



Global Steel Trade Monitor

Steel Imports Report: Czech Republic

June 2019

Background

The Czech Republic was the world's twentieth-largest steel importer in 2017. In 2018 the Czech Republic imported 7.25 million metric tons of steel, a 4 percent increase from 6.96 million metric tons in 2017. The Czech Republic's imports represented about 2 percent of all steel imported globally in 2018. The volume of the Czech Republic's 2018 steel imports was slightly over one quarter that of Europe's largest and the world's second-largest importer, Germany, and approximately one quarter of the United States, the world's largest steel importer. In value terms, steel represented just 4 percent of the total goods imported into the Czech Republic in 2018.

The Czech Republic imports steel from over 50 countries and territories. The ten countries labeled in the map below represent the Czech Republic's top sources of steel in 2018, together accounting for

Quick Facts:

- Imported 7.25 million metric tons in 2018
- 75% steel import growth since 2009
- Year-on-year import volume up 4%, while import value up 16%
- Import penetration at 97.1% in 2018, down from 98.6% in 2017
- Top three import sources: Germany, Poland, Slovakia
- Largest producers: ArcelorMittal, Trinecke Zelezarny
- 38 European Union trade remedies in effect against imports of steel mill products

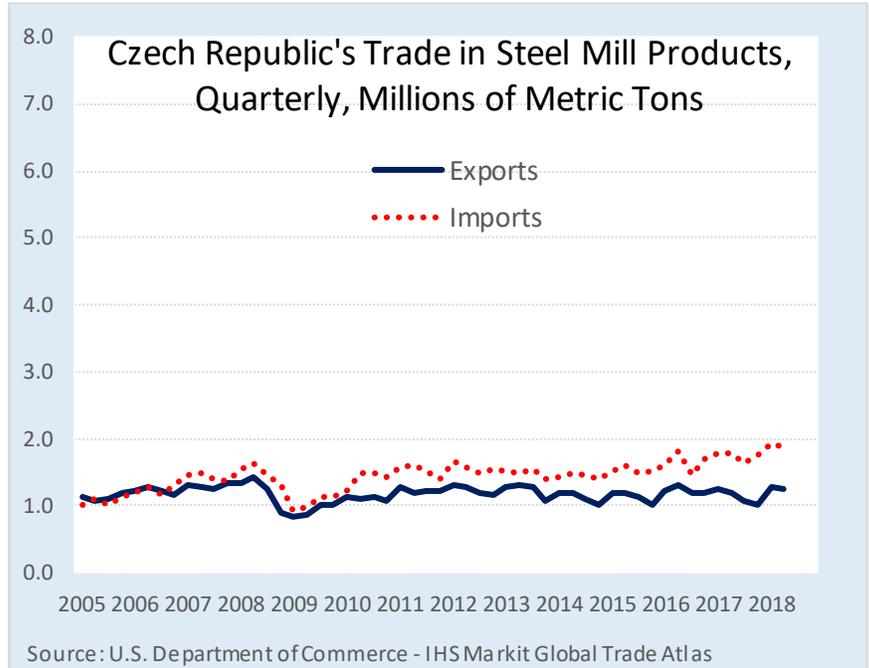
Czech Republic's Imports of Steel Mill Products-2018 (Top Ten in Blue)



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Steel Trade Balance

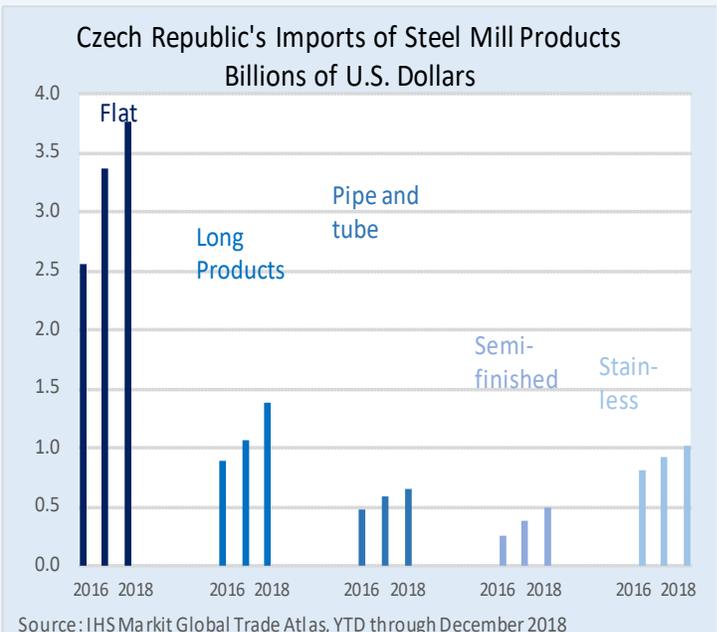
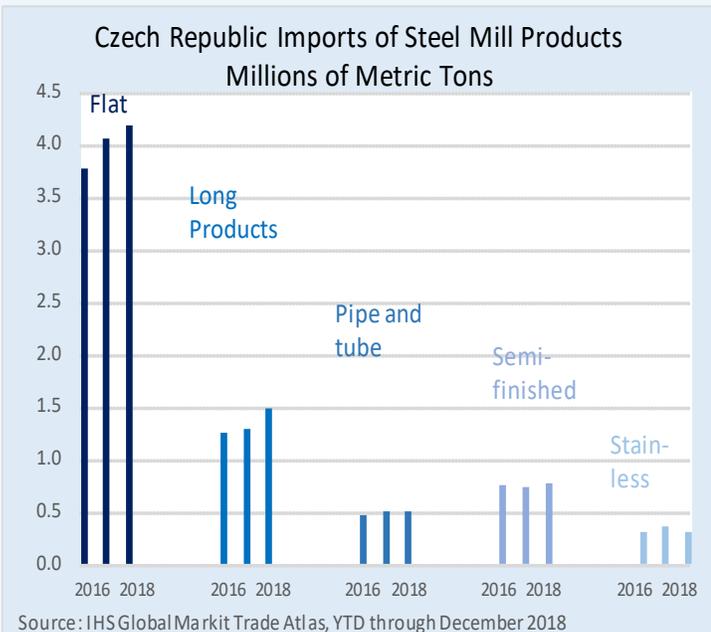
The Czech Republic has had a steel trade deficit since the end of 2006. The Czech Republic switched from a steel trade surplus to a trade deficit in Q4 2006. Imports and exports both declined in 2008-2009, following the global recession. Imports increased 75 percent between 2009 and 2018, while exports increased by 30 percent leading to gradually widening trade deficit. In 2018, the steel trade deficit amounted to 2.47 million metric tons, a slight increase from 2.45 million metric tons in 2017.



Import Volume, Value, and Product

The Czech Republic's steel imports has averaged 6.07 million metric tons since 2009 and have trended modestly upwards since 2015. In 2017, the Czech Republic imported 6.96 million metric tons, up 6 percent from 2016. In 2018, imports increased 4 from 2017 to 7.25 million metric tons in 2018. The value of the of the Czech Republic's imports increased by 16 percent to \$7.28 billion in 2018 from \$6.28 billion in 2017.

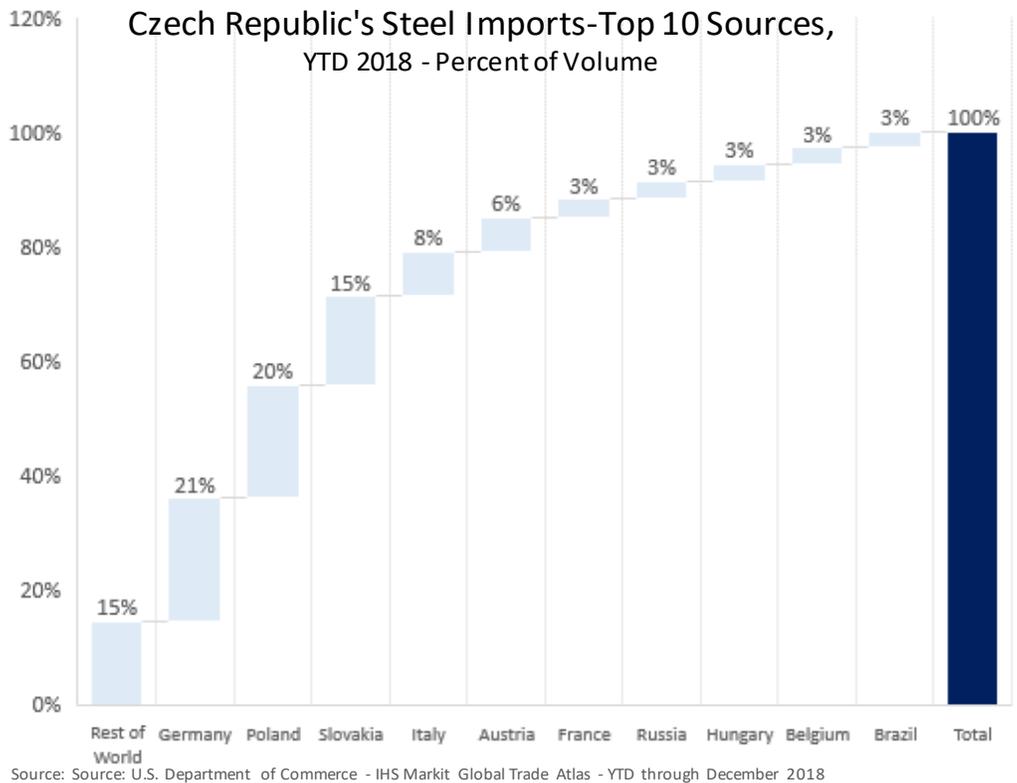
In 2018, flat products account for 58 percent of the Czech Republic's steel imports at a total of 4.18 million metric tons. Long products accounted for 20 percent of imports (1.48 million metric tons), semi-finished products at 11 percent (772 thousand metric tons), pipe and tube products at 7 percent (509 thousand metric tons) and stainless products at 4 percent (312 thousand metric tons).



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Imports by Top Source

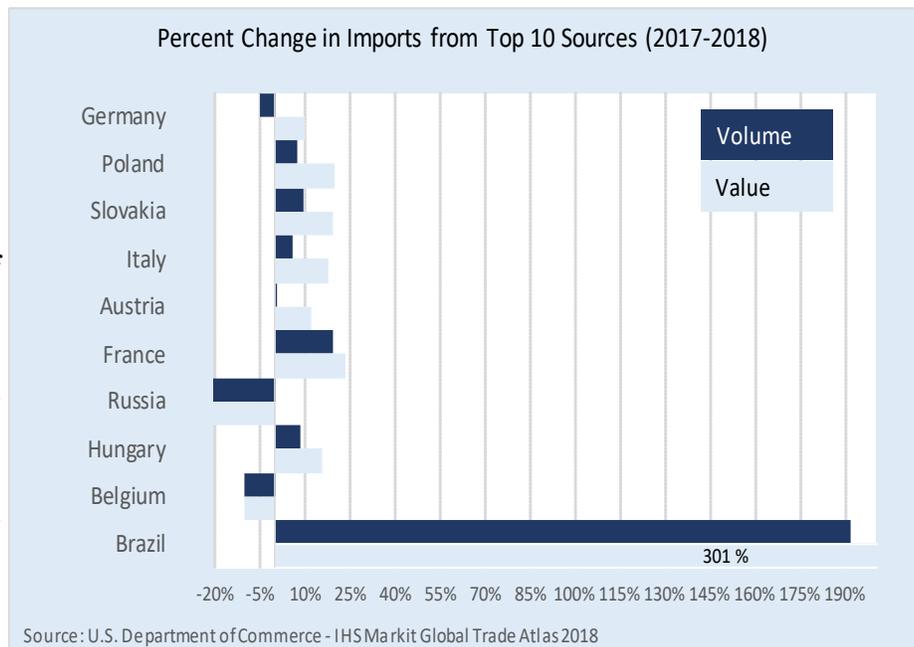
The top 10 source countries for the Czech Republic's steel imports represented 85 percent of the total steel import volume in 2018 at 6.20 million metric tons (mmt). Germany accounted for the largest share of imports by source country with 21 percent (1.56 mmt), followed by Poland at 20 percent (1.43 mmt), Slovakia at 15 percent (1.12 mmt), Italy at 8 percent (0.58 mmt), and the Austria at 6 percent (0.42mmt).



Trends in Imports from Top Sources

The volume of the Czech Republic's steel imports increased from 7 of the top 10 steel import sources between 2017 and 2018. Imports from Brazil showed the largest increase in 2018, up 192 percent by volume, followed by imports from France (19%), the Slovakia (10%), Hungary (9%), and Italy (6%). Imports from Germany, Russia and Belgium all decreased in volume in 2018 — down 5 percent, 38 percent, and 10 percent, respectively.

The Czech Republic's imports in value terms increased from 8 of its top 10 sources with the largest increases from Brazil (301%), France (24%), Poland (20%), Slovakia (19%), Italy, (18%), and Hungary (16%). Imports from Russia and Belgium decreased in value, down 21 and 10 percent, respectively.



Outside the top ten import sources, other notable changes in the volume of Czech imports include those from 18-th ranked Latvia (114%), and 13-th ranked Serbia (388%).

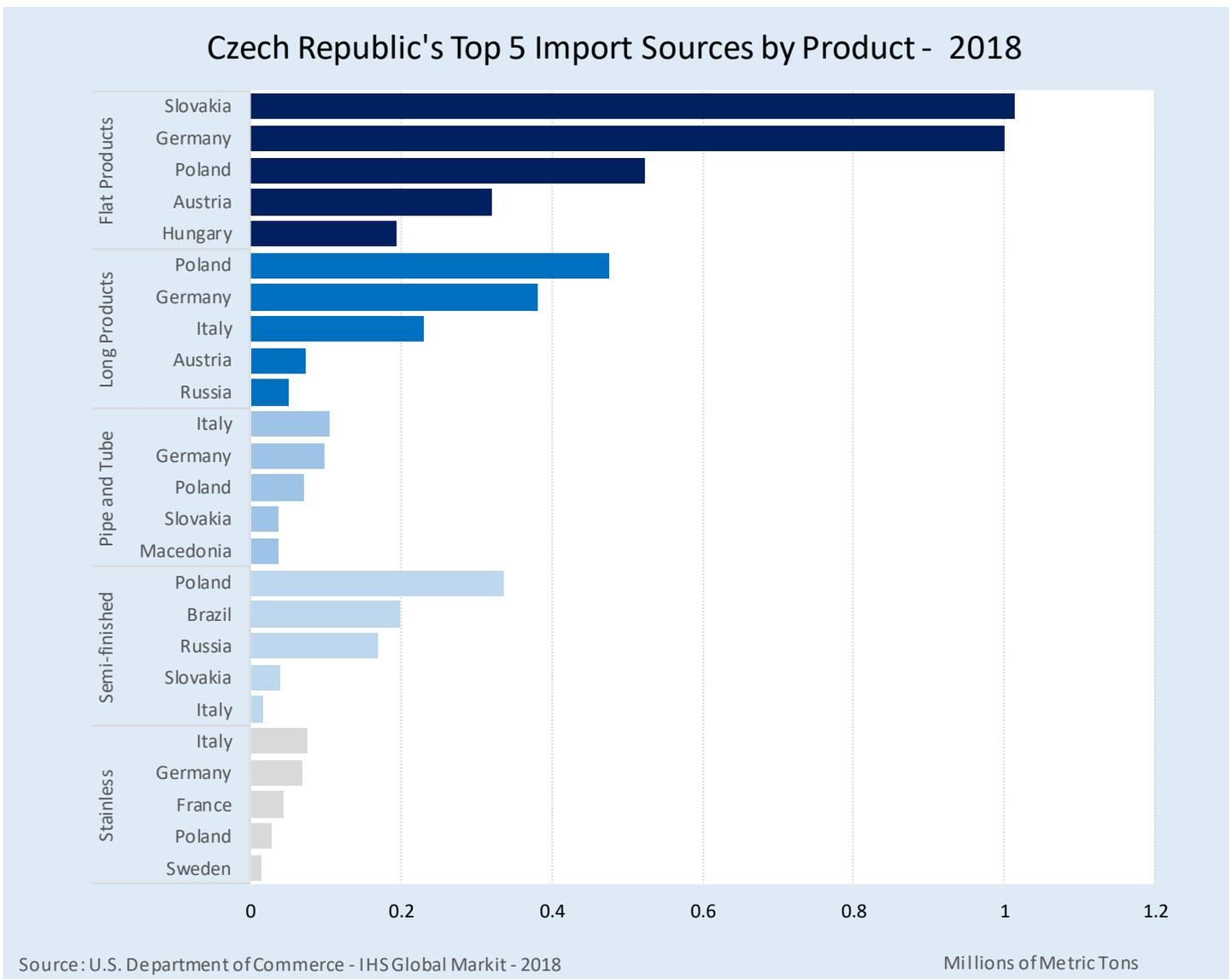
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Top Sources by Steel Product Category

The top source countries for the Czech Republic's imports by volume vary across types of steel products. In 2018, Slovakia was the largest source of the Czech Republic's imports of flat products at 24.3 percent (1 million metric tons), followed closely by Germany at 24.0 percent (1 million metric tons).

Poland represented the largest source of the Czech Republic's long product imports at 32.1 percent (476 thousand metric tons). Poland was also the largest source of semi-finished steel imports at 44 percent in 2018 (336 thousand metric tons). Italy represented the largest source of pipe and tube imports at 21 percent (105 thousand metric tons), and was also the largest source of stainless steel imports at 24 percent (74 thousand metric tons).

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



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Czech Republic's Export Market Share from Top Source Countries

In 2018, the change in the share of steel exports sent to Czech Republic from its top import sources was mixed, with six of ten import sources increasing. The share of Poland's steel exports to Czech Republic showed the largest increase (up 3.5 percentage points from 2017), followed by Slovakia (up 2.4 percentage points). The share of exports to Czech Republic from Russia, Hungary, Belgium, and Brazil decreased by less than one percentage point each.

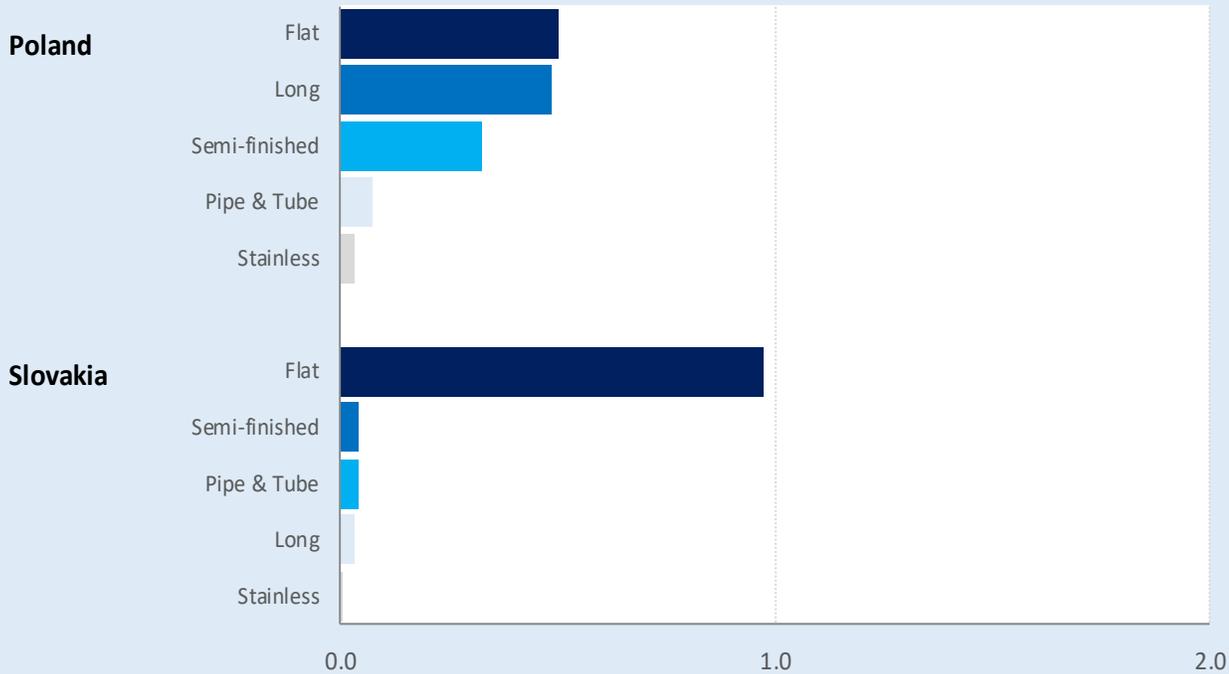
Among Czech Republic's top import sources, Poland and Slovakia sent the largest shares of

their total steel exports to Czech Republic in 2018. Flat products accounted for the largest share of Poland's and Slovakia's steel exports to Czech Republic at 36 percent (502 thousand metric tons) and 89 percent (975 thousand metric tons), respectively.

Czech Republic's Steel Export Market Share						
Top 10 Import Sources	Share of Exports to Czech Republic - 2017	Czech Rank in 2017	Share of Exports to Czech Republic - 2018	Czech Rank in 2018	Change in Share	
Germany	5.5%	6	5.5%	6	↑	
Poland	21.2%	2	24.7%	1	↑	
Slovakia	19.7%	2	22.1%	1	↑	
Italy	3.3%	9	3.4%	8	↑	
Austria	5.6%	3	5.8%	3	↑	
France	1.1%	12	1.3%	13	↑	
Russia	1.9%	15	1.5%	18	↓	
Hungary	11.1%	4	10.6%	5	↓	
Belgium	1.3%	10	1.2%	11	↓	
Brazil	0.5%	29	0.4%	30	↓	

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

Steel Export Composition of Top Market-Share Countries-2018

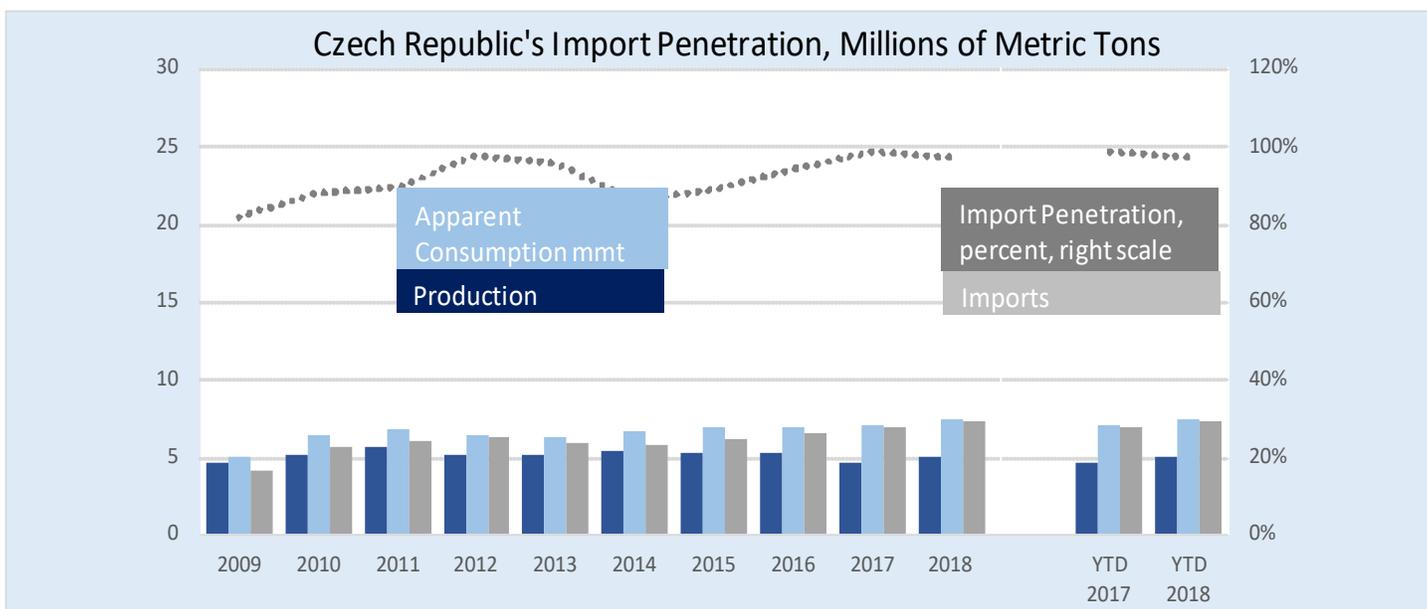


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD 2017	YTD 2018
Production	4.6	5.2	5.6	5.1	5.2	5.4	5.3	5.3	4.6	5.0	4.6	5.0
Apparent Consumption	5.1	6.4	6.8	6.4	6.2	6.7	6.9	7.0	7.1	7.5	7.1	7.5
Imports	4.2	5.6	6.1	6.3	5.9	5.8	6.1	6.6	7.0	7.3	7.0	7.3
Import Penetration	82.0%	88.0%	89.4%	97.5%	95.5%	85.9%	88.7%	94.2%	98.6%	97.1%	98.6%	97.1%

Source: U.S. Department of Commerce, World Steel Association, IHS Markit Global Trade Atlas - YTD through December 2018

The Czech Republic's crude steel production remained fairly steady between 2010 and 2016. In 2017, the Czech Republic's crude steel production decreased 13 percent to 4.6 million metric tons, down from 5.3 million metric tons in 2016. In 2018, production was up 9 percent compared to 2017. Apparent consumption (a measure of steel demand) has historically tracked above production and the gap between production and demand grew to its highest level in 2017 by than 2.5 million metric tons. In 2018, apparent consumption has continued to outpace production by 2.5 million metric tons. Import penetration levels have historically remained above 85 percent and peaked at 97.9 percent in 2012. In 2018, import penetration decreased by over a full percentage point to 97.1 percent from 98.6 percent in 2017, due to increasing imports and declining exports.

Top Producers

The Czech Republic's steel production is dominated by ArcelorMittal Ostrava, followed by Trinecke Zelezarny and Vitkovice Steel. Carbon steel products were the most commonly produced product by the Czech Republic's top producers. Steel production is concentrated in a single region: Moravian-Silesian Region.

Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal	3.0	Carbon steel, slabs, bars, wire rod
2	Trinecke Zelezarny	2.60	Carbon steel, grain-oriented electrical steel, billets
3	Vitkovice Steel	N/A	Carbon steel plates, alloy steel plates
4	ZDB Dratovna	N/A	Carbon steel wire, spring steel

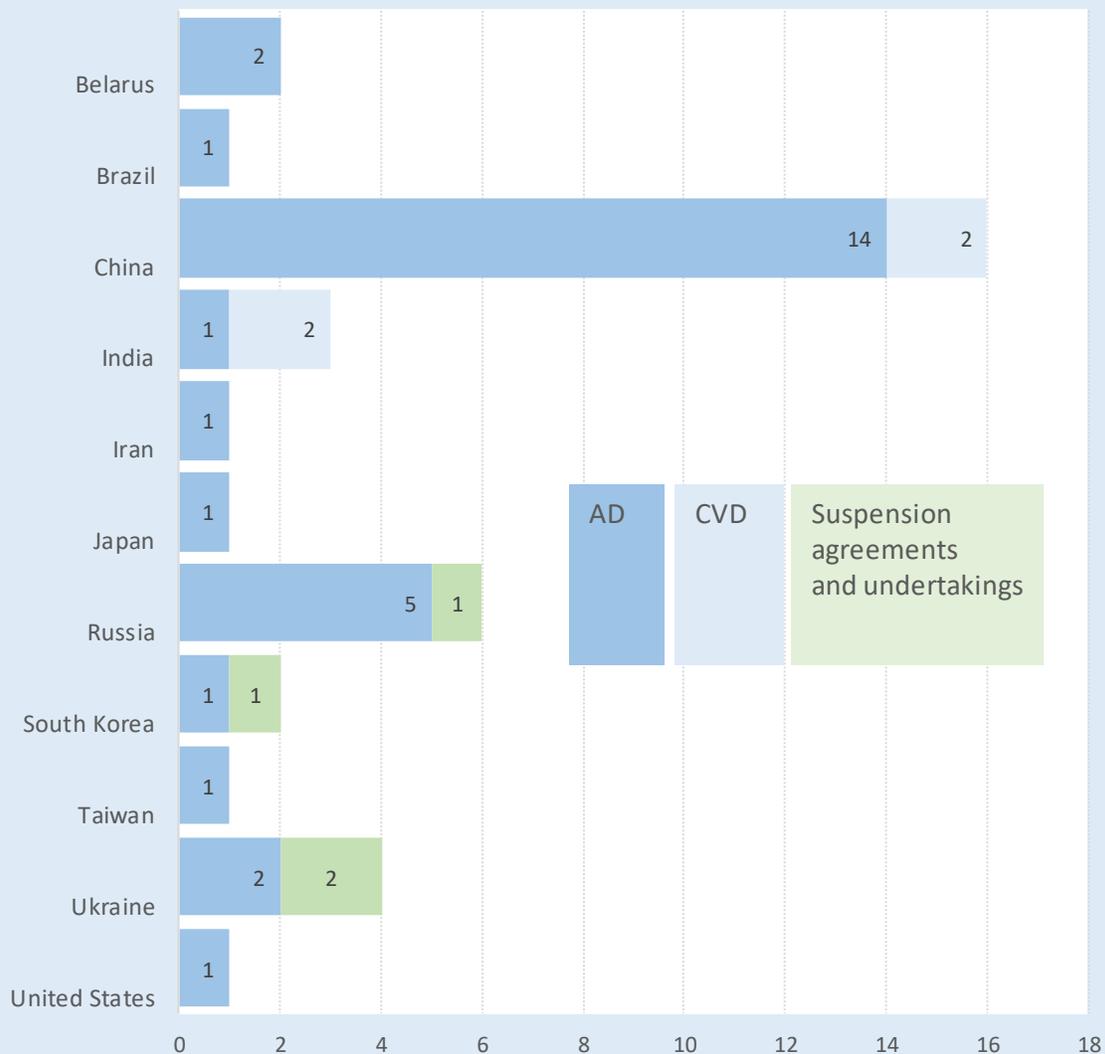
Source: Bloomberg; Company websites *Denotes foreign-owned producer

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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 the European Union, which includes the Czech Republic, has against imports of steel mill products from various countries. The European Union has no steel mill safeguards in effect.

European Union Steel Trade Remedies in Effect Against Steel Mill Imports



Source: World Trade Organization, through June 30, 2018

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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