



Global Steel Trade Monitor

Steel Exports Report: Germany

October 2018

Background

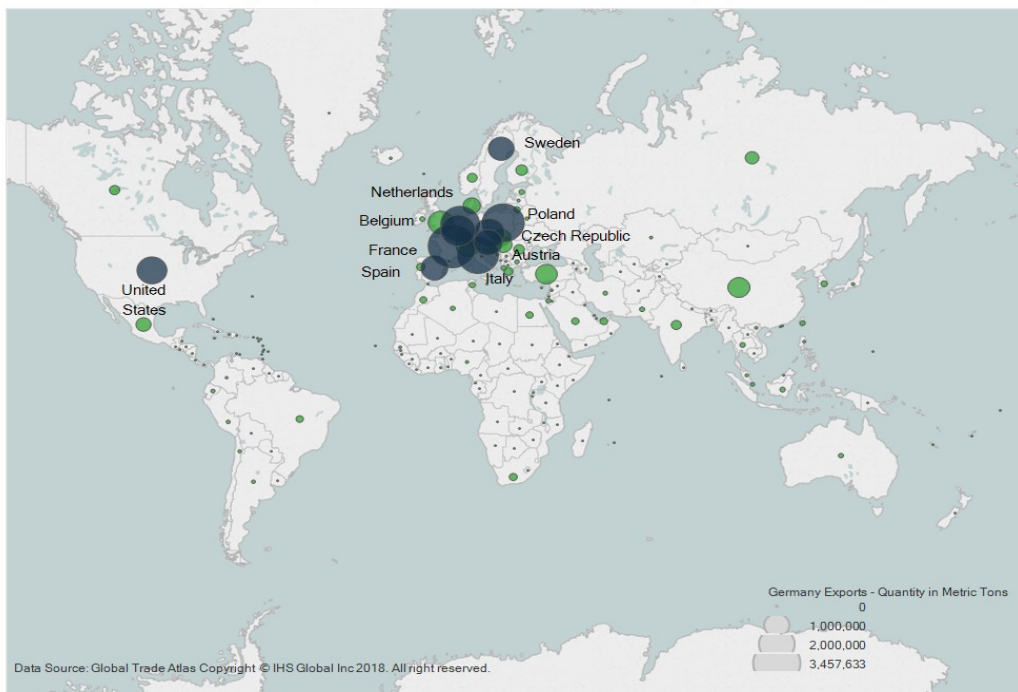
Germany is the world's fifth-largest steel exporter. In year-to-date 2018 (through June), further referred to as YTD 2018, Germany exported 13.4 million metric tons of steel, a 0.3 percent decrease from 13.5 million metric tons in YTD 2017. Germany's exports represented about 6 percent of all steel exported globally in 2017. The volume of Germany's 2017 steel exports was about one-third the size of the world's largest exporter, China. In value terms, steel represented just 1.8 percent of the total amount of goods Germany exported in 2017.

Germany exports steel to more than 180 countries and territories. The ten countries highlighted in the map below represent the top markets for Germany's exports of steel, receiving more than 500 thousand metric tons each and accounting for 71 percent of Germany's steel exports in 2017.

Quick Facts:

- World's fifth-largest steel exporter: 13.4 million metric tons (YTD 2018)
- 41% steel export growth since Q2 2009
- YTD export volume down 0.3% while export value up 18%
- Top three markets: France, Poland, Italy
- Largest producers: ThyssenKrupp, ArcelorMittal, Salzgitter
- 5 trade remedies in effect in 3 countries involving steel mill imports from Germany; 4 trade remedies in effect in 3 countries involving steel mill imports from the European Union

Germany's Exports of Steel Mill Products-2017 (Top Ten in Blue)



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Steel Trade Balance

Germany has posted a slight steel trade surplus for majority of quarters between 2005 and 2014. Both imports and exports fell in 2009 and have recovered since then, increasing 74 percent and 41 percent, respectively, between Q2 2009 and Q2 2018.

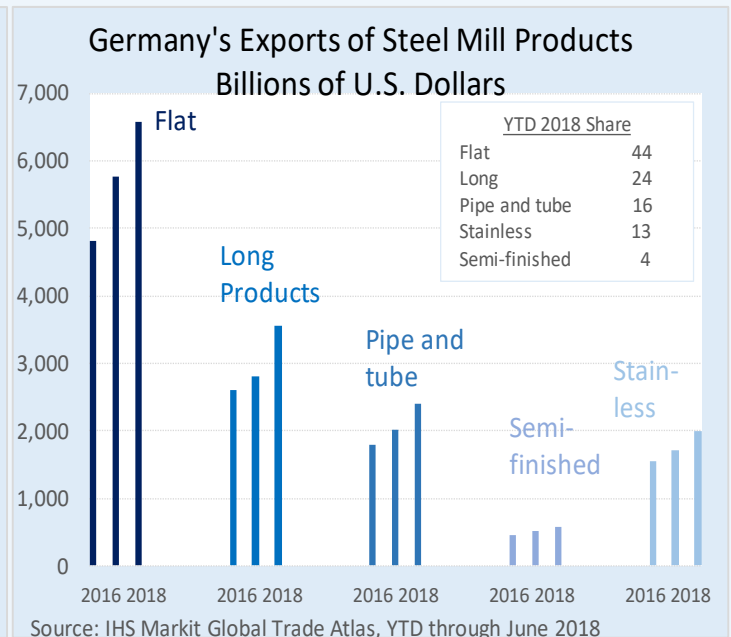
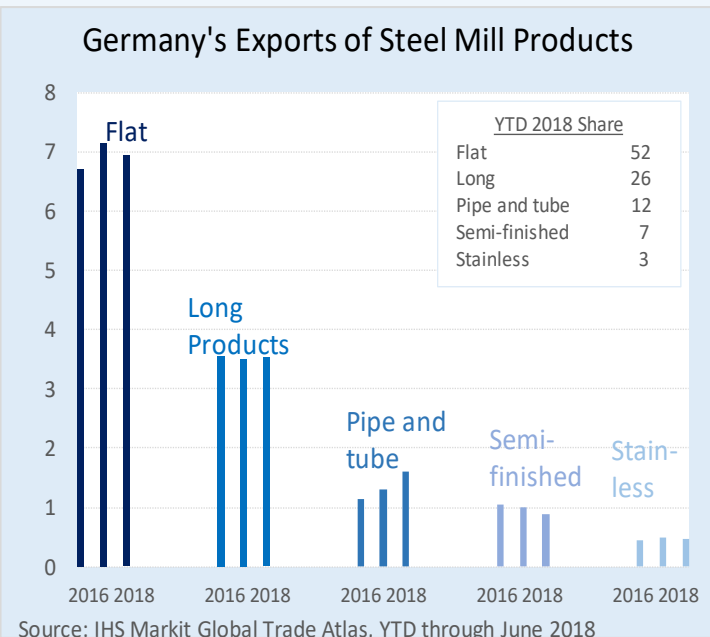
With imports growing at a faster rate, Germany posted a steel trade deficit for the past four years, amounting to -1.2 million metric tons in 2017. In YTD 2018, the steel trade deficit totaled -581 thousand metric tons.



Export Volume, Value, and Product

In recent years, Germany's level of steel exports by volume has remained relatively flat, averaging about 25 million metric tons a year since 2013. In 2017, Germany exported 26.5 million metric tons of steel, a 6 percent increase from 24.9 million metric tons in 2016. In YTD 2018, exports were down 0.3 percent to 23.4 million metric tons. The value of Germany's steel exports declined every year between 2011 and 2016. In YTD 2018, Germany has seen an increase in export value — up 18 percent to \$15.1 billion from \$12.8 billion in YTD 2017, reflecting a rise in global steel prices.

Flat products accounted for just over half of Germany's steel exports in YTD 2017 at 52 percent — a total of 6.9 million metric tons. Long products accounted for 26 percent, or 3.5 million metric tons, of exports, followed by pipe and tube products at 12 percent (1.6 million metric tons), semi-finished steel at 7 percent (894 thousand metric tons), and stainless products at 3 percent (459 thousand metric tons).



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Exports by Top Market

Exports to Germany's top 10 steel markets represented 71 percent of Germany's steel export volume in YTD 2018 at 9.5 million metric tons (mmt). France was the largest market for Germany's exports at 13 percent (1.7 mmt), followed by Poland at 11 percent (1.5 mmt), Italy at 9 percent (1.2 mmt), the Netherlands at 8 percent (1.0 mmt), and Sweden at 6 percent (0.8 mmt).

The United States ranked ninth as a destination for Germany's steel exports in YTD 2018, accounting for 4 percent of exports (590 thousand metric tons).

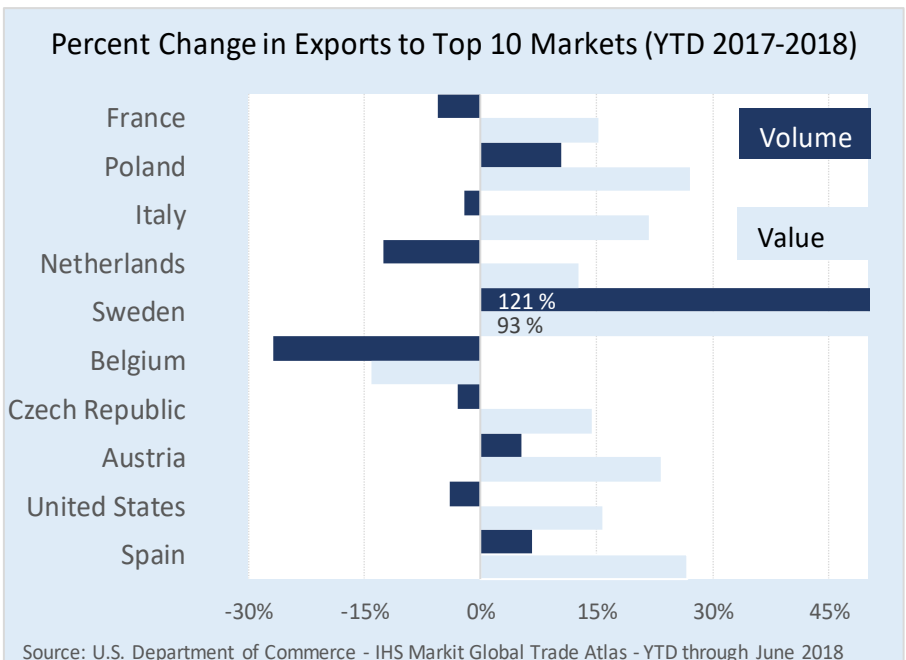


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Trends in Exports to Top Markets

Between YTD 2017 and YTD 2018, the volume of Germany's steel exports increased to four of the country's top 10 export markets. Among top export markets, Germany's exports to Sweden have increased the most in YTD 2018, up 121 percent by volume, followed by exports to Poland (10%), Spain (7%), and Austria (5%). Exports to Belgium decreased the most in YTD 2018 (-27%), followed by the Netherlands (-13%), France (-6%), the United States (-4%), Czech Republic (-3%), and Italy (-2%).

Export values increased to all but one of Germany's top 10 markets, with Belgium showing the only decrease in value (-14%). Among top export markets in value terms, Sweden increased the most in YTD 2018, up 93 percent, followed by export values to Poland (27%), Spain (27%), Austria (23%), Italy (22%), the United States (16%), France (15%), The Czech Republic (14%), and the Netherlands (13%).



Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Outside the top 10 export markets, other substantial volume changes in YTD 2018 included Germany's exports to 21st-ranked Canada (+69%), 23rd-ranked Greece (+59%), 24th-ranked Russia (-37%), 12th-ranked United Kingdom (-20%), 14th-ranked Turkey (+18%), and 19th-ranked Finland (+79%).

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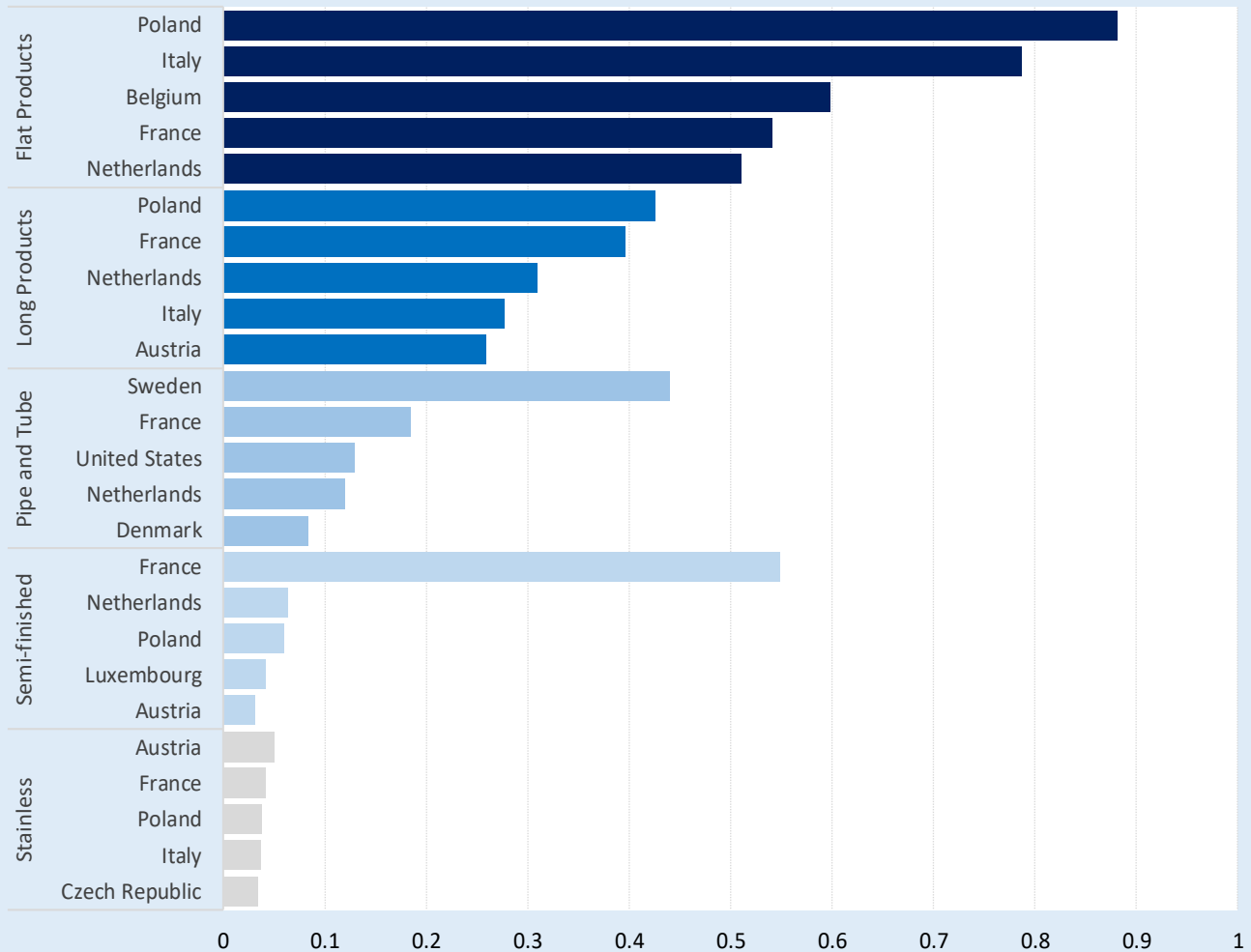
Top Markets by Steel Product Category

Germany's top export markets by volume vary across types of steel products. In YTD 2018, Germany exported the largest share of flat products to Poland at 13 percent (881 thousand metric tons), followed closely by Italy at 11 percent (787 thousand metric tons). Poland was also the largest market for Germany's long product exports in YTD 2018 at 12 percent (426 thousand metric tons).

Sweden was the largest market for Germany's pipe and tube exports at 28 percent (440 thousand metric tons). France was the largest market for Germany's semi-finished steel exports at 61 percent (549 thousand metric tons). Germany sent 11 percent of stainless exports to Austria (51 thousand metric tons).

Pipe and tube was the only product category for which the United States was a top-five export destination in YTD 2018.

Germany's Top 5 Export Markets by Product - YTD 2018



Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Millions of Metric Tons

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Germany's Import Market Share in Top Destinations

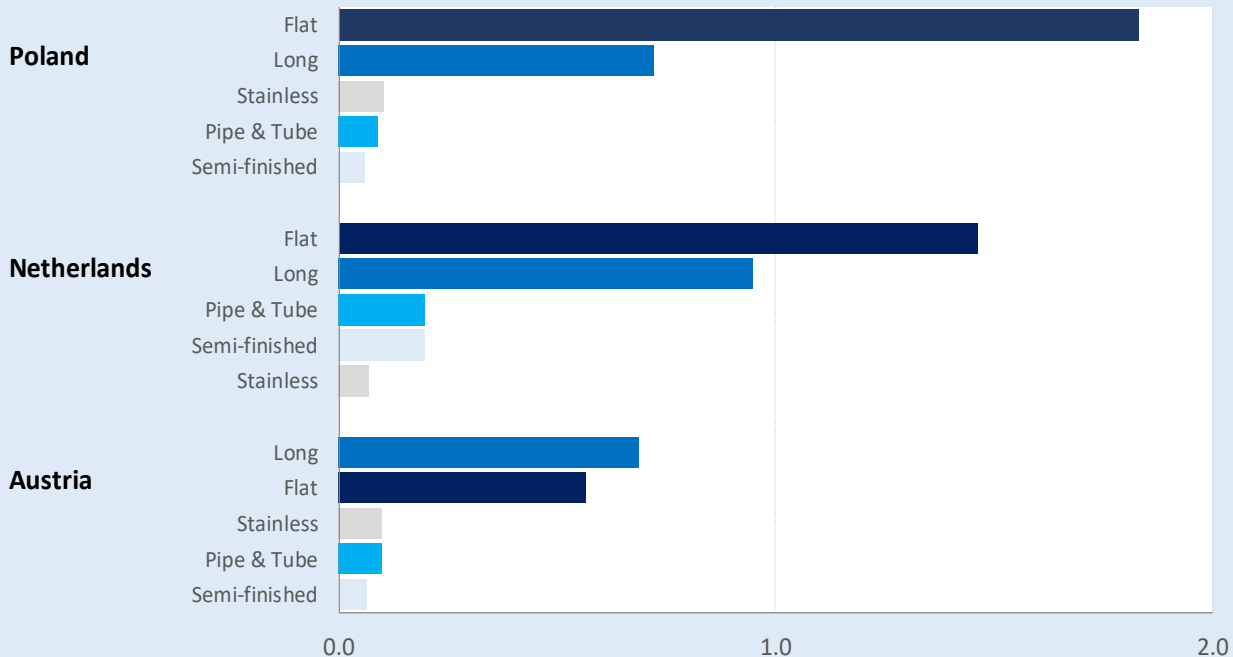
In 2017, the import market share for Germany's steel products increased for eight of Germany's top 10 export destinations. The share of imports from Germany in the United Kingdom showed the largest decline (down 1.4 percentage points from 2016), followed by Spain (down .8 percentage points). Import shares from Germany in the Netherlands increased by 2.4 percentage points, while import shares from Germany in Austria, Belgium, Italy, Poland, the Czech Republic, France, and the United States all increased by one percentage point or less.

Germany's Steel Export Market Share					
Top 10 Export Markets	Share of Imports from Germany-2016	Germany Rank in 2016	Share of Imports from Germany - 2017	Germany Rank in 2017	Change in Share
France	24.4%	2	24.7%	2	↑
Poland	25.6%	1	26.2%	1	↑
Italy	11.9%	1	12.6%	1	↑
Netherlands	26.4%	1	28.9%	1	↑
Belgium	13.5%	3	14.5%	2	↑
Czech Republic	22.9%	1	23.5%	1	↑
United States	3.6%	8	3.8%	8	↑
Austria	32.4%	1	33.4%	1	↑
Spain	11.3%	3	10.5%	3	↓
United Kingdom	13.9%	1	12.5%	1	↓

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

Among Germany's top export markets, Poland, the Netherlands, and Austria received more than a quarter of their total steel imports from Germany in 2017. Flat products accounted for the largest share of steel imports from Germany in both Poland at 65 percent (1.8 million metric tons) and the Netherlands at 51 percent (1.5 million metric tons), while long products accounted for the largest share of Austria's imports from Germany at 45 percent (687 thousand metric tons).

Steel Import Composition of Top Market-Share Countries-2017

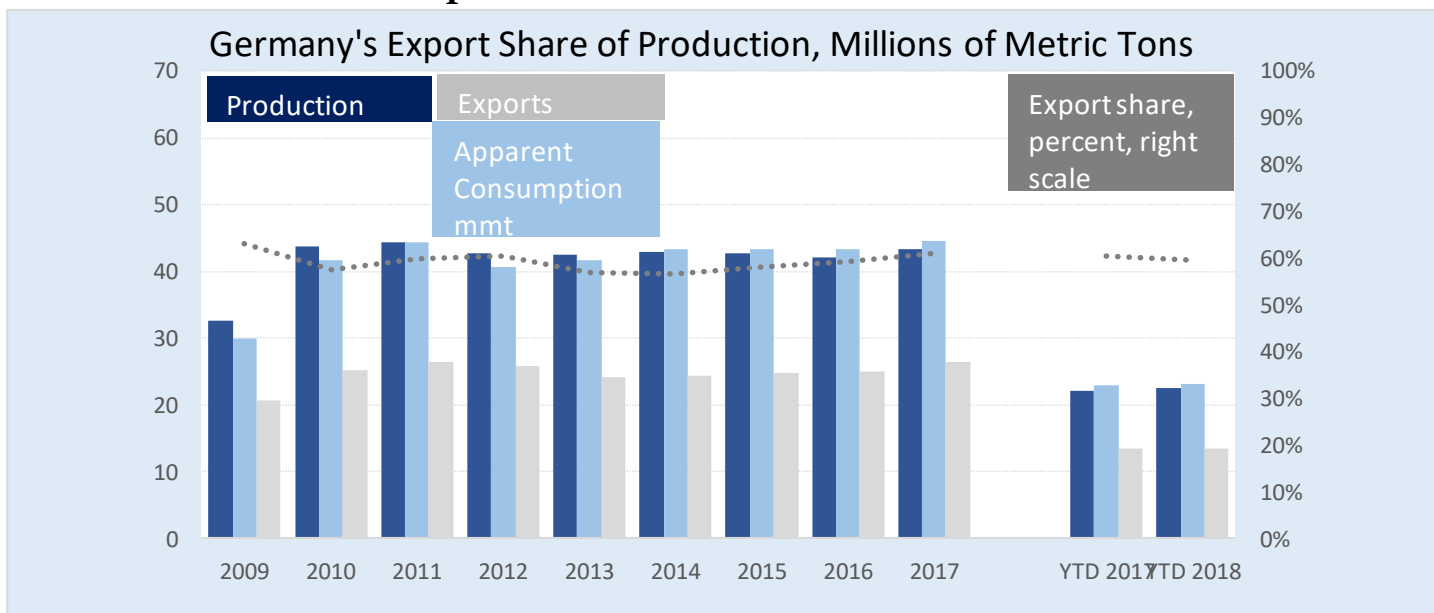


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Export Share of Production



	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2017	YTD 2018
Production	32.7	43.8	44.3	42.7	42.6	42.9	42.7	42.1	43.3	22.2	22.5
Apparent Consumption	30.0	41.7	44.4	40.7	41.6	43.5	43.3	43.3	44.5	23.0	23.1
Exports	20.6	25.2	26.5	25.8	24.3	24.3	24.8	24.9	26.5	13.5	13.4
Export Share of Production	63.1%	57.6%	59.8%	60.4%	57.0%	56.7%	58.0%	59.2%	61.1%	60.6%	59.6%

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

Germany's crude steel production increased by 36 percent between 2009 and 2011 before maintaining relatively stable with an average of 43 million metric tons through 2017. Production in YTD 2018 has increased 1.0 percent compared to YTD 2017 to a total of 22.5 million metric tons. Apparent consumption (a measure of steel demand) was approximately on par with production for most of the period between 2009 and 2014 and has been slightly greater than production since 2016. Germany's steel exports as a share of production declined slightly in 2009 but have remained consistently over 56 percent since 2009 — amounting to 59.6 percent in YTD 2018. Despite having a high level of exports relative to production, Germany imported a similar percentage, which helped to keep demand roughly 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.

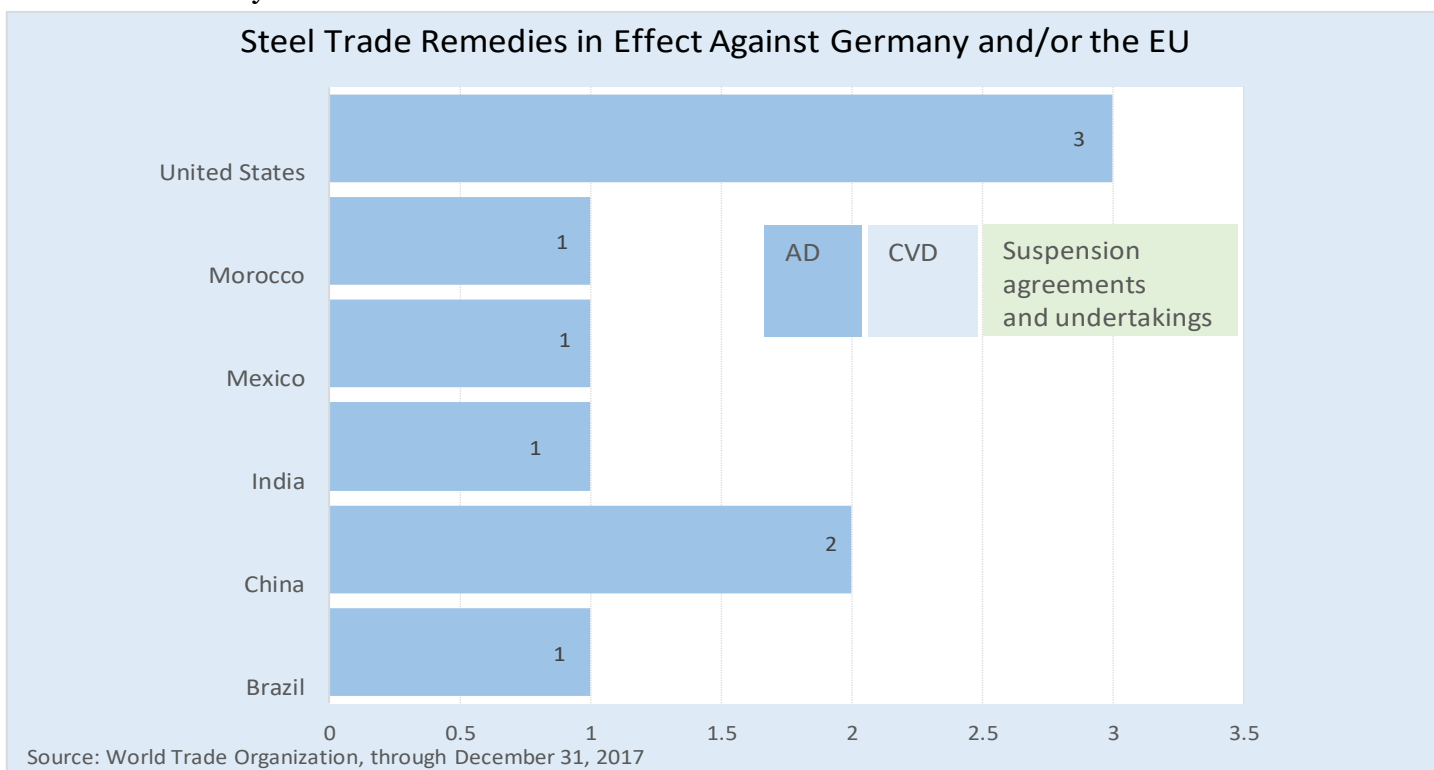
Rank	Company	Production (MMT)	Main Products
1	ThyssenKrupp	13.22	Strip, sheets, plate, coated products, electrical, stainless
2	ArcelorMittal	7.8	Flat, long, tube
3	Salzgitter	7.31	Strip, plates, sections, pipe and tube
4	HKM	5.9	Semi-finished

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 tables below provide statistics on the current number of trade remedies various countries have against steel mill products from Germany and from the European Union, which includes Germany.



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/>.



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