

Global Steel Trade Monitor

Steel Imports Report: Germany

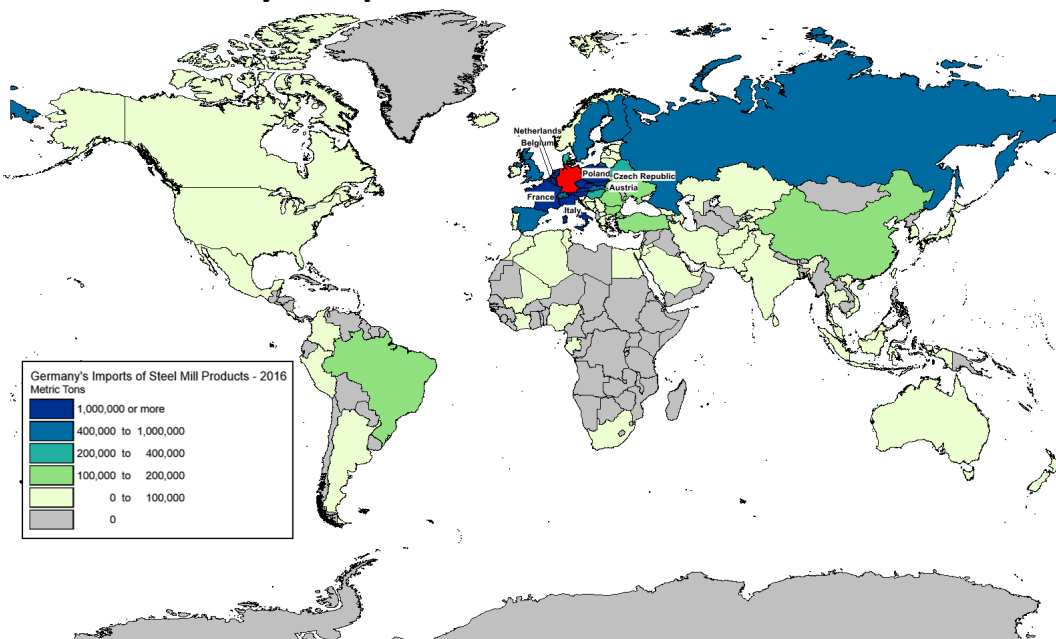
September 2017

Background

Germany is the world's second-largest steel importer. In year-to-date 2017 (through June), further referred to as YTD 2017, Germany imported 13.9 million metric tons of steel, a 6 percent increase from 13.1 million metric tons in YTD 2016. Germany's imports represented about 7 percent of all steel imported globally in 2016. The volume of Germany's 2016 steel imports was just over 4 million metric tons less than that of the world's largest importer, the United States. In value terms, steel represented just 2 percent of the total goods imported into Germany in 2016.

Germany imports steel from over 130 countries and territories. The seven countries labeled in the map below represent the top import sources for Germany's imports of steel, with Germany receiving more than 1 million metric tons from each and together accounting for 73 percent of Germany's steel imports in 2016.

Germany's Imports of Steel Mill Products - 2016



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

Quick Facts:

- World's second-largest steel importer: 13.9 million metric tons (YTD 2017)
- 66% steel import growth since Q2 2009
- YTD import volume up 6% while import value up 19%
- Import penetration at 61% in YTD 2017
- Top three import sources: Belgium, Italy, Netherlands
- Largest producers: ThyssenKrupp, ArcelorMittal, and Salzgitter
- 28 European Union trade remedies in effect against imports of steel mill products

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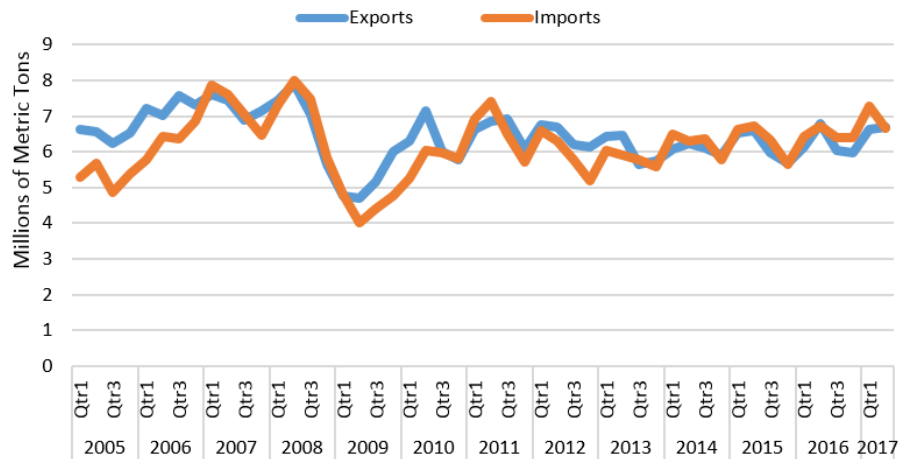
Steel Trade Balance

Germany has posted a slight steel trade surplus for majority of quarters in the past decade. 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.

Germany's Trade in Steel Mill Products by Quarter

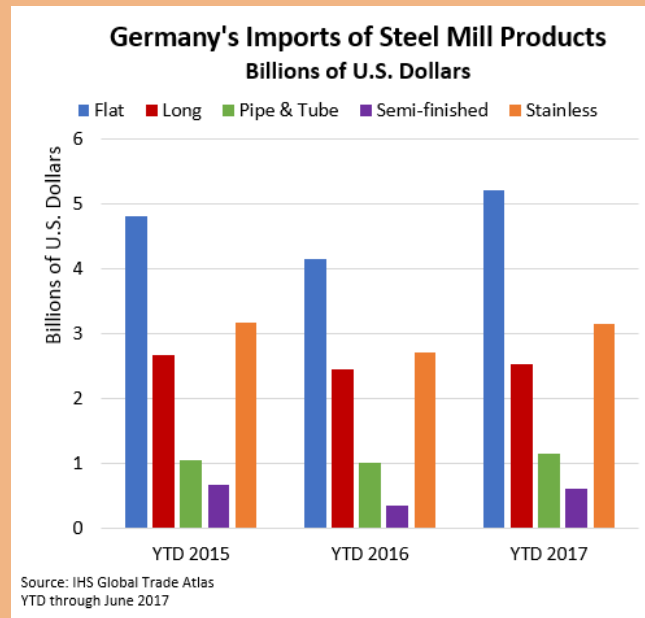
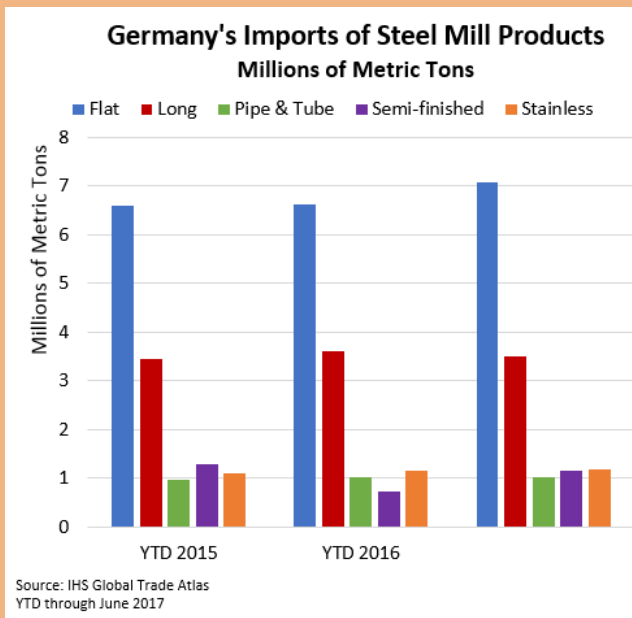


Source: IHS Global Trade Atlas

Import Volume, Value, and Product

Germany's imports of steel products hit a recent peak in 2011 at 26.5 million metric tons. Between 2012 and 2016, imports averaged 24.7 million metric tons per year. In YTD 2017, the volume of Germany's steel imports has increased by 6 percent to 13.9 million metric tons from 13.1 million metric tons in YTD 2016. Between 2011 and 2016, import value fell by 38 percent, from \$34.1 billion to \$20.9 billion. In YTD 2017, the value of Germany's steel imports has increased by 19 percent to \$12.6 billion from \$10.6 billion in YTD 2016.

In YTD 2017, flat products accounted for half of Germany's steel imports, or 7 million metric tons. Long products accounted for 25 percent, or 3.5 million metric tons, of Germany's imports, followed by stainless steel at 9 percent (1.2 million metric tons), semi-finished steel at 8 percent (1.15 million metric tons), and pipe and tube at 7 percent (1 million metric tons).



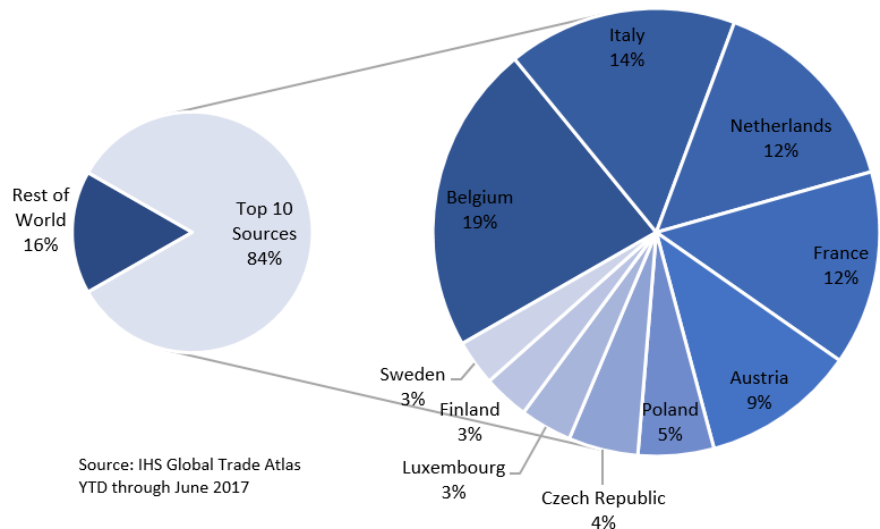
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Imports by Top Source

The top 10 source countries for Germany's steel imports represented 84 percent of the total steel import volume in YTD 2017 at 11.6 million metric tons (mmt). Belgium accounted for the largest share of Germany's imports by source country at 19 percent (2.6 mmt), followed by Italy at 14 percent (1.9 mmt), the Netherlands at 12 percent (1.7 mmt), France at 12 percent (1.6 mmt), and Austria at 9 percent (1.3 mmt).

The United States ranked 31st as a source for Germany's steel imports in YTD 2017, representing just 0.1 percent of imports (17 thousand metric tons).

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



Source: IHS Global Trade Atlas
YTD through June 2017

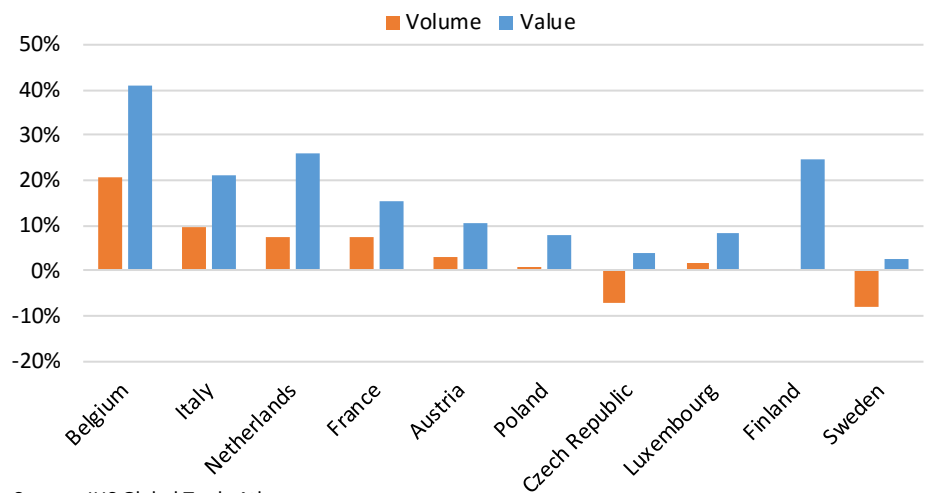
Trends in Imports from Top Sources

Between YTD 2016 and YTD 2017, the volume of Germany's imports increased from eight of the country's top 10 source countries. Imports from Belgium showed the largest volume increase, up 21 percent in YTD 2017, followed by Italy (up 9%) and the Netherlands (up 7%). Only Germany's imports from Sweden and the Czech Republic decreased in volume in YTD 2017, down 8 percent and 7 percent, respectively.

Outside the top 10 sources, other notable volume changes included Germany's imports from Denmark (up 24%), China (down 15%), and Belarus (down 43%).

The overall value of Germany's imports increased from all of its top 10 sources. As with volume, Germany's import value from Belgium increased the most in YTD 2017, up 41 percent, followed by the Netherlands (up 26%), Finland (up 25%), and Italy (up 21%).

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



Source: IHS Global Trade Atlas
YTD through June 2017

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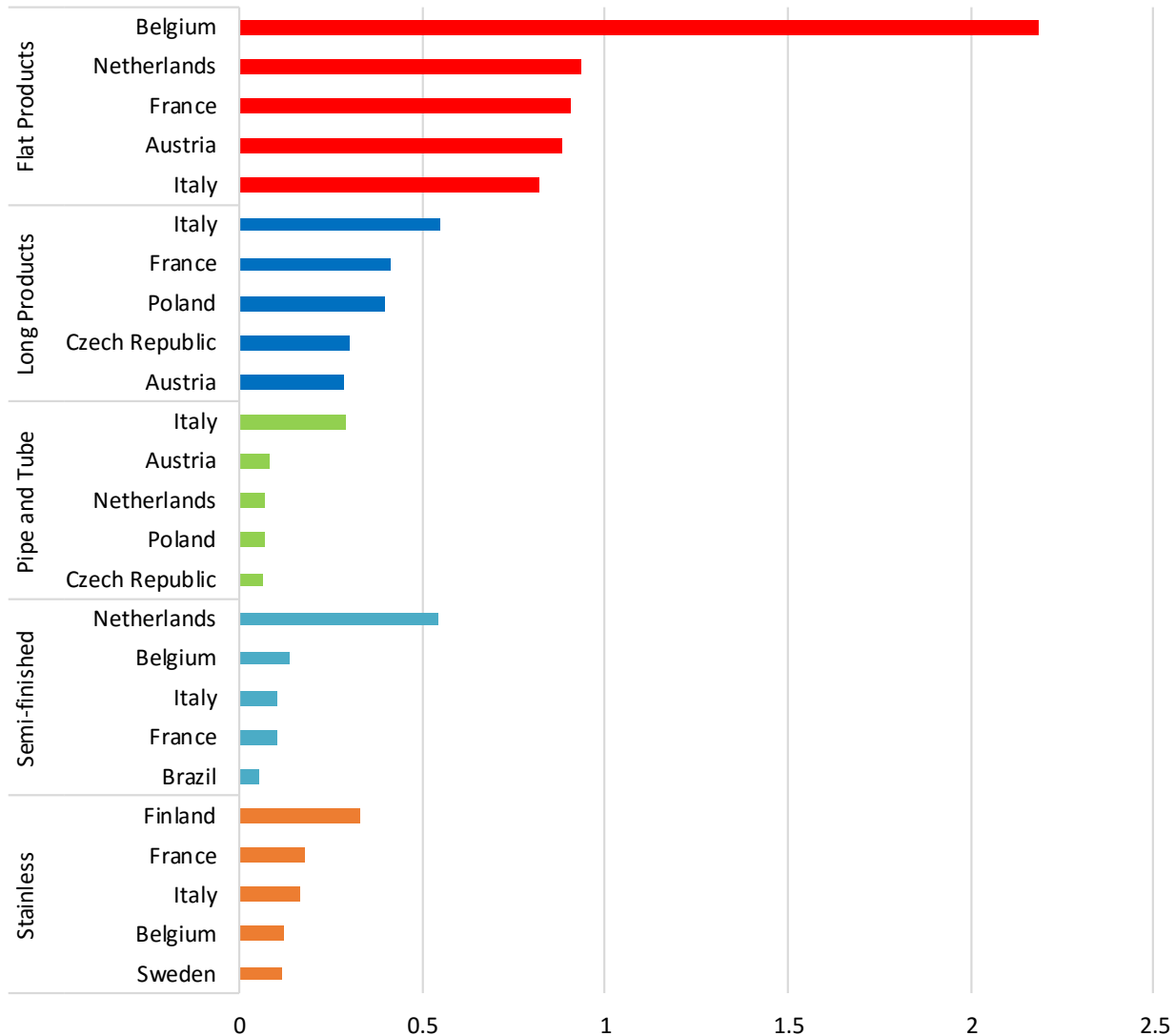
Top Sources by Steel Product Category

The top source countries for Germany's imports by volume vary across types of steel products. Belgium accounted for 31 percent (2.2 million metric tons) of Germany's imports of flat products in YTD 2017.

Germany imported the largest shares of both long products and pipe and tube products from Italy in YTD 2017 at 16 percent (548 thousand metric tons) and 29 percent (291 thousand metric tons), respectively. Germany imported 47% of semi-finished steel from the Netherlands (541 thousand metric tons), while Finland accounted for the largest share of Germany's imports of stainless products at 28 percent (327 thousand metric tons).

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

Germany'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: Germany

Germany's Export Market Share from Top Source Countries

In 2016, the share of steel exports sent to Germany from its top import sources increased in the majority of the top 10 sources. The share of Belgium's steel exports to Germany showed the largest increase (up 2.5 percentage points, followed by Italy (up 1.3 percentage points). Export shares to Germany in France, Poland, the Czech Republic, and Sweden all increased by less than one percentage point. Only export shares in Finland, Austria, and Luxembourg decreased in 2016.

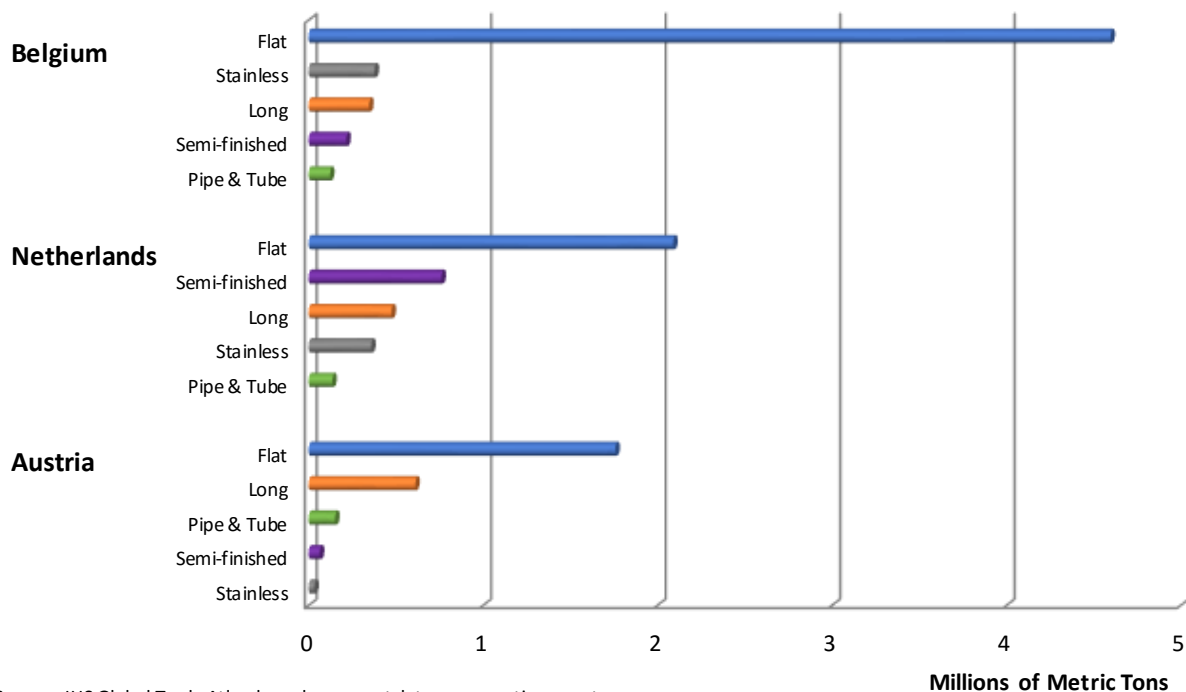
Germany's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Germany - 2015	Germany's Rank in 2015	Share of Exports to Germany - 2016	Germany's Rank in 2016
Belgium	30.8%	1	33.3%	1
Italy	20.1%	1	21.3%	1
Netherlands	35.8%	1	35.8%	1
France	20.5%	1	21.2%	1
Austria	36.6%	1	35.9%	1
Poland	26.2%	1	26.8%	1
Czech Republic	26.5%	1	26.7%	1
Luxembourg	20.3%	1	20.2%	1
Sweden	21.4%	1	21.9%	1
Finland	26.7%	2	24.5%	2

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

Of note, Germany ranks as the number one export destination in nearly all of its top import sources.

Among Germany's top sources, Belgium, the Netherlands, and Austria each sent more than 30 percent of their total steel exports to Germany in 2016. Flat products accounted for significant shares of steel exports to Germany in each Belgium at 81 percent (4.6 million metric tons), the Netherlands at 55 percent (2.1 million metric tons), and Austria at 67 percent (1.8 million metric tons).

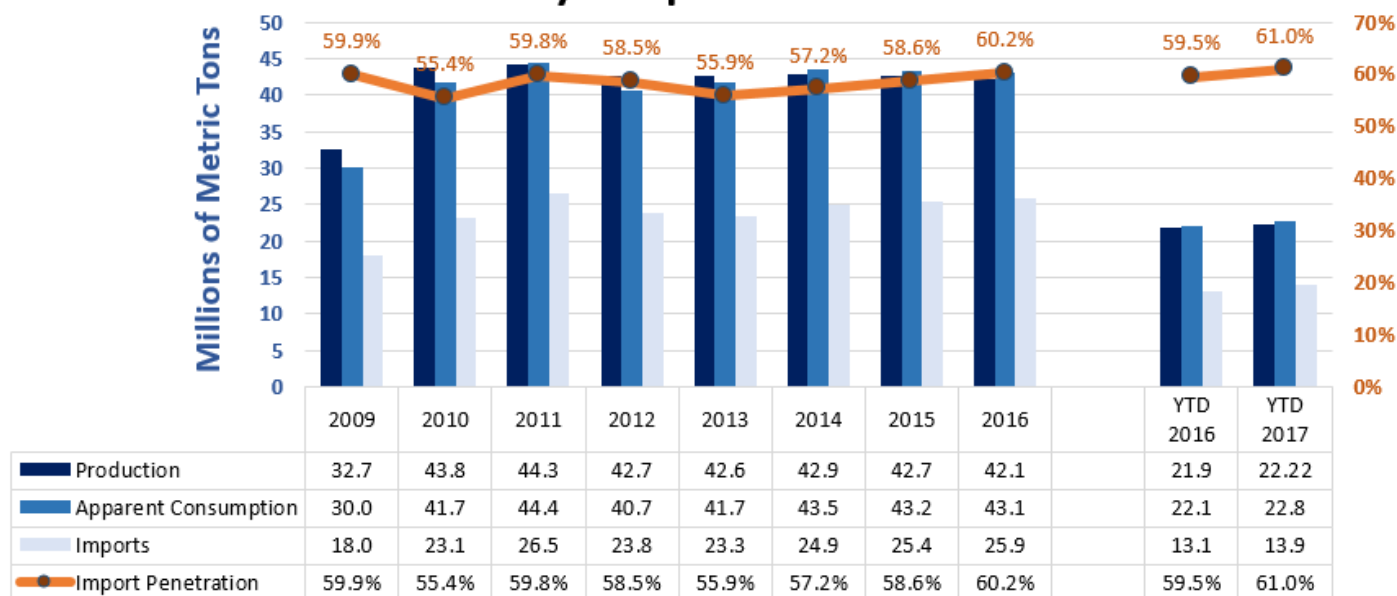
Steel Export Composition of Top Market-Share Countries - 2016



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

Steel Imports Report: Germany

Germany's Import Penetration



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

Overall Production and Import Penetration

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 2 percent compared to YTD 2016 to 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. The import penetration level in YTD 2017 increased by 1.7 percentage points to 61 percent. Despite such high import penetration levels, Germany exported a similar percentage of its production, 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

Steel Imports Report: **Germany**

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 Germany, 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 December 1, 2016

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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