

Global Steel Trade Monitor

Steel Imports Report: France

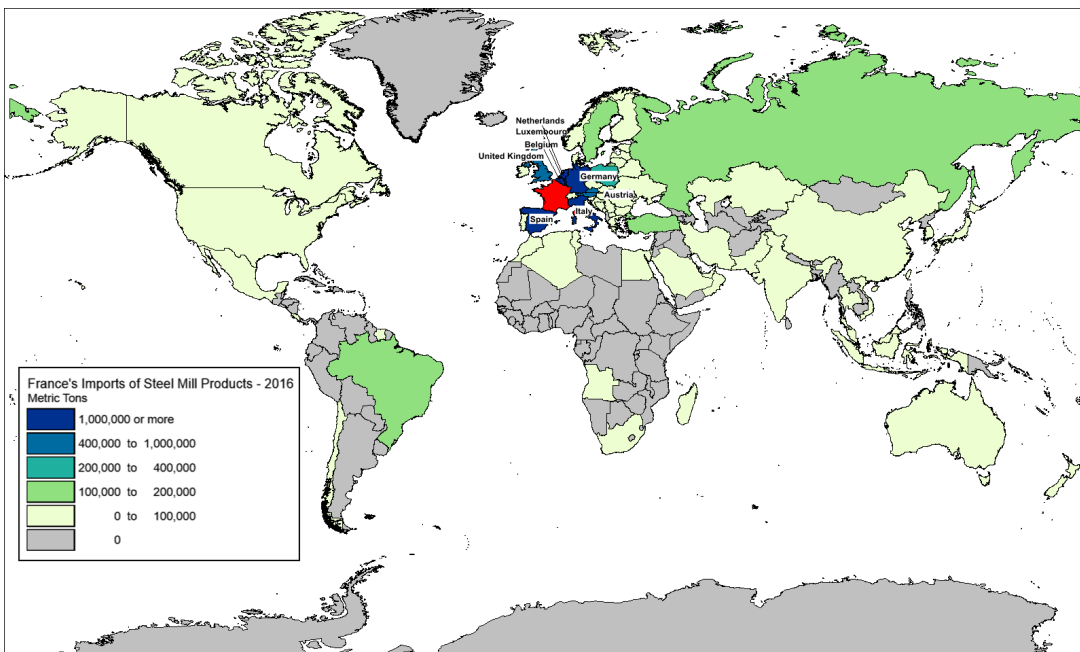
September 2017

Background

France is the world's seventh-largest steel importer. In year-to-date 2017 (through June) further referred to as YTD 2017, France imported 7.92 million metric tons of steel, a slight decrease from 7.98 million metric tons in YTD 2016. France's imports represented about 4 percent of all steel imported globally in 2016. The volume of France's 2016 steel imports was slightly over half that of Europe's largest and the world's second-largest importer, Germany, and about half of the United States, the world's largest steel importer. In value terms, steel represented just 1.8 percent of the total goods imported into France in 2016.

France imports steel from over 75 countries and territories. The eight countries labeled in the map below represent the top sources for France's imports of steel, with each sending more than 400 thousand metric tons to France and together accounting for 91 percent of France's steel imports in 2016.

France's Imports of Steel Mill Products - 2016



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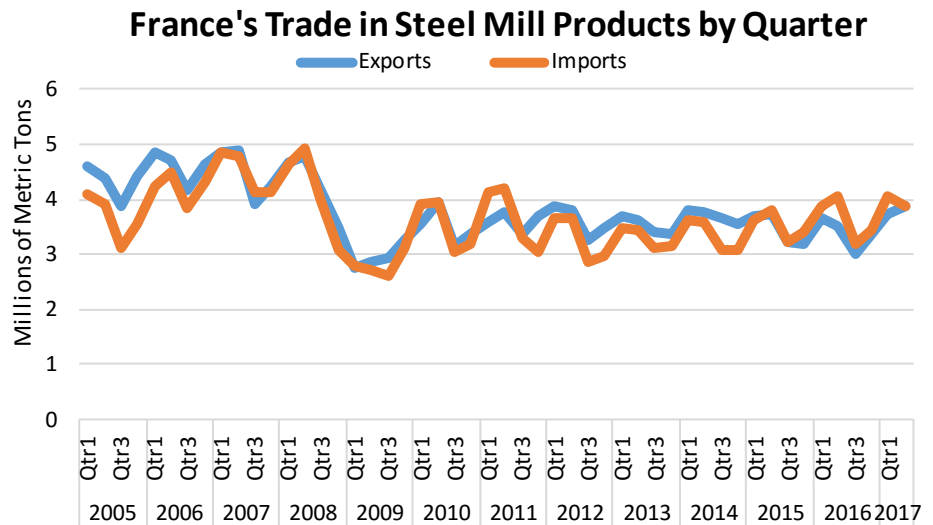
Quick Facts:

- World's 7th-largest steel importer: 7.92 million metric tons (YTD 2017)
- 50% steel import growth since Q3 2009
- YTD import volume down slightly while import value up 19%
- Import penetration down from 99.5% in YTD 2016 to 95.9% in YTD 2017
- Top three import sources: Belgium, Germany, Italy
- Largest producers: ArcelorMittal, Riva Acier
- 28 European Union trade remedies in effect against imports of steel mill products

Steel Imports Report: France

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 50 percent and 32 percent, respectively, between Q3 2009 and Q2 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 – totaling –343 thousand metric tons in YTD 2017.



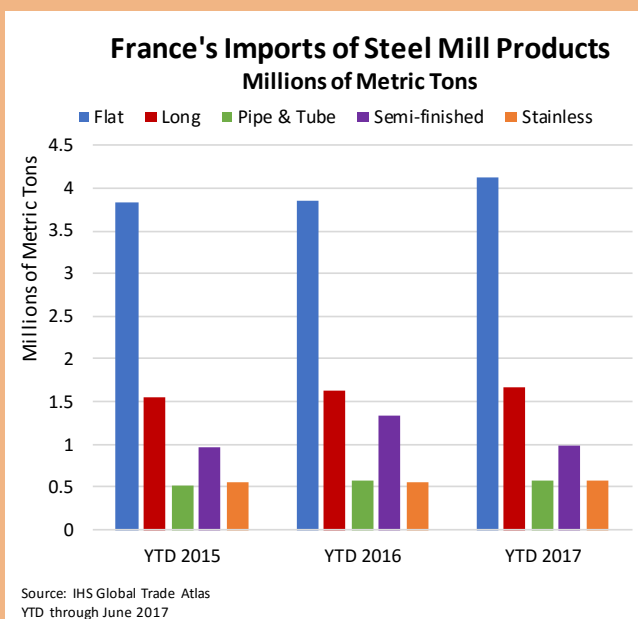
Source: IHS Global Trade Atlas

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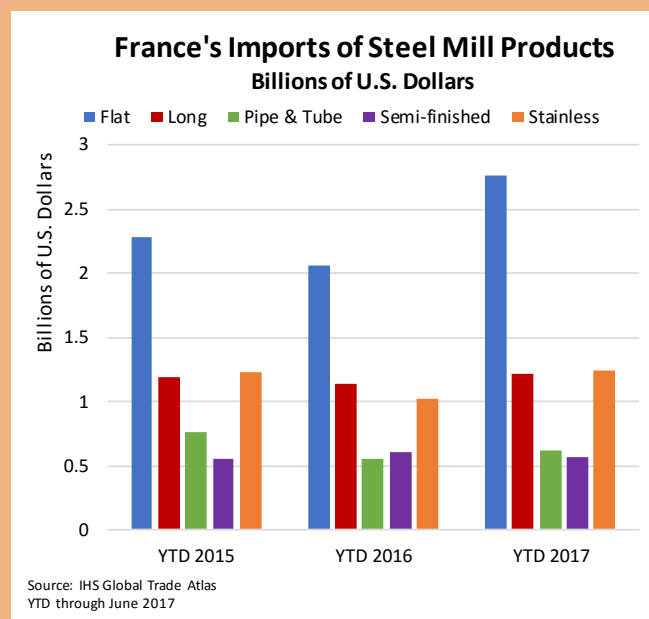
Import Volume, Value, and Product

Since 2012, the volume of France's imports of steel mill products has been relatively flat. In 2016, France's steel imports totaled 14.6 million metric tons, up 4 percent from 2015. In YTD 2017, imports slightly decreased to 7.92 million metric tons compared to 7.93 million metric tons in YTD 2016. By contrast, the value of France's imports declined every year between 2011 and 2016. Import value in YTD increased by 19 percent to \$6.4 billion from \$5.4 billion in YTD 2016.

Flat products accounted for slightly more than half of France's steel imports in YTD at 52 percent – a total of 4.1 million metric tons. Long products accounted for 21 percent of imports (1.7 million metric tons), followed by semi-finished at 12 percent (987 thousand metric tons), pipe and tube at 7 percent (581 thousand metric tons), and stainless steel at 7 percent (566 thousand metric tons).



Source: IHS Global Trade Atlas
YTD through June 2017



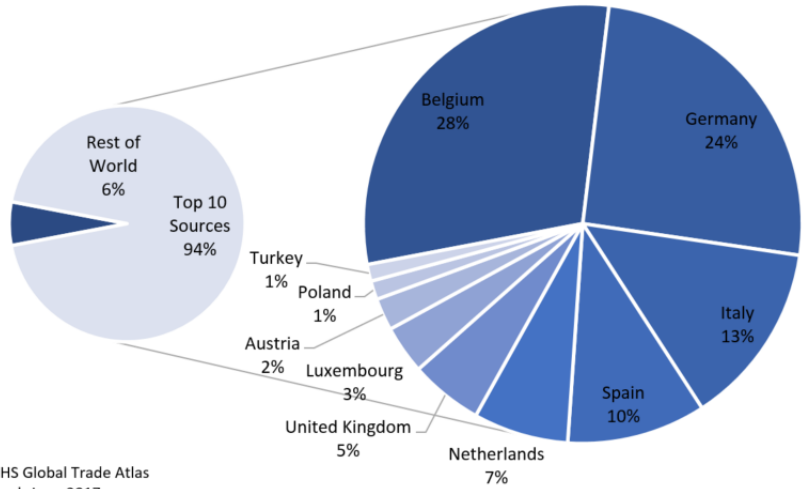
Source: IHS Global Trade Atlas
YTD through June 2017

Steel Imports Report: France

Imports by Top Source

The top 10 source countries for France's steel imports represented 94 percent of the total steel import volume in YTD 2017 at 7.4 million metric tons (mmt). Belgium accounted for the largest share of France's imports by source country with 28 percent (2.2 mmt), followed by Germany at 24 percent (1.9 mmt), Italy at 13 percent (1 mmt), Spain at 10 percent (0.8 mmt), and the Netherlands at 7 percent (0.5 mmt).

France's Steel Imports - Top 10 Sources
YTD 2017 - Percent of Volume



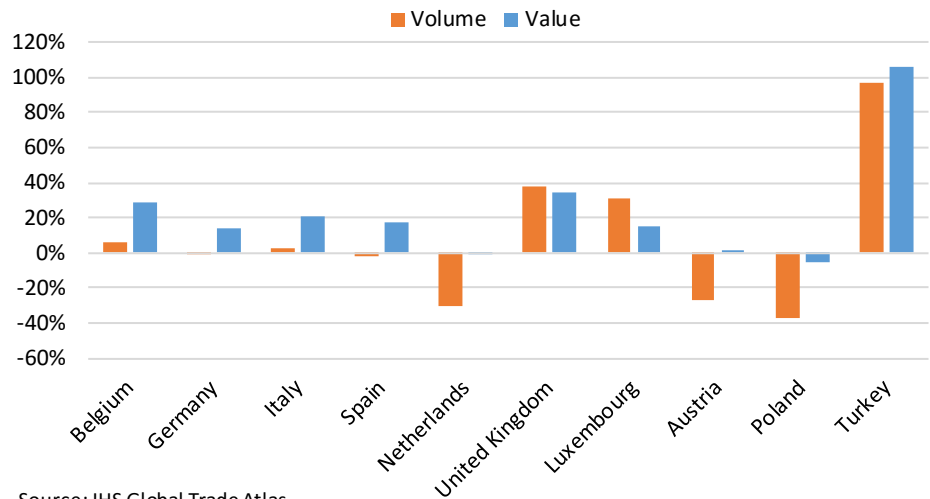
Source: IHS Global Trade Atlas
YTD through June 2017

The United States ranked 32 as a source for France's steel imports, representing just 0.03 percent of imports (2.5 thousand metric tons) in YTD 2017.

Trends in Imports from Top Sources

The volume of France's steel imports increased from five of France's top 10 steel import sources between YTD 2016 and YTD 2017. Imports from Turkey showed a significant increase in YTD 2017, up 97 percent by volume, followed by France's imports from the United Kingdom (up 38%), Luxembourg (up 31%), Belgium (up 6%), and Italy (up 2%). Imports from Poland, the Netherlands, Austria, Germany, and Spain all decreased in volume in YTD 2017 — down 37 percent, 30 percent, 26 percent, 1 percent, and 1 percent, respectively.

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



Source: IHS Global Trade Atlas
YTD through June 2017

Turkey not only had the largest increase in volume, but also had the largest increase in value, up 105 percent. Other notable increases included import values from the United Kingdom (up 35%), Belgium (up 29%), Italy (up 20%), and Spain (up 17%). Only France's imports from Poland and Netherlands decreased in value, down 6 percent and 1 percent, respectively, in YTD 2017.

Outside the top 10 sources, other notable volume changes included France's imports from 13th-ranked Slovakia (up 99%) and 25th-ranked Ukraine (up 210%).

Steel Imports Report: France

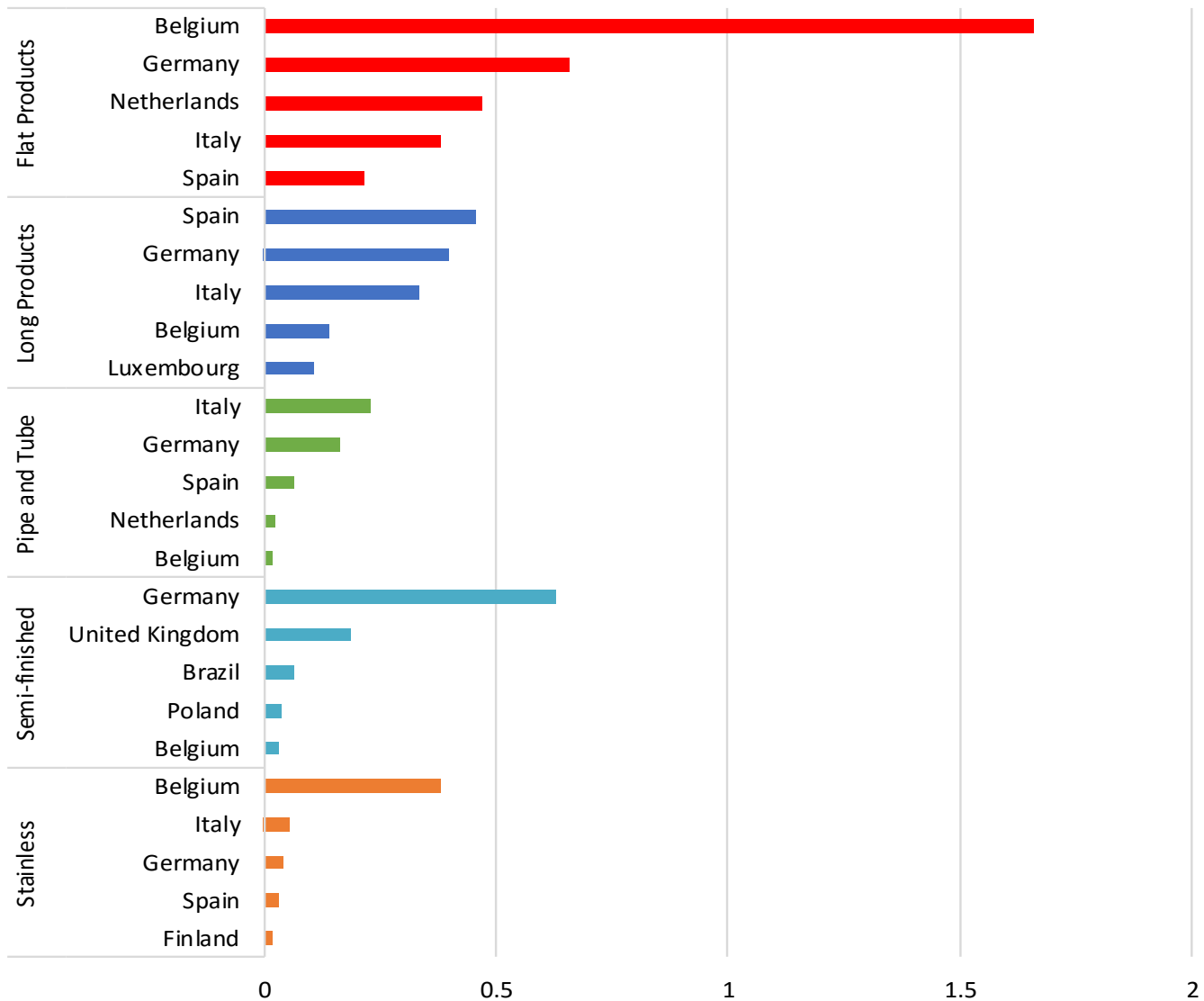
Top Sources by Steel Product Category

The top source countries for France’s imports by volume vary across types of steel products. In YTD 2017, Belgium was the largest source of both France’s imports of flat products at 40 percent (1.7 million metric tons) and stainless products at 67 percent (380 thousand metric tons).

Spain represented the largest source of France’s long product imports at 27 percent (454 thousand metric tons), while Italy represented the largest source of pipe and tube imports at 40 percent (231 thousand metric tons). Germany represented the largest source of France’s semi-finished steel imports at 64% in YTD 2017 (630 thousand metric tons).

The United States was not a top import source for any product category.

France's Top 5 Import Sources by Product - YTD 2017



Source: IHS Global Trade Atlas
YTD through June 2017

Millions of Metric Tons

Steel Imports Report: France

France's Export Market Share from Top Source Countries

In 2016, the share of steel exports sent to France from its top import sources increased in seven of the top 10 sources. The share of Spain's steel exports to France showed the largest increase (up 2.7 percentage points from 2015), followed by the United Kingdom (up 2.68 percentage points), the Netherlands (up 1.1 percentage points), and Luxembourg (up 1 percentage point). Export shares to France in Belgium, Italy, and

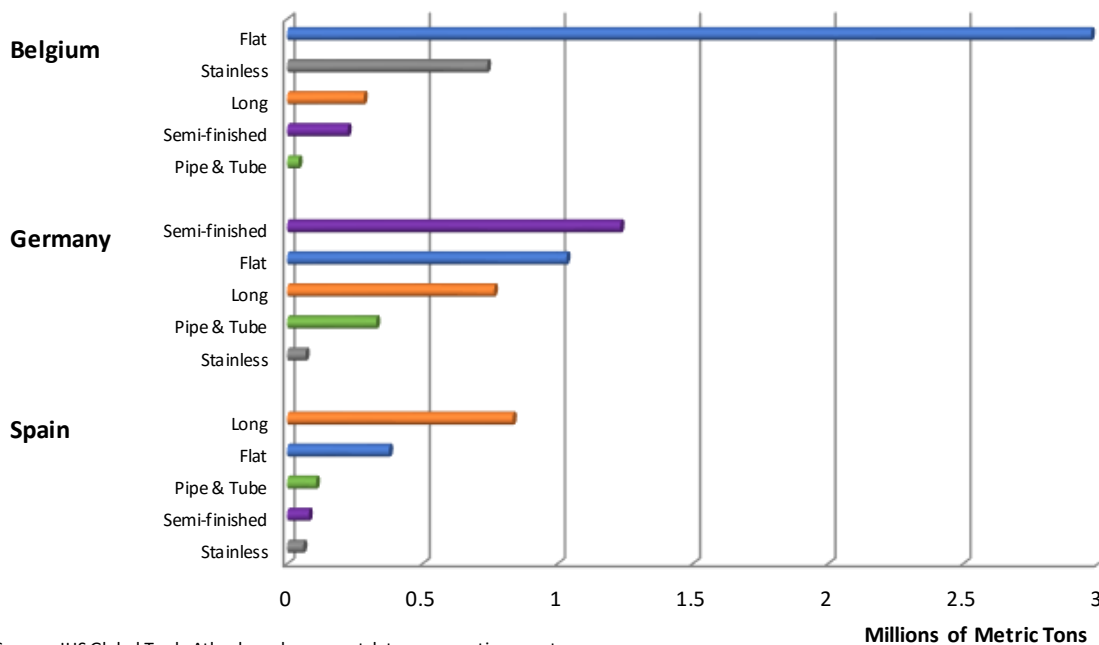
France's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to France - 2015	France's Rank in 2015	Share of Exports to France - 2016	France's Rank in 2016
Belgium	24.9%	2	25.1%	2
Germany	14.0%	1	13.7%	1
Italy	10.3%	3	10.5%	2
Spain	12.9%	2	15.7%	1
Netherlands	8.1%	3	9.2%	3
United Kingdom	10.7%	3	13.4%	1
Austria	3.5%	6	3.3%	6
Luxembourg	8.9%	3	9.9%	3
Poland	4.7%	6	4.1%	7
Brazil	2.0%	10	2.3%	11

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

Brazil each increased by less than half of one percentage point. The share of Poland's steel exports to France decreased by 0.6 percentage points in 2016, while shares in Germany and Austria decreased by less than half of one percentage point.

Among France's top import sources, Belgium, Germany, and Spain sent the largest shares of their total steel exports to France in 2016. Flat products accounted for the largest share of Belgium's steel exports to France at 70 percent (3 million metric tons). Semi-finished products accounted for the largest share of Germany's steel exports to France at 36 percent (1.2 million metric tons), and long products represented the largest share of Spain's steel exports to France at 57 percent (834 thousand metric tons).

Steel Export Composition of Top Market-Share Countries - 2016

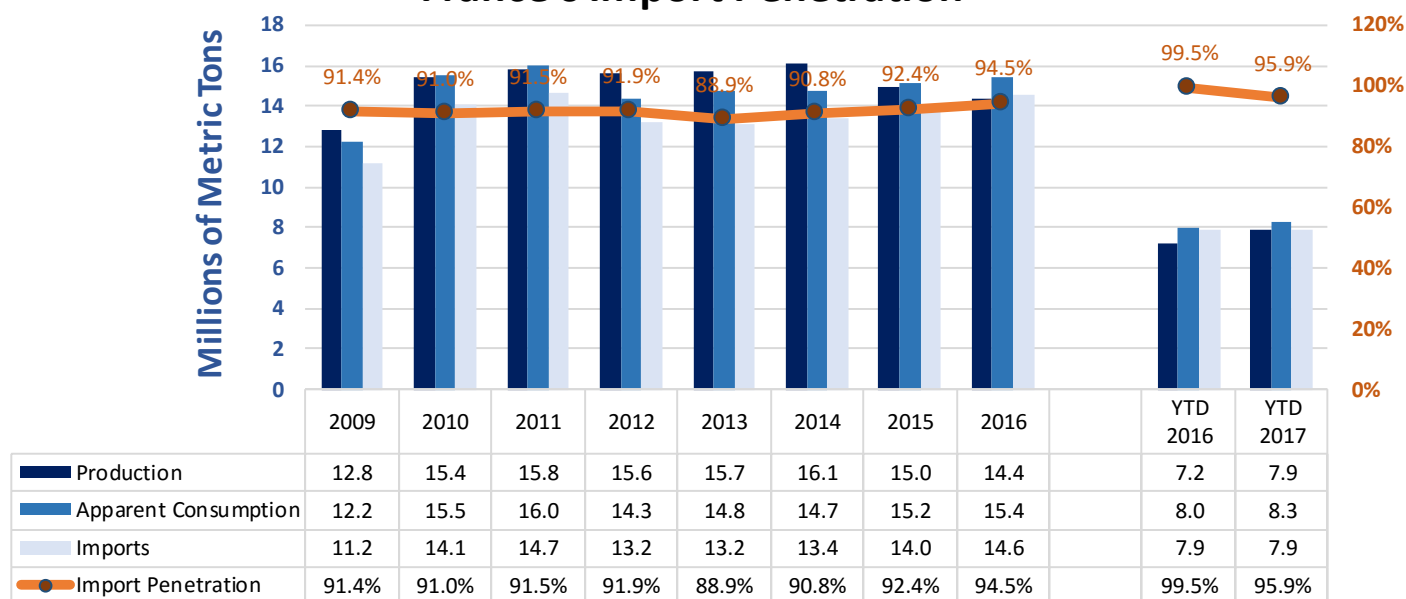


Source: IHS Global Trade Atlas, based on export data per reporting country

Steel Imports Report: France

Overall Production and Import Penetration

France's Import Penetration



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

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 10 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 level of import penetration gradually increased between 2013 and 2016. In YTD 2017, import penetration dipped slightly to 95.9 percent from 99.5 percent in YTD 2016.

Top Producers

France's steel production is heavily concentrated among a handful 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

Steel Imports Report: **France**

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 European Union, which includes France, has against imports of steel mill products from various countries. The European Union has no steel mill safeguards in effect.

European Union Trade Remedies in Effect Against Steel Mill Imports				
Country	AD	CVD	Suspension Agreements and Undertakings	Total
Belarus	1			1
China	10	1	1	12
India	1	2		3
Japan	1			1
Russia	4		1	5
South Korea	1		1	2
Taiwan	1			1
Ukraine	1			1
United States	1		1	2
TOTAL	21	3	4	28

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.

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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