



Global Steel Trade Monitor

Steel Imports Report: United States

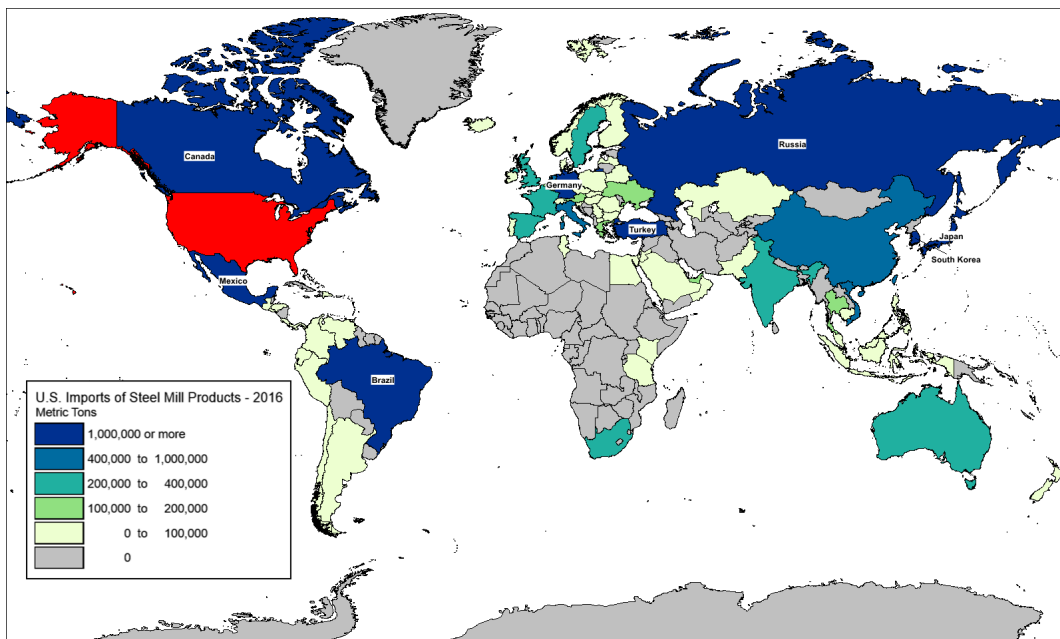
June 2017

Background

The United States is the world's largest steel importer. In year-to-date 2017 (through March), further referred to as YTD 2017, the U.S. imported 8.1 million metric tons of steel, an increase from 6.8 million metric tons in YTD 2016. U.S. imports in 2016 represented about 8 percent of all steel imported globally. The volume of U.S. steel imports in 2016 was more than 15 percent larger than that of the world's second- and third-largest importers, Germany and South Korea. In value terms, steel represented just 1 percent of the total goods imported into the United States in 2016.

The United States imports steel from over 110 countries and territories. The eight countries labeled in the map below represent the top sources for U.S. imports of steel, with the U.S. receiving more than 1 million metric tons from each and together accounting for 75 percent of U.S. steel imports in 2016.

U.S. Imports of Steel Mill Products - 2016



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

Quick Facts:

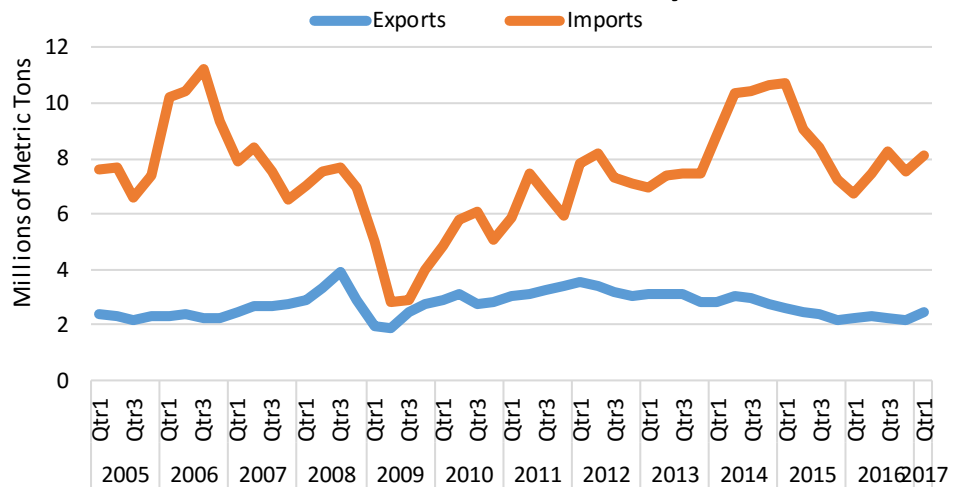
- World's largest steel importer: 8.1 million metric tons (YTD 2017)
- 185% steel import growth since Q2 2009
- YTD import volume up 20% while import value up 22%
- Import penetration up from 27.9% in YTD 2016 to 31.3% in YTD 2017
- Top three import sources: Canada, Brazil, South Korea
- Largest producers: Nucor, ArcelorMittal USA, U.S. Steel
- 149 trade remedies in effect against imports of steel mill products

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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



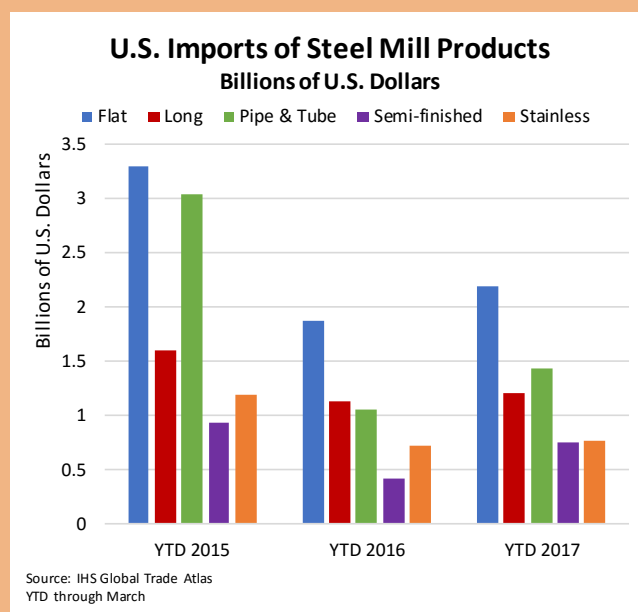
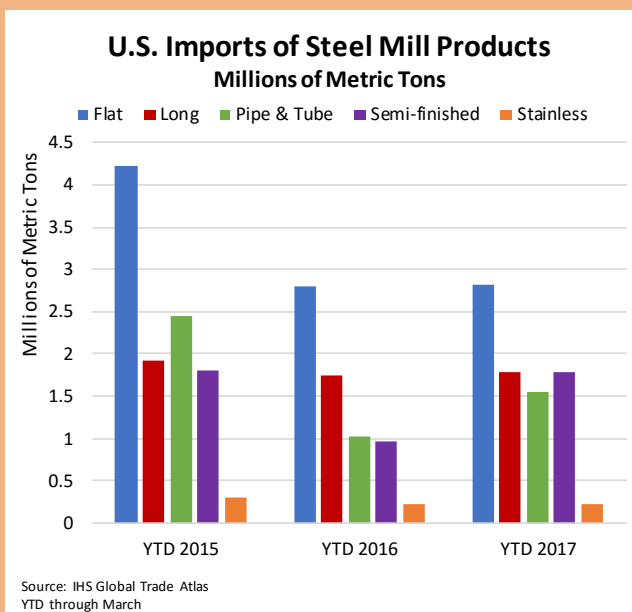
Source: IHS Global Trade Atlas

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

Import Volume, Value, and Product

In 2014, U.S. imports of steel products reached a near-record high of 40.3 million metric tons, only topped by the 41.3 million metric tons imported in 2006. Import levels fell by 12 percent in 2015 and by 15 percent in 2016 to 30 million metric tons. In YTD 2017, imports have increased 20 percent compared to YTD 2016 to a total of 8.1 million metric tons. The value of imports in YTD 2017 has also increased – up 22 percent to \$6.3 billion from \$5.2 billion in YTD 2016.

In YTD 2017, flat products have accounted for the largest share of U.S. steel imports at 35 percent, or 2.8 million metric tons. Long products accounted for 22 percent, or 1.781 million metric tons, of U.S. imports, followed by semi-finished at 22 percent (1.78 million metric tons), pipe and tube at 19 percent (1.5 million metric tons), and stainless products at 3 percent (225 thousand metric tons).



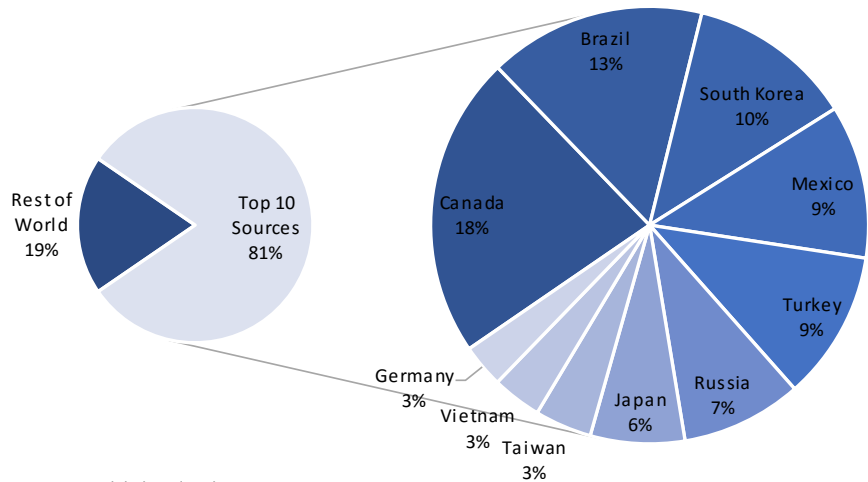
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Imports by Top Source

The top 10 source countries for U.S. steel imports represented 81 percent of the total steel import volume in YTD 2017 at 6.6 million metric tons (mmt). Canada accounted for the largest share of U.S. imports by source country at 18 percent (1.5 mmt), followed by Brazil at 13 percent (1.1 mmt), South Korea at 10 percent (0.8 mmt), Mexico at 9 percent (0.7 mmt), and Turkey at 9 percent (0.7 mmt).

While the rankings of the top 10 source countries for U.S. imports has fluctuated over time, Canada has retained the top spot.

U.S. Steel Imports - Top 10 Sources
YTD 2017 - Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through March

Trends in Imports from Top Sources

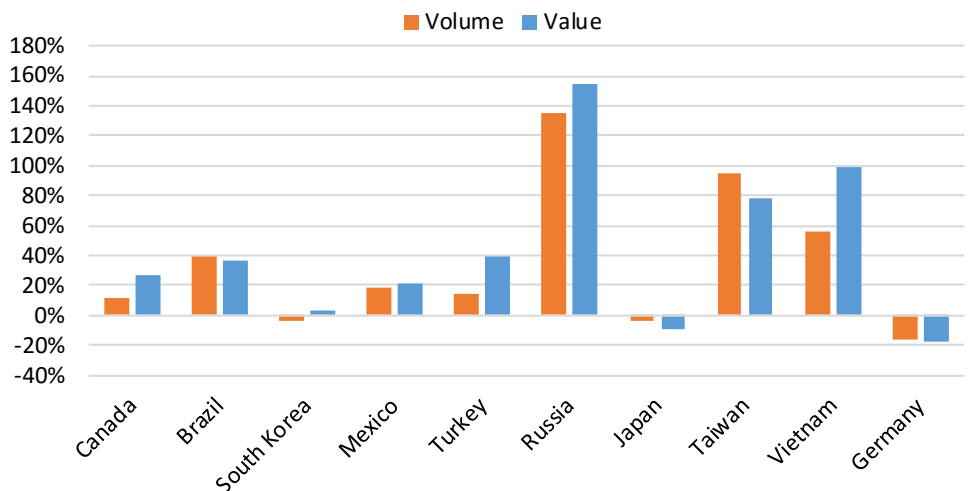
Between YTD 2016 and YTD 2017, imports increased from seven of the United States' top 10 import source countries. Imports from Germany showed the largest volume increase in YTD 2017, up 135 percent, followed by Taiwan (up 95%), Vietnam (up 56%), and Brazil (up 40%). The only decreases in volume came from Germany (down 16%), South Korea (down 3%), and Japan (down 3%).

Outside the top 10 sources, other notable volume changes included U.S. imports from 11th-ranked India (up 167%), 12th-ranked China (down 20%), 13th-ranked Thailand (up 247%), and 16th-ranked United Arab Emirates (up 113%).

As with import volumes, the overall value of U.S. imports increased from nearly all of the top 10 sources. Imports from Russia, Vietnam, and Taiwan showed the largest increases in value in YTD

2017, up 154 percent, 98 percent, and 78 percent, respectively. Only imports from Germany and Japan decreased in value terms from YTD 2016, down 18 percent and 9 percent, respectively.

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



Source: IHS Global Trade Atlas
YTD through March

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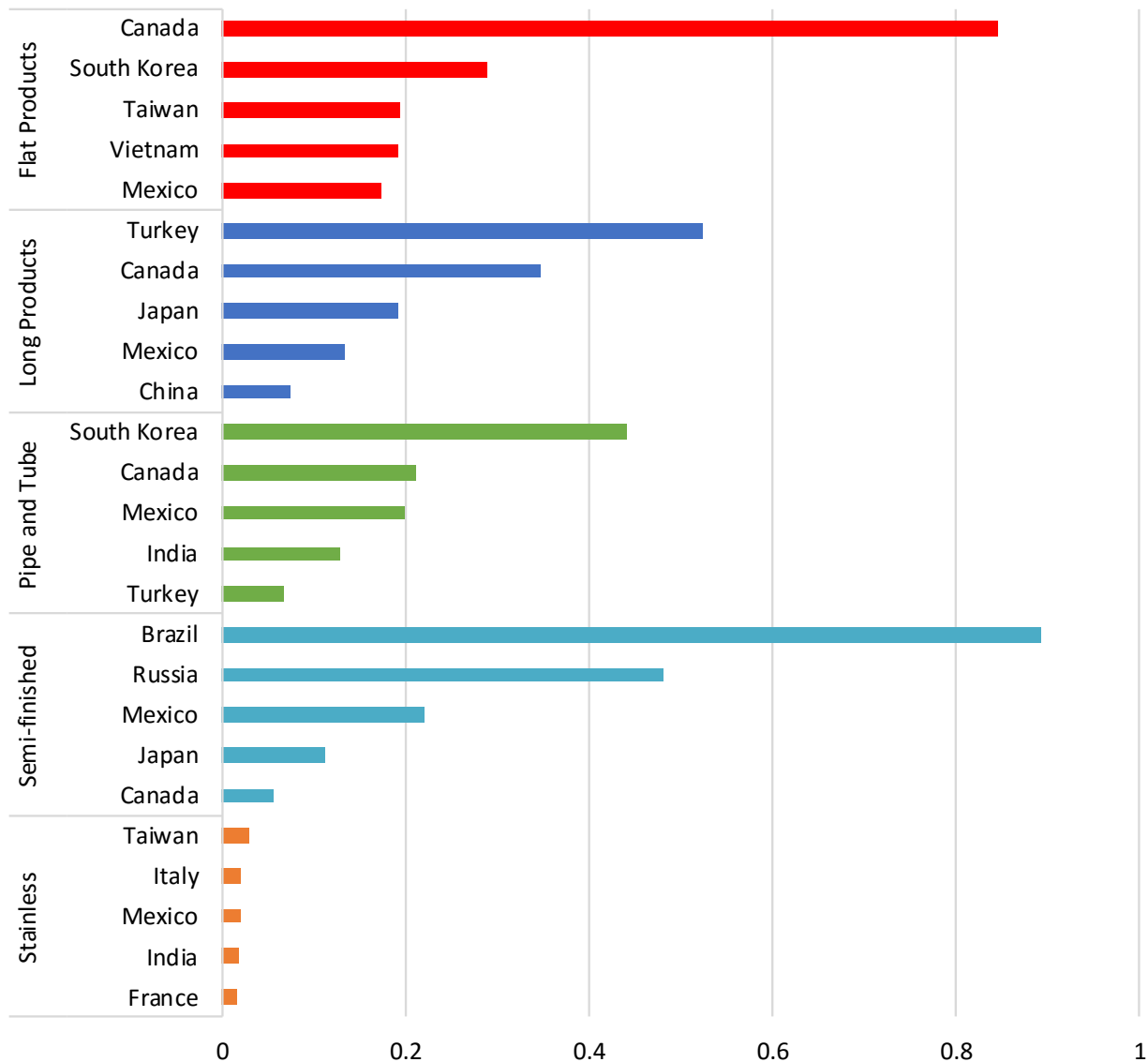
Top Sources by Steel Product Category

The top source countries for U.S. imports by volume vary across types of steel products. The U.S. imported the largest share of flat products from Canada in YTD 2017 at 30 percent (847 thousand metric tons).

The U.S. imported 29 percent of long products from Turkey at 29 percent (524 thousand metric tons), 29 percent of pipe and tube products from South Korea (441 thousand metric tons), and 13 percent of stainless products from Taiwan (30 thousand metric tons).

Half of the United States' imports of semi-finished steel came from Brazil in YTD 2017 — a total of 894 thousand metric tons.

U.S. Top 5 Import Sources by Product - YTD 2017



Source: IHS Global Trade Atlas
YTD through March

Millions of Metric Tons

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U.S. Export Market Share from Top Source Countries

In 2016, the share of steel exports sent to the United States from its top import sources decreased in nearly all of the U.S. top 10 sources. Brazil's share of exports to the United States showed the largest decline between 2015 and 2016, down 6.6 percentage points. Other notable decreases included Germany's share of exports to the United States (down 1.2 percentage points and Canada's share (down 1 percentage point).

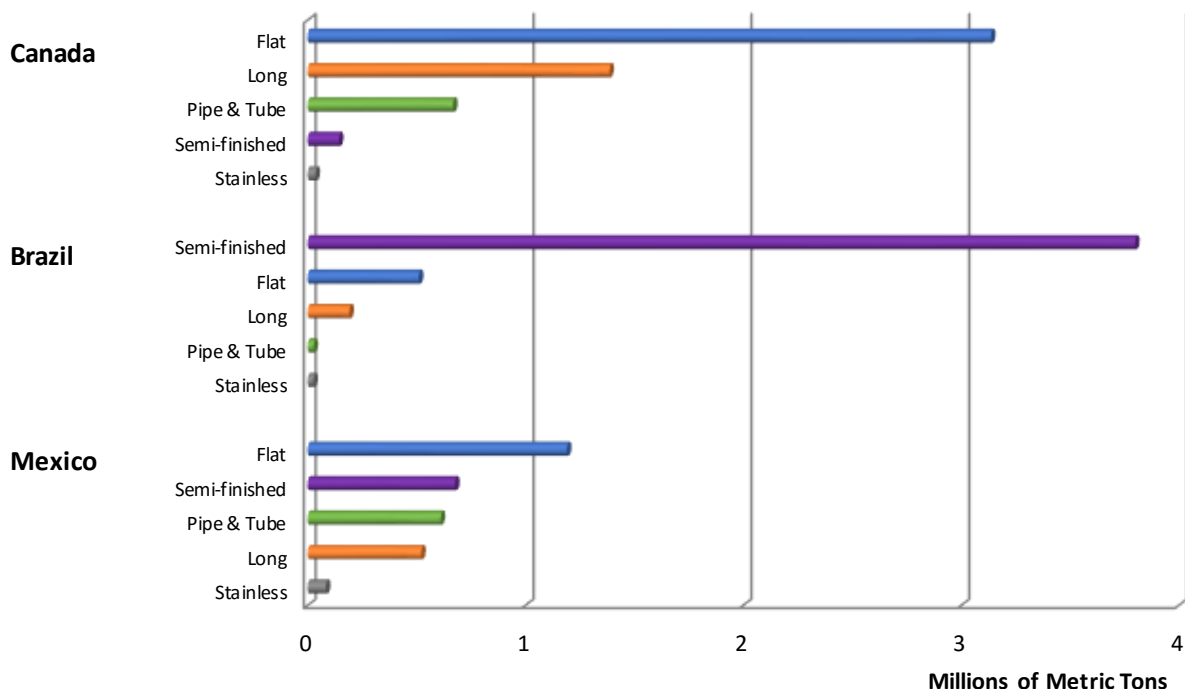
U.S. Steel Export Market Share				
Top 10 Import Sources	Share of Exports to U.S. - 2015	U.S. Rank in 2015	Share of Exports to U.S. - 2016	U.S. Rank in 2016
Canada	88.6%	1	87.7%	1
Brazil	40.6%	1	34.0%	1
South Korea	12.6%	1	12.1%	2
Mexico	68.0%	1	72.9%	1
Turkey	15.6%	1	15.0%	1
Japan	5.7%	7	4.9%	7
Russia	2.4%	10	2.3%	11
Germany	5.2%	7	4.0%	9
Taiwan	8.9%	4	9.2%	3
Vietnam	9.4%	4	N/A	N/A

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

The share of exports to the United States in South Korea, Turkey, Japan, and Russia all decreased by less than one percentage point. Only Mexico and Taiwan increased their share of steel exports to the United States, up 4.9 percentage points and 0.3 percentage points, respectively.

Among top import sources for U.S. steel, Canada, Brazil, and Mexico sent more than a third of their total steel exports to the United States in 2016. Flat products accounted for the largest share of steel exports to the United States in both Canada and Mexico, at 58 percent (3.1 million metric tons) and 39 percent (1.2 million metric tons), respectively. A significant share of Brazil's exports to the United States, 83 percent, were of semi-finished products (3.8 million metric tons).

Steel Export Composition of Top Market-Share Countries - 2016

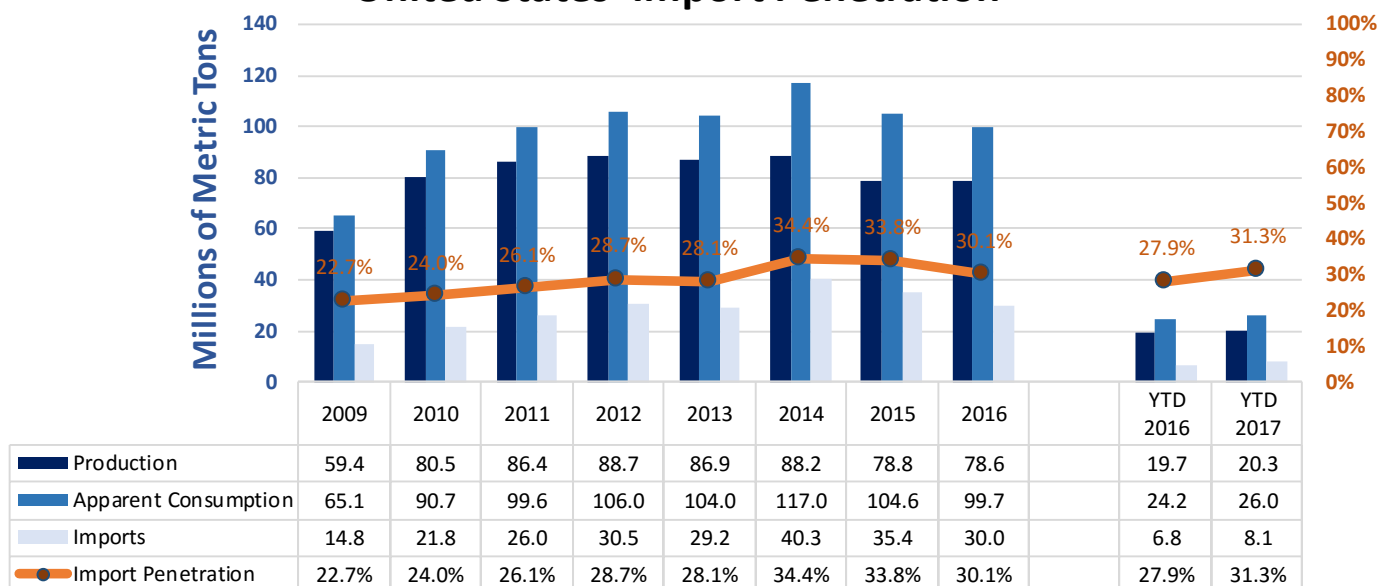


Source: IHS Global Trade Atlas, based on export data per reporting country

Steel Imports Report: United States

Overall Production and Import Penetration

United States' Import Penetration



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. The gap between demand and production increased slightly to 5.7 million metric tons in YTD 2017. Imports have captured an increasing share of demand, as shown by the relatively high levels of import penetration in 2014, 2015, and 2016 at 34.4, 33.8, and 30.1 percent, respectively. In YTD 2017, import penetration stood at 31.3 percent, up from 27.9 percent in YTD 2016.

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

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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 United States has against imports of steel mill products from various countries. The U.S. has no steel mill safeguards in effect.

U.S. Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Australia	1			1
Belarus	1			1
Belgium	1			1
Brazil	5	3		8
China	14	10		24
Germany	2			2
India	10	6		16
Indonesia	4	2		6
Italy	1	1		2
Japan	12			12
Latvia	1			1
Malaysia	1			1
Mexico	6			6
Moldova	2			2
Netherlands	1			1
Oman	1			1
Pakistan	1			1
Poland	1			1
Romania	1			1
Russia	1		1	2
South Africa	1	1		2
South Korea	13	5		18
Spain	1			1
Sweden	1			1
Taiwan	11	1		12
Thailand	3	1		4
Trinidad & Tobago	1			1
Turkey	6	5		11
Ukraine	2		2	4
United Arab Emirates	1			1
United Kingdom	2			2
Vietnam	2			2
TOTAL	111	35	3	149

Source: World Trade Organization, through June 1, 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.

Special Note on U.S. Import Data: Import data for the United States used in this report are general imports, rather than imports for consumption, so as to be consistent across countries. Therefore, U.S. import data in this report may not match similar data used in our other U.S. import data products.

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 ECGlobalSteelStats@trade.gov

trade.gov/steel