INTERNATIONAL TRADE ADMINISTRATION

Global Steel Trade Monitor

Steel Imports Report: **Poland**

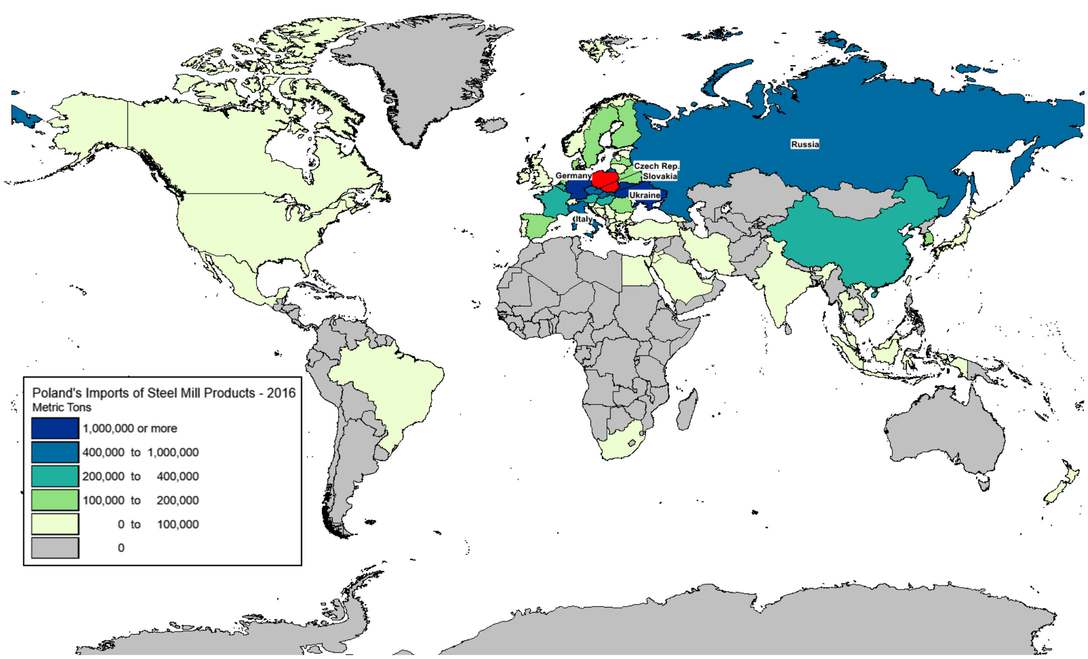
September 2017

Background

Poland is the world's tenth-largest steel importer. In year to date 2017 (through June), further referred to as YTD 2017, Poland imported 5.4 million metric tons of steel, a 4 percent increase from 5.2 million metric tons in YTD 2016. Poland's imports represented about 3 percent of all steel imported globally in 2016. The volume of Poland's 2016 steel imports was roughly a third the size of the world's largest importer, the United States. In value terms, steel represented just 3.7 percent of the total goods imported into Poland in 2016.

Poland imports steel from over 70 countries and territories. The six countries labeled in the map below represent the top import sources for Poland's imports of steel, with each sending more than 500 thousand metric tons to Poland and together accounting for 65 percent of Poland's steel imports in 2016.

Poland's Imports of Steel Mill Products - 2016



Quick Facts:

- World's tenth-largest steel importer: 5.4 million metric tons (YTD 2017)
- 87% growth in steel imports between 2009 and 2016
- YTD import volume up 4% while import value up 24%
- Import penetration at 71.8% in YTD 2017
- Top three import sources: Germany, Slovakia, Czech Republic
- Largest producers: ArcelorMittal, Celsa Group, CMC, Cognor SA
- 28 European Union trade remedies in effect against imports of steel mill products

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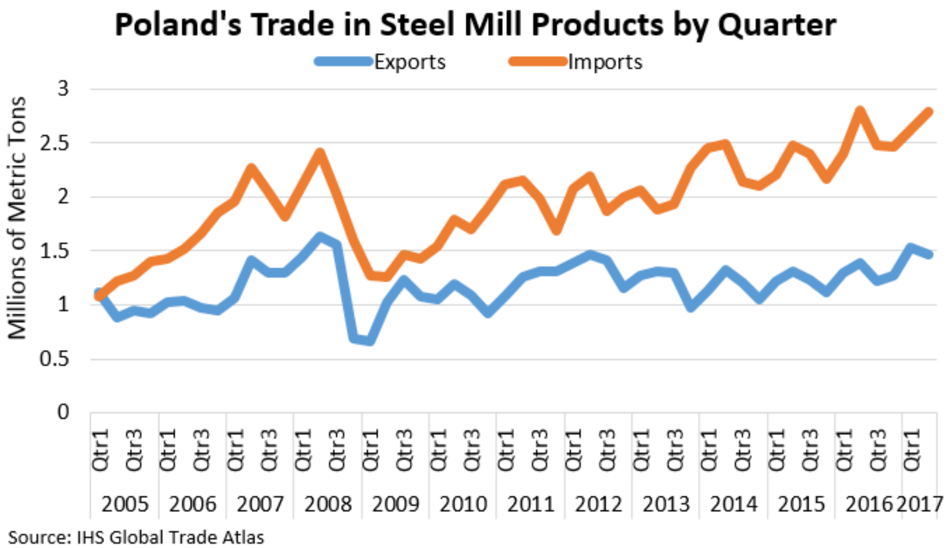
Steel Trade Balance

Since Q2 2005, Poland has maintained a growing trade deficit in steel products. The trade deficit reached a high of 5 million metric tons in 2016. From Q2 2005 to Q4 2016, imports grew 102 percent, while exports only grew 43 percent. Overall, Poland's deficit grew 347 between 2005 and 2016.

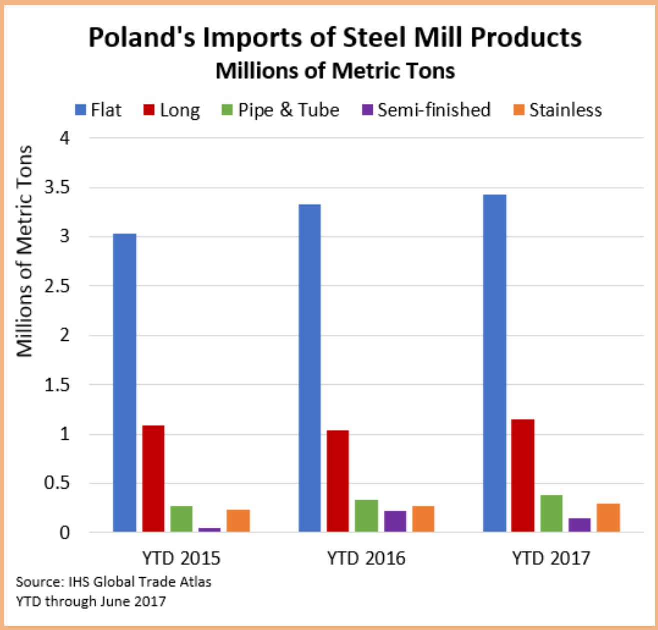


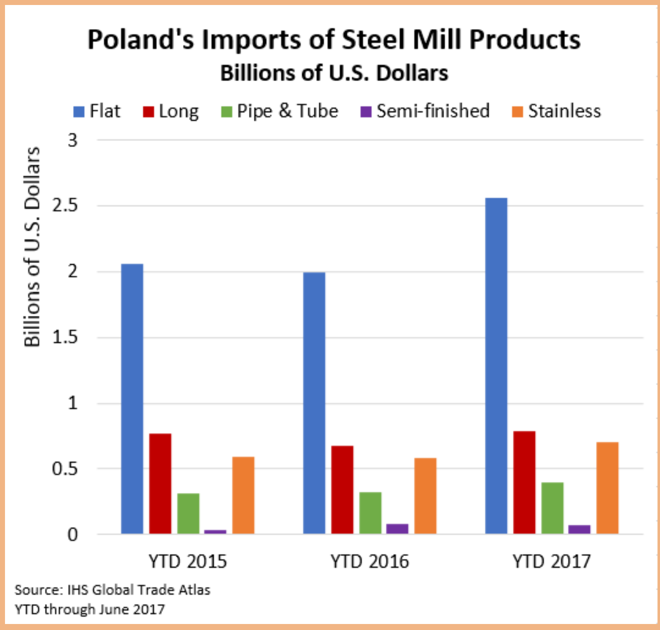
In YTD 2017, Poland had a −2.4 million metric ton steel trade deficit, dropping 4 percent from YTD 2016. In YTD 2017 imports grew 4 percent and exports grew 11 percent from YTD 2016.

Import Volume, Value, and Product

Poland's volume of steel imports has increased every year since 2009. Imports in YTD 2017 increased to 5.4 million metric tons, a 4 percent increase from 5.2 million metric tons in YTD 2016. Import values have been less predictable — increasing from 2009 to 2011 then mostly decreasing since then. The value of Poland's YTD 2017 steel imports increased by 24 percent to $4.5 billion, up from $3.7 billion in YTD 2016.

Flat products accounted for 63 percent of Poland's steel imports by volume in YTD 2017, a total of 3.4 million metric tons. Long products accounted for 21 percent of Poland's imports (1.2 million metric tons), followed by pipe and tube products at 7 percent (383 thousand metric tons), stainless products at 6 percent (298 thousand metric tons), and semi-finished steel at 3 percent (149 thousand metric tons).





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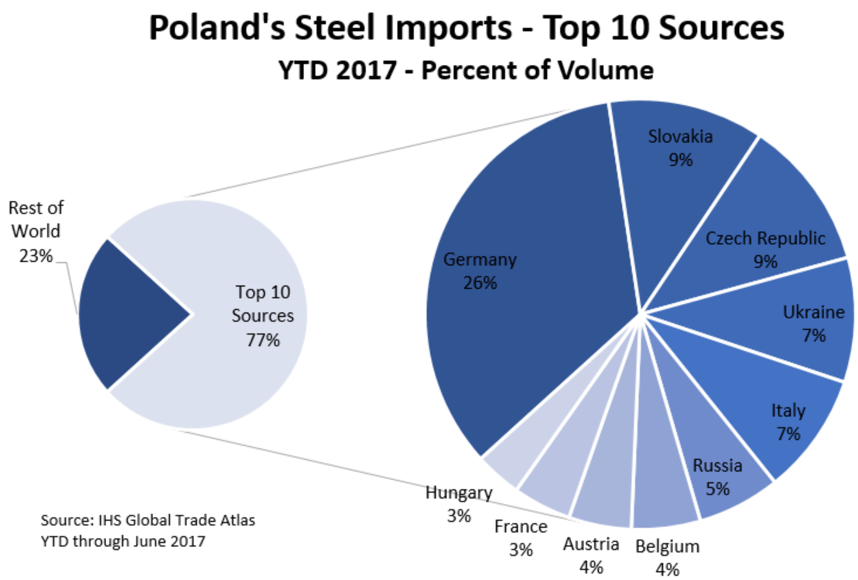
Imports by Top Source

The top 10 source countries for Poland's steel imports represented 77 percent of the total steel import volume in YTD 2017 at 4.1 million metric tons (mmt). Germany accounted for the largest share of Poland's imports by source country at 26 percent (1.4 mmt), followed by the Slovakia at 9 percent (0.49 mmt), Czech Republic at 9 percent (0.47 mmt), Ukraine at 7 percent (0.39 mmt), and Italy at 7 percent (0.38 mmt).



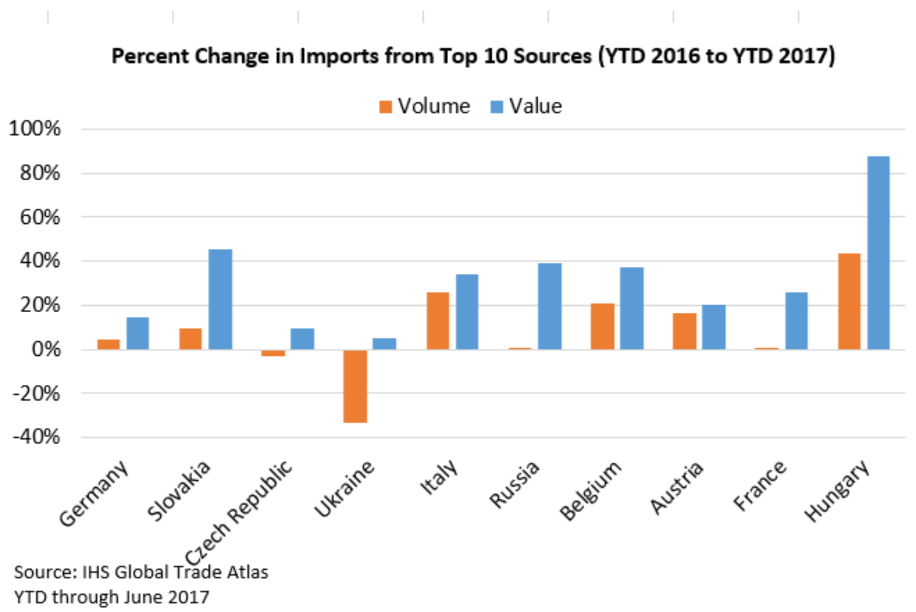
The United States ranked 31st as source for Poland's imports of steel in YTD 2017 at just 0.1 percent (6.8 thousand metric tons).

Trends in Imports from Top Sources

While the volume of Poland's steel imports increased from eight of its top ten steel import sources in YTD 2017, the overall value of Poland's imports increased from all of the top ten source countries.

The largest increases in Poland's steel import volume in YTD 2017 included Poland's imports from Hungary (up 43%), Italy (up 26%), and Belgium (up 21%). The top ten source countries that had declines in volume were Ukraine (down 33%), and the Czech Republic (down 3%).

Poland's imports from Hungary also showed the largest increase in value, up 88 percent, followed by Slovakia (up 45%), Russia (up 39%), Belgium (up 37%), and France (up 26%).



Outside of the top 10 sources, other significant volume changes in YTD 2017 included Poland's imports from Brazil (up 161,806%), the United States (up 380%), Turkey (up 267%), India (up 199%), and Taiwan (down 46%).

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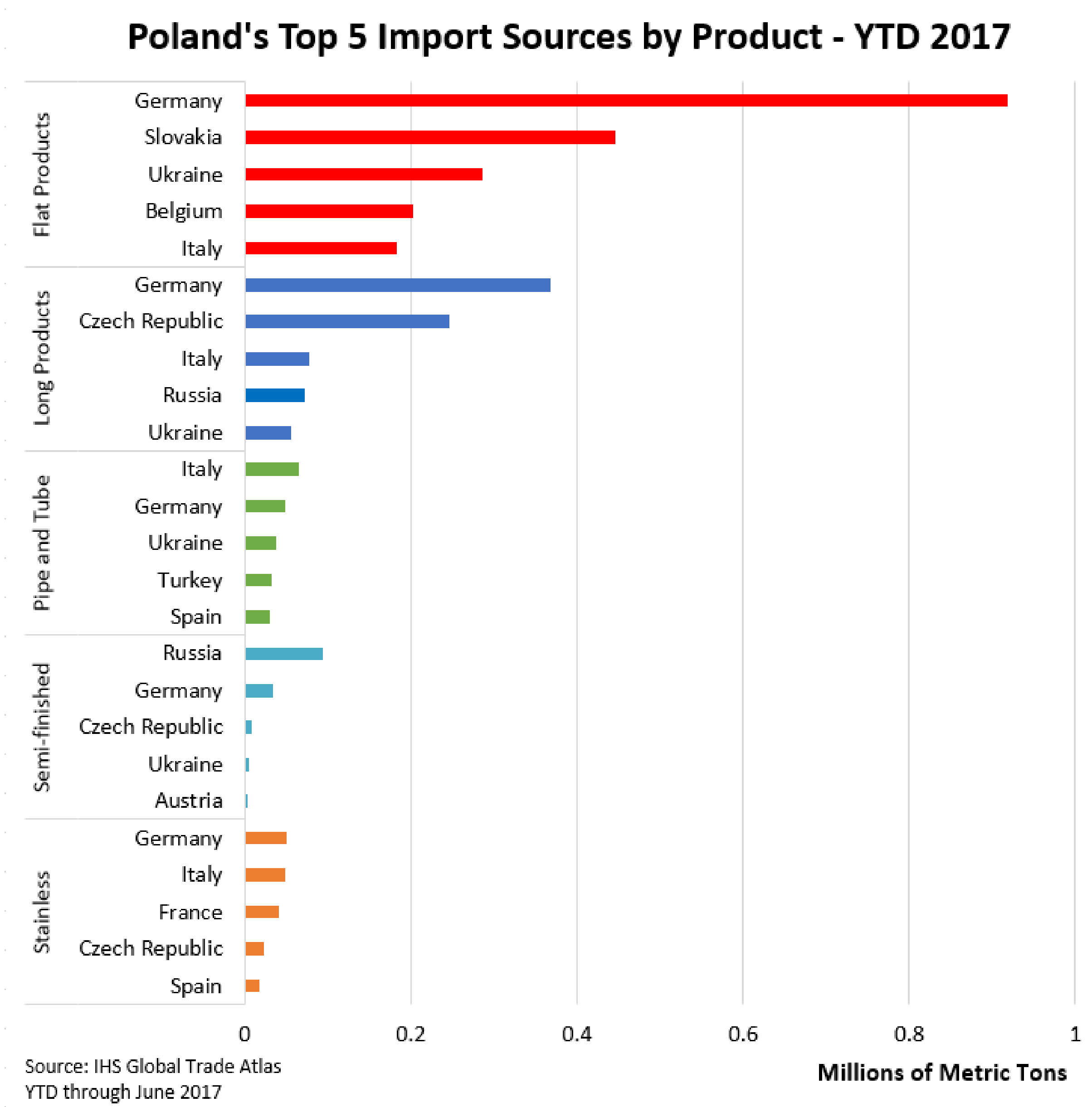
Top Sources by Steel Product Category

The top source countries for Poland's imports by volume vary across types of steel products, however Germany was either in the first or second spot in all product categories in YTD 2017. Germany accounted for the largest share of Poland's imports of flat products at 27 percent (918 thousand metric tons), long products at 32 percent (369 thousand metric tons), and stainless products at 17 percent (51 thousand metric tons).

In YTD 2017, Italy represented the largest share of Poland's imports of pipe and tube products at 17 percent (66 thousand metric tons). As for semi-finished products, Russia accounted for the largest share with 63 percent (93 thousand metric tons).

The United States was not a top import source in any product category in YTD 2017.



Poland's Export Market Share from Top Source Countries

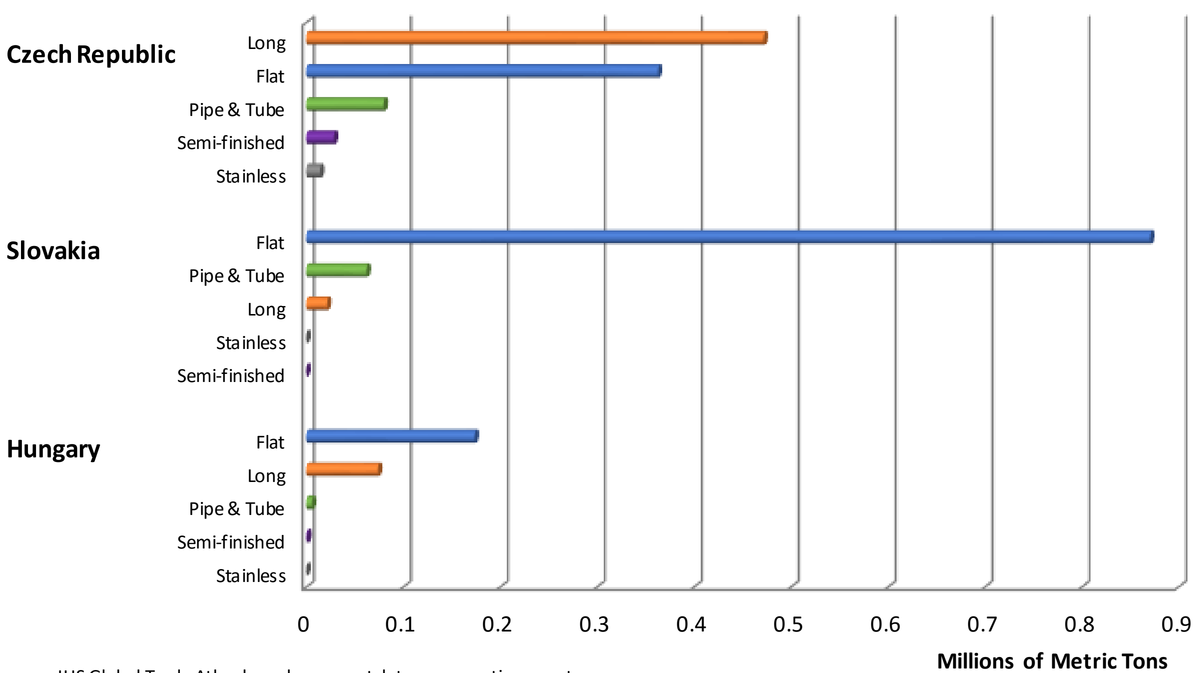
In 2016, the share of steel exports sent to Poland from its top import sources increased in all but two source countries. In 2016, the share of the Hungary's steel exports to Poland showed the largest increase (up 2.4 percentage points), followed by Ukraine (up 1.3 percentage points), and Slovakia (up 1.1 percentage points). The share of exports to Poland from Germany, the Czech Republic, Italy, and France all increased by less than one percentage point. Russia showed the largest decrease of exports to Poland in 2016 (down 0.3 percentage points) followed by Austria (down 0.1 percentage points).

Poland's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Poland - 2015	Poland's Rank in 2015	Share of Exports to Poland - 2016	Poland's Rank in 2016
Germany	9.0%	3	9.7%	2
Ukraine	4.5%	7	5.8%	5
Czech Republic	18.9%	2	19.5%	2
Slovakia	18.0%	2	19.1%	2
Russia	1.9%	13	1.6%	16
Italy	3.9%	7	4.2%	6
Belgium	2.2%	7	2.3%	7
France	1.8%	10	2.3%	10
Austria	4.9%	4	4.8%	4
Hungary	15.7%	2	18.1%	2

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

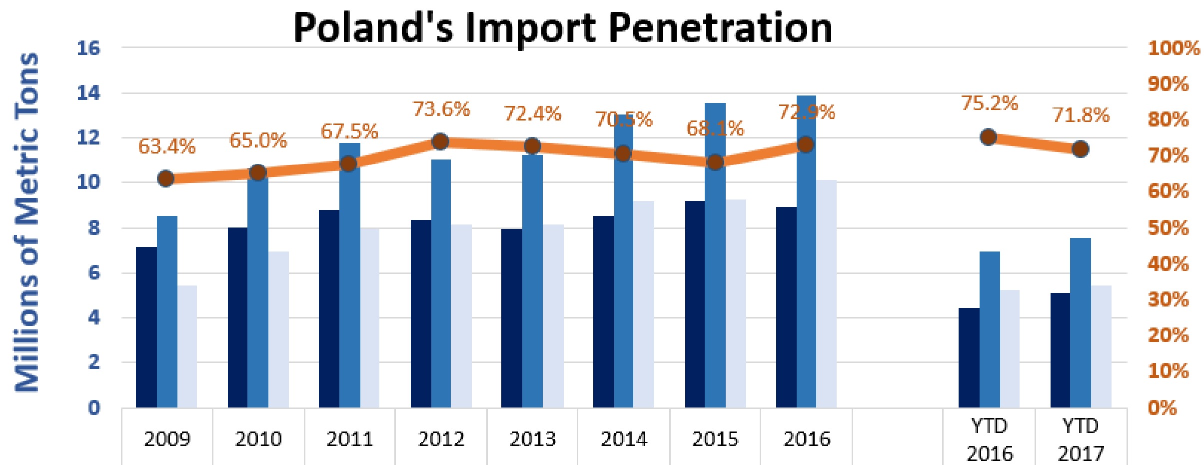
Among Poland's top import sources, the Czech Republic, Slovakia, and Hungary sent the largest shares of their total steel exports to Poland in 2016. Long products accounted for the largest share of steel exports to Poland from the Czech Republic at 49 percent (472 thousand metric tons). For both Slovakia and Hungary, flat products held the largest share at 91 percent (871 thousand metric tons) and 68 percent (174 thousand metric tons), respectively.

Steel Export Composition of Top Market-Share Countries - 2016



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

Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016		YTD 2016	YTD 2017
Production	7.1	8.0	8.8	8.3	8.0	8.6	9.2	8.9		4.4	5.1
Apparent Consumption	8.6	10.6	11.7	11.0	11.2	13.0	13.6	13.9		6.9	7.5
Imports	5.4	6.9	7.9	8.1	8.1	9.2	9.2	10.1		5.2	5.4
Import Penetration	63.4%	65.0%	67.5%	73.6%	72.4%	70.5%	68.1%	72.9%		75.2%	71.8%

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

Poland's crude steel production has averaged just over 8 million metric tons since 2009, reaching a peak in 2015 at 9.2 million metric tons. In YTD 2017, production has increased 16 percent to 5.1 million metric tons, up from 4.4 million metric tons in YTD 2016. Apparent consumption (a measure of steel demand) has increasingly outpaced production since 2009. In YTD 2017, demand has increased 9 percent to 7.5 million metric tons. Imports have increased 4 percent in YTD 2017, while exports have increased nearly three times as much to 11 percent. Import penetration averaged 69.2 percent between 2009 and 2016 and reached a high of 72.9 percent in 2016. In YTD 2017, import penetration decreased to 71.8 percent, down from 75.2 percent in YTD 2016.

Top Producers

Poland's steel production is a mix of domestic and foreign-owned companies and is concentrated among a handful of producers, with ArcelorMittal alone accounting for about 70 per cent of Poland's steelmaking capacity. The company is also one of the largest Polish exporters and producers of coke in Europe and in the entire ArcelorMittal group.

Poland's Top Steel Producers in 2016

Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal Poland	7.6	Flat and long products
2	Celsa Group	N/A	Bars, sections, castings
3	CMC Poland	N/A	Billets, bars, wire rod, sections
4	Cognor SA	N/A	Flat and long products, semi-

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; Polish Steel Association (HIPH); 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 European Union, which includes Poland, 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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