

Global Steel Trade Monitor

Steel Exports Report: United States

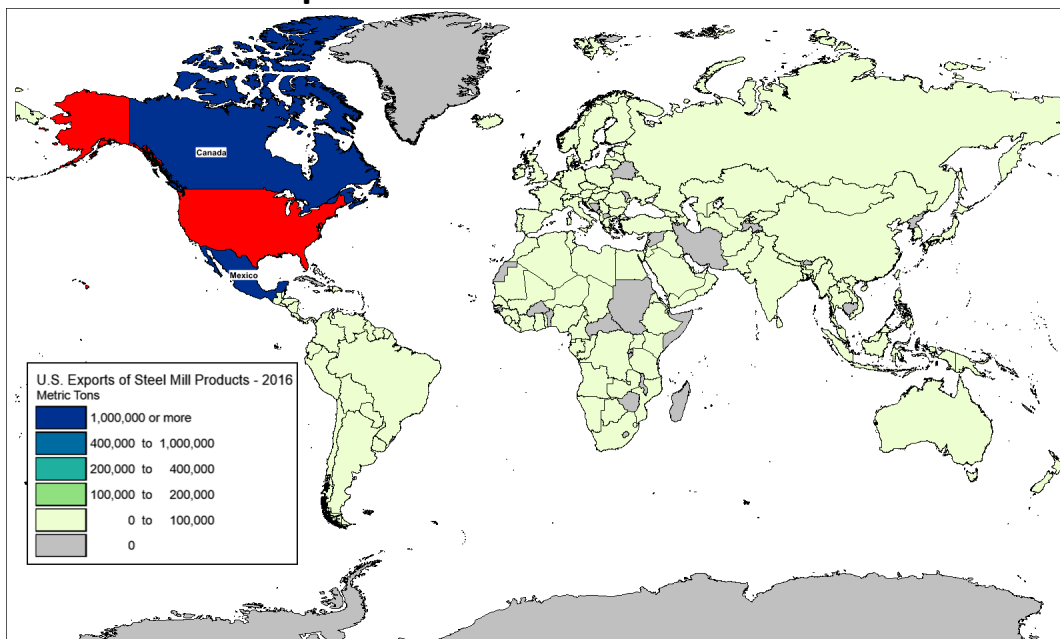
Background

June 2017

The United States is the world's ninth-largest steel exporter. In year-to-date 2017 (through March), further referred to as YTD 2017, the U.S. exported 2.5 million metric tons of steel, an increase from 2.2 million metric tons in YTD 2016. U.S. exports represented about 2 percent of all steel exported globally in 2016. The volume of U.S. 2016 steel exports was 1/12th the size of the world's largest exporter, China, and just over 1/4th that of the second-largest exporter, Japan. In value terms, steel represented just 0.8 percent of the total amount of goods the U.S. exported in 2016.

The U.S. exports steel to more than 150 countries and territories. The two countries labeled in the map below represent the top markets for U.S. exports of steel, receiving more than 1 million metric tons each and accounting for 83 percent of U.S. steel exports in 2016.

U.S. Exports of Steel Mill Products - 2016



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

Quick Facts:

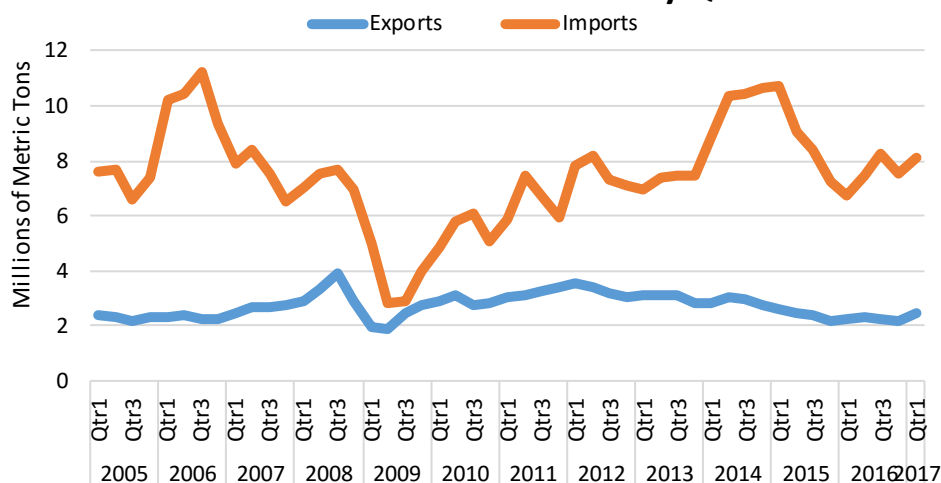
- World's 9th-largest steel exporter: 2.5 million metric tons (YTD 2017)
- 30% steel export growth since Q2 2009
- YTD export volume up 11% while export value up 10%
- Exports as a share of production up from 11.3% in YTD 2016 to 12.2% in YTD 2017
- Top two markets: Canada and Mexico
- Top Producers: Nucor, ArcelorMittal USA, U.S. Steel
- 7 trade remedies in effect in 3 countries and the European Union involving steel mill imports from U.S.

Steel Exports Report: United States

Steel Trade Balance

The United States has maintained a persistent trade deficit in steel products for over a decade. Since 2009, imports have returned to average levels seen prior to the 2008 global recession while exports have remained relatively flat in comparison, and the trade deficit has widened accordingly. Since their most recent low point, imports have grown by 185 percent between Q2 2009 and Q1 2017, while exports have increased by 30 percent.

U.S. Trade in Steel Mill Products by Quarter



In YTD 2017, the U.S. steel trade deficit amounted to -5.7 million metric tons.

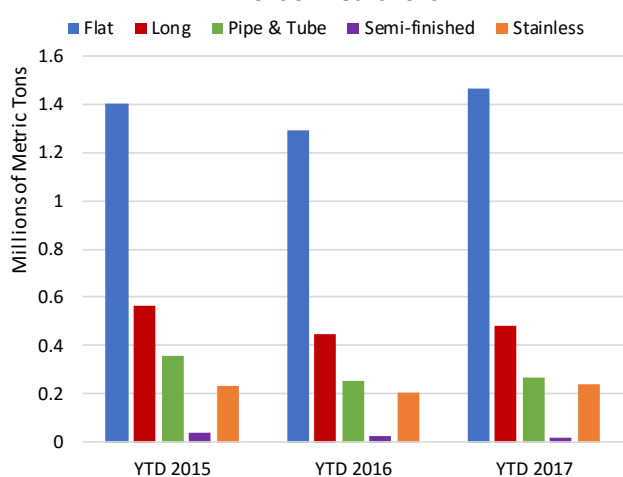
Export Volume, Value, and Product

Since reaching a recent peak in 2012, the annual volume of U.S. steel exports has declined every year. Between 2012 and 2016, exports decreased 32 percent to 8.9 million metric tons. In YTD 2017, U.S. steel exports were up 11 percent to 2.5 million metric tons from 2.2 million metric tons in YTD 2016. The value of YTD 2017 steel exports has increased by 10 percent to \$3.2 billion from \$2.9 billion in YTD 2016.

Flat products have accounted for the largest share of U.S. steel exports in YTD 2017 at 59 percent, or 1.5 million metric tons. Long products accounted for 20 percent, or 483 thousand metric tons, of U.S. exports of steel in YTD 2017, followed by pipe and tube products at 11 percent (264 thousand metric tons), stainless products at 10 percent (241 thousand metric tons), and semi-finished steel at 1 percent (19 thousand metric tons).

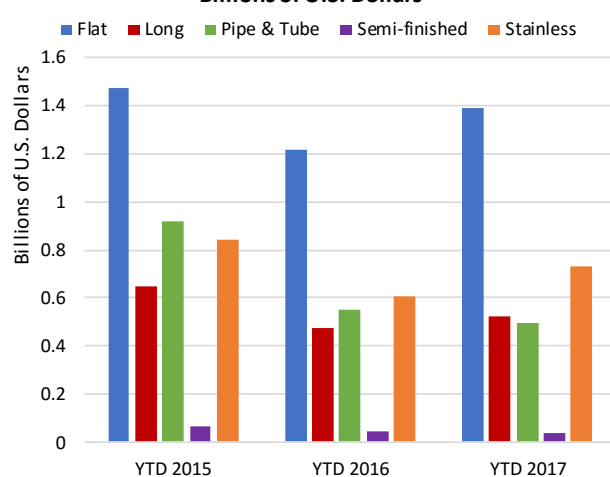
U.S. Exports of Steel Mill Products

Millions of Metric Tons



U.S. Exports of Steel Mill Products

Billions of U.S. Dollars

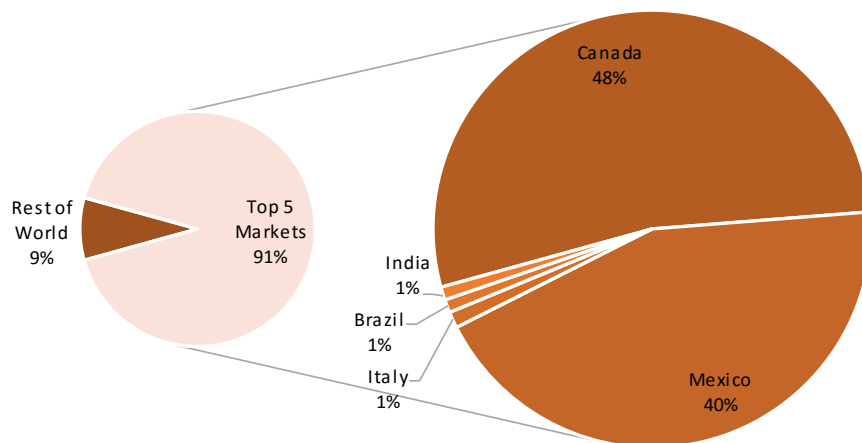


Steel Exports Report: United States

Exports by Top Market

Exports to the United States' top 5 steel markets represented 91 percent of U.S. steel export volume in YTD 2017 at 2.3 million metric tons (mmt). Canada was the largest market for U.S. exports with 48 percent (1.2 mmt), followed by Mexico at 40 percent (1 mmt), and Italy, Brazil, and India at 1 percent each (27, 21.9, and 21.88 thousand metric tons respectively).

U.S. Steel Exports - Top 5 Markets
YTD 2017 - Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through March

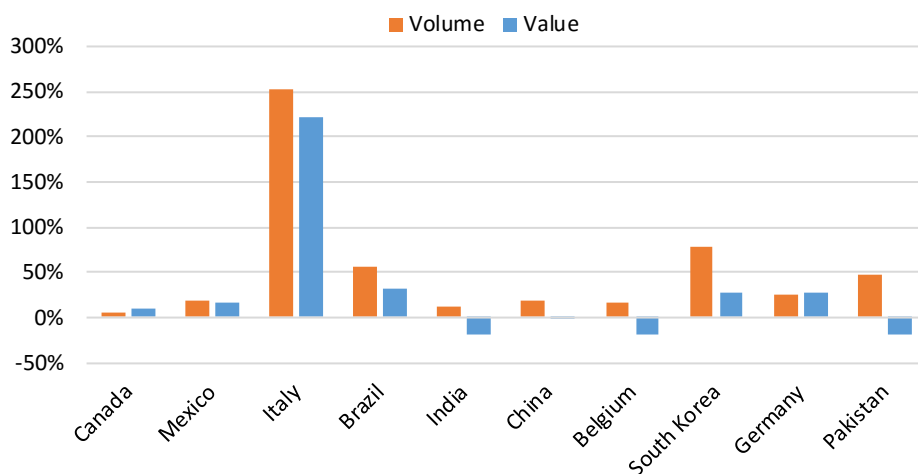
Of note, Canada and Mexico have ranked first and second as the top destinations for U.S. steel exports for more than a decade.

Trends in Exports to Top Markets

Between YTD 2016 and YTD 2017, the volume of the United States' steel exports increased to all of the country's top 10 steel export markets. U.S. exports to Italy showed the largest increase in volume (up 254% from YTD 2016), followed by exports to South Korea (up 79%), Brazil (up 55%), Pakistan (up 48%), and Germany (up 26%).

Changes in the value of U.S. exports between YTD 2016 and YTD 2017 were mixed, as export value increased to only six of the top 10 markets. As with volume, export values increased the most to Italy (up 221% from YTD 2016), followed by Brazil (up 31%), Germany (up 28.4%), and South Korea (up 28.2%). U.S. export values to India, Belgium, and Pakistan each decreased by 19 percent in YTD 2017, while the export value to China decreased by 1 percent.

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



Source: IHS Global Trade Atlas
YTD through March

Outside of the top 10 markets, other notable volume changes in YTD 2017 included U.S. exports to 11th-ranked Colombia (up 169%), 13th-ranked Taiwan (up 99%), 15th-ranked Venezuela (down 46%), and 16th-ranked Malaysia (up 307%).

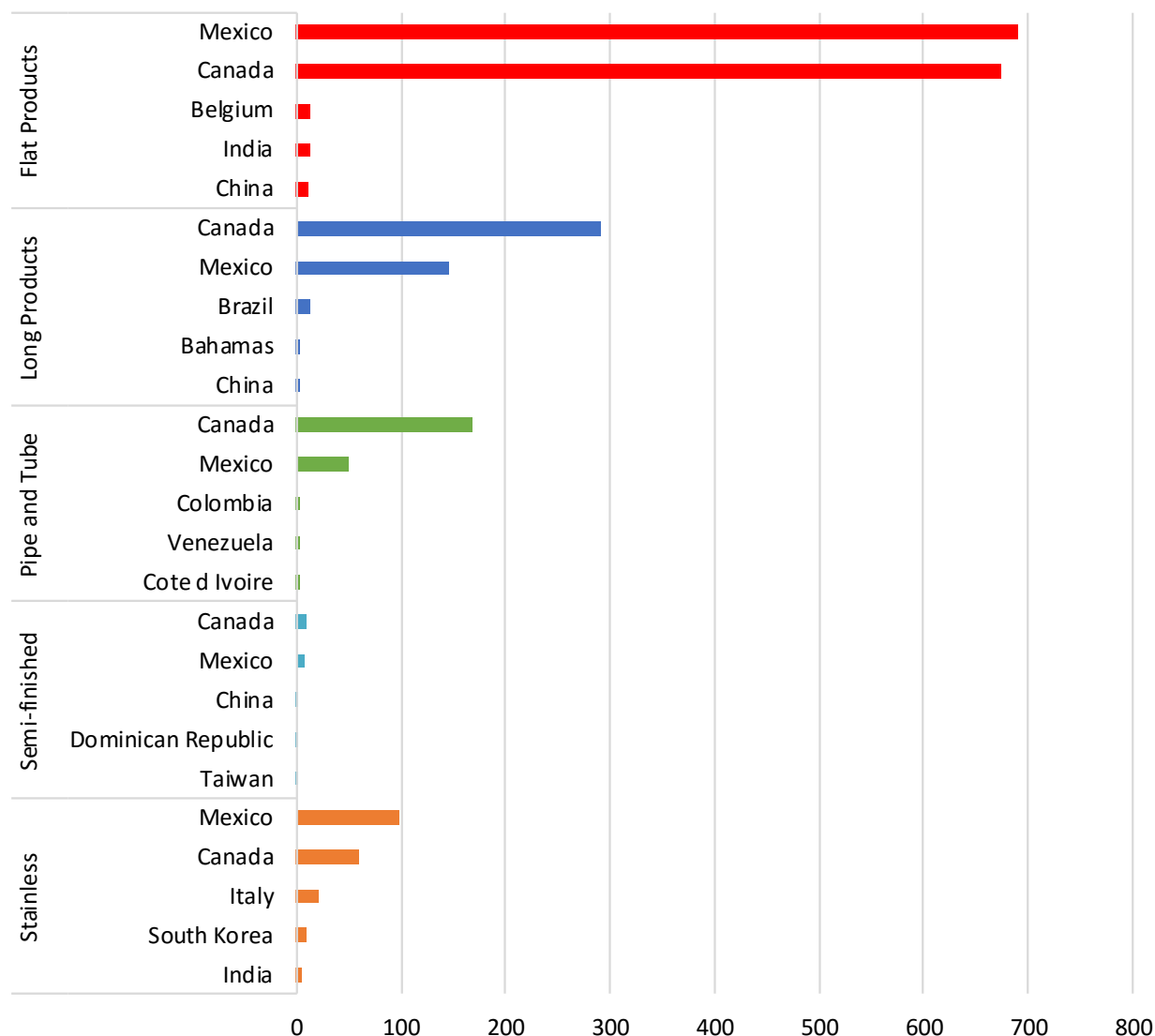
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Top Markets by Steel Product Category

The United States' top export markets by volume vary across types of steel products, though Canada and Mexico held the top two spots in every product category. The U.S. exported 47 percent of flat products to Mexico in YTD 2017 (690 thousand metric tons), followed closely by Canada with 46 percent (674 thousand metric tons). Mexico was also the largest market for U.S. exports of stainless steel at 40 percent (97 thousand metric tons).

Well over half of U.S. long product and pipe and tube exports went to Canada at 60 percent (290 thousand metric tons) and 63 percent (168 thousand metric tons), respectively. Canada also accounted for the largest share of U.S. exports of semi-finished steel at 44 percent (8 thousand metric tons).

U.S. Top 5 Export Markets by Product - YTD 2017



Source: IHS Global Trade Atlas
YTD through March

Thousands of Metric Tons

Steel Exports Report: United States

U.S. Import Market Share in Top Destinations

In 2016, the import market share for U.S. steel products decreased slightly or remained the same in six of the United States' top export destinations. The share of steel imports from the United States in China, Belgium, and the United Kingdom all decreased by less than half of one percentage points, while U.S. import shares remained unchanged in Italy, Germany, and South Korea.

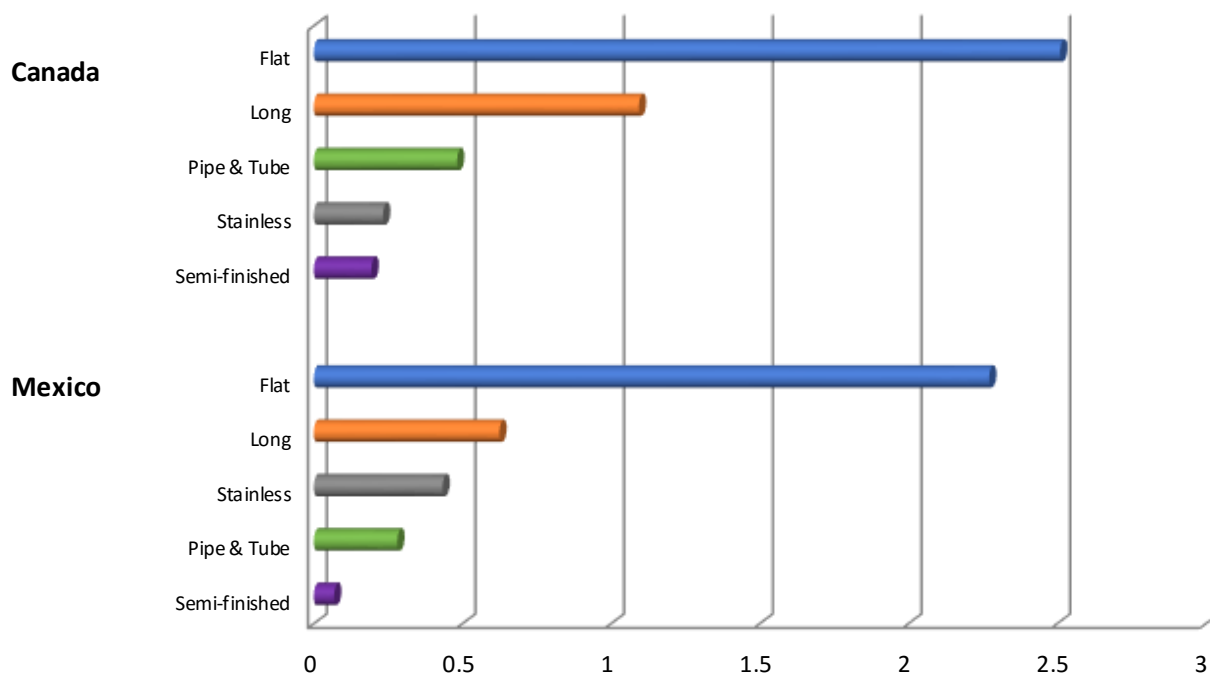
U.S. Steel Import Market Share				
Top 10 Export Markets	Share of Imports from U.S. - 2015	U.S. Rank in 2015	Share of Imports from U.S. - 2016	U.S. Rank in 2016
Canada	57.6%	1	58.6%	1
Mexico	35.8%	1	38.2%	1
India	0.8%	13	1.0%	13
China	0.6%	9	0.5%	12
Brazil	1.9%	8	3.5%	7
Italy	0.2%	31	0.2%	33
Belgium	0.6%	16	0.4%	19
Germany	0.1%	30	0.1%	32
South Korea	0.1%	14	0.1%	16
United Kingdom	0.5%	25	0.3%	29

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

The share of imports from the United States showed the largest increase in Mexico (up 2.4 percentage points), followed by Brazil (up 1.6 percentage points), and Canada (up 1 percentage point).

Among the United States' top export markets, Canada and Mexico received the largest shares of total steel imports from the United States in 2016 at 58.6 percent and 38.2 percent, respectively. Flat products accounted for the largest share of steel imports from the United States in both Canada at 56 percent (2.5 million metric tons), and Mexico at 62 percent (2.3 million metric tons).

Steel Import Composition of Top Market-Share Countries - 2016

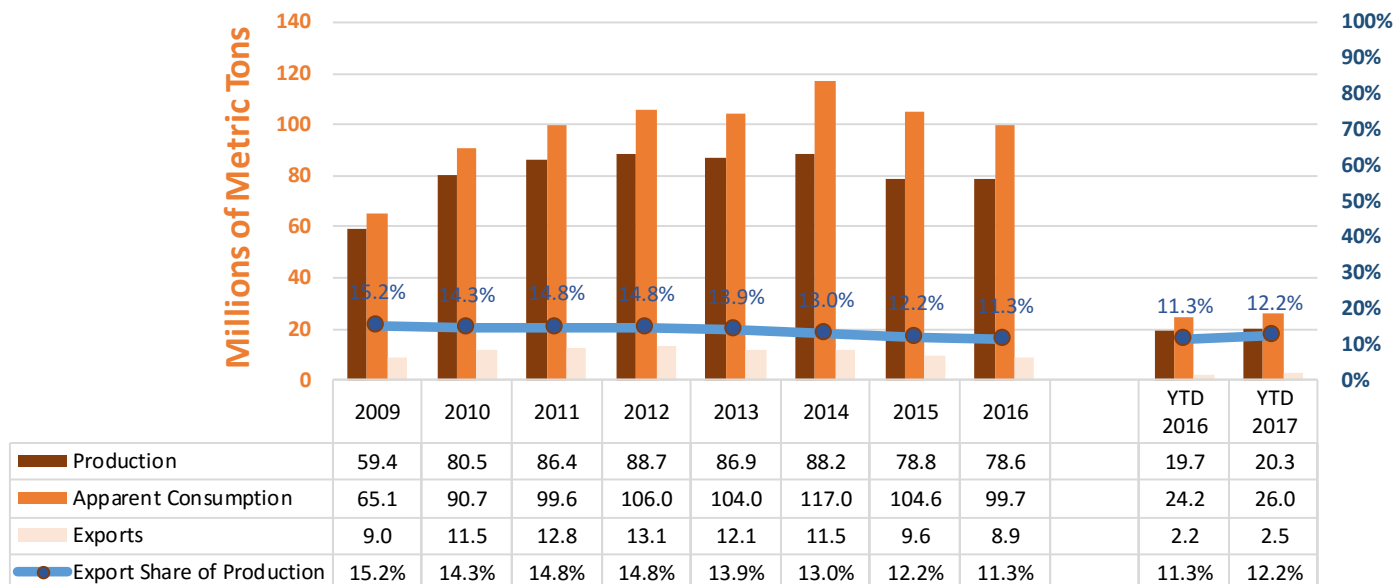


Source: IHS Global Trade Atlas, based on import data per reporting country

Steel Exports Report: United States

Overall Production and Export Share of Production

United States' Export Share of Production



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

U.S. crude steel production decreased 11 percent between 2014 and 2016, from 88.2 million metric tons in 2014 to 78.6 million metric tons in 2016. Production in YTD 2017 has increased 3 percent to 20.3 million metric tons from 19.7 million metric tons in YTD 2016. Since 2009, apparent consumption (a measure of steel demand) has increasingly outpaced production by upwards of 20 million metric tons in recent years. The gap between demand and production increased slightly to 5.7 million metric tons in YTD 2017. Steel exports as a share of U.S. production decreased relatively steadily between 2009 and 2016 from 15.2 percent to 11.3 percent. In YTD 2017, the export share grew slightly to 12.2 percent.

Top Producers

The top seven steel producers in the United States are a mix of foreign and domestically-owned companies and a mix of electric arc furnace mills and blast furnace mills. The top four companies alone accounted for the majority of U.S. crude steel production in 2016 at 81 percent.

United States Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	22	Bars, beams, sheets, plate
2	ArcelorMittal USA	15	Hot-rolled, cold-rolled, plate, coated products, rails
3	United States Steel Corp.	14.2	Hot-rolled, cold-rolled, coated sheets, tubular products
4	Gerdau North America	12.4 (N. Amer. capacity)	Beams, pilings, billets, rebar, wire rod
5	Steel Dynamics Inc.	7.4 (2014 shipments)	Flat-rolled, structural, bars, rails
6	AK Steel Corporation	5.1	Hot-rolled, cold-rolled, galvanized, stainless, electrical
7	Commercial Metals Co.	2.8 (capacity)	Rebar, bars, sections, billets

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

Steel Exports Report: United States

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 the United States.

Steel Mill Trade Remedies in Effect Against the United States				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
China	1			1
European Union	1		1	2
India	2			2
Mexico	2			2
TOTAL	6	0	1	7
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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