



Global Steel Trade Monitor

Steel Exports Report: Italy

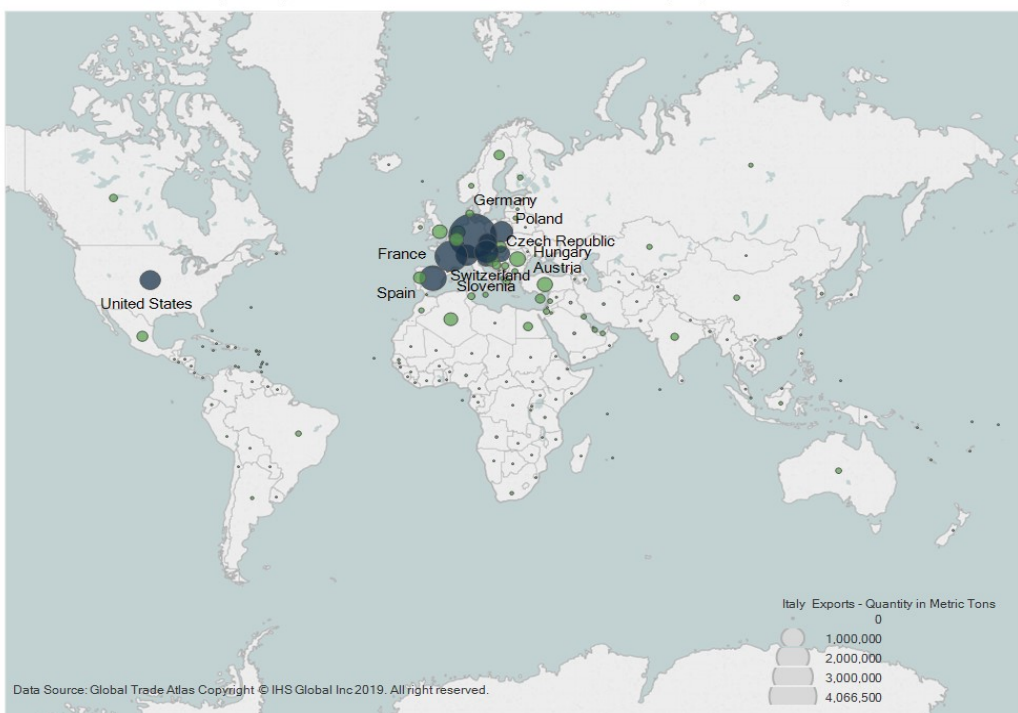
May 2019

Background

Italy, as of 2017, is the world's seventh-largest steel exporter. In 2018, Italy exported 17.4 million metric tons of steel, a decrease from 17.5 million metric tons in 2017. Italy's exports represented about 4 percent of all steel exported globally in 2017. The volume of Italy's 2018 steel exports was approximately a quarter the size of the world's largest exporter, China. In value terms, steel represented just 1.2 percent of the total amount of goods Italy exported in 2018.

Italy exports steel to more than 160 countries and territories. The 10 countries labeled in the map below represent the top markets for Italy's exports of steel, with the top 4 countries alone receiving more than 1 million metric tons each. The top 10 countries accounted for 69 percent of Italy's steel exports in 2018.

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



Quick Facts:

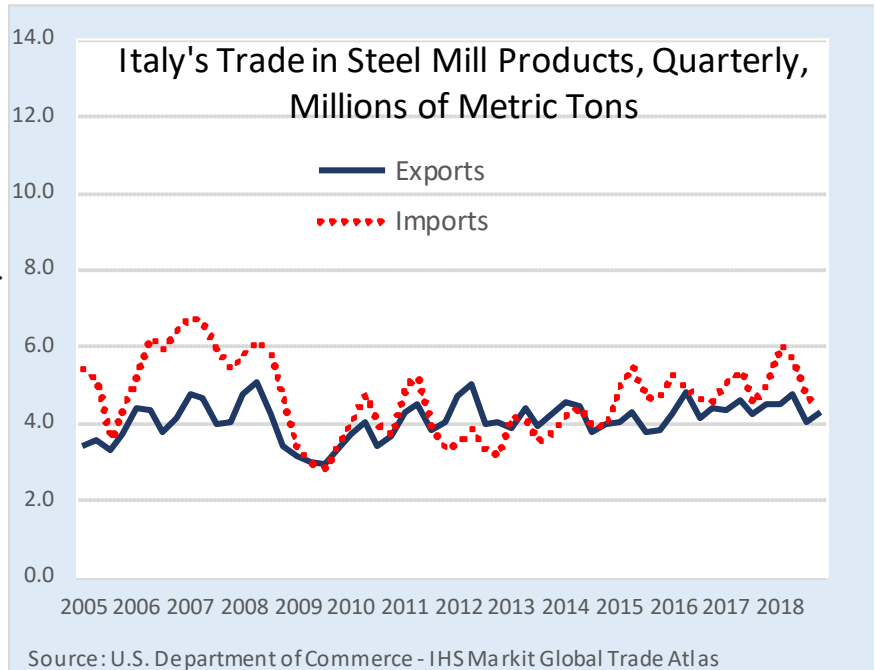
- Exported 17.4 million metric tons in 2018
- 42% steel export growth since 2009
- 2018 export volume down 1% while export value up 13%
- Exports as a share of production down from 72.7% in 2017 to 71.0% in 2018
- Top three markets: Germany, France, Spain
- Top Producers: Marcegaglia, ILVA SpA, Arvedi Group
- 7 trade remedies in effect involving steel mill imports from Italy

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Steel Trade Balance

Italy has maintained a trade deficit in steel since 2015. The only period since 2005 where Italy has experienced a trade surplus was from 2012 to 2014. The volume of exports has grown 42 percent since 2009, with the volume of imports increasing 28 percent over the same period.

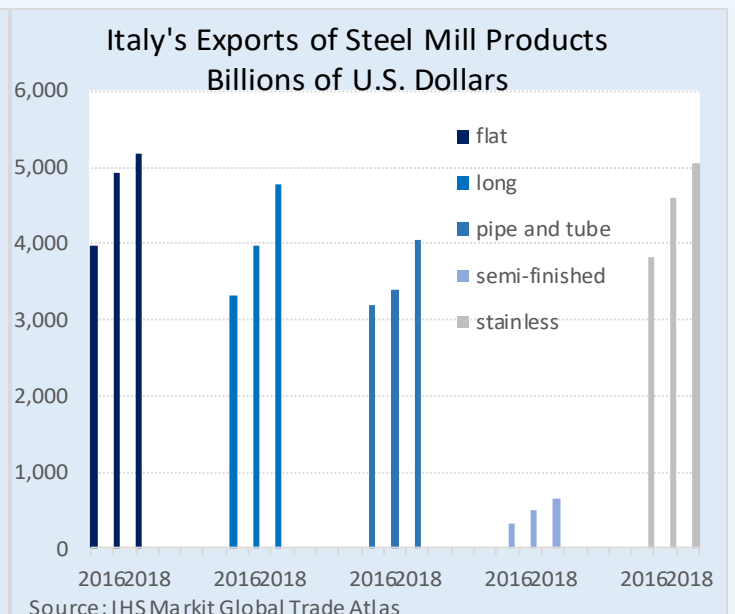
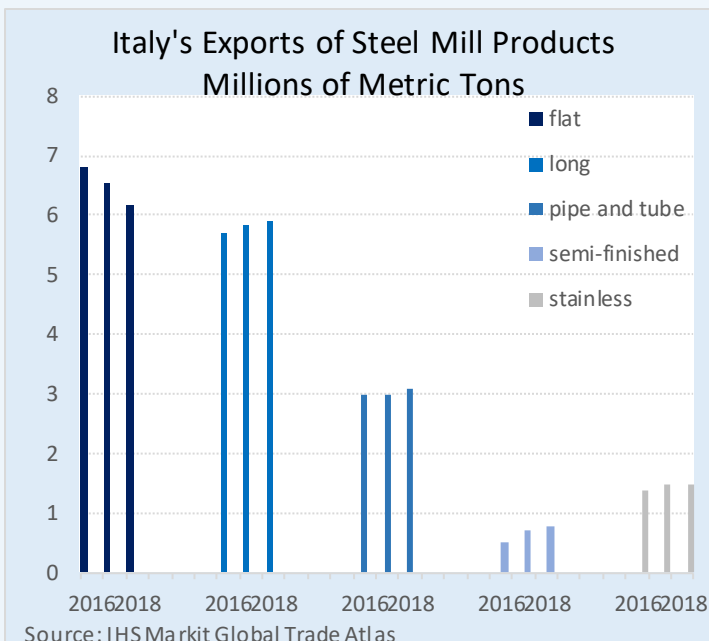
In 2018, Italy's steel deficit amounted to -3.5 million metric tons, which is 43 percent larger than Italy's 2017 deficit, at -2.4 million metric tons.



Export Volume, Value, and Product

In 2018, Italy's steel exports were down 1 percent to 17.4 million metric tons from 17.5 million metric tons in 2017. The value of 2018 steel exports has increased by 13 percent to \$19.7 billion from \$17.4 billion in 2017, consistent with a general rise in global steel prices.

Flat products accounted for the largest share of Italian steel exports in 2018 at 35 percent, or 6.2 million metric tons, followed closely by long products at 34 percent (5.9 million metric tons). Pipe and tube products accounted for 18 percent (3.1 million metric tons) of Italy's steel products exports, followed by stainless steel at 9 percent (1.5 million metric tons), and semi-finished steel products at 4 percent (761 thousand metric tons).

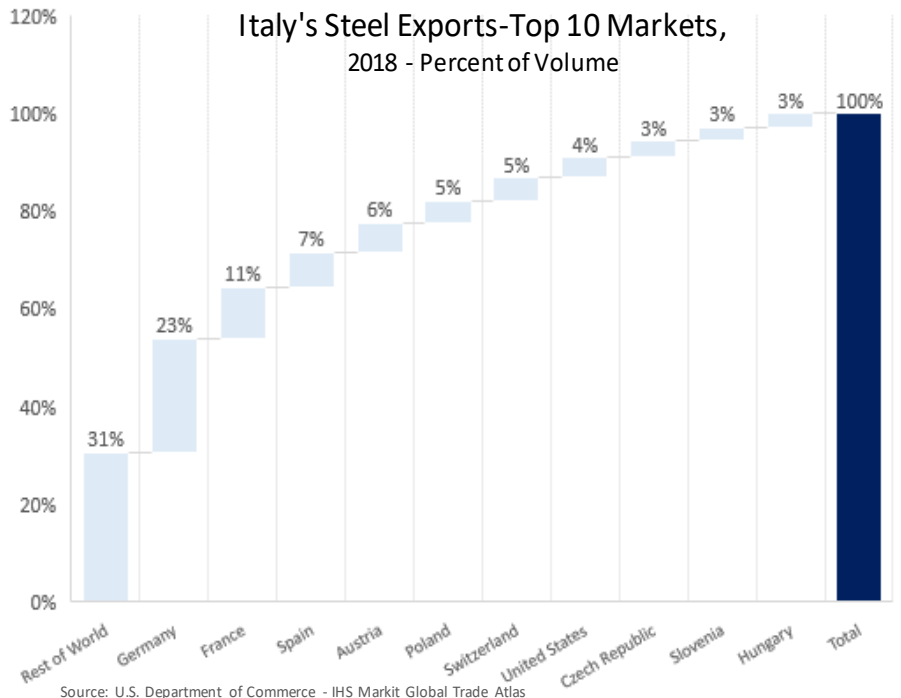


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Exports by Top Market

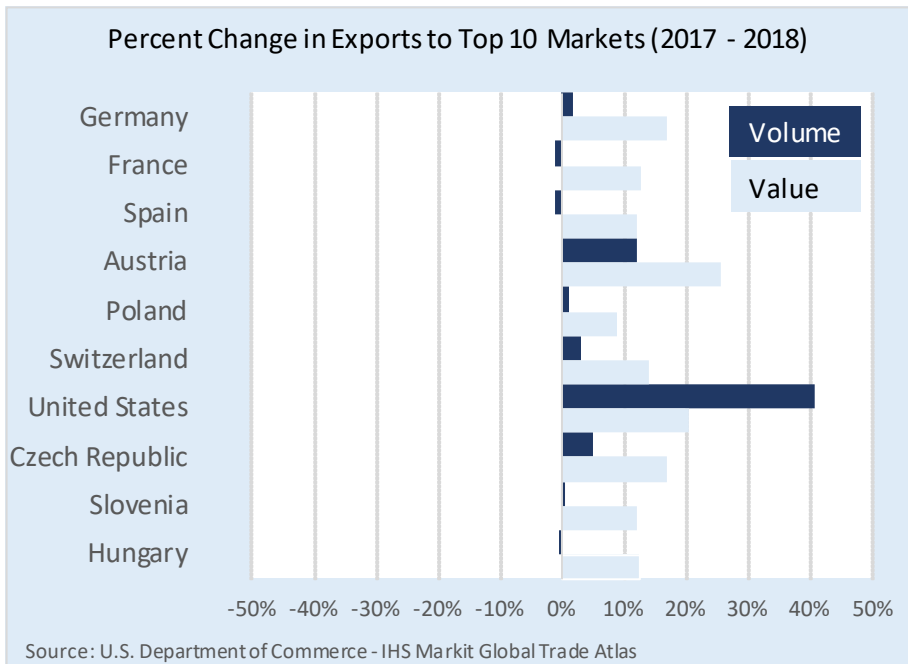
Exports to Italy's top 10 markets represented 69 percent of Italy's export volume in 2018 at 12 million metric tons (mmt). Germany was by far the largest market for Italian steel exports with 23 percent (4.1 mmt), followed by France at 11 percent (1.8 mmt), Spain at 7 percent (1.2 mmt), and Austria at 6 percent (1.0 mmt).

The United States ranked 7th as an export destination for Italian steel, importing over 700 thousand metric tons in 2018, a substantial 41 percent increase in volume from 2017.



Trends in Exports to Top Markets

Between 2017 and 2018, the volume of Italy's steel exports increased to 7 of the country's top 10 steel export markets, with the remaining 3 decreasing by insignificant amounts. Italian exports to the United States saw the largest increase in volume (41%), followed by exports to Austria (12%), Czech Republic (5%), Switzerland (3%), Germany (2%), Poland (1%), and Slovenia (1%). The volume of Italy's exports decreased to France, Spain, and Hungary, but only by 1 percent for France and Spain and less than 1 percent for Hungary.



The value of Italy's exports between 2017 and 2018 increased in all 10 of the top 10 markets. Export values increased the most to Austria (25%) and the United States (20%), followed by Germany (17%) and the Czech Republic (17%).

Outside of the top 10 markets, other notable volume changes in 2018 included Italy's exports to 12th-ranked Turkey (-35%), 14th-ranked Algeria (-53%), and 20th-ranked Mexico (37%).

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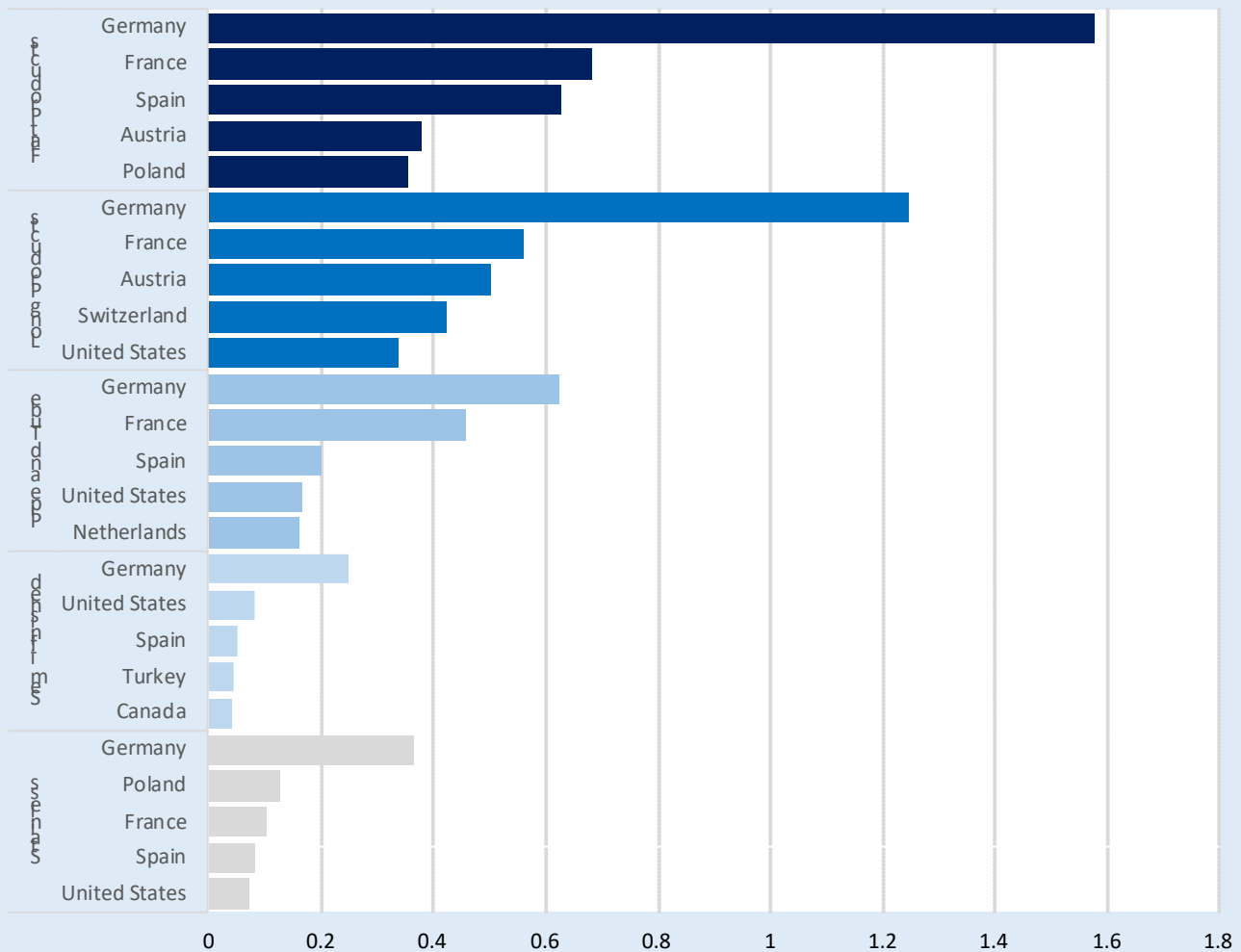
Top Markets by Steel Product Category

Italy's export markets by volume vary across types of steel products, but Germany occupies the top spot for all 5 product categories. In 2018, 26 percent of Italian exports of flat products went to Germany (1.6 million metric tons), followed by France with 11 percent (684 thousand metric tons). Germany was also the largest market for Italy's exports of long products at 21 percent (1.2 million metric tons), with France also occupying second place with 10 percent (561 thousand metric tons).

The majority of Italy's pipe and tube exports went to Germany at 20 percent (626 thousand metric tons), with 15 percent (459 thousand metric tons) going to France. In semi-finished exports, Italy exported 33 percent (249 thousand metric tons) to Germany. In stainless products, 25 percent were exported to Germany (367 thousand metric tons).

The United States was a top-five export destination for 4 of the 5 product categories. The U.S. received 11 percent of Italy's semi-finished exports (81 thousand metric tons), 6 percent of long products (339 thousand metric tons), 5 percent of pipe and tube exports (167 thousand metric tons), and 5 percent of Italy's stainless steel exports (74 thousand metric tons).

Italy's Top 5 Export Markets by Product - 2018



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

Millions of Metric Tons

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Italy Import Market Share in Top Destinations

In 2018, the import market share for Italian steel products increased or remained the same in six of Italy's top export destinations. The share of steel imports from the Italy increased in Austria, up 1.4 percentage points from 2017, followed by Switzerland (0.8 percentage points), France (0.8 percentage points), and the U.S. (0.6 percentage points), Germany (0.4 percentage points), while Italy's share in the Czech Republic was unchanged.

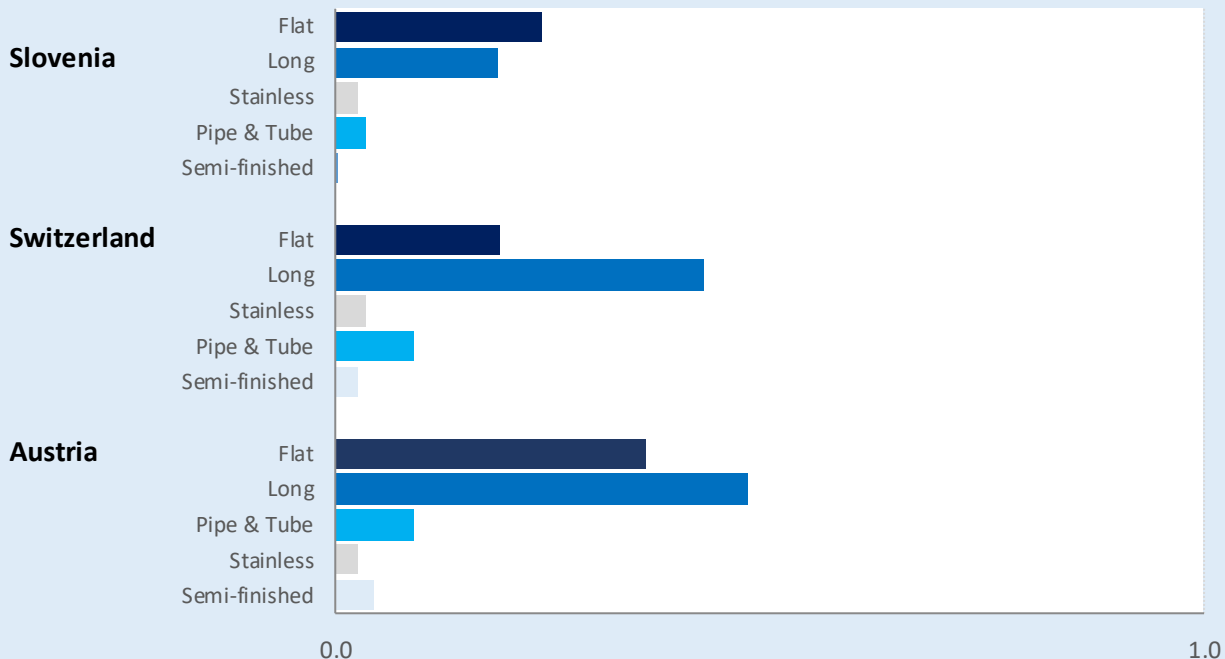
The share of imports from Italy decreased in Slovenia (-2.8 percentage points), followed by Spain(-0.7 percentage points), Hungary (-0.7 percentage points), and Poland (-0.4 percentage points) .

Among Italy's top export markets, Switzerland received the highest share (30.4 percent) their total steel imports from the Italy, while Slovenia received 28.5 percent, and Austria received 21.1 percent of their steel from Italy. In 2018, flat products accounted by far for the largest share of steel imports from Italy in Slovenia (49 percent, or 238 thousand metric tons). Long products comprised 56 percent of imports (425 thousand metric tons) in Switzerland, and 48 percent of steel imports (475 thousand metric tons) in Austria.

Italy's Steel Import Market Share					
Top 10 Export Markets	Share of Imports from Italy - 2017	Italy's Rank in 2017	Share of Imports from Italy - 2018	Italy's Rank in 2018	Change in Share
Germany	14.0%	2	14.4%	2	↑
France	12.7%	3	13.5%	3	↑
Spain	12.0%	2	11.3%	2	↓
Austria	19.7%	2	21.1%	2	↑
Poland	6.7%	6	6.3%	6	↓
Switzerland	29.6%	2	30.4%	2	↑
United States	1.5%	14	2.0%	12	↑
Czech Republic	7.9%	4	7.9%	4	↑
Slovenia	31.3%	1	28.5%	2	↓
Hungary	14.8%	2	14.1%	2	↓

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

Steel Import Composition of Top Market-Share Countries - 2018

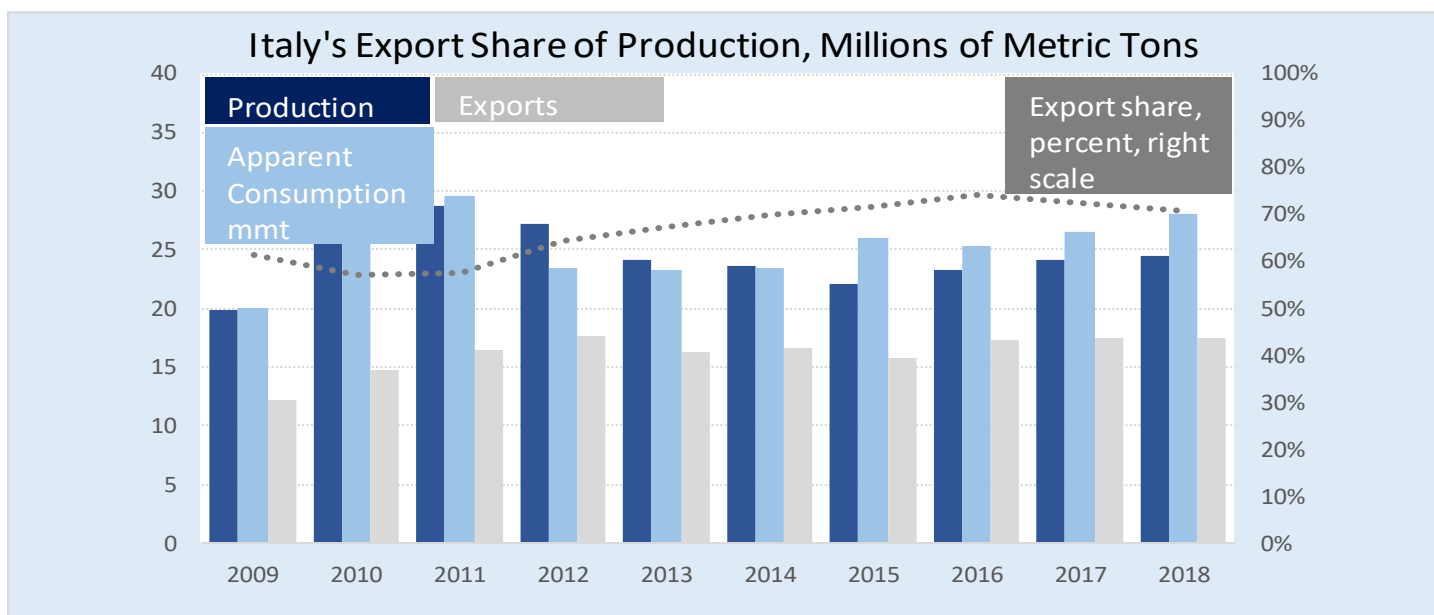


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	19.8	25.8	28.7	27.3	24.1	23.7	22.0	23.3	24.1	24.5
Apparent Consumption	20.1	27.4	29.6	23.4	23.3	23.5	26.0	25.3	26.5	28.0
Exports	12.2	14.7	16.5	17.6	16.2	16.6	15.8	17.4	17.5	17.4
Export Share of Production	61.6%	57.2%	57.4%	64.5%	67.4%	70.1%	71.7%	74.4%	72.7%	71.0%

Source: U.S. Department of Commerce, World Steel Association, IHS Markit Global Trade Atlas

Italian crude steel production increased 2 percent between 2017 and 2018, from 24.1 million metric tons to 24.5 million metric tons. Apparent consumption (a measure of steel demand) has outpaced production since 2015. The gap between domestic production and apparent consumption grew in 2018 compared to 2017, from -2.4 million metric tons to -3.5 million metric tons, as consumption of imports has grown. Steel exports as a share of Italy’s production has been decreasing since 2016, from 74.4% to 71%, but is significantly higher than from 2009 to 2013.

Top Producers

Steel production in Italy is diffused across many small- and medium-sized firms. After privatization of the country’s steel industry during the 1980s and 1990s, only a small number of the earlier, larger steelworks remain.

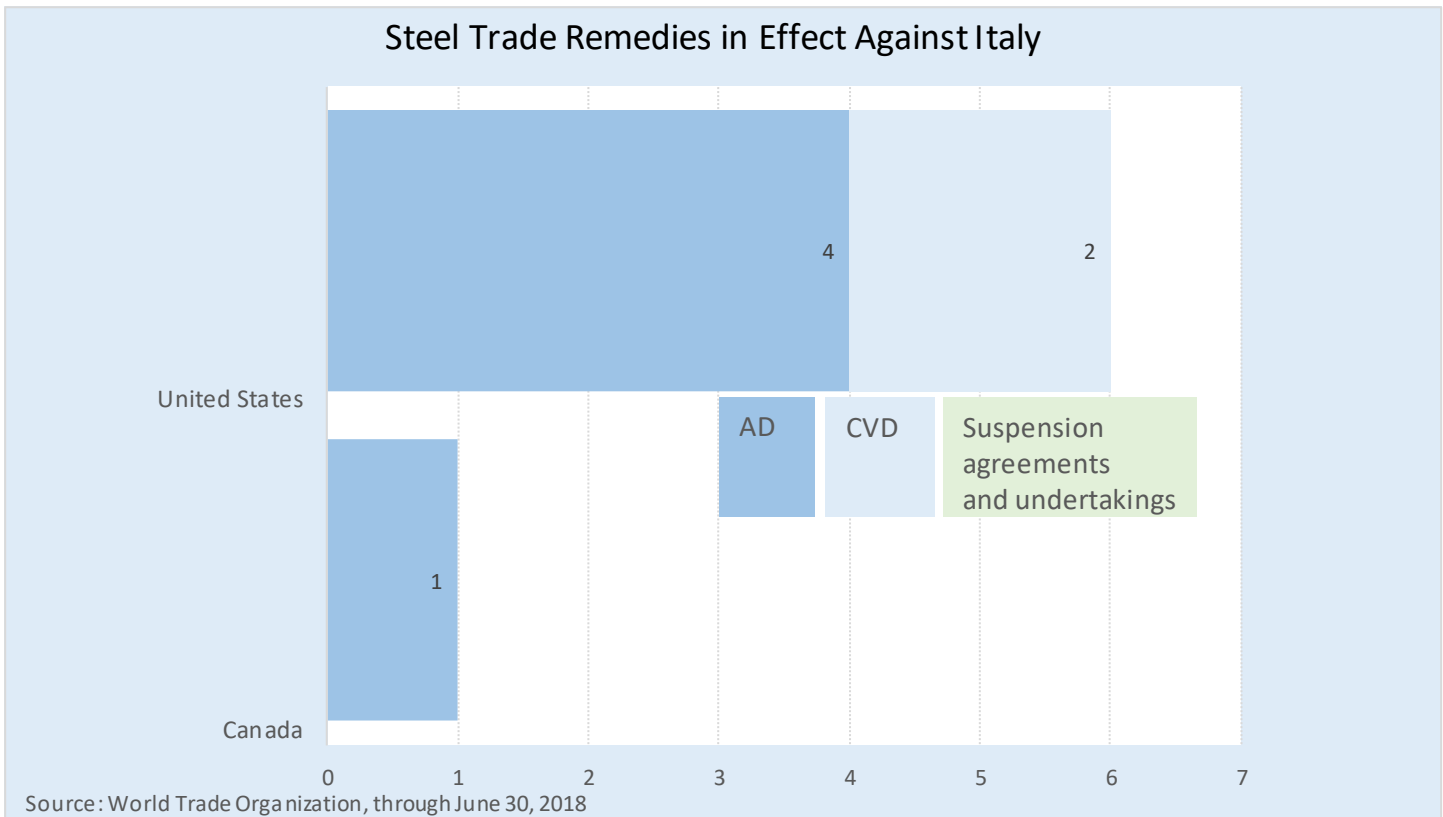
Italy's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	Marcegaglia	5.6	Coils, strips, sheets, welded pipe, sections, bars, heavy plate
2	ILVA SpA	4.73	Hot- and cold-rolled coils, galvanized, heavy plate, welded plate
3	Arvedi Group	3.19	Hot-rolled, galvanized, welded tubes, cold-drawn tubes, stainless tubes, cold-rolled stainless strip
4	Riva Acciaio	1.0	Billets, hot-rolled and cold-drawn bars, reinforcing bars
5	Lucchini RS SpA	N/A	Railway components, forgings, castings, ingots

Source: World Steel Association; Hoover's; Bloomberg; 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 various countries have against steel mill products from Italy.



Global Steel Mill Safeguards in Effect

Country	Product(s)
India	1) Hot-rolled steel in coils; 2) Hot-rolled steel flat sheets and plates
Indonesia	1) Articles of finishing casing and tubing 2) Flat-rolled products of iron or non-alloy; 3) I and H sections of other alloy steel; 4) Bars and rods, hot-rolled, in irregularly wound coils
Malaysia	1) Hot-rolled steel plate; 2) Steel concrete reinforcing bar; 3) 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	Semi-finished and certain finished products of alloy and non-alloy steel

Source: World Trade Organization, through February 28, 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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