



# Global Steel Trade Monitor

## Steel Exports Report: United States

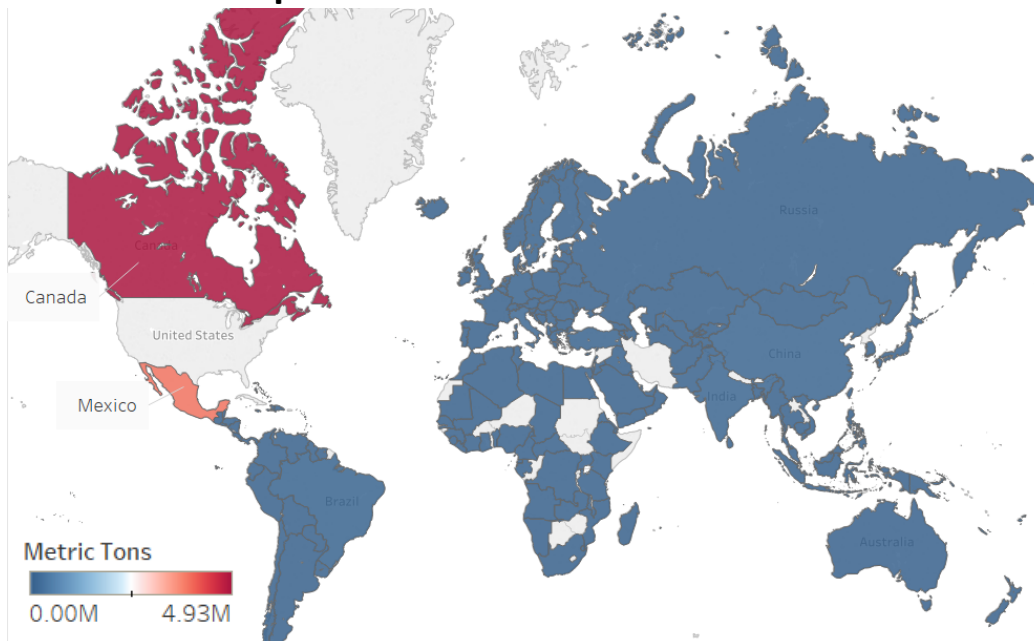
June 2018

### Background

The United States is the world’s fifteenth-largest steel exporter. In year-to-date 2018 (through March), further referred to as YTD 2018, the U.S. exported 2.4 million metric tons of steel, an decrease from 2.5 million metric tons in YTD 2017. U.S. exports represented about 2 percent of all steel exported globally in 2017. The volume of U.S. 2017 steel exports was 1/7th the size of the world’s largest exporter, China, and just under 1/4th that of the second-largest exporter, Japan. In value terms, steel represented just 0.9 percent of the total amount of goods the U.S. exported in 2017.

The U.S. exports steel to more than 150 countries and territories. The 2 countries labeled in the map below represent the top markets for U.S. exports of steel, receiving more than 1 million metric tons each and accounting for 88 percent of U.S. steel exports in 2017.

**U.S. Exports of Steel Mill Products - 2017**



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### Quick Facts:

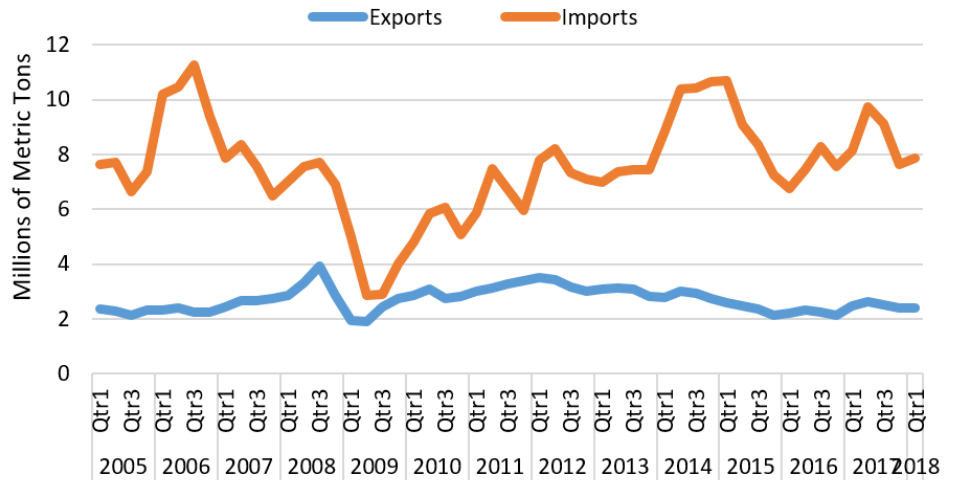
- World’s 15th-largest steel exporter: 2.4 million metric tons (YTD 2018)
- 26% steel export growth since Q2 2009
- YTD export volume down 3% while export value up 8%
- Exports as a share of production down from 12.2% in YTD 2017 to 11.5% in YTD 2018
- Top two markets: Canada and Mexico
- Top Producers: Nucor, ArcelorMittal USA, U.S. Steel
- 6 trade remedies in effect in 3 countries and the European Union involving steel mill imports from U.S.

# Steel Exports Report: United States

## Steel Trade Balance

The United States has maintained a persistent trade deficit in steel products for over a decade. Since 2009, imports have returned to average levels seen prior to the 2008 global recession while exports have remained relatively flat in comparison, and the trade deficit has widened accordingly. Since their most recent low point, imports have grown by 176 percent between Q2 2009 and Q1 2018, while exports have increased by 26 percent.

U.S. Trade in Steel Mill Products by Quarter



Source: IHS Markit Global Trade Atlas

In YTD 2018, the U.S. steel trade deficit amounted to -5.5 million metric tons.

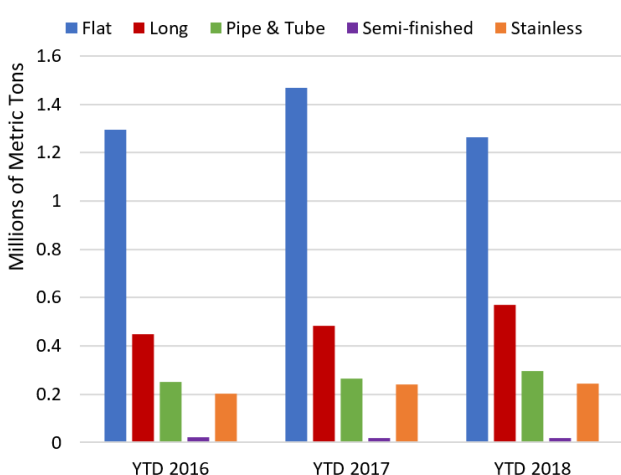
## Export Volume, Value, and Product

Since reaching a recent peak in 2012, the volume of U.S. steel exports had declined every year, until 2017. In 2017, U.S. steel exports were up 13 percent from 2016, up to 10 million metric tons. In YTD 2018, U.S. steel exports were down 3 percent to 2.4 million metric tons from 2.5 million metric tons in YTD 2017. The value of YTD 2018 steel exports has increased by 8 percent to \$3.4 billion from \$3.2 billion in YTD 2017.

Flat products have accounted for the largest share of U.S. steel exports in YTD 2018 at 53 percent, or 1.3 million metric tons. Long products accounted for 24 percent, or 572 thousand metric tons, of U.S. exports of steel in YTD 2018, followed by pipe and tube products at 12 percent (295 thousand metric tons), stainless products at 10 percent (245 thousand metric tons), and semi-finished steel at 1 percent (20 thousand metric tons).

U.S. Exports of Steel Mill Products

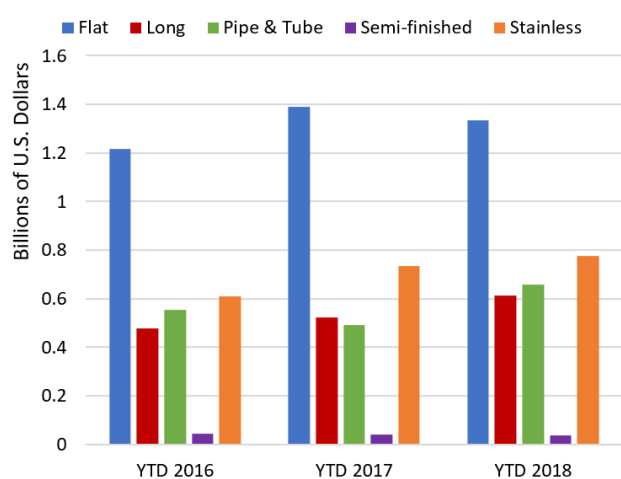
Millions of Metric Tons



Source: IHS Markit Global Trade Atlas  
YTD through March 2018

U.S. Exports of Steel Mill Products

Billions of U.S. Dollars



Source: IHS Markit Global Trade Atlas  
YTD through March 2018

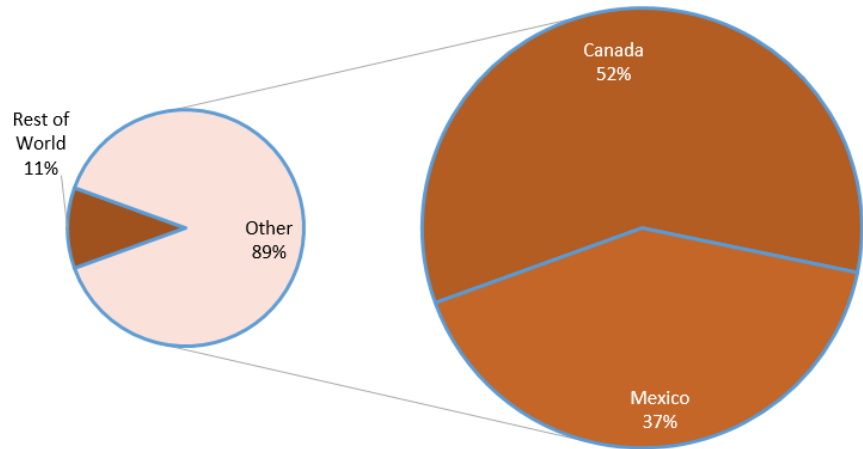
# Steel Exports Report: United States

## Exports by Top Market

Exports to the United States' top two steel markets represented 88 percent of U.S. steel export volume in YTD 2018 at 2.1 million metric tons (mmt). Canada was the largest market for U.S. exports with 52 percent (1.2 mmt), followed by Mexico at 36 percent (.9 mmt).

Canada and Mexico have ranked first and second as the top destinations for U.S. steel exports for more than a decade.

**U.S. Steel Exports - Top 2 Markets**  
YTD 2018 - Percent of Volume



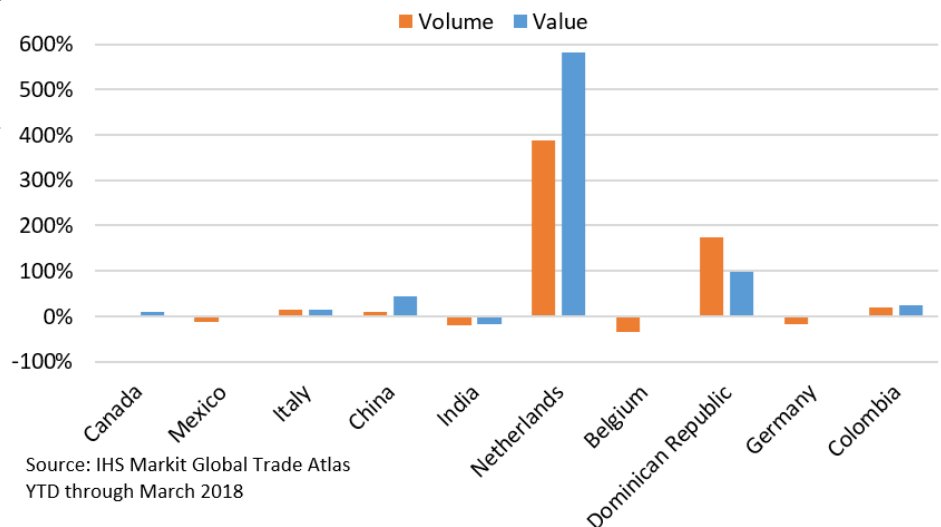
Source: IHS Markit Global Trade Atlas  
YTD through March 2018

## Trends in Exports to Top Markets

Between YTD 2017 and YTD 2018, the volume of the United States' steel exports increased in six of the country's top 10 steel export markets. U.S. exports to the Netherlands saw the largest increase in volume (387% from YTD 2017), followed by exports to the Dominican Republic (175%), Columbia (19%), Italy (14%), and China (10%). Belgium saw the largest decrease in volume (-35%), followed by exports to India (-21%), Germany (-17%), and Mexico (-13%) in YTD 2018.

Changes in the value of U.S. exports between YTD 2017 and YTD 2018 increased in eight of the top 10 markets. Export values increased the most to the Netherlands (583%), followed by the Dominican Republic (98%), China (45%), Colombia (24%), Italy (15%), and Canada (9%). U.S. export values to India decreased by 17 percent, followed by Mexico (-1%) in YTD 2018.

**Percent Change in Exports to Top 10 Markets (YTD 2017 to YTD 2018)**



Source: IHS Markit Global Trade Atlas  
YTD through March 2018

Outside of the top 10 markets, other notable volume changes in YTD 2018 included U.S. exports to 13th-ranked Honduras (711%), 15th-ranked Brazil (-65%), 18th-ranked Spain (133%), 21st-ranked Morocco (20,596%), and 22nd-ranked Finland (5,927%).

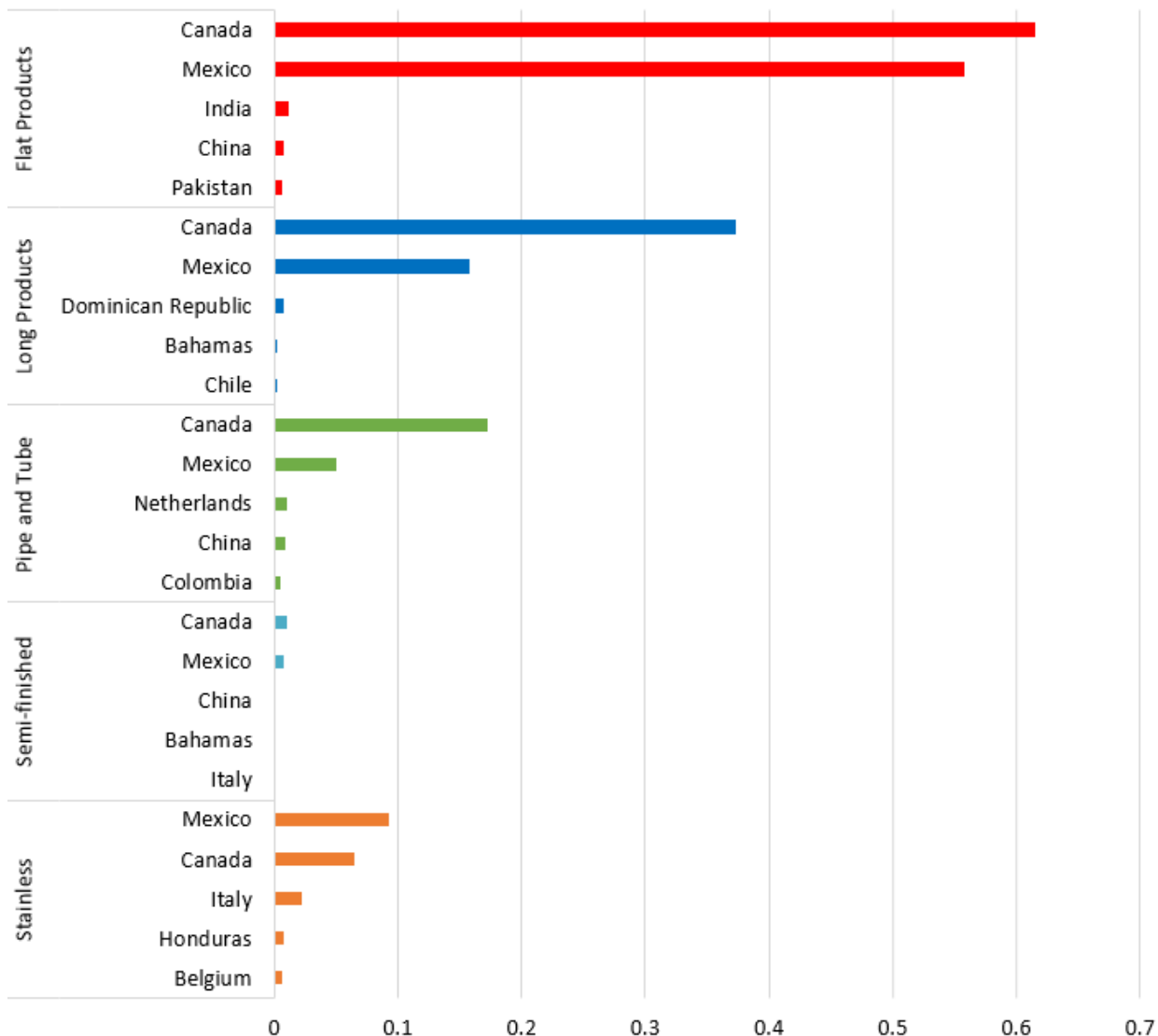
# Steel Exports Report: United States

## Top Markets by Steel Product Category

The United States' top export markets by volume vary across types of steel products, though Canada and Mexico held the top two spots in every product category. The United States exported 49 percent of flat products to Canada in YTD 2018 (615 thousand metric tons), followed closely by Mexico with 44 percent (558 thousand metric tons). Canada was also the largest market for U.S. exports of long products at 65 percent (373 thousand metric tons).

A little under two-thirds of U.S. pipe and tube exports went to Canada at 59 percent (173 thousand metric tons), with 17 percent (50 thousand metric tons) going to Mexico. In semi-finished exports, the United States exported 49 percent (10 thousand metric tons) and 37 percent (7 thousands metric tons) to Canada and Mexico, respectively. In stainless products, 38 percent was exported to Mexico, (93 thousand metric tons), while 26 percent (64 thousand metric tons) went to Canada.

**U.S. Top 5 Export Markets by Product - YTD 2018**



Source: IHS Markit Global Trade Atlas  
YTD through March 2018

Millions of Metric Tons

# Steel Exports Report: United States

## U.S. Import Market Share in Top Destinations

In 2017, the import market share for U.S. steel products decreased slightly or remained unchanged in six of the U.S. top export destinations. The share of steel imports from the U.S. decreased in Canada, down 3.4 percentage points from 2016, followed by Mexico (down 1.9 percentage points), Brazil (down 1.3 percentage points), and Honduras (down 0.6 percentage points) while the share in Turkey remained unchanged.

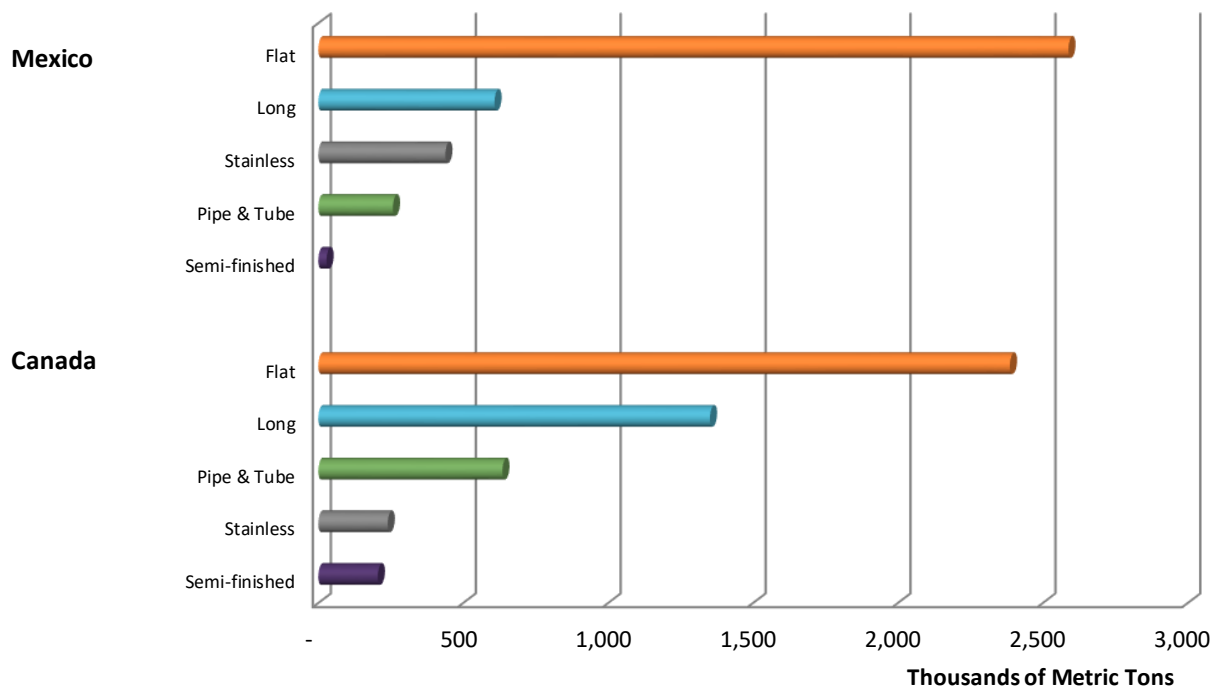
U.S. Steel Import Market Share				
Top 10 Export Destinations	Share of Imports from U.S. - 2016	U.S. Rank in 2016	Share of Imports from U.S. - 2017	U.S. Rank in 2017
Canada	58.6%	1	55.2%	1
Mexico	38.2%	1	36.3%	1
Italy	0.2%	33	0.6%	27
India	1.0%	13	1.2%	12
China	0.5%	12	0.6%	11
Belgium	0.4%	19	0.5%	19
Brazil	3.5%	7	2.3%	9
South Korea	0.1%	16	0.2%	12
Turkey	0.1%	40	0.1%	40
Honduras	5.8%	3	5.3%	5

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

The share of imports from the U.S. showed slight increase in Italy (up 0.4 percentage points), followed by India (up 0.2 percentage points), China, Belgium, and South Korea (up 0.1 percentage points each).

Among the U.S. top export markets, Canada and Mexico received 55 and 36 percent of their total steel imports from the United States. In 2017, flat products accounted by far for the largest share of steel imports from the U.S. in both Mexico (66% or 2.6 million metric tons), and Canada (50% or 2.4 million metric tons).

## Steel Import Composition of Top Market-Share Countries - 2017

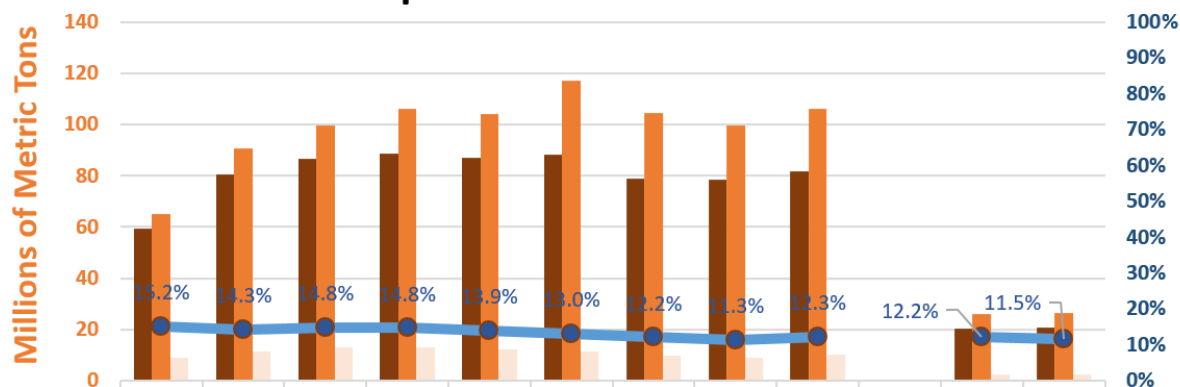


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

# Steel Exports Report: United States

## Overall Production and Export Share of Production

### United States' Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2017	YTD 2018
Production	59.4	80.5	86.4	88.7	86.9	88.2	78.8	78.6	81.6	20.3	20.8
Apparent Consumption	65.1	90.7	99.6	106.0	104.0	117.0	104.6	99.7	106.2	26.0	26.3
Exports	9.0	11.5	12.8	13.1	12.1	11.5	9.6	8.9	10.0	2.5	2.4
Export Share of Production	15.2%	14.3%	14.8%	14.8%	13.9%	13.0%	12.2%	11.3%	12.3%	12.2%	11.5%

Sources: World Steel Association; IHS Markit Global Trade Atlas  
YTD through March 2018

U.S. crude steel production decreased 7 percent between 2014 and 2017, from 88.2 million metric tons in 2014 to 81.6 million metric tons in 2017. Production in YTD 2018 has increased to 20.8 million metric tons from 20.3 million metric tons in YTD 2017. Since 2009, apparent consumption (a measure of steel demand) has increasingly outpaced production. This gap has exceeded 20 million metric tons in recent years, though it decreased slightly to 5.5 million metric tons in YTD 2018 from 5.7 million metric tons in YTD 2017. Steel exports as a share of U.S. production decreased relatively steadily between 2009 and 2017 from 15.2 percent to 12.3 percent. In YTD 2018, the export share decreased to 11.5 percent from 12.5 percent in YTD 2017.

### Top Producers

The top seven steel producers in the United States are a mix of foreign and domestically-owned companies and a mix of electric arc furnace mills and blast furnace mills. The top three companies alone accounted for the majority of U.S. crude steel production in 2017 at 66 percent.

### United States Top Steel Producers in 2017

Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	24.39	Bars, beams, sheets, plate
2	ArcelorMittal USA	15	Hot-rolled, cold-rolled, plate, coated products, rails
3	United States Steel Corp.	14.43	Hot-rolled, cold-rolled, coated sheets, tubular products
4	Gerdau North America	12.4 (N. Amer. capacity)	Beams, pilings, billets, rebar, wire rod
5	Steel Dynamics Inc.	8.27	Flat-rolled, structural, bars, rails
6	AK Steel Corporation	5.6	Hot-rolled, cold-rolled, galvanized, stainless, electrical
7	Commercial Metals Co.	3 (capacity)	Rebar, bars, sections, billets

Source: World Steel Association; Metal Bulletin, *Iron and Steelworks of the World Directory 2017*; Company websites

# Steel Exports Report: United States

## 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 the United States.

<b>Steel Mill Trade Remedies in Effect Against the United States</b>				
<b>Country</b>	<b>AD</b>	<b>CVD</b>	<b>Suspension Agreements and Undertakings</b>	<b>Total</b>
China	2			2
European Union	0		1	1
India	1			1
Mexico	2			2
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>6</b>

Source: World Trade Organization, through December 31, 2017

<b>Global Steel Mill Safeguards in Effect</b>	
<b>Country</b>	<b>Product(s)</b>
India	1) Hot-rolled steel in coils; 2) 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; 3) 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

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**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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