



Global Steel Trade Monitor

Steel Exports Report: United States

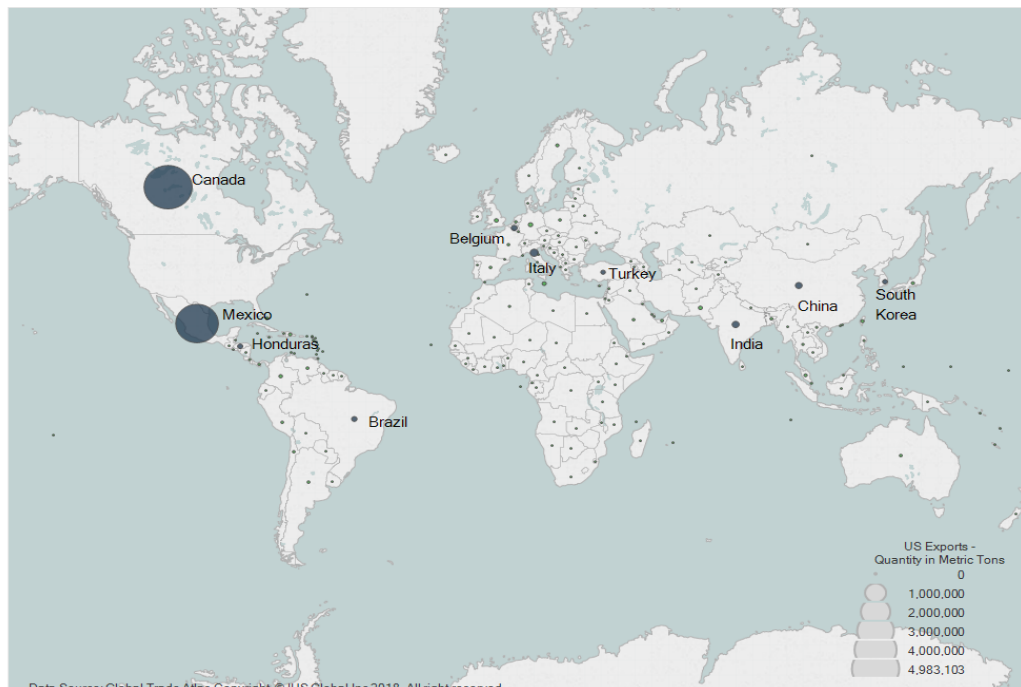
September 2018

Background

The United States was the world's fifteenth-largest steel exporter in 2017. In year-to-date 2018 (through June), further referred to as YTD 2018, the United States exported 4.9 million metric tons of steel, a decrease from 5.1 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 over 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 United States exported in 2017.

The United States exports steel to more than 150 countries and territories. The 10 countries labeled in the map below represent the top markets for U.S. exports of steel, with the top 2 countries alone receiving more than 3 million metric tons each. The top 10 countries accounted for 94 percent of U.S. steel exports in 2017.

U.S. Exports of Steel Mill Products-2017 (Top Ten in Blue)



Quick Facts:

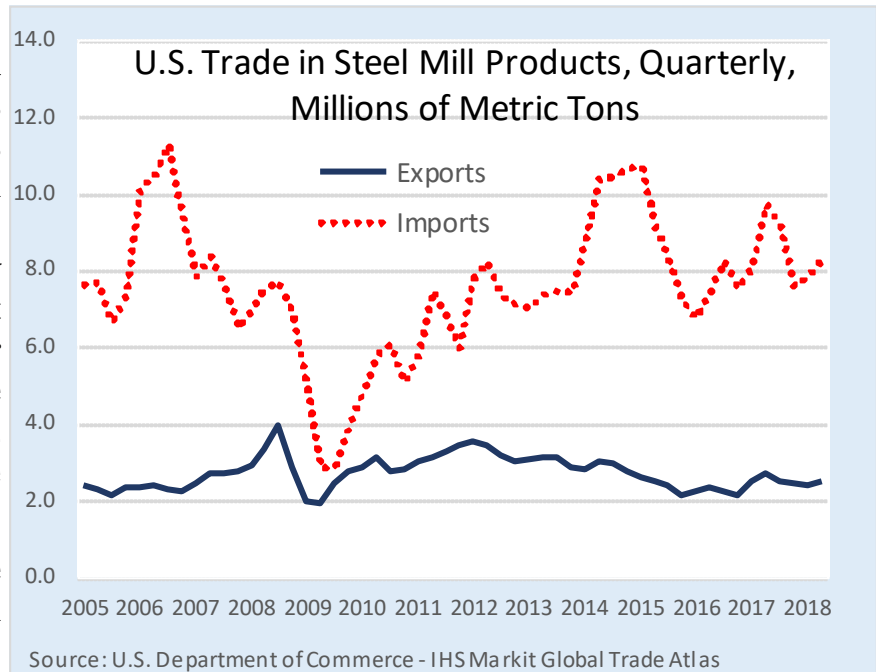
- World's 15th-largest steel exporter: 4.9 million metric tons (YTD 2018)
- 32% steel export growth since Q2 2009
- YTD export volume down 5% while export value up 5%
- Exports as a share of production down from 12.7% in YTD 2017 to 11.6% in YTD 2018
- Top two markets: Canada and Mexico
- Top Producers: 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.

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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 192 percent between Q2 2009 and Q2 2018, while exports have increased by 32 percent.

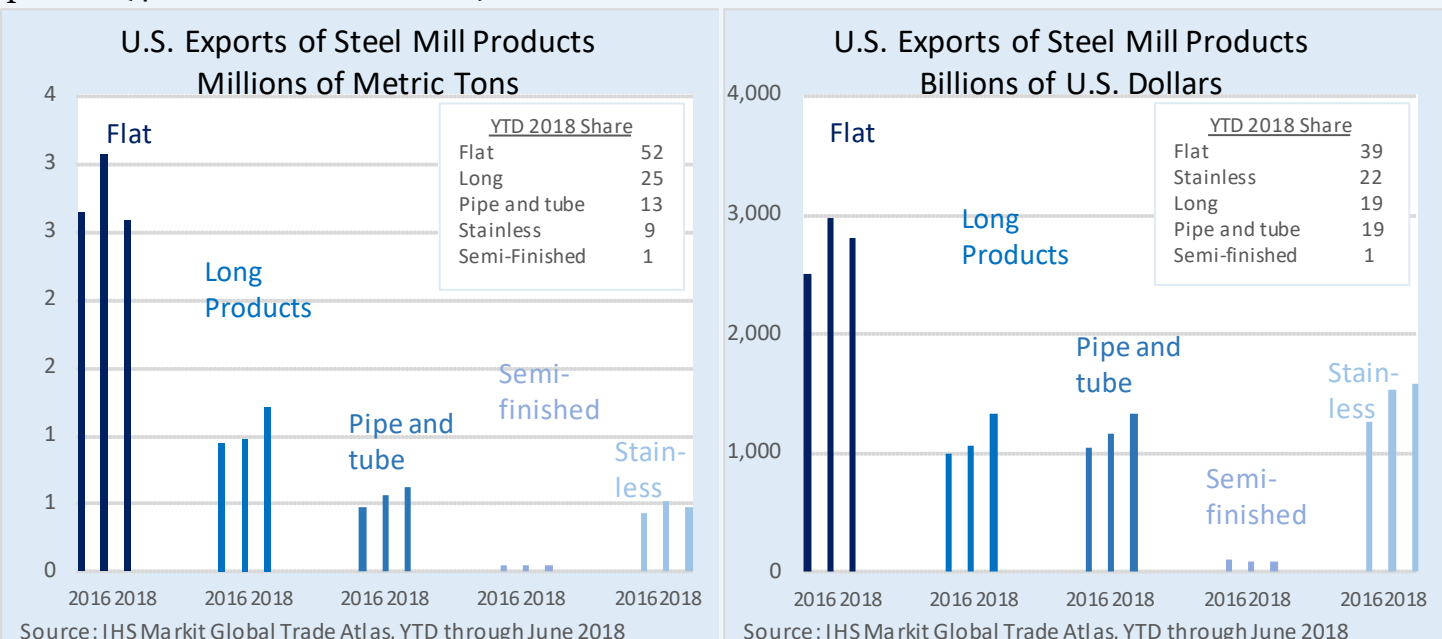
In YTD 2018, the U.S. steel trade deficit amounted to -11.3 million metric tons.



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 10.1 million metric tons. In YTD 2018, U.S. steel exports were down 5 percent to 4.9 million metric tons from 5.1 million metric tons in YTD 2017. The value of YTD 2018 steel exports has increased by 5 percent to \$7.1 billion from \$6.8 billion in YTD 2017.

Flat products accounted for the largest share of U.S. steel exports in YTD 2018 at 52 percent, or 2.6 million metric tons. Long products accounted for 25 percent, or 1.2 million metric tons, of U.S. exports of steel in YTD 2018, followed by pipe and tube products at 13 percent (616 thousand metric tons), stainless products at 9 percent (465 thousand metric tons), and semi-finished steel at 1 percent (46 thousand metric tons).

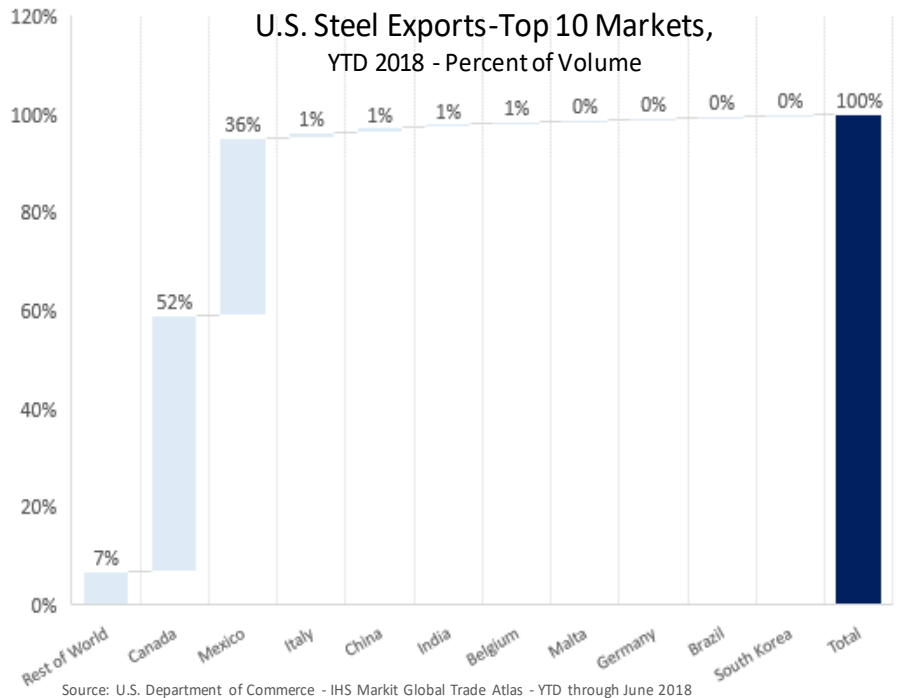


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Exports by Top Market

Exports to the United States' top 10 markets represented 93 percent of U.S. steel export volume in YTD 2018 at 4.6 million metric tons (mmt). The top two steel markets alone represented 88 percent of U.S. steel export volume in YTD 2018. Canada was the largest market for U.S. steel exports with 52 percent (2.6 mmt), followed by Mexico at 36 percent (1.8 mmt).

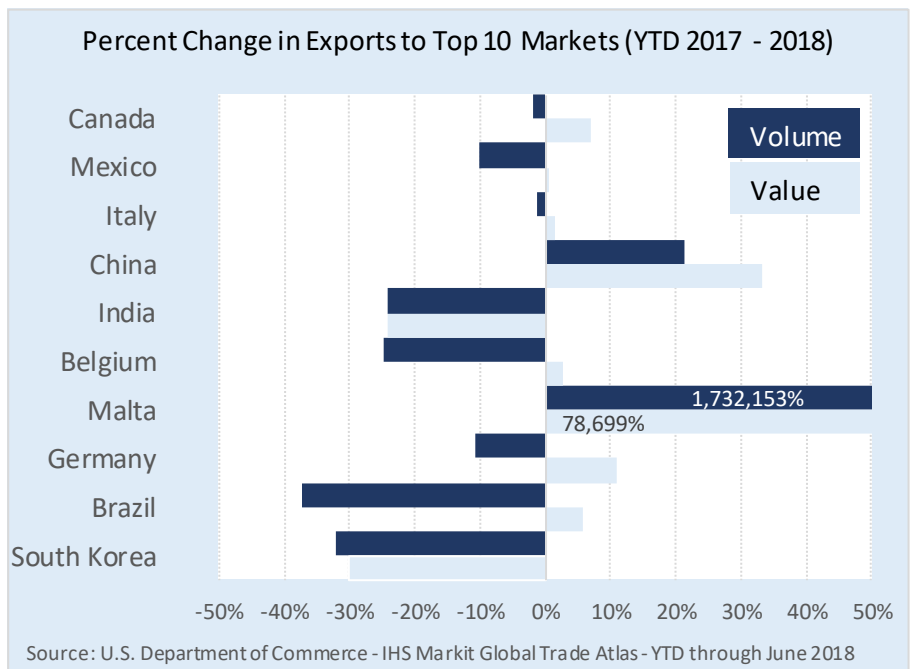
Canada and Mexico have ranked first and second as the top destinations for U.S. steel exports for more than a decade.



Trends in Exports to Top Markets

Between YTD 2017 and YTD 2018, the volume of the United States' steel exports decreased in eight of the country's top 10 steel export markets. U.S. exports to Brazil saw the largest decrease in volume (-37% from YTD 2017), followed by exports to the South Korea (-32%), Belgium (-25%), India (-24%), Germany (-11%), and Mexico (-10%). Malta saw the largest increase in volume (+1,732,153%), followed by exports to China (+21%).

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 Malta (+78,699%), followed by China (+33%), Germany (+11%), Canada (+7%), and Brazil (+6%). U.S. export values to South Korea decreased by 30 percent, followed by India (-24%) in YTD 2018.



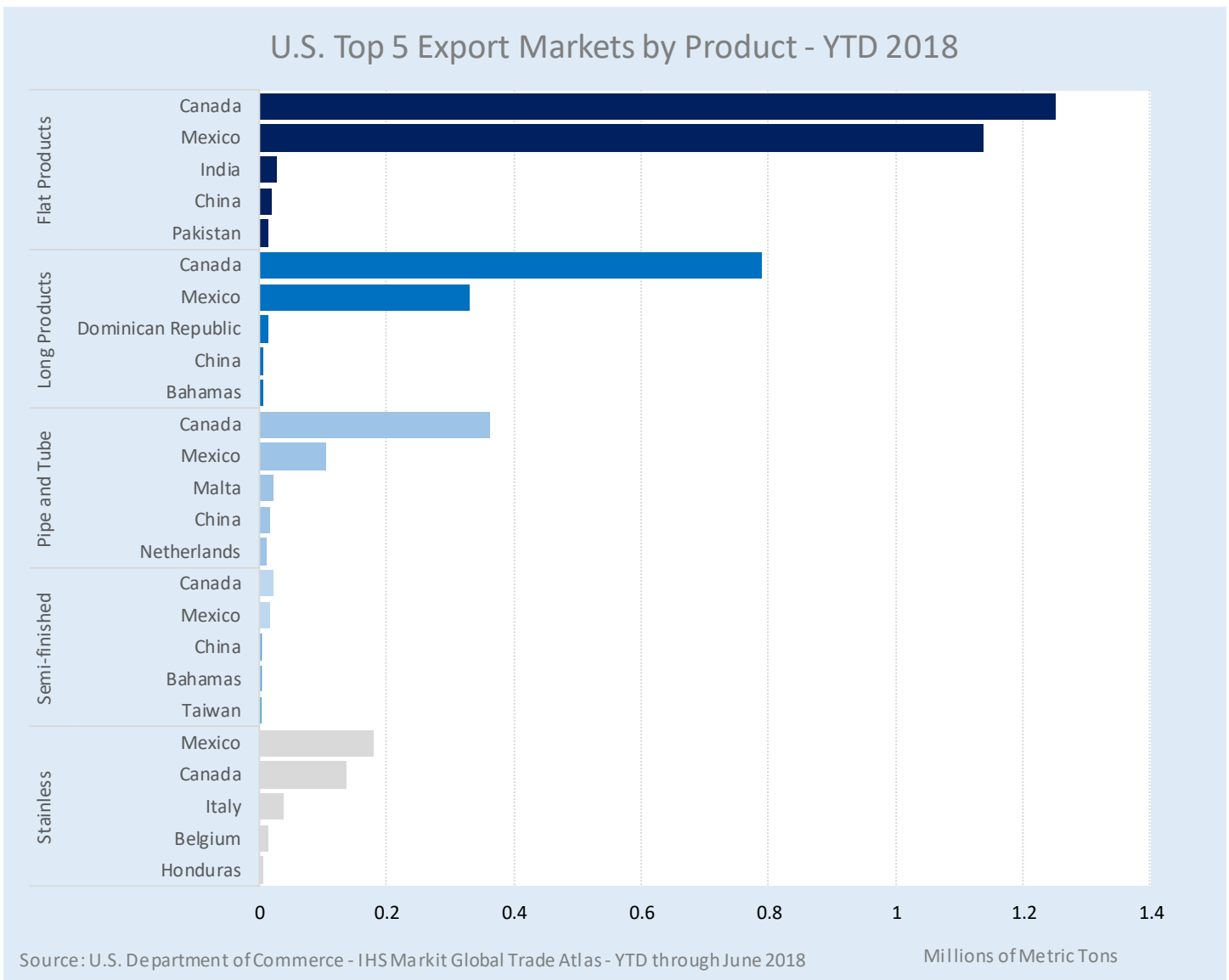
Outside of the top 10 markets, other notable volume changes in YTD 2018 included U.S. exports to 12th-ranked Dominican Republic (+144%), 13th-ranked Netherlands (+119%), 17th-ranked Saudi Arabia (+116%), 19th-ranked Argentina (+52%), and 20th-ranked Spain (+59%).

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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. In YTD 2018, 49 percent of U.S. exports of flat products went to Canada (1.3 million metric tons), followed closely by Mexico with 44 percent (1.1 million metric tons). Canada was also the largest market for U.S. exports of long products at 66 percent (790 thousand metric tons).

A little under two-thirds of U.S. pipe and tube exports also went to Canada at 59 percent (362 thousand metric tons), with 17 percent (104 thousand metric tons) going to Mexico. In semi-finished exports, the United States exported 48 percent (22 thousand metric tons) and 35 percent (16 thousand metric tons) to Canada and Mexico, respectively. In stainless products, 38 percent were exported to Mexico, (178 thousand metric tons), while 29 percent (136 thousand metric tons) went to Canada.



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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 (-1.9 percentage points), Italy (-1.3 percentage points), and Brazil (-0.6 percentage points) while the share in Turkey and Honduras remained unchanged.

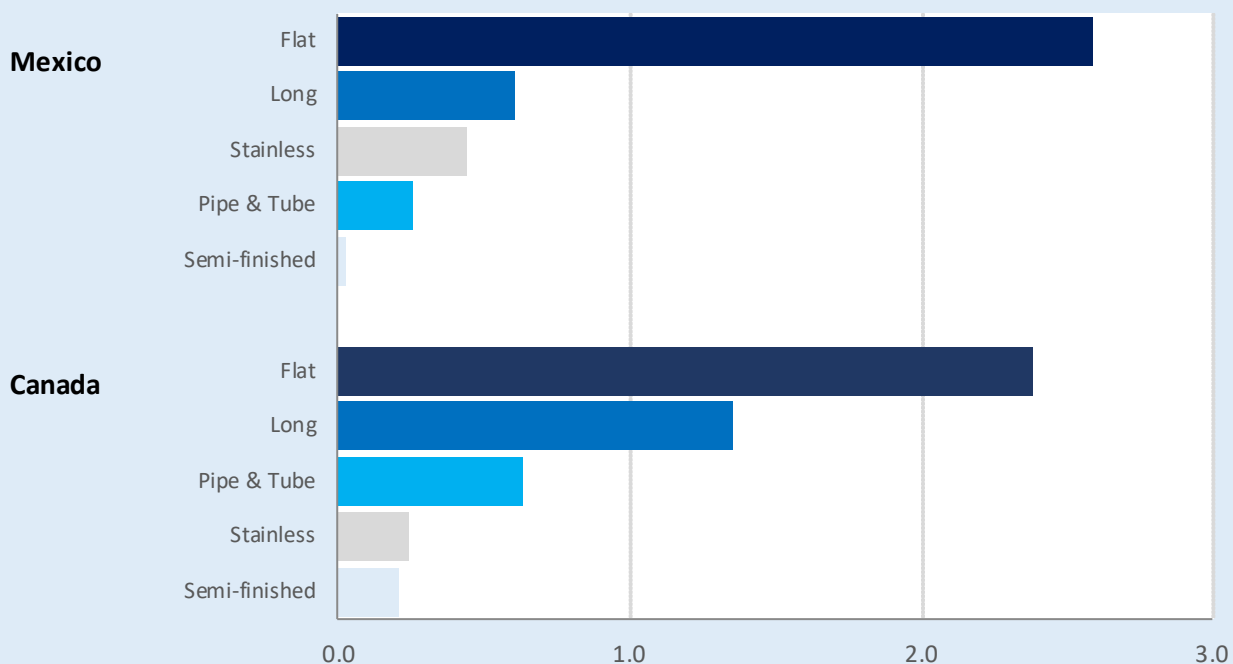
The share of imports from the U.S. showed slight increase in Italy (+0.4 percentage points), followed by India (+0.2 percentage points), China, Belgium, and South Korea (+0.1 percentage points each).

U.S. Steel Export Market Share						
Top 10 Export Markets	Share of Imports from United States-2016	United States' Rank in 2016	Share of Imports from United States - 2017	United States' Rank in 2017	Change in Share	
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

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

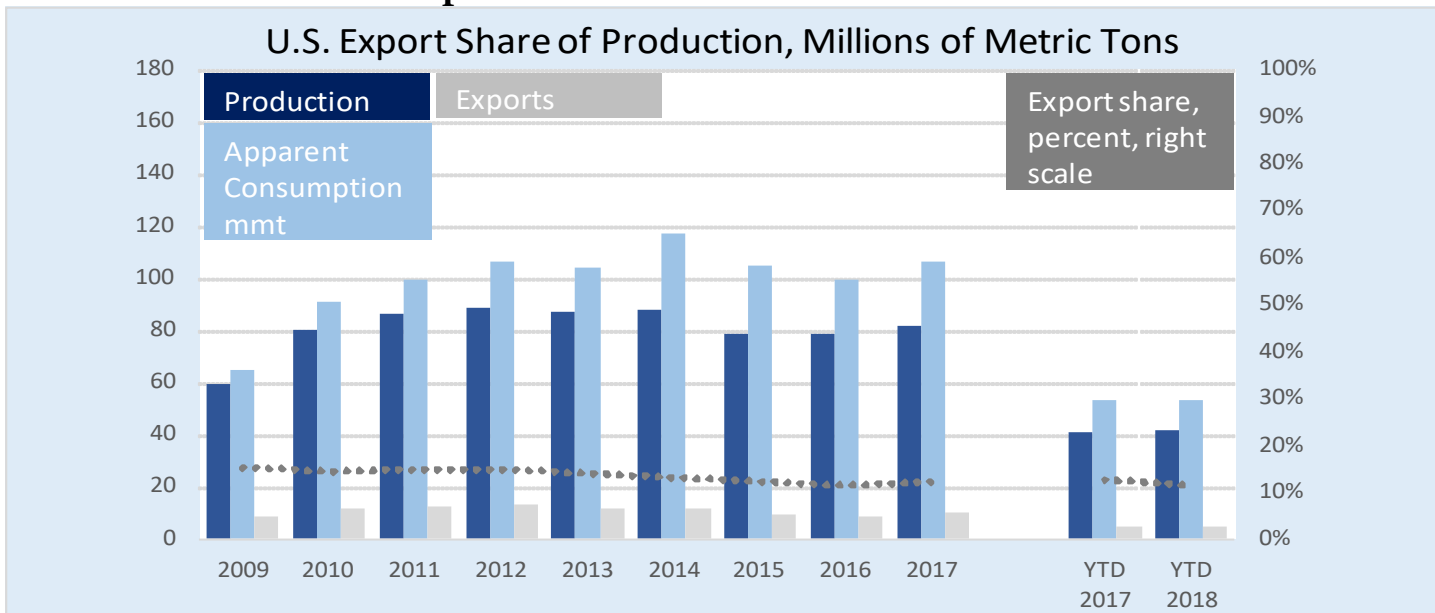


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

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	59.4	80.5	86.4	88.7	86.9	88.2	78.8	78.6	81.6	40.7	42.1
Apparent Consumption	65.1	90.7	99.6	106.0	104.0	117.0	104.7	99.7	106.1	53.3	53.4
Exports	9.0	11.5	12.8	13.1	12.1	11.5	9.6	8.9	10.1	5.1	4.9
Export Share of Production	15.2%	14.3%	14.8%	14.8%	13.9%	13.0%	12.2%	11.3%	12.4%	12.7%	11.6%

Source: U.S. Department of Commerce, World Steel Association, IHS Markit Global Trade Atlas - YTD through June 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 42.1 million metric tons from 40.7 million metric tons in YTD 2017. Since 2009, apparent consumption (a measure of steel demand) has consistently outpaced production. This gap has exceeded 20 million metric tons in recent years, though it decreased slightly to 11.3 million metric tons in YTD 2018 from 12.7 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 12.4 percent. In YTD 2018, the export share decreased to 11.6 percent from 12.7 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.

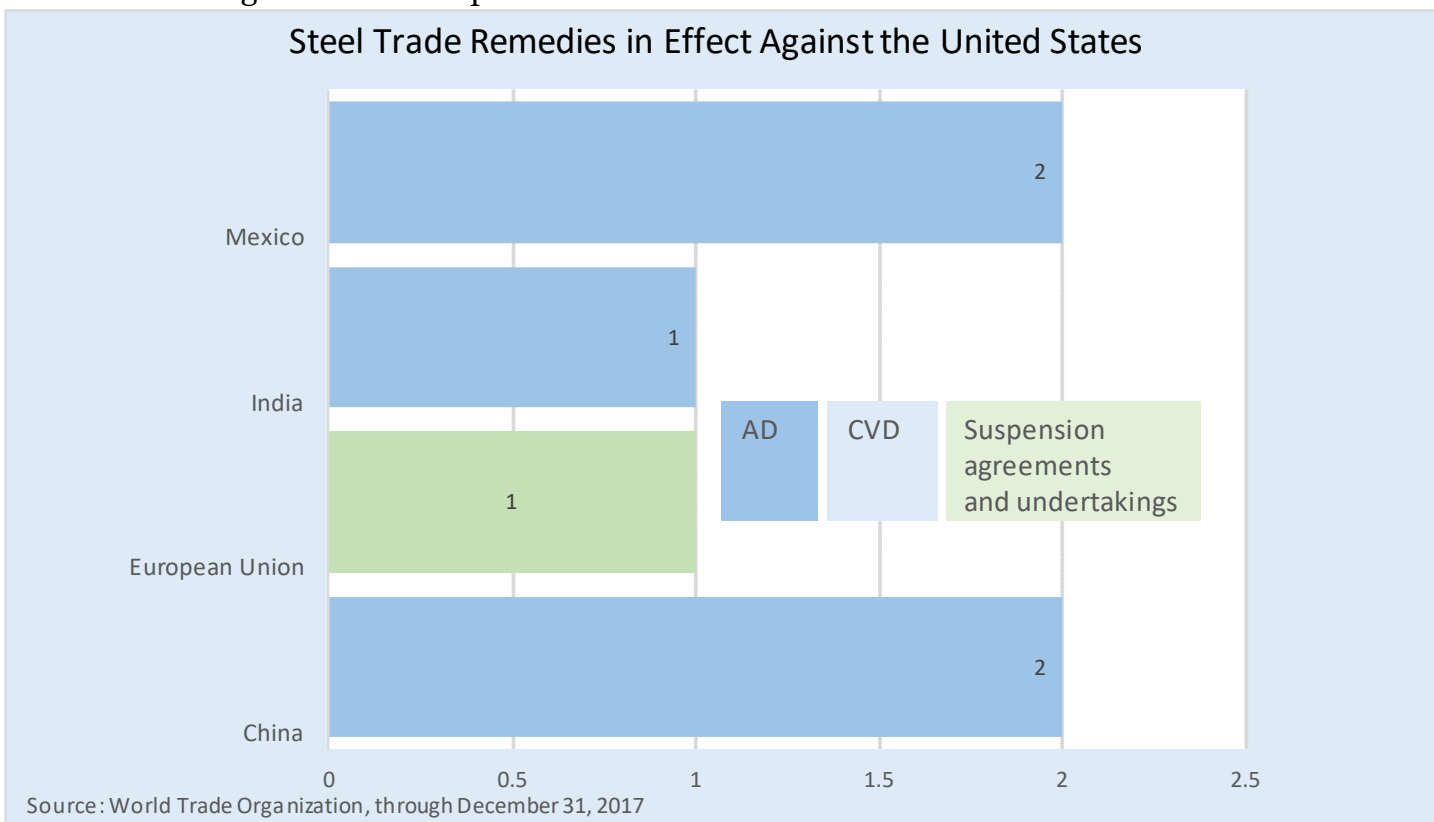
Rank	Company	Production (mmt)	Main Products
1	Nucor Corporation	24.39	Bars, beams, sheets, plate
2	ArcelorMittal USA	15	Hot-rolled, cold-rolled, plate, coated products, rails
3	United States Steel Corp.	14.43	Hot-rolled, cold-rolled, coated sheets, tubular products
4	Gerdau North America	12.4 (N. Amer. 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; 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 the United States.



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