Spain's steel exports by volume at 1.4 million metric tons in YTD 2017. Flat products accounted for 18 percent of exports (386.6 thousand metric tons), followed by stainless steel at 10 percent (218.8 thousand metric tons), pipe and tube at 8 percent (170.2 thousand metric tons), and semi-finished steel at 1 percent (26.3 thousand metric tons).



Source: IHS Global Trade Atlas
YTD through March

Source: IHS Global Trade Atlas
YTD through March

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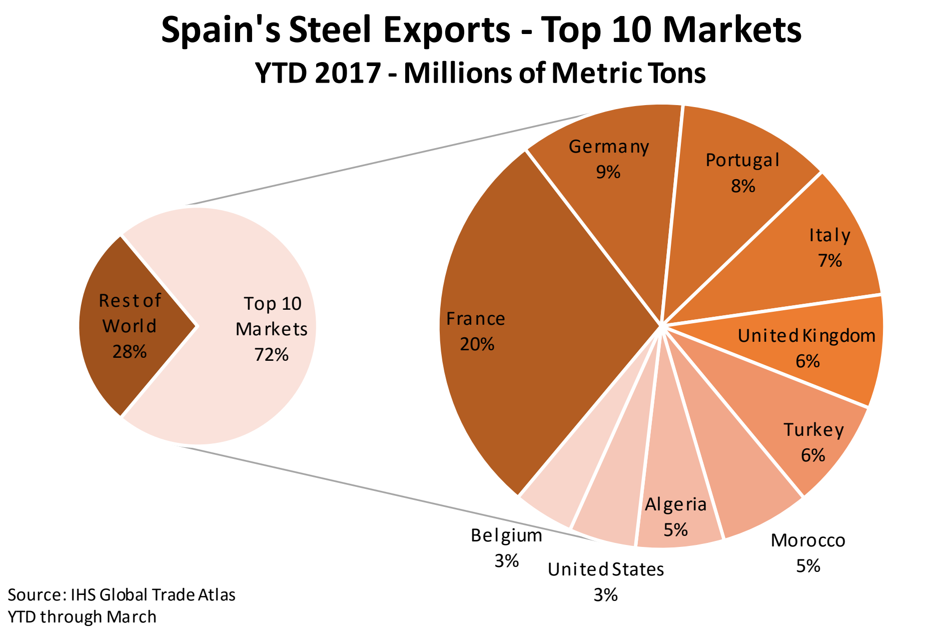
Exports by Top Market

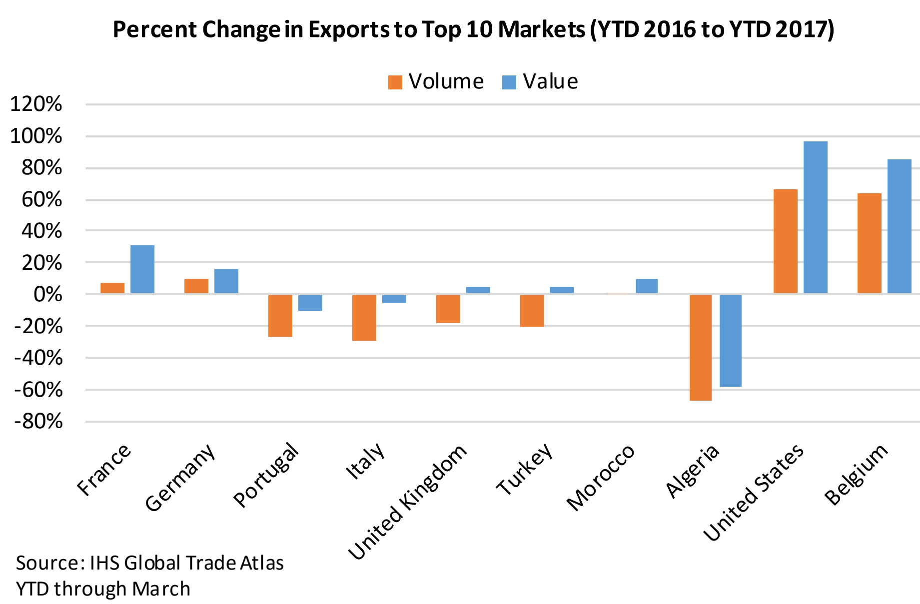


At 1.6 million metric tons (mmt), Spain's exports to its top 10 steel markets represented 72 percent of its steel export volume in YTD 2017. France was the largest market for exports from Spain with 20 percent (0.4 mmt), followed by Germany at 9 percent (0.2 mmt), Portugal at 8 percent (0.2 mmt), Italy at 7 percent (0.15 mmt), and the United Kingdom at 6 percent (0.1 mmt) among the top five markets.

The United States ranked 9th as a destination for Spain's exports of steel in YTD 2017 at 4 percent or 75 thousand metric tons.

Trends in Exports to Top Markets

Between YTD 2016 and YTD 2017, exports to Spain's top 10 markets decreased in volume to five of its top 10 markets. Export volumes decreased the most to Algeria, (down 67%), Italy (down 29%), and Portugal (down 27%). Exports to the United States and Belgium from Spain increased the most by volume from YTD 2016, up 67 percent and 64 percent, respectively.



Three of Spain's top 10 markets also experienced a decrease in export value in YTD 2017. The value of Spain's exports to Algeria showed the largest decrease (down 59%), followed by exports to Portugal (down 10%), and Italy (down 5%). Spain's exports value increased the most to the United States (up 97%), followed by Belgium (up 85%), and France (up 31%).

Outside of the top 10 markets, other notable changes in Spain's export volume in YTD 2017 included exports to Tunisia (up 493%) and Mexico (up 61%).

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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 YTD 2017 at 27 percent (104 thousand metric tons). France also received the largest shares of Spain's long and pipe and tube exports at 21 percent (281 thousand metric tons) and 23 percent (39 thousand metric tons), respectively.

Tunisia received the largest share of Spain's semi-finished product exports at 61 percent (16 thousand metric tons), and Germany received 18 percent of stainless exports (40 thousand metric tons).

Pipe and tube was the only category for which the United States was a top-five export destination.

Source: IHS Global Trade Atlas
YTD through March

Spain's Import Market Share in Top Destinations

In 2016, the import market share for Spain's steel products decreased in half of its top export destinations. Algeria's share of imports from Spain saw the largest decrease (down 3.7 percentage points from 2014), followed by Morocco (down 3.3 percentage points), and the United Kingdom (down 1.4 percentage points). Shares in Italy and Germany decreased by less than one percentage point. The share of imports from Spain in France, Portugal, Turkey, the United States, and Belgium all increased by less than one percentage point.

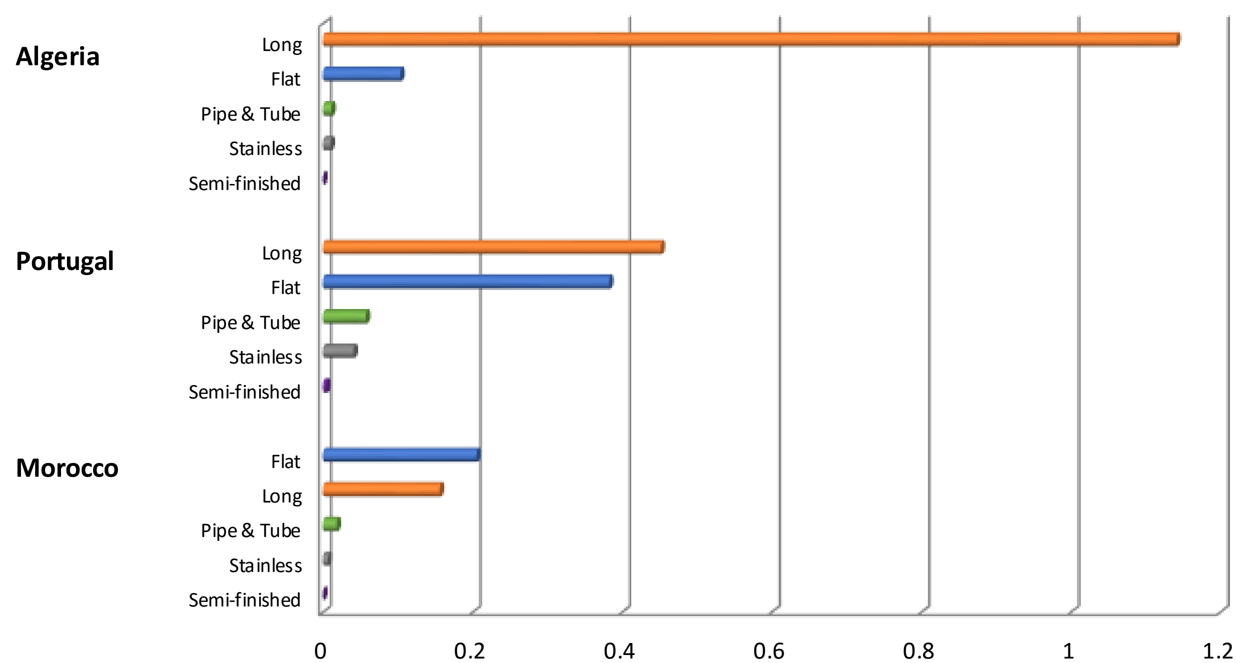
Spain's Steel Import Market Share

Top 10 Export Markets	Share of Imports from Spain - 2015	Spain's Rank in 2015	Share of Imports from Spain - 2016	Spain's Rank in 2016
France	8.9%	5	9.3%	4
Algeria	27.0%	2	23.3%	2
Portugal	33.6%	1	33.9%	1
Italy	4.4%	7	4.1%	8
Germany	2.6%	12	2.4%	11
Turkey	3.6%	8	3.9%	7
United Kingdom	10.3%	3	8.9%	3
Morocco	19.4%	2	16.1%	2
United States	0.8%	17	0.9%	18
Belgium	1.2%	14	2.0%	11

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

Among Spain's top export markets, Algeria, Portugal, and Morocco received the largest shares of their steel imports from Spain in 2016 at 23, 34, and 16 percent, respectively. Long products accounted for the largest share of steel imports from Spain in both Algeria at 90 percent (1.1 million metric tons) and Portugal at 48 percent (452 thousand metric tons). Flat products accounted 53 percent of Morocco's steel imports from Spain (205 thousand metric tons).

Steel Import Composition of Top Market-Share Countries - 2016



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

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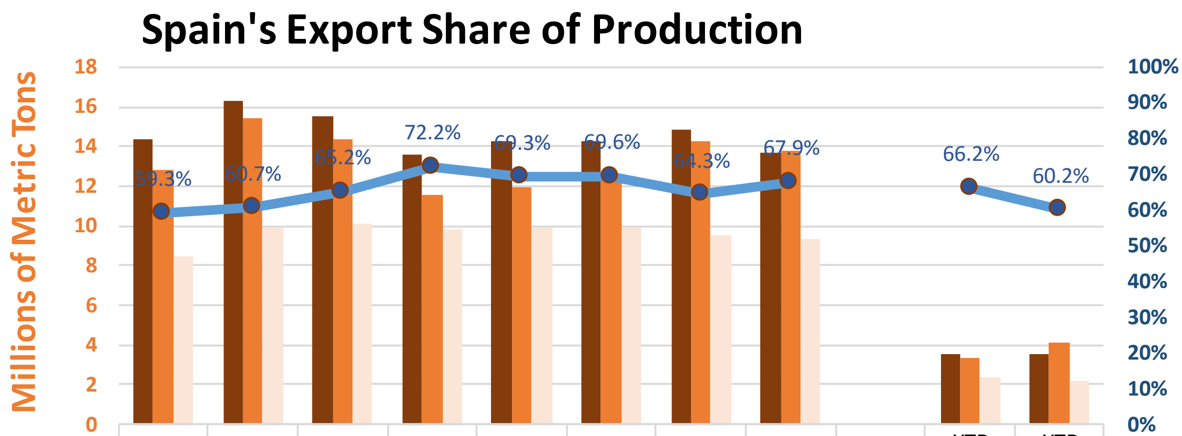
Overall Production and Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016		YTD 2016	YTD 2017
Production	14.4	16.3	15.5	13.6	14.3	14.2	14.8	13.7		3.5	3.6
Apparent Consumption	12.9	15.4	14.4	11.6	12.0	12.6	14.2	13.8		3.4	4.1
Exports	8.5	9.9	10.1	9.8	9.9	9.9	9.5	9.3		2.3	2.2
Export Share of Production	59.3%	60.7%	65.2%	72.2%	69.3%	69.6%	64.3%	67.9%		66.2%	60.2%

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

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 YTD 2016 and YTD 2017, production increased 0.9 percent to 3.6 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 2016 and YTD 2017, apparent consumption slightly outpaced production. Spain's steel exports as a share of production increased to 68 percent in 2016 from 64 percent in 2015. Exports as a share of production decreased to 60 percent in YTD 2017, down 6 percentage points from YTD 2016.

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 2016.

Spain's Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal	7.2	Cold-rolled coil, hot-rolled coil, rails, wire rod
2	Celsa Group	5.4 (capacity estimate)	Bars, reinforcing bars, wire rod, structural sections
3	Acerinox SA	4.7	Stainless flat products, stainless long products
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

Steel Mill Trade Remedies in Effect Against Spain

Country	AD	CVD	Suspension Agreements and Undertakings	Total
Australia	1			1
Dominican Republic	1			1
Mexico	1			1
South Korea	1			1
United States	1			1
TOTAL	5	0	0	5

Source: World Trade Organization, through June 1, 2017

Steel Mill Trade Remedies in Effect Against the European Union

Country	AD	CVD	Suspension Agreements and Undertakings	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 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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