



Global Steel Trade Monitor

Steel Imports Report: France

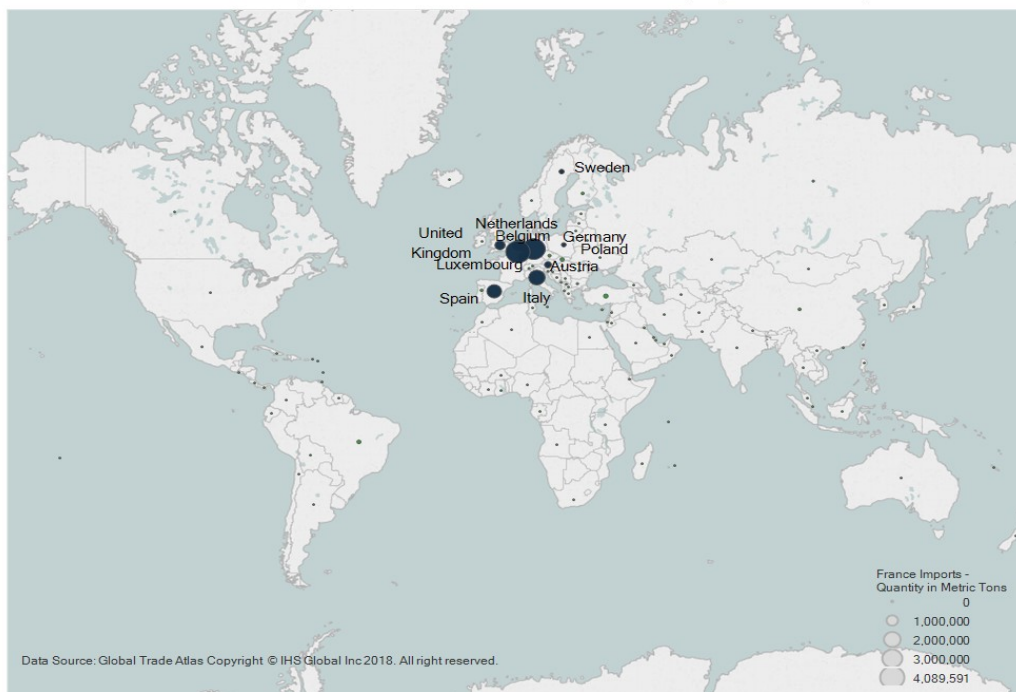
September 2018

Background

France is the world's fifth-largest steel importer. In year-to-date 2018 (through June), further referred to as YTD 2018, France imported 7.89 million metric tons of steel, essentially unchanged from 7.93 million metric tons in YTD 2017. France's imports represented about 4 percent of all steel imported globally in 2017. The volume of France's 2017 steel imports was slightly over half that of Europe's largest and the world's second-largest importer, Germany, and less than half of the United States, the world's largest steel importer. In value terms, steel represented just 0.5 percent of the total goods imported into France in 2017.

France imports steel from over 90 countries and territories. The ten countries labeled in the map below represent France's top sources of steel in 2017, together accounting for 94 percent of steel imports.

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



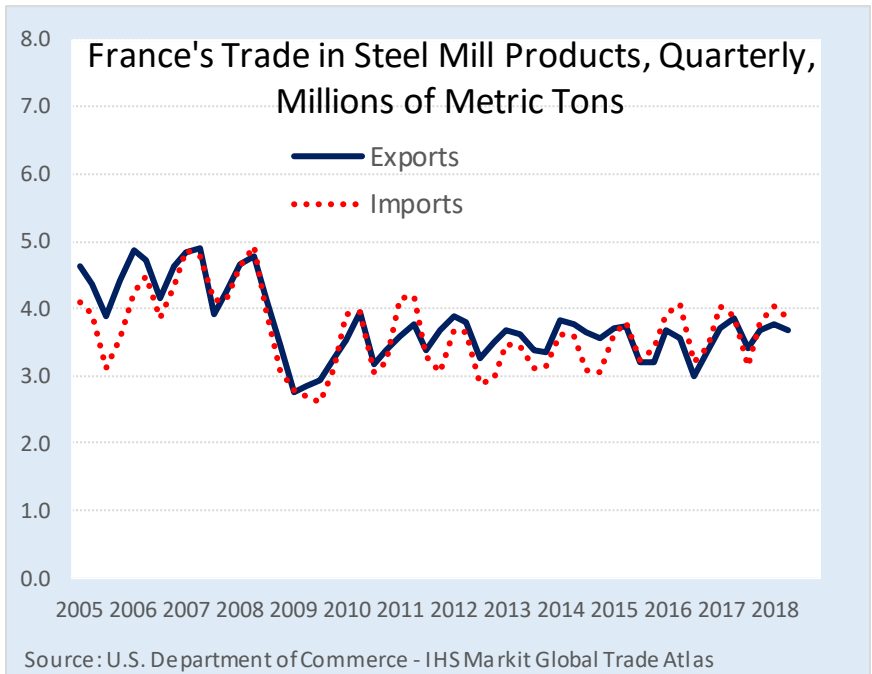
Quick Facts:

- World's 5th-largest steel importer: 7.89 million metric tons (YTD 2018)
- 30% steel import growth since Q2 2009
- YTD import volume unchanged, while import value up 20%
- Import penetration at 93.8% in YTD 2018, down from 95.9% in YTD 2017
- Top three import sources: Belgium, Germany, Italy
- Largest producers: ArcelorMittal, RIVA Group, CELSA
- 36 European Union trade remedies in effect against imports of steel mill products

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Steel Trade Balance

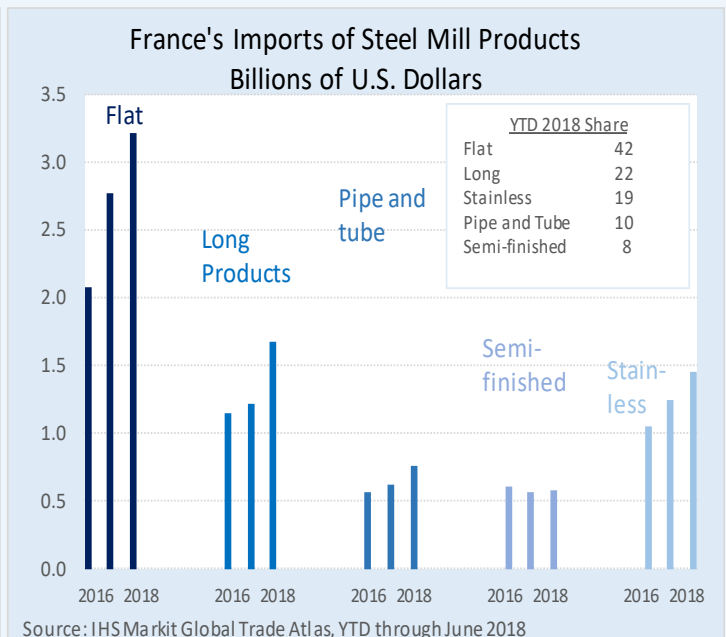
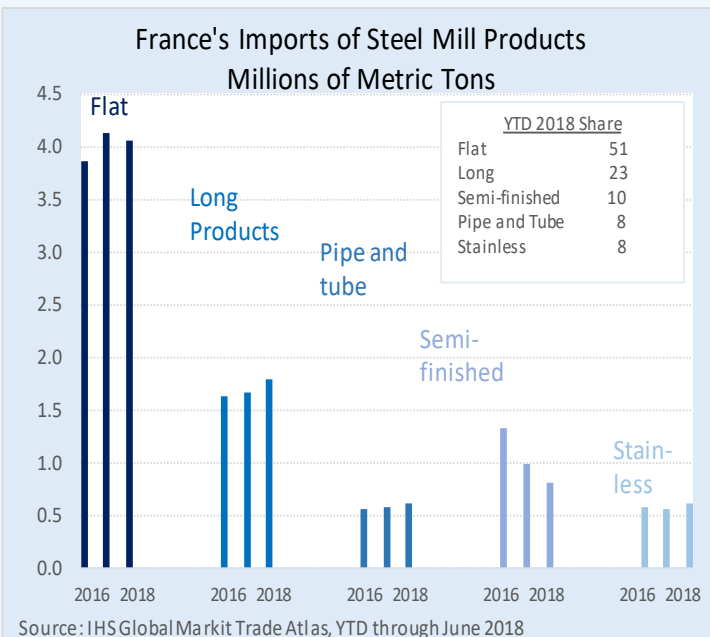
France's steel imports and exports have risen and fallen mostly in tandem since 2005. After falling in 2009, imports and exports have increased by 42 percent and 30 percent, respectively, between Q2 2009 and Q2 2018. France maintained an annual trade surplus between 2005 and 2009, but ran a deficit from 2010 to 2012. Between 2012 and 2014, France was again a net steel exporter averaging a 1.2 million metric ton surplus over the three years. Since 2015, France has tended to be a net importer of steel. In YTD 2018, France's steel deficit was -438 thousand metric tons.



Import Volume, Value, and Product

Since 2012, the volume of France's imports of steel mill products have trended modestly upwards. In 2017, France imported 14.9 million metric tons, up 2 percent from 2016. In YTD 2018, imports were flat at 7.89 million metric tons compared to 7.93 million metric tons in YTD 2017. By contrast, the value of France's imports declined between 2011 and 2016; however, import value in YTD 2018 increased by 20 percent to \$7.7 billion from \$6.4 billion in YTD 2017 due to rising global steel prices.

Flat products account for just over half of France's steel imports in YTD 2018 — a total of 4 million metric tons. Long products accounted for 23 percent of imports (1.8 million metric tons), followed by semi-finished products at 10 percent (809 thousand metric tons), and stainless products at 8 percent (609 thousand metric tons).

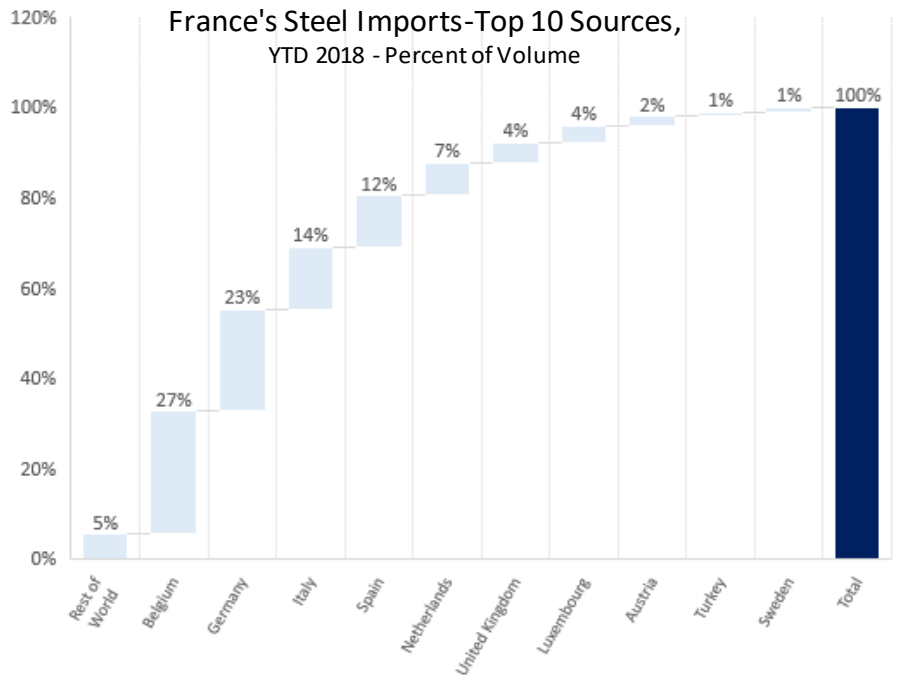


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Imports by Top Source

The top 10 source countries for France's steel imports represented 95 percent of the total steel import volume in YTD 2018 at 7.5 million metric tons (mmt). Belgium accounted for the largest share of France's imports by source country with 27 percent (2.2 mmt), followed by Germany at 23 percent (1.8 mmt), Italy at 14 percent (1.1 mmt), Spain at 12 percent (0.9 mmt), and the Netherlands at 7 percent (0.6 mmt).

The United States ranked 29th as a source for France's steel imports, representing just 0.04 percent of imports (3.5 thousand metric tons) in YTD 2018.



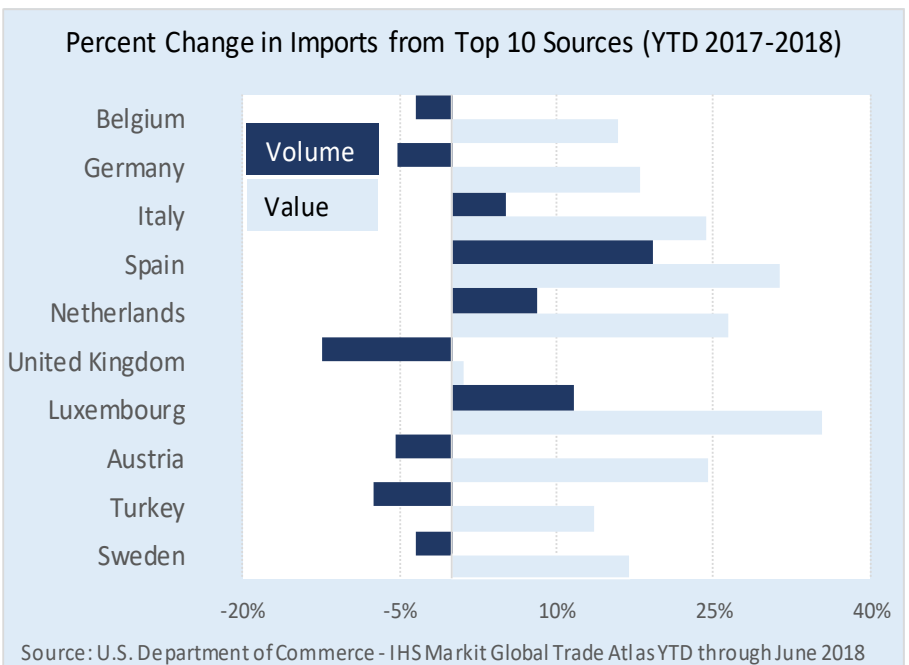
Source: U.S. Department of Commerce - IHS Markit Global Trade Atlas - YTD through June 2018

Trends in Imports from Top Sources

The volume of France's steel imports increased from four of France's top 10 steel import sources between YTD 2017 and YTD 2018. Imports from Spain showed the largest increase in YTD 2018, up 19 percent by volume, followed by France's imports from Luxembourg (+12%), the Netherlands (+8%), and Italy (+5%). Imports from the United Kingdom, Turkey, Austria, Germany, Belgium, and Sweden all decreased in volume in YTD 2018 — down 12 percent, 7 percent, 5 percent, 5 percent, 4 percent, and 3 percent, respectively.

France's imports in value terms increased from all of its top 10 sources with the largest increases from Luxembourg (+35%), Spain (+31%), the Netherlands (+26%), Italy (+24%), Austria, (+24%), Germany (+18%), Sweden (+17%), Belgium (+16%), and the United Kingdom (+1%).

Outside the top 10 markets, other notable changes in France's import volume included imports from 12th-ranked Poland (-59%), 16th-ranked Brazil (-60%), 22nd-ranked Vietnam (+21,277%), and 26th-ranked Iran (+969,256%),



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

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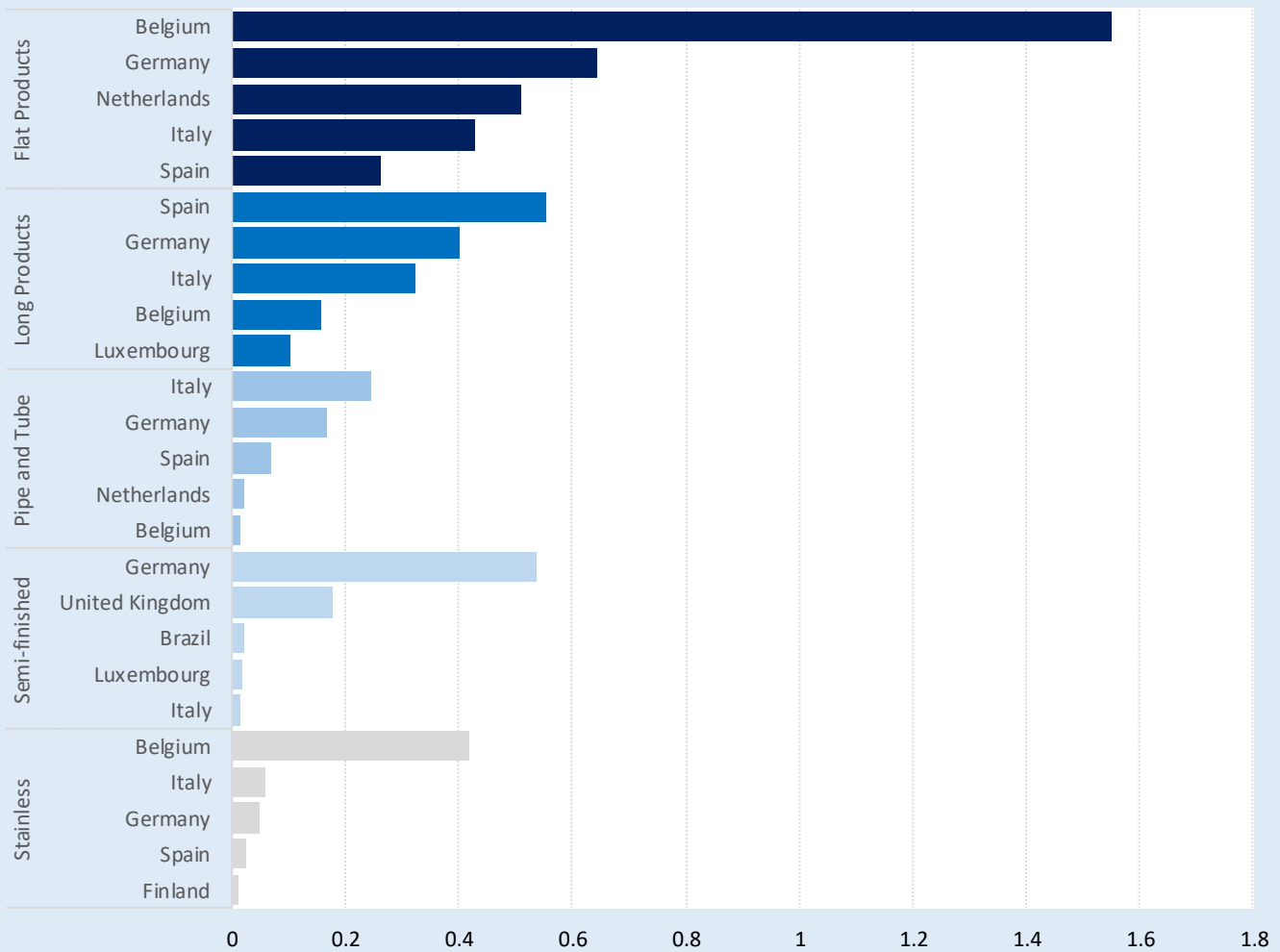
Top Sources by Steel Product Category

The top source countries for France’s imports by volume vary across types of steel products. In YTD 2018, Belgium was the largest source of both France’s imports of flat products at 38 percent (1.6 million metric tons) and stainless products at 69 percent (417 thousand metric tons).

Spain represented the largest source of France’s long product imports at 31 percent (552 thousand metric tons), while Italy represented the largest source of pipe and tube imports at 40 percent (246 thousand metric tons). Germany represented the largest source of France’s semi-finished steel imports at 66 percent in YTD 2018 (536 thousand metric tons).

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

France'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: France

France's Export Market Share from Top Source Countries

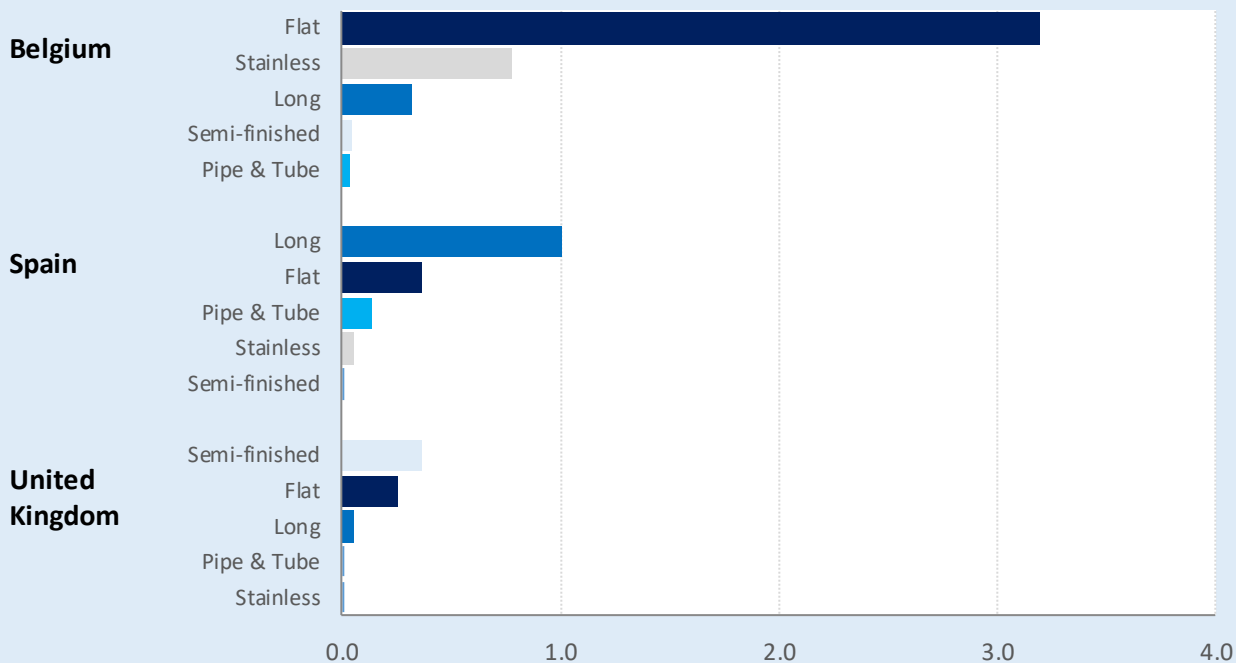
In 2017, the change in the share of steel exports sent to France from its top import sources was mixed, with six of ten import sources declining. The share of the Netherlands' steel exports to France showed the largest decrease (down 1.5 percentage points from 2016), followed by Poland (down 1.45 percentage points). The share of exports to France from Belgium, Germany, Italy, and Austria decreased by less than one percent each. The share of the United Kingdom's exports to France increased the most (up 2.6 percentage points), followed by Spain (up 2.5 percentage points).

France's Steel Export Market Share						
Top 10 Import Sources	Share of Exports to France - 2016	France's Rank in 2016	Share of Exports to France - 2017	France's Rank in 2017	Change in Share	
Belgium	25.1%	2	24.2%	2	↓	
Germany	13.7%	1	13.2%	1	↓	
Italy	10.7%	2	10.6%	2	↓	
Spain	15.7%	1	18.2%	1	↑	
Netherlands	9.2%	3	7.7%	3	↓	
United Kingdom	13.4%	1	16.0%	1	↑	
Luxembourg	9.9%	3	10.2%	2	↑	
Austria	3.3%	6	3.1%	8	↓	
Sweden	3.2%	11	3.5%	11	↑	
Poland	4.1%	7	2.6%	7	↓	

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

Among France's top import sources, Belgium, Spain and the United Kingdom sent the largest shares of their total steel exports to France in 2017. Flat products accounted for the largest share of Belgium's steel exports to France at 73 percent (3.2 mmt). Long products accounted for the largest share of Spain's steel exports to France at 64 percent (1 mmt), and semi-finished steel comprised the largest share of the UK's steel exports to France at 53 percent (364 thousand metric tons).

Steel Import Composition of Top Market-Share Countries-2017

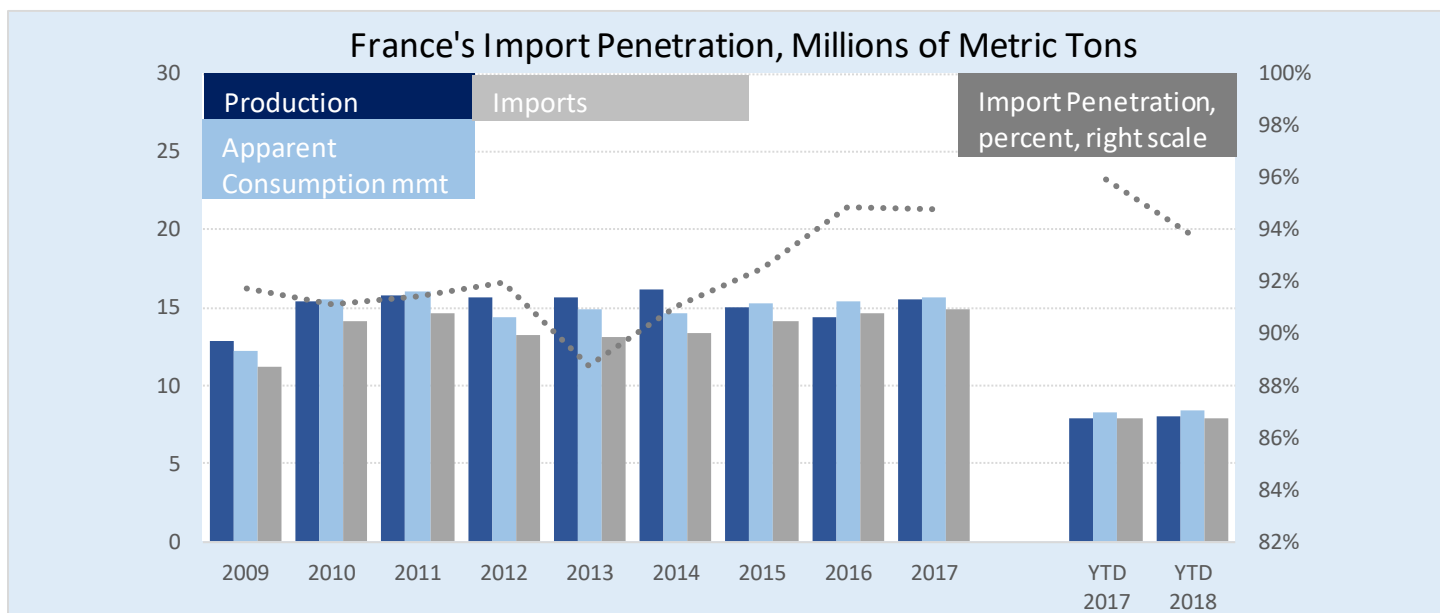


Source: IHS Markit Global Trade Atlas, based on import data per reporting country

Millions of Metric Tons

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Overall Production and Import Penetration



	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2017	YTD 2018
Production	12.8	15.4	15.8	15.6	15.7	16.1	15.0	14.4	15.5	7.9	8.0
Apparent Consumption	12.2	15.5	16.1	14.3	14.8	14.7	15.2	15.4	15.7	8.3	8.4
Imports	11.2	14.1	14.7	13.2	13.2	13.4	14.1	14.6	14.9	7.9	7.9
Import Penetration	91.7%	91.1%	91.4%	91.9%	88.8%	91.0%	92.5%	94.8%	94.8%	95.9%	93.8%

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

France's crude steel production increased fairly steadily between 2009 and 2014 before declining in 2015 and 2016. In 2017, France's crude steel production increased 8 percent to 15.5 million metric tons, up from 14.4 million metric tons in 2016. In YTD 2018, production was up 1 percent compared to YTD 2017. Apparent consumption (a measure of steel demand) has tracked relatively closely to production, though it exceeded production in 2017 by slightly less than 200 thousand metric tons, and has continued to slightly outpace production in YTD 2018. France's level of import penetration gradually increased between 2013 and 2017. In YTD 2018, import penetration decreased to 93.8 percent, down from 95.9 percent in YTD 2017.

Top Producers

France's steel production is heavily concentrated among a handful domestic and foreign-owned companies and is dominated by ArcelorMittal, a leading player in the global steel market and the country's largest producer with estimated production capacity of 10 million metric tons.

France's Top Steel Producers in 2017			
Rank	Company	Production (mmt)	Main Products
1	ArcelorMittal	10.0	Slab, hot-rolled coil, sheets, galvanized, bars
2	Riva Acier	2.6 (est. capacity)	Billets, bars, rebar, wire, wire rod
3	CELSA	0.6	Billets
4	Vallourec	N/A	Pipe and tube, bars, stainless
5	Eramet (Aubert & Duval)	N/A	Semi-finished, bars, sheets, coils

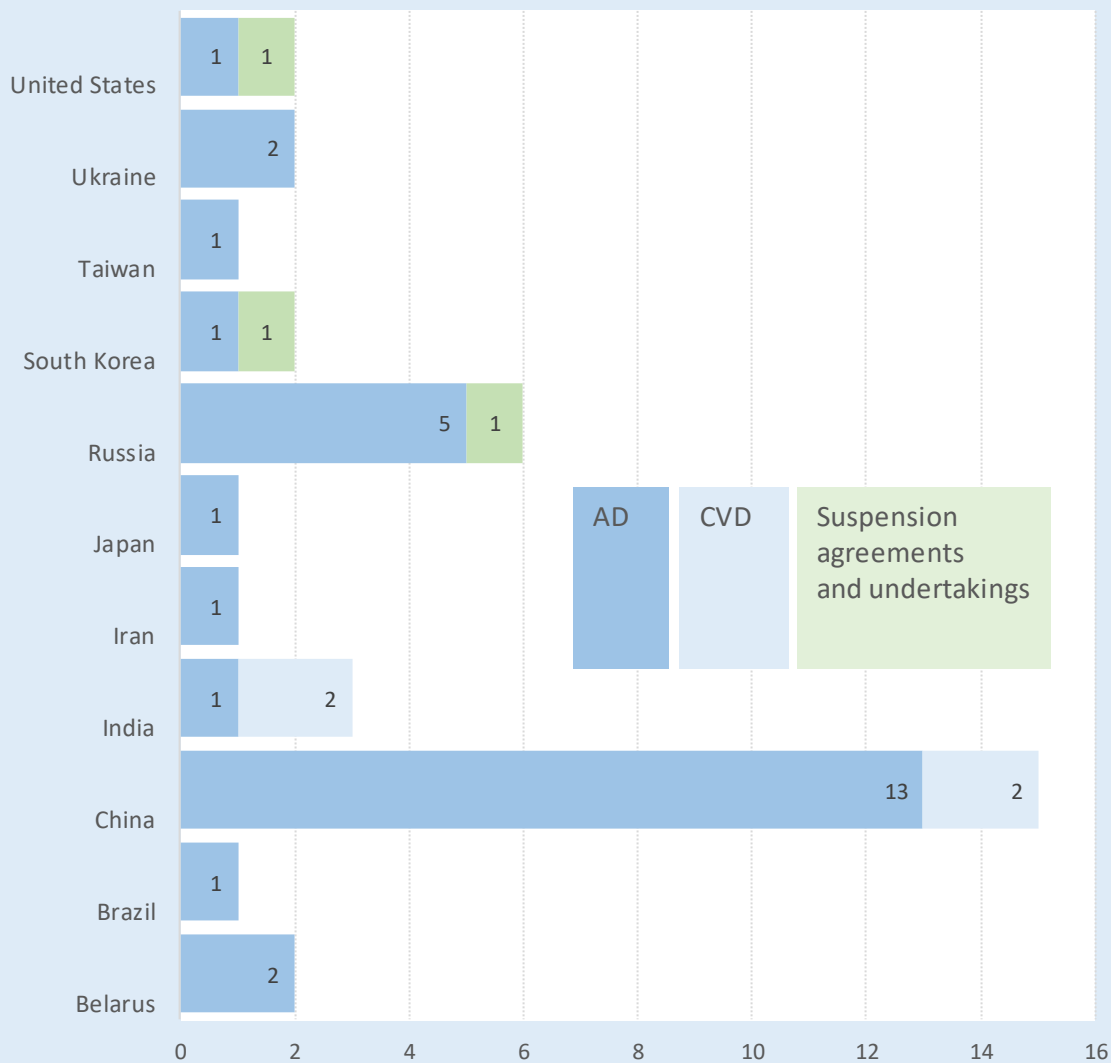
Source: Bloomberg; Company websites *Denotes foreign-owned producer

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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 table below provides statistics on the current number of trade remedies the European Union, which includes France, has against imports of steel mill products from various countries. The European Union has no steel mill safeguards in effect.

France'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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