

Global Steel Trade Monitor

Steel Imports Report: Spain

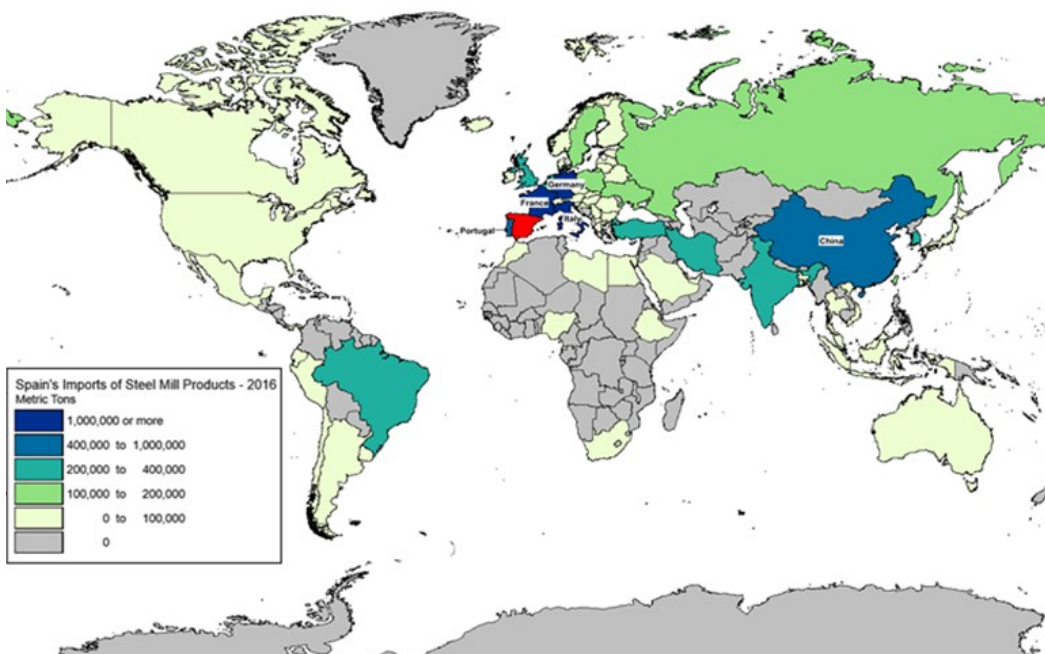
September 2017

Background

Spain is the world's thirteenth-largest steel importer. In year to date 2017 (through June), Spain imported 5.3 million metric tons of steel, a 13 percent increase from 4.7 million metric tons in YTD 2016. Spain's imports represented about 2 percent of all steel imported globally in 2016. The volume of Spain's 2016 steel imports was less than a third of the world's largest importer, the United States. In value terms, steel represented just 3.9 percent of the total goods imported into Spain in 2016.

Spain imports steel from over 100 countries and territories. The five countries labeled in the map below represent the top import sources for Spain's imports of steel, with each sending more than 400 thousand metric tons to Spain and together accounting for 62 percent of Spain's steel imports in 2016.

Spain's Imports of Steel Mill Products - 2016



Data Source: Global Trade Atlas; Copyright © IHS Global Inc. 2016. All rights reserved.

Quick Facts:

- World's thirteenth-largest steel importer: 5.3 million metric tons in YTD 2017
- 72% growth in steel imports since Q1 2009
- YTD 2017 import volume up 13% while import value up 32%
- Import penetration at 63.4% in YTD 2017
- Top three import sources: France, Italy, Germany
- Largest producers: Acerinox SA, ArcelorMittal, Celsa Group
- 28 European Union trade remedies in effect against imports of steel mill products

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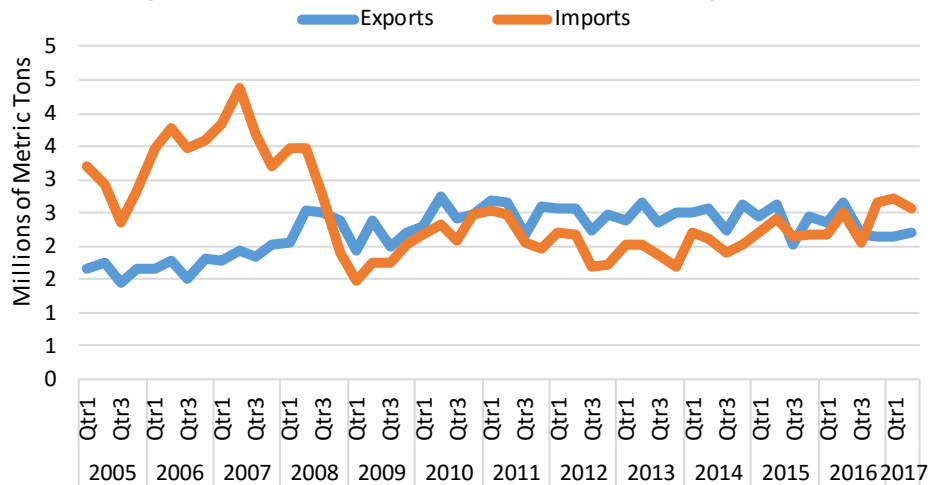
Steel Trade Balance

Prior to 2009, Spain had a trade deficit in steel products. Imports fell in the wake of the 2008 global recession. Relative to imports, exports retained average levels, and the steel trade deficit became a trade surplus. Between Q1 2009 and Q2 2017, imports grew 72 percent while exports grew 14 percent.

In recent quarters, Spain's steel trade surplus has narrowed, and a slight trade deficit occurred in Q3 2015, Q4 2016, Q1 2017, and Q2 2017.

In YTD 2017, the trade deficit totaled -937 thousand metric tons, down 653 percent from a trade surplus of 169 thousand metric tons in YTD 2016.

Spain's Trade in Steel Mill Products by Quarter



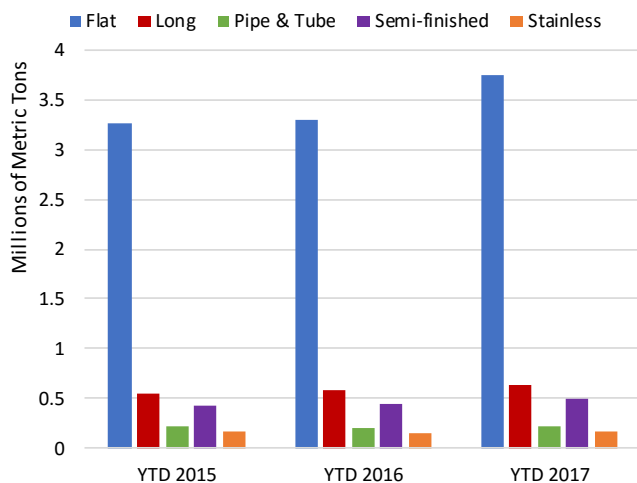
Source: IHS Global Trade Atlas

Import Volume, Value, and Product

The volume of Spain's steel imports has been increasing since 2013. In 2016, imports totaled 9.4 million metric tons — a 5 percent increase from 8.9 million metric tons in 2015. In YTD 2017, Spain's imports grew 13 percent to 5.3 million metric tons from 4.7 million metric tons in YTD 2016. Following the same trend, the value of Spain's YTD 2017 steel imports increased 32 percent to \$3.9 billion from \$3 billion in YTD 2016.

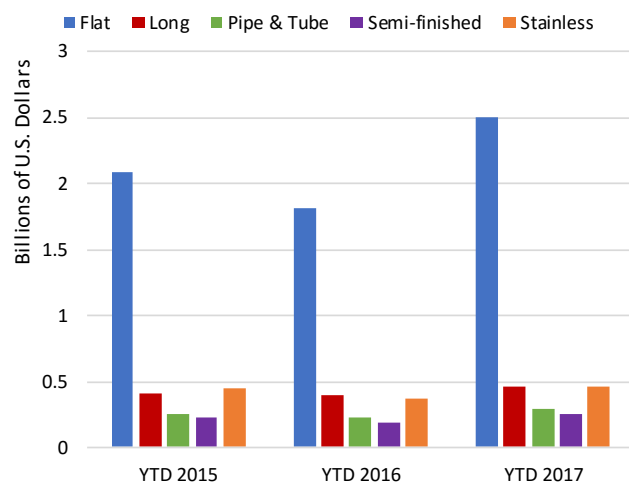
Flat products accounted for 71 percent of Spain's steel imports by volume in YTD 2017, a total of 3.8 million metric tons. Long products accounted for 12 percent of Spain's imports (638 thousand metric tons), followed semi-finished products at 9 percent (501 thousand metric tons), pipe and tube products at 4 percent (213 thousand metric tons), and stainless steel at 3 percent (169 thousand metric tons).

Spain's Imports of Steel Mill Products Millions of Metric Tons



Source: IHS Global Trade Atlas
YTD through June 2017

Spain's Imports of Steel Mill Products Billions of U.S. Dollars



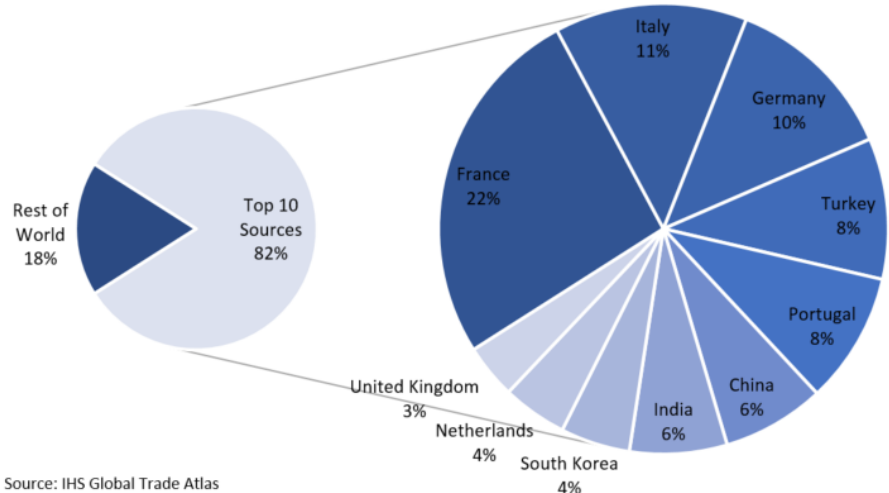
Source: IHS Global Trade Atlas
YTD through June 2017

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Imports by Top Source

The top 10 source countries for Spain's steel imports represented 82 percent of the total steel import volume in YTD 2017 at 4.3 million metric tons (mmt). France accounted for the largest share of Spain's imports by source country at 22 percent (1.1 mmt), followed by Italy at 11 percent (0.6 mmt), Germany at 10 percent (0.5 mmt), Turkey at 8 percent (0.43 mmt), and Portugal at 8 percent (0.4 mmt) among the top 5.

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



Source: IHS Global Trade Atlas
YTD through June 2017

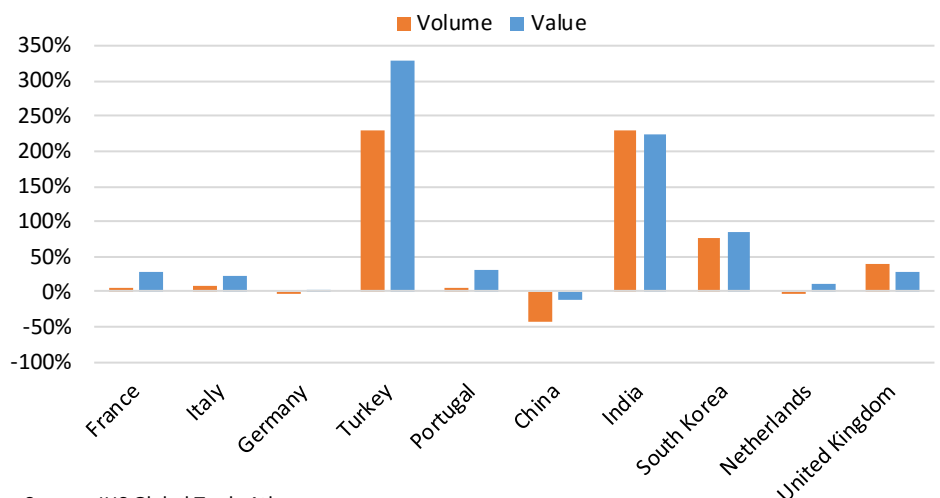
The United States ranked 28th as a source for Spain's imports of steel in YTD 2017 at 8.5 thousand metric tons.

Trends in Imports from Top Sources

While the volume of Spain's steel imports increased from seven of its top 10 steel import sources between YTD 2016 and YTD 2017, the overall value of Spain's imports increased from nine import sources.

The largest increases in import volume occurred from India (up 228%), Turkey (up 228%), and South Korea (up 75%). China, the Netherlands, and Germany were the only three countries from which Spain's imports decreased in volume, down 43 percent, 3 percent, and 2 percent respectively. Spain's imports from Turkey also showed the largest increase in value, up 328 percent from YTD 2016. Sizeable increases in Spain's steel import value also occurred from India (up 225%), South Korea (up 85%), and Portugal (up 31%).

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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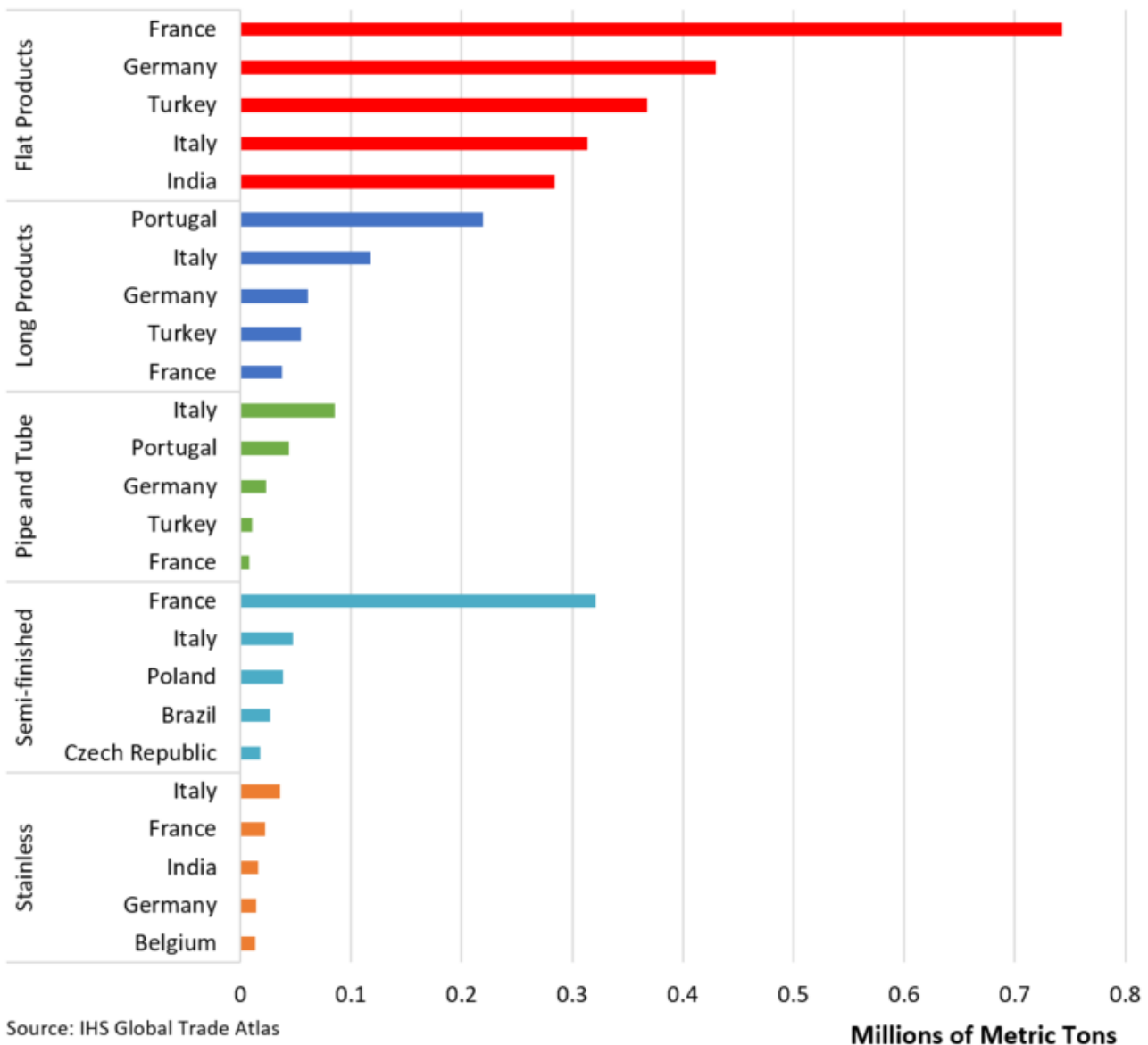
Top Sources by Steel Product Category

The top source countries for Spain's imports by volume vary across types of steel products. France accounted for the largest share of Spain's imports of flat and semi-finished products in YTD 2017 at 20 percent (743 thousand metric tons) and 64 percent (321 thousand metric tons), respectively.

In YTD 2017, Spain received the largest share of its long product imports from Portugal at 34 percent (219 thousand metric tons). Italy represented the largest share of Spain's imports of pipe and tube and stainless products at 40 percent (85 thousand metric tons) and 21 percent (36 thousand metric tons), respectively.

The United States was not a top five import source for any of the five categories.

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



Source: IHS Global Trade Atlas
YTD through June 2017

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Spain's Export Market Share from Top Source Countries

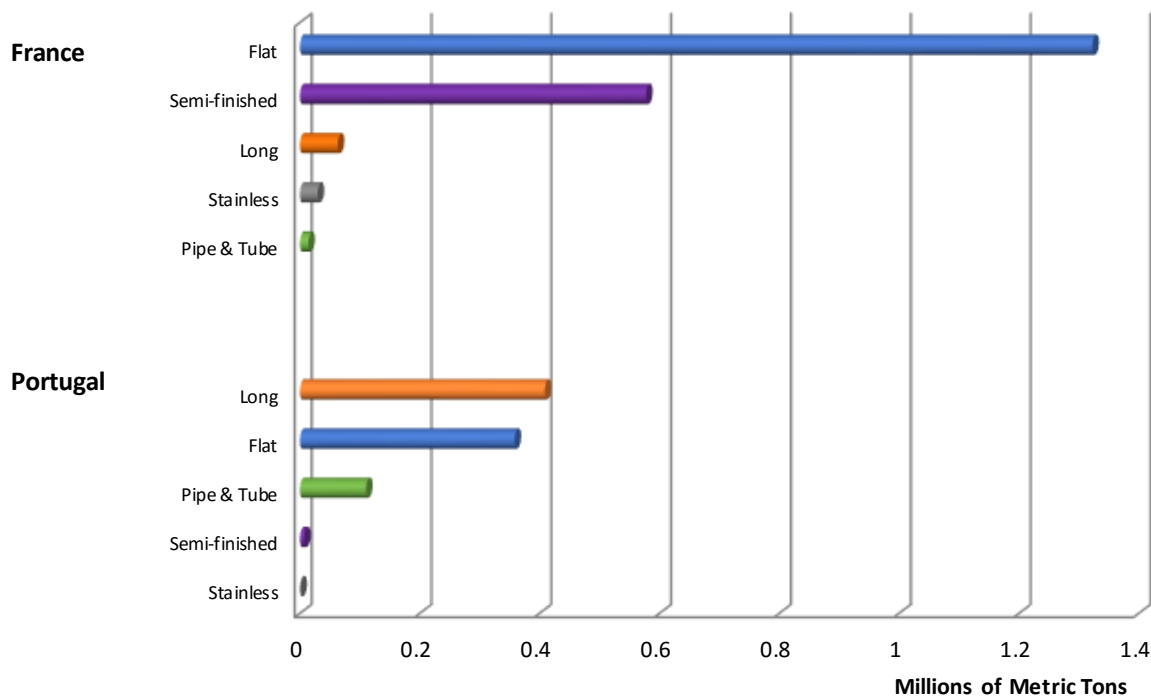
In 2016, the share of steel exports sent to Spain from its top import sources increased in the majority of sources. The share of France's steel exports to Spain showed the largest increase (up 1.7 percentage points), followed by India (up 1.4 percentage points) and Brazil (up 1.3 percentage points). Only the Netherlands' and China's shares of steel exports to Spain decreased — down slightly by half a percentage point each, while Portugal's steel export share to Spain in 2016 remained unchanged from 2015.

Spain's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Spain - 2015	Spain's Rank in 2015	Share of Exports to Spain - 2016	Spain's Rank in 2016
France	13.2%	3	14.8%	2
Italy	6.8%	4	7.0%	4
Germany	3.7%	11	4.1%	8
China	1.2%	22	0.8%	26
Portugal	37.1%	1	37.1%	1
Netherlands	5.2%	7	4.7%	7
Turkey	1.5%	15	2.7%	10
India	2.4%	11	3.9%	7
Brazil	0.8%	24	2.2%	12
South Korea	0.6%	23	1.0%	21

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

In 2016, Spain was the largest destination for Portugal's steel exports at 37.1 percent and the second-largest destination for France's steel exports at 14.8 percent. Flat products accounted for the largest share of France's steel exports to Spain at 66 percent (1.3 million metric tons), while long products held the largest share of Portugal's exports to Spain in 2016 at 46 percent (408.5 thousand metric tons).

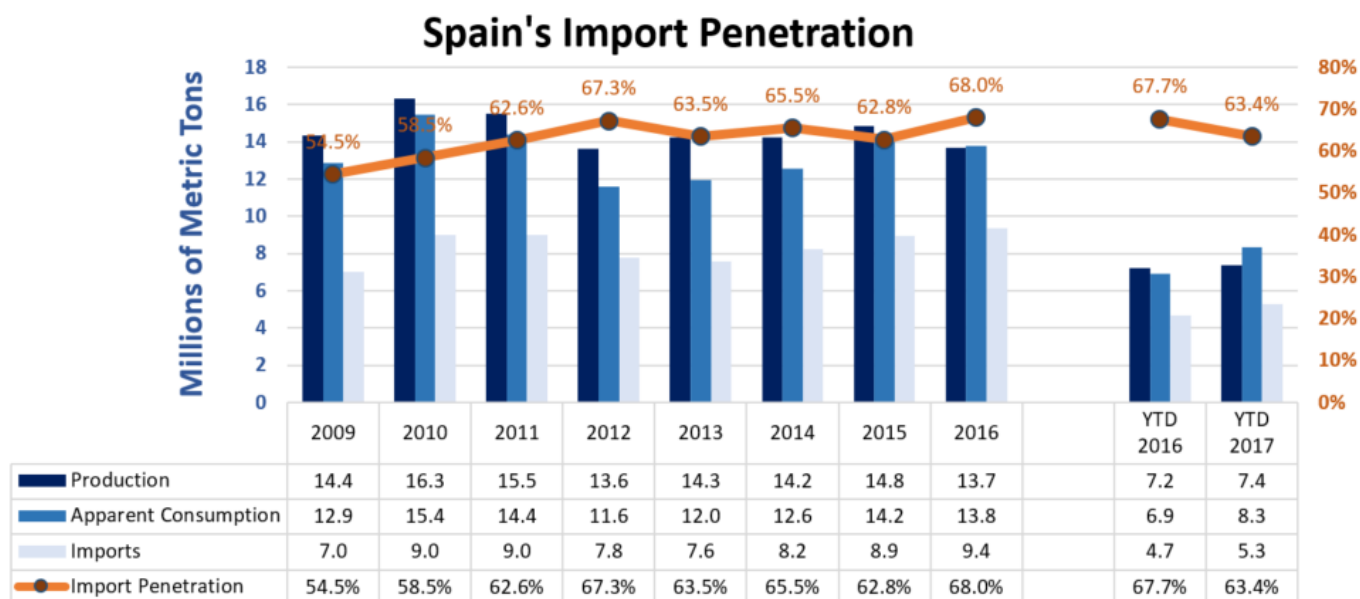
Steel Export Composition of Top Market-Share Countries - 2016



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

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Overall Production and Import Penetration



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

Spain's annual crude steel production has averaged slightly over 14 million metric tons in recent years. Production decreased by 8 percent between 2015 and 2016 to 13.7 million metric tons. Between YTD 2016 and YTD 2017, production increased 2 percent to 7.4 million metric tons. Apparent consumption (a measure of steel demand) outpaced by production between 2009 and 2016, though in 2015 the gap between the two narrowed significantly. This trend continued in YTD 2016. However, in YTD 2017, apparent consumption slightly outpaced production. Import penetration averaged 62 percent between 2009 and 2015 and increased to 68 percent in 2016 due to decreasing demand and an uptick in imports. In YTD 2017, import penetration decreased to 63.4 percent.

Top Producers

According to Spain's steel association (Unión de Empresas Siderúrgicas [UNESID]), Spain has over 20 steel production facilities and 50 rolling mills. The five largest steel-producing companies account for a significant majority of Spain's steel output, with ArcelorMittal alone accounting for nearly half of production in 2016.

Spain's Top Steel Producers in 2016			
Rank	Company	Production (mmt)	Main Products
1	Acerinox SA	4.7	Stainless flat products, stainless long products
2	ArcelorMittal	7.2	Cold-rolled coil, hot-rolled coil, rails, wire rod
3	Celsa Group	5.4 (capacity estimate)	Bars, reinforcing bars, wire rod, structural sections
4	Sidenor	1	Bars, wire rod, ingots, billets
5	Tubacex SA	N/A	Seamless tubes, stainless long products, fittings

Sources: Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; Spanish Steel Association (UNESID); 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 Spain, 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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