



Global Steel Trade Monitor

Steel Imports Report: Germany

June 2018

Background

Germany is the world's second-largest steel importer. In year-to-date 2018 (through March), further referred to as YTD 2018, Germany imported 6.8 million metric tons of steel, a 7 percent decrease from 7.4 million metric tons in YTD 2017. Germany's imports represented about 7 percent of all steel imported globally in 2017. The volume of Germany's 2017 steel imports were about 7 million metric tons less than that of the world's largest importer, the United States. In value terms, steel represented just 2.3 percent of the total goods imported into Germany in 2017.

Germany imports steel from over 80 countries and territories. The seven countries shaded orange or yellow in the map below represent the top import sources for Germany's imports of steel, with Germany receiving more than 1 million metric tons from each and together accounting for 74 percent of Germany's steel imports in 2017.

Germany's Imports of Steel Mill Products - 2017



Copyright © IHS Global Ltd., 2018. All rights reserved.

Quick Facts:

- World's second-largest steel importer: 6.8 million metric tons (YTD 2018)
- 71% steel import growth since Q2 2009
- YTD 2018 import volume down 7% while import value up 19%
- Import penetration at 61.6% in YTD 2018
- Top three import sources: Belgium, Italy, France
- Largest producers: ThyssenKrupp, ArcelorMittal, and Salzgitter
- 36 European Union trade remedies in effect against imports of steel mill products

Steel Imports Report: Germany

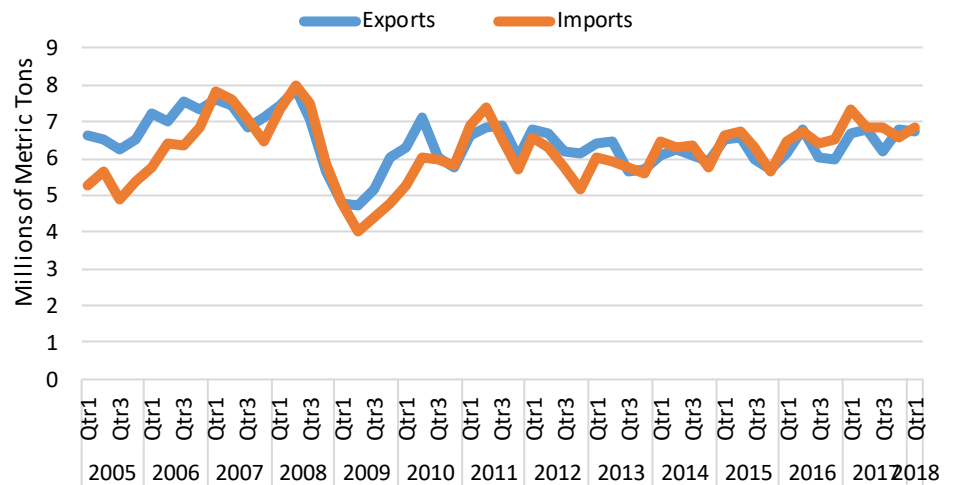
Steel Trade Balance

Germany has had fairly balanced trade in steel for most of the past decade. Both imports and exports fell in 2009 and have recovered since then, increasing 71 percent and 43 percent, respectively, between Q2 2009 and Q1 2018.

With imports growing at a faster rate, Germany posted a modest steel trade deficit for the past three years, amounting to -1.2 million metric tons in 2017. In

YTD 2018, the steel trade deficit totaled -87 thousand metric tons, down 87 percent from YTD 2017.

Germany's Trade in Steel Mill Products by Quarter



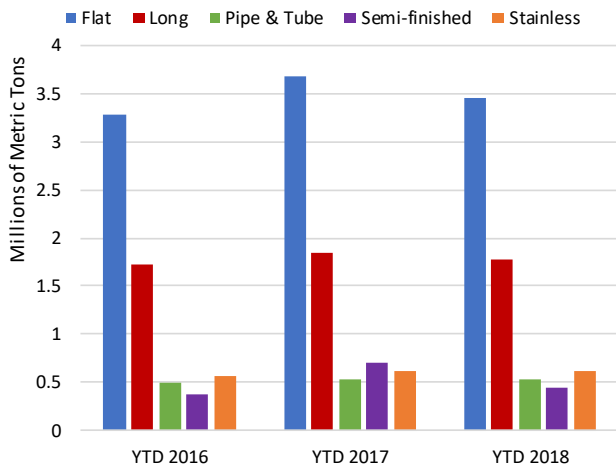
Source: IHS Markit Global Trade Atlas

Import Volume, Value, and Product

Germany's imports of steel products hit a recent peak in 2017 at 27.6 million metric tons. Between 2012 and 2017, imports averaged 25.2 million metric tons per year. In YTD 2018, the volume of Germany's steel imports has decreased by 7 percent to 6.8 million metric tons from 7.4 million metric tons in YTD 2017. Between 2011 and 2017, import value fell by 30 percent, from \$34.1 billion to \$26.3 billion. In YTD 2018, the value of Germany's steel imports has increased by 19 percent to \$7.6 billion from \$6.4 billion in YTD 2017.

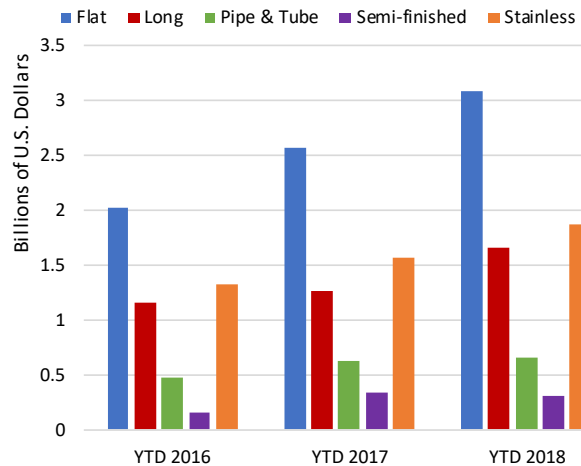
In YTD 2018, flat products accounted for over half of Germany's steel imports, or 3.5 million metric tons. Long products accounted for 26 percent, or 1.8 million metric tons, of Germany's imports, followed by stainless steel at 9 percent (623 thousand metric tons), and semi-finished at 7 percent (447 thousand metric tons).

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



Source: IHS Markit Global Trade Atlas
YTD through March 2018

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



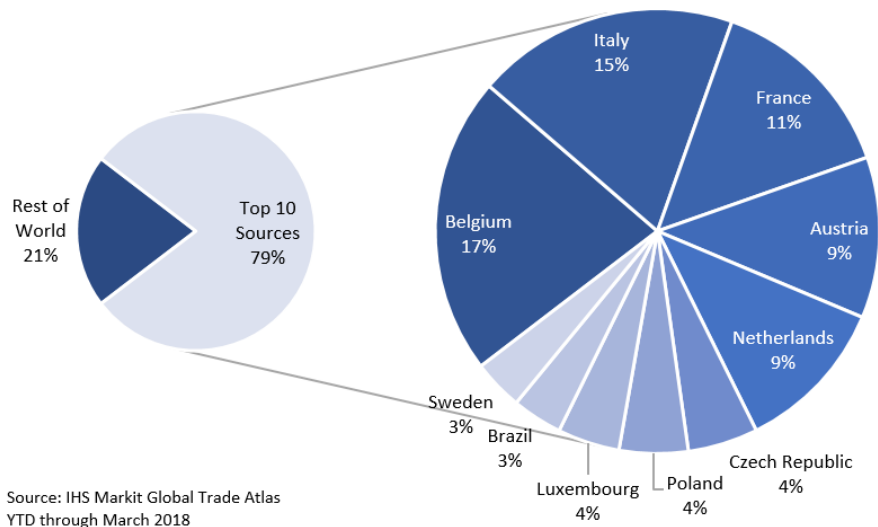
Source: IHS Markit Global Trade Atlas
YTD through March 2018

Steel Imports Report: Germany

Imports by Top Source

Germany's steel imports from the top 10 sources represented 79 percent total steel import volume in YTD 2018 at 5.4 million metric tons (mmt). Belgium accounted for the largest share of Germany's imports at 17 percent (1.2 mmt), followed by Italy at 15 percent (1.0 mmt), France at 11 percent (0.8 mmt), and Austria and the Netherlands, both at 9 percent (0.6 mmt).

Germany's Steel Imports - Top 10 Sources
YTD 2018 - Percent of Volume



Source: IHS Markit Global Trade Atlas
YTD through March 2018

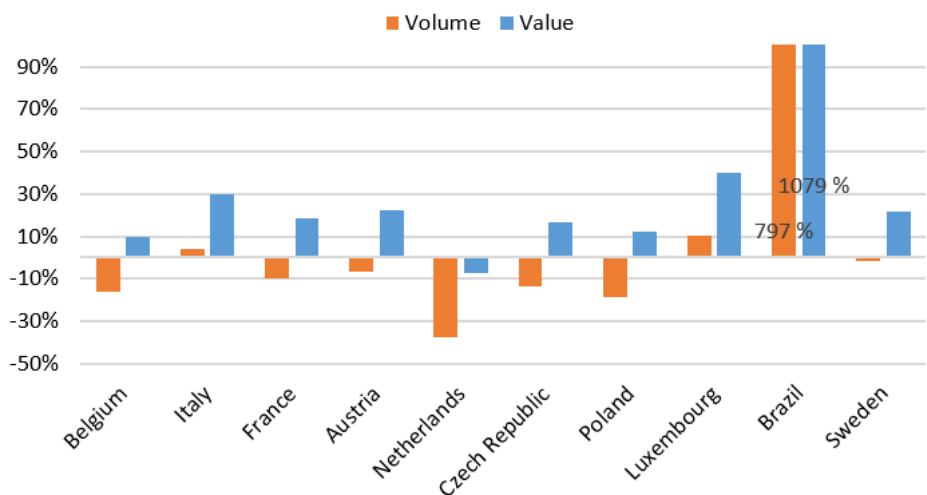
The United States ranked 31st as a source for Germany's steel imports in YTD 2018, representing just 0.1 percent of imports (9 thousand metric tons).

Trends in Imports from Top Sources

Between YTD 2017 and YTD 2018, the volume of Germany's imports decreased from seven of the country's top 10 sources. Imports from the Netherlands showed the largest decline (-38%), followed by Poland (-18%), Belgium (-16%), the Czech Republic (-13%), France (-10%), Austria (-7%), and Sweden (-2%). Brazil had the largest increase among Germany's top 10 import sources (797%), followed by Luxemburg (10%), and Italy (4%).

The value of Germany's imports increased from nine of its top 10 sources. Germany's imports from Brazil increased the most (1079%), followed by Luxemburg (40%), Italy (30%), Austria (23%), and Sweden (22%). The Netherlands was the only top 10 source with a decrease in value (-7%).

Percent Change in Imports from Top 10 Sources (YTD 2017 to YTD 2018)



Source: IHS Markit Global Trade Atlas
YTD through March 2018

Outside the top 10 sources, other notable volume changes included Germany's imports from 17th-ranked Turkey (239%), 24th-ranked China (-42%), and 25th-ranked Japan (58%).

Steel Imports Report: Germany

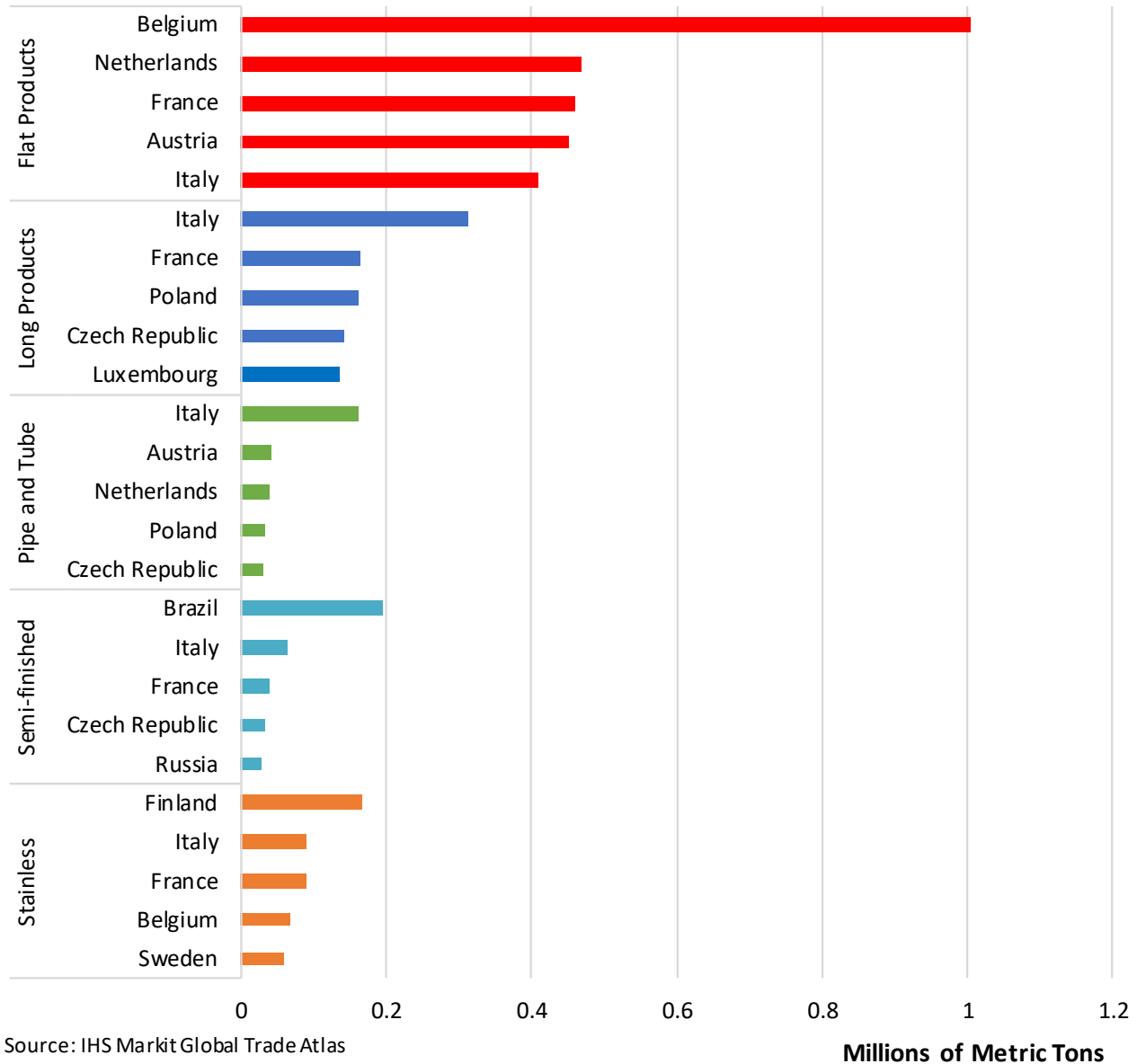
Top Sources by Steel Product Category

The top source countries for Germany’s imports by volume vary across types of steel products. Belgium accounted for 29 percent (1.0 million metric tons) of Germany’s imports of flat products in YTD 2018.

Germany imported the largest shares of both long products and pipe and tube products from Italy in YTD 2018 at 18 percent (311 thousand metric tons) and 31 percent (162 thousand metric tons), respectively. Germany imported 44% of its semi-finished steel from Brazil (195 thousand metric tons), while Finland accounted for the largest share of Germany’s imports of stainless products at 27 percent (167 thousand metric tons).

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

Germany's Top 5 Import Sources by Product - YTD 2018



Source: IHS Markit Global Trade Atlas
YTD through March 2018

Steel Imports Report: Germany

Germany's Export Market Share from Top Source Countries

In 2017, the share of steel exports sent to Germany from its top import sources increased in five of the top 10 sources. The share of France's steel exports to Germany showed the largest increase (up 2.75 percentage points, followed closely by Luxembourg (up 2.7 percentage points), and Italy (up 1.5 percentage points). Export shares to Germany in Finland, and Belgium each increased by less than one percentage point. Export shares in Poland, the

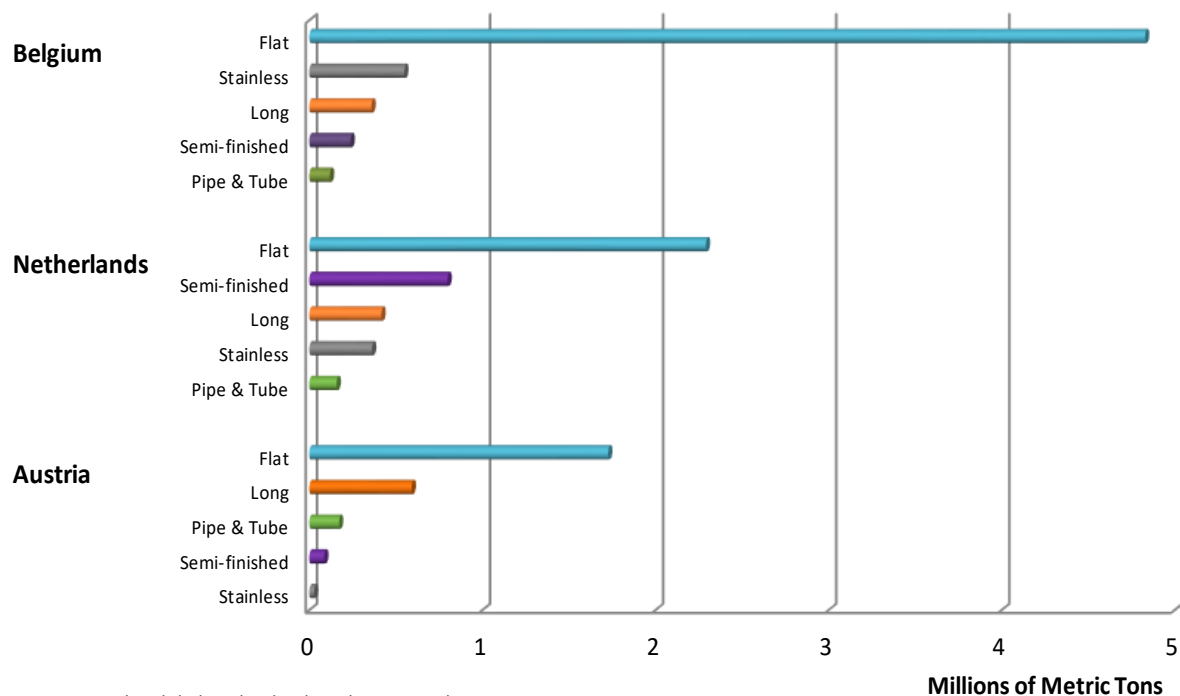
Germany's Steel Export Market Share				
Top 10 Import Sources	Share of Exports to Germany - 2016	Germany's Rank in 2016	Share of Exports to Germany - 2017	Germany's Rank in 2017
Belgium	33.3%	1	33.7%	1
Italy	21.4%	1	22.9%	1
France	21.2%	1	23.9%	1
Netherlands	36.0%	1	35.5%	1
Austria	36.0%	1	33.5%	1
Poland	26.8%	1	23.9%	1
Czech Republic	26.7%	1	24.1%	1
Luxembourg	20.1%	1	22.8%	1
Sweden	21.9%	1	21.0%	1
Finland	24.5%	2	24.8%	2

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

Czech Republic, Austria, Sweden, and the Netherlands decreased in 2017. Of note, Germany ranks as the number one export destination in all of its top import sources, except for Finland.

Among Germany's top sources, Belgium, the Netherlands, and Austria each sent more than 30 percent of their total steel exports to Germany in 2017. Flat products accounted for significant shares of steel exports to Germany in each Belgium at 79 percent (4.8 million metric tons), the Netherlands at 57 percent (2.3 million metric tons), and Austria at 66 percent (1.7 million metric tons).

Steel Export Composition of Top Market-Share Countries - 2017

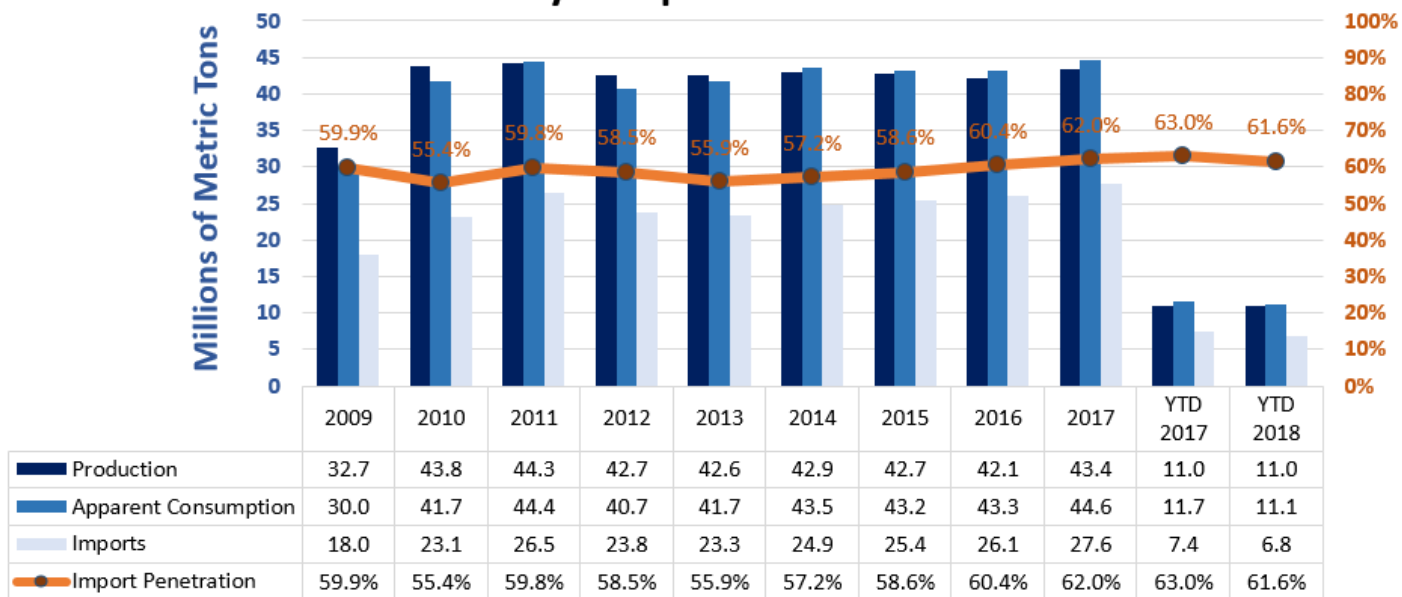


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Steel Imports Report: Germany

Overall Production and Import Penetration

Germany's Import Penetration



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

Germany's crude steel production increased by 36 percent between 2009 and 2011 before maintaining a steady average of 43 million metric tons through 2017. Production in YTD 2018 has increased 0.3 percent compared to YTD 2017 to 11 million metric tons. Apparent consumption (a measure of steel demand) was either on par with or slightly less than production between 2009 and 2014, and has slightly outpaced production since 2014. So far in YTD 2018, apparent consumption at 11.1 mmt is just above Germany's steel production of 11 mmt. The import penetration level in YTD 2018 declined 1.4 percent to 61.6 percent. Despite such high import penetration levels, Germany exported a similar percentage of its production, which helped to keep demand in line with production.

Top Producers

According to the German Steel Federation, 14 steel producers accounted for 99 percent of Germany's total steel production, based on available data — with the top four listed here accounting for nearly 80 percent of production. Production among Germany's top companies is heavily skewed towards electric arc furnace technology.

Germany's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	ThyssenKrupp	13.22	Strip, sheets, plate, coated products, electrical, stainless
2	ArcelorMittal	7.8	Flat, long, tube
3	Salzgitter	7.31	Strip, plates, sections, pipe and tube
4	HKM	5.9	Semi-finished

Sources: German Steel Federation; MarketLine; Company websites

Steel Imports Report: **Germany**

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 Germany, 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	2			2
Brazil	1			1
China	13	2		15
India	1	2		3
Iran	1			1
Japan	1			1
Russia	5		1	6
South Korea	1		1	2
Taiwan	1			1
Ukraine	2			2
United States	1		1	2
TOTAL	29	4	3	36

Source: World Trade Organization, through December 31, 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/>.



INTERNATIONAL
TRADE
ADMINISTRATION

Steel Import Monitoring and Analysis
1401 Constitution Ave., NW, Room 21006
Washington, D.C. 20230

T 202.482.2105

F 202.501.1377

Email ECCGlobalSteelStats@trade.gov

trade.gov/steel