



Global Steel Trade Monitor

Steel Imports Report: Belgium

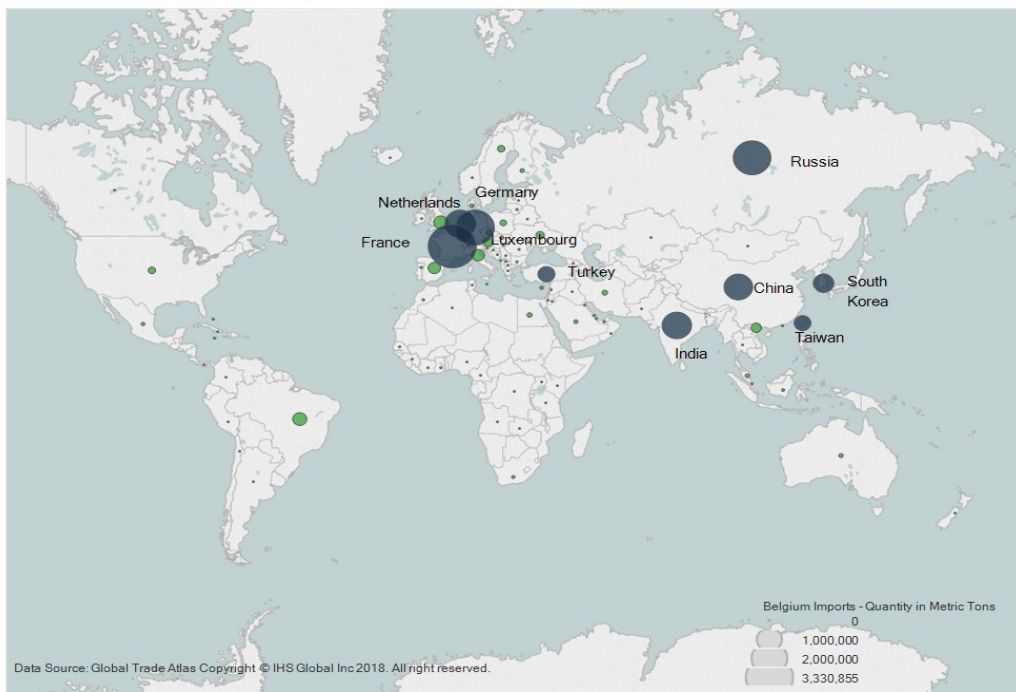
November 2018

Background

Belgium was the world's sixth-largest steel importer in 2017. In year-to-date 2018 (through June), further referred to as YTD 2018, Belgium imported 7.7 million metric tons of steel, a 2 percent decrease from 7.8 million metric tons in YTD 2017. Belgium's imports were about 4 percent of all steel imported globally in 2017. The volume of Belgium's 2017 steel imports was more than half that of the European Union's largest importer, Germany, and less than half of the United States, the world's largest importer. In value terms, steel contributed just 2.5 percent of the total goods imported into Belgium in 2017.

Belgium imports steel from over 90 countries and territories. The ten countries labeled in the map below represent the top sources. Each sent more than 300 thousand metric tons to Belgium in 2017 and together accounted for 87 percent of Belgium's 2017 steel imports.

Belgium's Imports of Steel Mill Products-2017 (Top Ten in Blue)



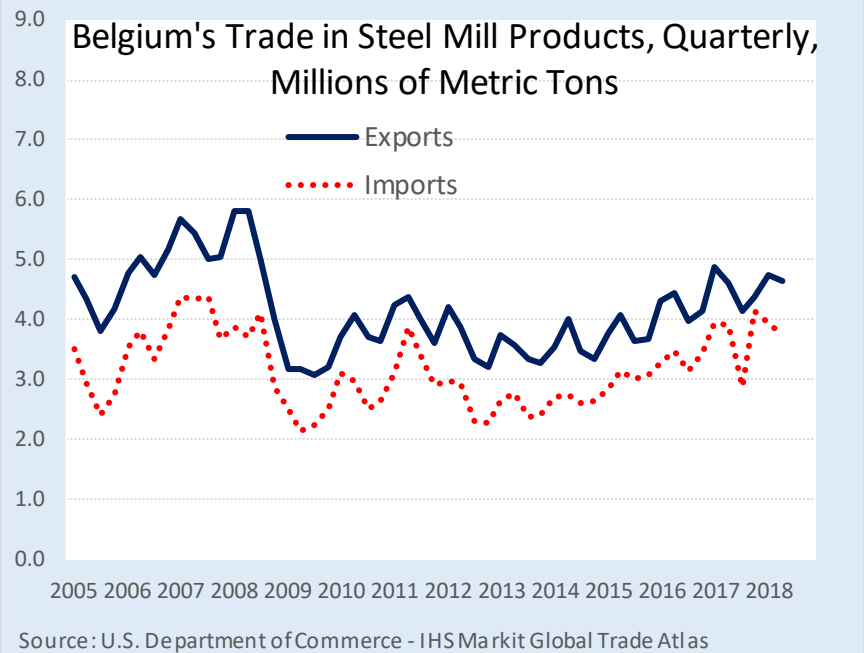
Quick Facts:

- World's 6th-largest steel importer: 7.7 million metric tons (YTD 2018)
- 68% steel import growth between Q3 2009 and Q2 2018
- YTD 2018 import volume down 2% while import value up 12%
- Import penetration up from 330.7% in YTD 2017 to 364.3% in YTD 2018
- Top three import sources: Russia, France, and Germany
- Largest producers: ArcelorMittal, NLMK, and Aperam
- 36 European Union trade remedies in effect against imports of steel mill products

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Steel Trade Balance

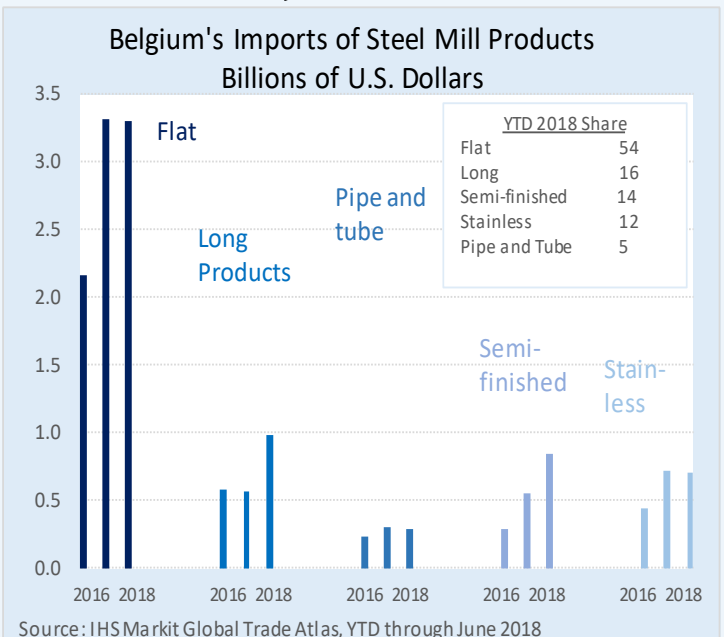
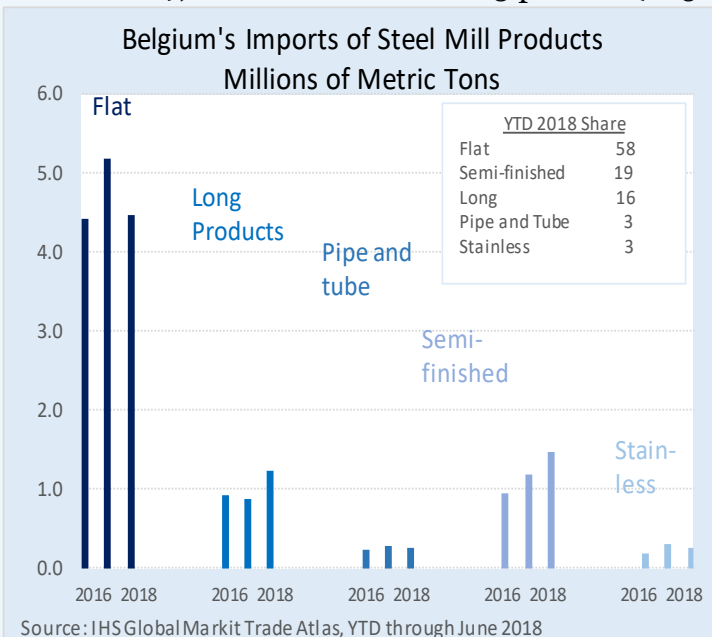
Over the past decade, Belgium's imports and exports have displayed roughly similar trends: both saw notable increases between 2005 and 2007, declined significantly by 2009, and have since gradually recovered. Belgium remains a net steel exporter: its steel trade surplus has increased 3.6 percent in YTD 2018 to 1.7 million metric tons, up from 1.6 million metric tons in YTD 2017. During this time imports fell 1.8 percent, while exports fell 0.1 percent.



Import Volume, Value, and Product

The volume of Belgium's steel imports declined in 2012 and 2013. However, the volume of Belgium's steel imports rose 46.4 percent between 2013 and 2017 to 14.8 million metric tons. In YTD 2018, imports have declined 2 percent to 7.7 million metric tons, down from 7.8 million metric tons in YTD 2017. From 2012 to 2016, the value of Belgian steel imports generally trended downwards as global steel prices fell. In 2017, the value of imports increased from \$7.7 billion metric tons to \$10.3 billion. In YTD 2018, Belgium's import value has increased 12 percent to \$6.1 billion, up from \$5.5 billion in YTD 2017.

Flat products accounted for 58 percent of Belgium's steel imports (4.5 million metric tons) in YTD 2018. Semi-finished steel accounted for 19 percent (1.5 million metric tons), followed by long products at 16 percent (1.2 million metric tons), pipe and tube products at 3 percent (260 thousand metric tons), and stainless steel at 3 percent (265 thousand metric tons).

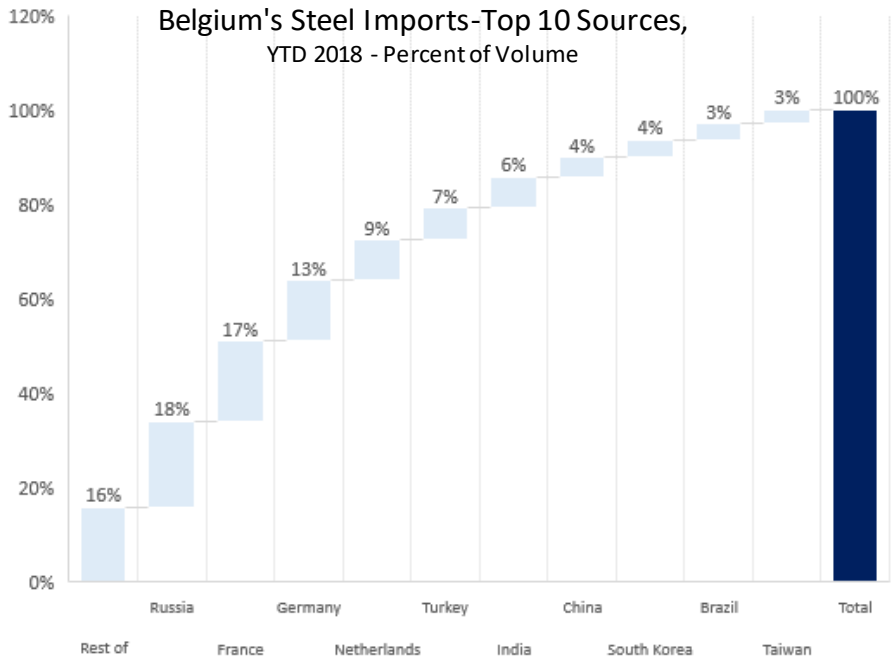


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Imports by Top Source

The top 10 source countries for Belgium's steel imports represented 84 percent of the total steel import volume in YTD 2018 at 6.5 million metric tons (mmt). Russia accounted for the largest share of Belgium's imports by source country at 18 percent (1.4 mmt), followed by France at 17 percent (1.3 mmt), Germany at 13 percent (1.0 mmt), the Netherlands at 9 percent (0.7 mmt), and Turkey at 7 percent (0.5 mmt).

The United States ranked 20th as a source for Belgium's steel imports, representing just 0.4 percent of imports in YTD 2018 — a total of 33 thousand metric tons.

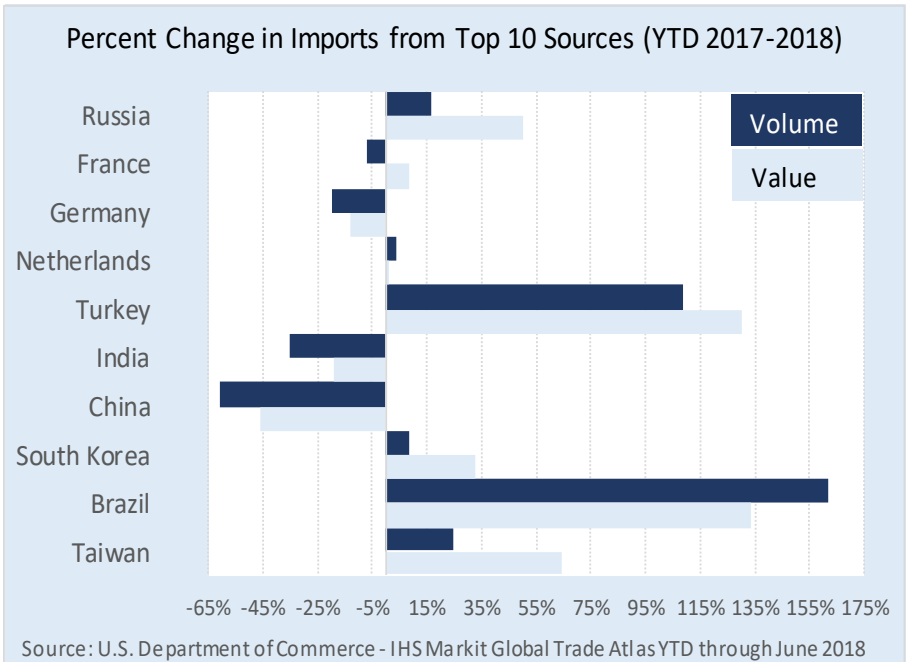


Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Trends in Imports from Top Sources

The volume of Belgium's steel imports increased from 6 of its top 10 steel import sources in YTD 2018. Imports from Brazil showed the largest increase in volume, up 162 percent. Imports from Turkey came next (+109%), followed by Taiwan (24%), Russia (+16%), South Korea (+8%), and the Netherlands (+4%). The four countries with a decline in import volume in YTD 2018 were China (-61%), India (-35%), Germany (-20%), and France (-7%).

The value of Belgium's steel imports increased in 7 of its top 10 steel import sources in YTD 2018. Imports from Brazil had the largest increase — up 133 percent. Turkey had the second largest increase with 131 percent, followed by Taiwan (+65%), Russia (+50%), and South Korea (+33%). The value of Belgian steel imports declined from China (-46%), India (-19%), and Germany (-13%).



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

Outside the top 10 source countries, notable increases in YTD 2018 volume include 11th-ranked Vietnam (+1,481%), 18th-ranked Iran (+170%), and 19th-ranked Mexico (+143%).

Steel Imports Report: **Belgium**

Top Sources by Steel Product Category

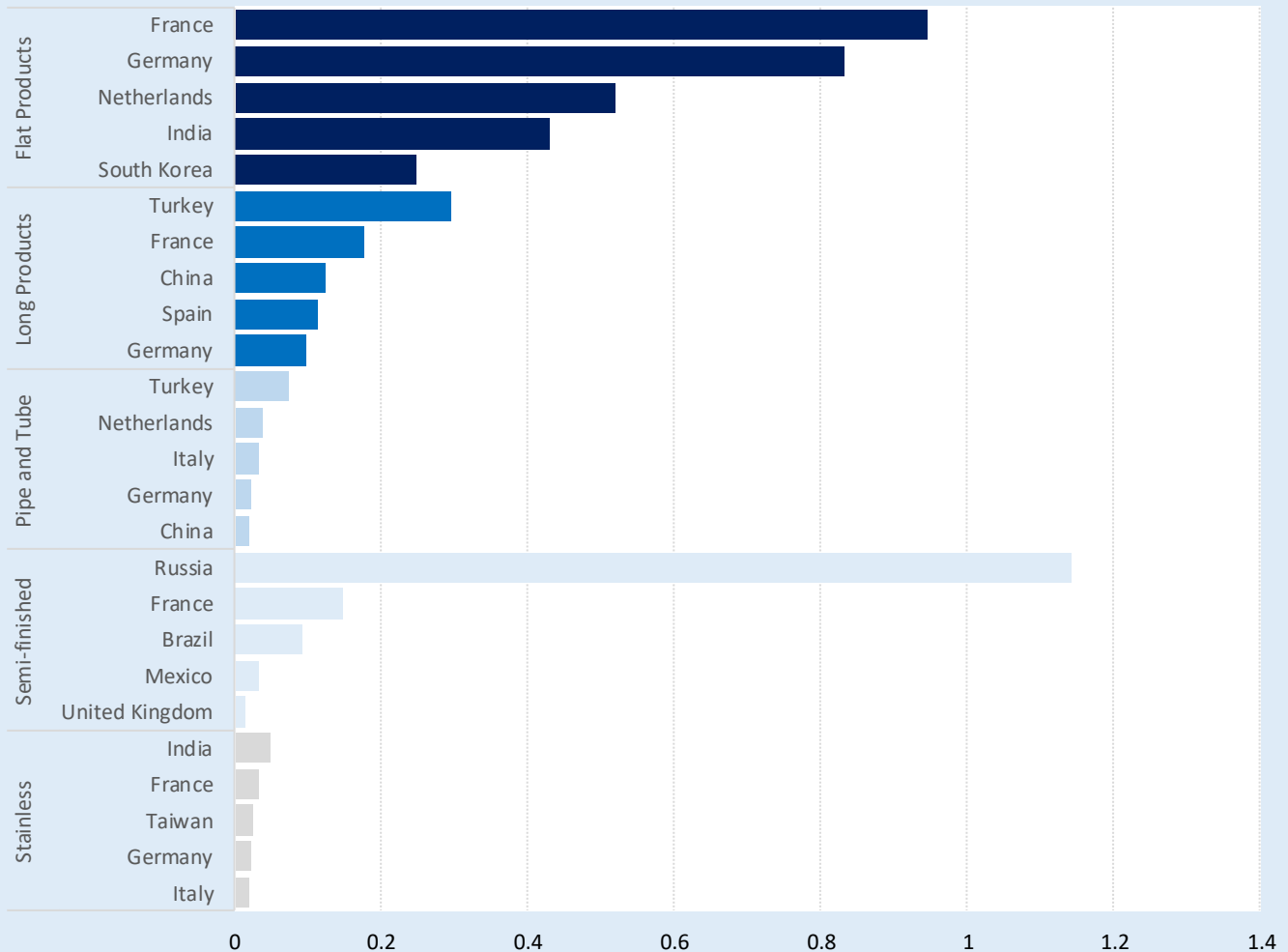
The top source countries for Belgium’s imports by volume vary across types of steel products. In YTD 2018, France accounted for the largest share of Belgium’s imports of flat products at 21 percent (0.95 million metric tons). Turkey led the way for long products, capturing 24 percent (296 thousand metric tons) of Belgium’s imports. France held the second spot for long products accounting for 14 percent (176 thousand metric tons).

Turkey also accounted for the largest share of Belgium’s pipe and tube imports at 28 percent (74 thousand metric tons), while India supplied the largest share of stainless product imports at 18 percent (49 thousand metric tons).

As in 2017, Belgium received nearly all of its semi-finished imports from Russia at 77 percent (1.1 million metric tons) in YTD 2018.

The United States was not one of Belgium’s top-five import sources for any category of steel.

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



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

Millions of Metric Tons

Steel Imports Report: Belgium

Belgium's Export Market Share from Top Source Countries

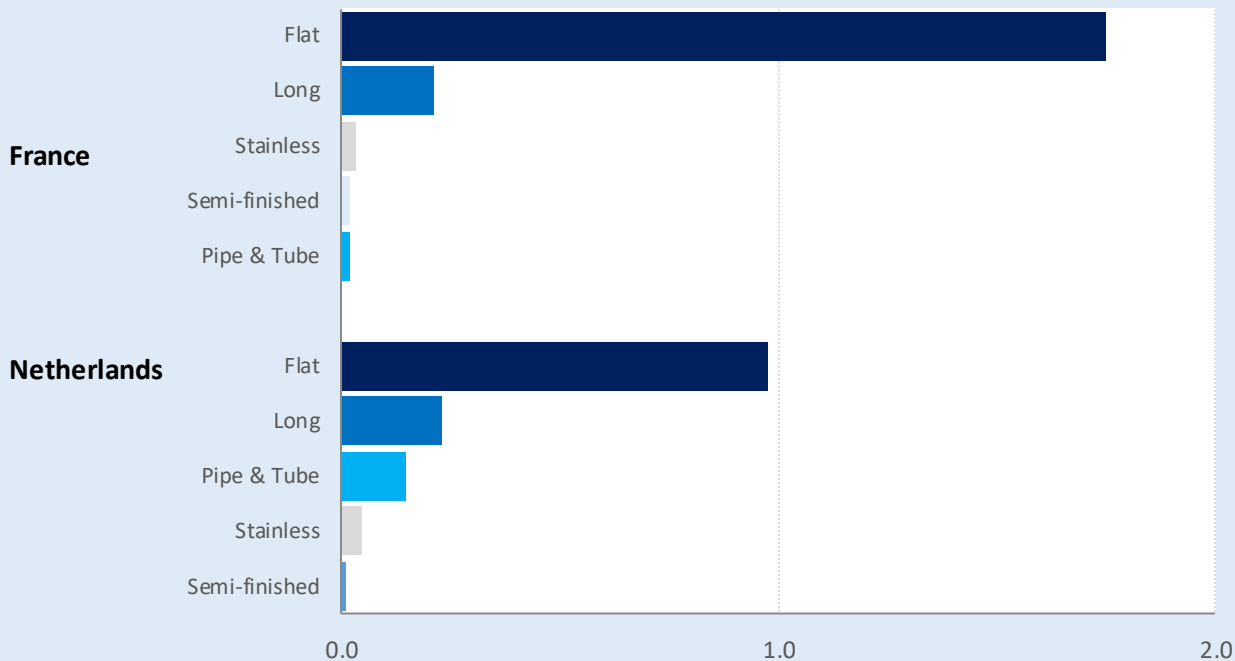
In 2017, the share of steel exports sent to Belgium from its top import sources slightly increased from five of its top 10 sources and slightly decreased from the other five of its top 10 sources. In 2017, the share of Taiwan's steel exports to Belgium showed the largest increase (up 2.1 percentage points from 2016), followed by Turkey and Germany (both up 1 percentage point). India's share of steel exports to Belgium decreased by 1.2 percentage points from 2016.

Belgium's Steel Export Market Share					
Top 10 Import Sources	Share of Exports to Belgium - 2016	Belgium's Rank in 2016	Share of Exports to Belgium - 2017	Belgium's Rank in 2017	Change in Share
France	14.6%	3	13.8%	3	↓
Germany	5.8%	5	6.7%	5	↑
Russia	6.6%	4	6.5%	4	↓
Netherlands	12.5%	2	12.4%	2	↓
India	8.8%	2	7.5%	4	↓
China	1.6%	17	1.2%	22	↓
South Korea	1.5%	13	2.1%	12	↑
Turkey	0.9%	26	1.9%	16	↑
Taiwan	1.3%	20	3.4%	8	↑
Luxembourg	7.8%	4	8.0%	4	↑

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

In 2017, Belgium was the second largest destination for the Netherlands' steel exports at 12.4 percent and the third largest destination for France's steel exports at 13.8 percent. Flat products accounted for the largest share of steel exports to Belgium from France at 86 percent (1.7 million metric tons) and the Netherlands at 69 percent (1 million metric tons). Long products accounted for the second largest share of steel exports to Belgium from France at 10 percent (212 thousand metric tons) and the Netherlands at 16 percent (231 thousand metric tons). Long products accounted for the second largest share of steel exports to Belgium from France at 10 percent (212 thousand metric tons) and the Netherlands at 16 percent (231 thousand metric tons).

Steel Import Composition of Top Market-Share Countries-2017

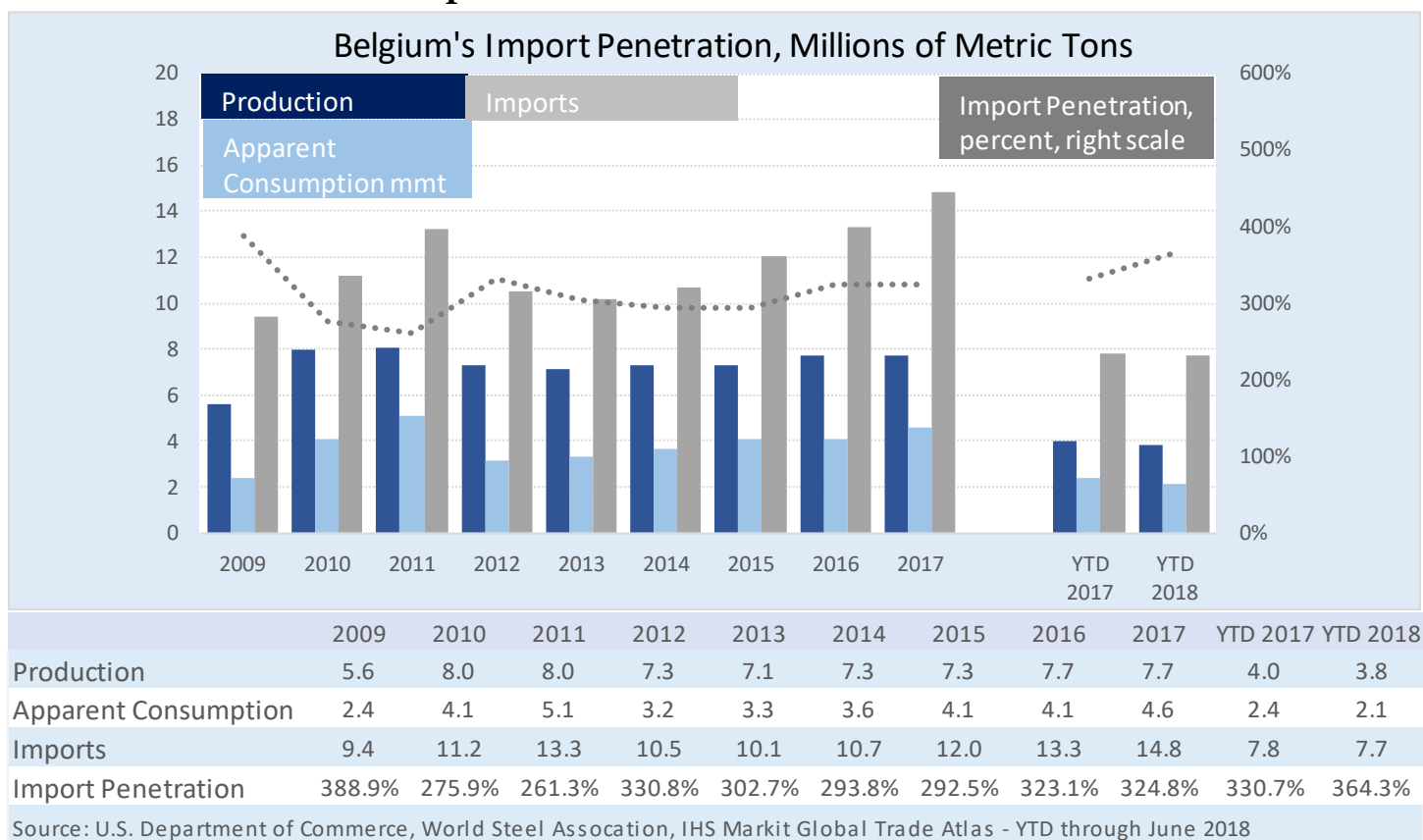


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Import Penetration



After increasing from 2009 to 2011, Belgium's crude steel production declined in 2012, remained almost flat through 2015, and then increased 6 percent in 2016 to 7.7 million metric tons in 2017. In YTD 2018, Belgium's steel production decreased 5 percent from 4.0 metric tons in YTD 2017 to 3.8 million metric tons in YTD 2018. Apparent consumption (a measure of steel demand) continued to remain at a level roughly half that of production in YTD 2018. Following the trend, imports as well continued to exceed both production and demand. In 2017, import penetration stood at 324.8 percent – up 1.7 percentage points from 323.1 percent in 2016. In YTD 2018, import penetration was up by 33.6 percentage points to 364.3 percent from 330.7 percent in YTD 2017.

Top Producers

Belgium's steel production is concentrated among a handful of domestic and foreign-owned companies and is dominated by ArcelorMittal, a leading player in the global steel market and NLMK has a large production capacity, based on available data.

Belgium's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	NLMK	5.45 (Capacity)	Strip products, plate
2	ArcelorMittal	5	Flat, long, and stainless products
3	Aperam	1.1	Stainless Products

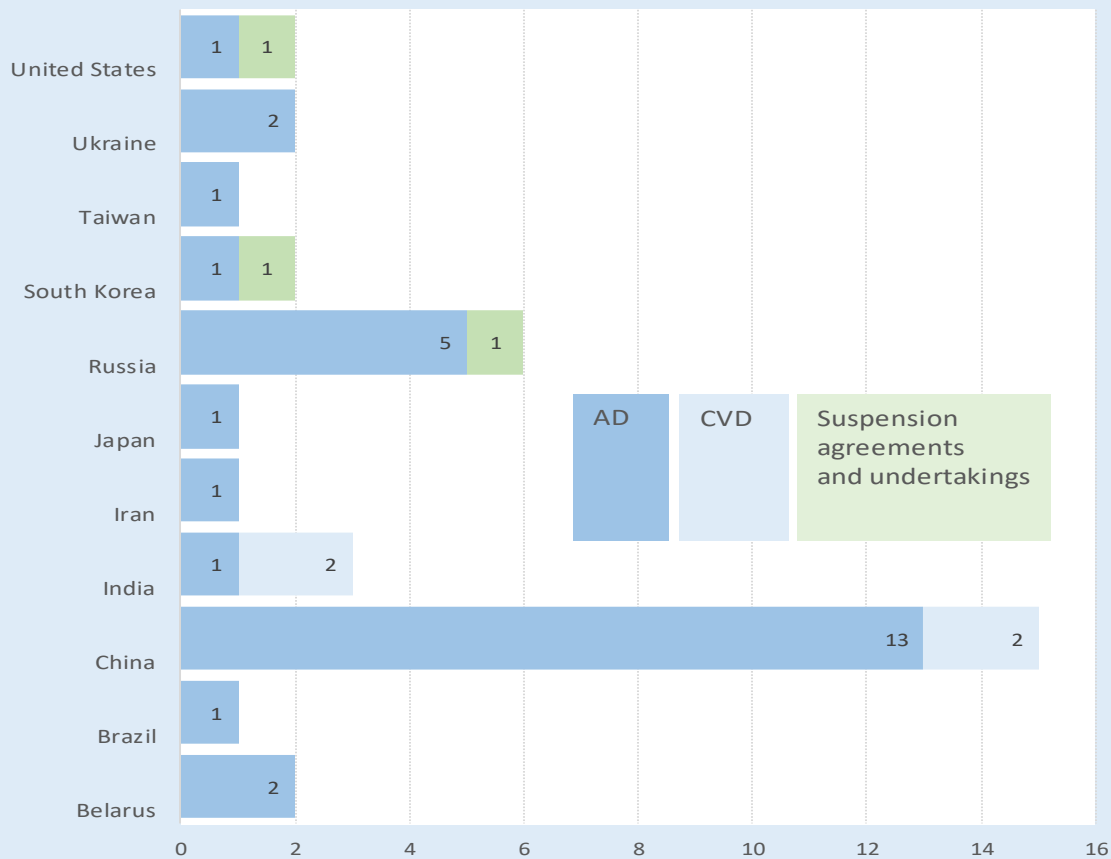
Source: Bloomberg; Company websites *Denotes foreign-owned producer

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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 tables below provide statistics on the current number of trade remedies the European Union, which includes Belgium, has on steel mill imports.

European Union's Steel Trade Remedies in Effect Against Steel Mill Imports



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/>.



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