INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Exports Report: **Germany**

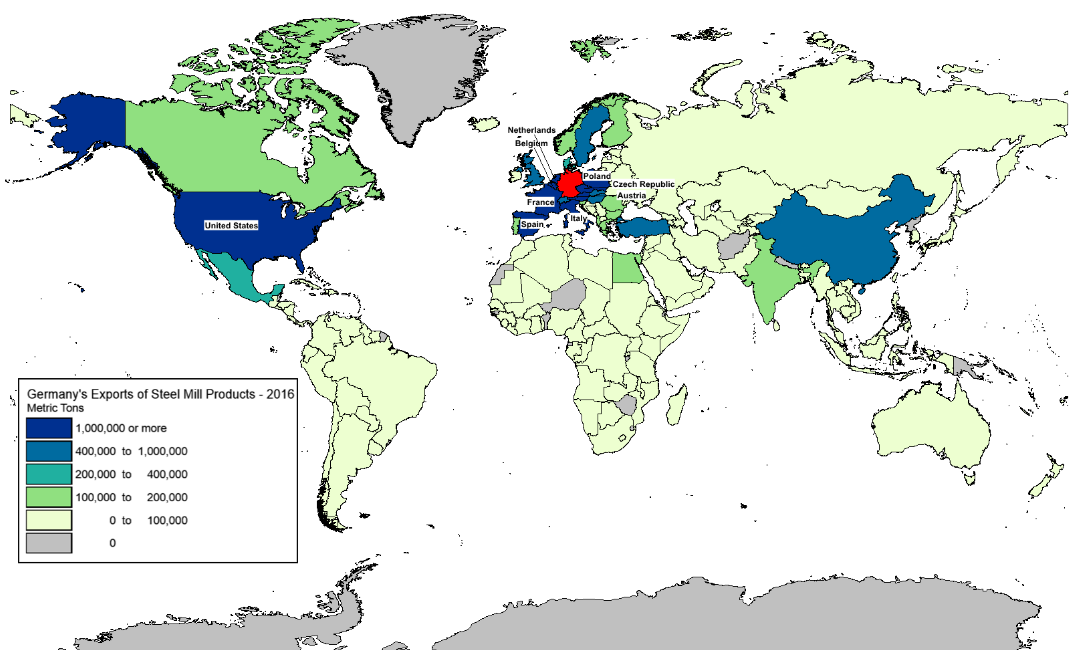
September 2017

Background

Germany is the world's fifth-largest steel exporter. In year-to-date 2017 (through June), further referred to as YTD 2017, Germany exported 13.3 million metric tons of steel, a 3 percent increase from 12.9 million metric tons in YTD 2016. Germany's exports represented about 5 percent of all steel exported globally in 2016. The volume of Germany's 2016 steel exports was less than a quarter the size of the world's largest exporter, China. In value terms, steel represented just 3.3 percent of the total amount of goods Germany exported in 2016.

Germany exports steel to more than 200 countries and territories. The nine countries labeled in the map below represent the top markets for Germany's exports of steel, receiving more than 1 million metric tons each and accounting for 66 percent of Germany's steel exports in 2016.

Germany's Exports of Steel Mill Products - 2016



Quick Facts:

- World's fifth-largest steel exporter: 13.3 million metric tons (YTD 2017)
- 42% steel export growth since Q2 2009
- YTD export volume up 3% while export value up 13%
- Top three markets: France, Poland, Italy
- Largest producers: ThyssenKrupp, ArcelorMittal, Salzgitter
- 4 trade remedies in effect in 3 countries involving steel mill imports from Germany; 6 trade remedies in effect in 3 countries involving steel mill imports from the European Union

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Steel Trade Balance

Germany has posted a slight steel trade surplus for majority of quarters since 2005. Both imports and exports fell in 2009 and have recovered since then, increasing 66 percent and 42 percent, respectively, between Q2 2009 and Q2 2017.

With imports growing at a faster rate, Germany posted a steel trade deficit for the past three years, amounting to -997 thousand metric tons in 2016. In YTD 2017, the steel trade deficit totaled –607 thousand metric tons up 187% from YTD 2016.

Export Volume, Value, and Product

In recent years, Germany's level of steel exports by volume has remained relatively flat, averaging 24.6 million metric tons a year since 2013. In 2016, Germany exported 24.9 million metric tons of steel, a 0.6 percent increase from 24.8 million metric tons in 2015. In YTD 2017, exports were up 3 percent to 13.3 million metric tons. By contrast, the value of Germany's steel exports declined every year between 2011 and 2016. In YTD 2017, Germany has seen an increase in export value — up 13 percent to $12.6 billion from $11.2 billion in YTD 2016.

Flat products accounted for just over half of Germany's steel exports in YTD 2017 at 53 percent — a total of 7 million metric tons. Long products accounted for 26 percent, or 3.5 million metric tons, of exports, followed by pipe and tube products at 10 percent (1.29 million metric tons), semi-finished steel at 8 percent (1 million metric tons), and stainless products at 3 percent (457 thousand metric tons).

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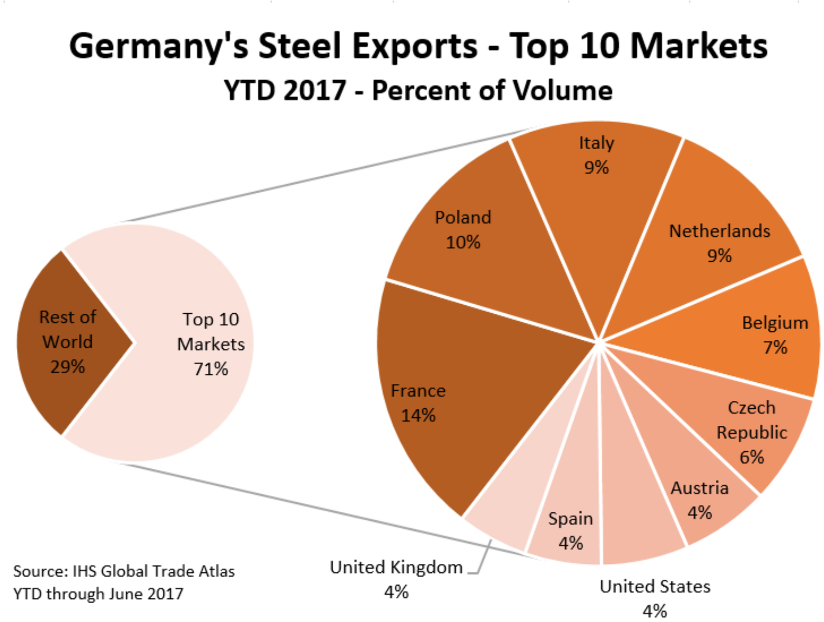
Exports by Top Market

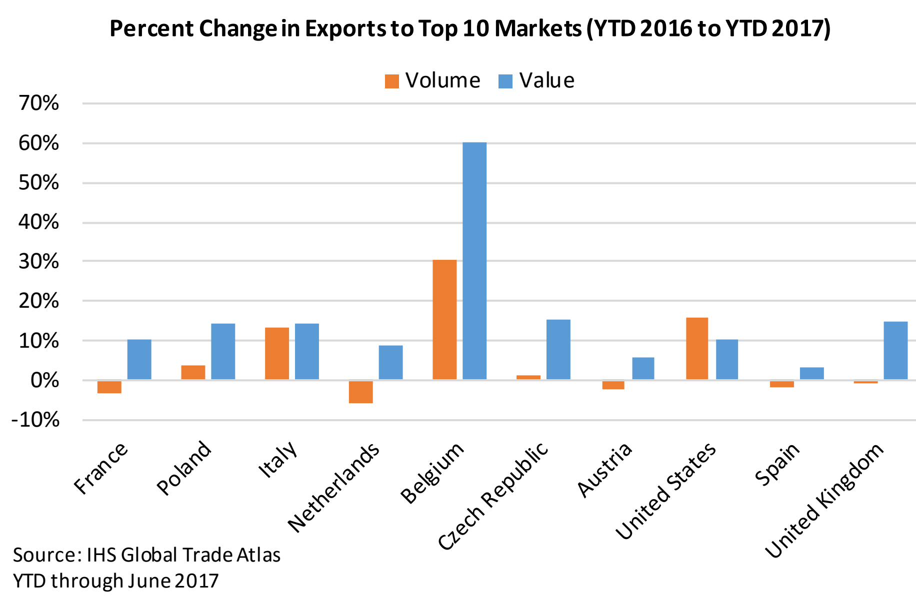
Exports to Germany's top 10 steel markets represented 71 percent of Germany's steel export volume in YTD 2017 at 9.5 million metric tons (mmt). France was the largest market for Germany's exports at 14 percent (1.8 mmt), followed by Poland at 10 percent (1.3 mmt), Italy at 9 percent (1.2 mmt), the Netherlands at 9 percent (1.2 mmt), and Belgium at 7 percent (1 mmt).



The United States ranked eighth as a destination for Germany's steel exports in YTD 2017, accounting for 4 percent of exports (599 thousand metric tons).

Trends in Exports to Top Markets

Between YTD 2016 and YTD 2017, the volume of Germany's steel exports increased to five of the country's top 10 export markets. Among top export markets, Germany's exports to Belgium have increased the most in YTD 2017, up 30 percent by volume, followed by exports to the United States (up 16%), Italy (up 13%), and Poland (up 3%). Exports to the Netherlands, France, Austria, Spain, the United Kingdom, decreased in YTD 2017 — down 6 percent, 3 percent, 2 percent, 2 percent, and 1 percent respectively, from YTD 2016.



Export values increased to all of Germany's top markets, with Belgium again showing the largest increase (up 60%). Other notable value increases included Germany's exports to the Czech Republic (up 16%), the United Kingdom (up 15%), and Poland (up 14%).

Outside the top 10 export markets, other substantial volume changes in YTD 2017 included Germany's exports to China (up 29%), Mexico (up 94%), and Russia (up 223%).

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Top Markets by Steel Product Category

Germany's top export markets by volume vary across types of steel products. In YTD 2017, Germany exported the largest share of flat products to Poland at 12 percent (844 thousand metric tons), followed closely by Italy at 12 percent (837 thousand metric tons) and Belgium at 11 percent (743 thousand metric tons).

France was the largest market for Germany's long product exports in YTD 2017 at 12 percent (407 thousand metric tons), pipe and tube exports at 15 percent (188 thousand metric tons), and semi-finished steel exports at 64 percent (638 thousand metric tons). Germany sent 11 percent of stainless exports to Belgium (49 thousand metric tons), followed closely by Austria at 11 percent (49 thousand metric tons).

Pipe and tube was the only product category for which the United States was a top-five export destination in YTD 2017.

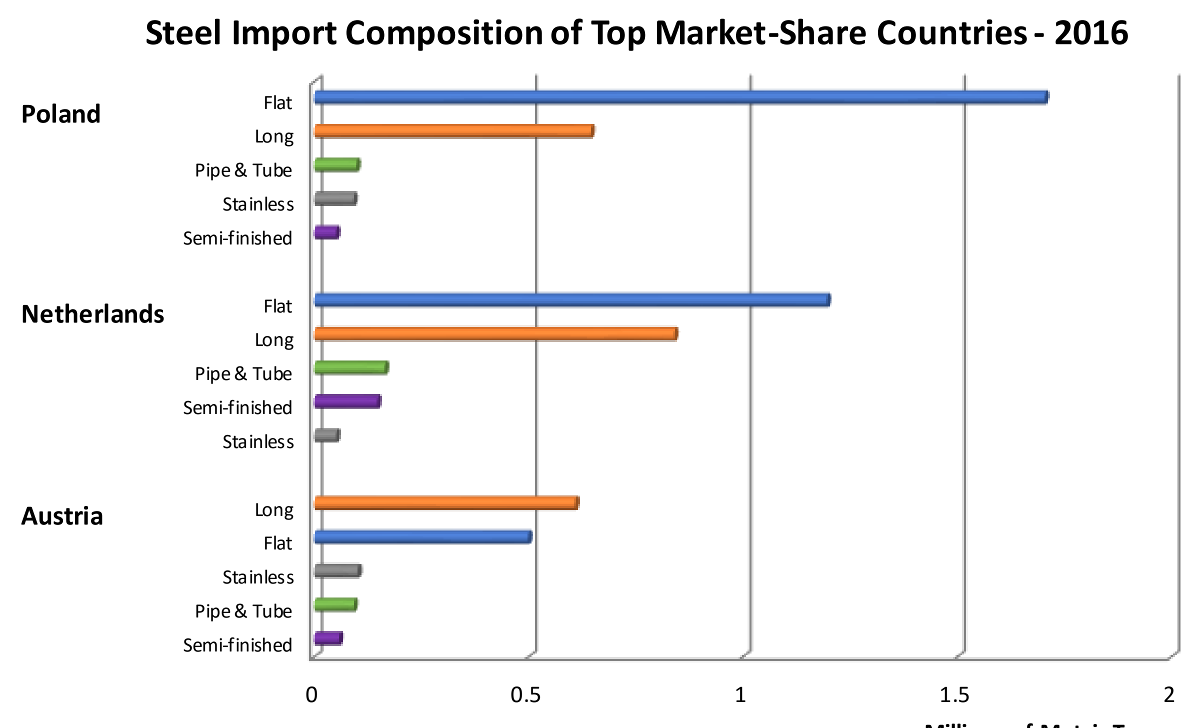
Germany's Import Market Share in Top Destinations

In 2016, the import market share for Germany's steel products decreased or remained the same in the majority of Germany's top 10 export destinations. The share of imports from Germany in the Netherlands showed the largest decline (down 5.3 percentage points from 2015), followed by the United Kingdom (down 1.9 percentage points) and France (down 1.5 percentage points). Import shares from Germany in Poland and the United States each decreased by less than half of one percentage point, while import shares from Germany in Italy, Belgium, Austria, and Spain all increased by less than one percentage point.

Germany's Steel Import Market Share				
Top 10 Export Markets	Share of Imports from Germany - 2015	Germany's Rank in 2015	Share of Imports from Germany - 2016	Germany's Rank in 2016
France	25.9%	1	24.5%	2
Poland	25.8%	1	25.6%	1
Netherlands	31.7%	1	26.3%	1
Italy	11.6%	2	12.1%	1
Belgium	13.0%	4	13.5%	3
Czech Republic	23.1%	1	23.1%	1
Austria	32.2%	1	32.4%	1
Spain	10.9%	4	11.3%	3
United States	4.0%	9	3.6%	8
United Kingdom	15.8%	1	14.0%	1

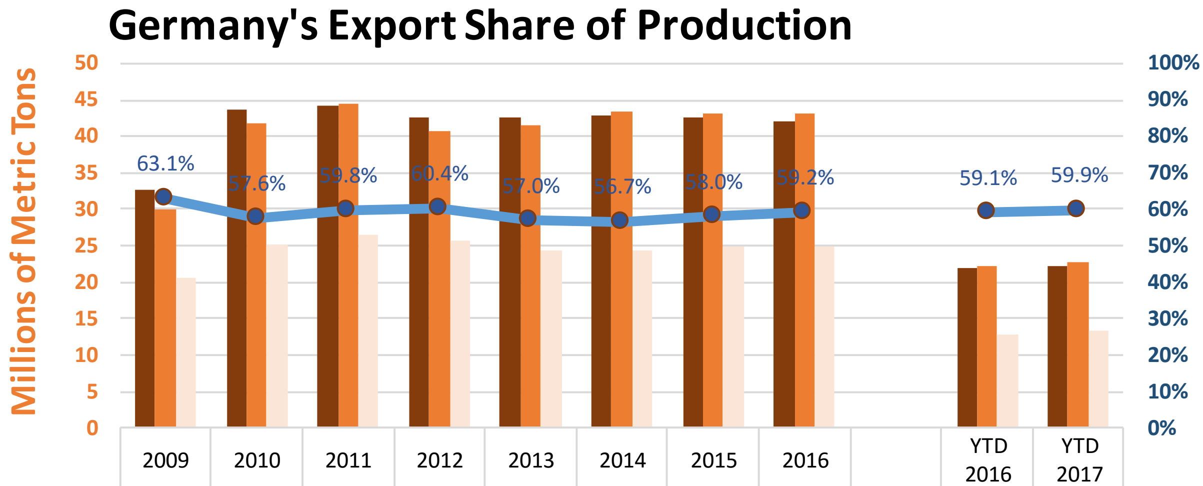
Source: IHS Global Trade Atlas, based on import data per reporting country

Among Germany's top export markets, Poland, the Netherlands, and Austria received more than a quarter of their total steel imports from Germany in 2016. Flat products accounted for the largest share of steel imports from Germany in both Poland at 66 percent (1.7 million metric tons) and the Netherlands at 50 percent (1.2 million metric tons), while long products accounted for the largest share of Austria's imports from Germany at 45 percent (609 thousand metric tons).



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

Overall Production and Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016		YTD 2016	YTD 2017
Production	32.7	43.8	44.3	42.7	42.6	42.9	42.7	42.1		21.9	22
Apparent Consumption	30.0	41.7	44.4	40.7	41.6	43.5	43.3	43.1		22.1	22.8
Exports	20.6	25.2	26.5	25.8	24.3	24.3	24.8	24.9		12.9	13.3
Export Share of Production	63.1%	57.6%	59.8%	60.4%	57.0%	56.7%	58.0%	59.2%		59.1%	59.9%

Sources: World Steel Association; IHS Global Trade Atlas
YTD through June 2017

Germany's crude steel production increased by 36 percent between 2009 and 2011 before maintaining a steady average of 42.9 million metric tons through 2016. Production in YTD 2017 has increased 1.7 percent compared to YTD 2016 to a total of 22 million metric tons. Apparent consumption (a measure of steel demand) was either on par with or slightly less than production between 2009 and 2014 and slightly outpaced production in 2015, 2016, and YTD 2017. Germany's steel exports as a share of production declined slightly since 2009 but remained consistently over 50 percent — amounting to nearly 60 percent in YTD 2017. Despite having a high level of exports relative to production, Germany imported a similar percentage, which helped to keep demand in line with production.

Top Producers

According to the German Steel Federation, 14 steel producers accounted for 99 percent of Germany's total steel production in 2016 — with the top six listed here accounting themselves for 85 percent of production. Production among Germany's top companies is heavily skewed towards electric arc furnace technology.

Germany' s Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	ThyssenKrupp	12.1	Strip, sheets, plate, coated products, electrical, stainless
2	ArcelorMittal	7.8	Flat, long, tube
3	Salzgitter	7	Strip, plates, sections, pipe and tube
4	HKM	3.8	Semi-finished
5	Saarstahl	2.5	Wire rods, bars, semi-finished
6	Badische Stahlwerke	2.4	Rebar, wire rod, wire

Sources: German Steel Federation; MarketLine; 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 Germany and from the European Union, which includes Germany.

Steel Mill Trade Remedies in Effect Against Germany

Country	AD	CVD	Suspension Agreements and	Total
Brazil	1			1
Mexico	1			1
United States	2			2
TOTAL	**4**	**0**	**0**	**4**

Source: World Trade Organization, through June 1, 2017

Steel Mill Trade Remedies in Effect Against the European Union

Country	AD	CVD	Suspension Agreements and	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 sec-
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
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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