

Global Steel Trade Monitor

Steel Exports Report: France

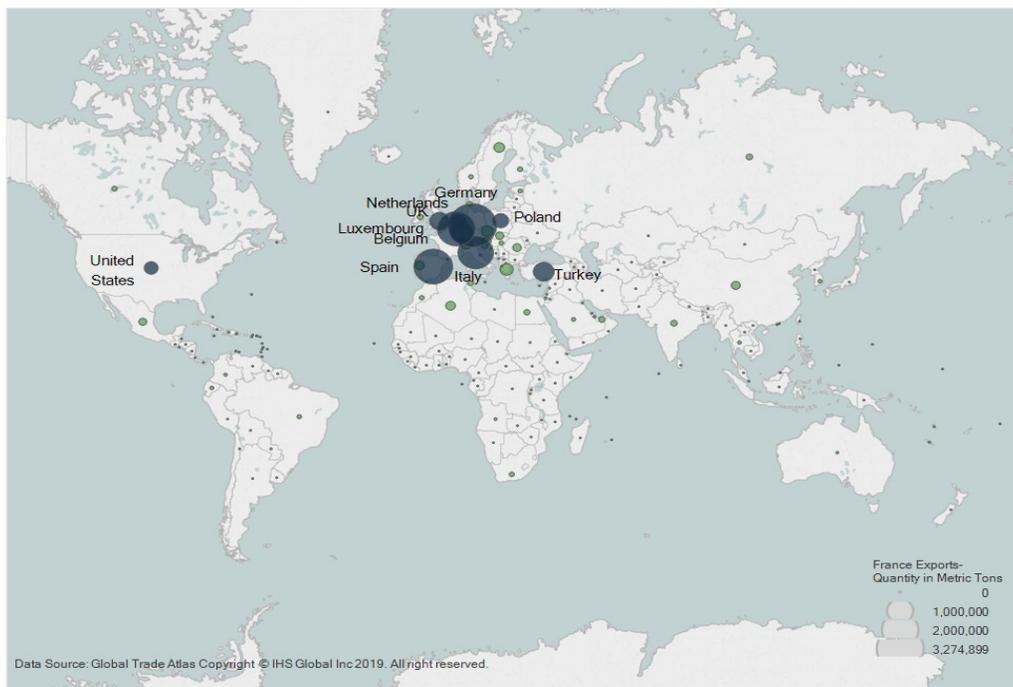
March 2019

Background

In 2017, France was the world's twelfth-largest steel exporter. In 2018, France exported 14.2 million metric tons of steel, a 3 percent decrease from 14.7 million metric tons in 2017. France's exports represented about 3 percent of all steel exported globally in 2017. The volume of France's 2018 steel exports was less than half that of the world's second-largest exporter, Japan, and approximately one-fifth that of the largest exporter, China. In value terms, steel represented just 2.5 percent of the total amount of goods France exported in 2018.

France exports steel to more than 170 countries and territories. The 10 countries highlighted in the map below represent the top markets for France's exports of steel, each receiving more than 250 thousand metric tons of steel mill products in 2018, totaling 11.9 million metric tons and accounting for 84 percent of France's steel exports in 2018.

France's Exports of Steel Mill Products-2018 (Top Ten in Blue)



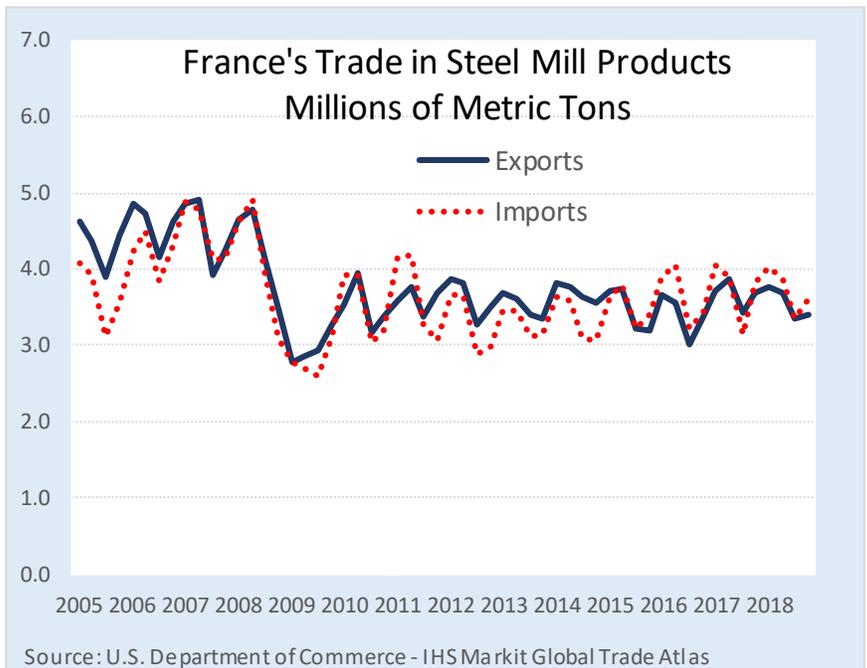
Quick Facts:

- France exported 14.2 million metric tons of steel in 2018
- 21% growth in annual exports since 2009
- 2018 export volume down 3% and export value up 9% since 2017
- Exports as a share of production down from 94.8% in 2017 to 92.6% in 2018
- Top three markets: Germany, Spain, Belgium
- Largest producers:
- 2 trade remedies in 2 countries involving steel mill imports from France

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Steel Trade Balance

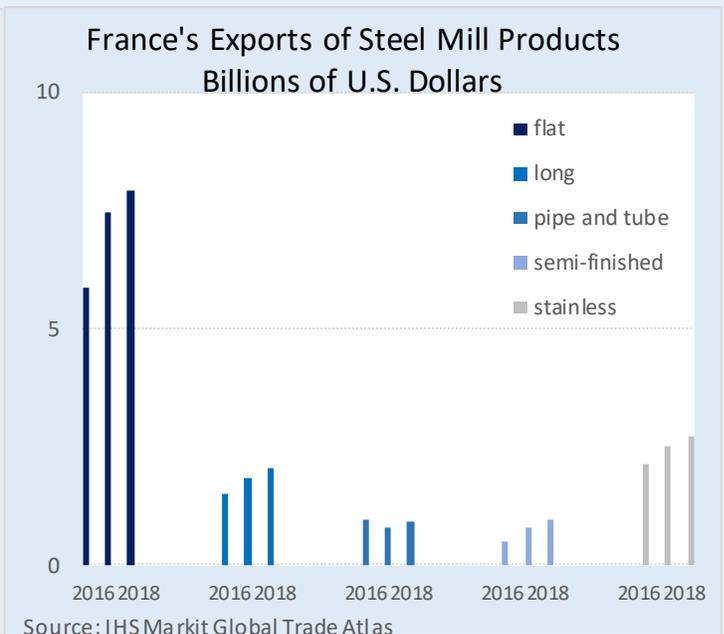
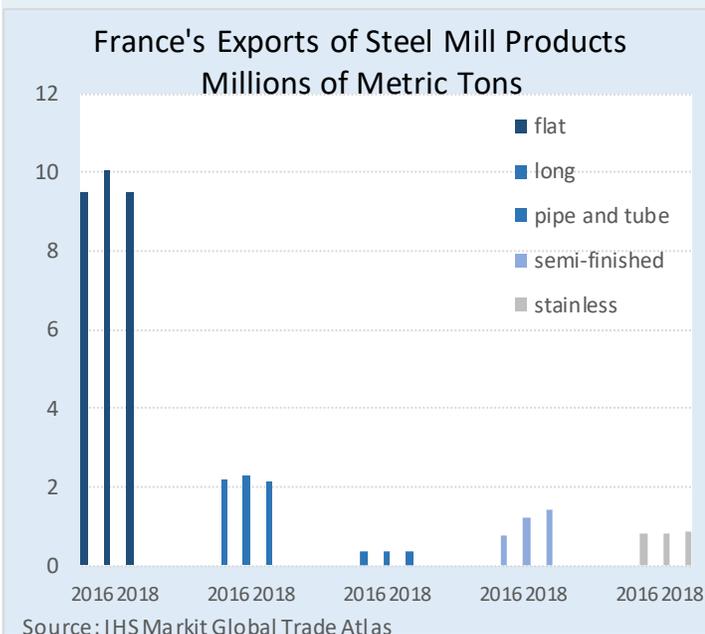
France has maintained relative balance in imports and exports of steel since 2005. After falling in 2009, exports and imports have increased by 21 percent and 33 percent, respectively through 2018. France maintained a small annual trade surplus between 2005 and 2009, but ran a modest deficit from 2010 to 2012. Between 2012 and 2014, France was again a net steel exporter averaging a 1.2 million metric ton surplus over the three years. Since 2015, France has tended to be a net importer of steel. In 2018, France's steel deficit was -622 thousand metric tons.



Export Volume, Value, and Product

Since 2010, France's steel exports have remained relatively constant, with some fluctuation, at approximately 14 million metric tons, while imports have trended modestly upwards since 2012. In 2018, France exported 14.2 million metric tons, a 3 percent reduction from 2017 when exports totaled 14.7 million metric tons. By contrast, the value of France's steel exports have increased by 9 percent from \$13.4 billion in 2017 to \$14.6 billion in 2018.

Flat products accounted for 67 percent of France's steel exports in 2018 (9.5 million metric tons). Long products accounted for 15 percent (2.1 million metric tons), followed by semi-finished products at 10 percent (1.4 million metric tons), stainless at 6 percent (835.6 thousand metric tons), and pipe and tube products at 3 percent (375.3 thousand metric tons).

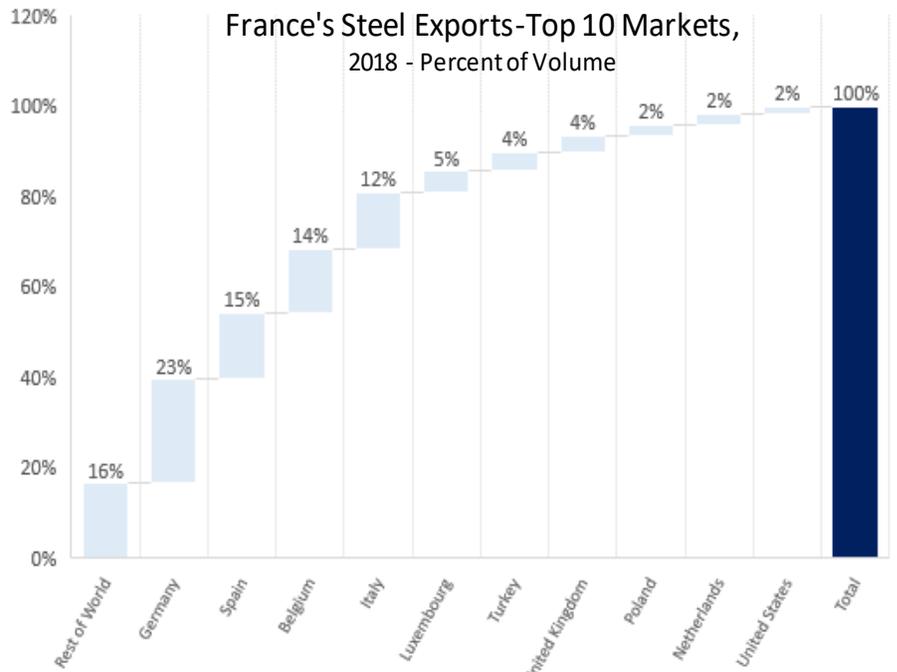


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Exports by Top Market

Exports to France's top 10 steel markets represented 84 percent of France's steel export volume in 2018 at 11.9 million metric tons (mmt). Germany was the largest market for France's exports at 23 percent (3.3 mmt), followed by Spain at 15 percent (2.1 mmt), Belgium at 14 percent (2.0 mmt), and Italy at 12 percent (1.8 mmt).

The United States ranked 10th as a destination for France's steel exports, receiving 2 percent, or 265 thousand metric tons in 2018, a 3 percent decrease from 2017.

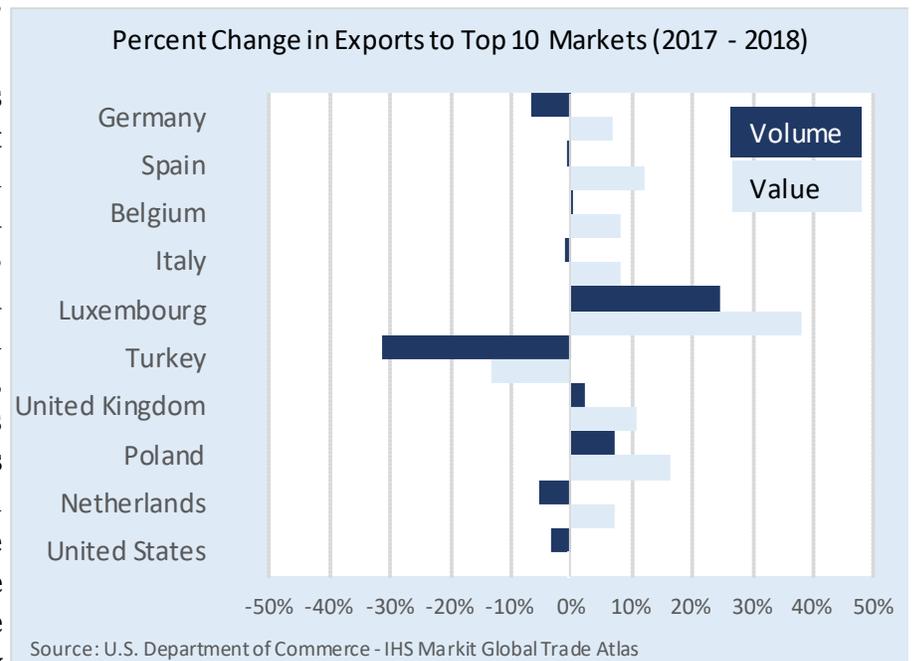


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas

Trends in Exports to Top Markets

Between 2017 and 2018, France's exports decreased in volume to 6 of its top 10 export markets. Export volumes to Turkey showed the largest decrease, down 31 percent from 2017, followed by exports to Germany (-7%), Netherlands (-5%), United States (-3%), Spain (-1%), and Italy (-1%). Over the same period, French exports to Luxembourg increased 25 percent in volume, followed by Poland (7%), United Kingdom (2%), and Belgium (<1%).

The value of France's exports increased to 8 of its top 10 export markets in 2018, reflecting a rise in global steel prices. Luxembourg had the largest increase, rising 38 percent. This is followed by Poland (17%), Spain (12%), United Kingdom (11%), Belgium (8%), Italy (8%), Germany (7%), and the Netherlands (7%). France's exports to two of its top export markets decreased in value with Turkey showing the largest decrease (-13%), While the value of France's exports to the United States was essentially unchanged.



Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas

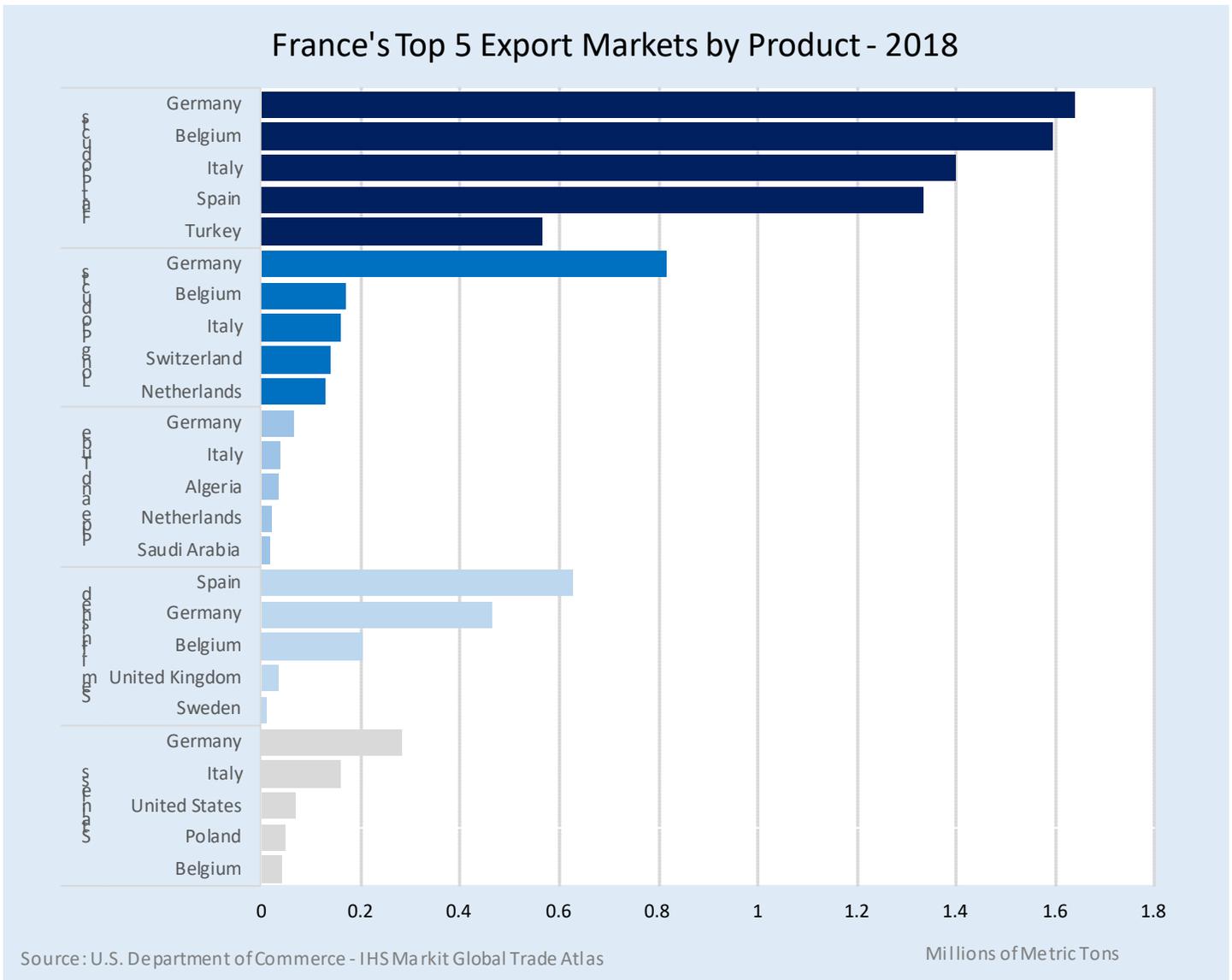
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Top Markets by Steel Product Category

France's top export markets by volume vary across types of steel products, but Germany is the top destination for 4 of the 5 product categories. Germany received the largest share of France's flat products in 2018 at 17 percent (1.6 million metric tons), in addition to long products at 39 percent (818.2 thousand metric tons), pipe and tube products at 18 percent (67.1 thousand metric tons), and stainless products at 34% (285.8 thousand metric tons).

Spain received the largest share of France's exported semi-finished steel products at 45 percent (629.9 thousand metric tons).

The United States was only a top-five export destination for France's stainless steel at 8 percent (67.9 thousand metric tons).



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France's Import Market Share in Top Destinations

In 2018, the import market share for France's steel products decreased in 7 of its top export destinations. Spain's import share from France decreased the most, down 1.6 percentage point, followed by the Netherlands (down 1.3 percentage points), then Germany (down 1.2 percentage points). The share of the Luxembourg's steel imports from France increased the most (up by 2.9 percentage points), while Belgium's and the United States' shares were relatively flat, up just 0.5 and 0.1 percentage points, respectively.

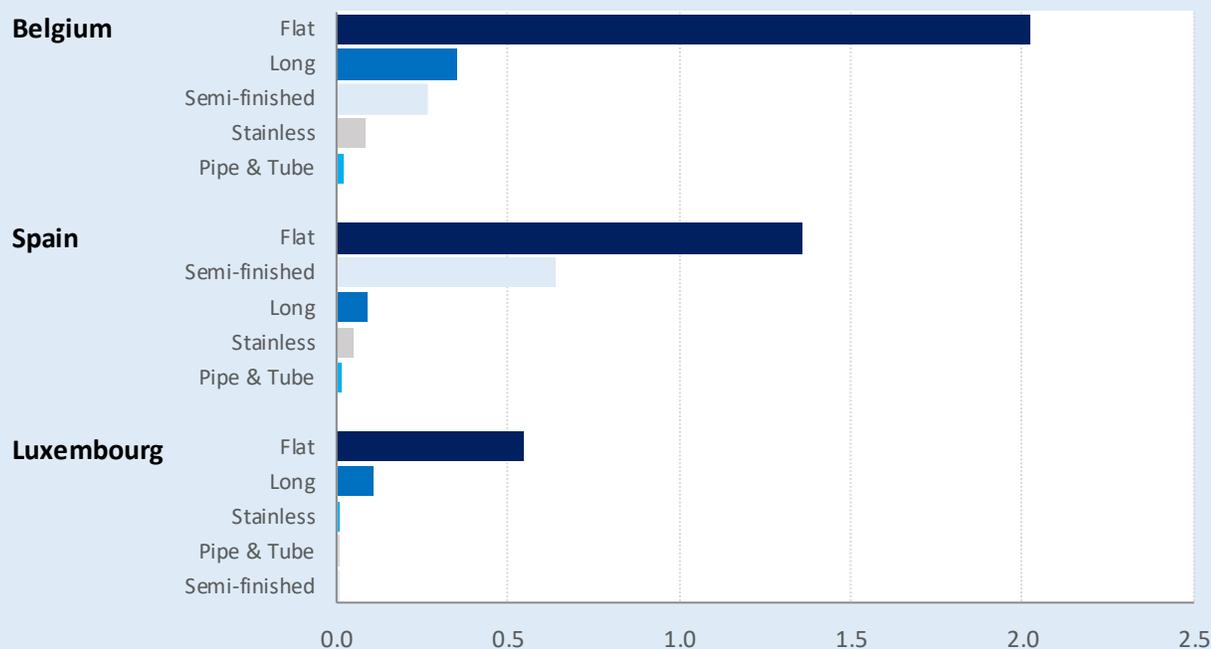
Among France's top export markets, Belgium, Spain, and Luxembourg received the largest shares of their total

France's Steel Import Market Share					
Top 10 Import Markets	Share of Imports France-2017	France's Rank in 2017	Share of Imports from France-2018	France's Rank in 2018	Change in Share
Germany	13.2%	4	12.0%	3	↓
Spain	21.7%	1	20.1%	1	↓
Belgium	17.7%	2	18.2%	1	↑
Italy	10.0%	4	9.6%	3	↓
Turkey	6.3%	6	6.2%	6	↓
Luxembourg	49.9%	1	52.8%	1	↑
United Kingdom	6.7%	7	6.4%	6	↓
Netherlands	4.6%	6	3.3%	7	↓
Poland	3.5%	8	2.9%	10	↓
United States	0.8%	15	0.9%	20	↑

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

steel imports from France in 2018 at 18.2 percent, 20.1 percent, and 52.8 percent, respectively. Flat products accounted for the largest share of steel imports from France in all three countries, accounting for 74 percent (2.0 million metric tons) in Belgium, 63 percent (1.4 million metric tons) in Spain and 84 percent (545.5 thousand metric tons) in Luxembourg.

Steel Import Composition of Top Market-Share Countries-2018



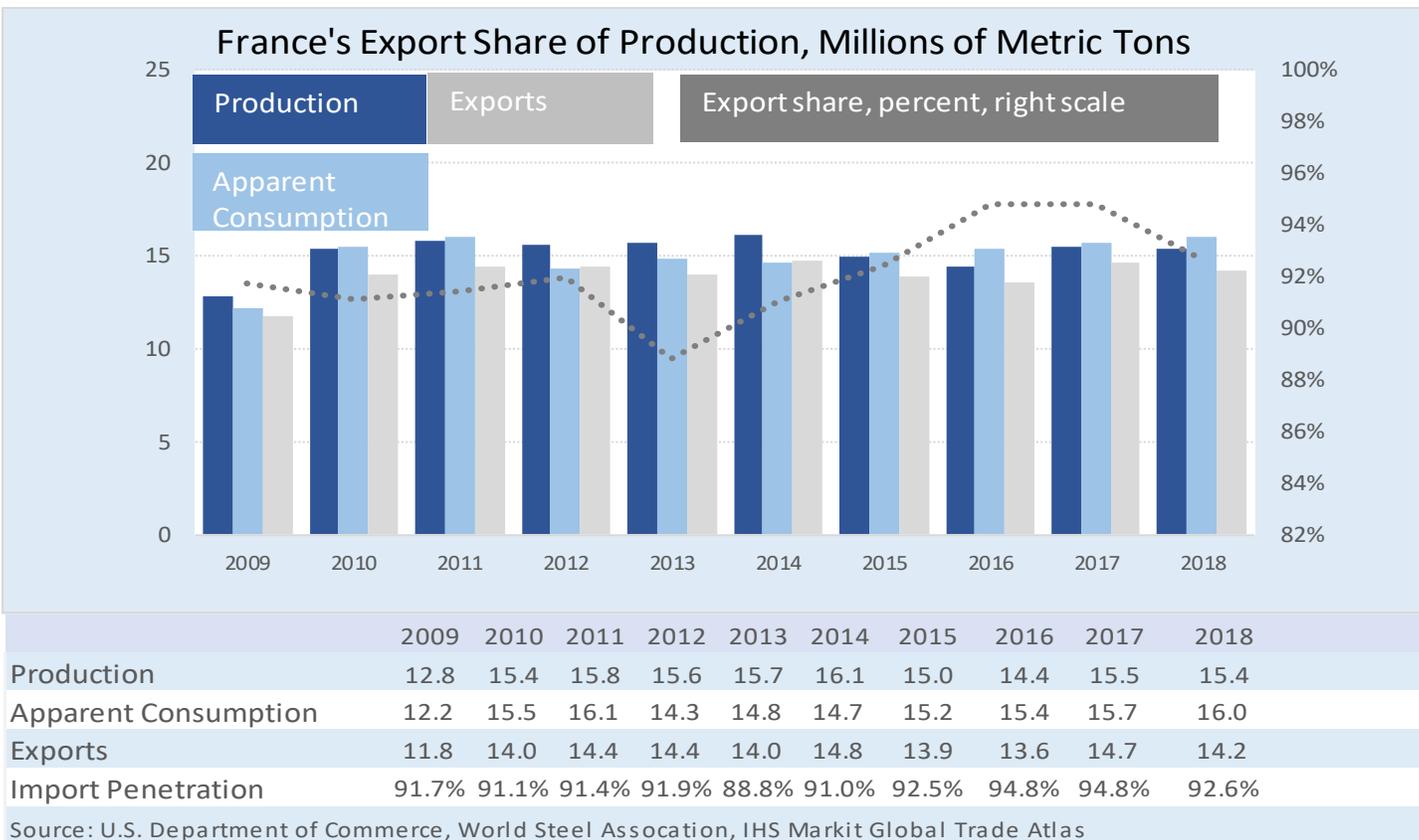
Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Export Share of Production

France's crude steel production increased fairly steadily between 2009 and 2014 before declining in 2015 and 2016. In 2018, France's crude steel production decreased 1 percent to 15.4 million metric tons, down from 15.5 million metric tons in 2017. Apparent consumption (a measure of steel demand) has tracked relatively closely to production, though it exceeded production in 2018 by approximately 600 thousand metric tons. France's level of import penetration gradually increased between 2013 and 2016, when it stabilized at 94.8 percent for the next two years. In 2018, import penetration decreased to 92.6 percent, down from 94.8 percent in 2017.



Top Producers

France's steel production is heavily concentrated among a handful of 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 estimated production capacity of 10 million metric tons.

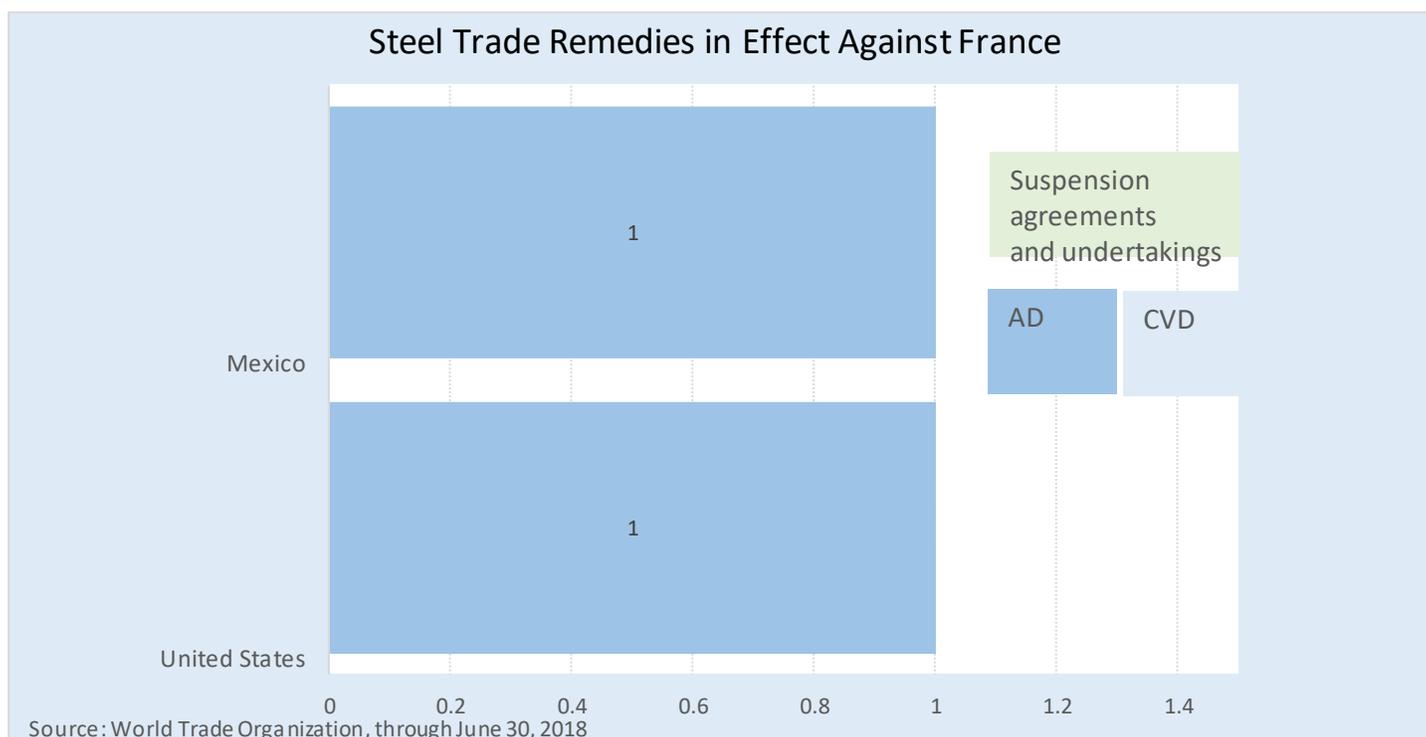
France's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal	10.0	Slab, hot-rolled coil, sheets, galvanized, bars
2	Riva Acier	2.6 (est. capacity)	Billets, bars, rebar, wire, wire rod
3	CELSA	0.6	Billets
4	Vallourec	N/A	Pipe and tube, bars, stainless
5	Eramet (Aubert & Duval)	N/A	Semi-finished, bars, sheets, coils

Source: Bloomberg; Company websites *Denotes foreign-owned producer

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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 various countries have against steel mill products from France.



Global Steel Mill Safeguards in Effect	
Country	Product(s)
Gulf Cooperation Council	Flat-rolled steel
India	Hot-rolled steel flat sheets and plates
Indonesia	1) Flat-rolled products of iron or non-alloy steel; 2) I and H sections of other alloy steel
Malaysia	1) Steel concrete reinforcing bar; 2) Steel wire rod and deformed bar in coil
Morocco	1) Cold-rolled sheets and plated or coated sheets; 2) Reinforcing bars and wire rods
Philippines	Steel angle bars
South Africa	Hot-rolled steel flat products
Thailand	1) Hot-rolled steel flat products with certain amounts of alloying elements; 2) Unalloyed hot-rolled steel flat products in coils and not in coils; 3) Structural hot-rolled H-beams with alloy
Vietnam	1) Semi-finished and certain finished products of alloy and non-alloy steel; 2) Pre-painted galvanized steel sheet and strip

Source: World Trade Organization, through September 30, 2018

Steel Exports 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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