

Global Steel Trade Monitor

Steel Imports Report: Italy

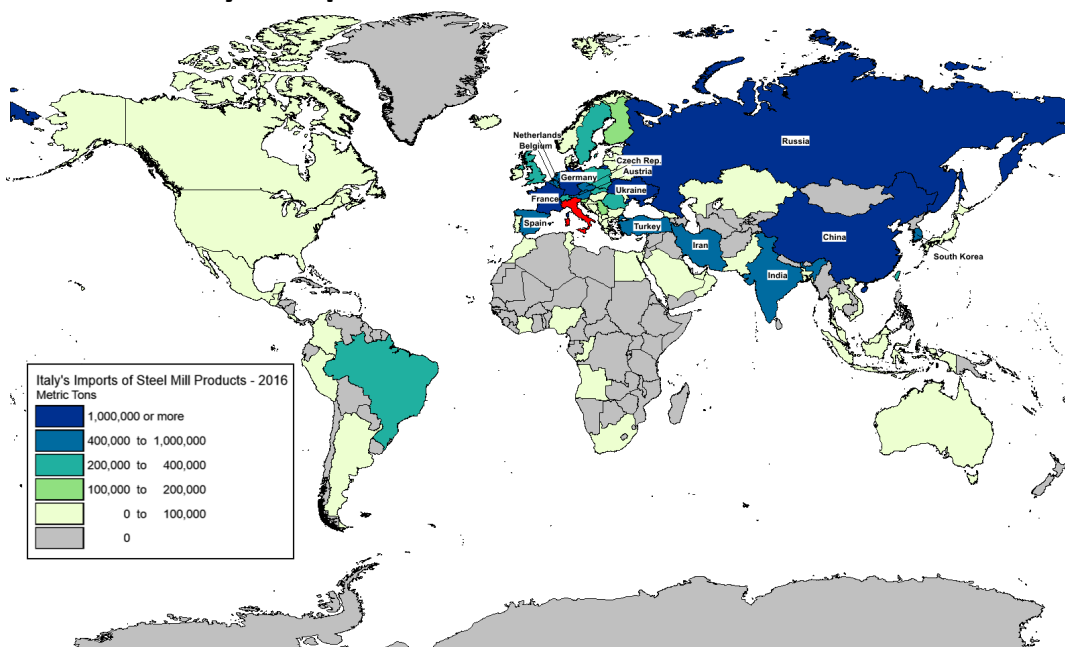
September 2017

Background

Italy is the world's fourth-largest steel importer. In year to date 2017 (through June), further referred to as YTD 2017, Italy imported 10.4 million metric tons of steel, a 1 percent increase from 10.3 million metric tons in YTD 2016. Italy's imports represented about 5 percent of all steel imported globally in 2016. The volume of Italy's 2016 steel imports was roughly two-thirds the size of the world's largest importer, the United States. In value terms, steel represented just 3.1 percent of the total goods imported into Italy in 2016.

Italy imports steel from over 100 countries and territories. The fourteen countries labeled in the map below represent the top sources for Italy's imports of steel, with each sending more than 400 thousand metric tons to Italy and together accounting for 82 percent of Italy's steel imports in 2016.

Italy's Imports of Steel Mill Products - 2016



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

Quick Facts:

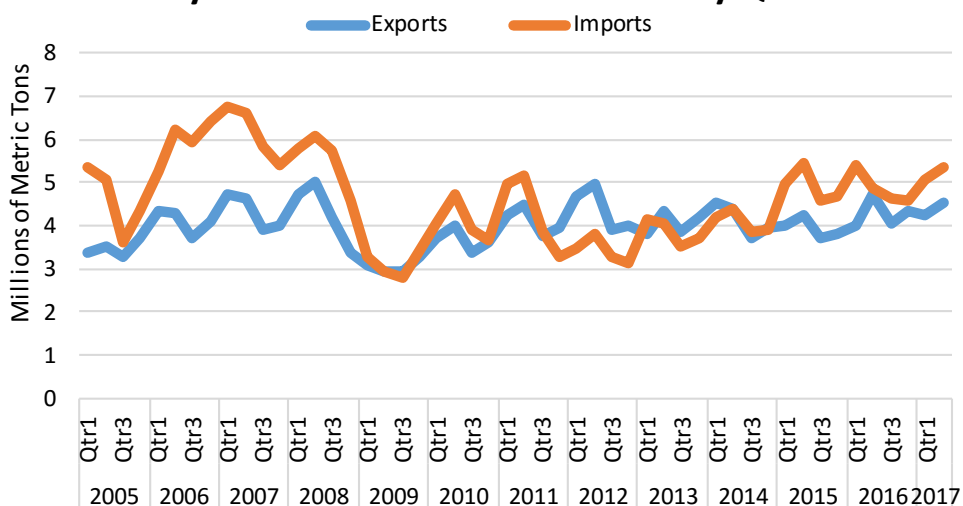
- World's fourth-largest steel importer: 10.4 million metric tons (YTD 2017)
- 90% steel import growth since Q3 2009
- YTD import volume up 1% while import value up 24%
- Import penetration at 74.5% YTD 2017, down from 75.3% in YTD 2016
- Top three import sources: Germany, Ukraine, France
- Largest producers: ILVA SpA, Marcegaglia, and Arvedi Group
- 28 European Union trade remedies in effect against imports of steel mill products

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Steel Trade Balance

For the majority of quarters since 2005, Italy has maintained a steel trade deficit. Since their most recent low points, Italy's imports have grown 90 percent between Q3 2009 and Q2 2017, while exports increased 55 percent. Italy posted a brief trade surplus between 2012 and 2014, which returned to a trade deficit in 2015. In YTD 2017, the steel trade deficit stood at -1.6 mmt, up from -1.5 million metric tons in YTD 2016.

Italy's Trade in Steel Mill Products by Quarter



Source: IHS Global Trade Atlas

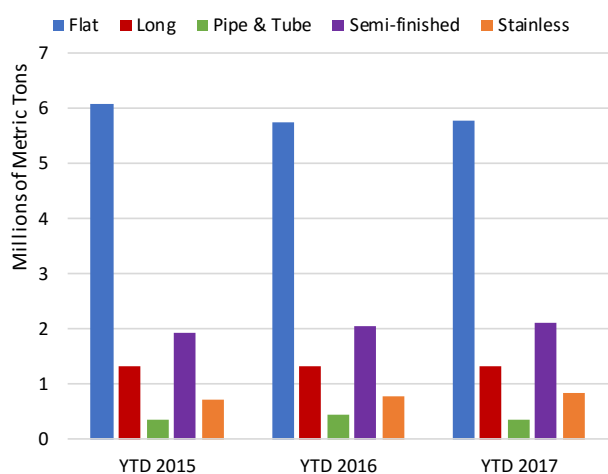
Import Volume, Value, and Product

Between 2012 and 2015, Italy's imports of steel mill products were on the rise. In 2015, the volume of Italy's steel imports reached 19.7 million metric tons, an increase of 44 percent from 2012. In 2016, however, the volume of Italy's steel imports decreased by 1 percent to 19.5 million metric tons. In YTD 2017, imports have increased 1 percent to 10.4 million metric tons from 10.3 million metric tons in YTD 2016. The value of Italy's YTD 2017 steel import have increased by 24 percent to \$8 billion, up from \$6.5 billion in YTD 2016.

Flat products accounted for the largest share of Italy's steel imports. In YTD 2017, Italy imported 5.8 million metric tons of flat products — 56 percent of steel imports. Semi-finished steel accounted for 20 percent, or 2.1 million metric tons, followed by long products at 13 percent (1.3 million metric tons), stainless products at 8 percent (829 thousand metric tons), and pipe and tube at 3 percent (359 thousand metric tons).

Italy's Imports of Steel Mill Products

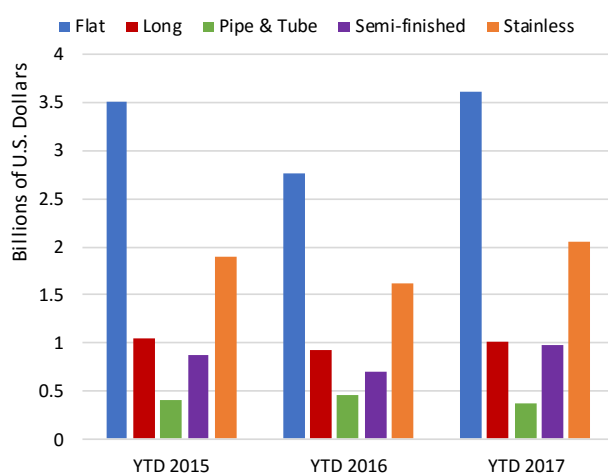
Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through June 2017

Italy's Imports of Steel Mill Products

Billions of U.S. Dollars



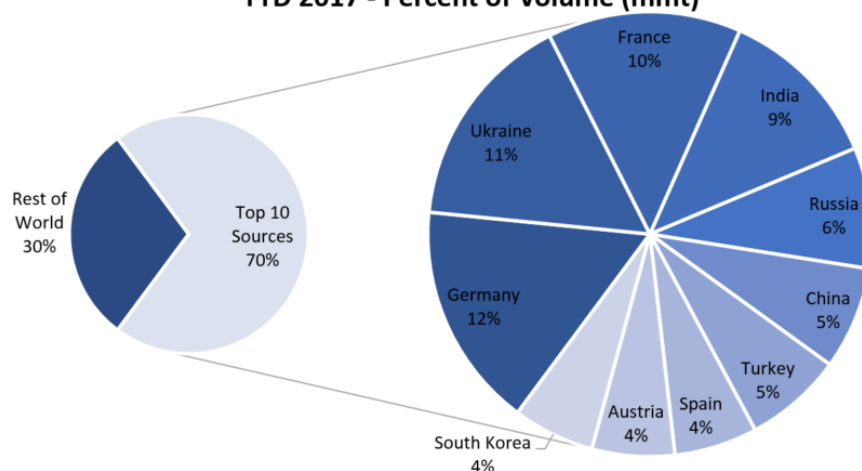
Source: IHS Global Trade Atlas
YTD through June 2017

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Imports by Top Source

The top 10 source countries for Italy's steel imports in YTD 2017 represented 70 percent of the total steel import volume at 7.3 million metrics tons (mmt). Germany accounted for the largest share of Italy's imports by source country at 12 percent (1.2 mmt), followed by Ukraine at 11 percent (1.17 mmt), France at 10 percent (1 mmt), India at 9 percent (0.88 mmt), and Russia at 6 percent (0.64 mmt).

Italy's Steel Imports - Top 10 Sources
YTD 2017 - Percent of Volume (mmt)



Source: IHS Global Trade Atlas
YTD through June 2017

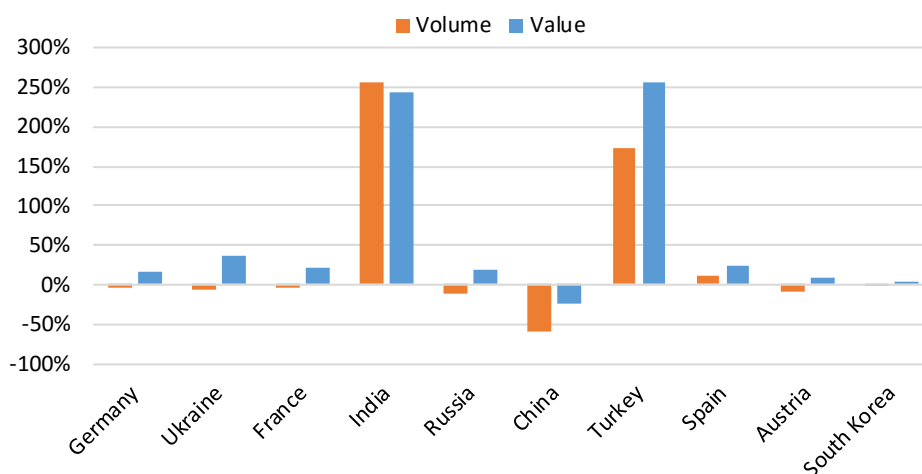
The United States ranked 27th as a source for Italy's steel imports, representing 0.6 percent of imports (65 thousand metric tons) in YTD 2017. This is a 228 percent volume increase from YTD 2016.

Trends in Imports from Top Sources

Between YTD 2016 and YTD 2017, the volume of imports increased from three of Italy's top 10 source countries. Imports from India showed the largest volume increase, up 257 percent from YTD 2016, followed by Turkey (up 173%), and Spain (up 10%). Imports from China decreased the most (down 60%), followed by Russia (down 12%), Austria (down 9%), Ukraine (down 7%), France (down 4%), Germany (down 3%) and South Korea (down 2%).

Outside the top 10 sources, other notable volume changes included Italy's imports from Brazil (up 99%), Egypt (up 9,823%), and Indonesia (up 853%)

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



Source: IHS Global Trade Atlas
YTD through June 2017

The overall value of Italy's imports increased from nine of its top 10 sources in YTD 2017. Imports from Turkey increased the most in value, up 255 percent, followed by India (up 244%), Ukraine (up 36%), Spain (up 25%), France (up 22%), Russia (up 19%), Germany (up 15%), Austria (up 9%), and South Korea (up 2%). The source country where Italy's import value decreased in YTD 2017 was China, which was down 24 percent.

Steel Imports Report: Italy

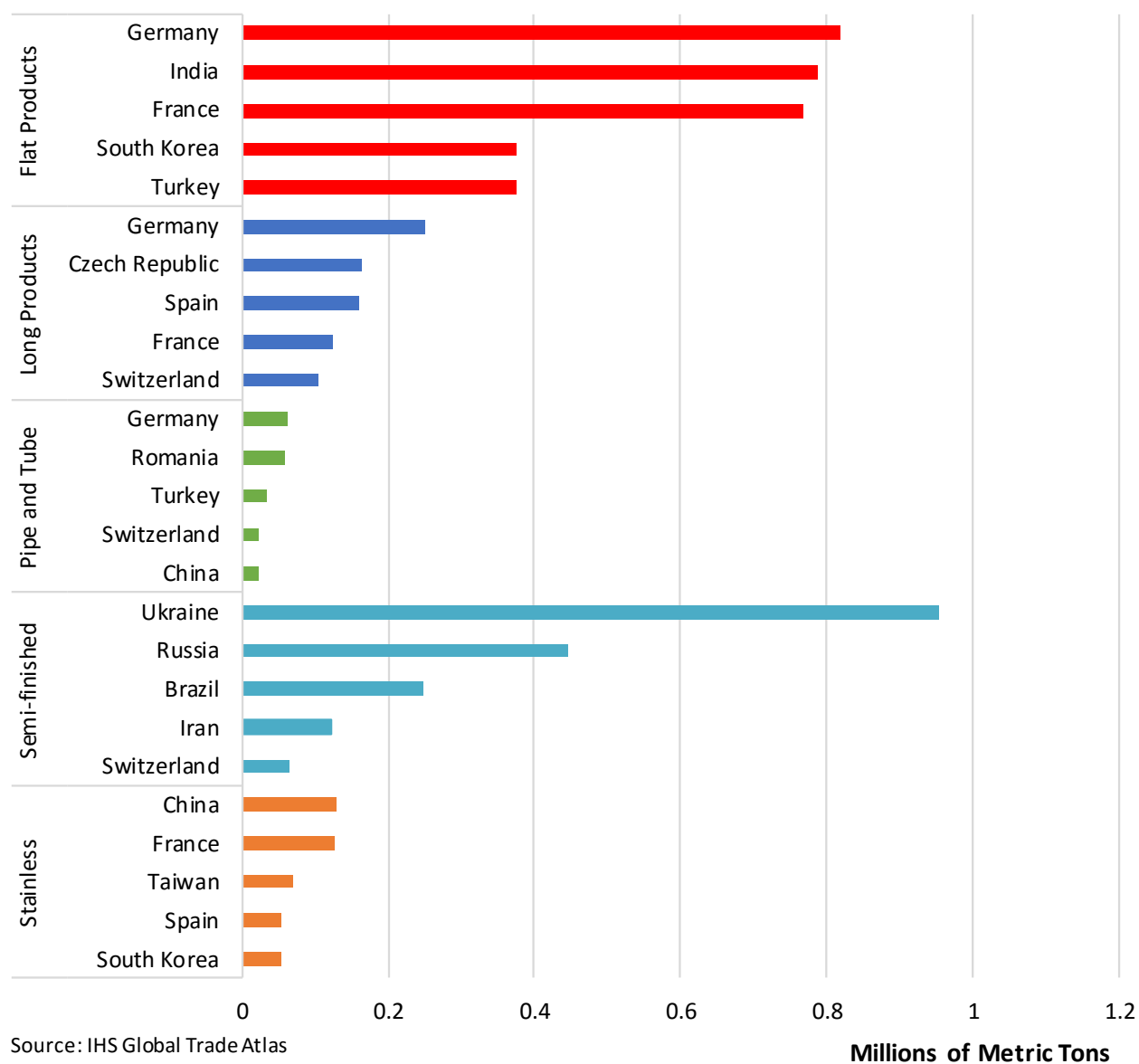
Top Sources by Steel Product Category

The top source countries for Italy's imports by volume vary across types of steel products. Germany accounted for the largest share of Italy's imports of flat products in YTD 2017 at 14 percent (818 thousand metric tons). For long product imports, Germany was in the lead at 19 percent (250 thousand metric tons). Germany also had the top spot for pipe and tube imports at 17 percent (61 thousand metric tons).

Ukraine was the top source country for semi-finished products at 45 percent (953 thousand metric tons). Imports from China accounted for the largest share of Italy's stainless steel products with 16 percent (129 thousand metric tons).

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

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



Steel Imports Report: Italy

Italy's Export Market Share from Top Source Countries

In 2016, the share of steel exports sent to Italy from its top import sources decreased from nearly all of the top 10 sources. In 2016, the share of Spain's steel exports to Italy showed the largest decrease (down 1 percentage point from 2015), followed by Ukraine (down 0.8 percentage points), China (down 0.7 percentage points), and Russia (down 0.7 percentage points). In 2016, only India's and South Korea's shares of steel exports to Italy increased, up by 0.9 and 0.8 percentage points, respectively.

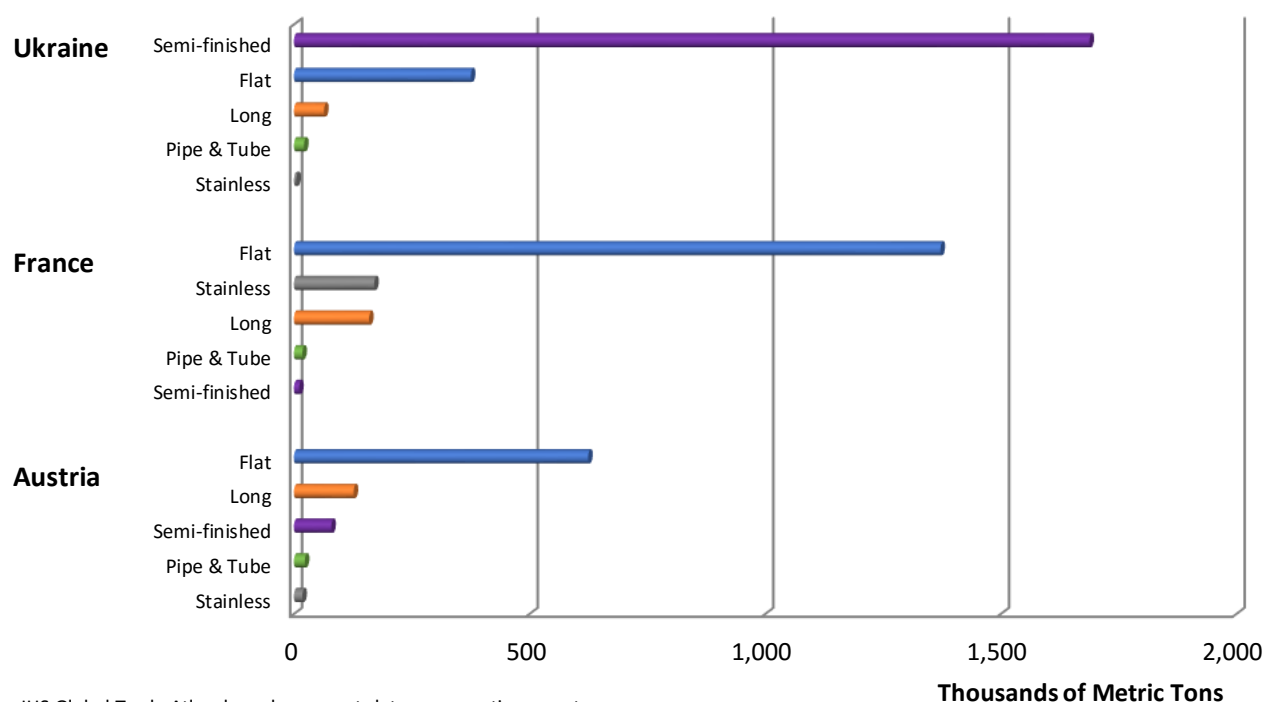
Italy's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Italy - 2015	Italy's Rank in 2015	Share of Exports to Italy - 2016	Italy's Rank in 2016
Germany	9.0%	4	8.5%	4
Ukraine	12.6%	3	11.8%	3
China	2.4%	10	1.8%	16
France	13.0%	4	12.8%	4
Russia	4.7%	6	4.0%	7
South Korea	2.3%	12	3.2%	10
Austria	12.3%	2	12.0%	2
Spain	9.4%	4	8.4%	4
Iran*	N/A	N/A	N/A	N/A
India	6.8%	5	7.7%	5

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

* 2015 and 2016 data for Iran are not available

Among Italy's top import sources, Ukraine, France, and Austria sent the largest shares of their total steel exports to Italy in 2016. Flat products accounted for the largest share of steel exports to Italy in France at 79 percent (1.4 million metric tons) and Austria at 72 percent (624 thousand metric tons). Semi-finished products accounted for the largest share of Ukraine's steel exports to Italy at 78 percent (1.7 million metric tons).

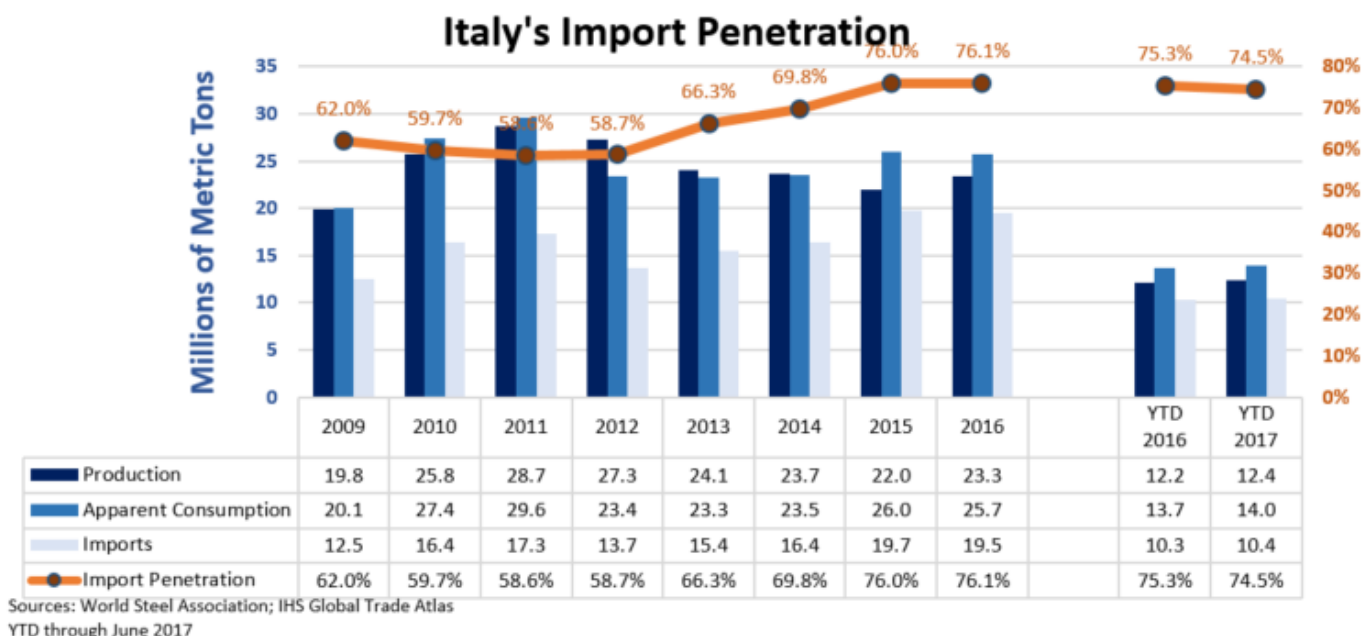
Steel Export Composition of Top Market-Share Countries - 2016



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

Steel Imports Report: Italy

Overall Production and Import Penetration



Italy's crude steel production increased by 6 percent between 2015 and 2016. In YTD 2017, production increased 2 percent to 12.4 million metric tons, up from 12.2 million metric tons in YTD 2016. Apparent consumption (a measure of steel demand), by contrast, increased in YTD 2017 — up 2 percent to 14 million metric tons from 13.7 million metric tons in YTD 2016. Production outpaced apparent consumption between 2012 to 2014. In 2015, however, demand grew as production decreased, causing demand to outpace production. In YTD 2017, the gap between production and demand has increased, and stood at -1.6 mmt, up from -1.5 million metric tons in YTD 2016. Italy's level of import penetration was flat from 2015 to 2016, however in YTD 2017, Italy's level of import penetration declined 1 percentage points to 74.5 percent.

Top Producers

Unlike much of Europe, steel production in Italy is diffused across many small - and medium-sized companies. After privatization of the country's steel industry in the late 1980s and 1990s, only a small number of the earlier, larger steelworks remain.

Italy's Top Steel Producers in 2016			
Rank	Company	Production (mmt)	Main Products
1	ILVA SpA	5.7	Hot- and cold-rolled coils, galvanized, heavy plate, welded pipe
2	Marcegaglia	5.6	Coils, strips, sheets, welded pipe, sections, bars, heavy plate
3	Arvedi Group	3	Hot-rolled, galvanized, welded tubes, cold-drawn tubes, stainless tubes, cold-rolled stainless strip
4	Riva Acciaio	1.25	Billets, hot-rolled and cold-drawn bars, reinforcing bars
5	Lucchini RS SpA	N/A	Railway components, forgings, castings, ingots

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

Steel Imports Report: **Italy**

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 Italy, 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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